

County of Monterey

State of California



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

Prepared and Submitted by the Office of the Auditor-Controller
Rupa Shah, CPA

Palo Corona Regional Park

Palo Corona Regional Park is one of Central Coast California's most significant undeveloped open spaces. In the largest land conservation project in Monterey County history, The Nature Conservancy, The Big Sur Land Trust, State of California (through several of its agencies), and Monterey Peninsula Regional Park District partnered to acquire the 10,000-acre Palo Corona Ranch. The acquisition was finalized in 2004.

The 10,000-acre ranch was then divided between the State Department of Fish & Game and The Park District to be protected as public conservation and Parkland in perpetuity. The State Department of Fish & Game added the southern 5,500 acres of the former ranch to its existing 640-acre Joshua Creek Ecological Preserve (Preserve). The Park District created the new Palo Corona Regional Park (Park) with the northern 4,350 acres of the former ranch.

The Park stretches for about 10 miles in length, across more than 4,500 sprawling acres of rugged, spectacular country that boasts an extraordinary mix of ecosystems and wildlife species. The Park established a critical environmental link in a protected seventy-mile long wild land corridor that begins at the Carmel River and extends southward to the Hearst Ranch in San Luis Obispo County.

The Park connects 9 previously protected conservation properties preserved for their biological, recreation and scenic values, including: Garrapata State Park, Joshua Creek Ecological Preserve, Mitteldorf Preserve, Glen Deven Ranch, Point Lobos State Reserve, Santa Lucia Conservancy lands, and the Ventana Wilderness.

Within the Park, there are over 500 species of plants occurring in diverse habitats from the Carmel River to the mixed hardwood forest that crown's the 3,000-foot Palo Corona Peak. The Park's grassland ecosystem supports some of the highest numbers of individual grass and wildflower species found anywhere along California's central coast.

Beginning at near sea level and rising to over 3,400 feet in elevation, the Park provides an incredibly diverse wildlife habitat. The Park is permanent habitat to coastal trout, and steelhead fisheries occur in perennial creeks with rare amphibians, including the California red-legged frog and tiger salamander. The federally endangered Smith's blue butterfly occurs in the acres of buckwheat, and a variety of fully protected raptors nest and forage throughout the forest and grasslands. Deer, mountain lion, bobcat, golden eagle and California condor range over the Park, where several unusual birds such as mountain quail and horned larks are known to reside.

Palo Corona Regional Park maintains picnic areas, several trails, and a bike trail. With the help of The Trust for Public Land, Santa Lucia Conservancy and Trout Unlimited, the Monterey Peninsula Regional Park District acquired the former Rancho Cañada Golf Course – permanently protecting the land and water, while keeping the area open to recreation. The Discovery Center highlights the historic lands of the Carmel River Watershed and features exhibits of the land, nature, and people of the area. View a life-sized replica of a California condor and an authentic handmade tule boat.

Go to mprpd.org/palo-corona-regional-park for more information.

Cover Photograph: Maria Papurello, Admin. Services Officer, Office of the Auditor-Controller

**COUNTY OF MONTEREY
STATE OF CALIFORNIA**

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

Prepared and Submitted by the Office of the Auditor-Controller
Rupa Shah, CPA



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COUNTY OF MONTEREY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2020

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INTRODUCTORY SECTION



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MONTEREY COUNTY

AUDITOR - CONTROLLER

(831) 755-5040 • FAX (831) 755-5098 • P.O. BOX 390 • SALINAS, CALIFORNIA 93902

RUPA SHAH, CPA
AUDITOR-CONTROLLER



March 3, 2021

To the Honorable Members of the Board of Supervisors
and the Citizens of Monterey County:

The Comprehensive Annual Financial Report (CAFR) of the County of Monterey (County) for the fiscal year ended June 30, 2020, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework it established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than an absolute, assurance that the financial statements are free of any material misstatements.

The independent auditor's report is located at the front of the financial section of this report. CliftonLarsonAllen LLP has issued an unmodified ("clean") opinion on the County's financial statements for the year ended June 30, 2020. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Overview of the County

History and Geography: Monterey, described as the "greatest meeting of land and sea," celebrated its quadricentennial in 2002. In 1602, Spanish merchant Sebastian Vizcaino became the first European on the Monterey Peninsula. He christened Monterey after the viceroy of New Spain, Count de Monte Rey. Eventually, the City of Monterey served as California's first capital, where the State constitution was signed in 1849. Monterey County is one of the 27 original California counties, incorporated in 1850.

With an area of about 3,300 square miles, the County of Monterey borders the Pacific Ocean almost at the midpoint of California with 99 miles of coastline. The County is located about 100 miles south of San Francisco and 240 miles north of Los Angeles. It is bordered by Santa Cruz County to the north, San Benito (originally part of Monterey County), Fresno and Kings Counties to the east, and San Luis Obispo County to the south.

There are two distinct sub-regions in the County. One is the Monterey Peninsula, world famous for beautiful ocean views, opulent homes, the 17-mile drive, delicious seafood, and world-class golf courses. The other, the Salinas Valley, is equally renowned as an area full of fertile farmland, running almost the entire length of the County and is one of the world's major vegetable producing areas.

The County also benefits from two wilderness areas set aside for recreational enjoyment, consisting of 468,538 total acres. The Los Padres National Forest has 304,035 acres and the Ventana Wilderness totals 164,503 acres.

Structure: The County is a general law county. The County government is comprised of ten elected officials, including a five-member Board of Supervisors, the Assessor-Clerk-Recorder, the Auditor-Controller, the District Attorney, the Sheriff, and the Treasurer-Tax Collector; all elected to four-year terms. A County Administrative Officer is appointed by the Board of Supervisors and functions as the Chief Executive Officer. The accounts of the County are organized on the basis of funds, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues and expenditures or expenses as appropriate. Government resources

are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which the spending activities are controlled.

Services: The County government provides a full range of public services, including public safety, roads and facilities, social services, administrative services, health services, sanitation services, and leisure services. Typically, the department heads who run these operations, other than the elected department heads, report to the County Administrative Officer.

Population: The County population has demonstrated consistent growth over the past decade. As of January 2020, the County had a population of approximately 442,000. About 98% of the 3,300 square miles in the County are outside of a municipality, with about 24% of the residents living in these unincorporated areas. The City of Salinas serves as the County seat and is the County's largest city, with a population of approximately 163,000. The eleven other incorporated cities are Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Sand City, Seaside, and Soledad.

Component Units

This report includes all the funds of the County of Monterey and the entities described in Note 1 of the Notes. Although all these entities are legally separate from the County, the County Board of Supervisors serve as the governing board of each entity (except for Monterey County Children and Families Commission), and the entities meet the test required by GAAP to be presented as blended and discretely presented component units in the County Financial Statements. In addition, individual financial statements are available for some of the component units and can be obtained by contacting the Office of the Auditor-Controller of the County of Monterey.

Budgetary Process

The annual budget serves as the foundation for the County's financial planning and control of expenditures. The County is required by State law to adopt a balanced budget by October 2 of each fiscal year. The Board of Supervisors generally holds its public hearings on the recommended budget and adopts a budget before June 30 each year.

Budgets are adopted for all governmental and proprietary funds. Budgets are adopted through the passage of resolutions by the Board of Supervisors. These resolutions set the County's limits on expenditures, which cannot be changed except by subsequent amendments to the budget. The legal level of budgetary control is at the Department Budget Unit level.

Encumbrance accounting is utilized during the year for budget control purposes. Unspent encumbered budget appropriations lapse at the end of the fiscal year. Board of Supervisors policy requires re-appropriation of carryover capital improvement projects on an annual basis after review of each project status.

Budget appropriation transfers and amendments are used to appropriate new expenditures, unanticipated revenues or to transfer existing appropriations from one budget unit to another. Transfers and amendments must be approved by the Board of Supervisors.

FACTORS AFFECTING FINANCIAL CONDITION

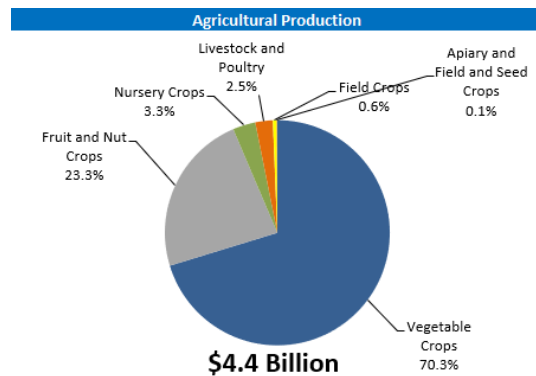
State Government

The County is a political subdivision of the State of California, and as such, its government is subject to State subventions and regulations. Therefore, the County's financial health is tied closely to the financial condition of the State government. The County cannot predict whether the State will encounter budgetary difficulties in the current or future fiscal years. The County also cannot predict the impact future budgets will have on the County's finances and operations. Current and the future State budget will be affected by national and State economic conditions and other factors outside County's control.

Local Economy

Monterey County's economy is primarily based on agribusiness in the Salinas Valley, tourism in the coastal regions, government and non-profit sectors. The trade, transportation, and utilities group continue to become a larger part of the Monterey County economy.

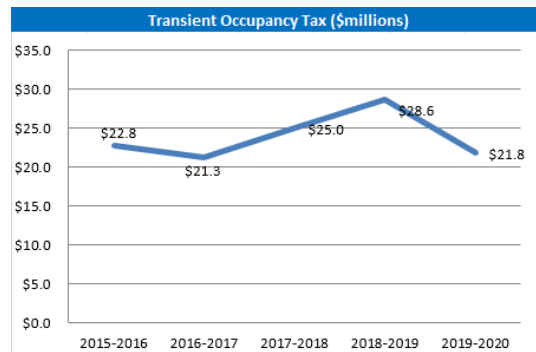
Agribusiness: Agribusiness continues to be Monterey County's largest industry and remains the fourth highest among agricultural counties in California. The agriculture industry and related supporting industries provide more than 76,000 full-time jobs to the region, representing more than one in four jobs in Monterey County. Crop values fluctuate yearly based on production, market, and weather conditions. Monterey County's total production surpasses over twenty other states, with a total economic impact of agricultural production exceeding \$4 billion annually since 2012. According to the County's Agricultural Commissioner, the 2019 Crop Report reflects a production value of \$4.41 billion for Monterey County, an increase of 3.5% from the prior year.



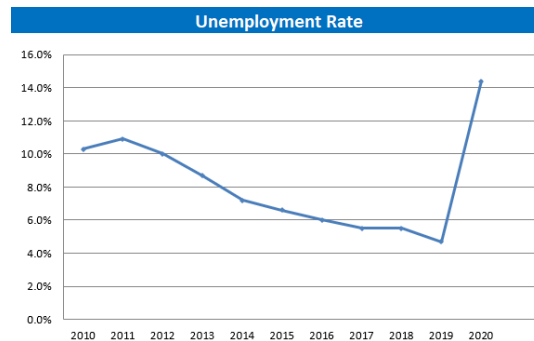
Tourism: Over halfway through the fiscal year, the nation faced an unexpected pandemic and the economic impacts in Monterey County were profound. On March 13, 2020, a presidential emergency was declared due to the ongoing Coronavirus Disease 2019 (COVID-19) pandemic. As a result of the efforts to contain the disease and slow transmissions, the Health Officer of Monterey County, imposed a shelter-in-place order on March 17, 2020 that required the closure of all non-essential businesses and limitations of social interactions. Monterey County's second-largest industry, tourism, was hit especially hard.

decrease of 7% over FY2016, attributable to the Soberanes fire and storm-related road damages in the Big Sur area. In FY2020, the COVID-19 pandemic rapidly and severely affected Monterey County's tourism industry. As a result, during the first 90 days of the pandemic Monterey County had an estimated loss of \$500 million, as well as lay-offs of more than half the 27,000 hospitality jobs that tourism contributes. TOT revenues for FY2020 were \$21.8 million, a decrease of 27.2% over the prior year.

Tourism in Monterey County is a \$3.2 billion-dollar industry and is second only to Agribusiness. Tourism also has contributed more than 27,000 jobs to the local economy. Monterey County's second-largest source of discretionary revenue is Transient Occupancy Tax (TOT). Often referred to as "hotel tax," TOT is the tax applied on hotel/motel accommodations. The TOT rate for Monterey County is 10.5%. Tourism was reflecting an upward trend in Monterey County, with exceptions for Fiscal Years (FY) 2017 and 2020. In FY2017, County revenues from TOT were \$21 million, a



Employment: The County's unemployment rate reflects a significant increase, as shown in the graph, consistent with State and national trends due to the pandemic. Closure of non-essential businesses and a significant decrease in economic activity had an adverse impact on employment and job growth. The County normally experiences periods of relatively high unemployment as the agribusiness moves from one season to the next. According to the State Employment Development Department reports, the unemployment rate in Monterey County was 14.4% as of June 2020, an increase of 9.7% compared to the year-ago rate of 4.7%. The state average unemployment rate as of June 2020 was 14.9%.



Real Estate / Housing: The median sales price for homes in Monterey County has steadily increased over the years. According to the California Association of Realtors, the median home sales price for single-family homes in Monterey County was \$740,000 as of June 2020. The median sales price has increased approximately 15.5% from last year. Tight inventory, low-interest rates, and an influx of remote workers from high-priced areas north of the Monterey Bay area are a few of the reasons driving demand despite the COVID-19 pandemic. Inventory for single-family, re-sale homes has decreased approximately 22.7% from last year.

Long-Term Financial Planning

Three-Year Financial Forecast: In order to provide County policy-makers and the public an updated assessment of the County's financial conditions, the County Administrative Office develops an annual Three-Year Financial Forecast. This report considers the latest economic developments and includes a historical perspective on General Fund revenues and expenditures, an updated current year estimate, and a three-year financial outlook.

Capital Improvement Program (Five-Year-Plan): The Capital Improvement Program budgets for the implementation of capital investments and incorporates its impact on the operating budget, which includes design, construction, equipment, land purchases, and project administration. The program includes projects where costs exceed \$100,000, are non-recurring, and have an estimated useful life of five years or more. Additionally, the program assists in measuring debt financing requirements for the County and serves as a platform for identifying needs, related costs, and funding sources.

Debt Administration: The County maintains a Debt Advisory committee. The members of the committee are Auditor-Controller, Treasurer-Tax Collector and the County Administrative Officer. The committee provides analyses and recommendations for new county debt issuances and related policies. The County uses the Sympro Debt Management System to monitor and manage the debt for the County, schools, and special districts.

County Debt Obligations: In December 2019, the County issued 2019 Certificates of Participation (Public Facilities Refinancing) in the amount of \$29 million to refund all of the outstanding 2009 and 2010 Certificates of Participation of Natividad Medical Center. As a result of this refunding, the County reduced total debt service requirements over the next nine years by approximately \$3.7 million, which resulted in net present value savings of approximately \$3.6 million.

Credit Ratings: The County utilizes all three rating agencies to provide credit ratings, as needed for both long- and short-term issuances. The County's long-term bond issuances are subject to a follow-up review every two years. In November 2019, Standard & Poor's upgraded the County's General Obligation (GO) rating to AAA, which is the highest rating a public agency can achieve, indicating the County has the highest credit quality and lower levels of credit risk. This achievement was made possible through robust management of the County's resources, including adherence to strong financial policies and practices. Additionally, the County's rating for Lease Obligation Bonds (COPs) was upgraded to AA+ from AA.

Currently, the ratings for County issued debt are as follows:

| | | Fitch Rating/Outlook | Moody's Rating/Outlook | S&P Rating/Outlook |
|-------------------------------|-------------------|-------------------------|---------------------------|-----------------------|
| General Bonds | Obligation | AA+ /Stable | Aa2 Implied | AAA/Stable |
| Lease Bonds (COPs) | Obligation | AA/Stable | Aa3 Stable | AA+/Stable |

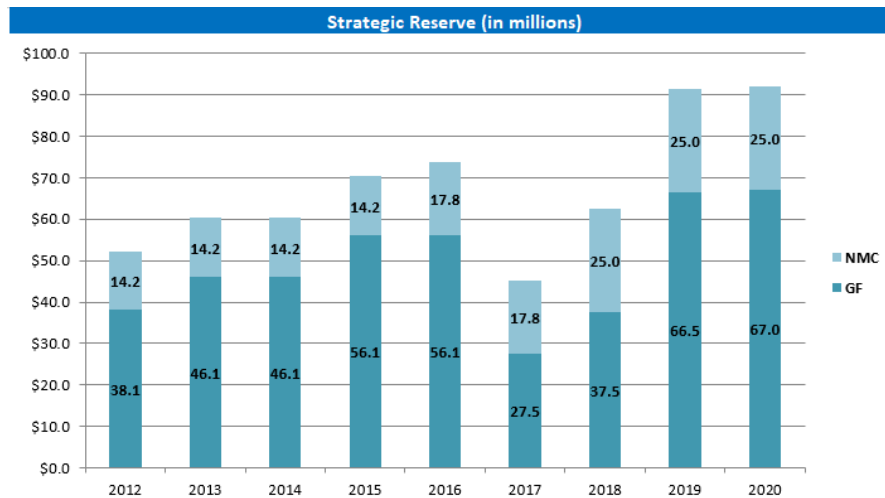
The County continues developing strategies to aggressively improve the efficiencies and effectiveness of operations and capitalize on these re-engineering efforts to improve its finances.

Relevant Financial Policies

Debt Management Policy: The debt management policy sets forth certain debt management objectives for the County and establishes overall parameters for issuing and administering the County's debt. The policy allows for issuance of long-term debt to finance major capital improvements. The County carefully assess capital improvement priorities, capital costs, annual debt service capacity, and annual operating and maintenance costs on scheduled improvements in advance of deciding to incur indebtedness.

Investment Management Policy: The Commingled Pool, the County's pooled deposits and investments, are governed by California Government Code and by a County investment policy. The policy is reviewed annually by the Treasury Oversight Committee and approved annually by the Board of Supervisors. The County's investment policy stipulates, among other things, approved investment categories, maturity limits, and credit rating minimums for County investments.

Strategic Reserve Policy: Under this policy, the County will commit a portion of the General Fund *fund* balance as a strategic reserve to provide the County with sufficient working capital and be used to fund settlement of legal judgments against the County in excess of reserves normally designated for litigation, for short-term revenue reductions due to economic downturns, for natural disasters as determined by the County Administrative Officer or Board, and for one-time-only state budget reductions that could not be addressed through the annual appropriations for contingencies in the General Fund. The goal of the County is to maintain a strategic reserve equal to ten percent (10%) of the General Fund estimated revenues. The Natividad Medical Center (NMC) strategic reserve designation, established in 2011, is a sub-designation of the General Fund strategic reserve. During the fiscal year 2020, the County continued increasing its reserves by adding \$0.5 million to the Strategic Reserve, reaching the 10.0% funding goal of estimated general fund revenues set by Board policy. As of June 30, 2020, the Strategic Reserve balance was \$92 million – consisting of a General Fund Strategic Reserve at \$67 million and an NMC Strategic Reserve at \$25 million (funded from unrestricted NMC net position money to be used only for NMC purposes).



ADDITIONAL AVAILABLE INFORMATION

Copies of this CAFR, the County Final Budgets, the Tax Rate Books, and other documents are available on the internet, www.co.monterey.ca.us/auditor.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Financial Reporting Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the County of Monterey for its CAFR for the fiscal year ended June 30, 2019. This is the 15th consecutive year that the County has received this award. The Certificate of Achievement is a prestigious award recognizing conformance with the highest standards for the preparation of state and local government financial reports. It is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards and satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

GFOA Budget Presentation Award

The GFOA presented an award for Distinguished Budget Presentation to the County of Monterey for the annual budget for the fiscal year beginning July 1, 2019. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operational guide, as a financial plan, and as a communication device.

The award is valid for a period of one year. The County Administrative Office's Budget and Analysis Division believes the current budget continues to conform to program requirements, and the County is submitting it to GFOA to determine its eligibility for another award.

Acknowledgments

I extend my thanks to my staff in the Auditor-Controller's Office, who have performed above and beyond the call of duty, making many significant improvements to this CAFR and the reporting function in general. I also wish to thank the Budget Office staff and all the departments and agencies that contributed financial information to this report and CLA, LLP for their dedication and hard work. I also thank the Board of Supervisors for their support in planning and conducting the County of Monterey's financial operations in a responsible and progressive manner.

Respectfully Submitted:



Rupa Shah, CPA
Auditor-Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Monterey
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

COUNTY OF MONTEREY
DIRECTORY OF COUNTY OFFICIALS

June 30, 2020

Legislative Branch:

Board of Supervisors

| | | |
|------------------|----|------------------|
| District #1... | .. | Luis A. Alejo |
| District #2. | | John M. Phillips |
| District #3..... | .. | Chris M. Lopez |
| District #4..... | .. | Jane Parker |
| District #5..... | .. | Mary L. Adams |

Elected County Officials:

| | | |
|----------------------------------|----|--------------------|
| Assessor – County Clerk-Recorder | .. | Stephen L. Vagnini |
| Auditor-Controller..... | | Rupa Shah, CPA |
| District Attorney..... | | Jeannine Pacioni |
| Sheriff-Coroner..... | .. | Steve Bernal |
| Treasurer-Tax Collector.... | | Mary A. Zeeb |

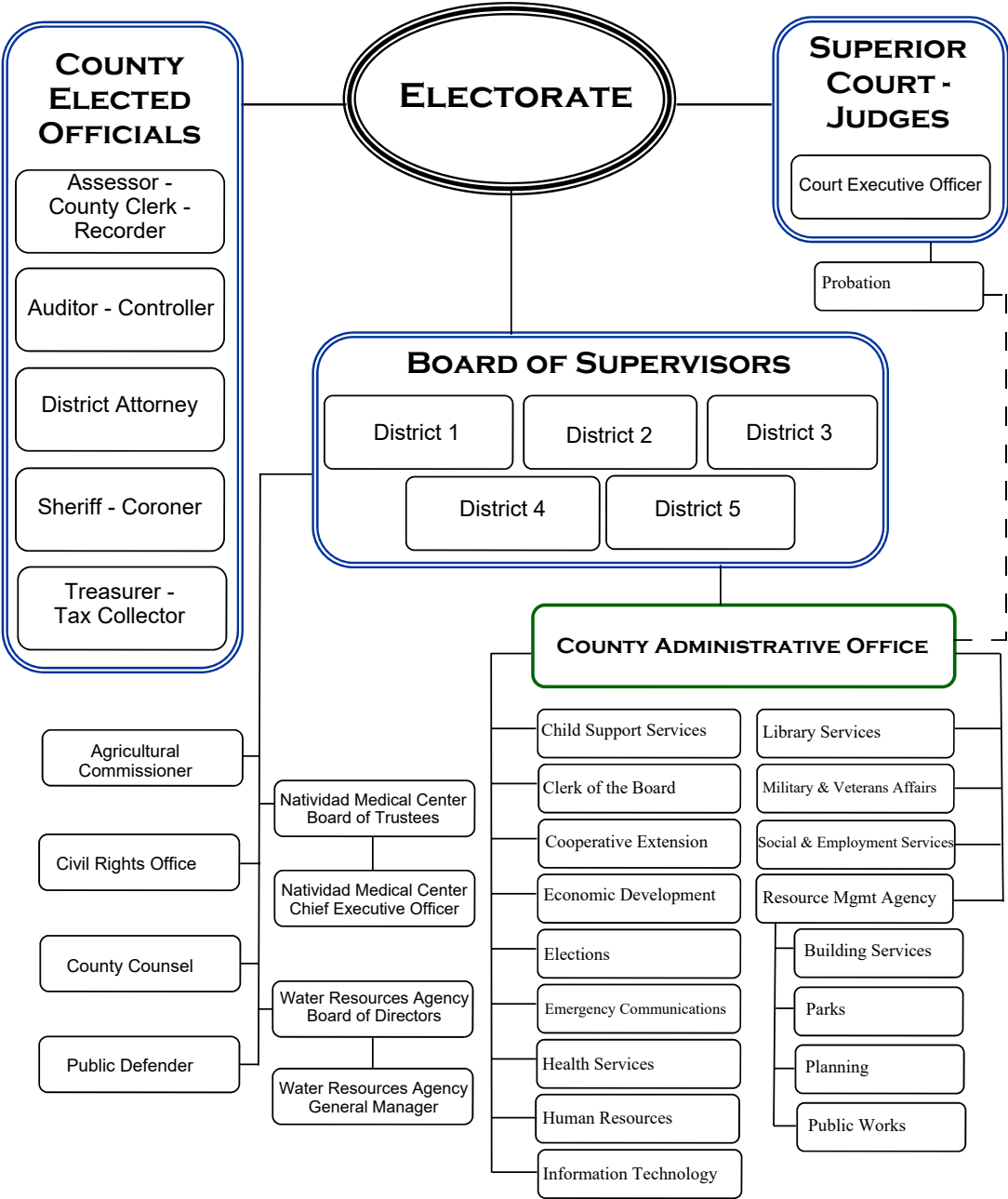
Appointed Department Heads & Agency Officials:

| | | |
|---|-------|-------------------------|
| County Administrative Officer | .. | Charles J. McKee |
| Agricultural Commissioner..... | | Henry S. Gonzales |
| Child Support Services Director | .. | Darrel McGowan (Acting) |
| Clerk of the Board..... | .. | Valerie Ralph |
| Cooperative Extension Director | .. | Maria de la Fuente |
| County Counsel. | .. | Leslie J. Girard |
| County Librarian.... | .. | Hillary Theyer |
| Economic Development Coordinator | .. | Anastacia Wyatt |
| Emergency Communications Director. | .. | Lee Ann Magoski |
| Civil Rights Officer | .. | Juan P. Rodriguez |
| Health Services Director, Public Administrator..... | | Elsa M. Jimenez |
| Human Resources..... | | Irma Ramirez-Bough |
| Information Technology Director. | | Eric A. Chatham |
| Military and Veterans' Affairs Officer. | .. | Jason Cameron |
| Natividad Medical Center Chief Executive Officer.. | .. | Dr. Gary Gray |
| Public Defender..... | | Susan Chapman |
| Registrar of Voters | | Claudio Valenzuela |
| Resource Management Agency Director.. | | Carl Holm (DBE Liaison) |
| Social & Employment Services Director | | Lori Medina |
| Water Resources Agency General Manager | | Brent Buche |

Appointed by Superior Court:

| | | |
|-------------------------|----|-----------------------|
| Chief Probation Officer | .. | Todd Keating (Acting) |
|-------------------------|----|-----------------------|

COUNTY OF MONTEREY ORGANIZATIONAL STRUCTURE





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Financial Section



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CliftonLarsonAllen LLP
CLAAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Supervisors
County of Monterey, 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 Monterey, California (County), as of and for the year ended June 30, 2020, 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Monterey County Children and Families Commission, which represent 100 percent of the assets, net position, and revenues of 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 discretely presented component unit, 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. 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, 2020, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General, Behavioral Health and Road Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 21 to the basic financial statements, prior period adjustments were recorded for the correction of errors in the prior year financial statements. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net OPEB liability and related ratios, schedule of OPEB contributions, schedule of changes in net pension liability and related ratios, schedule of proportionate share of the net pension liability, and the schedule of pension contributions, as listed in the table of contents, 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 of Monterey's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Board of Supervisors
County of Monterey, California

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate 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 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Roseville, California
March 3, 2021



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COUNTY OF MONTEREY

Management Discussion and Analysis

The information in this section is not covered by the Independent Auditors' Report, but is presented as required supplementary information for the benefit of the readers of the CAFR.

As management of the County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's Basic Financial Statements, which immediately follow this section. All amounts, unless otherwise indicated, are expressed in millions.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflow of resources at the close of the fiscal year by \$947.4 (net position). Of this amount, \$(216.1) represents unrestricted net position. Restricted net position of \$296.9 represents resources that are subject to external restrictions on their use and are available to meet the County's ongoing obligations related to programs with external restrictions. The remaining \$866.6 represents the County's investment in capital assets, less any related outstanding debt used to acquire those assets (net investment in capital assets). These capital assets are used to provide services to citizens and are not available for future spending. (See Table 1 – Net Position.)
- The County's total net position increased by \$70.5 during the current fiscal year. The increase in net position represents the degree to which revenues exceeded expenses, an indication that the financial position of the County is improving. In addition, there was a prior year adjustment of \$58.6 million that effected the beginning net position. (See Table 1 – Net Position and Table 2 – Change in Net Position.)
- As of June 30, 2020, the County's governmental funds reported total ending fund balances of \$507.4. Ending fund balance increased by \$58.8 primarily due to the \$52.6 excess of revenues over expenditures. The remaining increase of \$6.2 was the result of transfers in over transfers out. Of the total fund balance amount, \$95.7, or 18.9% is limited in how the resources can be used (assigned fund balance). The Board of Supervisors self-imposed limitations of the use of \$129.0, or 25.4% of fund balance for future plans, projects, and purposes such as those identified in the strategic reserve policy for economic uncertainties, natural disasters, and legal settlements (committed fund balance). Approximately \$280.5, or 55.3% is restricted by legislative code, grants, or debt instruments (restricted fund balance). Inventories & prepaid items that are (1) not in spendable form, or (2) legally or contractually required to be maintained intact make up \$2.0, or 0.4% of fund balance (nonspendable fund balance). The remaining \$0.3, or 0.1% is available for future spending and is not constrained by either outside parties or the County's legislative body (unassigned fund balance). (See further discussion in Financial Analysis of the County's Funds beginning on page 11).
- At the end of the fiscal year 2019-20, the General Fund unassigned fund balance decreased by \$2.1 to \$0.3 from the prior year unassigned fund balance. The decrease was due to the use of unrestricted funds for expenditures not meeting the restrictions of the revenues contributing to the increase in fund balance. Commitments increased by \$0.5 to \$92.0. The increase was entirely attributable to transfers to the Strategic Reserve by the General Fund. The assigned fund balance of \$88.0 is an increase of \$6.5 from the prior year assigned fund balance, as discussed above. The restricted fund balance increased \$0.8 to \$30.0 due to the amount of restricted revenues received exceeded the expenditures that met the requirements of the restrictions. The nonspendable fund balances (described above) reported \$1.9. (See further discussion in Financial Analysis of the County's Funds beginning on page 11).
- The total long-term debt for the current fiscal year decreased by \$14.6, or 6.0% due to the annual debt service payments and the amortization of premiums for Certificates of Participation. Also contributing to the decrease was the defeasance of the 2009 and the 2010 Refundings of Certificates of Participation. (See Table 4 – Long-Term Debt.)

COUNTY OF MONTEREY

Management Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the County's financial statements. The County's financial statements include three components:

- Governmentwide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

Government-wide Financial Statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business and are presented on a full accrual basis.

The *Statement of Net Position* presents information on all of the County's assets, liabilities, and deferred outflows/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.

$$\text{Net Position} = (\text{Assets} + \text{Deferred Outflow of Resources}) - (\text{Liabilities} + \text{Deferred Inflow of Resources})$$

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* (accrual basis of accounting). The statement reports items resulting in cash flows in future fiscal periods (e.g. uncollected taxes and earned, but unused, vacation leave) as revenues and expenses.

The *Governmentwide 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 grouped by function of the County include General Government, Public Safety and Protection, Public Ways and Facilities, Health and Sanitation, Public Assistance, Education, and Recreation and Cultural Services. The County has two business-type activities: Natividad Medical Center and the Parks and Lake Resort.

The government-wide financial statements include not only the County itself (known as the primary government), but also legally separate entities for which the County is financially accountable (known as component units). If a component unit's total debt is expected to be repaid entirely by the County, if the component unit provides services entirely to the County, or if the component unit has substantially the same governing board as the County and there is a financial benefit or burden relationship or County management has operational responsibility for a component unit, then the component will be classified as a blended component unit. If a component unit does not meet any of the preceding requirements it will be presented as a discrete component unit. A list of the County's blended component units can be found in Note 1 of the Notes to Financial Statements section. The County has one discretely presented component unit, the Monterey County Children and Families Commission.

The government-wide financial statements can be found on page 22 of this report.

Fund Financial Statements provide a narrower view of the County's finances. A fund is a grouping of related accounts that is 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. Fund financial statements provide a narrower view of the County's finances.

The funds of the County can be divided into three categories:

- Governmental Funds
- Proprietary Funds
- Fiduciary Funds

COUNTY OF MONTEREY

Management Discussion and Analysis

Governmental funds include general, special revenue, debt service, and capital project 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 fund 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 government'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 County'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 the government-wide financial statements in order to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains over 130 individual governmental funds. For financial reporting purposes, these funds have been combined into four groupings. The County segregates within the governmental funds the major funds: General Fund, Behavioral Health Fund, Road Fund, and Facility Master Plan Project and a grouping for all nonmajor 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 major funds according to the rules stated in Government Accounting Standards Board Statement No. 34 (GASB 34).

Other governmental funds (special revenue funds including various special districts governed by the County's governing Board, debt service funds, and capital projects funds) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements located in the Supplementary Information section of this report.

The County adopts an annual appropriated budget for all its operating funds. A budgetary comparison schedule has been provided for the General Fund, on page 29 to demonstrate performance against this budget. For individual fund budget comparisons for the Nonmajor Special Revenue, Capital Project and Debt Service funds please see the supplementary information schedules.

The governmental funds' financial statements can be found on pages 25 and 27 of this report.

Proprietary funds include both Internal Service and Enterprise Funds and are presented on a full accrual basis similar to government-wide financial statements.

Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County has four Internal Service Funds which are used to account for the general liability and workers' compensation insurance activities and other benefit programs. Because these services predominantly benefit governmental rather than business-type functions, they are included within governmental activities in the government-wide financial statements.

Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County maintains two Enterprise Funds to account for the County hospital (Natividad Medical Center) and Parks and Lake Resort activities.

The proprietary fund's financial statements can be found on pages 32 - 34 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds include investment trust, pension trust, and agency funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those 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.

The County maintains three different types of fiduciary funds. The Investment Trust Fund is used to report resources held in trust for legally separate entities' portion of cash in the Treasurer's Investment Pool. The Private Purpose Trust Fund is used to report resources held in trust for the former redevelopment agencies obligation retirement activities. Lastly, the Agency funds account for various local governments' assets.

The fiduciary funds' financial statements can be found on pages 37 and 38 of this report.

COUNTY OF MONTEREY

Management Discussion and Analysis

Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the Governmentwide and Fund Financial Statements.

The notes to financial statements can be found on pages 39 of this report.

Required Supplementary Information presents certain required supplementary information concerning the County's 1) net OPEB liability and OPEB contributions, 2) net pension liability and contributions schedules for pension benefits. Required supplementary information can be found on page 91 - 99 of this report.

Combining and individual fund statements and schedules provide information for nonmajor governmental funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 101 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. Other factors, such as market conditions, should be considered in measuring the County's overall financial position. The net position of the County was \$947.4 at the close of the current fiscal year (Table 1 – Net Position).

TABLE 1 - County of Monterey's Net Position (in millions)

| | Governmental Activities | | Business-type Activities | | Total | | Total |
|---|-------------------------|-----------------|--------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | Dollar Change |
| | | | | | | | |
| Current and Other Assets | \$ 776.1 | \$ 740.2 | \$ 257.9 | \$ 226.6 | \$ 1,034.0 | \$ 966.8 | \$ 67.2 |
| Capital Assets | 968.9 | 826.2 | 125.3 | 117.7 | 1,094.2 | 943.9 | 150.3 |
| Total Assets | 1,745.0 | 1,566.4 | 383.2 | 344.3 | 2,128.2 | 1,910.7 | 217.5 |
| Deferred Outflow from Debt Refunding | 0.4 | 2.1 | 0.2 | 2.6 | 0.6 | 4.7 | (4.1) |
| Deferred Outflows from Pensions | 110.8 | 113.8 | 32.1 | 33.9 | 142.9 | 147.7 | (4.8) |
| Deferred Outflows from OPEB | 8.3 | - | 2.3 | - | 10.6 | - | 10.6 |
| Total Deferred Outflows of Resources | 119.5 | 115.9 | 34.6 | 36.5 | 154.1 | 152.4 | 1.7 |
| Current and Other Liabilities | 93.4 | 98.7 | 91.5 | 64.1 | 184.9 | 162.8 | 22.1 |
| Long Term Liabilities | 934.2 | 879.5 | 194.6 | 194.1 | 1,128.8 | 1,073.6 | 55.2 |
| Total Liabilities | 1,027.6 | 978.2 | 286.1 | 258.2 | 1,313.7 | 1,236.4 | 77.3 |
| Deferred Inflows from Pensions | 15.6 | 18.4 | 3.9 | 8.0 | 19.5 | 26.4 | (6.9) |
| Deferred Inflows from Debt Refunding | 0.7 | - | 0.2 | - | 0.9 | - | 0.9 |
| Deferred Inflows from OPEB | 0.6 | - | 0.2 | - | 0.8 | - | 0.8 |
| Total Deferred Inflows of Resources | 16.9 | 18.4 | 4.3 | 8.0 | 21.2 | 26.4 | (5.2) |
| Net Investment in Capital Assets | 778.9 | 626.8 | 87.7 | 77.7 | 866.6 | 704.5 | 162.1 |
| Restricted | 296.1 | 229.2 | 0.8 | 0.8 | 296.9 | 230.0 | 66.9 |
| Unrestricted | (255.0) | (159.3) | 38.9 | 43.1 | (216.1) | (116.2) | (99.9) |
| Total Net Position | \$ 820.0 | \$ 696.7 | \$ 127.4 | \$ 121.6 | \$ 947.4 | \$ 818.3 | \$ 129.1 |

Net Investment in Capital Assets: The largest portion of the County's net position, \$866.6 or 91.5% reflects its net investment in capital assets, (land, buildings, roads, bridges, machinery and equipment) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used.

COUNTY OF MONTEREY

Management Discussion and Analysis

Restricted Net Position: The restricted component of the County's net position, \$296.9 or 31.3%, represents resources that are subject to constraints by either external creditors or government entities or by law through constitutional provisions or enabling legislation. The major restrictions on the County's net position are imposed by state and federal restrictions for allocations to areas such as: health and sanitation, recreation and culture, debt service, and housing and redevelopment. Restricted net position increased by \$66.9, or 29.1% as a result of unspent portion of the restricted resources being higher this fiscal year compared to the last fiscal year.

Unrestricted Net Position: The County's unrestricted net position balance of \$(216.1) is primarily the result of the County's unfunded pension and Other Postemployment Benefits (OPEB) liabilities. Unrestricted net position decreased by \$99.9 compared to prior year primarily due to decreases in unrestricted funding and effects of the pandemic. The overall decrease in unrestricted net position represents \$93.9 loss from governmental activities and \$4.2 loss from business-type activities.

TABLE 2 - County of Monterey's Changes in Net Position (in millions)

| | Governmental | | Business-Type | | Total | | Total | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| | Activities | | Activities | | Total | | Dollar | Percent |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | Change | Change |
| Revenues | | | | | | | | |
| Program Revenue: | | | | | | | | |
| Charges for Service | \$ 133.8 | \$ 133.2 | \$ 348.6 | \$ 368.6 | \$ 482.4 | \$ 501.8 | \$ (19.4) | -3.9 % |
| Operating Grants and Contributions | 472.3 | 442.3 | - | 0.1 | 472.3 | 442.4 | 29.9 | 6.8 % |
| Capital Grants and Contributions | 74.5 | 45.8 | - | - | 74.5 | 45.8 | 28.7 | 62.7 % |
| General Revenue: | | | | | | | | |
| Property Taxes | 175.3 | 170.4 | - | - | 175.3 | 170.4 | 4.9 | 2.9 % |
| Sales and Use Taxes | 18.7 | 23.7 | - | - | 18.7 | 23.7 | (5.0) | -21.1 % |
| Transient Occupancy Taxes | 21.8 | 28.6 | - | - | 21.8 | 28.6 | (6.8) | -23.8 % |
| Other Taxes | 34.6 | 29.7 | - | - | 34.6 | 29.7 | 4.9 | 16.5 % |
| Rent, Concessions, and Leases | 18.6 | 22.5 | - | - | 18.6 | 22.5 | (3.9) | -17.3 % |
| Unrestricted Interest and Investment Earnings | 10.8 | 8.7 | 4.5 | 4.6 | 15.3 | 13.3 | 2.0 | 15.0 % |
| Other Revenues | 0.4 | 1.0 | 0.7 | 0.7 | 1.1 | 1.7 | (0.6) | -35.3 % |
| Tobacco Settlement Revenues | 4.1 | 4.3 | - | - | 4.1 | 4.3 | (0.2) | -4.7 % |
| Total Revenues | 964.9 | 910.1 | 353.8 | 380.4 | 1,318.7 | 1,284.2 | 34.5 | 2.7 % |
| Expenses | | | | | | | | |
| General Government | 72.6 | 63.4 | - | - | 72.6 | 63.4 | 9.2 | 14.5 % |
| Public Safety and Protection | 325.7 | 294.2 | - | - | 325.7 | 294.2 | 31.5 | 10.7 % |
| Public Ways and Facilities | 33.4 | 29.9 | - | - | 33.4 | 29.9 | 3.5 | 11.7 % |
| Health and Sanitation | 226.4 | 213.9 | - | - | 226.4 | 213.9 | 12.5 | 5.8 % |
| Public Assistance | 211.1 | 201.0 | - | - | 211.1 | 201.0 | 10.1 | 5.0 % |
| Education | 10.4 | 9.9 | - | - | 10.4 | 9.9 | 0.5 | 5.1 % |
| Recreation and Cultural Services | 24.8 | 26.7 | - | - | 24.8 | 26.7 | (1.9) | -7.1 % |
| Interest on Long-Term Debt | 7.3 | 7.6 | - | - | 7.3 | 7.6 | (0.3) | -3.9 % |
| Natividad Medical Center | - | - | 333.1 | 308.1 | 333.1 | 308.1 | 25.0 | 8.1 % |
| Parks and Lake Resort | - | - | 3.4 | 6.8 | 3.4 | 6.8 | (3.4) | -50.0 % |
| Total Expenses | 911.7 | 846.6 | 336.5 | 314.9 | 1,248.2 | 1,161.5 | 86.7 | 7.5 % |
| Change in Net Position Before Transfers and Special and Extraordinary Items | | | | | | | | |
| | 53.2 | 63.6 | 17.3 | 59.1 | 70.5 | 122.7 | (52.2) | -42.5 % |
| Transfers | 11.5 | (6.4) | (11.5) | 6.4 | - | - | - | - % |
| Change in Net Position | 64.7 | 57.2 | 5.8 | 65.5 | 70.5 | 122.7 | (52.2) | -42.5 % |
| Net Position, Beginning | | | | | | | | |
| | 696.7 | 631.4 | 121.6 | 56.1 | 818.3 | 687.5 | 130.8 | 19.0 % |
| Prior Period Adjustments | 58.6 | 8.1 | - | - | 58.6 | 8.1 | 50.5 | 623.5 % |
| Net Position, Ending | \$ 820.0 | \$ 696.7 | \$ 127.4 | \$ 121.6 | \$ 947.4 | \$ 818.3 | \$ 129.1 | 15.8 % |

COUNTY OF MONTEREY

Management Discussion and Analysis

Governmental Activities Governmental activities increased the County's net position by \$64.7, or \$7.5, more than the prior year increase of \$57.2. Of the \$64.7 million increase, \$53.2 is the amount that program and general revenues exceeded expenses, as discussed in the following sections. The remaining \$11.5 was attributable to the transfer of \$13.2 from Natividad Medical Center (NMC) for funding of a capital project, a transfer of \$0.5 by NMC to the Health Department for residency support, and a transfer of \$(2.1) to Parks Lake and Resort Operations to cover the prior year's deficit and another \$(0.5) for the General Fund subsidy of debt payment.

Revenues Revenue for Governmental activities (not including transfers, special and extraordinary items) increased from \$910.1 to \$964.9, or \$54.8. The increases and any offsetting decreases are discussed in the following sections.

- Charges for services increased by \$0.6, from \$133.2 to \$133.8. The modest increase is the result of minor increases and decreases as follows. The main increase is attributable to the rise in Health fees of \$1.8, of which \$1.3 in higher forfeitures and penalties from one-time Health Department settlement and an increase of \$0.5 in health fees. Public Ways and Facilities increased \$1.1 due to minor increases in special assessments, road permits, and reimbursements for new housing developments. Fees, fines, and charges for services were decreased by \$1.0 in General Government due to the pandemic. The decrease of \$1.3 in Public Assistance due to the reduction of reimbursements for administration.
- Operating Grants and Contributions increased by \$30.0, or 6.8%. Public Safety and Protection increased \$14.5 primarily due to the \$13.8 contribution from the Fort Ord Reuse Group for Habitat Management on the former Fort Ord. The remaining \$0.7 is comprised of various minor increases and decreases. The increase of \$9.4 in Health and Sanitation is the result of a \$5.7 increase State and Federal for Mental Health programs, a \$2.3 increase in Whole Person Care, and a \$1.4 increase in Clinic Services with \$0.9 related to the pandemic. General Government increased by \$3.3. Of that increase, \$2.4 was in State Aid for homeless shelter construction, \$0.7 in Federal Aid for voting systems, and \$0.3 in State Aid related to the Census. Public Ways and Facilities increased \$1.6 mainly for State and Federal disaster relief. The increase of \$1.1 in Public Assistance was due to State and Federal reimbursements for CalWORKs participants and other social services programs increasing \$8.8 offset by the decrease of \$8.5 in realignment funds. The remaining increase of \$0.8 was for Public Assistance Administration.
- Capital grants and Contributions increased by \$28.7, or 62.7%. The increase of \$21.4 in Recreation and Cultural Services, \$6.8 in Public Safety and Protection, \$3.4 in Public Ways and Facilities, and \$1.4 in Public Assistance are a result of assets contributed by the Fort Ord Reuse Authority (FORA) closing. These increases were offset by the decrease of \$4.3 in General Government due to lower State Aid in Capital Grants for construction.
- Property taxes increased by \$4.9, or 2.9% due to higher assessments and other property tax revenue from redevelopment agencies for one-time sale of property.
- Transient Occupancy Taxes decreased by \$6.8, or 23.8%. This decrease is attributable to loss in revenues from tourism due to the pandemic.
- Sales and Use Taxes decreased \$5.0, or 21.1%. The decrease in tourism over the prior year, discussed above, contributed to the decrease in general sales taxes.
- Other Taxes increased by \$4.9, or 16.5% due to the increased revenues in cannabis business taxes.
- The increase of \$2.1, or 24.1% in Investment Earnings is a result of higher liquidity in the investment pool.
- Rents, Concessions, and Leases decreased by \$3.9, or 17.3% due to a decrease in concession revenue at the Laguna Seca Recreational area due to the pandemic.

COUNTY OF MONTEREY

Management Discussion and Analysis

Expenses Total governmental expenses increased by \$65.1 or 7.7% to \$911.7. The largest contributors to the change were general government, public safety, public ways and facilities, health and sanitation, public assistance, education, recreation and cultural services, and interest on long-term debt:

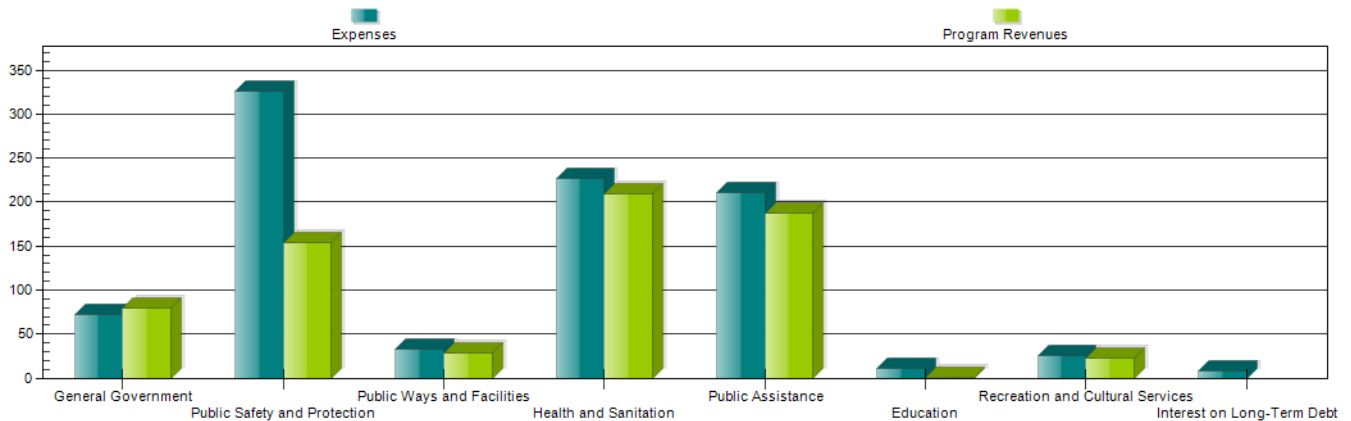
- General government expenses increased by \$9.2 or 14.5%. The main drivers were salary and benefit costs due to an increasing workforce and new labor agreements, rising pension costs due to changes in actuarial methodology resulting in higher lifetime benefits, higher health insurance premiums, and lower reimbursements. The increases were partially offset by increases in Countywide Cost Allocation Plan (COWCAP) reimbursement in the Information Technology Department as the department continues to move away from direct billing general fund customers for countywide services and instead charging for countywide services through the cost plan. In response to the pandemic, departments also identified personnel costs for redirected staff and services and supplies attributable to the CARES Act spending plan.
- Public safety and protection expenses increased by \$31.5 or 10.7%. The main drivers were due to the increase of salaries and benefits, pension expenses, general liability insurance, other professional services, and Countywide Cost Allocation Plan (COWCAP) charges. The increased COWCAP charges were due to the Information Technology Department moving away from direct billing general fund customers for countywide services and instead charging for countywide services through the cost plan.
- Public ways and facilities expenses increased by \$3.5 or 11.7%. The increases were mainly due to personnel services, other professional and special services, and a reduction in Construction in Progress transfers compared to prior year due to delayed projects as a result of the pandemic.
- Health and sanitation expenses increased by \$12.5 or 5.8%. Majority of the increase was due to increased salary and benefit costs, increased pension liability expenses, as well as transfers to the Whole Person Care (WPC) program. The increase was offset by Public Health due to AB 85 implementation where the local health revenues were redirected to the State and decreased the service level.
- Public assistance expenses increased by \$10.1 or 5.0%. The main drivers were salaries and benefits, increased costs of employee retirement, increased general liability program allocations, increased Foster Care and Adoption Assistance aid payments, an increased In-Home Supportive Services (IHSS) Maintenance of Effort (MOE) based upon wage increases and the rebasing of the MOE, a 5.9% salary increase for the Eligibility Specialist series, as well as an increased support for homeless programs. These increases were partially offset by decreased obligations in CalWORKs aid payments due to a decreased caseload.
- Recreation and cultural services expenses decreased by \$1.9 or 7.1%. The decrease was due to lower operating costs at Laguna Seca Recreational Area due to canceling of major events because of the pandemic's Shelter-in-Place order and restrictions on public gatherings. The decrease was offset by Park Operations due to an increase in salary and benefits and increased costs in general liability insurance.

COUNTY OF MONTEREY

Management Discussion and Analysis

As shown in the following chart, program revenues are less than the expenses in all functional areas, except General Government. The difference of program expenses over program revenue is \$231.1.

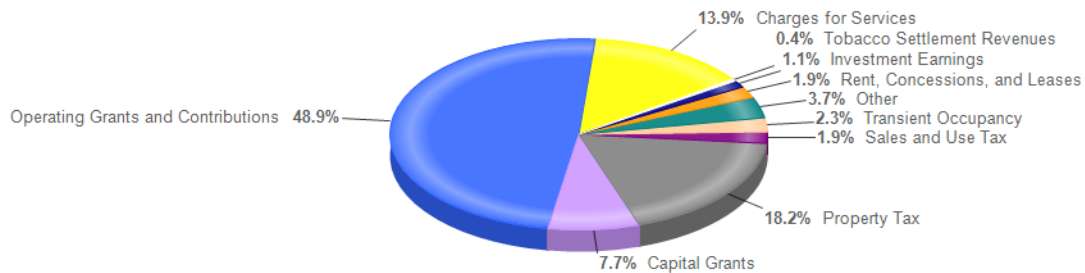
Expenses & Program Revenues- Governmental Activities



Program revenues are not intended to fully support governmental programs. This presentation is meant to show the net cost of each program prior to allocation of general revenues. The net cost of \$231.1 of these programs is funded by general revenues of \$284.3.

Total revenue by sources for governmental activities is shown on the following chart.

Revenues by Source - Governmental Activities



Business-type Activities Natividad Medical Center ("Center") is the major Enterprise Fund reported in this section. The Center is owned and operated by the County and governed by the County Board of Supervisors with the assistance of a separate Board of Trustees. As a County entity, the Center is mandated to treat patients, regardless of ability to pay. The other Enterprise Fund is the Parks and Lake Resort ("Parks") fund which provides an assortment of outdoor and recreational activities associated with, and on the lands surrounding, Lake San Antonio and Lake Nacimiento.

The Center experienced a net operating gain of \$14.8 and a net non-operating gain of \$4.2 in fiscal year 2019-20. In addition, this year's change in net position is also attributable to the effect of operating transfers in of \$9.2 and operating transfers out of \$23.4. Overall financial results brought the fiscal year with an ending net position balance of \$125.8, which is 4% higher than last year's balance of \$121.0.

COUNTY OF MONTEREY

Management Discussion and Analysis

Parks experienced a net operating loss of \$0.3 and a net non-operating loss of \$0.1, but still resulted to a net \$2.3 net increase in net position due to operating transfers in of \$2.7 from General fund and the appropriation for contingencies to cover the prior year's deficit. Losses are mainly due to closures as a result of the pandemic and limited operations and park entry to ensure the safety of visitors and staff. These activities brought the ending net position to a negative balance of \$0.5, which is 82.8% higher than last year's negative balance of \$2.7.

FINANCIAL ANALYSIS OF THE COUNTY'S FUND BALANCES

Governmental Funds County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements.

As of the end of the fiscal year, the County's governmental funds reported total fund balances of \$507.4, an increase of \$58.8 from the prior year total fund balances of \$448.6. The net increase is mainly from the \$52.6 excess of revenues over expenditures, and \$6.2 excess of other financing sources over financing uses, which is mainly the net transfers in from the Center.

The components of fund balance are:

- Nonspendable, approximately \$2.0 or 0.4% of total fund balance is made up of inventories and prepaid expenditures.
- Restricted balances of \$280.5 or 55.3%, which can only be used as stipulated by legislative code, grants or debt instruments.
- Committed funds of \$129.0 or 25.4%, delegated by the Board of Supervisors as set aside for specific purposes. The main component is \$92.0 of strategic reserve commitments set aside in the General Fund. Refer to Note 9 for complete details.
- Assigned funds of \$95.7 or 18.9% are earmarked to meet the County's current and future needs. The majority of these funds are held in capital project funds while the remaining is set-aside for specific purposes in the General Fund (see Fund Balance section of 9: of this report for additional information).
- Unassigned funds of \$0.3 or 0.1% represents the General Fund's resources that are not classified in the four previous categories and are considered available for spending at the government's discretion.

General Fund The General Fund is the main operating fund of the County. All County activities not included in a separate fund are included in the General Fund. The unassigned fund balance at June 30, 2020, totaled \$0.3 while the total fund balance increased to \$212.1 from \$205.1 due to revenue and transfers-in exceeding the expenditure and transfers-out for this fund. Revenue declined by \$4.2. Contributing to the decline was the decrease of \$10.0 in Charges for Services due to the Emergency Communication Department's move under their new special revenue fund. Aid from Other Governmental Agencies increased by \$8.9 due to higher state and federal reimbursement from the increase in grant amounts for CalWORKS participants and other social services programs. Revenue from Use of Money and Property fell by \$3.4, primarily from concession revenue at Laguna Seca Track, which decreased by \$4.0 and an offset of \$0.6 increase in investment income from fund balance. Licenses, Permits, and Franchises increased by \$0.6. The growth is \$0.6 from the franchise and \$0.3 business license revenues and offset of \$0.3 decrease in construction permits. Fines, Forfeitures, and Penalties increased by \$1.2, mainly from a one-time Health Department Lead Paint legal settlement. Taxes decreased by \$0.6 mostly from Sales and Use Taxes of \$2.8 and Transient Occupancy Tax of \$6.8 due to the pandemic and offset an increase in Property Tax of \$7.4 and \$1.6 Cannabis Tax. Miscellaneous revenues decreased by \$0.9, mostly from lower reimbursement of Out of Home Care. In total, expenditures increased \$11.2 despite the transfer of the Emergency Communication Department's operation to their new special revenue fund. Personnel expenditure grew by \$3.4, mainly from rising pension costs. Social Services program cost increased by \$9.5, of which \$0.6 is related to pandemic relief. Expenditures at Laguna Seca Track decreased by \$5.7, mainly to the cancellation of major events due to the pandemic, reducing contracted services cost. The remaining amount would be due to continued increases in trial expenses, equipment, leases, and supplies costs.

COUNTY OF MONTEREY

Management Discussion and Analysis

Road Fund The Road Fund qualified and/or remains to be treated as a major fund again in fiscal year 2020. The Road Fund fund balance was \$17.6 in fiscal year 2019, and increased by approximately \$7.1 in 2020 to \$24.7. The increase was mainly due to actual revenue lower than budget by \$17.8, and actual expenditure is lower than budget by \$20.7. The \$6.9 budget for transfers-in was \$0.6 higher than actual amount of \$6.3. Revenue decreased by \$0.5, mainly from Sales and Use Taxes, which fell by \$2.2 with an offset of \$1.2 increase in disaster relief from Federal and State, \$0.2 from Licenses and Permits, \$0.2 in investment income from the fund balance, and \$0.2 from Charges for Services. Expenditure is consistent with the prior year's amounts with a slight increase of \$0.6 or 1.8% higher than the last fiscal year. None of the Road Fund's fund balance is unassigned, with \$24.6 allocated for restricted purposes, and the balance of \$0.1 is nonspendable

Behavioral Health The Behavioral Health Fund, a consistent major fund, was established to segregate the revenues and expenditures associated with mental health and substance abuse programs. Behavioral Health has a total restricted fund balance of \$40.3, which decreased by \$2.1. Compared to budgets, revenues were lower by \$8.0, or 7.2%, due to lower expenses in the revenue-generating Whole Person Care program and payment delay from the State for the Mental Health Medi-Cal Program. Actual expenditure was under budget by \$6.0, resulting from project delay to the upgrade of the Marina Clinic HVAC system and lower transfers to the Whole Person Care program due to non-implementation on some aspects of the program. This year's expenditure of \$131.1 is higher by \$9.9 over the previous year. The increase is due to \$4.0 in salaries and other employee benefits plus a \$3.0 higher reimbursement to the State. The remaining expenditure growth is from hospital charges, medical services, and other professional services in line with the fund's various programs. Revenue also grew by \$8.5, mainly due to a \$4.1 increase in Federal Aid, \$2.1 State Aid, \$1.8 increase in aid from other governmental agencies, and \$0.4 increase from Charges for Services.

Facility Master Plan Implementation The Facility Master Plan Implementation Fund qualified as a major fund in fiscal year 2020. As of June 30, 2020, the fund balance reached \$76.6, from last year's \$45.1, an increase of 70%. The fund's revenues and transfers-in exceed expenditures and transfers-out, resulting from \$11.8 transfers-in from the Center, reserve for future projects, \$6.3 increase aid from the State and lower capital outlay.

Other Governmental Funds The sum of the non-major governmental funds' fund balances increased \$15.2, from a balance of \$138.5, as restated, to \$153.7. The increase was mainly in the Special Revenue Funds, which increased by \$18.0. Of this amount, \$13.8 is from the new Fund 029 for Habitat Management Program, transferred from Fort Ord Reuse Authority ("FORA"). Also adding to the growth is the transfer of Emergency Communication and County Clerk/Recorder with respective increases to fund balance of \$1.0 and \$0.3. Other funds with a significant increase are the Library, with excess revenue and transfers-in over expenditure by \$1.6 mainly from improved property tax revenue and \$1.8 surplus in the Local Revenue Fund due to higher Sales Tax revenue for Public Safety. The Water Resources Agency added \$0.8 to the fund balance, mostly from the Nacimiento Hydroelectric generation's revenue increase. The H&W Realignment fund experienced a shortfall, reducing the fund balance by \$2.7 due to the sales tax revenue for social service programs is \$8.6 lower over the previous year. The remaining funds have minor changes. In the Debt Service Fund, expenditures only exceeded revenues and net transfers by \$0.01. For the Capital Projects Fund, Capital Outlay and transfers-out exceeded revenues and transfer-in by \$2.8.

Proprietary Funds Natividad Medical Center and Parks comprise the Enterprise Funds which are also the component of the business-type activities. Included in the Proprietary Funds are the activities of Internal Service Funds. There are currently four Internal Service Funds, named and described as follows. The General Liability Fund deals with general insurances and risk management. The Worker's Compensation Fund records activities related to employee claims. The Benefit Programs Fund oversees other employee benefits such as dental and vision plans. And lastly and most recently added, the Resource Planning which handles the County's Enterprise Resource Planning (ERP) and Vehicle Resource Planning (VRP) requirements.

For the Center and Parks performance and operating results, please refer to Business-type activities above.

COUNTY OF MONTEREY

Management Discussion and Analysis

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget to Final Budget

| | <u>Original</u> | <u>Final</u> | <u>Increase (Decrease)</u> |
|-------------------|-----------------|--------------|--------------------------------|
| Estimate Revenues | \$ 556.4 | \$ 565.1 | \$ 8.7 |
| Appropriations | \$ 654.3 | \$ 670.5 | \$ 16.2 |

Budgeted revenues for General fund finalized at \$565.1 from original budget of \$556.4, an additional revenue estimate of \$8.7, an increase of 1.6%.

The net increase in revenue budget is the result of changes due to the following:

The small increase in Taxes of \$0.5 was due to an anticipated increase in non-program revenue Cannabis tax that supports the various increased in appropriations for increased full-time employee, overtime and other necessary expenditures;

The increase in Revenue from use of Money and Property of \$6.0 was due to an increase in estimated revenues for the Laguna Seca Track as a result of increased sponsorship participation, hospitality and general sales, which is largely related to the return of IndyCar;

The increase of \$2.2 in Aid from other governmental agencies was due to the following:

- \$0.6 increase in state aid from additional revenues from Unclaimed Gax Tax (UGT) in the amount of \$0.2 and increased mill assessment fees on the sale of pesticides for \$0.4;
- \$0.4 increase in state aid from the agreement with the California Governor's Complete Count Committee to support outreach and education strategies focused on Monterey County hard-to-count populations to ensure a complete and accurate count in the 2020 Census;
- \$0.1 fund awarded by California Office of Emergency Services (CAL-OES) Victims of Crimes Act (VOCA) Program;
- \$0.2 grant from Homeland Security Grant and Partner Agencies that will support appropriation increase to finance cyber security project to update automated fingerprint identification system servers and livescan devices;
- \$1.5 increase in anticipated State Aid to the Sheriff department for use in the operations of the Monterey County Jail Competency treatment programs;
- \$1.9 decrease in estimated federal aid revenues of the Health Department to reflect adjustments due to TCM audit settlement payments and TCM revenue offsets;
- \$0.3 increase in estimate in federal aid public assistance for Social Services budget to support increase appropriations for Social Services transition from a physical file management system to electronic file system for storage and retrieval of records and documents for Family and Children Services and Aging and Adult services, and for increased full-time employee count to fill up position for CALSAWS migration project;
- \$0.3 increase in Social Service revenue from aging budget that focuses on managing variety of senior services through partnerships and subcontracts;
- \$0.4 increase in estimated revenue for the additional funding coming from Homeless Housing Assistance and Prevention (HHAP) Emergency grant fund to assist on expediting provision of shelter, meals and sanitary services to the homeless population. This Community program under Social Services is the result of the new law signed by Gov Gavin Newsom, the Homeless Housing, Assistance and Prevention, which has a \$650 one-time block grant that provides local jurisdictions with funds to support regional coordination and expand or develop local capacity to address immediate homelessness problems. The County receives an award letter from the State notifying the County of an emergency allocation of \$0.4 in HHAP;
- \$0.2 increase in estimated revenue sourcing from the California Department of Health Services to fund continued activities for Medi-Cal outreach, for which reason a request was also approved for a corresponding increase in appropriation;

COUNTY OF MONTEREY

Management Discussion and Analysis

Miscellaneous Revenue budget increased slightly by \$0.04 for the contribution of Partner Agencies for their shares in the cost of cyber security project to be also used on the 17 devices owned by the Partner Agencies;

Appropriation budgets were increased by \$16.2 which were partly sourced from the above anticipated increase in revenues, and partly from the use of various fund balance assignments. General Government expenditures budget increased by \$2.7, Public Protection by \$4.2, Public Assistance by \$2.4, and Recreation and Cultural Services by \$6.8. Following items provide details for the most significant appropriation changes:

- Reduction of \$1.2 in County Administrative Office (CAO) contingencies appropriation was due to the transfer of the appropriations to Recreation Services to fund Lake San Antonio's Reservoir Recreation Plan, and to provide sufficient funding for remediation work at Lake San Antonio which correspondingly increased appropriation for Recreation services and County Counsel's General Fund Risk enterprise unit for the remediation work; as well as provided additional appropriation to RMA for parking citation processing and collection services.
- Increase in CAO administration, finance and budget appropriations of \$0.2, financed by the release of Cannabis Tax Assigned fund balance, is to allocate funding for the agreement of the County with Citygate Associates, LLC to provide analysis and recommendations on RMA, including land use and community development functions, and high-level review of Public Works, administration and other functions within RMA.
- Increase in Intergovernmental and Legislative affair appropriations for contingencies for \$0.2, financed by increase in anticipated revenue in Cannabis tax, was for the enforcement of overtime and to finance the cost of fixed wing and helicopter surveillance.
- Increase of \$0.6 in CAO's Community Engagement and Strategic Advocacy are for the following: 1) to support CAO Office of Community Engagement and Strategic Advocacy programs specifically to cover cost of advertising costs on radio, television and prints funded by the California Governor's Complete Count Committee; 2) to finance service fees to perform 2020 Census outreach efforts, and other programs under the CAO Office of the Community Engagement and Strategic Advocacy programs; and 3) to support corresponding expenditures under this program such as in supporting the provision of direct services to victims of crime in Monterey County, financed by a corresponding increase in revenue awarded by the CAL OES Victims of Crime Act (VOCA) program.
- Increase of \$1.1 cost plan charges on various general fund appropriations was due to the mid-year modifications to mitigate operational impacts on Departmental budgets resulting from revised Countywide Cost Allocation Plan (COWCAP).
- \$1.1 increase in RMA appropriations for Building and Improvements, Utilities and Facilities, in line with the approved CIP to prioritize County facilities projects essential to maintain and improve County infrastructure and to facilitate the orderly implementation of the County General Plan, with funding coming from reduction of appropriations to adjust for over projected expenditures for RMA Administration.
- Additional \$4.2 in budget for Public protection includes the \$3.0 budget amendment to support Office of Emergency Services for the emergency operations Center's response to the local emergency declaration for COVID-19, financed by the release of Cannabis Tax Assignment; \$0.9 for additional appropriation needs due to two full-time positions added to the Sheriff's office; and \$0.6 increase to finance another Sheriff's project involving the Natividad Jail-based competency Treatment program.
- Public assistance budget obtained an additional \$2.4 budget throughout the fiscal year, \$1.5 of which was for community programs to provide homeless housing assistance, emergency funds for the Food Bank of Monterey County to address increasing needs due to COVID-19 Shelter-in-Place order, as well as to fund all other local emergency projects in response to the pandemic, such as the Project Roomkey program. The other \$0.9 budget increase was for Social Services' need to an additional appropriation to add one business technology analyst position due to increasing needs of the department; to address the need to transition from a physical file management system to an electronic file system for records retention; to adjust budget as part of the mid-year modifications due to the COWCAP revisions; and to support increased needs of the Aging budget unit of the department.

COUNTY OF MONTEREY

Management Discussion and Analysis

- Recreation and Cultural Services increased by \$6.8, majority being the result of the \$5.8 appropriation increase in CAO's Laguna Seca Track's preparations for the upcoming racing season, as the revenue is expected to experience significant increase as a result of increased sponsorship participation, hospitality and general sales, which is largely related to the return of IndyCar. Expenditures related to this event were expected to require increased appropriation. The other \$0.9 increase in the Recreation budget was for Recreation Services to fund Lake San Antonio's Reservoir Recreation Plan, and to provide sufficient funding for remediation work at Lake San Antonio which correspondingly increased appropriation for Recreation services and County Counsel's General Fund Risk enterprise unit for the remediation work.

Final Budget to Actual

| | Final | Actual | Increase (Decrease) |
|--------------|----------|----------|------------------------|
| Revenues | \$ 565.1 | \$ 547.3 | \$ (17.8) |
| Expenditures | \$ 670.5 | \$ 605.3 | \$ 65.2 |

Actual revenues were lower than final budget by \$17.8 or 3.1%. This was the combined results of revenue items being under or over the final budget amounts as explained in the following details:

Revenues were over or under budgeted amounts as follows:

- \$0.5 higher than budgeted revenues in Licenses, permits, and franchises was mainly due to unanticipated Franchise Fee Settlement, electric franchise payments, and an accounting change to recognize additional revenues from Public, Educational, and Governmental Access Channels (PEG) liability account, offset by the reduced revenue from Construction Permits and Business licenses and other permits, with fewer building permits issued and business operations shutdown due to the shelter in place.
- \$17.6 in Aid from other governmental agencies was a result of lower than anticipated receipts in the following: 1) \$14 in Social Services, \$11.1 of which was revenues earned but not received during the 60-day availability period, while the rest is due to a correlated reduction in services/expenditures in the Public Assistance Programs. Additionally, insufficient administrative advances, unusual delays on reimbursement for health-related programs. Also, revenue was less than expected in the administrative unit because of less reimbursable expenditures in salary and benefits due to prolonged staff vacancies, capital lease costs and savings in contract expenditures. 2) \$1.5 in Health due to reduced CBI incentive payments and grants in Whole Person Care, AB 85, and various Public Health programs including Tobacco Control, Transportation Program, and Whole Child Model. 3) 1.1 in Child Support Services due to less reimbursable expenditures in salaries, benefits, and IT charges. 4) Lower net receipts of \$1.0 in various other departments including District Attorney, Sheriff, and Probation mostly due to not able to collect accrued revenues within the 60-day availability period.
- \$10.8 lower than budgeted revenue for Charges for services. Majority of this reduction is from Health's Clinic Services included potential revenue after transition of Natividad Immunology outpatient (NIDO) clinic from Natividad to Clinic Services. However due to medi-care and Medi-Cal enrollment delay, slow than anticipated build-up period and difficulty transferring NIDO's Ryan-white grant from Natividad to us, most of revenue budget was not realized. The rest was due to provider vacancies, lost five providers and still has current vacancy of 15%. On the other hand, agricultural services revenues reduced due to elimination of the Produce Inspection Program, as well as the issuance of fewer Phytosanitary Certificates for exports. Treasury's Revenue division's lower-than-budget revenue was due to reduced cost-recovery eligible expenses. Also, Election Services' anticipated revenue this year was below budget by \$0.8, due to the primary election.
- \$10.9 higher than budget in Taxes was a result of higher than anticipated receipts to the increased Cannabis Tax collection.
- \$1.1 more revenues from Fines, Forfeitures and Penalties were collected by CAO and Environment Health, reduced slightly by lower-than-budget revenues from the Office of District Attorney.

COUNTY OF MONTEREY

Management Discussion and Analysis

- \$2.6 in Revenue from use of money and property was largely due to higher than anticipated revenues in events at Laguna Seca of \$6.1 and \$3.3 due to higher than expected return on investment;
- \$0.7 in Miscellaneous revenues was higher than anticipated mainly due to the \$1.3 tobacco settlement and other miscellaneous receipts by CAO, offset by the lower-than-budgeted amount for Social Services of \$0.6, and other smaller reductions in other Departments budgets.

Actual expenditures were less than budget by a combined amount of \$65.2 or 9.7%.

General Government expenditures savings of \$13.3 are due to the following:

- \$4.8 unspent appropriation for contingencies by CAO, and another \$1.0 savings for various expenditures including special departmental expenses, special items, accounting and auditing charges, intrafund reimbursement, other professional and special services, fleet service charge, vehicle maintenance and equipment
- \$5.8 of combined savings in salaries and benefits of various departments due to vacancies
- \$0.4 savings from Treasurer-Tax Collector expenditures
- \$0.5 savings from Information Technology resulting from higher reimbursements than anticipated
- \$0.6 over budgeted expenses for County Counsel mostly from the lower interfund reimbursements received
- \$0.7 lower-than-anticipated expenses for Resource Management Agency mostly from savings on Building and improvements maintenance and utilities.

Public and protection expenditures net savings of \$11.5 are due to the following:

- \$3.0 unspent contingency budget amendment for OES for the Emergency Operations Center's response to the local emergency declaration for COVID-19, financed by the release of Cannabis Tax assignment.
- \$6.5 reduction in salaries and benefits significantly in the departments of District Attorney (\$1.4), Child Support Services (\$0.9), Probation (\$0.5), Agriculture (\$1.6), RMA (\$1.3), Public Defender (\$0.2) and Health (\$0.5), due to unfilled vacancies directly and indirectly due to the pandemic
- \$0.7 building and equipment budget that were not spent due to stalled plans as focus shifted to the pandemic emergency
- \$1.2 reduction in actual expenditures compared to budgeted amounts for Departments various other expenses, like Public Defender's savings vs budget of \$0.7 for its legal service, trial related and other office expenses.

Health and sanitation net savings of \$15.7 are due to the following:

- \$12.9 savings in salaries and benefits of Health Department from vacancies specifically in clinics (\$7.2), Public Health (\$2.7), Environment Health (\$1.5), Children's Medical (\$0.6), Emergency Medical Services (\$0.5), and Health Administration (\$0.4)
- \$1.8 net savings from Health Department's budget for professional and other services, also as a result of planned activities and services that had to be postponed due to the pandemic
- \$0.9 savings from supplies, maintenance and other miscellaneous expenses
- \$0.7 over budget from shortage in collection of anticipated interfund and intrafund reimbursements

Public assistance net savings of \$17.9 are due to the following:

- \$0.5 unspent contingency budget amendment for OES for the Emergency Operations Center's response to the local emergency declaration for Project Room Key program related to COVID-19, financed by the release of Cannabis Tax assignment

COUNTY OF MONTEREY

Management Discussion and Analysis

- \$0.5 unspent budget amendment for community programs for homeless housing assistance, emergency funds for the Food Bank of MC to purchase additional food to address the increasing need in response to the COVID-19 Shelter-In Place order
- \$6.2 savings in Social Services salaries and benefits due to prolonged unfilled vacancies from hiring challenges including the need for the Department to shift focus on performing pandemic-related tasks
- \$4.8 net savings from Social Services' budget for professional and other contract services, including unspent appropriation increase allocated to address the need to transition from a physical file management system to an electronic file system for storage and retrieval of records and documents for Family and Children Services and Aging and Adult Services, as a result of planned activities and services that had to be postponed due to the pandemic
- \$1.3 in savings due to reduced building leases, less than anticipated capital expenditures, and supplies, maintenance and other miscellaneous expenses
- \$4.9 net savings from public assistance and other support care expenses, despite \$1.7 increased in out of home care expenses

Recreation and Cultural Services net savings of \$6.6 are due to the following:

- \$0.2 net savings mainly from savings on Parks' flex-benefit plan contribution, lower actual expenses for temporary employees, overtime, PERS, and other employment benefits like dental, vision, short-term and long-term disability insurance.
- \$10.7 savings from unspent budget for professional and other services for Laguna Seca
- \$4.0 net over budget for building leases, building maintenance, miscellaneous supplies, printing and subscriptions, noncapital equipment purchases and other related maintenance (\$6.1), offset by unspent budget for capital expenditures (\$2.7)
- \$0.3 over budget from shortage in anticipated interfund and intrafund reimbursements, and expenditure transfers

CAPITAL ASSETS

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amount to \$968.9 and \$125.2, respectively (net of accumulated depreciation). This investment is in a broad range of capital assets including land, structures and improvements, equipment, intangible assets, infrastructure, and construction in progress.

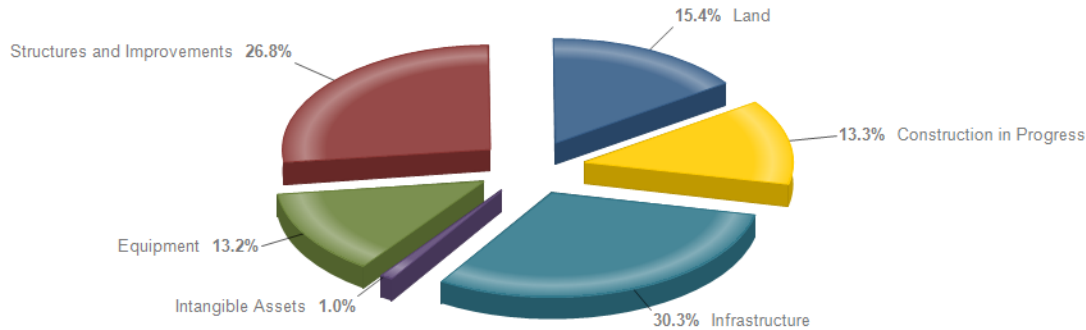
TABLE 3 - County of Monterey's Capital Assets

| | Governmental | | Business-Type | | Total | | Total | |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|----------------|--------------|
| | Activities | | Activities | | Total | | Dollar | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | Change | |
| Land | \$ 312.5 | \$ 250.3 | \$ - | \$ - | \$ 312.5 | \$ 250.3 | \$ 62.2 | 24.9 % |
| Structures and Improvements | 366.0 | 349.5 | 176.4 | 174.2 | 542.4 | 523.7 | 18.7 | 3.6 % |
| Equipment | 132.8 | 130.5 | 134.5 | 126.8 | 267.3 | 257.3 | 10.0 | 3.9 % |
| Intangible Assets | 20.8 | 20.7 | - | - | 20.8 | 20.7 | 0.1 | 0.5 % |
| Infrastructure | 612.0 | 611.0 | - | - | 612.0 | 611.0 | 1.0 | 0.2 % |
| Construction in Progress (CIP) | 253.1 | 213.0 | 15.0 | 7.1 | 268.1 | 220.1 | 48.0 | 21.8 % |
| Total Capital Assets | 1,697.2 | 1,575.0 | 325.9 | 308.1 | 2,023.1 | 1,883.1 | 140.0 | 7.4 % |
| Accumulated Depreciation | (728.3) | (689.2) | (200.7) | (190.3) | (929.0) | (879.5) | (49.5) | 5.6 % |
| Total | \$ 968.9 | \$ 885.8 | \$ 125.2 | \$ 117.8 | \$ 1,094.1 | \$ 1,003.6 | \$ 90.5 | 9.0 % |

COUNTY OF MONTEREY

Management Discussion and Analysis

Capital Assets



The County both purchases and constructs/develops capital assets throughout the year. Capital projects are generally completed over multiple fiscal years. Costs accumulate within the construction in progress (CIP) account until the completion of projects. At completion, all costs of a project are totaled then transferred to the appropriate capital asset classification. In the current year, CIP had a net increase of \$40.1 for governmental activities. This was the result of completing projects costing \$5.9 and on-going/new construction costs of \$46.0.

Major construction in progress events during the current fiscal year included the following:

- Public Works incurred \$14.8 in capitalizable costs for on-going projects with the majority of the costs spent on Arroyo Seco Road Overlay project \$1.9, River Rd Overlay Chualar River Bridge - Limkiln \$3.5 and Hall Road at Sill Road Slope repair project \$1.1.
- Architectural Services incurred \$27.6 in capitalizable costs for on-going projects, with the majority of costs spent on the Jail Expansion/Housing Addition, New Juvenile Hall Building and Homeless Shelter - Salinas.
- Major projects that were completed during the year include the ITD Renovation, Palo Colorado Road-Slip out and Cachagua Road Slope@MP1.5 for total cost of \$1.1.

The accompanying government-wide financial statements include the capitalizable costs of those assets that were either completed during the fiscal year or considered CIP at year-end. Additional information on the County's capital assets can be found in Note 5 of this report.

DEBT ADMINISTRATION

State statutes limit the amount of general obligation debt a government entity may issue to 1.25% of the total assessed valuation of property within the County. The current legal debt limitation of the County is \$902.2. The County's long-term issues payable is \$230.5, but none is applicable to the debt limit. The following schedule does not include the liabilities for self-insurance, compensated absences, and estimated landfill closure, which are components of the long-term liabilities balance of \$395.5. (See Note 8- Long-Term Liabilities).

At June 30, 2020, the County had total long-term debt outstanding of \$230.5. This was a decrease of \$14.6 or 6.0% from the prior year balance of \$245.1. The decrease was primarily due to the \$10.2 decrease in Certificates of Participation. Contributing to the decrease were \$9.1 in annual debt service payments and \$2.0 in amortization of premiums/discount (including the balance of premium/discount of the defeased 2009/2010 COPs) and the defeased balance of \$32.9 for the 2009 and 2010 Natividad Medical Center Certificates of Participation Refunding. This is offset by the issue of the 2019 Certificates of Participation of \$ 29.0 and related premium of \$4.8. See Note 8-Advanced Refunding for additional information on the defeasance of the 2009 and 2010 by the 2019 Natividad Medical Center Certificates of Participation. The remaining decrease is due to debt service payments and premium amortization of \$4.3 for debt other than Certificates of Participation.

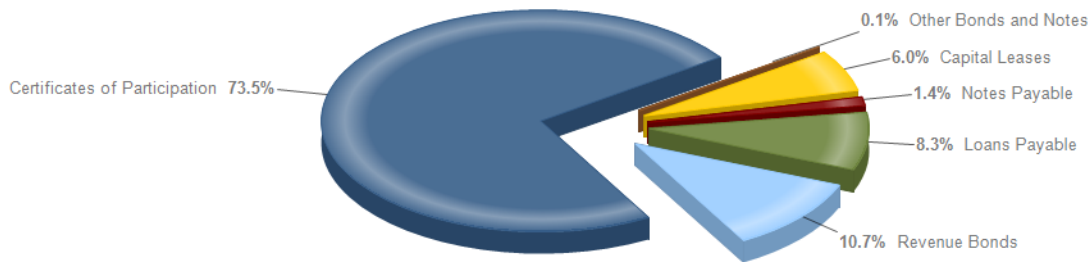
COUNTY OF MONTEREY

Management Discussion and Analysis

TABLE 4 - County of Monterey's Long-Term Debt (in millions)

| | Governmental | | Business-Type | | Total | | Total | |
|-------------------------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|------------------|---------------|
| | Activities | | Activities | | Total | | Dollar | Percent |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | Change | Change |
| Certificates of Participation | \$ 131.9 | \$ 138.2 | \$ 37.6 | \$ 41.5 | \$ 169.5 | \$ 179.7 | \$ (10.2) | -5.7 % |
| Revenue Bonds | 24.6 | 25.6 | - | - | 24.6 | 25.6 | (1.0) | -3.9 % |
| Loans Payable | 19.2 | 20.3 | - | - | 19.2 | 20.3 | (1.1) | -5.4 % |
| Notes Payable | 3.2 | 4.5 | - | - | 3.2 | 4.5 | (1.3) | -28.9 % |
| Capital Leases | 13.9 | 14.9 | - | - | 13.9 | 14.9 | (1.0) | -6.7 % |
| Other Bonds and Notes | 0.1 | 0.1 | - | - | 0.1 | 0.1 | - | - % |
| Total | <u>\$ 192.9</u> | <u>\$ 203.6</u> | <u>\$ 37.6</u> | <u>\$ 41.5</u> | <u>\$ 230.5</u> | <u>\$ 245.1</u> | <u>\$ (14.6)</u> | <u>-6.0 %</u> |

Long-Term Debt



Additional information on the County's long-term debt can be found in Note 8 of this report.

ECONOMIC ANALYSIS AND NEXT YEAR'S BUDGET AND RATES

The following paragraphs briefly summarizes results of fiscal year 2019-2020 as well as the County's budgets for the next fiscal year 2020-2021:

- General fund, the County's largest fund that supporting the basic governmental functions related to public safety, land use and environment, health and sanitation, public assistance, education and recreation, as well as finance and administration, had a total of \$687.5 million in appropriations in the fiscal year 2019-2020 Adopted Budget, with subsequent modifications throughout the fiscal year to increase total appropriations to \$712.4 million, a \$24.9 million additional appropriations. Financing sources are primarily from budgeted revenue of \$556.4 million and operating transfers of \$113.4 million, also both modified to increase to \$565.1 and \$116.2 million, respectively, to partially finance appropriations increases with the remaining portion to be financed with the use of fund balance, as final budget was projected with a \$31.1 million excess of expenditures over revenues. However, this fiscal year ended with a better operating result than the budget, with the \$6.95 million excess of revenues over expenditures despite the \$17.9 million shortfall of the actual revenues against budgeted revenues, and the net shortfall of \$9.2 million on other financing sources and uses. This year's favorable result is attributable to the \$65.1 million savings between budgeted expenditures and actual expenditures. Adopted Budget summary for the fiscal year 2019-2020 reports 5,409 full-time employees, with total budget for all funds of \$1.6 billion, \$1.1 billion of which is for governmental funds, while \$470 million for other funds. including \$60.5 million additional use of fund balance. For general fund, total adopted budget of \$687.5 million used \$17.7 million of the fund balance, with budget amendments increasing this by additional \$7.4 million from its revenue and expense budget modifications and another \$5.9 million net modification on other financing sources (uses). (Source: Summary of the FY 2019-20 Adopted Budget)

COUNTY OF MONTEREY

Management Discussion and Analysis

- Meanwhile, the upcoming fiscal year 2020-2021, Adopted Budget Summary presents the County revenues and expenses for all funds totaling to \$1.6 billion, with 5,407.6 full-time employee positions. Majority of the revenue sources are expected to come from the \$578.4 million budget for intergovernmental revenue, \$409.7 million from charges for various County-rendered services. Likewise, more funding sources aim to produce \$284.6 million revenues from taxes, licenses and permits, and revenues from fines, forfeitures, and penalties. Revenue from money and property use for \$46.8 million, \$19.3 million of miscellaneous revenue, and \$252.1 million of other financing sources. Accordingly, the corresponding \$1.6 billion expenditure budget is allocated to the primary functions with \$211.5 million for General Government, \$10.8 million for Education, \$291.3 million for Public Assistance, \$414.1 million for Public Safety, \$683.5 million for Health and Sanitation and \$32.7 million for Recreation and Culture. (Source: Budget in Brief Fiscal Year 2020-21)
- Of the overall County budget for the fiscal year 2020-2021, \$715.9 million in appropriations is for General Fund, to be financed by estimated General Fund revenue of \$669.8 million and \$46.2 million use of fund balance. This year's General Fund appropriations are budgeted for various programs and functions allocated as follows: 38.5% or \$275.6 million to Public Safety, 29.7% or \$212.8 million to Public Assistance, 15.2% or \$109.1 million to Health and Sanitation, 15.6% or \$111.9 million to General Government, 0.8% or \$6 million to Recreation and Culture, and 0.1% or \$0.5 million to Education. (Source: Budget in Brief Fiscal Year 2020-21)
- For fiscal year 2020-2021, the estimated General Fund revenue of \$669.8 million consists of program revenues and non-program revenues. Program revenues, primarily from Federal and State sources, are typically provided for statutory purposes and must legally be spent on designated activities or statutory-required programs. Program revenues include operating and capital grants and various restricted contributions. Non-program revenues are the County's discretionary funds, critical in addressing local priorities, and providing matching funds to leverage Federal and State grants to meet the maintenance of effort requirements. These include property taxes, transient occupancy taxes, sales and use tax, vehicle license fees, and other revenues sourced from local government. The primary driver in the non-program, discretionary revenue growth has been the property taxes due to higher home value assessments. For this fiscal year, \$243.3 million of the total estimated General Fund revenues, are expected to come from non-program revenue sources. (Source: Budget in Brief Fiscal Year 2020-21)

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional information, contact the County of Monterey, Office of Auditor-Controller, 168 West Alisal Street, Salinas, CA 93901.

**BASIC FINANCIAL STATEMENTS -
GOVERNMENT-WIDE FINANCIAL STATEMENTS**



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COUNTY OF MONTEREY

Statement of Net Position

June 30, 2020

| | Primary Government | | | Component Unit |
|--|----------------------------|-----------------------------|-----------------------|-----------------------------|
| | Governmental Activities | Business-Type Activities | Total | Children & Families Comm |
| ASSETS | | | | |
| Cash and Investments: | | | | |
| Held in County Treasury | \$ 603,166,389 | \$ 161,554,167 | \$ 764,720,556 | \$ 6,325,457 |
| Held with Trustee | 430,499 | - | 430,499 | 1,975,205 |
| Other Bank Accounts | 7,859,089 | 8,434 | 7,867,523 | - |
| Imprest | 14,510 | 3,680 | 18,190 | 150 |
| Restricted | 621,177 | - | 621,177 | - |
| Receivables (Net) | 141,358,019 | 84,766,052 | 226,124,071 | 1,682,214 |
| Inventories | 559,304 | 5,048,912 | 5,608,216 | - |
| Prepaid Items and Other Assets | 1,528,213 | 6,278,860 | 7,807,073 | 4,952 |
| Internal Balances | (228,275) | 228,276 | 1 | - |
| Note Receivable | 20,835,831 | - | 20,835,831 | - |
| Capital Assets: | | | | |
| Nondepreciable | 565,548,315 | 14,993,632 | 580,541,947 | - |
| Depreciable, Net | 403,343,535 | 110,284,466 | 513,628,001 | 8,071 |
| Total Assets | <u>1,745,036,606</u> | <u>383,166,479</u> | <u>2,128,203,085</u> | <u>9,996,049</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Outflow from Debt Refunding | 392,959 | 246,675 | 639,634 | - |
| Deferred Outflows from Pensions | 110,827,598 | 32,110,885 | 142,938,483 | - |
| Deferred Outflows from OPEB | 8,274,364 | 2,274,422 | 10,548,786 | - |
| Total Deferred Outflows of Resources | <u>119,494,921</u> | <u>34,631,982</u> | <u>154,126,903</u> | <u>-</u> |
| LIABILITIES | | | | |
| Accounts Payable and Other Accrued Liabilities | 39,416,510 | 9,144,158 | 48,560,668 | 1,727,741 |
| Accrued Salaries and Benefits | 23,605,179 | 13,771,173 | 37,376,352 | 36,439 |
| Accrued Interest Payable | 1,879,892 | 405,765 | 2,285,657 | - |
| Accrued Liabilities | 612,011 | 68,121,633 | 68,733,644 | - |
| Deposits from Others | 12,857,651 | 10,000 | 12,867,651 | - |
| Unearned Revenues | 15,119,135 | - | 15,119,135 | - |
| Noncurrent Liabilities: | | | | |
| Due Within One Year (Bonds, Notes, Leases, Claims, Compensated Absences) | 56,949,023 | 15,662,321 | 72,611,344 | 51,199 |
| Due in More Than One Year: | | | | |
| Bonds, Notes, Leases, Claims, Compensated Absences | 286,188,280 | 36,694,750 | 322,883,030 | 74,836 |
| Net Pension Liability | 559,876,146 | 133,705,493 | 693,581,639 | - |
| Net OPEB Liability | 31,142,344 | 8,560,273 | 39,702,617 | - |
| Total Liabilities | <u>1,027,646,171</u> | <u>286,075,566</u> | <u>1,313,721,737</u> | <u>1,890,215</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Inflows from Pensions | 15,585,194 | 3,904,779 | 19,489,973 | - |
| Deferred Inflows from Debt Refunding | 746,477 | 190,146 | 936,623 | - |
| Deferred Inflows from OPEB | 565,104 | 161,971 | 727,075 | - |
| Total Deferred Inflows of Resources | <u>16,896,775</u> | <u>4,256,896</u> | <u>21,153,671</u> | <u>-</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 778,854,929 | 87,735,573 | 866,590,502 | 4,581 |
| Restricted for: | | | | |
| Restricted for Health and Sanitation | 100,582,068 | - | 100,582,068 | - |
| Restricted for Public Assistance | 33,050,926 | - | 33,050,926 | 51,214 |
| Restricted for Public Protection | 41,121,029 | - | 41,121,029 | - |
| Restricted for Public Ways and Facilities | 24,680,168 | - | 24,680,168 | - |
| Restricted for Recreation and Culture | 153,733 | 788,394 | 942,127 | - |
| Restricted for Debt Service | 1,044,348 | - | 1,044,348 | - |
| Restricted for capital projects | 76,911,565 | - | 76,911,565 | - |
| Housing and Redevelopment | 8,478,901 | - | 8,478,901 | - |
| Restricted for General Government | 6,589,011 | - | 6,589,011 | - |
| Restricted for Education | 3,480,486 | - | 3,480,486 | - |
| Unrestricted (Deficit) | (254,958,583) | 38,942,032 | (216,016,551) | 8,050,039 |
| Total Net Position | <u>\$ 819,988,581</u> | <u>\$ 127,465,999</u> | <u>\$ 947,454,580</u> | <u>\$ 8,105,834</u> |

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONTEREY
Statement of Activities
For the Fiscal Year Ended June 30, 2020

| <u>Function/Programs</u> | Program Revenues | | | |
|----------------------------------|-------------------------|---|--|--|
| | Expenses | Fees, Fines, and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| General Government | \$ 72,580,594 | \$ 29,129,753 | \$ 9,776,418 | \$ 40,252,147 |
| Public Safety and Protection | 325,687,731 | 42,192,028 | 104,449,301 | 6,945,105 |
| Public Ways and Facilities | 33,433,229 | 4,157,030 | 20,318,834 | 4,018,127 |
| Health and Sanitation | 226,446,969 | 55,649,082 | 153,095,390 | 93,500 |
| Public Assistance | 211,117,728 | 1,554,061 | 184,253,398 | 1,390,000 |
| Education | 10,447,897 | 78,367 | 412,685 | 361,216 |
| Recreation and Cultural Services | 24,807,080 | 1,035,374 | - | 21,429,162 |
| Interest on Long-Term Debt | 7,292,332 | - | - | - |
| Total governmental activities | 911,813,560 | 133,795,695 | 472,306,026 | 74,489,257 |
| Business-Type Activities: | | | | |
| Natividad Medical Center | 333,148,890 | 345,617,830 | - | - |
| Parks and Lake Resort | 3,384,005 | 2,992,472 | - | - |
| Total Business-Type Activities | 336,532,895 | 348,610,302 | - | - |
| Total Primary Government | <u>\$ 1,248,346,455</u> | <u>\$ 482,405,997</u> | <u>\$ 472,306,026</u> | <u>\$ 74,489,257</u> |
| Component Unit: | | | | |
| Children and Families Commission | \$ 6,731,396 | \$ - | \$ 6,157,176 | \$ - |
| Total Component Unit: | <u>\$ 6,731,396</u> | <u>\$ -</u> | <u>\$ 6,157,176</u> | <u>\$ -</u> |

General Revenues:
Taxes:
 Property Taxes
 Sales and Use Taxes
 Transient Occupancy Taxes
 Other Taxes
Rent, Concessions, and Leases
Unrestricted Interest and Investment Earnings
Other Revenues
Tobacco Settlement Revenues
Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position – Beginning of Year, As Restated

Net Position – Beginning of Year

Prior Period Adjustments

Net Position – End of Year

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONTEREY
Statement of Activities
For the Fiscal Year Ended June 30, 2020

| <u>Net (Expenses) Revenues and Changes in Net Position</u> | | | |
|--|---------------------------------|-------------------------|-------------------------------------|
| <u>Primary Government</u> | | | <u>Component Unit</u> |
| <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Totals</u> | <u>Children & Families Comm</u> |
| \$ 6,577,724 | \$ - | \$ 6,577,724 | \$ - |
| (172,101,297) | - | (172,101,297) | - |
| (4,939,238) | - | (4,939,238) | - |
| (17,608,997) | - | (17,608,997) | - |
| (23,920,269) | - | (23,920,269) | - |
| (9,595,629) | - | (9,595,629) | - |
| (2,342,544) | - | (2,342,544) | - |
| (7,292,332) | - | (7,292,332) | - |
| <u>(231,222,582)</u> | <u>-</u> | <u>(231,222,582)</u> | <u>-</u> |
| - | 12,468,940 | 12,468,940 | - |
| - | (391,533) | (391,533) | - |
| - | <u>12,077,407</u> | <u>12,077,407</u> | - |
| <u>\$ (231,222,582)</u> | <u>\$ 12,077,407</u> | <u>\$ (219,145,175)</u> | <u>\$ -</u> |

\$ (574,220)
\$ (574,220)

| | | | |
|-----------------------|-----------------------|-----------------------|---------------------|
| \$ 175,299,544 | \$ - | \$ 175,299,544 | \$ - |
| 18,707,877 | - | 18,707,877 | - |
| 21,773,829 | - | 21,773,829 | - |
| 34,580,587 | - | 34,580,587 | - |
| 18,604,309 | - | 18,604,309 | - |
| 10,830,393 | 4,554,325 | 15,384,718 | 148,363 |
| 530,694 | 719,767 | 1,250,461 | 4,186 |
| 4,082,238 | - | 4,082,238 | - |
| 11,509,856 | (11,509,856) | - | - |
| <u>295,919,327</u> | <u>(6,235,764)</u> | <u>289,683,563</u> | <u>152,549</u> |
| 64,696,745 | 5,841,643 | 70,538,388 | (421,671) |
| 696,685,028 | 121,624,356 | 818,309,384 | 8,527,505 |
| 58,606,808 | - | 58,606,808 | - |
| <u>755,291,836</u> | <u>121,624,356</u> | <u>876,916,192</u> | <u>8,527,505</u> |
| <u>\$ 819,988,581</u> | <u>\$ 127,465,999</u> | <u>\$ 947,454,580</u> | <u>\$ 8,105,834</u> |

The accompanying notes are an integral part of these financial statements.



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BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS



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COUNTY OF MONTEREY
Balance Sheet
Governmental Funds
June 30, 2020

| | General | Road Fund | Behavioral Health | Facility Master Plan Projects | Other Governmental | Total |
|---|----------------------|----------------------|----------------------|----------------------------------|-----------------------|-----------------------|
| Assets | | | | | | |
| Cash and Investments: | | | | | | |
| Held in County Treasury | \$228,595,110 | \$ 33,378,080 | \$ 26,730,780 | \$ 79,501,263 | \$ 114,614,268 | \$ 482,819,501 |
| Held with Trustee | - | - | - | - | 430,499 | 430,499 |
| Imprest Cash | 12,410 | 300 | - | - | 1,800 | 14,510 |
| Restricted Cash | 621,177 | - | - | - | - | 621,177 |
| Other Bank Accounts | 1,514,249 | - | - | - | - | 1,514,249 |
| Receivables (Net) | 62,574,121 | 3,865,149 | 38,624,159 | 588,641 | 35,623,923 | 141,275,993 |
| Due from Other Funds | 5,455,459 | - | - | - | 142,507 | 5,597,966 |
| Inventories | 483,245 | 76,059 | - | - | - | 559,304 |
| Prepaid Items and Other Assets | 1,405,640 | - | - | - | - | 1,405,640 |
| Loans and Notes Receivable | - | - | - | - | 20,835,831 | 20,835,831 |
| Total Assets | 300,661,411 | 37,319,588 | 65,354,939 | 80,089,904 | 171,648,828 | 655,074,670 |
| Liabilities | | | | | | |
| Vouchers and Accounts Payable | 19,061,748 | 2,800,216 | 9,087,754 | 3,509,840 | 3,481,536 | 37,941,094 |
| Accrued Salaries and Benefits | 19,710,995 | 485,949 | 2,505,652 | - | 896,089 | 23,598,685 |
| Due to Other Funds | 160,945 | - | - | - | 5,597,966 | 5,758,911 |
| Deposits from Others | 6,711,104 | 5,769,215 | - | - | 376,912 | 12,857,231 |
| Unearned Revenues | 11,567,401 | 3,507,982 | - | - | 43,752 | 15,119,135 |
| Advances from Other Funds | 533,947 | - | - | - | - | 533,947 |
| Total Liabilities | 57,746,140 | 12,563,362 | 11,593,406 | 3,509,840 | 10,396,255 | 95,809,003 |
| Deferred Inflows of Resources | | | | | | |
| Unavailable Revenue | 30,832,997 | 76,953 | 13,415,908 | 2,259 | 7,519,442 | 51,847,559 |
| Fund Balances | | | | | | |
| Nonspendable | 1,888,885 | 76,058 | - | - | - | 1,964,943 |
| Restricted | 29,964,253 | 24,603,215 | 40,345,625 | 76,577,805 | 109,023,130 | 280,514,028 |
| Committed | 91,979,016 | - | - | - | 37,010,147 | 128,989,163 |
| Assigned | 87,968,090 | - | - | - | 7,699,854 | 95,667,944 |
| Unassigned | 282,030 | - | - | - | - | 282,030 |
| Total Fund Balances | 212,082,274 | 24,679,273 | 40,345,625 | 76,577,805 | 153,733,131 | 507,418,108 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$300,661,411 | \$ 37,319,588 | \$ 65,354,939 | \$ 80,089,904 | \$ 171,648,828 | \$ 655,074,670 |

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONTEREY
Reconciliation of the Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position - Governmental Activities
June 30, 2020

| | | |
|---|----------------------|-----------------------|
| Fund Balance – Total Governmental Funds | | \$ 507,418,108 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | | 953,419,622 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds. | | |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds. | 6,026,626 | - |
| Other Unavailable Revenues | <u>45,820,932</u> | - |
| | | 51,847,559 |
| Internal service funds (ISF) are used by the County to charge the cost of general liability and workers' compensation insurance and other employee benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | | |
| | <u>33,400,667</u> | 33,400,667 |
| Deferred outflows of resources related to OPEB are not recognized as expenditures in the governmental funds | | 8,274,364 |
| Pension contributions are reported as deferred outflow of resources in the statement of net position. | | 110,827,598 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities are reported in the statement of net position. Balances as of June 30, 2019, are: | | |
| Bonds and Notes Payable | \$ (40,597,981) | |
| Certificate of Participation | (115,715,408) | |
| Unamortized Premium on Certificates of Participation | (19,431,103) | |
| Unamortized Losses on Refunding Debts | 392,959 | |
| Unamortized Gains on Refunding Debts | (746,477) | |
| Capital Lease Obligations | (13,938,911) | |
| Accrued Interest on Long-Term Debt | (1,879,892) | |
| Compensated Absences Payable | (43,254,240) | |
| Estimated Landfill Closure and Postclosure Costs | (752,436) | |
| Total OPEB Liability | (31,142,344) | |
| Net Pension Liability | <u>(559,876,146)</u> | (826,941,979) |
| Deferred inflows of resources related to pensions are not recognized as revenues in the governmental funds | | (15,585,194) |
| Deferred inflows of resources related to OPEB are not recognized as revenues in the governmental funds | | (565,104) |
| Adjustment necessary to close Internal Service Funds activities. This is the cumulative excess of revenues over expenses allocable to business-type activities. | | <u>(2,107,060)</u> |
| Net Positions of Governmental Activities | | <u>\$ 819,988,581</u> |

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONTEREY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020

| | General | Road Fund | Behavioral Health | Facility Master Plan Projects | Other Governmental | Total |
|--|-----------------------|----------------------|----------------------|----------------------------------|-----------------------|-----------------------|
| Revenues | | | | | | |
| Taxes | \$ 227,076,429 | \$ 7,284,754 | \$ - | \$ - | \$ 14,867,336 | \$ 249,228,519 |
| Licenses, Permits, and Franchises | 22,383,156 | 623,020 | - | - | 31,246 | 23,037,422 |
| Fines, Forfeitures, and Penalties | 9,961,179 | - | 86,697 | - | 648,907 | 10,696,783 |
| Revenue from Use of Money and Property | 21,945,669 | 400,666 | 673,358 | (47,645) | 3,710,321 | 26,682,369 |
| Aid from other Governmental Agencies | 194,251,248 | 24,731,882 | 99,250,443 | 52,537,959 | 147,935,551 | 518,707,083 |
| Charges for Services | 64,432,546 | 1,271,839 | 2,414,478 | - | 28,761,105 | 96,879,968 |
| Miscellaneous Revenues | 7,215,633 | 403,097 | 310,418 | 137,629 | 829,933 | 8,896,710 |
| Total Revenues | 547,265,860 | 34,715,258 | 102,735,394 | 52,627,943 | 196,784,399 | 934,128,854 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General Government | 34,455,475 | - | - | - | 12,841,986 | 47,297,461 |
| Public Protection | 267,753,971 | - | - | - | 18,902,605 | 286,656,576 |
| Public Ways and Facilities | - | 33,870,221 | - | - | 1,630,467 | 35,500,688 |
| Health and Sanitation | 81,938,018 | - | 131,105,404 | - | 3,764,485 | 216,807,907 |
| Public Assistance | 196,887,270 | - | - | - | 9,185,232 | 206,072,502 |
| Education | 421,662 | - | - | - | 9,395,692 | 9,817,354 |
| Recreation and Cultural Services | 23,869,401 | - | - | - | - | 23,869,401 |
| Debt service: | | | | | | |
| Principal | - | - | - | - | 7,249,857 | 7,249,857 |
| Interest and Debt Service Costs | - | - | - | - | 7,316,420 | 7,316,420 |
| Capital Outlay | - | - | - | 37,458,552 | 3,496,453 | 40,955,005 |
| Total Expenditures | 605,325,797 | 33,870,221 | 131,105,404 | 37,458,552 | 73,783,197 | 881,543,171 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (58,059,937) | 845,037 | (28,370,010) | 15,169,391 | 123,001,202 | 52,585,683 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers In | 99,823,244 | 6,275,833 | 28,202,387 | 25,603,006 | 25,874,304 | 185,778,774 |
| Transfers Out | (34,835,706) | - | (1,901,487) | (9,244,952) | (133,630,639) | (179,612,784) |
| Sale of Capital Assets | 17,534 | 6,300 | 3,925 | - | 4,830 | 32,589 |
| Total Other Financing Sources (Uses) | 65,005,072 | 6,282,133 | 26,304,825 | 16,358,054 | (107,751,505) | 6,198,579 |
| Net Change in Fund Balances | 6,945,135 | 7,127,170 | (2,065,185) | 31,527,445 | 15,249,697 | 58,784,262 |
| Fund Balances, Beginning of Year | 205,137,139 | 17,552,103 | 42,410,810 | 45,050,360 | 138,483,434 | 448,633,846 |
| Fund Balances, End of Year | <u>\$ 212,082,274</u> | <u>\$ 24,679,273</u> | <u>\$ 40,345,625</u> | <u>\$ 76,577,805</u> | <u>\$ 153,733,131</u> | <u>\$ 507,418,108</u> |

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONTEREY

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Government-Wide Statement of Activities - Governmental Activities
For the Fiscal Year Ended June 30, 2020

Net Change in Fund Balance – Total Governmental Funds \$ 58,784,262

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | | |
|---|---------------------|------------|
| Expenditures for general capital assets, infrastructure, capital lease, and other related capital asset additions | 60,927,241 | |
| Less current year depreciation | <u>(35,189,992)</u> | 25,737,249 |
| Contributions of Capital Assets | - | 62,851,794 |

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations). (134,094)

Some revenues will not be collected within the accrual period established for governmental funds. As a result, they are not considered as available revenues in the governmental funds. This change reflects the decrease in unavailable revenue. (34,432,152)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.

| | | |
|--|---------------|--------------|
| Change in Accrued Interest on Long Term Debt | 79,737 | |
| Change in Compensated Absences | (3,563,229) | |
| Change in Estimated Landfill Closure and Postclosure | 80,537 | |
| Change in OPEB Liability | 1,649,436 | |
| Change in Pension Liability | (55,928,568) | |
| Amortization of Premiums and Discounts | 1,154,393 | |
| Setup and Related Amortization of Refunding Loss | (28,068) | |
| Amortization of Refunding Gain | <u>43,910</u> | (56,511,852) |

Principal Repayments:

| | | |
|-------------------------------|----------------|-----------|
| Certificates of Participation | 5,376,962 | |
| Bonds, Notes, and Loans | 1,872,896 | |
| Capital Leases | <u>960,638</u> | 8,210,496 |

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities. (1,077,777)

Adjustment necessary to close internal service funds activities. This is the current year excess of revenues over expenses allocable to business-type activities. 1,268,819

Change in Net Position of Governmental Activities \$ 64,696,745

COUNTY OF MONTEREY

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General

For the Fiscal Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-----------------------|-----------------------|-----------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 215,661,642 | \$ 216,167,249 | \$ 227,076,429 | \$ 10,909,180 |
| Licenses, Permits, and Franchises | 21,857,130 | 21,857,130 | 22,383,156 | 526,026 |
| Fines, Forfeitures, and Penalties | 8,895,614 | 8,895,614 | 9,961,179 | 1,065,565 |
| Revenue from Use of Money and Property | 18,584,921 | 24,565,940 | 21,945,669 | (2,620,271) |
| Aid from other Governmental Agencies | 209,622,214 | 211,839,543 | 194,251,248 | (17,588,295) |
| Charges for Services | 75,276,447 | 75,276,447 | 64,432,546 | (10,843,901) |
| Miscellaneous Revenues | 6,506,754 | 6,541,699 | 7,215,633 | 673,934 |
| Total Revenues | <u>556,404,722</u> | <u>565,143,622</u> | <u>547,265,860</u> | <u>(17,877,762)</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 45,034,983 | 47,783,525 | 34,455,475 | 13,328,050 |
| Public Protection | 275,019,246 | 279,213,486 | 267,753,971 | 11,459,515 |
| Health and Sanitation | 97,635,427 | 97,681,426 | 81,938,018 | 15,743,408 |
| Public Assistance | 212,404,489 | 214,809,318 | 196,887,270 | 17,922,048 |
| Education | 463,115 | 460,788 | 421,662 | 39,126 |
| Recreation and Cultural Services | 23,694,405 | 30,526,134 | 23,869,401 | 6,656,733 |
| Total Expenditures | <u>654,251,665</u> | <u>670,474,677</u> | <u>605,325,797</u> | <u>65,148,880</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(97,846,943)</u> | <u>(105,331,055)</u> | <u>(58,059,937)</u> | <u>47,271,118</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 113,411,367 | 116,150,213 | 99,823,244 | (16,326,969) |
| Transfers Out | (33,255,911) | (41,955,326) | (34,835,706) | 7,119,620 |
| Sale of Capital Assets | - | - | 17,534 | 17,534 |
| Total Other Financing Sources (Uses) | <u>80,155,456</u> | <u>74,194,887</u> | <u>65,005,072</u> | <u>(9,189,815)</u> |
| Net Changes in Fund Balances | (17,691,487) | (31,136,168) | 6,945,135 | 38,081,303 |
| Fund Balances, Beginning | <u>205,137,139</u> | <u>205,137,139</u> | <u>205,137,139</u> | - |
| Fund Balances, Ending | <u>\$ 187,445,652</u> | <u>\$ 174,000,971</u> | <u>\$ 212,082,274</u> | <u>\$ 38,081,303</u> |

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONTEREY

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Road Fund
 For the Fiscal Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|----------------------|----------------------|----------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 7,672,989 | \$ 7,672,989 | \$ 7,284,754 | \$ (388,235) |
| Licenses, Permits, and Franchises | 1,000,000 | 1,000,000 | 623,020 | (376,980) |
| Revenue from Use of Money and Property | 202,183 | 202,183 | 400,666 | 198,483 |
| Aid from other Governmental Agencies | 39,679,924 | 39,679,924 | 24,731,882 | (14,948,042) |
| Charges for Services | 1,224,152 | 1,224,152 | 1,271,839 | 47,687 |
| Miscellaneous Revenues | 2,694,738 | 2,694,738 | 403,098 | (2,291,640) |
| Total Revenues | <u>52,473,986</u> | <u>52,473,986</u> | <u>34,715,259</u> | <u>(17,758,727)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public Ways and Facilities | 54,581,989 | 54,548,338 | 33,870,221 | 20,678,117 |
| Total expenditures | <u>54,581,989</u> | <u>54,548,338</u> | <u>33,870,221</u> | <u>20,678,117</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(2,108,003)</u> | <u>(2,074,352)</u> | <u>845,038</u> | <u>2,919,390</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 6,895,683 | 6,895,683 | 6,275,833 | (619,850) |
| Sale of Capital Assets | - | - | 6,300 | 6,300 |
| Total Other Financing Sources (Uses) | <u>6,895,683</u> | <u>6,895,683</u> | <u>6,282,133</u> | <u>(613,550)</u> |
| Net Changes in Fund Balances | 4,787,680 | 4,821,331 | 7,127,171 | 2,305,840 |
| Fund Balances, Beginning | <u>17,552,103</u> | <u>17,552,103</u> | <u>17,552,103</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 22,339,783</u> | <u>\$ 22,373,434</u> | <u>\$ 24,679,274</u> | <u>\$ 2,305,840</u> |

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONTEREY

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Behavioral Health

For the Fiscal Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|---------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Fines, Forfeitures, and Penalties | \$ 110,000 | \$ 110,000 | \$ 86,697 | \$ (23,303) |
| Revenue from Use of Money and Property | 324,578 | 324,578 | 673,358 | 348,780 |
| Aid from other Governmental Agencies | 108,527,329 | 108,527,329 | 99,250,443 | (9,276,886) |
| Charges for Services | 1,800,000 | 1,800,000 | 2,414,478 | 614,478 |
| Miscellaneous Revenues | - | - | 310,417 | 310,417 |
| Total Revenues | 110,761,907 | 110,761,907 | 102,735,393 | (8,026,514) |
| Expenditures | | | | |
| Current: | | | | |
| Health and Sanitation | 137,195,899 | 137,137,786 | 131,105,404 | 6,032,382 |
| Total Expenditures | 137,195,899 | 137,137,786 | 131,105,404 | 6,032,382 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (26,433,992) | (26,375,879) | (28,370,011) | (1,994,132) |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 33,858,558 | 33,858,558 | 28,202,387 | (5,656,171) |
| Transfers Out | (10,424,566) | (10,424,566) | (1,901,487) | 8,523,079 |
| Sale of Capital Assets | - | - | 3,925 | 3,925 |
| Total Other Financing Sources (Uses) | 23,433,992 | 23,433,992 | 26,304,825 | 2,870,833 |
| Net Changes in Fund Balances | (3,000,000) | (2,941,887) | (2,065,186) | 876,701 |
| Fund Balances, Beginning | 42,410,810 | 42,410,810 | 42,410,810 | - |
| Fund Balances, Ending | \$ 39,410,810 | \$ 39,468,923 | \$ 40,345,624 | \$ 876,701 |

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONTEREY
Statement of Net Position
Proprietary Funds
June 30, 2020

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities |
|---|--|-----------------------------------|---------------------------|----------------------------|
| | Nonmajor Enterprise Fund- | | Total Enterprise Funds | Internal Service Funds |
| | Natividad Medical Center | Parks Lake & Resort Operations | | |
| Assets | | | | |
| Current Assets: | | | | |
| Held in County Treasury | \$ 161,403,879 | \$ 150,288 | \$ 161,554,167 | \$ 120,346,888 |
| Imprest Cash | 3,680 | - | 3,680 | - |
| Other Bank Accounts | 8,434 | - | 8,434 | 6,344,840 |
| Receivables (Net) | 84,659,904 | 106,148 | 84,766,052 | 82,026 |
| Due from Other Funds | - | - | - | 596,093 |
| Inventories | 5,048,912 | - | 5,048,912 | - |
| Prepaid Expense | 6,278,860 | - | 6,278,860 | 122,573 |
| Total Current Assets | <u>257,403,669</u> | <u>256,436</u> | <u>257,660,105</u> | <u>127,492,420</u> |
| Noncurrent Assets: | | | | |
| Advances to Other Funds | - | - | - | 1,977,583 |
| Capital Assets | 123,880,176 | 1,397,922 | 125,278,098 | 15,472,228 |
| Total Noncurrent Assets | <u>123,880,176</u> | <u>1,397,922</u> | <u>125,278,098</u> | <u>17,449,811</u> |
| Total Assets | <u>381,283,845</u> | <u>1,654,358</u> | <u>382,938,203</u> | <u>144,942,231</u> |
| Deferred Outflows of Resources | | | | |
| Unamortized Losses on Refunding Debts | 246,675 | - | 246,675 | - |
| Deferred Outflows from Pensions | 32,110,884 | - | 32,110,884 | - |
| Deferred Outflows from OPEB | 2,274,422 | - | 2,274,422 | - |
| Total Deferred Outflows of Resources | <u>34,631,981</u> | <u>-</u> | <u>34,631,981</u> | <u>-</u> |
| Liabilities | | | | |
| Current Liabilities: | | | | |
| Vouchers and Accounts Payable | 25,545,384 | 65,473 | 25,610,857 | 1,475,415 |
| Accrued Salaries and Benefits | 13,590,793 | 180,380 | 13,771,173 | 6,494 |
| Accrued Interest Payable | 405,765 | - | 405,765 | - |
| Other Current Liabilities | 51,664,932 | - | 51,664,932 | 612,431 |
| Due to Other Funds | - | 435,148 | 435,148 | - |
| Current Portion of Claims Liability | - | - | - | 23,374,763 |
| Current Portion of Long-Term Liability | 15,662,321 | - | 15,662,321 | 1,339,651 |
| Total Current Liabilities | <u>106,869,195</u> | <u>681,001</u> | <u>107,550,196</u> | <u>26,808,754</u> |
| Long-Term Liabilities: | | | | |
| Advances from Other Funds | - | 1,443,636 | 1,443,636 | - |
| Claims Liability | - | - | - | 82,839,444 |
| Bonds and Notes Payable | 34,165,442 | - | 34,165,442 | 1,893,366 |
| Net Pension Liability | 133,705,494 | - | 133,705,494 | - |
| Net OPEB Liability | 8,560,273 | - | 8,560,273 | - |
| Compensated Absences - Noncurrent Portion | 2,529,308 | - | 2,529,308 | - |
| Total Long-Term Liabilities | <u>178,960,517</u> | <u>1,443,636</u> | <u>180,404,153</u> | <u>84,732,810</u> |
| Total Liabilities | <u>285,829,712</u> | <u>2,124,637</u> | <u>287,954,349</u> | <u>111,541,564</u> |

continued

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONTEREY
Statement of Net Position
Proprietary Funds
June 30, 2020

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities |
|--|--|-----------------------------------|---------------------------|----------------------------|
| | Nonmajor Enterprise Fund- | | Total Enterprise Funds | Internal Service Funds |
| | Natividad Medical Center | Parks Lake & Resort Operations | | |
| Deferred Inflows of Resources | | | | |
| Deferred Inflows from Pensions | 3,904,779 | - | 3,904,779 | - |
| Deferred Inflows from OPEB | 161,971 | - | 161,971 | - |
| Unamortized Gains on Refunding Debts | 190,146 | - | 190,146 | - |
| Total Deferred Inflows of Resources | <u>4,256,896</u> | <u>-</u> | <u>4,256,896</u> | <u>-</u> |
| Net Position | | | | |
| Net Investment in Capital Assets | 86,357,496 | (2,459) | 86,355,037 | 15,472,228 |
| Restricted for Recreation and Culture | - | 788,394 | 788,394 | - |
| Unrestricted (Deficit) | 39,471,722 | (1,256,214) | 38,215,508 | 17,928,439 |
| Total Net Position | <u>125,829,218</u> | <u>(470,279)</u> | <u>125,358,939</u> | <u>\$ 33,400,667</u> |
| Adjustment To Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Fund | 2,464,249 | (357,189) | 2,107,060 | |
| Net Position of Business-Type Activities | <u>\$ 128,293,467</u> | <u>\$ (827,468)</u> | <u>\$ 127,465,999</u> | |

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONTEREY
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities |
|--|--|--|------------------------------|----------------------------|
| | Natividad Medical Center | Nonmajor Enterprise Fund- Parks Lake & Resort Operations | Total Enterprise Funds | Internal Service Funds |
| | | | | |
| Operating Revenues: | | | | |
| Net Patient Services Revenues | \$ 330,156,011 | \$ - | \$ 330,156,011 | \$ - |
| Charges for Services | - | 113,783 | 113,783 | 50,714,744 |
| Other Operating Revenues | <u>14,099,744</u> | <u>2,879,038</u> | <u>16,978,782</u> | <u>7,781,194</u> |
| Total Operating Revenues | <u>344,255,755</u> | <u>2,992,821</u> | <u>347,248,576</u> | <u>58,495,938</u> |
| Operating Expenses: | | | | |
| Salaries, Wages and Benefits | 210,361,894 | 18,590 | 210,380,484 | 6,182,137 |
| Services and Supplies | 37,140,817 | 3,057,700 | 40,198,517 | 12,089,553 |
| Claims Expense | - | - | - | 42,141,474 |
| Purchased Services | 64,619,546 | - | 64,619,546 | - |
| Depreciation and Amortization | 10,709,238 | 199,945 | 10,909,183 | 5,511,295 |
| Other Operating Expenses | <u>6,575,982</u> | <u>-</u> | <u>6,575,982</u> | <u>1,238,328</u> |
| Total Operating Expenses | <u>329,407,477</u> | <u>3,276,235</u> | <u>332,683,712</u> | <u>67,162,787</u> |
| Net Operating Income (Loss) | <u>14,848,278</u> | <u>(283,414)</u> | <u>14,564,864</u> | <u>(8,666,849)</u> |
| Non-Operating Revenues (Expenses): | | | | |
| Intergovernmental Revenue | - | 802 | 802 | - |
| Interest Income | 4,554,620 | (295) | 4,554,325 | 2,451,957 |
| Interest Expense | (2,475,128) | (105,236) | (2,580,364) | (196,430) |
| Rents, Concessions and Royalties | 1,362,075 | - | 1,362,075 | - |
| Other Non-Operating Revenues | <u>718,016</u> | <u>600</u> | <u>718,616</u> | <u>(10,321)</u> |
| Total Non-Operating Revenues (Expenses) | <u>4,159,583</u> | <u>(104,129)</u> | <u>4,055,454</u> | <u>2,245,206</u> |
| Net Income (Loss) Before Transfers and Capital Contributions | 19,007,861 | (387,543) | 18,620,318 | (6,421,643) |
| Transfers In | 9,244,953 | 2,650,645 | 11,895,598 | 5,343,866 |
| Transfers Out | <u>(23,405,454)</u> | <u>-</u> | <u>(23,405,454)</u> | <u>-</u> |
| Change in Net Position | 4,847,360 | 2,263,102 | 7,110,462 | (1,077,777) |
| Net Position, Beginning of Year, As Restated | <u>120,981,858</u> | <u>(2,733,381)</u> | <u>118,248,477</u> | <u>34,478,444</u> |
| Net Position, End of Year | <u>\$ 125,829,218</u> | <u>\$ (470,279)</u> | <u>\$ 125,358,939</u> | <u>\$ 33,400,667</u> |
| Change in Net Position, From Above | \$ 4,847,360 | \$ 2,263,102 | \$ 7,110,462 | |
| Adjustment To Reflect the Consolidation of Internal Service Funds Activities Related to Enterprise Funds | <u>(1,266,285)</u> | <u>(2,534)</u> | <u>(1,268,819)</u> | |
| Change in Net Position of Business-Type Activities | <u>\$ 3,581,075</u> | <u>\$ 2,260,568</u> | <u>\$ 5,841,643</u> | |

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONTEREY
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

| | Business-type Activities - Enterprise Funds | | Governmental Activities |
|---|---|-----------------------------|----------------------------|
| | Nonmajor Enterprise Fund- Parks Lake & Resort | Natividad Medical Center | Internal Service Funds |
| | Operations | Total | |
| Cash Flows From Operating Activities: | | | |
| Cash Received from Patients and Third Party Payors | \$ 344,255,755 | \$ - | \$ 344,255,755 |
| Cash Receipts from Customers | 6,319,033 | 4,410,013 | 10,729,046 |
| Cash Receipts from Interfund Charges | - | - | 51,046,708 |
| Cash Paid to Employees for Services | (192,733,431) | (18,590) | (192,752,021) |
| Cash Paid to Suppliers for Goods and Services | (91,925,624) | (3,375,804) | (95,301,428) |
| Cash Paid to Other Funds for Services Provided | - | - | (2,074,461) |
| Net Cash Provided (Used) by Operating Activities | <u>65,915,733</u> | <u>1,015,619</u> | <u>66,931,352</u> |
| Cash Flows From Noncapital Financing Activities: | | | |
| Grants Revenues Received | 3,167,736 | - | 3,167,736 |
| Transfers from Other Funds | 9,244,953 | 2,650,645 | 11,895,598 |
| Transfers to Other Funds | (23,405,454) | - | (23,405,454) |
| Due from Other Funds | - | - | (29,012) |
| Due to Other Funds | - | (2,313,764) | (2,313,764) |
| Unrestricted Donations Received | 718,016 | - | 718,016 |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>(10,274,749)</u> | <u>336,881</u> | <u>(9,937,868)</u> |
| Cash Flows From Capital and Related Financing Activities: | | | |
| Collection of Advances | - | - | 596,093 |
| Repayment of Advances | - | (1,130,040) | (1,130,040) |
| Principal Paid on Capital Related Debt | (3,739,167) | - | (3,739,167) |
| Interest Paid on Capital Related Debt | (2,513,103) | (105,236) | (2,618,339) |
| Payments Related to Acquisition of Capital Assets | (18,461,550) | - | (18,461,550) |
| Payment to Refunding of Debt | (32,859,999) | - | (32,859,999) |
| Proceeds from Refunded Debt | 33,784,120 | - | 33,784,120 |
| Collections Related to Dispositions of Capital Assets | - | 1,402 | 1,402 |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(23,789,699)</u> | <u>(1,233,874)</u> | <u>(25,023,573)</u> |
| Cash Flows From Investing Activities | | | |
| Cash Received from Rental Income | 1,362,075 | - | 1,362,075 |
| Interest Payments Received | 4,554,620 | (295) | 4,554,325 |
| Net Cash Provided (Used) by Investing Activities | <u>5,916,695</u> | <u>(295)</u> | <u>5,916,400</u> |
| Net Cash Increase (Decreases) in Cash and Cash Equivalents | <u>37,767,980</u> | <u>118,331</u> | <u>37,886,311</u> |
| Cash and Cash Equivalents, July 1 | <u>123,648,013</u> | <u>31,957</u> | <u>123,679,970</u> |
| Cash and Cash Equivalents, June 30 | <u>161,415,993</u> | <u>150,288</u> | <u>161,566,281</u> |
| Reconciliation of Cash and Cash Equivalents to Statement of Net Position | | | |
| Cash and Cash Equivalents | 161,403,879 | 150,288 | 161,554,167 |
| Imprest Cash | 3,680 | - | 3,680 |
| Other Bank Accounts | 8,434 | - | 8,434 |
| Total Cash and Cash Equivalents | <u>161,415,993</u> | <u>150,288</u> | <u>161,566,281</u> |

COUNTY OF MONTEREY
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

| | Business-type Activities - Enterprise Funds | | Governmental Activities | |
|---|--|---|----------------------------|---------------------------|
| | Natividad Medical Center | Nonmajor Enterprise Fund- Parks Lake & Resort Operations | Total | Internal Service Funds |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities: | | | | |
| Operating Income(Loss) | 14,848,278 | (283,414) | 14,564,864 | (8,666,849) |
| Adjustments To Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | |
| Depreciation and Amortization | 10,709,238 | 199,945 | 10,909,183 | 5,511,295 |
| (Increase) Decrease in Receivables | 6,319,033 | 1,417,192 | 7,736,225 | 742,483 |
| (Increase) Decrease in Inventories | (310,714) | - | (310,714) | - |
| (Increase) Decrease in Prepaid Items | (1,794,698) | - | (1,794,698) | - |
| Increase (Decrease) in Accounts Payable | 3,535,270 | (318,104) | 3,217,166 | (215,917) |
| Increase (Decrease) in Deferred Outflows - Pension | 3,354,087 | - | 3,354,087 | - |
| Increase (Decrease) in Deferred Outflows - OPEB | (596,346) | - | (596,346) | - |
| Increase (Decrease) in Other Accrued Liabilities | - | - | - | 331,964 |
| Increase (Decrease) in Other Salaries and Benefits | 9,504,685 | - | 9,504,685 | 6,494 |
| Increase (Decrease) in Other Liabilities | 14,980,863 | - | 14,980,863 | - |
| Increase (Decrease) in Compensated Absences | 1,171,805 | - | 1,171,805 | - |
| Increase (Decrease) in Post-employment Liability | (92,845) | - | (92,845) | - |
| Increase (Decrease) in Deferred Inflows - Pension | 982,070 | - | 982,070 | - |
| Increase (Decrease) in Deferred inflows - OPEB | (4,369) | - | (4,369) | - |
| Increase (Decrease) in Pension Liability | 3,309,376 | - | 3,309,376 | - |
| Increase (Decrease) in Claims Liability | - | - | - | 13,613,403 |
| Total Adjustments | <u>51,067,455</u> | <u>1,299,033</u> | <u>52,366,488</u> | <u>19,989,722</u> |
| Net Cash Provided (Used) by Operating Activities: | <u>\$ 65,915,733</u> | <u>\$ 1,015,619</u> | <u>\$ 66,931,352</u> | <u>\$ 11,322,873</u> |

COUNTY OF MONTEREY
Statement of Fiduciary Funds Net Position
June 30, 2020

| | <u>Investment Trust</u> | <u>Private Purpose Trust</u> | <u>Agency Funds</u> |
|---|-----------------------------|----------------------------------|---------------------|
| Assets | | | |
| Held in County Treasury | \$ 974,026,396 | \$ 3,673,278 | \$ 27,352,207 |
| Taxes Receivable | - | - | 34,566,241 |
| Due from Other Funds | - | - | 3,829,132 |
| Long-Term Receivables | - | 27,938 | - |
| Assets Held for Resale | - | 24,068 | - |
| Equipment | - | 681,285 | - |
| Total Assets | <u>974,026,396</u> | <u>4,406,569</u> | <u>65,747,580</u> |
| Liabilities | | | |
| Accounts Payable and Accrued Expenses | - | 1,379 | 369,483 |
| Due to Other Funds | - | - | 3,829,132 |
| Deposits from Others | - | 112,284 | - |
| Unearned Revenues | - | 45,153 | - |
| Assets Held as Agency for Others | - | - | 61,548,965 |
| Total Liabilities | <u>-</u> | <u>158,816</u> | <u>65,747,580</u> |
| Net Position | | | |
| Net Position Held in Trust for Investment Pool and Other Governments | <u>974,026,396</u> | <u>4,247,753</u> | <u>-</u> |
| Total Net Position | <u>\$ 974,026,396</u> | <u>4,247,753</u> | <u>-</u> |

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONTEREY
Statement of Changes in Fiduciary Funds Net Position
For the Fiscal Year Ended June 30, 2020

| | <u>Investment Trust</u> | <u>Private Purpose Trust</u> |
|--------------------------------------|-----------------------------|----------------------------------|
| Additions | | |
| Property Taxes | \$ - | \$ 1,944,829 |
| Contributions to Investment Pool | 1,686,966,276 | - |
| Interest Income | <u>21,062,959</u> | <u>49,089</u> |
| Total Additions | <u>1,708,029,235</u> | <u>1,993,918</u> |
| Deductions | | |
| Distributions from investment pool | 1,765,657,246 | - |
| Deductions - Administrative Expenses | - | 50,175 |
| Depreciation and Amortization | <u>-</u> | <u>103,521</u> |
| Total Deductions | <u>1,765,657,246</u> | <u>153,696</u> |
| Change in Net Position | (57,628,011) | 1,840,222 |
| Net Position, Beginning of Year | <u>1,031,654,407</u> | <u>2,407,531</u> |
| Net Position, End of Year | <u>\$ 974,026,396</u> | <u>\$ 4,247,753</u> |

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

The notes provided in the financial section are considered an integral and essential part of adequate disclosure and fair presentation of this report. The notes include a summary of significant accounting policies for the County, and other necessary disclosure of pertinent matters relating to the financial position of the County. The notes express significant insight to the financial statements and are conjunctive to understanding the rationale for presentation of the financial statements and information contained in this document.



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COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies

A. The Financial Reporting Entity

The County of Monterey, California (County) was created pursuant to general law as a subdivision of the State of California. The County is governed by a five-member elected Board of Supervisors (County Board) with legislative and executive control of the County. As required by generally accepted accounting principles (GAAP) in the United States of America, the accompanying financial statements present the County (the primary government) and its component units, entities for which the County is considered to be financially accountable. Blended component units, though they are legally separate entities, are in substance part of the County's operations. Thus, blended component units are presented as funds of the County. The discretely presented component units, on the other hand, are reported in separate columns in the government-wide financial statements to emphasize that they are not considered as an integral part of the primary government. The County's financial statements include all financial activities for which the primary government is financially accountable or closely related.

Blended Component Units

Although they are legally separate from the County, the following blended component units are reported as if they were a part of the County because the Monterey County Board of Supervisors also serves as the governing board of each component unit. In addition, the primary government has operational responsibility for the component units:

- Monterey County Water Resources Agency, including Storm Drain Maintenance District No. 2 and Gonzales Slough Maintenance District – All County Service Areas
- All County Sanitation Districts except Seaside County Sanitation District
- Nacimiento Hydroelectric Operations
- Monterey County Financing Authority
- Monterey County Public Improvement Corporation
- Community Facilities District 2006-1, East Garrison Public Financing Authority

Complete financial statements of the Monterey County Financing Authority and Monterey County Public Improvements Corporation can be obtained by contacting the County of Monterey, Auditor-Controller, P.O. Box 390, Salinas, CA 93902.

Discretely Presented Component Units

Monterey County Children and Families Commission (Commission) was established under the provisions of the California Children and Families Act. The Commission is a legally separate entity governed by a board of seven members. Three members are representatives of the County's health care departments, County's social services departments and the Board of Supervisors. The County Board of Supervisors may remove any Commission member at any time. Since the County Board of Supervisors can impose their will on the Commission, the Commission is considered a discretely presented component unit of the County. Separately issued statements may be obtained by contacting the Commission at 1125 Baldwin Street, Salinas, CA 93906.

The Monterey County Board of Supervisors appoints a voting majority of the governing boards of the following entities; however, such entities are excluded from the accompanying financial statements due to the fact that (1) the County is not able to impose its will on the entity and (2) there is not a financial benefit/burden relationship between the County and the entity:

- Monterey County Housing Authority
- Monterey Bay Unified Air Pollution Control District
- All Cemetery Districts
- Community Facilities
- Carmel Highlands Fire Protection District
- Mid-Carmel Valley Fire Protection District

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

A. The Financial Reporting Entity (continued)

- Mission Soledad Rural Fire Protection District
- Salinas Rural Fire Protection District
- North County Public Recreation District

B. Basis of Presentation

In accordance with GASB Statement No. 34, "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*," the financial statements consist of the following:

- Government-Wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities and report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. All internal balances in the statement of net position have been eliminated with the exception of those representing balances between *governmental activities* and the *business-type activities*, which are presented as internal balances. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County and between the County and its discretely presented component units. Governmental activities, which are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees charged to external customers. Likewise, the County is reported separately from certain legally separate component units for which the County is financially accountable.

The Statement of Activities presents a comparison between program expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the County's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments for services where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the County's funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, which are each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County reports the following major governmental funds:

- *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as general government, public safety and protection, public ways and facilities, health and sanitation, public assistance, education and recreation and cultural services.
- The *Road Fund* carries out public ways activities of traffic engineering, project and community development, design, construction, and operation of the county road, bridge, and utility infrastructure and receives state highway users tax and state and federal aid and grants.
- The *Behavioral Health Fund* carries out governmental activities of the County that relate to alcohol, drug, and mental health services. The primary source of revenue for this fund is the state and federal grants and aid.
- The *Facilities Master Plan Implementation Fund* is established to account for capital projects undertaken with debt in order to adhere to reporting requirements and assure the County is on schedule with project implementation and completion.

The County reports the following major enterprise fund:

- The Natividad Medical Center (NMC) accounts for hospital operations involved in providing health services to County residents. Revenues are principally fees for patient services, payments from federal and state programs such as Medicare, Medi-Cal and Short Doyle, realignment revenues, and subsidies from the General Fund. For more detailed information on NMC, refer to the Natividad Medical Center audit report.

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's self-insurance programs, including workers' compensation, general liability insurance, other employee benefit plans that include vision, dental, long term disability, and other miscellaneous employee benefits; and resource planning to provide funds for capital projects that require replacement, maintenance, or upgrades during the life of the asset.
- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer. These entities include school and community college districts and other special districts governed by local boards, regional boards and authorities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- The *Agency Funds* account for assets held by the County as an agent for various local governments. Since they are custodial in nature they do not involve measurement of results of operations, nor do they have equity accounts since all assets are due to individuals or entities at some future time. These funds include pass-through funds established for the distribution of tax collections for the State, cities and towns.
- The *Private Purpose Trust Fund* accounts for the former redevelopment obligation retirement activities.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

During the course of operations, the County has activity between funds for various purposes through due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between those funds included in the governmental activities (i.e., the governmental and the internal service funds) are eliminated so that only the net amount is reported as internal balances in the governmental activities column. Similarly, balances between those funds included in the business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Certain activities occur during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between those funds included in the governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between those funds included in the business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, and the basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements (excluding agency funds). Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when "susceptible to accrual" (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means that revenues are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenues are recognized in the current year if they are collected within 60 days of year-end. For all other revenues, the County considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Revenues not considered available are recorded as deferred inflows of resources. The County's other primary revenue sources: investment income, intergovernmental revenues, and charges for services, have been treated as "susceptible to accrual" under the modified accrual basis. Licenses and permits, fines, forfeitures and penalties, and other revenues are not considered "susceptible to accrual" under the modified accrual basis and are recorded as revenues when received. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

D. Cash and Investments

The County follows the practice of pooling cash and investments of all funds with the County Treasurer, except for certain restricted funds which are generally held by outside custodians and classified as "Cash and investments with fiscal agents" on the accompanying financial statements. Interest earned on pooled investments is allocated to the funds entitled to receive interest based on the average daily cash balance of each fund for the quarter in which the interest was earned.

For purposes of the Statement of Cash Flows, the proprietary fund types consider all highly liquid investments with a maturity date of three months or less at the time of purchase to be cash equivalents. Proprietary fund types deposits with the County Treasurer are demand-type deposits and are therefore considered to be cash equivalents.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

D. Cash and Investments (continued)

Investment in the Treasurer's Pool

Statutes authorize the County to invest its surplus cash in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds rated P-1 by Standard & Poor's Corporation or A-1 by Moody's Investor Service, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund. Gains and losses are recognized upon sale based upon the specific identification method. Investments are reported at fair value. The fair values of investments are obtained by using quotations obtained from independent published sources.

The fair value of participants' position in the County's investment pool is the same as the value of the pool shares. The method used to determine the value of participants' equity withdrawn is based on the book value of the participants' percentage at the date of such withdrawal.

E. Inventories and Prepaid Items

Inventories are stated at cost (first-in, first-out basis) for governmental funds and lower of cost (first-in, first-out basis) or market for proprietary funds. Inventory recorded by governmental funds includes postage and materials, fleet vehicles and parts and supplies for roads. Governmental fund inventories are recorded as expenditures at the time the inventory is consumed. Similarly, the consumption method is used for prepaid items where certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements. Reported inventories and prepaid items of governmental funds are equally offset by a corresponding nonspendable portion of fund balance to indicate that they are not expendable available financial resources.

Inventory recorded in the proprietary funds mainly consists of maintenance supplies as well as pharmaceutical supplies maintained by NMC. Inventory is expensed as the supplies are consumed.

F. Property Taxes

Property taxes attach as an enforceable lien on the secured and unsecured property as of January 1, and are levied as of July 1. Secured property taxes are due in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are due on July 1 and become delinquent, if unpaid, on August 31. The County bills and collects its own property taxes and also collects such taxes for cities, schools, and special districts.

G. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if the actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at the estimated acquisition value. Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, bridges, lighting system, drainage system, dams and water systems. The County defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. For infrastructure and buildings, the capitalization threshold is \$100,000. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds.

The estimated useful lives are as follows:

| | |
|--|----------------|
| Infrastructure (Except for the Maintained Pavement Subsystem) | 15 to 50 years |
| Structures and Improvements | 40 to 50 years |
| Equipment | 3 to 25 years |

The County has four networks of infrastructure assets – roads, lighting, drainage system, dams and water system.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

H. Compensated Absences (Accrued Vacation, Paid-Time-Off, Sick Leave, and Compensatory Time)

Vacation and Paid-Time-Off

Unused vacation and paid-time-off (PTO) leaves may be accumulated up to a specified maximum cap based on an employee's bargaining unit or management group. Vacation and PTO leaves are paid to the employee at the time of separation from County employment. Some County employees have an option to buy back up to 80 hours of vacation or PTO leave.

The current portion of the liability for vacation and PTO leaves is based on an estimated percentage of employees that will separate from County employment in the next fiscal year (turnover rate), applied to the total liability for vacation and PTO leaves.

Sick Leave

Sick Leave can be accumulated indefinitely. Upon retirement or death, unused sick leave is paid up to 500 hours or 750 hours if an employee opts to exchange time to pay for health benefits. All unused sick leave above the 500-750 hours or any unused sick leave for employees separated from the County for other reasons is forfeited.

Compensatory Time

Compensatory time-off can be accrued in lieu of overtime payments. An employee can accumulate compensatory time-off up to 240 hours or 480 hours for public safety and seasonal workers. The compensatory time-off balances are expected to be used within the next fiscal year. All compensatory time-off balances are considered current year liabilities. The County includes its share of Social Security and Medicare taxes payable on behalf of the employees in the accrual for compensated absences.

I. Pensions

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting (see Note 10 and the required supplementary information (RSI) section immediately following the Notes to Financial Statements), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the County recognizes a net pension liability, which represents the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial reports provided by the California Public Employees Retirement System (CalPERS) for its plans. The net pension liability is measured as of the County's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pensions and pension expense, information about the fiduciary net position of the County's pension plans with CalPERS, additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms of each plan. Investments are reported at fair value.

J. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's OPEB Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the California Employers' Retiree Benefit Trust (CERBT). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

K. Lease Obligations

The County leases assets under both operating and capital lease agreements. In the government-wide and proprietary funds' financial statements, capital leases and the related lease obligations are reported as liabilities in the applicable governmental activities or proprietary funds Statement of Net Position.

L. Long-Term Debt

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using a method that approximates the effective interest method. Bond issuance costs are reported as expenses in the period incurred. Bonds payable are reported net of the applicable bond premium or discount. Gains or losses from advance refundings are deferred and amortized as interest expense over the life of the new refunding debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Interfund Transactions

Interfund transactions are reflected as either loans, services provided/(received), reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a corresponding nonspendable portion of fund balance to indicate that they are not available for appropriation and are not expendable available financial resources.

Services provided/(received), deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

N. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net position by the County that is applied to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has deferred outflows of resources related to unamortized losses on refunding debts (Note 7) and related to pensions (Note 10) and OPEB (Note 11). The losses on refunding result from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of a net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has deferred inflows of resources related to unavailable revenues (Note 4) reported under the modified accrual basis of accounting in the governmental funds balance sheet and related to a deferred gain on unamortized gains on refunding debts (Note 7), pensions (Note 10) and OPEB (Note 11) in its proprietary and government-wide financial statements. The governmental funds report unavailable revenues from property taxes, advances from federal and state, and other sources as appropriate. These amounts are deferred and recognized as revenues in the period the amounts become available. The gain on refunding results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

O. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

P. Budget Process

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for the majority of the Governmental Funds. Expenditures are controlled at the appropriation unit level for the County. Appropriation unit level expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between departments or funds are authorized by the County Administrator's office and must be approved by the Board of Supervisors. Supplementary appropriations normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

The Actual Amounts reported in the budgetary statements and schedules matches the basis used to present the basic financial statements in accordance with generally accepted accounting principles (GAAP).

Q. Net Position

The government-wide and business-type activities financial statements utilize a net position presentation. Net position represent the difference between assets plus deferred outflow of resources and liabilities plus deferred inflow of resources and are displayed in three components:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category represents a net position that is subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the County, not restricted for any project or other purpose.

When both restricted and unrestricted net position is available, restricted resources are used first, then unrestricted resources as they are needed.

R. Fund Balance

Fund balance of governmental funds is reported in the following categories based on the nature of limitations confining the use of resources for specific purposes:

Nonspendable Fund Balance – This category represents amounts that cannot be spent because they are either not spendable in form or legally or contractually required to remain intact.

Restricted fund balance – This category represents amounts with constraints placed on their use by those external to the County, including creditors, grantors, contributors or laws and regulations of other governments. It also includes constraints imposed by law through constitutional provisions or enabling legislation.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

R. Fund Balance (continued)

Committed Fund Balance – This category represents amounts that can only be used for specific purposes determined by formal action (ordinance) of the County’s highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner. The underlying action (ordinance) that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned Fund Balance – This category represents amounts that are constrained by the County’s intent to be used for specific purposes as determined by the Board of Supervisors via resolution or budget adoption process.

Unassigned Fund Balance – This category represents the residual classification that includes amounts not contained in the other classifications. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative fund balance in that fund.

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (committed, assigned, and unassigned fund balances). To determine the amounts to report as restricted, committed, assigned, and unassigned fund balances in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The County’s board establishes, modifies or rescinds fund balance commitments by the passage of an ordinance and assignments by the passage of a resolution. When restricted and unrestricted resources are available for use, The County considers the restricted fund balance to have been depleted before the unrestricted fund balance is applied. Further, in circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

Fund Balance Policy

The County’s goal is to use unrestricted fund balance as a source to finance one-time investments, reserves and/or commitments. Committed, assigned and unassigned fund balances are considered unrestricted. The County’s general financial guidelines permit the County’s Board of Supervisors to use unbudgeted unassigned fund balance in the following manner as recommended by the County Administrative Officer:

1. A capital project fund
2. Productivity investment assignment
3. Strategic reserve equal to 10 percent of current general fund revenues
4. One-time investments or assignments

Strategic Reserve Policy

The County has established a strategic reserve reported as a separate committed fund balance constraint. The target funding level is equal to ten percent of the total general fund final budgeted estimated revenues. Funding for the strategic reserve is appropriated annually by the Board of Supervisors as part of the budget approval

The purpose of the County’s general fund strategic reserve is to:

1. Fund settlement of legal judgments against the County in excess of reserves normally designated for litigation.
2. Cover short-term revenue reductions due to economic downturns, for natural disasters as determined by the County Administrative Officer or the Board of Supervisors, and for one-term only State budget reductions that could not be addressed through the annual appropriations for contingencies in the general fund.

The County has also established a strategic reserve reported as a separate committed fund balance constraint as the Natividad Medical Center Strategic Reserve. The Natividad Medical Center Strategic Reserve is funded with unrestricted NMC net position and can be used only for Natividad Medical Center purposes, as determined by the County’s Board of Supervisors based on recommendations of the NMC Board of Trustees.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

S. Implementation of Governmental Accounting Standards Board (GASB) Statements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

In March 2018, the GASB issued GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. Among other things, Statement 88 clarifies which liabilities governments should include in their note disclosures related to debt. Statement No. 88 requires that all debt disclosures present direct borrowings and direct placements of debt separately from other types of debt. Statement No. 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Statement No. 88 also requires governments to disclose additional essential debt-related information for all types of debt.

The County is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

In May 2020, the GASB issued GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements (GASB No. 84 through 93) are postponed by one year:

In January 2017, the GASB issued GASB Statement No. 84, Fiduciary Activities. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities. The Statement is effective for the County's fiscal year ending June 30, 2021.

In June 2017, the GASB issued GASB Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right to use leased asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement is effective for the County's fiscal year ending June 30, 2022.

In June 2018, the GASB issued GASB Statement No. 89, Accounting for Interest Cost Incurred before the end of a construction period. Statement 89 establishes guidance designed to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. It also simplifies accounting for interest cost incurred before the end of a construction period. For financial statements prepared using the economic resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expense in the period in which the cost is incurred. Such interest cost should not be capitalized as part of the historical cost of a capital asset. For financial statements prepared using the current financial resources measurement focus, interest incurred before the end of a construction period should continue to be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The Statement is effective for the County's fiscal year ending June 30, 2022.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

S. Implementation of Governmental Accounting Standards Board (GASB) Statements (continued)

In August 2018, the GASB issued GASB Statement No. 90, Majority Equity Interests. Statement 90 clarifies the accounting and financial reporting requirements for a state or local government's majority equity interest in an organization that remains legally separate after acquisition. Under Statement 90 a government entity should report its majority equity interest in a legally separate organization as an investment if that equity interest meets the GASB's definition of an investment. For a majority equity interest in a legally separate entity that does not meet the definition of an investment, Statement 90 requires a government to report the legally separate entity as a component unit. Statement 90 also establishes guidance for remeasuring assets and liabilities of wholly acquired governmental organizations that remain legally separate. That guidance brings the reporting of those acquisitions in line now with existing standards that apply to acquisitions that do not remain legally separate. The Statement is effective for the County's fiscal year ending June 30, 2021.

In May 2019, the GASB issued GASB Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The Statement is effective for the County's fiscal year ending June 30, 2023.

In March 2020, the GASB issued GASB Statement No. 93, Replacement of Interbank Offered Rates. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of the London Interbank Offered Rate (IBOR). The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after June 15, 2021.

In March 2020, the GASB issued GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The effective date of this Statement is for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 2: Cash and Investments

The County Treasurer is responsible for managing the investment pool with deposits from the County, all County school districts, and various special districts within the County pursuant to California Government Code Section 53600. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer. The County investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the County investment policy, in order of priority, are safety, liquidity, and yield. The County Board annually reviews the County Investment Policy, and all amendments to the policy require the County's Board approval.

As of June 30, 2020, the County's cash, deposits and investments were as follows:

| | Pooled | With Fiscal Agents | Other | Total |
|--------------------------------------|-------------------------|-----------------------|---------------------|-------------------------|
| Imprest Cash and Cash on Hand | \$ 92,906 | \$ - | \$ 18,340 | \$ 111,246 |
| Deposits With Financial Institutions | 4,241,624 | 6,775,108 | 4,119,064 | 15,135,796 |
| Outstanding Warrants and Wires | (26,259,760) | - | - | (26,259,760) |
| Investments | 1,798,023,126 | 230 | - | 1,798,023,356 |
| Totals | \$ 1,776,097,896 | \$ 6,775,338 | \$ 4,137,404 | \$ 1,787,010,638 |

Total cash and investments at June 30, 2020, were presented on the County's financial statements as follows:

| | |
|-------------------------------------|--------------------------------|
| Primary Government | \$ 773,657,945 |
| Investment Trust Fund | 974,026,396 |
| Agency Funds | 27,352,207 |
| Private Purpose Trust Fund | 3,673,278 |
| Discretely Presented Component Unit | <u>8,300,812</u> |
| Total Cash and Investments | <u>\$ 1,787,010,638</u> |

Investments

The following table identifies the investment types that are authorized for the County by the California Government Code or the County's investment policy, wherever is more restrictive. The table also identifies certain provisions of the County's investment policy that address interest rate risk, credit risk, and concentration risk.

| <u>Authorized Investment Type</u> | <u>Maximum Maturity</u> | <u>Maximum Percentage of Portfolio</u> | <u>Maximum Investment in One Issuer</u> |
|-------------------------------------|-----------------------------|--|---|
| Local Agency Bonds | 5 years | None | 5% |
| U.S. Treasury Obligations | 5 years | None | None |
| State of California Obligations | 5 years | None | 10% |
| U.S. Agency Securities | 5 years | None | None |
| Banker's Acceptances | 180 days | 40% | 5% |
| Commercial Paper | 270 days | 40% | 5% |
| Negotiable CDs/CD Placement Service | 5 years | 30% | 5% |
| Repurchase Agreements | 1 year | 20% | None |
| Reverse Repurchase Agreements | 92 days | 20% | None |
| Medium Term Notes | 5 years | 30% | 5% |
| Mutual/Money Market Funds | N/A | 20% | 10% |
| Collateralized Bank Deposits | 5 years | None | 5% |
| Mortgage Pass-Through Securities | 5 years | 20% | 5% |
| Time Deposits | 2 years | None | None |
| Local Agency Investment Fund (LAIF) | N/A | None* | None |
| Supranational Debt Obligations | 5 years | 30% | None |

* The investment policy limits the pool's investments in LAIF to \$65,000,000 per account, regardless of the percentage this represents.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 2: Cash and Investments (continued)

At June 30, 2020, the County had the following investments:

| | Interest Rates | Maturities | Par | Fair Value | WAM (Years) |
|---|-----------------|-----------------------|------------------------|------------------------|----------------|
| Investments in Investment Pool | | | | | |
| Federal Agency Obligations | 0.25% - 3.00% | 10/1/2020 - 6/17/2025 | \$ 163,410,000 | \$ 163,323,966 | 2.48 |
| U.S. Treasury Obligations | 0.125% - 3.125% | 7/31/2020 - 2/28/2025 | 898,620,000 | 891,044,195 | 0.83 |
| Medium Term Notes | 0.40% - 5.20% | 8/12/2020 - 2/14/2025 | 251,275,000 | 252,561,359 | 1.27 |
| Negotiable CDs | 1.80% - 2.97% | 11/16/20 - 2/14/22 | 43,760,000 | 43,822,100 | 0.88 |
| Commercial Paper | 1.40% - 1.84% | 7/15/20 - 8/25/20 | 57,600,000 | 56,987,913 | 0.09 |
| Supranationals | 0.50% - 1.626% | 9/4/20 - 5/24/23 | 15,270,000 | 14,914,408 | 0.23 |
| Municipal Bonds | 2.80 - 5.00% | 4/1/2021 - 3/1/25 | 345,000 | 355,274 | 1.47 |
| Money Market Mutual Funds | Variable | On Demand | 7,432,945 | 7,432,945 | - |
| California Asset Management Program | Variable | On Demand | 208,550,000 | 208,550,000 | - |
| CalTRUST | Variable | On Demand | 84,030,966 | 84,030,966 | - |
| California Local Agency Investment Fund | Variable | On Demand | 75,000,000 | 75,000,000 | - |
| Total Investment Pool Excluding Defaulted Securities | | | <u>\$1,805,293,911</u> | <u>\$1,798,023,126</u> | - |
| Weighted Average Maturity for Pool | | | | | 0.84 |
| Default Securities | | | | | |
| Lehman Brothers Medium-Term Notes | N/A | In Default | \$ 10,000,000 | \$ - | - |
| Total Investment Pool | | | <u>\$1,815,293,911</u> | <u>\$1,798,023,126</u> | - |
| Investments Outside Investment Pool | | | | | |
| <i>Cash Held with Fiscal Agent</i> | | | | | |
| Money Market Mutual Funds | Variable | On Demand | \$ 230 | \$ 230 | - |
| Total Outside Investment Pool | | | <u>\$ 230</u> | <u>\$ 230</u> | - |

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. While the County does not address interest rate risk specifically in its investment policy, one of the ways that the County manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The County limits its exposure to interest rate risk inherent in its portfolio by managing the investment maturities, the weighted average maturity of its portfolio, as well as limiting the weighted average maturity to two years or less.

Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The County Treasurer mitigates these risks by holding a diversified portfolio of high quality investments. The adopted investment policy contains specific limitations on investments by credit quality, maturity length and the maximum allocation by asset class. In all instances, the adopted investment policy is equal to or more restrictive than applicable codified statutes.

Commercial paper obligations must be rated a minimum of F1 by Fitch, P1 by Moody's or A1 by Standard & Poor's. Corporate bonds must be rated A or better by one of these three rating agencies. In addition, total exposure of all asset classes to any single issuer shall not exceed 10% of the 12-month projected minimum size of the portfolio, other than securities issued by the U.S. Government, its agencies and sponsored enterprises.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 2: Cash and Investments (continued)

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's fair value at June 30, 2020.

| | Moody's | Standard & Poor's | % of Portfolio |
|---|-----------|----------------------|-----------------|
| U.S. Treasury Obligations* | Aaa | AA+ | 28.63 % |
| U.S. Treasury Obligations* | Aaa | AAA | 0.03 % |
| U.S. Treasury Obligations* | Aaa | Not rated | 18.79 % |
| U.S. Treasury Obligations* | Not rated | Not rated | 2.25 % |
| Federal Agency Obligations* | Aaa | AA+ | 4.30 % |
| Federal Agency Obligations* | Not rated | AA+ | 1.39 % |
| Federal Agency Obligations* | Not rated | Not rated | 3.37 % |
| Commercial Paper | P-1 | A-1 | 3.19 % |
| Supranationals | Aaa | AAA | 0.83 % |
| Supranationals | Not rated | Not rated | 0.01 % |
| Negotiable CDs | A1 | A+ | 0.01 % |
| Negotiable CDs | A1 | A | 0.57 % |
| Negotiable CDs | A3 | A- | 0.28 % |
| Negotiable CDs | Not rated | A-1 | 0.57 % |
| Negotiable CDs | Not rated | Not rated | 0.99 % |
| Medium-Term Notes | A1 | A | 0.97 % |
| Medium-Term Notes | A1 | A+ | 1.76 % |
| Medium-Term Notes | A1 | AA | 1.13 % |
| Medium-Term Notes | A1 | AA- | 0.80 % |
| Medium-Term Notes | A1 | Not rated | 0.01 % |
| Medium-Term Notes | A2 | A | 1.19 % |
| Medium-Term Notes | A2 | A- | 1.65 % |
| Medium-Term Notes | A2 | A+ | 0.57 % |
| Medium-Term Notes | A2 | Not rated | 0.01 % |
| Medium-Term Notes | A3 | A | 0.63 % |
| Medium-Term Notes | A3 | A- | 0.03 % |
| Medium-Term Notes | A3 | AA- | 0.26 % |
| Medium-Term Notes | A3 | BBB+ | 0.53 % |
| Medium-Term Notes | Aa1 | AA+ | 0.78 % |
| Medium-Term Notes | Aa2 | AA | 1.05 % |
| Medium-Term Notes | Aa2 | AA- | 0.12 % |
| Medium-Term Notes | Aa3 | A+ | 0.28 % |
| Medium-Term Notes | Aa3 | AA- | 1.34 % |
| Medium-Term Notes | Aaa | AAA | 0.01 % |
| Medium-Term Notes | Aaa | Not rated | 0.02 % |
| Medium-Term Notes | Baa1 | BBB+ | 0.28 % |
| Medium-Term Notes | Not rated | A | 0.23 % |
| Medium-Term Notes | Not rated | Not rated | 0.34 % |
| Municipal Obligations | Aa3 | AA- | 0.02 % |
| Money Market Mutual Funds | Aaa | AAA | 0.01 % |
| Money Market Mutual Funds | Not rated | Not rated | 0.40 % |
| California Asset Management Fund | Not rated | AAA | 11.56 % |
| CalTrust | Aaa | AAA | 2.76 % |
| CalTrust | Not rated | Not rated | 1.90 % |
| California Local Agency Investment Fund | Not rated | Not rated | 4.16 % |
| Total | | | <u>100.00 %</u> |

*Credit ratings of obligations of the U.S. government are exempt from disclosure. However, the County has chosen to include the information for completeness.

As of the year ended June 30, 2020, none of the Federal Agency Obligations, individually, were more than 5% of the County's pooled investments.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 2: Cash and Investments (continued)

Custodial Credit Risk

Custodial credit risk for investments is the risk that the County will not be able to recover the invested securities that are in the possession of an outside party. The County's investment policy requires the use of a safekeeping agent to mitigate custodial risk. Securities are invested on a "Delivery vs. Payment" basis using the custodian agent. In no case does the County engage in securities purchases that are held in broker or dealer accounts. At June 30, 2020, the County's investment pool had no securities exposed to custodial risk.

Custodial Credit Risk - Deposits

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or to recover collateral securities that are in the possession of an outside party. The risk is mitigated in that, of the County's bank balance of \$4,241,624 as of June 30, 2020, \$275,000 is insured by the Federal Depository Insurance Corporation. The California Government Code and the County's investment policy do not contain legal or policy requirements that would limit custodial credit risk for deposits except that a financial institution secures deposits of state or local governmental unit by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

Local Agency Investment Fund

The County Treasurer's Pool maintains an investment in the State of California Local Agency Investment Fund (LAIF). LAIF is part of the Pooled Money Investment Account (PMIA), an investment pool consisting of funds held by the state in addition to those deposited in LAIF. All PMIA funds are managed by the Investment Division of the State Treasurer's Office. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California Government Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

At June 30, 2020, the County's investment position in LAIF was \$75.0 million, which approximates fair value and is the same as the value of the pool shares which is determined on an amortized cost basis. The total amount invested by all public agencies in PMIA on that day was \$101.8 billion. Of that amount, 3.37% was invested in structured notes and asset-backed securities with the remaining 96.63% invested in other non-derivative financial products.

Investment Trust of California Joint Powers Authority Pool

The County Treasurer's Pool maintains an investment in the Investment Trust of California Joint Powers Authority Pool (CalTRUST). CalTRUST is not registered with the Securities and Exchange Commission as an investment company, but is overseen by a Board of Trustees composed of officials of the public agencies that participate in CalTRUST. The fair value of the County's position in the pool is approximately the same as the value of the pool shares.

California Asset Management Program Joint Powers Authority Pool

The County Treasurer's Pool maintains an investment in the California Asset Management Program Joint Powers Authority Pool (CAMP). CAMP is not registered with the Securities and Exchange Commission as an investment company, but is overseen by a Board of Trustees composed of officials of the public agencies that participate in CAMP. CAMP's investments are limited to those permitted by Government Code Section 53601. The fair value of the County's position in the pool is approximately the same as the value of the pool shares.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 2: Cash and Investments (continued)

County Investment Pool Condensed Financial Statements

The following represents a condensed statement of net position and changes in net position for the Treasurer's investment pool as of June 30, 2020:

Statement of net position

| | |
|--------------------------------------|-------------------------|
| Net Position for Pool Participants | <u>\$ 1,776,097,896</u> |
| Equity of Internal Pool Participants | \$ 795,746,044 |
| Equity of External Pool Participants | <u>980,351,852</u> |
| Total Net Position | <u>\$ 1,776,097,896</u> |

Statement of Changes in Net Position

| | |
|---|-------------------------|
| Net Investment Earnings | \$ 33,215,467 |
| Investment Expenses | (1,167,597) |
| Net Contribution From Pool Participants | <u>11,386,313</u> |
| Change in Net Position | 43,434,183 |
| Net Position at July 1, 2019 | <u>1,732,663,713</u> |
| Net Position at June 30, 2020 | <u>\$ 1,776,097,896</u> |

The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2020, to support the value of shares in the pool.

Fair Value Measurements

The Pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The investments in an external investment pool are not subject to reporting within the level hierarchy. The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

Level 2: Inputs to the valuation methodology include: Quoted prices for similar assets or liabilities in active markets; Quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 2: Cash and Investments (continued)

The County's cash equivalents and investments by fair value measurement as of June 30, 2020:

| | Fair Value Measurement | | | |
|---|-------------------------|---|--|-------------------------------------|
| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Observable Inputs Other Than Quoted Market Prices (Level 2) | Unobservable Inputs (Level 3) |
| Investments - Fair Value Level | | | | |
| Commercial Paper | \$ 56,987,913 | \$ - | \$ 56,987,913 | \$ - |
| Corporate Notes | 252,561,359 | - | 252,561,359 | - |
| Negotiable CDs | 43,822,100 | - | 43,822,100 | - |
| US Treasuries | 891,044,195 | 891,044,195 | - | - |
| Federal Agencies | 163,323,966 | - | 163,323,966 | - |
| Supranationals | 14,914,408 | - | 14,914,408 | - |
| Municipal bonds | 355,274 | - | 355,274 | - |
| Total Investments Measured at Fair Value | <u>\$ 1,423,009,215</u> | <u>\$ 891,044,195</u> | <u>\$ 531,965,020</u> | <u>\$ -</u> |
| Investments Not Subject to Fair Value Hierarchy: | | | | |
| Money Market Mutual Funds | 7,433,175 | | | |
| California Asset Management Program | 208,550,000 | | | |
| CalTRUST | 84,030,966 | | | |
| California Local Agency Investment Fund | 75,000,000 | | | |
| Total Pooled and Directed Investments | <u>\$ 1,798,023,356</u> | | | |

Note 3: Interfund Transactions

The composition of interfund balances as of June 30, 2020, is as follows:

Due to/From Other Funds

Amounts due to and from other funds are to assist with cash flow lag in Home Security Grant, Emergency Communications, and In-Home Support Services funds and to repay the General Liability fund for capital assets obtained as part of the Lakes Settlement in the Fiscal Year 2008.

| Receivable fund | Payable fund | Amount |
|--------------------------|--------------------------|---------------------|
| General Fund | Other Governmental Funds | <u>\$ 5,455,459</u> |
| | | <u>5,455,459</u> |
| Other Governmental Funds | Other Governmental Funds | <u>142,507</u> |
| | | <u>142,507</u> |
| Internal Service Funds | General Fund | 160,945 |
| | Other Enterprise Fund | 435,148 |
| | | <u>596,093</u> |
| | Total | <u>\$ 6,194,059</u> |

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 3: Interfund Transactions (continued)

Advances to/From Other Funds

The interfund advances include the long term portion of the Parks & Lake Resort Enterprise fund's repayment agreement to General Liability fund for the assets obtained in the Lakes Settlement in the Fiscal Year 2007-08.

| Receivable Fund | Payable Fund | Amount |
|------------------------|-----------------------|-------------------------|
| Internal Service Funds | General Fund | \$ 533,947 |
| | Other Enterprise Fund | <u>1,443,636</u> |
| | Total | <u><u>1,977,583</u></u> |

Transfers

Transfers are indicative of funding for capital projects, debt service, subsidies of various County operations, and re-allocations of special revenues. Transfers between funds for the year ended June 30, 2020, were as follows:

| Transfer From | Transfer To | Amount |
|-------------------------------------|-------------------------------------|------------------------------|
| General Fund | Behavioral Health | \$ 1,117,597 |
| | Road Fund | 6,275,833 |
| | Facility Master Plan Implementation | 1,562,604 |
| | Other Governmental Funds | 17,885,161 |
| | Other Enterprise Fund | 2,650,645 |
| | Internal Service Funds | <u>5,343,866</u> |
| | | <u>34,835,706</u> |
| Behavioral Health | General Fund | 1,901,487 |
| Facility Master Plan Implementation | Natividad Medical Center | 9,244,952 |
| | | <u>9,244,952</u> |
| Other Governmental Funds | General Fund | 97,421,758 |
| | Behavioral Health | 27,084,790 |
| | Facility Master Plan Implementation | 1,134,948 |
| | Other Governmental Funds | <u>7,989,143</u> |
| | | <u>133,630,639</u> |
| Natividad Medical Center | General Fund | 500,000 |
| | Facility Master Plan Implementation | <u>22,905,454</u> |
| | | <u>23,405,454</u> |
| | Total | <u><u>\$ 203,018,237</u></u> |

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 4: Receivables

Receivables as of June 30, 2020, for the County’s individual major, nonmajor, internal service, and enterprise funds are as follows:

Governmental Funds:

| | General | Road Fund | Behavioral Health | Facility Master Plan Projects | Other Governmental | Total Governmental Funds |
|-------------------------|----------------------|---------------------|----------------------|-------------------------------|----------------------|--------------------------|
| Receivables: | | | | | | |
| Accounts – Net | \$ 14,834,829 | \$ 152,263 | \$ 563,244 | \$ 16,792 | \$ 8,312,387 | \$ 23,879,515 |
| Taxes Receivable | 4,993,532 | - | - | - | 1,323,770 | 6,317,302 |
| Due From Other Agencies | 42,745,760 | 3,712,886 | 38,060,915 | 571,849 | 22,453,713 | 107,545,123 |
| Interest | - | - | - | - | 3,534,053 | 3,534,053 |
| Totals | \$ 62,574,121 | \$ 3,865,149 | \$ 38,624,159 | \$ 588,641 | \$ 35,623,923 | \$ 141,275,993 |

Proprietary Funds:

| | Natividad Medical Center | Parks Lake & Resort Operations | Total Enterprise Funds | Internal Service Funds |
|-------------------------|--------------------------|--------------------------------|------------------------|------------------------|
| Receivables: | | | | |
| Accounts – Net | \$39,317,759 | \$ 106,148 | \$ 39,423,907 | \$ 82,026 |
| Due From Other Agencies | 45,342,145 | - | 45,342,145 | - |
| Totals | \$84,659,904 | \$ 106,148 | \$ 84,766,052 | \$ 82,026 |

At June 30, 2020, accounts receivables reported by Natividad Medical Center were reduced by allowances for doubtful accounts and contractual adjustments as follows:

| | |
|---------------------------------------|-----------------------|
| Allowance for Doubtful Accounts | \$ 15,585,420 |
| Allowance for Contractual Adjustments | <u>114,219,967</u> |
| Totals | \$ 129,805,387 |

Governmental funds report unavailable revenue in connection with receivables for revenues considered unavailable to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of June 30, 2020, the various components of unavailable revenue and unearned revenue in the governmental funds were as follows:

| | |
|--|----------------------|
| Receivables Collected After the Period of Availability | |
| Unavailable Revenue – Accounts Receivable | \$ 2,394,955 |
| Unavailable Revenue – Taxes Receivable | 6,026,625 |
| Unavailable Revenue – Due From Other Agencies | 39,891,926 |
| Unavailable Revenue – Interest Receivable | 3,534,053 |
| Total Unavailable Revenue | 51,847,559 |
| Unearned Revenues - Grant Advances Prior to Meeting All Eligibility Requirements | <u>15,119,135</u> |
| Total Unavailable and Unearned Revenue | \$ 66,966,694 |

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 5: Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

| | Restated Balance July 1, 2019 | Additions | Retirements | Transfers | Balance June 30, 2020 |
|---|-------------------------------------|----------------------|-----------------------|--------------------|--------------------------|
| Governmental Activities | | | | | |
| Capital Assets, Not Being Depreciated: | | | | | |
| Land | \$ 250,349,148 | \$ 62,134,502 | \$ - | \$ - | \$ 312,483,650 |
| Construction in Progress | 212,987,565 | 46,449,740 | (936,492) | (5,436,147) | 253,064,665 |
| Total Capital Assets, Not Being Depreciated | <u>463,336,713</u> | <u>108,584,242</u> | <u>(936,492)</u> | <u>(5,436,147)</u> | <u>565,548,315</u> |
| Capital Assets, Being Depreciated: | | | | | |
| Infrastructure | 610,951,693 | - | - | 1,012,074 | 611,963,767 |
| Structures and Improvements | 349,487,676 | 12,519,437 | - | 4,039,556 | 366,046,669 |
| Equipment | 130,487,269 | 3,940,139 | (1,971,738) | 384,517 | 132,840,187 |
| Intangible Assets | 20,718,793 | 38,940 | - | - | 20,757,733 |
| Total Capital Assets, Being Depreciated | <u>1,111,645,431</u> | <u>16,498,516</u> | <u>(1,971,738)</u> | <u>5,436,147</u> | <u>1,131,608,356</u> |
| Less Accumulated Depreciation For: | | | | | |
| Infrastructure | (417,092,128) | (13,099,415) | - | - | (430,191,543) |
| Structures and Improvements | (157,929,034) | (17,787,860) | - | - | (175,716,894) |
| Equipment | (106,179,553) | (6,043,513) | 1,656,498 | - | (110,566,568) |
| Intangible Assets | (8,019,315) | (3,770,502) | - | - | (11,789,817) |
| Total Accumulated Depreciation | <u>(689,220,030)</u> | <u>(40,701,290)</u> | <u>1,656,498</u> | <u>-</u> | <u>(728,264,822)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>422,425,401</u> | <u>(24,202,774)</u> | <u>(8,300,262)</u> | <u>5,436,147</u> | <u>403,343,534</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 885,762,114</u> | <u>\$ 84,381,468</u> | <u>\$ (1,251,732)</u> | <u>\$ -</u> | <u>\$ 968,891,849</u> |
| | | | | | |
| | Balance July 1, 2019 | Additions | Retirements | Transfers | Balance June 30, 2020 |
| Business-Type Activities | | | | | |
| Capital Assets, Not Being Depreciated: | | | | | |
| Construction in Progress | \$ 7,065,839 | \$ 9,546,627 | \$ - | \$ (1,618,834) | \$ 14,993,632 |
| Total Capital Assets, Not Being Depreciated | <u>7,065,839</u> | <u>9,546,627</u> | <u>-</u> | <u>(1,618,834)</u> | <u>14,993,632</u> |
| Capital Assets, Being Depreciated: | | | | | |
| Structures and Improvements | 174,165,674 | 679,815 | - | 1,578,335 | 176,423,824 |
| Equipment | 126,828,447 | 8,235,108 | (565,123) | 40,499 | 134,538,931 |
| Total Capital Assets, Being Depreciated | <u>300,994,121</u> | <u>8,914,923</u> | <u>(565,123)</u> | <u>1,618,834</u> | <u>310,962,755</u> |
| Less Accumulated Depreciation For: | | | | | |
| Structures and Improvements | (96,001,593) | (4,391,842) | - | - | (100,393,435) |
| Equipment | (94,332,636) | (6,517,340) | 565,123 | - | (100,284,853) |
| Total Accumulated Depreciation | <u>(190,334,229)</u> | <u>(10,909,182)</u> | <u>565,123</u> | <u>-</u> | <u>(200,678,288)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>110,659,892</u> | <u>(1,994,259)</u> | <u>-</u> | <u>1,618,834</u> | <u>110,284,467</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 117,725,731</u> | <u>\$ 7,552,368</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 125,278,099</u> |

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 5: Capital Assets (continued)

Depreciation

Depreciation expense was charged to governmental functions as follows:

| | |
|--|----------------------|
| General Government Depreciation | \$ 11,584,522 |
| Public Safety | 8,912,776 |
| Public Ways and Facilities | 11,462,962 |
| Health and Sanitation | 1,642,972 |
| Public Assistance | 431,335 |
| Education | 119,282 |
| Recreation and Cultural Services | 1,036,146 |
| Depreciation on Capital Assets Held by the County Internal Service Funds Are Charged to Various Functions Based on Their Usage of the Assets. | 5,511,295 |
| Total Depreciation Expense - Governmental Functions | <u>\$ 40,701,290</u> |

Depreciation expense was charged to the business-type activities as follows:

| | |
|---|----------------------|
| Natividad Medical Center | \$ 10,709,237 |
| Parks Lake and Resort Operations | 199,945 |
| Total Depreciation Expense - Business-Type Activities | <u>\$ 10,909,182</u> |

Note 6: Leases

Operating Leases

The County has commitments under long-term and personal property operating lease agreements. During the fiscal year ended June 30, 2020, the County paid rents on these leases of \$5,724,600. Future minimum lease payments are as follows:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|------------------------------|------------------------------------|-------------------------------------|
| Year Ended June 30: | | |
| 2021 | \$ 5,617,572 | \$ 1,896,876 |
| 2022 | 5,510,544 | 1,602,239 |
| 2023 | 5,510,544 | - |
| 2024 | 4,958,484 | - |
| 2025 | 4,958,484 | - |
| 2026-2028 | 11,602,480 | - |
| Total Minimum Lease Payments | <u>\$ 38,158,108</u> | <u>\$ 3,499,115</u> |

Operating Leases - Natividad Medical Center

As of June 30, 2020, the Center does not expect to receive a minimum rental income from operating leases for vacant office spaces located on its campus as these are cancellable at any time. Total rental income under operating lease agreements during the year ended June 30, 2020 was \$1,376,934.

Capital Leases

The County has entered into certain capital lease arrangements under which the related structures and equipment will become the property of the County when all terms of the lease agreements are met. The lease agreements qualify as a capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 6: Leases (continued)

The following is a schedule of capital assets acquired through capital leases as of June 30, 2020:

| | <u>Governmental Activities</u> |
|--------------------------------|------------------------------------|
| Structures and Improvements | \$ 17,240,415 |
| Equipment | 461,721 |
| Less: Accumulated Amortization | <u>(1,752,469)</u> |
| Totals | <u>\$ 15,949,667</u> |

The current year's amortization related to capital assets under capital leases for governmental activities was \$386,000 and is included in the governmental activities depreciation/amortization of \$40,701,290.

The following is a schedule of future minimum lease payments, as of June 30, 2020:

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| Year Ended June 30: | |
| 2021 | \$ 1,947,104 |
| 2022 | 1,947,105 |
| 2023 | 1,947,105 |
| 2024 | 1,918,902 |
| 2025 | 1,918,901 |
| 2026-2030 | <u>9,594,505</u> |
| Totals | 19,273,622 |
| Less: Amount Representing Interest | <u>(5,334,711)</u> |
| Present Value of Future Minimum Lease Payments | <u>\$ 13,938,911</u> |

Note 7: Deferred Outflow and Inflow of Resources for Refunding

The issuance of the Public Facilities Refunding 2019 Certificates of Participation refunded the Natividad Medical Center 2009 and 2010 Certificates of Participation, resulting in a deferred loss. Additional information is available in Note 8 Long-Term Liabilities. The summary of the deferred outflow and inflow of resources reported on the Statement of Net Position for the year ended June 30, 2020, are as follows:

| | <u>Balance July 1, 2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2020</u> |
|---|---------------------------------|-------------------|---------------------|----------------------------------|
| Unamortized Losses on Refunding Debts: | | | | |
| Governmental Activities | \$ 421,027 | \$ - | \$ 28,068 | \$ 392,959 |
| Business-Type Activities | <u>1,597,225</u> | <u>266,522</u> | <u>1,617,072</u> | <u>246,675</u> |
| Total | <u>\$ 2,018,252</u> | <u>\$ 266,522</u> | <u>\$ 1,645,140</u> | <u>\$ 639,634</u> |

| | <u>Balance July 1, 2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2020</u> |
|--|---------------------------------|------------------|------------------|----------------------------------|
| Unamortized Gains on Refunding Debts: | | | | |
| Governmental Activities | \$ 790,387 | \$ - | \$ 43,910 | \$ 746,477 |
| Business-Type Activities | <u>201,331</u> | <u>-</u> | <u>11,185</u> | <u>190,146</u> |
| Total | <u>\$ 991,718</u> | <u>\$ -</u> | <u>\$ 55,095</u> | <u>\$ 936,623</u> |

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 8: Long-Term Liabilities

Legal Debt Limit

The County's legal debt limit for the year ended June 30, 2020, was \$902.0 million. This limit is based on 1.25% of the net assessed valuation of property within the County. The County's outstanding long-term issues payable is approximately \$192.1 million, but none is applicable to the debt limit. The County has complied with all significant debt covenants.

Advance Refunding

The County issued Certificates of Participation (2019 Public Facilities Refunding) in the aggregate amount of \$29,005,000. The Certificates mature on October 1, 2027. Proceeds of the Certificates are being issued to refund the balance of Natividad Medical Center's 2009 and 2010 Certificates totaling \$32,860,000 (2009 Bond \$15,665,000 and 2010 Bond \$17,195,000) and costs incurred in connection with the execution and delivery of the certificates. The 2009 Certificates were originally issued on 12/30/2009 in the amount of \$43,700,000. The 2010 Certificates were originally issued on 10/29/10 in the amount of \$17,845,000. The advance refunding met the requirements of an insubstance debt defeasance and the 2009 and 2010 Bonds were removed from the County's Natividad Medical Center's proprietary fund statements.

As a result of the advance refunding, the County reduced total debt service requirements over the next 9 years by \$3,672,418, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$3,584,408.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 8: Long-Term Liabilities (continued)

Summary of Long-Term Liabilities

| | <u>Maturity</u> | <u>Interest Rates</u> | <u>Principal Installments</u> | <u>Date of Issue</u> | <u>Amount Authorized</u> | <u>Outstanding June 30, 2020</u> |
|--|-----------------|-----------------------|-------------------------------|----------------------|--------------------------|----------------------------------|
| <u>Governmental Activities</u> | | | | | | |
| Certificates of Participation | | | | | | |
| 2017 Public Facilities Refunding (Defeased the 2007 Issue for Monterey County) | 2037 | 3.0% - 5.0% | \$ 223,386 - \$ 5,798,533 | 2017 | \$ 74,682,250 | \$ 67,362,790 |
| 2015 Public Facilities Issue (Finance Capital Improvements at the Schilling Place Complex, and Fund Renovations of the East and West Wings of the Courthouse) | 2046 | 3.0% - 5.0% | \$ 750,000-\$2,870,000 | 2015 | 48,440,000 | 45,260,000 |
| 2018 Revenue Refunding Bonds - Water Resources (Defeased 2008A Revenue Refunding Bonds-Originally Issued To Finance the Salinas Valley Water Project) | 2037 | 3.0% - 5.0% | \$730,000 - \$ 1,720,000 | 2018 | 22,890,000 | 21,130,000 |
| NGEN Issue (Finance Acquisition, Construction and Installation of Communications System) | 2023 | 3.95% | \$508,887 - \$818,645 | 2010 | 8,518,628 | 3,092,615 |
| Revenue bonds - Special Districts Agencies Under Board of Supervisors | 2026 | 5.0% | \$5,400 - \$37,000 | 1981-96 | 1,244,700 | 196,000 |
| Notes Payable - Parks & Recreation (Acquire Recreational Properties) | | | | | | |
| San Antonio Lakes Resort | 2023 | 5.0% | \$33,095 | 2007 | 4,185,000 | 872,881 |
| Lake Nacimiento Resort | 2023 | 5.0% | \$89,478 | 2007 | 11,315,000 | 2,360,134 |
| Loans Payable - Bureau of Reclamation Agencies Under Board of Supervisors (Infrastructure and Facility Improvements) | 2037 | 1.65% - 7.63% | \$16,847 - \$1,207,699 | 1995 | 35,035,790 | 19,210,985 |
| Special Assessment Bonds With Governmental Commitment: General County-Chualar Water District (Infrastructure and Facility Improvements) | 2025 | 4.25% - 7.2% | \$4,000 - \$26,000 | 1984-93 | 257,000 | 61,000 |
| | | | | | <u>\$ 206,568,368</u> | <u>\$ 159,546,405</u> |
| <u>Business-Type Activities</u> | | | | | | |
| Certificates of Participation (NMC Improvements) | | | | | | |
| 2017 COP Refunding | 2037 | 3.0% - 5.0% | \$ 11,614 - \$ 301,467 | 2017 | 3,882,750 | 3,502,208 |
| 2019 COP Refunding | 2028 | 5.0% | \$2,235,000-\$3,230,000 | 2019 | 29,005,000 | 29,005,000 |
| 2009 Refunding | 2024 | 2% - 5.25% | \$2,175,000 - \$4,225,000 | 2009 | 43,700,000 | - |
| 2010 Refunding | 2027 | 2% - 4% | \$65,000 - \$4,920,000 | 2010 | 17,845,000 | - |
| | | | | | <u>\$ 94,432,750</u> | <u>\$ 32,507,208</u> |

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 8: Long-Term Liabilities (continued)

The following is a summary of long-term liabilities transactions for the year ended June 30, 2020:

| | Balance | | Balance | | Amount Due |
|--|-----------------------|----------------------|----------------------|-----------------------|----------------------|
| | July 1, 2019 | Additions | Deletions | June 30, 2020 | Within One Year |
| Governmental activities: | | | | | |
| Certificates of Participation 2017 Issue | \$ 71,193,625 | \$ - | \$ 3,830,835 | \$ 67,362,790 | \$ 3,916,386 |
| Unamortized Premium | 13,651,906 | - | 791,415 | 12,860,491 | - |
| Certificates of Participation 2015 Issue | \$ 46,105,000 | - | 845,000 | 45,260,000 | 890,000 |
| Unamortized Premium | 3,474,154 | - | 132,349 | 3,341,805 | - |
| Certificates of Participation NGEN Program | 3,793,745 | - | 701,130 | 3,092,615 | 728,822 |
| Revenue Bonds | 22,116,000 | - | 790,000 | 21,326,000 | 789,000 |
| Unamortized Premium | 3,459,436 | - | 230,629 | 3,228,807 | - |
| Notes From Direct Borrowings | 24,790,343 | - | 2,346,343 | 22,444,000 | 2,415,710 |
| Special Assessment Bonds | 72,000 | - | 11,000 | 61,000 | 12,000 |
| Capital Leases | 14,899,549 | - | 960,638 | 13,938,911 | 1,025,494 |
| Compensated Absences | 39,691,011 | 30,775,855 | 27,212,628 | 43,254,238 | 23,548,747 |
| Estimated Self-Insurance Liabilities | 92,600,804 | 42,141,474 | 28,528,069 | 106,214,209 | 23,374,763 |
| Estimated Landfill Postclosure Costs | 832,973 | 230,735 | 311,272 | 752,436 | 248,101 |
| Total Governmental Activities | <u>\$ 336,680,546</u> | <u>\$ 73,148,064</u> | <u>\$ 66,691,308</u> | <u>\$ 343,137,302</u> | <u>\$ 56,949,023</u> |
| Business-Type Activities: | | | | | |
| Certificates of Participation | \$ 40,101,375 | \$ 29,005,000 | \$ 36,599,167 | \$ 32,507,208 | \$ 3,433,614 |
| Unamortized Premium (Discount) | 1,367,363 | 4,779,119 | 1,054,635 | 5,091,847 | - |
| Net Certificates of Participation | 41,468,738 | 33,784,119 | 37,653,802 | 37,599,055 | 3,433,614 |
| Compensated Absences | 13,586,211 | 14,407,051 | 13,235,246 | 14,758,016 | 12,228,707 |
| Total Business-Type Activities | <u>\$ 55,054,949</u> | <u>\$ 48,191,170</u> | <u>\$ 50,889,048</u> | <u>\$ 52,357,071</u> | <u>\$ 15,662,321</u> |

Estimated self-insurance liabilities are liquidated by the internal service funds. Compensated absences are generally liquidated by the General Fund, related special revenue funds and the enterprise funds. Estimated landfill post closure costs are liquidated from the General Fund.

Payment Requirements for Debt Service

As of June 30, 2020, annual debt service requirements of governmental activities to maturity are as follows:

| Year Ending June 30 | Bonds Payable | | Certificates of Participation | | Notes from Direct Borrowings | |
|------------------------|----------------------|----------------------|-------------------------------|----------------------|------------------------------|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2021 | \$ 801,000 | \$ 1,009,218 | \$ 5,535,208 | \$ 5,386,735 | \$ 2,415,709 | \$ 667,455 |
| 2022 | 833,000 | 975,947 | 5,870,406 | 5,109,968 | 2,488,729 | 571,491 |
| 2023 | 871,000 | 941,236 | 6,149,954 | 4,818,161 | 1,570,536 | 486,099 |
| 2024 | 908,000 | 900,686 | 5,955,394 | 4,524,574 | 1,090,550 | 452,900 |
| 2025 | 947,000 | 854,160 | 5,424,394 | 4,228,209 | 1,096,134 | 424,371 |
| 2026-2030 | 5,322,000 | 3,509,487 | 30,593,780 | 16,720,179 | 5,580,542 | 1,677,804 |
| 2031-2035 | 6,770,000 | 2,009,437 | 26,298,098 | 9,038,016 | 5,799,888 | 884,826 |
| 2036-2040 | 4,935,000 | 336,631 | 14,268,175 | 4,498,084 | 2,401,912 | 111,360 |
| 2041-2045 | - | - | 12,750,000 | 1,890,000 | - | - |
| 2046-2050 | - | - | 2,870,000 | 47,833 | - | - |
| | <u>\$ 21,387,000</u> | <u>\$ 10,536,802</u> | <u>\$ 115,715,409</u> | <u>\$ 56,261,759</u> | <u>\$ 22,444,000</u> | <u>\$ 5,276,306</u> |

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 8: Long-Term Liabilities (continued)

As of June 30, 2020, annual debt service requirements of business-type activities to maturity are as follows:

| Year Ending June 30 | Certificates of Participation | |
|------------------------|-------------------------------|---------------------|
| | Principal | Interest |
| 2021 | \$ 3,433,615 | \$ 1,537,217 |
| 2022 | 3,642,205 | 1,360,321 |
| 2023 | 3,817,583 | 1,173,827 |
| 2024 | 4,003,251 | 978,306 |
| 2025 | 4,245,606 | 772,084 |
| 2026-2030 | 12,211,220 | 1,158,164 |
| 2031-2035 | 946,902 | 129,337 |
| 2036-2040 | 206,827 | 7,241 |
| | <u>\$ 32,507,209</u> | <u>\$ 7,116,497</u> |

Certificates of Participation (COP)

Certificates of Participation (COPs) issued by Monterey County Public Improvement Corporation (PIC)

The Corporation was incorporated on June 21, 1989 under the General Nonprofit Corporation Law of the State of California to provide financial and other assistance to the County of Monterey, California by financing, acquiring, constructing and leasing capital improvement projects. The Corporation is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. The Corporation provides financing of public capital improvements through the issuance of Certificates of Participation (COPs), a form of debt which allows investors to participate in a stream of future lease payments. Proceeds from the COPs are issued to construct projects which are leased to the County for lease payments which are sufficient in timing and amount to meet the debt service requirements of the COPs. The Corporation is a blended component unit of the County of Monterey and it is included in the basic financial statements of the County because the Corporation primarily provides specific financial benefits to the County.

NGEN - Governmental Activities

On December 1, 2010, the County of Monterey Public Improvement Corporation (PIC) issued certificates of participation in the amount of \$8,518,628 to finance the acquisition, construction and installation of a next generation inter-operable narrowband emergency communication system (NGEN) and is payable through December 20, 2023. The bonds are pursuant to a lease with the County. In an assignment agreement, the lease with the County and rights to the property were transferred from the Public Improvement Corporation to Banc of America Public Capital Corp (the purchaser). The Corporation retains no rights to the property (except indemnification) and the title will pass to County upon final payment to Banc of America Leasing. Per a Memorandum of Agreement (MOA), the County has made an agreement with local agencies for shared costs in the financing. The County will retain ownership of certain Core property, with other property owned by the City of Salinas, and other agencies per the MOA.

The County agrees and covenants to include all Base Rental and Additional Rental Payments in its annual budget and provide the corporation with that part of the budget within 60 days of adoption. All other agreements and covenants of the County contained within the lease documents are expected to be carried out by County officials in performance of their duties. If the County defaults on the obligation to make lease payments, the Trustee has the right to enter and re-let the property and seek any deficiency in payments from the County and alternatively the Trustee may terminate the lease agreement and proceed against the County to recover damages per the lease agreement. The County is liable for lease payments only on an annual basis to the end of the sub-lease agreement and there is no available remedy of acceleration under the agreement.

The County may prepay the Base Rental Payments in whole with on any date on or after December 20, 2016 with written notice to the Corporation of least 45 days at a price of 101% of principal components of Base Rental payments plus accrued interest as provided by the sub-lease. The title of the property will then transfer to the County and the County's obligation will cease.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 8: Long-Term Liabilities (continued)

2015 Public Facilities - Governmental Activities

On September 2, 2015 the County of Monterey issued \$48,440,000 of 2015 Public Facilities Certificates of Participation, at a premium of \$3,970,464 payable through September 2045. The COPs were issued to finance capital improvements at the Schilling Place Complex, fund renovations of the courthouse and pay for the issuance cost of the COPs. The Bonds are callable at any date on or after October 1, 2025 at a price equal to the principal amount of the certificates, plus accrued interest to the date of prepayment, without premium.

The Certificates of Participation are obligations of the Monterey County Public Improvement Corporation and are payable from and secured by rental lease payments made by Monterey County which are appropriated in the annual budget and are assigned to the Trustee per the Assignment Agreement. There is no security interest in the Property and no remedy of foreclosure under the Trust or Lease Agreement. If the County should default, under the Lease Agreement, the trustee may terminate the lease agreement and recover certain damages from the County or retain the lease agreement and hold the County liable for all rental payments on an annual basis. There is no provision for acceleration upon default under the Lease Agreement.

2017 Public Facilities Refunding - Governmental and Business-Type Activities

The County issued Certificates of Participation (2017 Public Facilities Refunding) (“Certificates”) in the aggregate amount of \$78,565,000. These are reported in the Long-Term Liabilities Schedule as issued in FY 06/30/18 in Governmental Activities at \$74,682,250 (amount issued) plus premium \$15,036,882 and in the Business-Activities for Natividad Medical Center as Amount Issued \$3,882,750 (amount issued) plus premium \$781,771. The Certificates mature on October 1, 2036 and are callable on October 1, 2027 at a price equal to principal plus accrued interest. Proceeds of the Certificates were used to (i) prepay all of the County of Monterey Certificates of Participation (2007 Refunding County and Public Facilities Financing) and (ii) to pay costs incurred in connection with the execution and delivery of the Certificates. The advance refunding met the requirements of an in-substance debt defeasance and the 2007 Refunding and Public Facilities Financing Certificates were removed from both, the County’s government-wide financial statements, and the Natividad Medical Center’s proprietary fund statements. Certificates maturing on and after October 1, 2028 are subject to optional prepayment (in accordance with the lease agreement) prior to their maturity date from any source of available funds, at the price of the principal payments, plus accrued interest to the payment date without premium.

The Certificates of Participation are obligations of the Monterey County Public Improvement Corporation and are payable from and secured by rental lease payments made by Monterey County which are appropriated in the annual budget along with additional amounts owed under the Trust and Lease agreements. There is no security interest in the Property and no remedy of foreclosure under the Trust or Lease Agreement but any remedies available in the Lease or Trust agreement may be sought. If the County should default, the Trustee may re-let the property and hold the County responsible for any deficiency. Alternatively, the trustee may terminate the lease agreement and recover certain damages from the County or retain the lease agreement and hold the County liable for all rental payments on an annual basis. There is no provision for acceleration or foreclosure upon default under the Lease Agreement.

2019 Public Facilities Refunding - Business-Type Activities

The County issued Certificates of Participation (2019 Public Facilities Refunding) in the aggregate amount of \$29,005,000. The Certificates mature on October 1, 2027. Proceeds of the Certificates are being issued to refund the balance of Natividad Medical Center’s 2009 and 2010 Certificates totaling \$32,860,000 (2009 Bond \$15,665,000 and 2010 Bond \$17,195,000) and costs incurred in connection with the execution and delivery of the certificates. The 2009 Certificates were originally issued on 12/30/2009 in the amount of \$43,700,000. The 2010 Certificates were originally issued on 10/29/10 in the amount of \$17,845,000. The advance refunding met the requirements of an in-substance debt defeasance and the 2009 and 2010 Bonds were removed from the County’s Natividad Medical Center’s proprietary fund statements.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 8: Long-Term Liabilities (continued)

The Certificates of Participation are obligations of the Monterey County Public Improvement Corporation and are payable from and secured by rental lease payments made by Monterey County, which are appropriated in the annual budget and payable from any source of funds. The Corporation per an assignment agreement assigned and transferred to the Trustee rights under the lease evidencing the interest in the principal amount of the lease payment. There is no security interest in the Property and no remedy of foreclosure under the Trust or Lease Agreement. If the County should default, the Trustee may re-let the property and hold the County responsible for any deficiency. Alternatively, the trustee may terminate the lease agreement and recover certain damages from the County or retain the lease agreement and hold the County liable for all rental payments on an annual basis. There is no provision for acceleration or foreclosure upon default under the Lease Agreement. There is no option of prepayment for the securities prior to their respective stated maturities, other than from Net Proceeds of Insurance or Eminent Domain (per trust agreement at 100% of principal plus accrued interest) in accordance with the Trust Agreement.

Certificates of Participation (COPs) issued by Monterey County Financing Authority (MCFA)

The Monterey County Financing Authority (the Authority) was established on April 1, 1995, as a result of a Joint Exercise of Powers agreement between the County of Monterey (County), and the Monterey County Water Resource Agency (Agency). The Authority formed under the provisions of Article 1 of Chapter 5, Division 7, Title 1 of the State of California's Government Code, to assist in the public financings. The Authority acts as the issuer for debt financing as well as the lessor of properties leased to the County. The debts issued are limited obligations of the Authority, payable primarily from rent payments made by the County under a "facility lease" agreement. The Authority is a component unit of the County, and its basic financial statements are blended within the County's basic financial statements.

2018 Revenue Refunding Bonds - Governmental Activities

The County issued Monterey County Financing Authority 2018 Revenue Refunding Bonds ("Bonds") in the aggregate amount of \$22,890,000. The Bonds mature on September 1, 2037 and are callable on September 1, 2028. The Bonds were issued to (i) refund all of the \$32,855,000 Monterey County Financing Authority Revenue Bonds, Series A (Salinas Valley Water Project), originally issued on July 30, 2008 and currently outstanding in the aggregate principal amount of \$27,780,000 (the "2008 Bonds"), (ii) fund a debt service fund for the Bonds (in the form of a Qualified Reserve Fund Credit Instrument), and (iii) pay the cost incurred in connection with the issuance of the Bonds. The advance refunding met the requirements of an in-substance debt defeasance and the 2008 Bonds were removed from the County's government-wide financial statements.

The Bonds are special obligations of the Authority, payable solely from the Authority Revenues pledged under the Indenture (by the County with respect to the pledged Ad Valorem taxes, annexation fees and Hydroelectric Facility net Revenues-See Schedule "Pledged Revenues"). Per the Installment Purchase Agreement between the Monterey County Water Resources Agency (the Agency) and the Monterey County Financing Authority (the Authority), the Auditor-Controller of the County will transfer certain ad valorem taxes and pledged assessments directly to the Trustee. Per the indenture agreement between the Trustee and the Authority, the Authority's rights, including to right to receive Authority Revenues are transferred to the Trustee along with all rights to collect revenues when due and payable and any rights under the Installment Purchase Agreement. In the event of a default the Trustee may exercise any and all remedies granted through the indenture as allowed. There is no right under any circumstances to accelerate the maturities of the bonds or otherwise to declare payments not then in default to be immediately due and payable.

Loan Payable-Bureau of Reclamation for Salinas Valley Water Project (MCWRA) - Governmental Activities

On May 26th, 1995 the Monterey County Water Resources Agency as "Contractor" (MCWRA) entered into a Loan Contract with the United States Department of the Interior. Per contract, the amount of the approved loan for the purpose of constructing a small reclamation project was the lesser of the actual cost of the project less the Contractor's actual contribution, or \$32,600,000. The estimated amount of the project was \$44,154,900 with the Contractor (MCWRA) contributing the amounts in excess of the loan amount. Additionally, added to the balance is the reimbursable portion of the Federal interest rate during construction (IDC). The Contractor agreed to repay the loan within 40 years from the date the principal benefits of the project first became available from the sale of reclaimed wastewater sold (type of usage limited by contract until obligation paid) and property assessments levied on certain properties within the Project Service Area as identified in the contract. The first payment was paid in 2003 and the final payment is due in 2037.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 8: Long-Term Liabilities (continued)

Payments are to be made only from the Contractor net revenues after operation and maintenance costs of Project Facilities, operation and maintenance costs payable by the Contractor to the Monterey Regional Water Pollution Control Agency for reclaimed water, and project indebtedness. Also refer to CAFR Note- Commitments and Contingencies, related to Monterey One Water/M1W (formerly called Monterey County Water Pollution Control Agency/MCWPCA) and the Monterey One Water loan with the Bureau of Reclamation. The Contractor warrants and guarantees that in order to meet repayment requirements that property assessments will be increased to maximum amounts authorized per ordinance and water delivery charges increased as necessary.

The loan was interest only the first 3 years and payments now include 1) annual Principal Payment of the loan \$1,017,304, 2) Interest on the loan (7.625% of unpaid Principle Excess Irrigatable land -approximately 31%, may vary), and 3) Annual IDC payment of approximately \$262,294 annually, per calculations referenced in the loan contract. Delinquent payments are subject to additional interest charges and administrative fees per the contract at rates calculated per the contract (payments applied first to penalty, administrative charge, accrued interest, then principal). A \$250,000 reserve fund must be accumulated, maintained, and used as prescribed by the contract for purposes of caring for, operating, and maintaining the Project and the amount may be reviewed and revised subject to various conditions per the contract. The Contractor may at any time, without penalty or additional interest charges, prepay all or part of the funds owed to the United States along with all accrued interest to date.

Notes Payable Water World Resorts, Inc. and Lake San Antonio Resorts, Inc. - Governmental Activities

On July 31, 2007, the County entered into a settlement agreement for \$22,000,000 terminate lease agreements with a lessee who operated the two lake resorts on behalf of the County as Landlord. On October 1, 2007 \$6.5 million was paid to the lessee and the remaining balance of \$15.5 million is being paid through notes on each of the resorts.

On October 1, 2007 Monterey County issued a promissory note for the amount of \$11,315,000 for the Water World, Inc. lease and a promissory note for the amount of \$4,185,000 for the Lake San Antonio Resorts, Inc. The notes have an annual interest rate of 5% payable monthly until the note is paid in full. A late charge of 10% will be assessed if the payment is not made on time (10 days after due date).

There will be a default under the note if an installment is not paid in time and remains unpaid 20 days after the County's receipt of the Payee's written notice. The Payee may obtain a judgement from the Judge of the Superior Court of Los Angeles (Case BC29778) for the entire amount due after which the interest on the outstanding balance of the note(s) will accrue at the default rate of 10% (not to exceed the highest rate permissible by law). The County will pay to the Payee all reasonable attorney fees and other costs under the judgement, along with the interest at the default rate until the note is paid in full. The principal balance of the note plus interest may be paid by the County at any time without penalty or premium.

Boronda District Sanitation Bonds - Governmental Activities

Boronda County Sanitation District Bonds were issued by the District in the principal amount of \$653,000 as approved by Ordinance of the Board of Directors on June 10, 1986 with the interest rate of 5%. The final payment is due in 2026 but the principal is subject to call and redemption in whole or part at the district's option on any interest payment date in whole or part. Revenues from sewer charges and assessments have been set aside (pledged-see Schedule 13 Pledged Revenue Coverage) per the ordinance to cover the principal and interest of the bonds as well as maintenance and other expenses as provided by the ordinance.

Chualar Water Assessment District Bonds - Governmental Activities

Chualar County Water Assessment District 85-1 Bonds were issued by the District in the principal amount of \$257,000 at 6.375% interest per Annum (Series A \$69,600 and Series B \$187,400) as approved by the Board of Directors of the District on August 28th, 1986. The final payment is due in 2025 but the principal is subject to call and redemption in advance per the issuance resolution. The Bond is secured by revenues from assessments that have been set aside (see Schedule Pledged Revenue Coverage) to cover the principal and interest of the Bonds. The Bond will continue to earn interest at the stated rate until redeemed if presented on redemption date and refused due to insufficient funds with which to pay, or if not presented for redemption on the stated Bond redemption date.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 8: Long-Term Liabilities (continued)

Pledged Revenues

The Monterey County Financing Authority has pledged certain specified assessments, all Hydroelectric Facility net revenues, all ad valorem taxes and all annexation fees to secure the payment of principal and interest on the bonds in accordance with the terms and the provisions of the Indenture. The Indenture provides that the pledge shall constitute a first lien on all such assets. Proceeds from the 2008A bonds provided financing for the Salinas Valley Water Project – an effort to halt further seawater intrusion, provide flood protection, and create new water supplies for the Salinas Valley. During the fiscal year ended June 30, 2019; the Monterey County Financing Authority 2018 Revenue Refunding Bonds refunded the 2008A Bonds (see paragraph "Advance Refunding"). Total principal and interest remaining on the 2018 Revenue Refunding Bonds is \$33,383,231 payable through June 2034. Principal paid for the current fiscal year was \$1,030,000 and interest paid was \$693,220. Net pledged revenues for the fiscal year ended June 30, 2020, were \$2,280,951.

Note 9: Net Position/Fund Balances

Net Position

Net investment in capital assets was comprised of the following:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|---|------------------------------------|-------------------------------------|
| Capital Assets, Net of Accumulated | | |
| Depreciation | \$ 968,891,849 | \$ 125,278,099 |
| Unamortized Losses on Refunding Debts | 392,959 | 246,675 |
| Unamortized Gains on Refunding Debts | (746,477) | (190,146) |
| Outstanding Principal of Capital-Related Debt | <u>(189,683,403)</u> | <u>(37,599,055)</u> |
| Net Investment in Capital Assets | <u>\$ 778,854,928</u> | <u>\$ 87,735,573</u> |

The government-wide statement of net position reports \$296,880,629 of restricted net position, of which \$13,792,956 is restricted by enabling legislation.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 9: Net Position/Fund Balances (continued)

Fund Balances

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned. A detailed schedule of fund balances at June 30, 2020, is as follows:

| | General | Road | Behavioral Health | Facility Master Plan Implementation | Other Governmental Funds | Total |
|---|-----------------------|----------------------|----------------------|---|--------------------------------|-----------------------|
| Nonspendable: | | | | | | |
| Inventory and Prepaid Items | \$ 1,888,885 | \$ 76,058 | \$ - | \$ - | \$ - | \$ 1,964,943 |
| Total Nonspendable | <u>1,888,885</u> | <u>76,058</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,964,943</u> |
| Restricted for: | | | | | | |
| Capital Projects | - | - | - | 76,577,805 | - | 76,577,805 |
| Debt Service | - | - | - | - | 1,044,348 | 1,044,348 |
| Education | - | - | - | - | 3,480,485 | 3,480,485 |
| General | 5,554,501 | - | - | - | 1,034,510 | 6,589,011 |
| Health and Sanitation | 16,292,788 | - | 40,345,625 | - | 30,731,364 | 87,369,777 |
| Public Assistance | 1,846,642 | - | - | - | 31,118,735 | 32,965,377 |
| Public Protection | 6,116,589 | - | - | - | 33,134,787 | 39,251,376 |
| Public Ways and Facilities | - | 24,603,215 | - | - | - | 24,603,215 |
| Recreation and Cultural Services | 153,733 | - | - | - | - | 153,733 |
| Successor Agencies | - | - | - | - | 8,478,901 | 8,478,901 |
| Total Restricted | <u>29,964,253</u> | <u>24,603,215</u> | <u>40,345,625</u> | <u>76,577,805</u> | <u>109,023,130</u> | <u>280,514,028</u> |
| Committed for: | | | | | | |
| County Service Areas | - | - | - | - | 11,550,377 | 11,550,377 |
| General Government | - | - | - | - | 1,547,202 | 1,547,202 |
| Health and Sanitation | - | - | - | - | 915,856 | 915,856 |
| Other Water Resources Agencies | - | - | - | - | 20,534,602 | 20,534,602 |
| Public Ways and Facilities | - | - | - | - | 2,462,110 | 2,462,110 |
| Strategic Reserve - General Fund | 66,979,016 | - | - | - | - | 66,979,016 |
| Strategic Reserve - NMC | 25,000,000 | - | - | - | - | 25,000,000 |
| Total Committed | <u>91,979,016</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>37,010,147</u> | <u>128,989,163</u> |
| Assigned to: | | | | | | |
| Building Improvement and Replacement Reserve | 14,554,879 | - | - | - | - | 14,554,879 |
| Cannabis Tax | 26,947,838 | - | - | - | - | 26,947,838 |
| Capital Project | 4,070,894 | - | - | - | - | 4,070,894 |
| Contingency | 6,720,468 | - | - | - | - | 6,720,468 |
| General Capital Assignment | 7,545,851 | - | - | - | - | 7,545,851 |
| Health Clinic | 1,520,000 | - | - | - | - | 1,520,000 |
| Information Tech Charges Mitigation | 3,325,774 | - | - | - | - | 3,325,774 |
| Laguna Seca Track | 1,840,970 | - | - | - | - | 1,840,970 |
| Productivity Investment Program | 169,351 | - | - | - | - | 169,351 |
| Public Safety Sales Tax Revenue | 2,376,910 | - | - | - | - | 2,376,910 |
| Purpose of Fund | 171,305 | - | - | - | 7,699,854 | 7,871,159 |
| Resource Management Agency | 182,262 | - | - | - | - | 182,262 |
| Social Services | 9,743 | - | - | - | - | 9,743 |
| Terminations | 8,038,138 | - | - | - | - | 8,038,138 |
| Vehicle Replacement | 10,493,707 | - | - | - | - | 10,493,707 |
| Total Assigned | <u>87,968,090</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,699,854</u> | <u>95,667,944</u> |
| Unassigned | | | | | | |
| | <u>282,030</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>282,030</u> |
| Total Fund Balances | <u>\$ 212,082,274</u> | <u>\$ 24,679,273</u> | <u>\$ 40,345,625</u> | <u>\$ 76,577,805</u> | <u>\$ 153,733,131</u> | <u>\$ 507,418,108</u> |

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 10: Pension Plans

A. General Information About the Pension Plans

Plan Description

The County's defined benefit pension plans; Miscellaneous Plan of the County of Monterey (County MP) and Safety Plan of the County of Monterey (County SP) provide pensions for all permanent full-time general and public safety employees respectively of the County. The County's blended component unit, Monterey County Water Resources Agency's (MCWRA) defined benefit pension plan; MCWRA Miscellaneous Plan (MCWRA MP) provides pensions for all permanent full-time general employees of MCWRA. County MP and County SP are agent multiple-employer defined benefit pension plans and MCWRA MP is a cost-sharing multiple-employer defined benefit pension plan. All three plans are administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers with the State of California. CalPERS provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions and other requirements are established by State statutes within the Public Employees Retirement Law. CalPERS issues a separate comprehensive annual financial report (CAFR). Copies of the CalPERS annual financial report may be obtained by contacting the CalPERS Executive Office, 400 Q Street, Sacramento, CA 95811.

Benefits Provided

County MP, County SP, and MCWRA MP provide retirement, disability, and death benefits. Retirement benefits are based on years of service, final average compensation, and retirement age. Employees terminating before accruing five years of retirement service credit forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within a prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning five years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement.

Service related disability benefits are provided to safety (County SP) members and are based on final compensation. Non-service related disability benefits are provided to members of all three plans. The benefit is based on final compensation, multiplied by service, which is determined as follows:

- service is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- service is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service.

Death benefits are based upon a variety of factors including whether the participant was retired or not.

Annual cost-of-living adjustments (COLAs) are provided in all plans beginning the second calendar year after the year of retirement at 2 percent.

There are two classes of employees under each plan: Classic (employees joined CalPERS prior to January 1, 2013) and PEPPRA (Public Employees' Pension Reform Act of 2013 – employees joined CalPERS on or after January 1, 2013). Classic level is closed for new entrants in all plans.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 10: Pension Plans (continued)

A. General Information About the Pension Plans (continued)

Below is a summary of the Plans' provisions and benefits in effect:

| Employee Class | County Miscellaneous Plan | | County Safety Plan | | MCWRA Miscellaneous Plan | |
|----------------------------|---------------------------|--------------------|--------------------|--------------------|--------------------------|--------------------|
| | Classic | PEPRA | Classic | PEPRA | Classic | PEPRA |
| Benefit Formula | 2% @ 55 | 2% @ 62 | 2% @ 50 | 2% @ 57 | 2% @ 55 | 2% @ 62 |
| Benefit Vesting | 5 years of service | 5 years of service | 5 years of service | 5 years of service | 5 years of service | 5 years of service |
| Final Average Compensation | | | | | | |
| Period | 12 months | 36 months | 12 months | 36 months | 12 months | 36 months |
| Retirement Eligibility Age | 50 | 52 | 50 | 50 | 50 | 52 |
| Employee Contribution as a | | | | | | |
| Percentage of Payroll | 7.00 % | 6.25 % | 9.00% | 11.50 % | 7.00 % | 6.75% |
| Employer Contribution as a | | | | | | |
| Percentage of Payroll | 16.539% | 16.539% | 45.714% | 45.714% | 28.869% | 7.199% |
| Status | Closed | Open | Closed | Open | Closed | Open |

*Safety bargaining units A, B, L, M, N employees contribute 3.0% of the 45.714% while units Q, V, very limited Safety X, Y, & C do not

Employees Covered

Listed below are the number of employees covered by the benefit terms:

| | County Miscellaneous Plan | County Safety Plan | MCWRA Miscellaneous Plan |
|---|------------------------------|--------------------|-----------------------------|
| Inactive Employees or Beneficiaries Currently | | | |
| Receiving Benefits | 3,542 | 645 | 68 |
| Inactive Employees Entitled to but Not Yet | | | |
| Receiving Benefits (Transferred + Terminated) | 4,050 | 299 | 41 |
| Active Employees | 4,602 | 532 | 35 |
| Totals | 12,194 | 1,476 | 144 |

Contributions

Section 20814 of the California Public Employees' Retirement Law requires the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for all Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2019, the actual employee and employer contribution rates are listed under the Plans' Provisions table.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 10: Pension Plans (continued)

B. Net Pension Liability

The County's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures.

Actuarial Assumptions

The June 30, 2019 total pension liabilities were based on the following actuarial assumptions:

| | <u>County Miscellaneous Plan</u> | <u>County Safety Plan</u> | <u>MCWRA Miscellaneous Plan</u> |
|-------------------------------|--|--|--|
| Actuarial Cost Method | Entry Age Normal | Entry Age Normal | Entry Age Normal |
| Actuarial Assumptions: | | | |
| Discount Rate | 7.15 % | 7.15 % | 7.15 % |
| Inflation | 2.75 % | 2.75 % | 2.50 % |
| Salary Increases | Varies by Entry Age and Service | Varies by Entry Age and Service | Varies by Entry Age and Service |
| Payroll Growth | 3.00 % | 3.00 % | |
| Investment Rate of Return | 7.375% Net of Pension Plan Investment and Administrative Expenses; includes inflation. | 7.375% Net of Pension Plan Investment and Administrative Expenses; includes inflation. | 7.15 % Net of Pension Plan Investment and Administrative Expenses; includes inflation. |
| Retirement Age | The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. | The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. | |
| Mortality | The probabilities of mortality are based on the 2014 CalPERS experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries. | The probabilities of mortality are based on the 2014 CalPERS experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries. | |

Discount Rate

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

Long-Term Expected Rate of Return

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

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 10: Pension Plans (continued)

B. Net Pension Liability (continued)

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

The expected real rates of return by asset class are as followed:

| <u>Asset Class 1</u> | <u>Assumed Asset Allocation</u> | <u>Real Return Years 1-10 2</u> | <u>Real Return Year 11+ 3</u> |
|----------------------|---|-------------------------------------|-----------------------------------|
| Global Equity | 50.00 % | 4.80 % | 5.98 % |
| Fixed Income | 28.00 % | 1.00 % | 2.62 % |
| Inflation Assets | - % | 0.77 % | 1.81 % |
| Private Equity | 8.00 % | 6.30 % | 7.23 % |
| Real Assets | 13.00 % | 3.75 % | 4.93 % |
| Liquidity | 1.00 % | - % | (0.92)% |

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(1) An expected inflation of 2.00% used for this period

(2) An expected inflation of 2.92% used for this period

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

- Net difference between projected and actual earnings on investments: 5 year straight-line amortization
- All other amounts: Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 10: Pension Plans (continued)

C. Changes in the Net Pension Liability

The County's net pension liability (asset) for each of its agent multiple employer plan is measured as the total pension liability less the fiduciary net position for each plan. Net pension liability for each of its plans is measured as of June 30, 2019, and the total pension liability for each of its plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, using standard update procedures. The change in the net pension liability (asset) for each plan is as follows:

| | County Miscellaneous Plan | | |
|--|----------------------------------|--------------------------------|----------------------------------|
| | Increase (Decrease) | | |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2018 | \$ 1,826,084,089 | \$ 1,418,666,127 | \$ 407,417,962 |
| Changes in the Year: | | | |
| Service Cost | 50,369,004 | - | 50,369,004 |
| Interest on Total Pension Liability | 130,692,556 | - | 130,692,556 |
| Changes in Benefit Terms | - | - | - |
| Changes in Assumptions | - | - | - |
| Differences Between Expected and Actual Experience | 19,748,290 | - | 19,748,290 |
| Benefit Payments, Including Refunds of Employee Contributions | (80,679,185) | (80,679,185) | - |
| Administrative Expenses | - | (1,010,833) | 1,010,833 |
| Plan to Plan Resource Movement | - | (4,280) | 4,280 |
| Contributions - Employees | - | 22,822,360 | (22,822,360) |
| Contributions - Employer | - | 48,611,102 | (48,611,102) |
| Net Investment Income | - | 93,238,275 | (93,238,275) |
| Change in Employer's Proportionate Share | (2,809,381) | (2,182,580) | (626,801) |
| Other Miscellaneous Income/(Expense) | - | 3,279 | (3,279) |
| Net Changes | <u>117,321,284</u> | <u>80,798,138</u> | <u>36,523,146</u> |
| Balance at June 30, 2019 | <u>\$ 1,943,405,373</u> | <u>\$ 1,499,464,265</u> | <u>\$ 443,941,108</u> |

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 10: Pension Plans (continued)

C. Changes in the Net Pension Liability (continued)

| | County Safety Plan | | |
|---|------------------------------------|--|--|
| | Increase (Decrease) | | |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2018 | \$ 687,173,081 | \$ 459,178,893 | \$ 227,994,188 |
| Changes in the Year: | | | |
| Service Cost | 15,464,570 | - | 15,464,570 |
| Interest on Total Pension Liability | 48,986,308 | - | 48,986,308 |
| Changes in Benefit Terms | - | - | - |
| Changes of Assumptions | - | - | - |
| Differences Between Expected and Actual Experience | 5,570,582 | - | 5,570,582 |
| Benefit Payments, Including Refunds of Employee Contributions | (30,705,510) | (30,705,510) | - |
| Administrative Expenses | - | (327,680) | 327,680 |
| Plan to Plan Resource Movement | - | 4,450 | (4,450) |
| Contributions - Employees | - | 5,279,736 | (5,279,736) |
| Contributions - Employer | - | 21,517,685 | (21,517,685) |
| Net Investment Income | - | 30,253,634 | (30,253,634) |
| Other Miscellaneous Income/(Expense) | - | 1,066 | (1,066) |
| Net Changes | 39,315,950 | 26,023,381 | 13,292,569 |
| Balance at June 30, 2019 | \$ 726,489,031 | \$ 485,202,274 | \$ 241,286,757 |

The County's net pension liability for MCWRA (a cost-sharing plan) is measured as a proportionate share of the plan's net pension liability as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, using standard update procedures. The County's proportions of the net pension liability for the CalPERS plans were actuarially determined as of the valuation date.

The following table shows the proportionate share of the risk pool collective net pension liability over the measurement period.

| | MCWRA | | |
|---------------------------------------|------------------------------------|--|--|
| | Increase (Decrease) | | |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2018 | \$ 32,263,792 | \$ 24,616,385 | \$ 7,647,407 |
| Net Changes During Measurement Period | 1,391,818 | 685,450 | 706,368 |
| Balance at June 30, 2019 | \$ 33,655,610 | \$ 25,301,835 | \$ 8,353,775 |

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 10: Pension Plans (continued)

C. Changes in the Net Pension Liability (continued)

Sensitivity of the Net Pension Liability to Change in the Discount Rate

The following presents the net pension liability of the County for each Plan, calculated using the discount rate for each Plan, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage points lower or 1-percentage point higher than the current rate:

| | County Miscellaneous Plan | County Safety Plan | MCWRA Miscellaneous Plan |
|-----------------------|---------------------------------|-----------------------|--------------------------------|
| 1% Decrease | 6.15 % | 6.15 % | 6.15 % |
| Net Pension Liability | \$ 708,396,867 | \$ 343,583,776 | \$ 12,880,556 |
| Current Discount Rate | 7.15 % | 7.15 % | 7.15 % |
| Net Pension Liability | 443,941,108 | \$ 241,286,757 | \$ 8,353,775 |
| 1% Increase | 8.15 % | 8.15 % | 8.15 % |
| Net Pension Liability | \$ 225,441,853 | \$ 157,399,027 | \$ 4,617,234 |

The Pension Plan's Fiduciary Net Position

Detailed information about the pension fund's fiduciary net position is available in the CalPERS CAFR. CalPERS adheres to the reporting requirements established by the Governmental Accounting Standards Board (GASB). Two types of funds used – Fiduciary Funds and Proprietary Funds – to account for its activities follow accrual basis of accounting. Contributions to the pension trust funds are recognized in the period in which the contributions are due pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investments are reported at fair value using a variety of different techniques.

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the County recognized pension expense of \$103,692,263 for its Miscellaneous (County MP), \$40,909,077 Safety (County SP) plans; and \$1,542,478 for its Water Resources Agency Miscellaneous plan (MCWRA MP). Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Miscellaneous Plan | | Safety Plan | | MCWRA | | Total | |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Changes of Assumptions | \$ 26,382,294 | \$ (5,316,346) | \$10,221,959 | \$ (1,764,187) | \$ 398,347 | \$ (141,211) | \$ 37,002,600 | \$ (7,221,744) |
| Differences Between Expected and Actual Experience | 15,165,839 | (509,126) | 7,441,015 | (1,523,282) | 580,205 | (44,954) | 23,187,059 | (2,077,362) |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | (7,139,528) | - | (2,278,516) | - | (146,050) | - | (9,564,094) |
| Differences Between Employer's Contributions and Proportionate Share of Contributions | - | - | - | - | - | (619,469) | - | (619,469) |
| Change in Employer's Proportion Pension Contributions Subsequent to the Measurement Date | - | - | - | - | 179,106 | (7,304) | 179,106 | (7,304) |
| | <u>65,069,342</u> | <u>-</u> | <u>16,799,835</u> | <u>-</u> | <u>700,541</u> | <u>-</u> | <u>82,569,718</u> | <u>-</u> |
| Total | <u>\$ 106,617,475</u> | <u>\$ (12,965,000)</u> | <u>\$34,462,809</u> | <u>\$ (5,565,985)</u> | <u>\$ 1,858,199</u> | <u>\$ (958,988)</u> | <u>\$ 142,938,483</u> | <u>\$ (19,489,973)</u> |

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 10: Pension Plans (continued)

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

\$82,569,718 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

| Year Ending June 30: | Deferred Outflows/(Inflows) of Resources | | | |
|-------------------------|--|-------------------|----------------|-------------------|
| | Miscellaneous Plan | Safety Plan | MCWRA | Total |
| 2021 | \$ 31,214,702 | \$ 11,721,766 | \$ 375,797 | \$ 43,312,265 |
| 2022 | (6,994,530) | (979,910) | (213,794) | (8,188,234) |
| 2023 | 1,934,519 | 741,981 | 7,154 | 2,683,654 |
| 2024 | 2,428,443 | 613,152 | 29,512 | 3,071,107 |
| Thereafter | - | - | - | - |
| | <u>28,583,134</u> | <u>12,096,989</u> | <u>198,669</u> | <u>40,878,792</u> |

Note 11: Other Postemployment Benefits (OPEB)

A. General Information about the OPEB Plan

Plan Description

The County of Monterey Retiree Healthcare Plan (Plan) is an agent multiple-employer defined benefit healthcare plan. The Plan provides healthcare insurance benefits to eligible retirees. Benefit provisions are established and may be amended by the County.

Benefits Provided

The County provides retiree medical benefits through the California Public Employees' Retirement System healthcare program. The County contributes the Public Employees' Medical and Hospital Care Act (PEMHCA) minimum required employer contribution (\$139 per month in 2020) towards the retiree monthly premium for eligible retirees participating in PEMHCA.

Participants Covered by Benefit Terms

At the June 30, 2019 measurement date, the following employees were covered by the benefit terms:

| | |
|---|---------------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefit | |
| Payments | 1,039 |
| Inactive Employees Entitled to but Not Yet Receiving Benefit | |
| Payments | 1,597 |
| Active Employees | <u>5,051</u> |
| Total | <u><u>7,687</u></u> |

Contributions

The contribution requirements of the plan members and the County are established and may be amended by the County. The County prefunds all or a portion of the plan through the California Employers' Retiree Benefit Trust (CERBT). Employees are not required to contribute to the Plan. For the fiscal year ended June 30, 2020, the County paid a total of \$8,497,532 to the OPEB trust (CERBT). Of this amount, \$1,742,657 was paid for healthcare insurance benefits for eligible retirees, \$1,170,000 was an implicit rate subsidy, and \$5,584,875 was paid to fund future retirees' healthcare.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 11: Other Postemployment Benefits (OPEB) (continued)

B. Net OPEB Liability

The County reported a net OPEB liability of \$39,702,617 at June 30, 2020. The County's OPEB liability was measured as of June 30, 2019, the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019, updated to June 30, 2020.

Actuarial Assumptions

The total OPEB liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

| | |
|---------------------------|--|
| Salary Increases | Aggregate 3% and merit increases based on CalPERS 1997-2015 Experience Study |
| Medical Trend | Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4% in 2076 Medicare - 6.30% for 2021, decreasing to an ultimate rate of 4% in 2076 |
| PEMHCA Minimum Increases | 4.25% annually |
| Discount Rate | 6.75% |
| Investment Rate of Return | 6.75% - expected County contributions projected to keep sufficient plan assets to pay all benefits from trust. |
| Inflation | 2.75% annually |

A long-term expected rate of return of 6.75 percent on OPEB plan investments was determined using a model of stochastic simulations of geometric average return over twenty years for each major asset class. The rate was derived based on CERBT's investment Strategy 1 target allocation and it includes a 2.75 percent long-term inflation assumption. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--|--------------------------|---|
| Global Equity | 59% | 4.82%% |
| Fixed Income | 25% | 1.47%% |
| Treasury Inflation-Protected Securities (TIPS) | 5% | 1.29%% |
| Real Estate Investment Trusts (REITs) | 8% | 3.76%% |
| Commodities | 3% | 0.84%% |
| Total | <u>100%</u> | |

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 11: Other Postemployment Benefits (OPEB) (continued)

C. Changes in Net OPEB Liability

The County net OPEB liability is measured as of the total OPEB liability less the fiduciary net position. The change in the net OPEB liability is as follows:

| | Increase (Decrease) | | |
|---|-------------------------|--------------------------------|-----------------------|
| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
| | (a) | (b) | (a) - (b) |
| Balance at 6/30/2019 | \$ 72,800,654 | \$ 34,017,783 | \$ 38,782,871 |
| Changes for the Year: | | | |
| Service Cost | 3,405,703 | - | 3,405,703 |
| Interest | 5,053,963 | - | 5,053,963 |
| Differences Between Expected and Actual Experience | 2,256,217 | - | 2,256,217 |
| Assumption Changes | (383,959) | - | (383,959) |
| Contributions - Employer | - | 7,303,971 | (7,303,971) |
| Net investment Income | - | 2,132,823 | (2,132,823) |
| Benefit Payments | (2,665,673) | (2,665,673) | - |
| Administrative Expense | - | (24,616) | 24,616 |
| Net Changes | <u>7,666,251</u> | <u>6,746,505</u> | <u>919,746</u> |
| Balances at 6/30/2020 | <u>80,466,905</u> | <u>40,764,288</u> | <u>39,702,617</u> |

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current discount rate:

| | 1% Decrease (5.75%) | Discount Rate (6.75%) | 1% Increase (7.75%) |
|----------------------------|------------------------|--------------------------|------------------------|
| Net OPEB Liability (Asset) | \$ 50,660,741 | \$ 39,702,617 | \$ 30,627,577 |

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare costs trend rates that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

| | 1% Decrease | Current Trend | 1% Increase |
|----------------------------|---------------|---------------|---------------|
| Net OPEB Liability (Asset) | \$ 29,054,917 | \$ 39,702,617 | \$ 52,978,315 |

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERBT's financial report. That report may be obtained by contacting CalPERS, Executive Office, 400 P Street, Sacramento, California, 95814.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 11: Other Postemployment Benefits (OPEB) (continued)

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2020, the County recognized OPEB expense of \$6,175,195, and the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Net Difference between Projected and Actual Earnings on OPEB Plan Investments | \$ - | \$ 381,512 |
| Differences Between Expected and Actual Experience | 2,030,595 | - |
| Changes of Assumptions | - | 345,563 |
| Employer Contributions Made Subsequent to the Measurement Date | 8,518,191 | - |
| Total | 10,548,786 | 727,075 |

Deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as reduction of the net OPEB liability in the year ending June 30, 2021. The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB are recognized in OPEB expenses as follows:

| Year Ending June 30, | Amount |
|-------------------------|------------|
| 2021 | \$ (3,776) |
| 2022 | (1,776) |
| 2023 | 151,222 |
| 2024 | 221,722 |
| 2025 | 187,226 |
| Thereafter | 748,902 |

Note 12: Joint Powers Agreement

Natividad Medical Center (NMC) is a member of and participates in a professional liability self-insurance program (Program) through BETA Healthcare Group (BETA), joint powers authority formed pursuant to the government code of the State of California. BETA members are city, county, district, and private not-for-profit hospitals and healthcare facilities in California. Amounts paid by each member to BETA represent actuarially determined assessments of claims payable and estimated incurred but not reported claims that are adjusted periodically based on the claims experience for each member at each hospital. Claims in excess of specified amounts are the responsibility of individual program participants.

After a deductible, BETA provides payment in full for healthcare liability claims subject to limits established at \$30 million in the aggregate for the entity, with professional liability coverage for medical providers subject to \$1 million per claim and \$3 million aggregate limits. Also, after a \$25,000 deductible, BETA provides payment on covered directors, officers and trustee liability claims up to \$10 million per occurrence and in the aggregate. The Center's contribution to the Program was approximately \$937,138 in 2019.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 12: Joint Powers Agreement (continued)

Condensed financial information of the Program for the calendar year ended December 31, 2019, (audited by Larson & Rosenberger LLP) is as follows:

| | |
|--|-----------------------|
| Cash and Investments | \$ 606,816,838 |
| Other Assets | 72,714,296 |
| Total Assets | <u>\$ 679,531,134</u> |
| Loss Reserves | \$ 273,830,187 |
| Other Liabilities | 136,811,472 |
| Net Position | <u>268,889,475</u> |
| Total Liabilities and Net Position | <u>\$ 679,531,134</u> |
| Total Revenues | \$ 126,836,797 |
| Total Expenses | <u>(103,324,898)</u> |
| Revenue in Excess of Expenses Before Member Surplus Funds Contributed, Change in Net Unrealized Gains on Investments, and Member Dividends | <u>\$ 23,511,899</u> |

Financial statements for the Program can be obtained from Beta Healthcare Group, 1443 Danville Blvd., Suite 200, Alamo, CA 94507-1973.

In January 1997, the County entered into a Joint Powers Agreement with the City of Salinas, the City of Gonzales, the City of Greenfield, the City of King, and the City of Soledad creating the Salinas Valley Waste Authority (Authority). The purpose of the Authority, established by the Joint Powers Agreement, is to undertake and perform: solid waste planning and program management, including collection services and siting; and the transfer and disposal of solid waste generated within each of the parties' jurisdictional boundaries. The Authority administers the agreement pursuant to the joint powers provision of the Government Code of the State of California.

Financial statements for the Authority can be obtained from Salinas Valley Solid Waste Authority, 128 Sun St, Ste. 101, Salinas, CA 93901.

Condensed financial information of the Authority for the fiscal year ended June 30, 2020, is as follows:

| | |
|---|----------------------|
| Current Assets | \$ 29,370,079 |
| Other Assets | 4,847,619 |
| Capital Assets, Net | 33,736,669 |
| Deferred Outflows of Resources | <u>1,741,060</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 69,695,427</u> |
| Closure Liability | \$ 4,127,389 |
| Other Liabilities | <u>47,333,254</u> |
| Total Liabilities | \$ 51,460,643 |
| Deferred Inflows of Resources | <u>715,340</u> |
| Net Position (Deficit) | <u>\$ 17,519,444</u> |
| Total Operating Revenues | \$ 22,897,215 |
| Total Operating Expenses | (17,571,720) |
| Other Revenues and Expenses | <u>(183,139)</u> |
| Change in Net Position | <u>\$ 5,142,356</u> |

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 12: Joint Powers Agreement (continued)

On December 22, 2016, the County entered into a Joint Exercise of Powers Agreement (JPA) with the Monterey County Water Resources Agency (a blended component unit), City of Salinas, City of Soledad, City of Gonzales, City of Greenfield, King City and Castroville Community Services District, for the purpose of forming a Ground Sustainable Agency and achieving groundwater sustainability in the Salinas Valley Ground Water Basin. Established in 2017, under California's Sustainable Groundwater Management Act, the Salinas Valley Basin Groundwater Sustainability Agency (the Agency) is tasked with the ambitious goal of developing a comprehensive ground sustainability plan by 2020 and implementing the plan to achieve basin sustainability by 2040. The County has no continuing financial liability and does not expect any financial burden from its participation in the Agency. Separate financial statements of the JPA can be obtained by contacting the Agency.

Note 13: Landfill Closure and Post Closure Costs

State and federal laws and regulations require the County to place a final cover on all landfill sites when closed and, for thirty years after, perform mandated maintenance and monitoring functions at those sites. All County owned landfills are closed, thus only the liability for future maintenance and monitoring activities is shown on the statement of net position. The estimated liability and total costs for the landfill sites are shown below:

| <u>Landfill Site</u> | <u>Post Closure Activities</u> | <u>Groundwater Monitoring</u> | <u>Post Closure Liability</u> |
|--|------------------------------------|-----------------------------------|-----------------------------------|
| Bradley | \$ 112,033 | \$ 30,000 | \$ 142,033 |
| San Ardo I | 99,323 | 30,000 | 129,323 |
| Lake San Antonio North Shore | 103,780 | 30,000 | 133,780 |
| Lake San Antonio South Shore | 99,323 | 30,000 | 129,323 |
| San Ardo II | 52,033 | - | 52,033 |
| Parkfield I | 4,326 | - | 4,326 |
| Parkfield II | 33,578 | - | 33,578 |
| Chualar | 39,323 | - | 39,323 |
| Arroyo Seco / Greenfield | 39,323 | - | 39,323 |
| Lockwood | 39,323 | - | 39,323 |
| Pleto Road | 10,071 | - | 10,071 |
| Totals | <u>\$ 632,436</u> | <u>\$ 120,000</u> | 752,436 |
| Landfill Costs As of June 30, 2020 | | | <u>13,086,971</u> |
| Total Estimated Costs to June 30, 2023 | | | <u>\$ 13,839,407</u> |

Additional mandated reporting and monitoring requirements have been identified for four closed landfill sites (Lake San Antonio North Shore, Lake San Antonio South Shore, Bradley, and San Ardo) increasing for the remaining three years by \$127,690. The liability and total costs are estimated annually based on the premise that all equipment, facilities, and services required to monitor and maintain the landfill sites were acquired as of June 30, 2020. Actual total costs may be higher due to future changes in technology or landfill laws and regulations.

The County is required by state and federal laws and regulations to provide annual funding to finance future post closure care costs. The County is in compliance with these regulations, establishing appropriations for these activities, based on the annual estimated liability, in each year's annual budget.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 14: Commitments and Contingencies

In prior years, the Monterey County Water Resources Agency (MCWRA), a blended component unit of Monterey County, entered into an agreement with the Monterey One Water/MIW (formerly known as Monterey County Water Pollution Control Agency/MCWPCA) to provide tertiary treated water. Monterey One Water built the tertiary water treatment plant and the MCWRA built the distribution pipelines from the plant to the users. Both projects were financed by loans between each agency and the Bureau of Reclamation and/or State Water Resources Control Board. A special assessment was established and is collected by the MCWRA. Based on the agreement between the MCWRA and the Monterey One Water, the financing and operating expenses incurred by Monterey One Water on this project are paid by this special assessment on an advance basis from the MCWRA. The loans entered into directly between Monterey One Water and the lenders are not included in the County's financial statements.

As of June 30, 2020, the outstanding loan balances of the Monterey One Water related to the above project are as follows:

| | |
|-------------------------------------|---------------|
| Loan From the Bureau of Reclamation | \$ 10,851,522 |
|-------------------------------------|---------------|

Litigation

The County has been named as a defendant in numerous lawsuits and claims arising in the normal course of operations. In the aggregate, these lawsuits and claims seek monetary damages in significant amounts. To the extent, the outcome of such litigation has been determined to result in probable loss to the County; such loss has been recorded in the accompanying basic financial statements. In the opinion of County Counsel and management, the ultimate outcome of the remaining claims cannot be determined at this time.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds and financings, and at June 30, 2020, does not expect to incur a significant liability.

Grant Entitlement

The County is a participant in a number of federal and state assisted programs. These programs are subject to compliance audits by the grantors. The audits of these programs for the fiscal year ended June 30, 2020, and certain earlier years have not been completed. Accordingly, the County's compliance with applicable program requirements is not completely established. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time. Management believes it has adequately provided for potential liabilities, if any, which may arise from the grantor's audits.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 14: Commitments and Contingencies (continued)

Hospital Regulatory Environment

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. NMC is subject to routine surveys and reviews by federal, state, and local regulatory authorities. NMC also has received inquiries from healthcare regulatory authorities regarding its compliance with laws and regulations. Although NMC management is not aware of any violations of laws and regulations, it has received corrective action requests as a result of completed and on-going surveys from applicable regulatory authorities. Management continually works in a timely manner to implement operational changes and procedures to address all corrective action requests from regulatory authorities. Breaches of these laws and regulations and non-compliance with survey correction action requests could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

Construction Commitments

At June 30, 2020, the County had ongoing construction commitments that totaled approximately \$222.9 million.

Note 15: Non-Commitment Debt

Community Facilities District No. 2006-1 Special Tax Bonds (Series 2016 Bonds)

On December 6, 2016, \$9,540,000 of Special Tax Bonds were issued by Community Facilities District No. 2006-1, East Garrison Public Financing Authority, County of Monterey, State of California ("the District"). The Special Tax Bonds were issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, and are payable from a portion of certain special taxes to be levied on property within the boundaries of the District. Of the amount issued, \$1.5 million was distributed to the District, and \$6.5 million to Marina Coast Water District from the property owners to reimburse the developer for the construction of infrastructure within the East Garrison community.

On November 14, 2019 \$11,060,000 of Special Tax Bonds (Series 2019 Bonds) were issued by Community Facilities District No. 2006-1, East Garrison Public Financing Authority, County of Monterey, State of California ("the District"). The Special Tax Bonds were issued in parity with the 2016 Series Community Facilities District no. 2006-1 (East Garrison Project). The proceeds of the Series 2019 will be used to (i) finance certain public improvements, (ii) fund a reserve fund; and (iii) pay costs of issuing the series

The County is acting as an agent of the District in collecting assessments and special taxes, forwarding the collections to other paying agents or directly to bondholders, and initiating any necessary foreclosure proceedings. Because of the County's limited obligation in connection with the District's debt, related transactions are reflected in an Agency Fund. Major capital outlay expenditures related to these bonds are accounted for in the East Garrison CFD Capital Projects Fund. The Special Tax Bonds are not a general obligation of the County, and neither the faith and credit nor the taxing power of the County is pledged to the payment of the bonds. The total principal amount of the debt outstanding at June 30, 2020 from both issues was \$20,110,000 (total balances of 2016 Series of \$9,050,000 and the 2019 Series of \$11,060,000) . Accordingly, such obligations are not included in the accompanying basic financial statements.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 16: Natividad Medical Center - Net Patient Service Revenue

Net patient service revenue is comprised of the following for the year ended June 30, 2020:

| | |
|---|---------------------------|
| Revenue at Established Rates | \$ 1,176,742,390 |
| Medicare Contractual Allowance | (226,780,647) |
| Medi-Cal Contractual Allowance | (501,086,751) |
| Allowances for Other Payors and Indigent Accounts | (163,173,364) |
| Provision for Bad Debts | <u>(31,417,846)</u> |
| Net Patient Service Revenue Before Additional Funding | <u>254,283,782</u> |
| California's Medi-Cal Hospital Waiver | 18,758,840 |
| Managed Care Supplemental Funding | 53,224,046 |
| Senate Bill 1732 | <u>3,889,343</u> |
| Additional Funding | <u>75,872,229</u> |
| Net Patient Service Revenue | <u><u>330,156,011</u></u> |

The Natividad Medical Center (Center) has agreements with third-party payors to provide for payments to the Center at amounts different than established rates. A summary of the basis of the payment arrangements with major third-party payors is as follows:

Medicare – Inpatient acute care services rendered to Medicare program beneficiaries are paid at predetermined prospective rates per discharge. These rates vary according to the diagnostic related group that the patient’s condition is classified under. Services other than inpatient acute care are paid based on a reimbursement methodology specific to the type of service, which generally entails reimbursement rates at the lower of costs, charges, or a published limit. The Center is reimbursed at a tentative rate during the year that is later subject to final settlement after submission and audit of an annual cost report.

Medi-Cal – Inpatient acute care services rendered to Medi-Cal program beneficiaries are reimbursed based on a per diem rate. Outpatient hospital services are reimbursed based on a published fee schedule. The Center is reimbursed at a per diem rate during the year.

Short Doyle – Inpatient acute services rendered to County mental health patients under the Short Doyle program are reimbursed based on a per diem rate specified in an agreement between the Center and the Monterey County Health Department.

Other Third Party Payors – The Center contracts with numerous employers, other county departments, and health plans to provide health care services to their beneficiaries. Reimbursement varies by contract and can be based on a combination of per diem, fee schedule, or percent of charges payment rates.

During the year ended June 30, 2020, patients for which reimbursement was calculated under the third-party payor programs comprised approximately 100% of the Center’s gross patient service revenues, as follows:

| | |
|---------------------|-----------------------|
| Other Third Parties | 24.3 % |
| Medi-Cal | 50.0 % |
| Medicare | 23.6 % |
| Short Doyle | <u>2.1 %</u> |
| Total | <u><u>100.0 %</u></u> |

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 16: Natividad Medical Center - Net Patient Service Revenue (continued)

California's Medi-Cal Hospital Waiver

In 2005, California enacted Senate Bill 1100 ("SB 1100") to implement a federal Medicaid hospital financing waiver ("waiver") that governs fee-for-service inpatient hospital payments for its public hospitals, which include the Center. SB1100 is designed to protect baseline Medicaid funding for the Center from 2006 through 2010 – at a minimum participants will receive the Medicaid inpatient hospital payments they received in 2005 adjusted for yearly changes in costs. SB 1100 also allows the Center to receive additional waiver growth funding subject to the availability of funds. Payments to the Center under SB 1100 include a combination of Medi-Cal inpatient FFS payments, Medi-Cal Disproportionate Share (DSH) payments and Safety Net Care Pool (SNCP) payments. The federal economic stimulus package enacted in 2009, which increases California's federal DSH allotment and the federal matching rate for FFS payments, increases the net payment amounts under the waiver to the Center for the period October 2008 through December 2010.

The original waiver expired in August 2010 and a second five-year Section 1115 Medicaid waiver agreement was signed on November 2, 2010, which was effective from November 1, 2010, to October 31, 2015. In December 2015 a third-five year Section 1115 Medical Waiver was approved for the period of December 30, 2015 through December 31, 2020. The new waiver is titled "Medi-Cal 2020" and will expand coverage and the safety net, promote public hospital delivery system improvements, and improve care coordination. The new waiver model offers federal funds for public hospitals that will require the expansion of coverage to low income people and transform care so that it is more coordinated, efficient, patient-centered and value based. Unlike the previous two waivers, the current waiver states that the federal payments will be tied to core performance measures and targets. Although the federal inpatient hospital financing waiver and the new section 1115 are designed to ensure a predictable Medicaid funding level and provide growth funding, the full financial impact of these changes in the future cannot be determined. While the new waiver is effective through December 31, 2020, there exists an uncertainty surrounding the continued receipt of waiver payments through the date.

In total, the Center estimated waiver payments of approximately \$34.0 million for the year ended June 30, 2020.

In addition to the waiver, the Center received Delivery System Reform Incentive Payments ("DSRIP") payments. Under the Medi-Cal 2020 Waiver, DSRIP will be known as PRIME. Public hospitals may receive PRIME funds to improve the quality of care they provide and the health of the population they serve. PRIME funds can be used for infrastructure development, innovation and redesign, population-focused improvement, and urgent improvement in care. The Center estimated \$12.2 million for the year ended June 30, 2020, as part of California's Medi-Cal hospital waiver payments. These funds are reported as other operating revenue, as they are considered reimbursement of costs for specific qualifying expenditures that must be approved by Department of Health Care Services ("DHCS"), rather than direct patient care.

The Center participates in the Medi-Cal Redesign Waiver Demonstration Program with the California Medical Assistance Commission.

Managed Care Supplemental Funding

The Center is a State-Designated Disproportionate Share Hospital and, through its mission and population served, is eligible to participate in state/federal Medicaid revenue enhancement waivers. Pursuant to Section 14164 of the Welfare and Institutions Code, the County may transfer funds to the Department of Health Care Services (DHCS) to be used as the assessment fee and the non-federal share of Medi-Cal managed care capitation rate increased for the County Organized Health System (COHS) administered by Central California Alliance for Health for the period of June 1, 2019, through July 31, 2020. This mechanism, known as IGT, will allow DHCS to use these funds for draw down enhanced federal financial participation in the funding of the Medi-Cal program. The gross payment, less the IGT returned to the County and taxes paid by the COHS to the State, will be available to the Center as a rate supplement.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 16: Natividad Medical Center - Net Patient Service Revenue (continued)

Hospital fee – The Center is also eligible for the California Hospital Fee Program (the "Program"), which, in November 2009, was signed into California state law. The program establishes a series of Medicaid supplemental payments funded through a "Quality Assurance Fee" and a "Hospital Fee Program," which are imposed on certain California hospitals. The effective date of the Hospital Fee Program is April 1, 2009, through December 31, 2010, and is predicated in part on the enhanced Federal Medicaid Assistance Percentage ("FMAP") contained in the American Reinvestment and Recovery Act ("ARRA"). The Hospital Fee Program makes supplemental payments to hospitals for various health care services and supports the State's effort to maintain health care coverage for children. The Center, as a designated public hospital, is exempt from paying the "Quality Assurance Fee"; however, the Center is eligible to receive supplemental payments under the Hospital Fee Program. The Hospital Fee Program became effective in fiscal year 2011 after approval from the Centers for Medicare and Medicaid Services ("CMS"). In November 2016, the hospital fee program and all of its statutory provisions and protections were made permanent through the passage of the Medi-Cal Funding and Accountability Act (Proposition 52). For Fiscal Year ending June 30, 2020, \$947.0 thousand is included in net patient service revenue.

The Center also received under the Hospital Fee Program, a direct grant component payment of \$1.4 million in 2020 from DHCS.

The legislation states that the direct grants are in support of health care expenditures, which do not constitute Medi-Cal payments. Accordingly, these grants are considered as government-mandated non-exchange transactions according to GASB Statement No. 33, *Accounting and Financial Reporting for non-exchange Transactions*. Non-exchange transactions for GASB reporters are generally not reported as components of income from operations according to GASB Statement No.34, *Basic Financial Statements -and Management's Discussion and Analysis – for State and Local Governments*. As such, GASB would require the grants to be recognized as non-operating grant and contribution revenue in the financial statements.

The Center concludes that the payments received from Central California Alliance for Health are not contributions and are considered exchange transactions because the revenue is an augmentation of Medi-Cal reimbursement for patient services provided and reduces the contractual adjustment of the specific payor category in the period the supplemental payment is recognized.

Assembly Bill 915 – State of California Assembly Bill 915, Public Hospital Outpatient Services Supplemental Reimbursement Program, provides for supplemental reimbursement equal to the federal share of unreimbursed facility costs incurred by public hospital outpatient departments. This supplemental payment covers only Medi-Cal fee-for-service outpatient services. The supplemental payment is based on each eligible hospital's certified public expenditures ("CPE"), which are matched with federal Medicaid funds. For the year ended June 30, 2020, the Center recorded revenue of \$3.2 million, included in managed care and other funding.

Meaningful Use of Electronic Health Records

Under certain provisions of the American Recovery and Reinvestment Act of 2009 ("ARRA"), federal incentive payments are available to hospitals, physicians, and certain other professionals ("Providers") when they adopt, implement or upgrade ("AIU") certified health record ("EHR") technology or become "meaningful users," as defined under ARRA, of EHR technology in ways that demonstrate improved quality, safety, and effectiveness of care. Providers can become eligible for annual Medicare incentive payments by demonstrating meaningful use of EHR technology in each period over four periods. Medicaid providers can receive their initial incentive payment by satisfying AIU criteria, but must demonstrate meaningful use of EHR technology in subsequent years in order to qualify for additional payments.

Hospitals may be eligible for both Medicare and Medicaid EHR incentive payments; however, physicians and other professionals may be eligible for either Medicare or Medicaid incentive payments, but not both. Hospitals that are meaningful users under the Medicaid EHR incentive payment program are deemed meaningful users under the Medicaid EHR incentive payment program and do not need to meet additional criteria imposed by a state. Medicaid EHR incentive payments to providers are 100 percent federally funded and administered by the states. CMS established calendar year 2011 as the first year states could offer EHR incentive payments. Before a state may offer EHR incentive payments, the state must submit and CMS must approve the state's incentive plan.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 16: Natividad Medical Center - Net Patient Service Revenue (continued)

Senate Bill (SB) 1732 – The Center participates in the SB 1732 program, which provides supplemental Medi-Cal reimbursement to qualifying hospitals for a portion of their debt service on revenue bonds that were issued to finance construction or maintenance of a new facility. To qualify for SB 1732, the Center must be a State-Designated Disproportionate Share Hospital facility and be a Medi-Cal contracting hospital. The SB 1732 program reimbursements reflect the Center's annual debt multiplied by a ratio of the Center's paid Medi-Cal patient days to total patient days. Since the funds received are supplemental Medi-Cal payments, the payments are applied against the Medi-Cal contractual allowance, increasing net patient service revenue. The Center recognized funding under this program, of approximately \$3.9 million for 2020.

Cares Act - Due to the Coronavirus pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF). Total grant funds approved and received by the Center was \$5,841,836. The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. At June 30, 2020, Organization recognized \$5,841,836 as intergovernmental revenue. Management believes the amounts have been recognized appropriately as of June 30, 2020.

Note 17: Related Party Transactions

Incorporated in 1988, the Natividad Medical Foundation (Foundation) is a non-profit, non-governmental organization separately incorporated from the Center. Recognizing the need for quality health care and decreased funding from the Federal, State, and local levels, community leaders accepted the responsibility of providing financial assistance to the Center and developed the Natividad Medical Foundation.

The criteria established in GASB 39, Determining Whether Certain Organizations are Component Units, determines whether the Foundation is reported as a component unit of the Center. Since the revenues reported by the Foundation are not significant to the Center, the Foundation is not a component unit of the Center, but is a related party.

As part of providing financial assistance to the Center, the Foundation is the administrator for the following contracts and grants:

Family Residency Training Program (Song-Brown) – The Center has multiple contracts with the Office of Statewide Health Planning and Development through June 29, 2022, to provide training for family practice residents under the direction of the Director of Family Practice Residency Training Program within the Center. The Foundation serves as fiscal administrator of the program and as such is entitled to 8% of awarded funds to cover administrative costs.

The Foundation manages the receipts and disbursements for the various programs. Remaining cash balance on hand or amounts due to the Foundation due to timing of transactions are reflected as due from (to) the Center. As administrator of the contracts and grants, for the calendar year ended December 31, 2020, the Foundation has recorded \$30,435 of contracts and grant administration revenues.

The following is a summary of the program transactions for the year ended December 31, 2020:

| | |
|------------------------------|------------|
| Contracts and Grant Receipts | \$ 444,377 |
| Disbursements | 361,630 |

Accounts payable included \$5,883 due to the Center for payment of restricted funds as of December 31,2020 .

The Foundation also has an agreement with the Center for January 1, 2020 through December 31, 2021 to provide philanthropic services defined as “capital campaign planning and fundraising; community outreach in connection with fundraising, preparing and submitting foundation grant applications; administering current and future foundation grants; and supporting and coordinating NMC/NMF joint community relations" to philanthropically support the capital needs at NMC.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 18: Insurance and Contingent Liabilities

The County is a certified State of California Self-Insured Public Entity. The County accounts for its risk financing activities using General Liability (GL) and Workers' Compensation (WC) internal service funds (ISFs). The County accrues liabilities for the ultimate cost of claims and expenses associated with GL-ISF and WC-ISF claims. The liabilities and claims costs charged back to the County departments are based upon results of annual actuarial reports prepared by Bickmore and Associates, the County's actuary of record. Claim costs are based on, but not limited to: claim frequency and severity, claim loss value incurred but not reported, allocated loss adjustment expenses and unallocated loss adjustment expenses.

The County's Excess GL program is insured by "A Rated" insurance companies, providing coverage in excess of the County's self-insured retention (SIR). The County paid a total annual premium of \$2,766,636 for Excess GL premiums. The County's current GL claims - Third Party Administrator (TPA) is Intercare Holdings.

Additionally, Excess WC coverage is provided by the California State Association of Counties - Excess Insurance Authority (CSAC-EIA). CSAC is a joint powers authority, whose purpose is to develop and fund programs of excess insurance for member counties. The CSAC-EIA Board of Directors, consisting of representatives from member counties, provides for CSAC-EIA's structured governance. The County paid total annual excess WC premiums of \$1,911,508. CSAC-EIA's financial statements can be obtained at: CSAC-EIA, 3017 Gold Canal Drive, Rancho Cordova, CA 95670.

The County was previously insured via traditional domestic workers' compensation insurance (e.g., either through AIG or Liberty Mutual) during the period of July 1, 1996, through June 30, 2002. All pending claims, incurred/reported, prior to July 1, 1996, and subsequent to June 30, 2002, and all subsequent open pending claims remain part of the County's self-insured workers' compensation program. Currently, the WC claims are administered by the County's WC TPA, Intercare Holdings.

The County also participates in the CSAC "All Risk - Property Insurance Program". The County's "All Risk" deductible is \$25,000, per occurrence. Primary coverage is provided by private insurance, excess of deductible, with limits of \$25 million per occurrence, and shared limits of \$600 million (e.g., subject to policy coverage terms, applicable limits, sub-limits, endorsements and exclusions). The County currently insures over \$1 billion in structural and contents (real property) values and has paid a total annual premium of \$1,087,897. The property insurance program premiums are allocated to the County departments based upon premium rate and square footage occupied.

Changes in the balance of claims liabilities during fiscal years 2019-20 and 2018-19 for all self-insurance risks are approximately as follows:

| | 2019-20 | 2018-19 |
|----------------------------------|-----------------------|----------------------|
| Unpaid Claims, Beginning of Year | \$ 92,600,805 | \$ 88,553,538 |
| Estimated Claims Incurred | 42,141,474 | 39,216,867 |
| Claim Payments | <u>(28,528,070)</u> | <u>(35,169,600)</u> |
| Unpaid Claims, End of Year | <u>\$ 106,214,209</u> | <u>\$ 92,600,805</u> |

Note 19: Stewardship, Compliance and Accountability

Deficit Fund Balances/Net Position

The General Liability internal service fund had deficit net position of \$7,222,011 as of June 30, 2020. The County settled for a \$15,500,000 Notes Payable in fiscal year 2007-08 from its Lakes Resort which caused the deficit in the fund. The Note amount with interest was approved to be paid in full by the County Board over 15 years. This fund experienced deficit seven years ago when the County was on a pay-as-you-go basis. The County approved a 5-year plan to fund the deficit in fiscal year 2004-05. The original 5-year funding plan was successfully completed. The payment of the Lake Resorts' liability is correcting the deficit, and the gradual recovery of prior losses will help correct the deficit.

The Park and Lake Resort enterprise fund has a deficit net position of \$470,279 as of June 30, 2020. This fund was converted from a special revenue fund to an enterprise fund in fiscal year 2010-11. Due to the drought conditions in California and the insufficient fee structure, the fund has experienced the deficit. The County's General Fund has made a significant contribution to this fund in fiscal year 2014, offsetting the entire annual net loss of the fund and reducing the prior year deficit. The General Fund intends to contribute in the future until the fund has stabilized.

COUNTY OF MONTEREY
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 20: Tax Abatements

The County provides tax abatements through the California Land Conservation Act, known commonly as the Williamson Act. The Williamson Act is a statewide program enacted in Monterey County in 1968 in which the owner enters into a contract with the County to maintain his land in agricultural production. In exchange the owner is eligible for a reduction of his taxable values. Contracts enacted in 1968 were for a term of ten years. Contracts after 1968 were for a term of 20 years. Contracts automatically renew each year unless the owner files a notice of non renew with the Board of Supervisors. To qualify to enter into a contract the owner should have a minimum of 100 acres (40 acres of prime), and should have a gross agricultural income of \$8,000 per year for three of the last five years. Owners may go together to create enough land to qualify. The compatible uses available are specified in the contract. The Farmland Security Zone became effective in Monterey County in 1998. This measure ensures that prime farmland will get an additional 35% reduction in taxable value.

For the fiscal year ended June 30, 2020, Williamson Act related tax abatements were approximately \$8.9 million.

Note 21: Restatement of Net Position and Fund Balances

Adjustments resulting from errors or a change to comply with provisions of current accounting standards and financial reporting practices are treated as adjustments to prior periods. Accordingly, the County reports these changes as restatements of beginning fund balance or net position.

A prior period adjustment was made to the governmental activities' beginning net position to reflect the capitalization of donated assets received in prior years but not capitalized until this year. Total of this adjustment is \$59.5 million. Another adjustment affecting beginning net position is from the correction made on construction in progress resulting in a reduction by \$936,492.

The impact of the restatements on the net position as previously reported is presented below:

Government-wide Financial Statements

| | Governmental Activities |
|--|----------------------------|
| Net Position at July 1, 2019, As Previously Stated | \$ 696,685,028 |
| Adjustment to Capitalize Donated Assets Received in Rrior Years | 59,543,300 |
| Adjustment to Reflect Corrections on Rrior Rear Construction in Progress | (936,492) |
| Net Position at July 1, 2019, As Restated | \$ 755,291,836 |

Note 22: Subsequent Events

Coronavirus Aid, Relief, and Economic Security (CARES) Act

The following subsequent events were noted:

On March 13, 2020, a presidential emergency was declared for all states, tribes, territories, and the District of Columbia due to the ongoing Coronavirus Disease 2019 (COVID-19) pandemic. The declaration made federal disaster assistance available; through the Coronavirus Aid, Relief, and Economic Security (CARES) Act; to the State of California to supplement the County's local recovery efforts. As of June 30, 2020, an estimated \$9.7 million of costs may be eligible for State and Federal assistance. Based on the consensus of the Committee of the California Society of Certified Public Accounts (CalCPA) after inquiring with the Governmental Accounting Standards Board (BASB), the CARES revenue allocations should be recognized in the Fiscal year 2020-2021.

As part of the State's adopted FY 20-21 budget, approximately \$44.9 million in federal funding will be passed from the State to Monterey County in order to support activities and expenses that promote public health and safety in response to the COVID-19 public health emergency.

REQUIRED SUPPLEMENTARY INFORMATION



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COUNTY OF MONTEREY
Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

**Schedule of Changes in Net OPEB Liability and Related Ratios
Last Ten Fiscal Years***

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|----------------------|----------------------|----------------------|
| Total OPEB Liability | | | |
| Service Cost | \$ 3,405,703 | \$ 3,306,508 | \$ 3,210,000 |
| Interest | 5,053,963 | 4,689,517 | 4,348,000 |
| Changes of Benefit Terms | - | - | - |
| Difference Between Expected and Actual Experience | 2,256,217 | - | - |
| Changes of Assumptions | (383,959) | - | - |
| Benefit Payments, Including Refunds of Employee Contributions | <u>(2,665,673)</u> | <u>(2,726,371)</u> | <u>(2,453,000)</u> |
| Net Change in Total OPEB Liability | 7,666,251 | 5,269,654 | 5,105,000 |
| Total OPEB Liability - Beginning | <u>72,800,654</u> | <u>67,531,000</u> | <u>62,426,000</u> |
| Total OPEB Liability - Ending (a) | <u>\$ 80,466,905</u> | <u>\$ 72,800,654</u> | <u>\$ 67,531,000</u> |
| Plan Fiduciary Net Position | | | |
| Contributions - Employer | 7,303,971 | 6,972,371 | 5,073,000 |
| Contributions - Employee | - | - | - |
| Net Investment Income | 2,132,823 | 2,217,043 | 2,387,000 |
| Benefit Payments, Including Refunds of Employee Contributions | <u>(2,665,673)</u> | <u>(2,726,371)</u> | <u>(2,453,000)</u> |
| Administrative Expenses | <u>(24,617)</u> | <u>(51,259)</u> | <u>(12,000)</u> |
| Net Change in Fiduciary Net Position | 6,746,504 | 6,411,784 | 4,995,000 |
| Plan Fiduciary Net Position - Beginning | <u>34,017,784</u> | <u>27,606,000</u> | <u>22,611,000</u> |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ 40,764,288</u> | <u>\$ 34,017,784</u> | <u>\$ 27,606,000</u> |
| Plan Net OPEB Liability/(Asset) - Ending (a) - (b) | <u>\$ 39,702,617</u> | <u>\$ 38,782,870</u> | <u>\$ 39,925,000</u> |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 50.66 % | 46.73 % | 40.88 % |
| Covered Payroll** | \$416,355,728 | \$399,446,000 | \$330,588,000 |
| Plan Net OPEB Liability/(Asset) as a Percentage of Covered-Employee Payroll | 9.54 % | 9.71 % | 12.08 % |

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

** Determined for the twelve-month period ending on June 30, 2019 (Measurement Date).

COUNTY OF MONTEREY
Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Schedule of OPEB Contributions
Last Ten Fiscal years*

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|---------------------|--------------------|--------------------|
| Actuarially Determined Contribution | \$ 8,252,000 | \$ 7,620,000 | \$ 7,165,000 |
| Contributions in Relation to the Actuarially Determined Contribution | <u>(8,518,191)</u> | <u>(7,303,971)</u> | <u>(6,972,000)</u> |
| Contribution Deficiency (Excess) | <u>\$ (266,191)</u> | <u>\$ 316,029</u> | <u>\$ 193,000</u> |
| Covered Payroll** | \$440,092,562 | \$416,335,728 | \$399,446,000 |
| Contribution as a Percentage of Covered-Employee Payroll | 1.88 % | 1.83 % | 1.79 % |

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available

** Determined for the twelve-month period ending on June 30, 2020 (fiscal year end).

Notes to Schedule

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019-20 were from the June 30, 2017 valuation date.

| | |
|------------------------|--|
| Actuarial Cost Method | Entry Age Normal, Level percentage payroll |
| Amortization Method | Level percentage payroll |
| Amortization Period | Approximately 10.5 years remaining as of June 30, 2019 |
| Asset Valuation Method | Investment gains and losses spread over a five-year rolling period |
| Discount Rate | 6.75% |
| General Inflation | 2.75% |
| Medical Trend | Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 |
| Mortality | CalPERS 1997-2015 experience study |
| Mortality Improvement | Post-retirement mortality projected fully generational with Scale MP-2017 |

COUNTY OF MONTEREY
Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Schedule of Changes in Net Pension Liability and Related Ratios

Last Ten Fiscal Years*

Miscellaneous Plan

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | | | | | | |
| Service Cost | 50,369,004 | 50,511,029 | 48,599,853 | 41,097,374 | 38,758,180 | 37,919,451 |
| Interest on Total Pension Liability | 130,692,556 | 122,660,308 | 116,595,855 | 110,554,592 | 104,227,023 | 98,401,770 |
| Changes of Benefit Terms | - | - | - | - | - | - |
| Changes of Assumptions | - | (9,939,254) | 98,334,006 | - | (25,708,249) | - |
| Difference Between Expected and Actual Experience | 19,748,290 | 85,675 | (1,897,655) | 3,021,512 | (5,164,441) | - |
| Benefit Payments, Including Refunds of Employee Contributions | (80,679,185) | (74,721,030) | (68,551,573) | (63,987,386) | (59,645,438) | (54,905,897) |
| Change in Employer's Proportionate Share | (2,809,381) | 156,095 | (16,871) | 4,560,083 | - | - |
| Net Change in Total Pension Liability | <u>117,321,284</u> | <u>88,752,823</u> | <u>193,063,615</u> | <u>95,246,175</u> | <u>52,467,075</u> | <u>81,415,324</u> |
| Total Pension Liability - Beginning | <u>1,826,084,089</u> | <u>1,737,331,266</u> | <u>1,544,267,651</u> | <u>1,449,021,476</u> | <u>1,396,554,401</u> | <u>1,315,139,077</u> |
| Total Pension Liability - Ending (a) | <u>1,943,405,373</u> | <u>1,826,084,089</u> | <u>1,737,331,266</u> | <u>1,544,267,651</u> | <u>1,449,021,476</u> | <u>1,396,554,401</u> |
| Plan Fiduciary Net Pension | | | | | | |
| Contributions - Employees | 22,822,360 | 22,323,442 | 21,055,994 | 20,475,011 | 19,027,910 | 18,329,326 |
| Contributions - Employer | 48,611,102 | 42,227,433.00 | 40,333,457 | 37,466,772 | 31,775,780 | 27,839,162 |
| Net Investment Income | 93,238,275 | 111,633,416 | 133,502,263 | 6,337,893 | 26,539,331 | 175,983,207 |
| Benefit Payments, Including Refunds of Employee Contributions | (80,679,185) | (74,721,030) | (68,551,573) | (63,987,386) | (59,645,438) | (54,905,897) |
| Administrative Expense | (1,010,833) | (2,061,884) | (1,769,495) | 730,695 | 1,352,697 | - |
| Plan to Plan Resource Movement | (4,280) | (3,284) | 177 | (492) | (466,265) | - |
| Other Miscellaneous Income/(Expense) ¹ | 3,279 | (3,915,553) | - | - | - | - |
| Change in Employer's Proportionate Share | (2,182,580) | 118,875 | 13,094 | (3,500,759) | - | - |
| Net Change in Plan Fiduciary Net Position | <u>80,798,138</u> | <u>95,601,415</u> | <u>124,557,729</u> | <u>3,061,862</u> | <u>15,878,621</u> | <u>167,245,798</u> |
| Plan Fiduciary Net Position - Beginning ² | <u>1,418,666,127</u> | <u>1,323,064,712</u> | <u>1,198,506,983</u> | <u>1,195,445,121</u> | <u>1,179,566,500</u> | <u>1,012,320,702</u> |
| Plan Fiduciary Net Position - Ending (b) | <u>1,499,464,265</u> | <u>1,418,666,127</u> | <u>1,323,064,712</u> | <u>1,198,506,983</u> | <u>1,195,445,121</u> | <u>1,179,566,500</u> |
| Net Pension Liability - Ending (a) - (b) | <u>443,941,108</u> | <u>407,417,962</u> | <u>414,266,554</u> | <u>345,760,668</u> | <u>253,576,355</u> | <u>216,987,901</u> |
| Plan Fiduciary Net Position as a Percentage of the | | | | | | |
| Total Pension Liability | 77.16 % | 77.69 % | 76.16 % | 77.61 % | 82.50 % | 84.46 % |
| Covered Payroll | 334,031,327 | \$ 319,646,331 | \$ 311,248,370 | \$ 292,258,379 | 269,289,126 | 259,499,676 |
| Net Pension Liability as a Percentage of Covered Payroll | 132.90 % | 127.46 % | 133.10 % | 118.31 % | 94.17 % | 83.62 % |

1) During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

2) Includes any beginning year of adjustment.

COUNTY OF MONTEREY
Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years*
Miscellaneous Plan

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2018 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

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

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

COUNTY OF MONTEREY
Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years*
Safety Plan

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Total Pension Liability | | | | | | |
| Service Cost | 15,464,570 | 14,949,233 | 14,648,978 | 13,120,502 | 12,994,101 | 12,851,917 |
| Interest on Total Pension Liability | 48,986,308 | 46,316,764 | 43,913,660 | 42,184,786 | 40,037,212 | 37,995,536 |
| Changes of Benefit Terms | - | - | - | - | - | - |
| Changes of assumptions | - | (3,444,367) | 38,100,026 | - | (10,182,750) | - |
| Differences Between Expected and Actual Experience | 5,570,582 | 6,304,456 | (5,484,464) | (1,088,628) | (1,418,672) | - |
| Benefit Payments, Including Refunds of Employee Contributions | (30,705,510) | (28,810,424) | (27,115,598) | (24,770,649) | (23,095,395) | (22,028,663) |
| Net Change in Total Pension Liability | 39,315,950 | 35,315,662 | 64,062,602 | 29,446,011 | 18,334,496 | 28,818,790 |
| | | | | | | |
| Total Pension Liability - Beginning | 687,173,081 | 651,857,419 | 587,794,817 | 558,348,806 | 540,014,310 | 511,195,520 |
| Total Pension Liability - Ending (a) | 726,489,031 | 687,173,081 | 651,857,419 | 587,794,817 | 558,348,806 | 540,014,310 |
| Plan Fiduciary Net Pension | | | | | | |
| Contributions - Employer | 21,517,685 | 18,792,681 | 16,846,914 | 15,456,197 | 14,143,949 | 14,444,054 |
| Contributions - Employee | 5,279,736 | 5,017,206 | 4,697,110 | (4,714,002) | (4,623,587) | (4,670,204) |
| Net Investment Income | 30,253,634 | 36,255,035 | 43,510,662 | (2,016,611) | (8,668,988) | (58,212,266) |
| Benefit Payments, Including Refunds of Employee Contributions | (30,705,510) | (28,810,424) | (27,115,598) | (24,770,649) | (23,095,395) | (22,028,663) |
| Administrative Expense | (327,680) | (669,852) | 579,512 | 240,935 | 444,425 | - |
| Plan to Plan Resource Movement | 4,450 | (1,066) | (184) | - | 483,447 | - |
| Other Miscellaneous Income/(Expense) ¹ | 1,066 | (1,272,060) | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | 26,023,381 | 29,311,520 | 37,359,392 | (2,824,774) | 4,380,151 | 55,297,861 |
| | | | | | | |
| Plan Fiduciary Net Position - Beginning ² | 459,178,893 | 429,867,373 | 392,507,981 | 395,332,755 | 390,952,604 | 335,654,743 |
| Plan Fiduciary Net Position - Ending (b) | 485,202,274 | 459,178,893 | 429,867,373 | 392,507,981 | 395,332,755 | 390,952,604 |
| | | | | | | |
| Net Pension Liability - Ending (a) - (b) | 241,286,757 | 227,994,188 | 221,990,046 | 195,286,836 | 163,016,051 | 149,061,706 |
| | | | | | | |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 66.79 % | 66.82 % | 65.94 % | 66.78 % | 70.80 % | 72.40 % |
| Covered Payroll | 55,585,077 | 53,292,119 | 50,658,579 | 52,065,484 | 50,805,839 | 48,098,494 |
| Net Pension Liability as a Percentage of Covered Payroll | 434.09 % | 427.82 % | 438.21 % | 375.08 % | 320.86 % | 309.91 % |

1) During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

2) Includes any beginning year of adjustment.

COUNTY OF MONTEREY
Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years*
Safety Plan

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2018 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

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

*This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

COUNTY OF MONTEREY
Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Schedule of the Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years*
MCWRA

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| MCWRA's Proportion of the Net Pension Liability/(Asset) | 0.19 % | 0.19 % | 0.19 % | 0.19 % | 0.18 % | 0.08 % |
| MCWRA's Proportionate Share of Net Pension Liability/(Asset) | \$ 8,353,775 | \$ 7,647,407 | \$ 7,795,865 | \$ 6,675,070 | \$ 5,054,398 | \$ 4,856,853 |
| MCWRA's Covered Payroll | \$ 2,788,104 | \$ 2,861,315 | \$ 2,861,315 | \$ 3,169,019 | \$ 3,447,710 | \$ 3,537,912 |
| MCWRA's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll | 299.62 % | 267.27 % | 272.46 % | 210.64 % | 146.60 % | 137.28 % |
| MCWRA's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability | 75.18 % | 76.30 % | 74.95 % | 76.11 % | 80.92 % | 81.36 % |

Note to Schedule:

Change in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool.

Change in Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

*Amounts presented above were determined as of June 30. Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

COUNTY OF MONTEREY
Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Schedule of Pension Contributions
Last Ten Fiscal Years*

Miscellaneous Plan

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|---------------------------|-------------------------|---------------------------|---------------------------|-------------------------|-------------------------|---------------------|
| Actuarially Determined Contribution | \$ 57,715,150 | \$ 49,477,120 | \$ 42,179,163 | \$ 39,474,883 | \$ 37,466,772 | \$ 31,775,780 | \$ 27,839,162 |
| Contributions in Relation to the Actuarially Determined Contribution | <u>(65,069,341)</u> | <u>(49,821,403)</u> | <u>(43,928,804)</u> | <u>(40,556,395)</u> | <u>(37,891,199)</u> | <u>(32,301,171)</u> | <u>(27,839,162)</u> |
| Contribution Deficiency (Excess) | <u><u>(7,354,191)</u></u> | <u><u>(344,283)</u></u> | <u><u>(1,749,641)</u></u> | <u><u>(1,081,512)</u></u> | <u><u>(424,427)</u></u> | <u><u>(525,391)</u></u> | <u><u>-</u></u> |
| | | | | | | | |
| Covered Payroll** | \$342,855,089 | \$334,031,327 | \$319,646,331 | \$311,248,370 | \$292,258,379 | \$269,289,126 | \$259,499,676 |
| Contribution as a Percentage of Covered Payroll | 18.98 % | 14.92 % | 13.74 % | 13.03 % | 12.82 % | 11.80 % | 10.73 % |

Notes to Schedule:

* Amounts presented above were determined as of June 30. Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

** Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73.

COUNTY OF MONTEREY
Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Schedule of Pension Contributions
Last Ten Fiscal Years*

Safety Plan

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially Determined Contribution | \$ 25,170,462 | \$ 21,859,497 | \$ 19,467,968 | \$ 17,955,292 | \$ 15,456,197 | \$ 14,143,949 | \$ 14,444,054 |
| Contributions in Relation to the Actuarially Determined Contribution | <u>(16,799,835)</u> | <u>(20,669,311)</u> | <u>(17,488,488)</u> | <u>(15,533,142)</u> | <u>(14,051,250)</u> | <u>(12,545,370)</u> | <u>(14,444,054)</u> |
| Contribution Deficiency (Excess) | <u>8,370,627</u> | <u>1,190,186</u> | <u>1,979,480</u> | <u>2,422,150</u> | <u>1,404,947</u> | <u>1,598,579</u> | <u>-</u> |
| | | | | | | | |
| Covered Payroll** | \$ 55,800,451 | \$ 55,585,077 | \$ 53,292,119 | \$ 50,658,579 | \$ 52,065,484 | \$ 50,812,684 | \$ 48,098,494 |
| Contribution as a Percentage of Covered Payroll | 30.11 % | 37.19 % | 32.82 % | 30.66 % | 26.99 % | 27.84 % | 30.03 % |

Notes to Schedule:

* Amounts presented above were determined as of June 30. Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

** Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73.*

COUNTY OF MONTEREY
Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Schedule of Pension Contributions
Last Ten Fiscal Years*

MCWRA Plan

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|----------------|----------------|----------------|---------------|-----------------|----------------|--------------|
| Actuarially Determined Required Contribution | 828,472 | 752,092 | 627,396 | 595,671 | 498,177 | \$ 390,160 | \$ 367,067 |
| Contributions in Relation to the Actuarially Determined Contribution | (700,541) | (566,399) | (522,172) | (561,727) | (520,964) | (394,424) | (367,067) |
| Contribution Deficiency (Excess) | <u>127,931</u> | <u>185,693</u> | <u>105,224</u> | <u>33,944</u> | <u>(22,787)</u> | <u>(4,264)</u> | - |
| | | | | | | | |
| Covered Payroll** | 2,901,405 | 2,788,104 | 2,861,315 | 3,282,276 | 3,169,019 | \$ 3,447,710 | \$ 3,537,912 |
| Contribution as a Percentage of Covered Payroll | 24.14 % | 20.31 % | 18.25 % | 17.11 % | 16.44 % | 11.32 % | 10.38 % |

Notes to Schedule:

* Amounts presented above were determined as of June 30. Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

** Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

SUPPLEMENTARY INFORMATION



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COUNTY OF MONTEREY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

| | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Total</u> |
|---|----------------------------|---------------------|-----------------------------|-----------------------|
| Assets | | | | |
| Cash and Investments: | | | | |
| Held in County Treasury | \$ 105,275,704 | \$ 1,882,730 | \$ 7,455,834 | \$ 114,614,268 |
| Held with Trustee | 420,906 | 9,593 | - | 430,499 |
| Imprest Cash | 1,800 | - | - | 1,800 |
| Receivables (Net) | 34,843,636 | 1,272 | 779,015 | 35,623,923 |
| Due from Other Funds | 142,507 | - | - | 142,507 |
| Loans and Notes Receivable | <u>20,820,881</u> | <u>-</u> | <u>14,950</u> | <u>20,835,831</u> |
| Total Assets | <u>\$ 161,505,434</u> | <u>\$ 1,893,595</u> | <u>\$ 8,249,799</u> | <u>\$ 171,648,828</u> |
| | | | | |
| Liabilities | | | | |
| Vouchers and Accounts Payable | \$ 2,540,358 | \$ - | \$ 941,178 | \$ 3,481,536 |
| Accrued Salaries and Benefits | 898,762 | - | (2,673) | 896,089 |
| Due to Other Funds | 5,597,966 | - | - | 5,597,966 |
| Deposits from Others | 273,899 | (5,783) | 108,796 | 376,912 |
| Unearned Revenues | <u>21,606</u> | <u>-</u> | <u>22,146</u> | <u>43,752</u> |
| Total Liabilities | <u>9,332,591</u> | <u>(5,783)</u> | <u>1,069,447</u> | <u>10,396,255</u> |
| | | | | |
| Deferred Inflows of Resources | | | | |
| Unavailable Revenue | <u>7,183,914</u> | <u>493</u> | <u>335,035</u> | <u>7,519,442</u> |
| Total Deferred Inflows of Resources | <u>7,183,914</u> | <u>493</u> | <u>335,035</u> | <u>7,519,442</u> |
| | | | | |
| Fund Balances | | | | |
| Restricted | 107,978,782 | 1,044,348 | - | 109,023,130 |
| Committed | 37,010,147 | - | - | 37,010,147 |
| Assigned | <u>-</u> | <u>854,537</u> | <u>6,845,317</u> | <u>7,699,854</u> |
| Total Fund Balances | <u>144,988,929</u> | <u>1,898,885</u> | <u>6,845,317</u> | <u>153,733,131</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 161,505,434</u> | <u>\$ 1,893,595</u> | <u>\$ 8,249,799</u> | <u>\$ 171,648,828</u> |

COUNTY OF MONTEREY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

| | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Total</u> |
|--|----------------------------|---------------------|-----------------------------|-----------------------|
| Revenues: | | | | |
| Taxes | \$ 14,867,336 | \$ - | \$ - | \$ 14,867,336 |
| Licenses, Permits, and Franchises | 31,246 | - | - | 31,246 |
| Fines, Forfeitures, and Penalties | 648,907 | - | - | 648,907 |
| Revenue from Use of Money and Property | 2,025,057 | 1,498,332 | 186,932 | 3,710,321 |
| Aid from other Governmental Agencies | 147,285,527 | - | 650,024 | 147,935,551 |
| Charges for Services | 28,746,514 | 14,591 | - | 28,761,105 |
| Miscellaneous Revenues | 795,258 | - | 34,675 | 829,933 |
| Total Revenues | <u>194,399,845</u> | <u>1,512,923</u> | <u>871,631</u> | <u>196,784,399</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 12,841,986 | - | - | 12,841,986 |
| Public Protection | 18,902,605 | - | - | 18,902,605 |
| Public Ways and Facilities | 1,630,467 | - | - | 1,630,467 |
| Health and Sanitation | 3,764,485 | - | - | 3,764,485 |
| Public Assistance | 9,185,232 | - | - | 9,185,232 |
| Education | 9,395,692 | - | - | 9,395,692 |
| Debt service: | | | | |
| Principal | - | 7,249,857 | - | 7,249,857 |
| Interest and Debt Service Costs | - | 7,316,420 | - | 7,316,420 |
| Capital Outlay | - | - | 3,496,453 | 3,496,453 |
| Total Expenditures | <u>55,720,467</u> | <u>14,566,277</u> | <u>3,496,453</u> | <u>73,783,197</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>138,679,378</u> | <u>(13,053,354)</u> | <u>(2,624,822)</u> | <u>123,001,202</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 7,686,167 | 13,040,101 | 5,148,036 | 25,874,304 |
| Transfers Out | (128,338,239) | - | (5,292,400) | (133,630,639) |
| Sale of Capital Assets | 4,830 | - | - | 4,830 |
| Total Other Financing Sources (Uses) | <u>(120,647,242)</u> | <u>13,040,101</u> | <u>(144,364)</u> | <u>(107,751,505)</u> |
| Net Change in Fund Balances | 18,032,136 | (13,253) | (2,769,186) | 15,249,697 |
| Fund Balances, Beginning of Year, As Restated | <u>126,956,793</u> | <u>1,912,138</u> | <u>9,614,503</u> | <u>138,483,434</u> |
| Fund Balances, End of Year | <u>\$ 144,988,929</u> | <u>\$ 1,898,885</u> | <u>\$ 6,845,317</u> | <u>\$ 153,733,131</u> |

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

SPECIAL REVENUE FUNDS

County Library – Established as a special taxing authority under the County Library Law of 1911 and, as such, is funded primarily through its own share of property tax to provide library services to residents of Monterey County.

In-Home Support Services – Program to provide services to aged, blind and disabled persons who are unable to remain in their homes without assistance.

Fish and Game Propagation – Administration of the County's Fish and Game Commission, which consists of fifteen members, three from each supervisorial district to oversee allocation of fish and game fine monies.

Community Action Partnership – Administration of the Community Services Block Grant for provision of specified programs to advance and advocate for the low-income population.

Inclusionary Housing – To facilitate the development of lower income housing throughout Monterey County through either direct grants or low interest rate loans.

Community Development – Created for a variety of economic development activities including loans made to businesses and individuals.

Emergency Medical Services – Established at the beginning of 1989 to provide for the collection and distribution of fine proceeds authorized by the California State Legislature's adoption of Senate Bill 612.

Workforce Development Board – Facilitates the coordination between the public and private sector in focusing resources to effectively educate, train and place individuals with the necessary resources and skill-set to meet employer demands.

Local Revenue Fund – Pursuant to AB 118, this fund was created to receive sales tax revenue and vehicle license fee realignment funds.

Homeland Security Grant – Created to separate the grant funds activities from operational expenditures of the Office of Emergency Services (OES).

Health & Welfare Realignment – Administers the state realignment funding of sales tax revenue, vehicle license fees and the County's maintenance of efforts for health and social services programs

Emergency Communications & NGEN Operations - Created for the Next Generation (NGEN) Radio System's operations and maintenance and operates the countywide consolidated emergency communication system.

County Clerk/Recorder – Created to separate recording fees revenue for the use of the County Clerk/Recorder's Office for modernization, micrographics, vital record, and electronic recording delivery systems authorized by GC 27361.4 (a), GC 27361 (c), GC 27397, and H&S 103625 (h).

Habitat Management Program – Created to operate and maintain a Habitat Management Program from dissolved Fort Ord Reuse Authority (FORA) funds. On June 30, 2020, FORA's termination date was under the Fort Ord Reuse Authority Act (California Government Code Section 67650 et seq.), as amended.

East Garrison Community Services District (CSD) – Facilitates the collection and disbursement of funds for designated services provided in the East Garrison project. County and District services include security patrol operations, street maintenance, drainage maintenance and park or open space maintenance, and administration.

Nacimiento Hydroelectric Operations – Responsible for the management of Nacimiento hydroelectric operations in Monterey County.

Other Water Resources Agencies – Responsible for the management of groundwater resources and flood control protection in Monterey County.

SPECIAL REVENUE FUNDS

County Service Areas – Provide a variety of services to the unincorporated developments within the County including storm drain and surface water disposal, street and sidewalk maintenance, street lighting, wastewater reclamation and open space maintenance.

Sanitation Districts – Administers and maintains four sanitation districts, operating costs are funded with user fees and property taxes.

Housing Successor Fund – Includes the set aside fund of the former Redevelopment Agency of the County of Monterey for tax increment revenues set aside for low to moderate income housing projects. Redevelopment Agency was dissolved under AB 1X26 as of February 1, 2012 and the fund is now administered by the County acting as a housing successor.



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COUNTY OF MONTEREY
Combining Balance Sheet
Special Revenue
June 30, 2020

| | <u>Library Fund</u> | <u>In-Home Support Services</u> | <u>Fish & Game Propagation Fund</u> |
|---|---------------------|-------------------------------------|---|
| Assets | | | |
| Cash and Investments: | | | |
| Held in County Treasury | \$ 3,630,601 | \$ - | \$ 25,813 |
| Held with Trustee | - | - | - |
| Imprest cash | 1,700 | - | - |
| Receivables (Net) | 324,468 | 424,973 | - |
| Due from Other Funds | - | - | - |
| Loans and Notes Receivable | - | - | - |
| Total Assets | <u>\$ 3,956,769</u> | <u>\$ 424,973</u> | <u>\$ 25,813</u> |
| Liabilities | | | |
| Vouchers and Accounts Payable | \$ 153,145 | \$ 8,401 | \$ - |
| Accrued Salaries and Benefits | 95,370 | 88,317 | - |
| Due to Other Funds | - | 142,507 | - |
| Deposits from Others | - | - | - |
| Unearned Revenues | - | - | - |
| Total Liabilities | <u>248,515</u> | <u>239,225</u> | <u>-</u> |
| Deferred Inflows of Resources | | | |
| Unavailable Revenue | <u>227,769</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | |
| Restricted | 3,480,485 | 185,748 | 25,813 |
| Committed | - | - | - |
| Total Fund Balances | <u>3,480,485</u> | <u>185,748</u> | <u>25,813</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 3,956,769</u> | <u>\$ 424,973</u> | <u>\$ 25,813</u> |

COUNTY OF MONTEREY
Combining Balance Sheet
Special Revenue
June 30, 2020

| | <u>Community Action Partnership</u> | <u>Inclusionary Housing</u> | <u>Community Development</u> |
|---|---|---------------------------------|----------------------------------|
| Assets | | | |
| Cash and Investments: | | | |
| Held in County Treasury | \$ 269,690 | \$ 770,586 | \$ 2,483,555 |
| Held with Trustee | - | - | 420,906 |
| Imprest cash | - | - | - |
| Receivables (Net) | 84,335 | - | 2,302,169 |
| Due from Other Funds | - | - | - |
| Loans and Notes Receivable | - | 359,791 | 13,361,246 |
| Total Assets | <u>\$ 354,025</u> | <u>\$ 1,130,377</u> | <u>\$ 18,567,876</u> |
| Liabilities | | | |
| Vouchers and Accounts Payable | \$ 39,747 | \$ 317 | \$ 113,039 |
| Accrued Salaries and Benefits | (15,616) | (3,957) | - |
| Due to Other Funds | - | - | - |
| Deposits from Others | - | - | - |
| Unearned Revenues | - | - | - |
| Total Liabilities | <u>24,131</u> | <u>(3,640)</u> | <u>113,039</u> |
| Deferred Inflows of Resources | | | |
| Unavailable Revenue | - | - | 2,301,690 |
| Fund Balances | | | |
| Restricted | 329,894 | - | 16,153,147 |
| Committed | - | 1,134,017 | - |
| Total Fund Balances | <u>329,894</u> | <u>1,134,017</u> | <u>16,153,147</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 354,025</u> | <u>\$ 1,130,377</u> | <u>\$ 18,567,876</u> |

COUNTY OF MONTEREY
Combining Balance Sheet
Special Revenue
June 30, 2020

| | <u>Emergency Medical Service Fund</u> | <u>Workforce Development Board</u> | <u>Local Revenue Fund 2011</u> |
|---|---|--|------------------------------------|
| Assets | | | |
| Cash and Investments: | | | |
| Held in County Treasury | \$ 1,847,347 | \$ 486,363 | \$ 21,967,866 |
| Held with Trustee | - | - | - |
| Imprest cash | - | - | - |
| Receivables (Net) | 11,615 | 862,212 | 11,352,239 |
| Due from Other Funds | - | - | - |
| Loans and Notes Receivable | - | - | - |
| Total Assets | <u>\$ 1,858,962</u> | <u>\$ 1,348,575</u> | <u>\$ 33,320,105</u> |
| Liabilities | | | |
| Vouchers and Accounts Payable | \$ 93,662 | \$ 768,594 | \$ - |
| Accrued Salaries and Benefits | - | 24,011 | - |
| Due to Other Funds | - | - | - |
| Deposits from Others | - | 2,370 | - |
| Unearned Revenues | - | 3,475 | - |
| Total Liabilities | <u>93,662</u> | <u>798,450</u> | <u>-</u> |
| Deferred Inflows of Resources | | | |
| Unavailable Revenue | <u>11,615</u> | <u>85,546</u> | <u>1,531,767</u> |
| Fund Balances | | | |
| Restricted | 1,753,685 | 464,579 | 31,788,338 |
| Committed | - | - | - |
| Total Fund Balances | <u>1,753,685</u> | <u>464,579</u> | <u>31,788,338</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 1,858,962</u> | <u>\$ 1,348,575</u> | <u>\$ 33,320,105</u> |

COUNTY OF MONTEREY
Combining Balance Sheet
Special Revenue
June 30, 2020

| | <u>Homeland Security Grant</u> | <u>H&W Realignment</u> | <u>Emergency Communications & NGEN Operations</u> |
|---|------------------------------------|--------------------------------|---|
| Assets | | | |
| Cash and Investments: | | | |
| Held in County Treasury | \$ 3,991 | \$ 22,289,543 | \$ 400,938 |
| Held with Trustee | - | - | - |
| Imprest cash | - | - | - |
| Receivables (Net) | 875,852 | 7,284,159 | 7,138,043 |
| Due from Other Funds | - | 142,507 | - |
| Loans and Notes Receivable | - | - | - |
| Total Assets | <u>\$ 879,843</u> | <u>\$ 29,716,209</u> | <u>\$ 7,538,981</u> |
| | | | |
| Liabilities | | | |
| Vouchers and Accounts Payable | \$ 19,030 | \$ - | \$ 299,620 |
| Accrued Salaries and Benefits | 52,167 | - | 448,207 |
| Due to Other Funds | 112,000 | - | 5,343,459 |
| Deposits from Others | - | - | - |
| Unearned Revenues | 2,531 | - | - |
| Total Liabilities | <u>185,728</u> | <u>-</u> | <u>6,091,286</u> |
| | | | |
| Deferred Inflows of Resources | | | |
| Unavailable Revenue | <u>219,485</u> | <u>-</u> | <u>-</u> |
| | | | |
| Fund Balances | | | |
| Restricted | 474,630 | 29,716,209 | 1,034,510 |
| Committed | - | - | 413,185 |
| Total Fund Balances | <u>474,630</u> | <u>29,716,209</u> | <u>1,447,695</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 879,843</u> | <u>\$ 29,716,209</u> | <u>\$ 7,538,981</u> |

COUNTY OF MONTEREY
Combining Balance Sheet
Special Revenue
June 30, 2020

| | <u>County Clerk/Recorder</u> | <u>Habitat Management Program</u> | <u>E. Garrison Community Services District</u> |
|---|----------------------------------|---|--|
| Assets | | | |
| Cash and Investments: | | | |
| Held in County Treasury | \$ 330,326 | \$ 13,776,391 | \$ 2,901,722 |
| Held with Trustee | - | - | - |
| Imprest cash | - | - | - |
| Receivables (Net) | - | - | 7,635 |
| Due from Other Funds | - | - | - |
| Loans and Notes Receivable | - | - | - |
| Total Assets | <u>\$ 330,326</u> | <u>\$ 13,776,391</u> | <u>\$ 2,909,357</u> |
| Liabilities | | | |
| Vouchers and Accounts Payable | \$ 13,874 | \$ - | \$ 446,977 |
| Accrued Salaries and Benefits | - | - | - |
| Due to Other Funds | - | - | - |
| Deposits from Others | - | - | - |
| Unearned Revenues | - | - | - |
| Total Liabilities | <u>13,874</u> | <u>-</u> | <u>446,977</u> |
| Deferred Inflows of Resources | | | |
| Unavailable Revenue | - | - | 270 |
| Fund Balances | | | |
| Restricted | 316,452 | 13,776,391 | - |
| Committed | - | - | 2,462,110 |
| Total Fund Balances | <u>316,452</u> | <u>13,776,391</u> | <u>2,462,110</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 330,326</u> | <u>\$ 13,776,391</u> | <u>\$ 2,909,357</u> |

COUNTY OF MONTEREY
Combining Balance Sheet
Special Revenue
June 30, 2020

| | Agencies Under Board of Supervisors | | |
|---|---|--------------------------------------|-------------------------|
| | Nacimiento Hydroelectric Operations | Other Water Resources Agencies | County Service Areas |
| Assets | | | |
| Cash and Investments: | | | |
| Held in County Treasury | \$ 1,756,155 | \$ 18,720,771 | \$ 11,585,560 |
| Held with Trustee | - | - | - |
| Imprest cash | - | 100 | - |
| Receivables (Net) | 524,940 | 1,813,883 | 127,255 |
| Due from Other Funds | - | - | - |
| Loans and Notes Receivable | - | - | - |
| Total Assets | \$ 2,281,095 | \$ 20,534,754 | \$ 11,712,815 |
| Liabilities | | | |
| Vouchers and Accounts Payable | \$ 22,763 | \$ 362,406 | \$ 78,662 |
| Accrued Salaries and Benefits | 6,114 | 167,438 | - |
| Due to Other Funds | - | - | - |
| Deposits from Others | - | 259,010 | 12,519 |
| Unearned Revenues | - | 15,600 | - |
| Total Liabilities | 28,877 | 804,454 | 91,181 |
| Deferred Inflows of Resources | | | |
| Unavailable Revenue | 234,735 | 1,213,181 | 71,257 |
| Fund Balances | | | |
| Restricted | - | - | - |
| Committed | 2,017,483 | 18,517,119 | 11,550,377 |
| Total Fund Balances | 2,017,483 | 18,517,119 | 11,550,377 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 2,281,095 | \$ 20,534,754 | \$ 11,712,815 |

COUNTY OF MONTEREY
Combining Balance Sheet
Special Revenue
June 30, 2020

Agencies Under Board of Supervisors

| | <u>Sanitation Districts</u> | <u>Housing Successor</u> | <u>Total</u> |
|---|---------------------------------|------------------------------|-----------------------|
| Assets | | | |
| Cash and Investments: | | | |
| Held in County Treasury | \$ 649,429 | \$ 1,379,057 | \$ 105,275,704 |
| Held with Trustee | - | - | 420,906 |
| Imprest cash | - | - | 1,800 |
| Receivables (Net) | 477,495 | 1,232,363 | 34,843,636 |
| Due from Other Funds | - | - | 142,507 |
| Loans and Notes Receivable | - | 7,099,844 | 20,820,881 |
| Total Assets | <u>\$ 1,126,924</u> | <u>\$ 9,711,264</u> | <u>\$ 161,505,434</u> |
| Liabilities | | | |
| Vouchers and Accounts Payable | \$ 120,121 | \$ - | \$ 2,540,358 |
| Accrued Salaries and Benefits | 36,711 | - | 898,762 |
| Due to Other Funds | - | - | 5,597,966 |
| Deposits from Others | - | - | 273,899 |
| Unearned Revenues | - | - | 21,606 |
| Total Liabilities | <u>156,832</u> | <u>-</u> | <u>9,332,591</u> |
| Deferred Inflows of Resources | | | |
| Unavailable Revenue | <u>54,236</u> | <u>1,232,363</u> | <u>7,183,914</u> |
| Fund Balances | | | |
| Restricted | - | 8,478,901 | 107,978,782 |
| Committed | <u>915,856</u> | <u>-</u> | <u>37,010,147</u> |
| Total Fund Balances | <u>915,856</u> | <u>8,478,901</u> | <u>144,988,929</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 1,126,924</u> | <u>\$ 9,711,264</u> | <u>\$ 161,505,434</u> |

COUNTY OF MONTEREY

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Special Revenue
For the Fiscal Year Ended June 30, 2020

| | <u>Library Fund</u> | <u>In-Home Support Services</u> | <u>Fish & Game Propagation Fund</u> |
|--|---------------------|-------------------------------------|---|
| Revenues: | | | |
| Taxes | \$ 9,594,379 | \$ - | \$ - |
| Licenses, Permits, and Franchises | - | - | - |
| Fines, Forfeitures, and Penalties | - | - | 12,401 |
| Revenue from Use of Money and Property | 48,569 | (3,977) | 885 |
| Aid from other Governmental Agencies | 391,855 | 932,174 | - |
| Charges for Services | 77,729 | - | - |
| Miscellaneous Revenues | <u>361,217</u> | <u>-</u> | <u>-</u> |
| Total Revenues | <u>10,473,749</u> | <u>928,197</u> | <u>13,286</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | - | - | - |
| Public Protection | - | - | 35,049 |
| Public Ways and Facilities | - | - | - |
| Health and Sanitation | - | - | - |
| Public Assistance | - | 752,204 | - |
| Education | <u>9,395,692</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>9,395,692</u> | <u>752,204</u> | <u>35,049</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,078,057</u> | <u>175,993</u> | <u>(21,763)</u> |
| Other Financing Sources (Uses): | | | |
| Transfers In | 528,357 | 71,714 | 10,500 |
| Transfers Out | - | - | - |
| Sale of Capital Assets | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | 528,357 | 71,714 | 10,500 |
| Net Change in Fund Balances | 1,606,414 | 247,707 | (11,263) |
| Fund Balances, Beginning of Year, As Restated | <u>1,874,071</u> | <u>(61,959)</u> | <u>37,076</u> |
| Fund Balances, End of Year | <u>\$ 3,480,485</u> | <u>\$ 185,748</u> | <u>\$ 25,813</u> |

continued

COUNTY OF MONTEREY

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Special Revenue

For the Fiscal Year Ended June 30, 2020

| | <u>Community Action Partnership</u> | <u>Inclusionary Housing</u> | <u>Community Development</u> |
|--|---|---------------------------------|----------------------------------|
| Revenues: | | | |
| Taxes | \$ - | \$ - | \$ - |
| Licenses, Permits, and Franchises | - | - | - |
| Fines, Forfeitures, and Penalties | - | - | - |
| Revenue from Use of Money and Property | 546 | 112,311 | 173,500 |
| Aid from other Governmental Agencies | 604,296 | - | 829,735 |
| Charges for Services | - | 115,717 | 542 |
| Miscellaneous Revenues | - | - | 17,215 |
| Total Revenues | <u>604,842</u> | <u>228,028</u> | <u>1,020,992</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | - | 203,542 | - |
| Public Protection | - | - | - |
| Public Ways and Facilities | - | - | - |
| Health and Sanitation | - | - | - |
| Public Assistance | 526,503 | - | 930,580 |
| Education | - | - | - |
| Total Expenditures | <u>526,503</u> | <u>203,542</u> | <u>930,580</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>78,339</u> | <u>24,486</u> | <u>90,412</u> |
| Other Financing Sources (Uses): | | | |
| Transfers In | 733 | - | - |
| Transfers Out | - | - | - |
| Sale of Capital Assets | - | - | - |
| Total Other Financing Sources (Uses) | 733 | - | - |
| Net Change in Fund Balances | 79,072 | 24,486 | 90,412 |
| Fund Balances, Beginning of Year, As Restated | <u>250,822</u> | <u>1,109,531</u> | <u>16,062,735</u> |
| Fund Balances, End of Year | <u>\$ 329,894</u> | <u>\$ 1,134,017</u> | <u>\$ 16,153,147</u> |

COUNTY OF MONTEREY

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Special Revenue
For the Fiscal Year Ended June 30, 2020

| | Emergency Medical Service Fund | Workforce Development Board | Local Revenue Fund 2011 |
|--|--------------------------------------|-----------------------------------|----------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Revenues: | | | |
| Taxes | \$ - | \$ - | \$ - |
| Licenses, Permits, and Franchises | - | - | - |
| Fines, Forfeitures, and Penalties | 636,506 | - | - |
| Revenue from Use of Money and Property | 41,173 | 2,049 | - |
| Aid from other Governmental Agencies | - | 6,734,751 | 64,294,377 |
| Charges for Services | - | - | - |
| Miscellaneous Revenues | 22,308 | 50,359 | - |
| | <u>699,987</u> | <u>6,787,159</u> | <u>64,294,377</u> |
| Total Revenues | | | |
| Expenditures: | | | |
| Current: | | | |
| General Government | - | - | - |
| Public Protection | - | - | - |
| Public Ways and Facilities | - | - | - |
| Health and Sanitation | 497,023 | - | - |
| Public Assistance | - | 6,975,945 | - |
| Education | - | - | - |
| | <u>497,023</u> | <u>6,975,945</u> | <u>-</u> |
| Total Expenditures | | | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>202,964</u> | <u>(188,786)</u> | <u>64,294,377</u> |
| Other Financing Sources (Uses): | | | |
| Transfers In | - | 669,329 | - |
| Transfers Out | - | (322,798) | (62,519,249) |
| Sale of Capital Assets | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | - | 346,531 | (62,519,249) |
| Net Change in Fund Balances | 202,964 | 157,745 | 1,775,128 |
| Fund Balances, Beginning of Year, As Restated | <u>1,550,720</u> | <u>306,835</u> | <u>30,013,211</u> |
| Fund Balances, End of Year | <u>\$ 1,753,684</u> | <u>\$ 464,580</u> | <u>\$ 31,788,339</u> |

COUNTY OF MONTEREY

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Special Revenue
For the Fiscal Year Ended June 30, 2020

| | <u>Homeland Security Grant</u> | <u>H&W Realignment</u> | <u>Emergency Communications & NGEN Operations</u> |
|--|------------------------------------|--------------------------------|---|
| Revenues: | | | |
| Taxes | \$ - | \$ - | \$ - |
| Licenses, Permits, and Franchises | - | - | - |
| Fines, Forfeitures, and Penalties | - | - | - |
| Revenue from Use of Money and Property | 8,358 | - | 119,610 |
| Aid from other Governmental Agencies | 1,242,804 | 54,846,532 | 3,574,519 |
| Charges for Services | - | - | 7,308,747 |
| Miscellaneous Revenues | 6,809 | - | 7,499 |
| Total Revenues | <u>1,257,971</u> | <u>54,846,532</u> | <u>11,010,375</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | - | - | 12,496,731 |
| Public Protection | 1,104,138 | - | - |
| Public Ways and Facilities | - | - | - |
| Health and Sanitation | - | - | - |
| Public Assistance | - | - | - |
| Education | - | - | - |
| Total Expenditures | <u>1,104,138</u> | <u>-</u> | <u>12,496,731</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>153,833</u> | <u>54,846,532</u> | <u>(1,486,356)</u> |
| Other Financing Sources (Uses): | | | |
| Transfers In | - | 3,367,970 | 2,655,814 |
| Transfers Out | - | (60,897,820) | - |
| Sale of Capital Assets | - | - | - |
| Total Other Financing Sources (Uses) | - | (57,529,850) | 2,655,814 |
| Net Change in Fund Balances | 153,833 | (2,683,318) | 1,169,458 |
| Fund Balances, Beginning of Year, As Restated | <u>320,798</u> | <u>32,399,526</u> | <u>278,236</u> |
| Fund Balances, End of Year | <u>\$ 474,631</u> | <u>\$ 29,716,208</u> | <u>\$ 1,447,694</u> |

COUNTY OF MONTEREY

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Special Revenue

For the Fiscal Year Ended June 30, 2020

| | <u>County Clerk/Recorder</u> | <u>Habitat Management Program</u> | <u>E. Garrison Community Services District</u> |
|--|----------------------------------|---|--|
| Revenues: | | | |
| Taxes | \$ - | \$ - | \$ - |
| Licenses, Permits, and Franchises | - | - | - |
| Fines, Forfeitures, and Penalties | - | - | - |
| Revenue from Use of Money and Property | 2,718 | 680 | 65,482 |
| Aid from other Governmental Agencies | - | 13,775,711 | - |
| Charges for Services | 592,479 | - | 1,590,489 |
| Miscellaneous Revenues | - | - | - |
| Total Revenues | <u>595,197</u> | <u>13,776,391</u> | <u>1,655,971</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | - | - | - |
| Public Protection | 278,745 | - | - |
| Public Ways and Facilities | - | - | 1,194,867 |
| Health and Sanitation | - | - | - |
| Public Assistance | - | - | - |
| Education | - | - | - |
| Total Expenditures | <u>278,745</u> | <u>-</u> | <u>1,194,867</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>316,452</u> | <u>13,776,391</u> | <u>461,104</u> |
| Other Financing Sources (Uses): | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | (760,430) |
| Sale of Capital Assets | - | - | - |
| Total Other Financing Sources (Uses) | - | - | (760,430) |
| Net Change in Fund Balances | 316,452 | 13,776,391 | (299,326) |
| Fund Balances, Beginning of Year, As Restated | <u>-</u> | <u>-</u> | <u>2,761,436</u> |
| Fund Balances, End of Year | <u>\$ 316,452</u> | <u>\$ 13,776,391</u> | <u>\$ 2,462,110</u> |

COUNTY OF MONTEREY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Special Revenue
For the Fiscal Year Ended June 30, 2020

| | Agencies Under Board of Supervisors | | |
|--|---|--------------------------------------|-------------------------|
| | Nacimiento Hydroelectric Operations | Other Water Resources Agencies | County Service Areas |
| Revenues: | | | |
| Taxes | \$ - | \$ 2,759,927 | \$ 2,250,101 |
| Licenses, Permits, and Franchises | - | 31,146 | - |
| Fines, Forfeitures, and Penalties | - | - | - |
| Revenue from Use of Money and Property | 37,412 | 919,122 | 248,590 |
| Aid from other Governmental Agencies | - | 55,435 | 2,253 |
| Charges for Services | 1,290,290 | 16,540,651 | 455,396 |
| Miscellaneous Revenues | - | 120,451 | - |
| Total Revenues | <u>1,327,702</u> | <u>20,426,732</u> | <u>2,956,340</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | - | - | - |
| Public Protection | 513,192 | 16,971,481 | - |
| Public Ways and Facilities | - | - | 435,600 |
| Health and Sanitation | - | - | 1,786,155 |
| Public Assistance | - | - | - |
| Education | - | - | - |
| Total Expenditures | <u>513,192</u> | <u>16,971,481</u> | <u>2,221,755</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>814,510</u> | <u>3,455,251</u> | <u>734,585</u> |
| Other Financing Sources (Uses): | | | |
| Transfers In | - | 300,000 | - |
| Transfers Out | (300,000) | (3,464,492) | - |
| Sale of Capital Assets | - | 4,830 | - |
| Total Other Financing Sources (Uses) | <u>(300,000)</u> | <u>(3,159,662)</u> | <u>-</u> |
| Net Change in Fund Balances | 514,510 | 295,589 | 734,585 |
| Fund Balances, Beginning of Year, As Restated | <u>1,502,973</u> | <u>18,221,530</u> | <u>10,815,792</u> |
| Fund Balances, End of Year | <u>\$ 2,017,483</u> | <u>\$ 18,517,119</u> | <u>\$ 11,550,377</u> |

COUNTY OF MONTEREY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Special Revenue
For the Fiscal Year Ended June 30, 2020

| | <u>Agencies Under Board of Supervisors</u> | | |
|--|--|------------------------------|----------------|
| | <u>Sanitation Districts</u> | <u>Housing Successor</u> | <u>Total</u> |
| Revenues: | | | |
| Taxes | \$ 262,929 | \$ - | \$ 14,867,336 |
| Licenses, Permits, and Franchises | 100 | - | 31,246 |
| Fines, Forfeitures, and Penalties | - | - | 648,907 |
| Revenue from Use of Money and Property | 18,828 | 229,201 | 2,025,057 |
| Aid from other Governmental Agencies | 1,085 | - | 147,285,527 |
| Charges for Services | 770,476 | 3,998 | 28,746,514 |
| Miscellaneous Revenues | 209,400 | - | 795,258 |
| Total Revenues | 1,262,818 | 233,199 | 194,399,845 |
| Expenditures: | | | |
| Current: | | | |
| General Government | - | 141,713 | 12,841,986 |
| Public Protection | - | - | 18,902,605 |
| Public Ways and Facilities | - | - | 1,630,467 |
| Health and Sanitation | 1,481,307 | - | 3,764,485 |
| Public Assistance | - | - | 9,185,232 |
| Education | - | - | 9,395,692 |
| Total Expenditures | 1,481,307 | 141,713 | 55,720,467 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (218,489) | 91,486 | 138,679,378 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 81,750 | - | 7,686,167 |
| Transfers Out | (73,450) | - | (128,338,239) |
| Sale of Capital Assets | - | - | 4,830 |
| Total Other Financing Sources (Uses) | 8,300 | - | (120,647,242) |
| Net Change in Fund Balances | (210,189) | 91,486 | 18,032,136 |
| Fund Balances, Beginning of Year, As Restated | 1,126,045 | 8,387,415 | 126,956,793 |
| Fund Balances, End of Year | \$ 915,856 | \$ 8,478,901 | \$ 144,988,929 |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Library Fund
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | \$ 9,120,835 | \$ 9,120,835 | \$ 9,594,379 | \$ 473,544 |
| Revenue from Use of Money and Property | 1,038 | 1,038 | 48,569 | 47,531 |
| Aid from other Governmental Agencies | 384,799 | 384,799 | 391,855 | 7,056 |
| Charges for Services | 158,247 | 158,247 | 77,729 | (80,518) |
| Miscellaneous Revenues | 455,000 | 455,000 | 361,217 | (93,783) |
| Total Revenues | <u>10,119,919</u> | <u>10,119,919</u> | <u>10,473,749</u> | <u>353,830</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Education | 11,259,647 | 11,238,391 | 9,395,692 | 1,842,699 |
| Total Expenditures | <u>11,259,647</u> | <u>11,238,391</u> | <u>9,395,692</u> | <u>1,842,699</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,139,728)</u> | <u>(1,118,472)</u> | <u>1,078,057</u> | <u>2,196,529</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 853,772 | 853,772 | 528,357 | (325,415) |
| Total Other Financing Sources (Uses) | <u>853,772</u> | <u>853,772</u> | <u>528,357</u> | <u>(325,415)</u> |
| Net Change in Fund Balances | (285,956) | (264,700) | 1,606,414 | 1,871,114 |
| Fund Balances, Beginning | <u>1,874,071</u> | <u>1,874,071</u> | <u>1,874,071</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 1,588,115</u> | <u>\$ 1,609,371</u> | <u>\$ 3,480,485</u> | <u>\$ 1,871,114</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
In-Home Support Services
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|--------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Revenue from Use of Money and Property | \$ - | \$ - | \$ (3,977) | \$ (3,977) |
| Aid from other Governmental Agencies | 630,723 | 630,723 | 932,174 | 301,451 |
| Total Revenues | <u>630,723</u> | <u>630,723</u> | <u>928,197</u> | <u>297,474</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Assistance | 811,339 | 811,337 | 752,204 | 59,133 |
| Total Expenditures | <u>811,339</u> | <u>811,337</u> | <u>752,204</u> | <u>59,133</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(180,616)</u> | <u>(180,614)</u> | <u>175,993</u> | <u>356,607</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 180,616 | 180,616 | 71,714 | (108,902) |
| Total Other Financing Sources (Uses) | <u>180,616</u> | <u>180,616</u> | <u>71,714</u> | <u>(108,902)</u> |
| Net Change in Fund Balances | - | 2 | 247,707 | 247,705 |
| Fund Balances, Beginning | <u>(61,959)</u> | <u>(61,959)</u> | <u>(61,959)</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ (61,959)</u> | <u>\$ (61,957)</u> | <u>\$ 185,748</u> | <u>\$ 247,705</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Fish & Game Propagation Fund
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Fines, Forfeitures, and Penalties | \$ 11,709 | \$ 11,709 | \$ 12,401 | \$ 692 |
| Revenue from Use of Money and Property | <u>623</u> | <u>623</u> | <u>885</u> | <u>262</u> |
| Total Revenues | <u>12,332</u> | <u>12,332</u> | <u>13,286</u> | <u>954</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Protection | <u>31,843</u> | <u>35,144</u> | <u>35,049</u> | <u>95</u> |
| Total Expenditures | <u>31,843</u> | <u>35,144</u> | <u>35,049</u> | <u>95</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(19,511)</u> | <u>(22,812)</u> | <u>(21,763)</u> | <u>1,049</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | <u>10,500</u> | <u>10,500</u> | <u>10,500</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>10,500</u> | <u>10,500</u> | <u>10,500</u> | <u>-</u> |
| Net Change in Fund Balances | (9,011) | (12,312) | (11,263) | 1,049 |
| Fund Balances, Beginning | <u>37,076</u> | <u>37,076</u> | <u>37,076</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 28,065</u> | <u>\$ 24,764</u> | <u>\$ 25,813</u> | <u>\$ 1,049</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Community Action Partnership
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Revenue from Use of Money and Property | \$ 250 | \$ 250 | \$ 546 | \$ 296 |
| Aid from other Governmental Agencies | <u>533,273</u> | <u>533,273</u> | <u>604,296</u> | <u>71,023</u> |
| Total Revenues | <u>533,523</u> | <u>533,523</u> | <u>604,842</u> | <u>71,319</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Assistance | <u>534,256</u> | <u>534,220</u> | <u>526,503</u> | <u>7,717</u> |
| Total Expenditures | <u>534,256</u> | <u>534,220</u> | <u>526,503</u> | <u>7,717</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(733)</u> | <u>(697)</u> | <u>78,339</u> | <u>79,036</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | <u>733</u> | <u>733</u> | <u>733</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>733</u> | <u>733</u> | <u>733</u> | <u>-</u> |
| Net Change in Fund Balances | - | 36 | 79,072 | 79,036 |
| Fund Balances, Beginning | <u>250,822</u> | <u>250,822</u> | <u>250,822</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 250,822</u> | <u>\$ 250,858</u> | <u>\$ 329,894</u> | <u>\$ 79,036</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Inclusionary Housing
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Revenue from Use of Money and Property | \$ 20,000 | \$ 20,000 | \$ 112,311 | \$ 92,311 |
| Charges for Services | 5,000 | 5,000 | 115,717 | 110,717 |
| Miscellaneous Revenues | - | - | 1 | 1 |
| Total Revenues | <u>25,000</u> | <u>25,000</u> | <u>228,029</u> | <u>203,029</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | <u>959,060</u> | <u>959,060</u> | <u>203,542</u> | <u>755,518</u> |
| Total Expenditures | <u>959,060</u> | <u>959,060</u> | <u>203,542</u> | <u>755,518</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(934,060)</u> | <u>(934,060)</u> | <u>24,487</u> | <u>958,547</u> |
| Net Change in Fund Balances | (934,060) | (934,060) | 24,487 | 958,547 |
| Fund Balances, Beginning | <u>1,109,531</u> | <u>1,109,531</u> | <u>1,109,531</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 175,471</u> | <u>\$ 175,471</u> | <u>\$ 1,134,018</u> | <u>\$ 958,547</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Community Development
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|--|-------------------------|----------------------|----------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Revenue from Use of Money and Property | \$ 135,180 | \$ 135,180 | \$ 173,500 | \$ 38,320 |
| Aid from other Governmental Agencies | 2,175,327 | 2,175,327 | 829,735 | (1,345,592) |
| Charges for Services | 50,000 | 50,000 | 542 | (49,458) |
| Miscellaneous Revenues | - | - | 17,215 | 17,215 |
| Total Revenues | <u>2,360,507</u> | <u>2,360,507</u> | <u>1,020,992</u> | <u>(1,339,515)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Assistance | 4,597,930 | 4,597,930 | 930,580 | 3,667,350 |
| Debt Service: | | | | |
| Total Expenditures | <u>4,597,930</u> | <u>4,597,930</u> | <u>930,580</u> | <u>3,667,350</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(2,237,423)</u> | <u>(2,237,423)</u> | <u>90,412</u> | <u>2,327,835</u> |
| Net Change in Fund Balances | <u>(2,237,423)</u> | <u>(2,237,423)</u> | <u>90,412</u> | <u>2,327,835</u> |
| Fund Balances, Beginning | <u>16,062,735</u> | <u>16,062,735</u> | <u>16,062,735</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 13,825,312</u> | <u>\$ 13,825,312</u> | <u>\$ 16,153,147</u> | <u>\$ 2,327,835</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Emergency Medical Service Fund
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Fines, Forfeitures, and Penalties | \$ 745,000 | \$ 745,000 | \$ 636,506 | \$ (108,494) |
| Revenue from Use of Money and Property | 15,000 | 15,000 | 41,173 | 26,173 |
| Miscellaneous Revenues | <u>14,000</u> | <u>14,000</u> | <u>22,308</u> | <u>8,308</u> |
| Total Revenues | <u>774,000</u> | <u>774,000</u> | <u>699,987</u> | <u>(74,013)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Health and Sanitation | <u>631,000</u> | <u>631,000</u> | <u>497,023</u> | <u>133,977</u> |
| Total Expenditures | <u>631,000</u> | <u>631,000</u> | <u>497,023</u> | <u>133,977</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>143,000</u> | <u>143,000</u> | <u>202,964</u> | <u>59,964</u> |
| Net Change in Fund Balances | 143,000 | 143,000 | 202,964 | 59,964 |
| Fund Balances, Beginning | <u>1,550,720</u> | <u>1,550,720</u> | <u>1,550,720</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 1,693,720</u> | <u>\$ 1,693,720</u> | <u>\$ 1,753,684</u> | <u>\$ 59,964</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Workforce Development Board
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|--------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Revenue from Use of Money and | | | | |
| Property | \$ - | \$ - | \$ 2,049 | \$ 2,049 |
| Aid from other Governmental Agencies | 8,627,549 | 8,627,549 | 6,734,751 | (1,892,798) |
| Miscellaneous Revenues | - | - | 50,359 | 50,359 |
| Total Revenues | <u>8,627,549</u> | <u>8,627,549</u> | <u>6,787,159</u> | <u>(1,840,390)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Assistance | 8,007,383 | 7,991,654 | 6,975,945 | 1,015,709 |
| Total Expenditures | <u>8,007,383</u> | <u>7,991,654</u> | <u>6,975,945</u> | <u>1,015,709</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>620,166</u> | <u>635,895</u> | <u>(188,786)</u> | <u>(824,681)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 673,802 | 673,802 | 669,329 | (4,473) |
| Transfers Out | <u>(1,293,968)</u> | <u>(1,293,968)</u> | <u>(322,798)</u> | <u>(971,170)</u> |
| Total Other Financing Sources (Uses) | <u>(620,166)</u> | <u>(620,166)</u> | <u>346,531</u> | <u>(975,643)</u> |
| Net Change in Fund Balances | - | 15,729 | 157,745 | 142,016 |
| Fund Balances, Beginning | <u>306,835</u> | <u>306,835</u> | <u>306,835</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 306,835</u> | <u>\$ 322,564</u> | <u>\$ 464,580</u> | <u>\$ 142,016</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Local Revenue Fund 2011
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Aid from other Governmental Agencies | \$ 66,011,339 | \$ 66,011,339 | \$ 64,294,377 | \$ (1,716,962) |
| Total Revenues | <u>66,011,339</u> | <u>66,011,339</u> | <u>64,294,377</u> | <u>(1,716,962)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>66,011,339</u> | <u>66,011,339</u> | <u>64,294,377</u> | <u>(1,716,962)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | <u>(68,849,082)</u> | <u>(68,849,082)</u> | <u>(62,519,249)</u> | <u>6,329,833</u> |
| Total Other Financing Sources (Uses) | <u>(68,849,082)</u> | <u>(68,849,082)</u> | <u>(62,519,249)</u> | <u>6,329,833</u> |
| Net Change in Fund Balances | (2,837,743) | (2,837,743) | 1,775,128 | 4,612,871 |
| Fund Balances, Beginning | <u>30,013,211</u> | <u>30,013,211</u> | <u>30,013,211</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 27,175,468</u> | <u>\$ 27,175,468</u> | <u>\$ 31,788,339</u> | <u>\$ 4,612,871</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Homeland Security Grant
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Revenue from Use of Money and Property | \$ 2,000 | \$ 2,000 | \$ 8,358 | \$ 6,358 |
| Aid from other Governmental Agencies | 638,292 | 1,283,653 | 1,242,804 | (40,849) |
| Miscellaneous Revenues | - | - | 6,809 | 6,809 |
| Total Revenues | <u>640,292</u> | <u>1,285,653</u> | <u>1,257,971</u> | <u>(27,682)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Protection | <u>640,292</u> | <u>1,285,652</u> | <u>1,104,138</u> | <u>181,514</u> |
| Total Expenditures | <u>640,292</u> | <u>1,285,652</u> | <u>1,104,138</u> | <u>181,514</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>1</u> | <u>153,833</u> | <u>153,832</u> |
| Net Change in Fund Balances | - | 1 | 153,833 | 153,832 |
| Fund Balances, Beginning | <u>320,798</u> | <u>320,798</u> | <u>320,798</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 320,798</u> | <u>\$ 320,799</u> | <u>\$ 474,631</u> | <u>\$ 153,832</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
H&W Realignment
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-----------------------------|-----------------------------|-----------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Aid from other Governmental Agencies | \$ 65,370,829 | \$ 65,370,829 | \$ 54,846,532 | \$ (10,524,297) |
| Total Revenues | <u>65,370,829</u> | <u>65,370,829</u> | <u>54,846,532</u> | <u>(10,524,297)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>65,370,829</u> | <u>65,370,829</u> | <u>54,846,532</u> | <u>(10,524,297)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 3,367,970 | 5,239,014 | 3,367,970 | (1,871,044) |
| Transfers Out | <u>(75,991,783)</u> | <u>(79,749,674)</u> | <u>(60,897,820)</u> | <u>18,851,854</u> |
| Total Other Financing Sources (Uses) | <u>(72,623,813)</u> | <u>(74,510,660)</u> | <u>(57,529,850)</u> | <u>16,980,810</u> |
| Net Change in Fund Balances | <u>(7,252,984)</u> | <u>(9,139,831)</u> | <u>(2,683,318)</u> | <u>6,456,513</u> |
| Fund Balances, Beginning, As Restated | <u>32,399,526</u> | <u>32,399,526</u> | <u>32,399,526</u> | <u>-</u> |
| Fund Balance, Ending | <u><u>\$ 25,146,542</u></u> | <u><u>\$ 23,259,695</u></u> | <u><u>\$ 29,716,208</u></u> | <u><u>\$ 6,456,513</u></u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Emergency Communications & NGEN Operations
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amouts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|--------------------|----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Revenue from Use of Money and | | | | |
| Property | \$ 134,520 | \$ 134,520 | \$ 119,610 | \$ (14,910) |
| Aid from other Governmental Agencies | 3,603,838 | 3,603,838 | 3,574,519 | (29,319) |
| Charges for Services | 8,473,216 | 8,473,216 | 7,308,747 | (1,164,469) |
| Miscellaneous Revenues | - | - | 7,499 | 7,499 |
| Total Revenues | <u>12,211,574</u> | <u>12,211,574</u> | <u>11,010,375</u> | <u>(1,201,199)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | <u>13,754,166</u> | <u>13,722,360</u> | <u>12,496,731</u> | <u>1,225,629</u> |
| Total Expenditures | <u>13,754,166</u> | <u>13,722,360</u> | <u>12,496,731</u> | <u>1,225,629</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,542,592)</u> | <u>(1,510,786)</u> | <u>(1,486,356)</u> | <u>24,430</u> |
| Transfers In | <u>1,896,437</u> | <u>1,896,437</u> | <u>2,655,814</u> | <u>759,377</u> |
| Total Other Financing Sources (Uses) | <u>1,896,437</u> | <u>1,896,437</u> | <u>2,655,814</u> | <u>759,377</u> |
| Net Change in Fund Balances | 353,845 | 385,651 | 1,169,458 | (1,667,451) |
| Fund Balances, Beginning | - | - | 278,236 | (278,236) |
| Fund Balances, Ending | <u>\$ 353,845</u> | <u>\$ 385,651</u> | <u>\$ 1,447,694</u> | <u>\$ (1,945,687)</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
County Clerk/Recorder
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive |
|--|-------------------------|--------------------|--|---|
| | <u>Original</u> | <u>Final</u> | | <u>(Negative)</u> |
| Revenues | | | | |
| Revenue from Use of Money and Property | \$ - | \$ - | \$ 2,718 | \$ 2,718 |
| Charges for Services | <u>325,000</u> | <u>325,000</u> | <u>592,479</u> | <u>267,479</u> |
| Total Revenues | <u>325,000</u> | <u>325,000</u> | <u>595,197</u> | <u>270,197</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public Protection | <u>325,000</u> | <u>325,000</u> | <u>278,745</u> | <u>46,255</u> |
| Total Expenditures | <u>325,000</u> | <u>325,000</u> | <u>278,745</u> | <u>46,255</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>-</u> | <u>316,452</u> | <u>316,452</u> |
| Net Change in Fund Balances | <u>-</u> | <u>-</u> | <u>316,452</u> | <u>316,452</u> |
| Fund Balances, Beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance, Ending | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 316,452</u></u> | <u><u>\$ 316,452</u></u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Habitat Management Program
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with |
|--|-------------------------|--------------|----------------------|--|
| | <u>Original</u> | <u>Final</u> | (Budgetary Basis) | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Revenue from Use of Money and Property | \$ - | \$ - | \$ 680 | \$ 680 |
| Aid from other Governmental Agencies | - | - | 13,775,711 | 13,775,711 |
| Total Revenues | - | - | 13,776,391 | 13,776,391 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | 13,776,391 | 13,776,391 |
| Net Change in Fund Balances | - | - | 13,776,391 | 13,776,391 |
| Fund Balances, Beginning | - | - | - | - |
| Fund Balance, Ending | \$ - | \$ - | \$ 13,776,391 | \$ 13,776,391 |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
E. Garrison Community Services District
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Revenue from Use of Money and Property | \$ 40,000 | \$ 40,000 | \$ 65,482 | \$ 25,482 |
| Charges for Services | <u>1,400,300</u> | <u>1,400,300</u> | <u>1,590,489</u> | <u>190,189</u> |
| Total Revenues | <u>1,440,300</u> | <u>1,440,300</u> | <u>1,655,971</u> | <u>215,671</u> |
| Expenditures | | | | |
| Public Ways and Facilities | <u>825,655</u> | <u>1,200,181</u> | <u>1,194,867</u> | <u>5,314</u> |
| Total Expenditures | <u>825,655</u> | <u>1,200,181</u> | <u>1,194,867</u> | <u>5,314</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>614,645</u> | <u>240,119</u> | <u>461,104</u> | <u>220,985</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | <u>(414,965)</u> | <u>(760,430)</u> | <u>(760,430)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(414,965)</u> | <u>(760,430)</u> | <u>(760,430)</u> | <u>-</u> |
| Net Change in Fund Balances | 199,680 | (520,311) | (299,326) | 220,985 |
| Fund Balances, Beginning | <u>2,761,436</u> | <u>2,761,436</u> | <u>2,761,436</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 2,961,116</u> | <u>\$ 2,241,125</u> | <u>\$ 2,462,110</u> | <u>\$ 220,985</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Nacimiento Hydroelectric Operations
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Revenue from Use of Money and Property | \$ 6,120 | \$ 6,120 | \$ 37,412 | \$ 31,292 |
| Charges for Services | 714,000 | 714,000 | 1,290,290 | 576,290 |
| Total Revenues | <u>720,120</u> | <u>720,120</u> | <u>1,327,702</u> | <u>607,582</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Protection | 794,459 | 793,357 | 513,192 | 280,165 |
| Total Expenditures | <u>794,459</u> | <u>793,357</u> | <u>513,192</u> | <u>280,165</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | - | (300,000) | (300,000) | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(300,000)</u> | <u>(300,000)</u> | <u>-</u> |
| Net Change in Fund Balances | (74,339) | (373,237) | 514,510 | 887,747 |
| Fund Balances, Beginning | <u>1,502,973</u> | <u>1,502,973</u> | <u>1,502,973</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 1,428,634</u> | <u>\$ 1,129,736</u> | <u>\$ 2,017,483</u> | <u>\$ 887,747</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Other Water Resources Agencies
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Taxes | \$ 2,380,026 | \$ 2,380,026 | \$ 2,759,927 | \$ 379,901 |
| Licenses, Permits, and Franchises | 5,000 | 5,000 | 31,146 | 26,146 |
| Revenue from Use of Money and Property | 657,858 | 657,858 | 919,122 | 261,264 |
| Aid from other Governmental Agencies | 81,400 | 81,400 | 55,435 | (25,965) |
| Charges for Services | 16,336,358 | 16,336,358 | 16,540,651 | 204,293 |
| Miscellaneous Revenues | - | - | 120,451 | 120,451 |
| Total Revenues | <u>19,460,642</u> | <u>19,460,642</u> | <u>20,426,732</u> | <u>966,090</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public Protection | 22,350,090 | 23,042,831 | 16,971,481 | 6,071,350 |
| Total Expenditures | <u>22,350,090</u> | <u>23,042,831</u> | <u>16,971,481</u> | <u>6,071,350</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(2,889,448)</u> | <u>(3,582,189)</u> | <u>3,455,251</u> | <u>7,037,440</u> |
| Other financing Sources (Uses): | | | | |
| Transfers In | 105,000 | 405,000 | 300,000 | (105,000) |
| Transfers Out | (1,864,244) | (1,864,244) | (3,464,492) | (1,600,248) |
| Sale of Capital Assets | - | - | 4,830 | 4,830 |
| Total Other Financing Sources (Uses) | <u>(1,759,244)</u> | <u>(1,459,244)</u> | <u>(3,159,662)</u> | <u>(1,700,418)</u> |
| Net Change in Fund Balances | (4,648,692) | (5,041,433) | 295,589 | 5,337,022 |
| Fund Balances, Beginning | <u>18,221,530</u> | <u>18,221,530</u> | <u>18,221,530</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 13,572,838</u> | <u>\$ 13,180,097</u> | <u>\$ 18,517,119</u> | <u>\$ 5,337,022</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
County Service Areas
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Taxes | \$ 2,183,064 | \$ 2,183,064 | \$ 2,250,101 | \$ 67,037 |
| Revenue from Use of Money and Property | 114,439 | 114,439 | 248,590 | 134,151 |
| Aid from other Governmental Agencies | 2,422 | 2,422 | 2,253 | (169) |
| Charges for Services | <u>513,632</u> | <u>513,632</u> | <u>455,399</u> | <u>(58,233)</u> |
| Total Revenues | <u>2,813,557</u> | <u>2,813,557</u> | <u>2,956,343</u> | <u>142,786</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public Ways and Facilities | 1,155,383 | 1,552,235 | 435,600 | 1,116,635 |
| Health and Sanitation | <u>2,178,571</u> | <u>2,224,611</u> | <u>1,786,155</u> | <u>438,456</u> |
| Total Expenditures | <u>3,333,954</u> | <u>3,776,846</u> | <u>2,221,755</u> | <u>1,555,091</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(520,397)</u> | <u>(963,289)</u> | <u>734,588</u> | <u>1,697,877</u> |
| Net Change in Fund Balances | (520,397) | (963,289) | 734,588 | 1,697,877 |
| Fund Balances, Beginning | <u>10,815,792</u> | <u>10,815,792</u> | <u>10,815,792</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 10,295,395</u> | <u>\$ 9,852,503</u> | <u>\$ 11,550,380</u> | <u>\$ 1,697,877</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Sanitation Districts
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Taxes | \$ 250,731 | \$ 250,731 | \$ 262,929 | \$ 12,198 |
| Licenses, Permits, and Franchises | 200 | 200 | 100 | (100) |
| Revenue from Use of Money and Property | 900 | 900 | 18,828 | 17,928 |
| Aid from other Governmental Agencies | 750 | 750 | 1,085 | 335 |
| Charges for Services | 797,152 | 797,152 | 770,476 | (26,676) |
| Miscellaneous Revenues | - | - | 209,401 | 209,401 |
| Total revenues | <u>1,049,733</u> | <u>1,049,733</u> | <u>1,262,819</u> | <u>213,086</u> |
| Expenditures | | | | |
| Current: | | | | |
| Health and Sanitation | 1,079,409 | 2,028,770 | 1,481,308 | 547,462 |
| Total Expenditures | <u>1,079,409</u> | <u>2,028,770</u> | <u>1,481,308</u> | <u>547,462</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(29,676)</u> | <u>(979,037)</u> | <u>(218,489)</u> | <u>760,548</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 35,000 | 81,750 | 81,750 | - |
| Transfers Out | (73,450) | (73,450) | (73,450) | - |
| Total Other Financing Sources (Uses) | <u>(38,450)</u> | <u>8,300</u> | <u>8,300</u> | <u>-</u> |
| Net Change in Fund Balances | <u>(68,126)</u> | <u>(970,737)</u> | <u>(210,189)</u> | <u>760,548</u> |
| Fund Balances, Beginning | <u>1,126,045</u> | <u>1,126,045</u> | <u>1,126,045</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 1,057,919</u> | <u>\$ 155,308</u> | <u>\$ 915,856</u> | <u>\$ 760,548</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Housing Successor
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|--|----------------------------|----------------------------|----------------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Revenue from Use of Money and Property | \$ 215,200 | \$ 215,200 | \$ 229,201 | \$ 14,001 |
| Charges for Services | <u>4,000</u> | <u>4,000</u> | <u>3,998</u> | <u>(2)</u> |
| Total Revenues | <u>219,200</u> | <u>219,200</u> | <u>233,199</u> | <u>13,999</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | <u>1,180,385</u> | <u>1,180,385</u> | <u>141,713</u> | <u>1,038,672</u> |
| Total Expenditures | <u>1,180,385</u> | <u>1,180,385</u> | <u>141,713</u> | <u>1,038,672</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(961,185)</u> | <u>(961,185)</u> | <u>91,486</u> | <u>1,052,671</u> |
| Net Change in Fund Balances | (961,185) | (961,185) | 91,486 | 1,052,671 |
| Fund Balances, Beginning | <u>8,387,415</u> | <u>8,387,415</u> | <u>8,387,415</u> | <u>-</u> |
| Fund Balances, Ending | <u><u>\$ 7,426,230</u></u> | <u><u>\$ 7,426,230</u></u> | <u><u>\$ 8,478,901</u></u> | <u><u>\$ 1,052,671</u></u> |

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The County debt service funds provide for the repayment of debt, other than those financed by proprietary funds, for certificates of participation, revenue bonds and short-term borrowing.

DEBT SERVICE FUNDS

Debt Service General – Created to assure the County meets all the debt service obligations in connection with the County’s adopted financing policies and State statutes so that the County’s credit ratings continue at the current positive levels. The debt is managed by the Auditor-Controller’s Office in coordination with the Chief Administrative Office.

County Financing Authority – Established to support the debt service activities funding the County’s portion of the construction of the Salinas Valley Water Project. The fund is managed by the Auditor-Controller’s Office and the Water Resources Agency.

Public Improvement Corporation – The Corporation assists the County in acquiring, purchasing, constructing, improving and financing real property, facilities and equipment needed for County operations. With County assistance, the Corporation acts as a conduit between the County and bond holders. The Auditor-Controller’s office is the oversight agency for all funds provided by the Corporation for capital projects.

COUNTY OF MONTEREY
Combining Balance Sheet
Debt Service
June 30, 2020

| | <u>Debt Service General</u> | <u>Monterey County Financing Authority</u> | <u>Public Improvement Corporation Debt Service</u> | <u>Total</u> |
|---|---------------------------------|--|--|---------------------|
| Assets | | | | |
| Cash and Investments: | | | | |
| Held in County Treasury | \$ 848,754 | \$ 1,033,976 | \$ - | \$ 1,882,730 |
| Held with Trustee | - | 230 | 9,363 | 9,593 |
| Receivables (Net) | <u>493</u> | <u>779</u> | <u>-</u> | <u>1,272</u> |
| Total Assets | <u>\$ 849,247</u> | <u>\$ 1,034,985</u> | <u>\$ 9,363</u> | <u>\$ 1,893,595</u> |
| | | | | |
| Liabilities | | | | |
| Deposits from Others | \$ (5,783) | \$ - | \$ - | \$ (5,783) |
| | | | | |
| Deferred Inflows of Resources | | | | |
| Unavailable Revenue | <u>493</u> | <u>-</u> | <u>-</u> | <u>493</u> |
| Total Deferred Inflows of Resources | <u>493</u> | <u>-</u> | <u>-</u> | <u>493</u> |
| | | | | |
| Fund Balances | | | | |
| Restricted | - | 1,034,985 | 9,363 | 1,044,348 |
| Assigned | <u>854,537</u> | <u>-</u> | <u>-</u> | <u>854,537</u> |
| Total Fund Balances | <u>854,537</u> | <u>1,034,985</u> | <u>9,363</u> | <u>1,898,885</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 849,247</u> | <u>\$ 1,034,985</u> | <u>\$ 9,363</u> | <u>\$ 1,893,595</u> |

COUNTY OF MONTEREY

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Debt Service

For the Fiscal Year Ended June 30, 2020

| | <u>Debt Service General</u> | <u>Monterey County Financing Authority</u> | <u>Public Improvement Corporation Debt Service</u> | <u>Total</u> |
|--|---------------------------------|--|--|---------------------|
| Revenues | | | | |
| Revenue from Use of Money and Property | \$ 2,366 | \$ 230 | \$ 1,495,736 | \$ 1,498,332 |
| Charges for Services | <u>14,591</u> | <u>-</u> | <u>-</u> | <u>14,591</u> |
| Total Revenues | <u>16,957</u> | <u>230</u> | <u>1,495,736</u> | <u>1,512,923</u> |
| Expenditures | | | | |
| Debt service: | | | | |
| Principal | 1,142,895 | 730,000 | 5,376,962 | 7,249,857 |
| Interest and Debt Service Costs | <u>653,838</u> | <u>1,026,438</u> | <u>5,636,144</u> | <u>7,316,420</u> |
| Total Expenditures | <u>1,796,733</u> | <u>1,756,438</u> | <u>11,013,106</u> | <u>14,566,277</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,779,776)</u> | <u>(1,756,208)</u> | <u>(9,517,370)</u> | <u>(13,053,354)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | <u>1,781,504</u> | <u>1,756,438</u> | <u>9,502,159</u> | <u>13,040,101</u> |
| Total Other Financing Sources (Uses) | <u>1,781,504</u> | <u>1,756,438</u> | <u>9,502,159</u> | <u>13,040,101</u> |
| Net Change in Fund Balance | 1,728 | 230 | (15,211) | (13,253) |
| Fund Balances, Beginning | <u>852,809</u> | <u>1,034,755</u> | <u>24,574</u> | <u>1,912,138</u> |
| Fund Balances, Ending | <u>\$ 854,537</u> | <u>\$ 1,034,985</u> | <u>\$ 9,363</u> | <u>\$ 1,898,885</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Debt Service General
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|--------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Revenue from Use of Money and Property | \$ - | \$ - | \$ 2,366 | \$ 2,366 |
| Charges for Services | 15,240 | 15,240 | 14,591 | (649) |
| Miscellaneous Revenues | - | - | (1) | (1) |
| Total Revenues | <u>15,240</u> | <u>15,240</u> | <u>16,956</u> | <u>1,716</u> |
| Expenditures | | | | |
| Debt service: | | | | |
| Principal | 1,140,403 | 1,140,403 | 1,142,895 | (2,492) |
| Interest and Debt Service Costs | <u>707,531</u> | <u>707,531</u> | <u>653,837</u> | <u>53,694</u> |
| Total Expenditures | <u>1,847,934</u> | <u>1,847,934</u> | <u>1,796,732</u> | <u>51,202</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,832,694)</u> | <u>(1,832,694)</u> | <u>(1,779,776)</u> | <u>52,918</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | <u>1,832,694</u> | <u>1,832,694</u> | <u>1,781,504</u> | <u>(51,190)</u> |
| Total Other Financing Sources (Uses) | <u>1,832,694</u> | <u>1,832,694</u> | <u>1,781,504</u> | <u>(51,190)</u> |
| Net Change in Fund Balances | - | - | 1,728 | 1,728 |
| Fund Balances, Beginning | <u>852,809</u> | <u>852,809</u> | <u>852,809</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 852,809</u> | <u>\$ 852,809</u> | <u>\$ 854,537</u> | <u>\$ 1,728</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Monterey County Financing Authority
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|---------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Revenue from Use of Money and Property | \$ 1,757,938 | \$ 1,757,938 | \$ 230 | \$ (1,757,708) |
| Total Revenues | <u>1,757,938</u> | <u>1,757,938</u> | <u>230</u> | <u>(1,757,708)</u> |
| Expenditures | | | | |
| Debt service: | | | | |
| Principal | 730,000 | 730,000 | 730,000 | - |
| Interest and Debt Service Costs | <u>1,026,438</u> | <u>1,026,438</u> | <u>1,026,438</u> | <u>-</u> |
| Total Expenditures | <u>1,756,438</u> | <u>1,756,438</u> | <u>1,756,438</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,500</u> | <u>1,500</u> | <u>(1,756,208)</u> | <u>(1,757,708)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | <u>-</u> | <u>-</u> | <u>1,756,438</u> | <u>1,756,438</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>1,756,438</u> | <u>1,756,438</u> |
| Net Change in Fund Balances | 1,500 | 1,500 | 230 | (1,270) |
| Fund Balances, Beginning | <u>1,034,755</u> | <u>1,034,755</u> | <u>1,034,755</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 1,036,255</u> | <u>\$ 1,036,255</u> | <u>\$ 1,034,985</u> | <u>\$ (1,270)</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Public Improvement Corporation Debt Service
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|--------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Revenue from Use of Money and Property | \$ 14,962,318 | \$ 14,962,318 | \$ 1,495,736 | \$ (13,466,582) |
| Fines, Forfeitures, and Penalties | 1,500,000 | 1,500,000 | - | (1,500,000) |
| Total Revenues | <u>16,462,318</u> | <u>16,462,318</u> | <u>1,495,736</u> | <u>(14,966,582)</u> |
| Expenditures | | | | |
| Debt Service: | | | | |
| Principal | 9,116,128 | 9,116,128 | 5,376,962 | 3,739,166 |
| Interest and Debt Service Costs | 7,346,190 | 8,338,436 | 5,636,144 | 2,702,292 |
| Total Expenditures | <u>16,462,318</u> | <u>17,454,564</u> | <u>11,013,106</u> | <u>6,441,458</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>(992,246)</u> | <u>(9,517,370)</u> | <u>(8,525,124)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | - | - | 9,502,159 | 9,502,159 |
| Issuance of Debt | - | 29,005,000 | - | (29,005,000) |
| Premium on Issuance of Long-Term Debt | - | 4,779,120 | - | (4,779,120) |
| Debt Defeasance | - | (32,860,000) | - | 32,860,000 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>924,120</u> | <u>9,502,159</u> | <u>8,578,039</u> |
| Net Change in Fund Balances | <u>-</u> | <u>(68,126)</u> | <u>(15,211)</u> | <u>52,915</u> |
| Fund Balances, Beginning | <u>24,574</u> | <u>24,574</u> | <u>24,574</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 24,574</u> | <u>\$ (43,552)</u> | <u>\$ 9,363</u> | <u>\$ 52,915</u> |



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CAPITAL PROJECT FUNDS

Capital project funds are used to account for financial resources to be used for implementation and construction of specific Board approved capital equipment or facilities in a timely and cost-effective manner. The following are the County's nonmajor capital project funds, other than those financed by proprietary funds.

CAPITAL PROJECT FUNDS

Major Capital Project Fund

Facilities Master Plan Implementation – Established to account for capital projects undertaken with debt in order to adhere to reporting requirements and assure the County is on schedule with project implementation and completion. Current projects include the Courthouse Complete (north, east and west wings), New Juvenile Hall, and Jail House Addition.

Nonmajor Capital Project Fund

Capital Projects Fund – Created to provide for capital improvements, replacement and construction of new County facilities. The fund is administered by the Architectural Services Division within the Resource Management Agency.

Facilities Maintenance Projects Fund – Provides for major maintenance including remodeling, improving, renovation, and upgrading of existing County facilities. The fund is administered by the Public Works Department within the Resource Management Agency.

Other Water Resources Funds – Provides for construction of the Salinas River Diversion Facility portion and Nacimiento Spillway Modification portion of the Salinas Valley Water Project.

NGEN Radio Project – Provides for the design/build project to make the radio system compliant with the Federal Communications Commission mandate.

East Garrison CFD – Provides for the acquisition, construction, and operation of public capital facilities in East Garrison.

COUNTY OF MONTEREY

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Facility Master Plan Projects
 For the Fiscal Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|----------------------|----------------------|----------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Revenue from Use of Money and Property | \$ 79,825 | \$ 79,825 | \$ (47,645) | \$ (127,470) |
| Aid from other Governmental Agencies | 13,142,522 | 27,996,307 | 52,537,959 | 24,541,652 |
| Miscellaneous Revenues | - | - | 137,628 | 137,628 |
| Total Revenues | 13,222,347 | 28,076,132 | 52,627,942 | 24,551,810 |
| Expenditures: | | | | |
| Capital Outlay | 15,794,032 | 47,461,769 | 37,458,552 | 10,003,217 |
| Total Expenditures | 15,794,032 | 47,461,769 | 37,458,552 | 10,003,217 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,571,685) | (19,385,637) | 15,169,390 | 34,555,027 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 10,365,000 | 24,827,365 | 25,603,006 | 775,641 |
| Transfers Out | (30,948,871) | (30,948,871) | (9,244,952) | 21,703,919 |
| Total Other Financing Sources (Uses) | (20,583,871) | (6,121,506) | 16,358,054 | 22,479,560 |
| Net Change in Fund Balances | (23,155,556) | (25,507,143) | 31,527,444 | 57,034,587 |
| Fund Balances, Beginning | 45,050,360 | 45,050,360 | 45,050,360 | - |
| Fund Balance, Ending | \$ 21,894,804 | \$ 19,543,217 | \$ 76,577,804 | \$ 57,034,587 |

COUNTY OF MONTEREY
Combining Balance Sheet
Capital Projects
June 30, 2020

| | Capital Projects Fund | Facilities Project Fund | Other Water Resources Agencies |
|---|--------------------------|----------------------------|--------------------------------------|
| Assets | | | |
| Cash and Investments: | | | |
| Held in County Treasury | \$ 5,364,128 | \$ 10,948 | \$ 862,344 |
| Receivables (Net) | 4,245 | 1,275 | 773,495 |
| Loans and Notes Receivable | 14,950 | - | - |
| Total Assets | 5,383,323 | 12,223 | 1,635,839 |
| Liabilities | | | |
| Vouchers and Accounts Payable | 677,672 | 545 | 254,521 |
| Accrued Salaries and Benefits | - | - | (2,673) |
| Deposits from Others | - | - | - |
| Unearned Revenues | 22,146 | - | - |
| Total Liabilities | 699,818 | 545 | 251,848 |
| Deferred Inflows of Resources | | | |
| Unavailable Revenue | - | 1,275 | 333,760 |
| Total Deferred Inflows of Resources | - | 1,275 | 333,760 |
| Fund Balances | | | |
| Assigned | 4,683,505 | 10,403 | 1,050,231 |
| Total Fund Balances | 4,683,505 | 10,403 | 1,050,231 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 5,383,323 | \$ 12,223 | \$ 1,635,839 |

COUNTY OF MONTEREY
Combining Balance Sheet
Capital Projects
June 30, 2020

| | NGEN Radio Project | East Garrison Capital Projects | Total |
|---|-----------------------|-----------------------------------|--------------|
| Assets | | | |
| Cash and Investments: | | | |
| Held in County Treasury | \$ 982,631 | \$ 235,783 | \$ 7,455,834 |
| Receivables (Net) | - | - | 779,015 |
| Loans and Notes Receivable | - | - | 14,950 |
| Total Assets | 982,631 | 235,783 | 8,249,799 |
| Liabilities | | | |
| Vouchers and Accounts Payable | 1,041 | 7,399 | 941,178 |
| Accrued Salaries and Benefits | - | - | (2,673) |
| Deposits from Others | - | 108,796 | 108,796 |
| Unearned Revenues | - | - | 22,146 |
| Total Liabilities | 1,041 | 116,195 | 1,069,447 |
| Deferred Inflows of Resources | | | |
| Unavailable Revenue | - | - | 335,035 |
| Total Deferred Inflows of Resources | - | - | 335,035 |
| Fund Balances | | | |
| Assigned | 981,590 | 119,588 | 6,845,317 |
| Total Fund Balances | 981,590 | 119,588 | 6,845,317 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 982,631 | \$ 235,783 | \$ 8,249,799 |

COUNTY OF MONTEREY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Capital Projects
For the Fiscal Year Ended June 30, 2020

| | Capital Projects Fund | Facilities Project Fund | Other Water Resources Agencies |
|---|--------------------------|----------------------------|--------------------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Revenues | | | |
| Revenue from Use of Money and Property | \$ 92,576 | \$ 36,415 | \$ 28,734 |
| Aid from other Governmental Agencies | - | - | 650,024 |
| Miscellaneous Revenues | 4,245 | 1 | - |
| Total Revenues | <u>96,821</u> | <u>36,416</u> | <u>678,758</u> |
| Expenditures | | | |
| Capital Outlay | 2,069,268 | - | 1,072,781 |
| Total Expenditures | <u>2,069,268</u> | <u>-</u> | <u>1,072,781</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,972,447)</u> | <u>36,416</u> | <u>(394,023)</u> |
| Other Financing Sources (Uses) | | | |
| Transfers In | 5,148,036 | - | - |
| Transfers Out | <u>(1,778,543)</u> | <u>(3,513,857)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>3,369,493</u> | <u>(3,513,857)</u> | <u>-</u> |
| Net Change in Fund Balances | 1,397,046 | (3,477,441) | (394,023) |
| Fund Balances, Beginning | <u>3,286,458</u> | <u>3,487,843</u> | <u>1,444,254</u> |
| Fund Balances, Ending | <u>\$ 4,683,504</u> | <u>\$ 10,402</u> | <u>\$ 1,050,231</u> |

COUNTY OF MONTEREY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Capital Projects
For the Fiscal Year Ended June 30, 2020

| | <u>NGEN Radio Project</u> | <u>East Garrison Capital Projects</u> | <u>Total</u> |
|---|-------------------------------|---|---------------------|
| Revenues | | | |
| Revenue from Use of Money and Property | \$ 21,136 | \$ 8,071 | \$ 186,932 |
| Aid from other Governmental Agencies | - | - | 650,024 |
| Miscellaneous Revenues | - | 30,429 | 34,675 |
| Total Revenues | <u>21,136</u> | <u>38,500</u> | <u>871,631</u> |
| Expenditures | | | |
| Capital Outlay | <u>8,627</u> | <u>345,777</u> | <u>3,496,453</u> |
| Total Expenditures | <u>8,627</u> | <u>345,777</u> | <u>3,496,453</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>12,509</u> | <u>(307,277)</u> | <u>(2,624,822)</u> |
| Other Financing Sources (Uses) | | | |
| Transfers In | - | - | 5,148,036 |
| Transfers Out | - | - | (5,292,400) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>(144,364)</u> |
| Net Change in Fund Balances | 12,509 | (307,277) | (2,769,186) |
| Fund Balances, Beginning | <u>969,082</u> | <u>426,866</u> | <u>9,614,503</u> |
| Fund Balances, Ending | <u>\$ 981,591</u> | <u>\$ 119,589</u> | <u>\$ 6,845,317</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Capital Projects Fund
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Revenue from Use of Money and Property | \$ 20,257 | \$ 20,257 | \$ 92,576 | \$ 72,319 |
| Miscellaneous Revenues | - | - | 4,245 | 4,245 |
| Total Revenues | <u>20,257</u> | <u>20,257</u> | <u>96,821</u> | <u>76,564</u> |
| Expenditures | | | | |
| Capital Outlay | 1,008,655 | 2,003,000 | 2,069,268 | (66,268) |
| Total Expenditures | <u>1,008,655</u> | <u>2,003,000</u> | <u>2,069,268</u> | <u>(66,268)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(988,398)</u> | <u>(1,982,743)</u> | <u>(1,972,447)</u> | <u>10,296</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 2,820,015 | 3,814,371 | 5,148,036 | 1,333,665 |
| Transfers Out | - | (2,409,060) | (1,778,543) | 630,517 |
| Total Other Financing Sources (Uses) | <u>2,820,015</u> | <u>1,405,311</u> | <u>3,369,493</u> | <u>1,964,182</u> |
| Net Change in Fund Balances | 1,831,617 | (577,432) | 1,397,046 | 1,974,478 |
| Fund Balances, Beginning | <u>3,286,458</u> | <u>3,286,458</u> | <u>3,286,458</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 5,118,075</u> | <u>\$ 2,709,026</u> | <u>\$ 4,683,504</u> | <u>\$ 1,974,478</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Facilities Project Fund
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|--------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Revenue from Use of Money and Property | \$ - | \$ 45,826 | \$ 36,415 | \$ (9,411) |
| Miscellaneous Revenues | - | - | 1 | 1 |
| Total Revenues | <u>-</u> | <u>45,826</u> | <u>36,416</u> | <u>(9,410)</u> |
| Expenditures | | | | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>45,826</u> | <u>36,416</u> | <u>(9,410)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | <u>(3,122,448)</u> | <u>(3,533,670)</u> | <u>(3,513,857)</u> | <u>19,813</u> |
| Total Other Financing Sources (Uses) | <u>(3,122,448)</u> | <u>(3,533,670)</u> | <u>(3,513,857)</u> | <u>19,813</u> |
| Net Change in Fund Balances | (3,122,448) | (3,487,844) | (3,477,441) | 10,403 |
| Fund Balances, Beginning | <u>3,487,843</u> | <u>3,487,843</u> | <u>3,487,843</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 365,395</u> | <u>\$ (1)</u> | <u>\$ 10,402</u> | <u>\$ 10,403</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
Other Water Resources Agencies
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|--------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Revenue from Use of Money and Property | \$ - | \$ - | \$ 28,734 | \$ 28,734 |
| Aid from other Governmental Agencies | 1,717,315 | 1,717,315 | 650,024 | (1,067,291) |
| Total Revenues | <u>1,717,315</u> | <u>1,717,315</u> | <u>678,758</u> | <u>(1,038,557)</u> |
| Expenditures | | | | |
| Capital Outlay | 2,788,911 | 2,788,911 | 1,072,781 | 1,716,130 |
| Total Expenditures | <u>2,788,911</u> | <u>2,788,911</u> | <u>1,072,781</u> | <u>1,716,130</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,071,596)</u> | <u>(1,071,596)</u> | <u>(394,023)</u> | <u>677,573</u> |
| Other Financing Sources (Uses): | | | | |
| Net Change in Fund Balances | (1,071,596) | (1,071,596) | (394,023) | 677,573 |
| Fund Balances, Beginning | <u>1,444,254</u> | <u>1,444,254</u> | <u>1,444,254</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 372,658</u> | <u>\$ 372,658</u> | <u>\$ 1,050,231</u> | <u>\$ 677,573</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
NGEN Radio Project
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|-------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Revenue from Use of Money and Property | \$ - | \$ - | \$ 21,136 | \$ 21,136 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>21,136</u> | <u>21,136</u> |
| Expenditures | | | | |
| Capital Outlay | - | 8,627 | 8,627 | - |
| Total Expenditures | <u>-</u> | <u>8,627</u> | <u>8,627</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>(8,627)</u> | <u>12,509</u> | <u>21,136</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | - | (8,627) | 12,509 | 21,136 |
| Fund Balances, Beginning | <u>969,082</u> | <u>969,082</u> | <u>969,082</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 969,082</u> | <u>\$ 960,455</u> | <u>\$ 981,591</u> | <u>\$ 21,136</u> |

COUNTY OF MONTEREY
Budgetary Comparison Schedule
East Garrison Capital Projects
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|-------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Revenue from Use of Money and Property | \$ 4,100 | \$ 4,100 | \$ 8,071 | \$ 3,971 |
| Miscellaneous Revenues | 533,000 | 12,203,567 | 30,429 | (12,173,138) |
| Total Revenues | <u>537,100</u> | <u>12,207,667</u> | <u>38,500</u> | <u>(12,169,167)</u> |
| Expenditures: | | | | |
| Capital Outlay | 359,000 | 12,236,743 | 345,777 | 11,890,966 |
| Total Expenditures | <u>359,000</u> | <u>12,236,743</u> | <u>345,777</u> | <u>11,890,966</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>178,100</u> | <u>(29,076)</u> | <u>(307,277)</u> | <u>(278,201)</u> |
| Other Financing Sources (Uses): | | | | |
| Net Change in Fund Balances | 178,100 | (29,076) | (307,277) | (278,201) |
| Fund Balances, Beginning | <u>426,866</u> | <u>426,866</u> | <u>426,866</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 604,966</u> | <u>\$ 397,790</u> | <u>\$ 119,589</u> | <u>\$ (278,201)</u> |

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments, or agencies of the County, or to other governments on a cost-reimbursement basis. Financing requirements are based upon actuarial studies that provide several scenarios that estimate ultimate losses. The County has adopted policies to fund each of these funds at the 70% confidence level. Each participant department of the fund's services contributes to the recovery of expenses based on the participant department's loss history and exposure to risk. All funds are managed by the Risk Management Division of the County Administrative Office.

INTERNAL SERVICE FUNDS

General Liability Fund – Created to provide for all liability judgments, settlements, and claims against the County, including claims that are not covered by the County’s excess insurance policy.

Workers Compensation Fund – Created to provide for all workers compensation judgments, settlements, and claims against the County, including prevention expenses and the Return-to-Work program.

Benefit Programs Fund – Created to provide for various benefit programs supported by contributions from County departments, employees and retired employees. Programs include Dental and Vision Benefits for employees and dependents, Employee Assistance, Long Term Disability, Retiree Sick Leave Conversion and other miscellaneous programs.

Resource Planning Fund – Created to provide funds for capital projects that require replacement, maintenance, or upgrades during the life of the asset. The fund serves to establish a capital funding process, generating funds over the life of an asset, and thereby minimizing fiscal impacts to operations.

COUNTY OF MONTEREY
Combining Statement of Net Position
Internal Service Funds
June 30, 2020

| | General Liability Fund | Worker's Comp Fund | Benefit Programs Fund | Resource Planning | Total |
|--|---------------------------|-----------------------|--------------------------|----------------------|-----------------------|
| Assets | | | | | |
| Current Assets: | | | | | |
| Held in County Treasury | \$ 13,273,404 | \$ 85,259,152 | \$ 12,031,246 | \$ 9,783,086 | \$ 120,346,888 |
| Other Bank Accounts | 3,100,000 | 2,398,616 | 846,224 | - | 6,344,840 |
| Receivables (Net) | 1,538 | 80,488 | - | - | 82,026 |
| Due from Other Funds | 596,093 | - | - | - | 596,093 |
| Prepaid Expense | 122,573 | - | - | - | 122,573 |
| Total Current Assets | <u>17,093,608</u> | <u>87,738,256</u> | <u>12,877,470</u> | <u>9,783,086</u> | <u>127,492,420</u> |
| Noncurrent Assets: | | | | | |
| Advances to Other Funds | 1,977,583 | - | - | - | 1,977,583 |
| Capital Assets | - | - | - | 15,472,228 | 15,472,228 |
| Total Noncurrent Assets | <u>1,977,583</u> | <u>-</u> | <u>-</u> | <u>15,472,228</u> | <u>17,449,811</u> |
| Total Assets | <u>19,071,191</u> | <u>87,738,256</u> | <u>12,877,470</u> | <u>25,255,314</u> | <u>144,942,231</u> |
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Vouchers and Accounts Payable | 92,797 | 419,041 | 744,743 | 218,834 | 1,475,415 |
| Accrued Salaries and Benefits | - | - | 6,494 | - | 6,494 |
| Other Current Liabilities | - | - | 612,431 | - | 612,431 |
| Current Portion of Claims Liability | 7,899,567 | 14,512,565 | 962,631 | - | 23,374,763 |
| Current Portion of Long-Term Liability | 1,339,651 | - | - | - | 1,339,651 |
| Total Current Liabilities | <u>9,332,015</u> | <u>14,931,606</u> | <u>2,326,299</u> | <u>218,834</u> | <u>26,808,754</u> |
| Long-Term Liabilities: | | | | | |
| Claims Liability | 15,067,821 | 67,771,623 | - | - | 82,839,444 |
| Bonds and Notes Payable | 1,893,366 | - | - | - | 1,893,366 |
| Total Long-Term Liabilities | <u>16,961,187</u> | <u>67,771,623</u> | <u>-</u> | <u>-</u> | <u>84,732,810</u> |
| Total Liabilities | <u>26,293,202</u> | <u>82,703,229</u> | <u>2,326,299</u> | <u>218,834</u> | <u>111,541,564</u> |
| Net Position: | | | | | |
| Net Investment in Capital Assets | - | - | - | 15,472,228 | 15,472,228 |
| Unrestricted (Deficit) | (7,222,011) | 5,035,027 | 10,551,171 | 9,564,252 | 17,928,439 |
| Total Net Position | <u>\$ (7,222,011)</u> | <u>\$ 5,035,027</u> | <u>\$ 10,551,171</u> | <u>\$ 25,036,480</u> | <u>\$ 33,400,667</u> |
| Total Liabilities and Net Position | <u>\$ 19,071,191</u> | <u>\$ 87,738,256</u> | <u>\$ 12,877,470</u> | <u>\$ 25,255,314</u> | <u>\$ 144,942,231</u> |

COUNTY OF MONTEREY
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2020

| | General Liability Fund | Worker's Comp Fund | Benefit Programs Fund | Resource Planning | Total |
|--|------------------------------|-----------------------|-----------------------------|----------------------|----------------------|
| Operating Revenues: | | | | | |
| Charges for Services | \$ 16,027,818 | \$ 20,750,516 | \$ 6,534,047 | \$ 7,402,363 | \$ 50,714,744 |
| Other Operating Revenues | - | 2,317,749 | 5,461,805 | 1,640 | 7,781,194 |
| Total Operating Revenues | <u>16,027,818</u> | <u>23,068,265</u> | <u>11,995,852</u> | <u>7,404,003</u> | <u>58,495,938</u> |
| Operating Expenses: | | | | | |
| Salaries, Wages and Benefits | - | - | 6,182,137 | - | 6,182,137 |
| Services and Supplies | 6,521,235 | 4,662,052 | 906,228 | 38 | 12,089,553 |
| Claims Expense | 14,449,922 | 22,379,100 | 5,312,452 | - | 42,141,474 |
| Depreciation and Amortization | - | - | - | 5,511,295 | 5,511,295 |
| Other Operating Expenses | 344,240 | 95,475 | 66,799 | 731,814 | 1,238,328 |
| Total Operating Expenses | <u>21,315,397</u> | <u>27,136,627</u> | <u>12,467,616</u> | <u>6,243,147</u> | <u>67,162,787</u> |
| Net Operating Income (Loss) | <u>(5,287,579)</u> | <u>(4,068,362)</u> | <u>(471,764)</u> | <u>1,160,856</u> | <u>(8,666,849)</u> |
| Non-Operating Revenues (Expenses): | | | | | |
| Interest Income | 274,977 | 1,781,764 | 274,620 | 120,596 | 2,451,957 |
| Interest Expense | (196,430) | - | - | - | (196,430) |
| Other Non-Operating Revenues | - | - | - | (10,321) | (10,321) |
| Total Non-Operating Revenues (Expenses) | <u>78,547</u> | <u>1,781,764</u> | <u>274,620</u> | <u>110,275</u> | <u>2,245,206</u> |
| Net Income (Loss) Before Transfers and Capital Contributions | (5,209,032) | (2,286,598) | (197,144) | 1,271,131 | (6,421,643) |
| Transfers In | <u>5,343,866</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,343,866</u> |
| Change in Net Position | 134,834 | (2,286,598) | (197,144) | 1,271,131 | (1,077,777) |
| Net Position, Beginning of Year | <u>(7,356,845)</u> | <u>7,321,625</u> | <u>10,748,315</u> | <u>23,765,349</u> | <u>34,478,444</u> |
| Net Position, End of Year | <u>\$ (7,222,011)</u> | <u>\$ 5,035,027</u> | <u>\$ 10,551,171</u> | <u>\$ 25,036,480</u> | <u>\$ 33,400,667</u> |

COUNTY OF MONTEREY
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2020

| | General Liability Fund | Worker's Comp Fund | Benefit Programs Fund | Resource Planning | Total |
|--|---------------------------|-----------------------|-----------------------------|----------------------|--------------------|
| Cash Flows from Operating Activities: | | | | | |
| Cash Receipts From Customers | \$ 211,490 | \$ 2,848,740 | \$ 5,461,804 | \$ 1,639 | \$ 8,523,673 |
| Cash Receipts From Interfund Charges | 16,027,818 | 20,750,516 | 6,866,011 | 7,402,363 | 51,046,708 |
| Cash Paid to Employees for Services | - | - | (5,796,344) | - | (5,796,344) |
| Cash Paid to Suppliers for Good and Services | (13,275,966) | (20,007,925) | (6,331,240) | (761,572) | 40,376,703 |
| Cash Paid to Other Funds for Services Provided | (728,945) | (1,345,516) | - | - | (2,074,461) |
| Net Cash Provided (Used) by Operating Activities | <u>2,234,397</u> | <u>2,245,815</u> | <u>200,231</u> | <u>6,642,430</u> | <u>11,322,873</u> |
| Cash Flows From Noncapital Financing Activities: | | | | | |
| Transfers From Other Funds | 5,343,866 | - | - | - | 5,343,866 |
| Due From Other Funds | (29,012) | - | - | - | (29,012) |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>5,314,854</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,314,854</u> |
| Cash flows from capital and related financing activities: | | | | | |
| Collection of Advances | 596,093 | - | - | - | 596,093 |
| Principal Paid on Capital Related Debt | (1,274,449) | - | - | - | (1,274,449) |
| Interest Paid on Capital Related Debt | (196,430) | - | - | - | (196,430) |
| Payments Related to Acquisition of Capital Assets | - | - | - | (1,123,914) | (1,123,914) |
| Collections Related to Dispositions of Capital Assets | - | - | - | (10,321) | (10,321) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(874,786)</u> | <u>-</u> | <u>-</u> | <u>(1,134,235)</u> | <u>(2,009,021)</u> |
| Cash Flows From Investing Activities: | | | | | |
| Interest Payments Received | 274,977 | 1,781,764 | 274,620 | 120,596 | 2,451,957 |
| Net Cash Provided (Used) by Investing Activities | <u>274,977</u> | <u>1,781,764</u> | <u>274,620</u> | <u>120,596</u> | <u>2,451,957</u> |
| Net Cash Increase (Decreases) in Cash and Cash Equivalents | <u>6,949,442</u> | <u>4,027,579</u> | <u>474,851</u> | <u>5,628,791</u> | <u>17,080,663</u> |
| Cash and Cash Equivalents, July 1 | <u>9,423,963</u> | <u>83,630,190</u> | <u>12,402,618</u> | <u>4,154,294</u> | <u>09,611,065</u> |
| Cash and Cash Equivalents, June 30 | <u>16,373,405</u> | <u>87,657,769</u> | <u>12,877,469</u> | <u>9,783,085</u> | <u>26,691,728</u> |
| Reconciliation of Cash and Cash Equivalents to Statement of Net Position: | | | | | |
| Cash and Cash Equivalents | 13,273,404 | 85,259,152 | 12,031,246 | 9,783,086 | 20,346,888 |
| Other Bank Accounts | 3,100,000 | 2,398,616 | 846,224 | - | 6,344,840 |
| Total Cash and Cash Equivalents | <u>16,373,404</u> | <u>87,657,768</u> | <u>12,877,470</u> | <u>9,783,086</u> | <u>26,691,728</u> |

COUNTY OF MONTEREY
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2020

| | <u>General Liability Fund</u> | <u>Worker's Comp Fund</u> | <u>Benefit Programs Fund</u> | <u>Resource Planning</u> | <u>Total</u> |
|--|-----------------------------------|-------------------------------|--------------------------------------|------------------------------|---------------------|
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities: | | | | | |
| Operating Income (Loss) | (5,287,578) | (4,068,361) | (471,765) | 1,160,855 | (8,666,849) |
| Adjustments To Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | | |
| Depreciation and Amortization | - | - | - | 5,511,295 | 5,511,295 |
| (Increase) Decrease in Receivables | 211,491 | 530,992 | - | - | 742,483 |
| Increase (Decrease) in Accounts Payable | (9,449) | (726,160) | 549,412 | (29,720) | (215,917) |
| Increase (Decrease) in Other Accrued Liabilities | - | - | 331,964 | - | 331,964 |
| Increase (Decrease) in Other Salaries and Benefits | - | - | 6,494 | - | 6,494 |
| Increase (Decrease) in Claims Liability | <u>7,319,933</u> | <u>6,509,344</u> | <u>(215,874)</u> | <u>-</u> | <u>13,613,403</u> |
| Net Cash Provided (Used) by Operating Activities: | <u>\$ 2,234,397</u> | <u>\$ 2,245,815</u> | <u>\$ 200,231</u> | <u>\$ 6,642,430</u> | <u>\$11,322,873</u> |

AGENCY FUNDS



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COUNTY OF MONTEREY
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2020

| | Balance July 1, 2019 | Additions | Deductions | Balance June 30, 2020 |
|--|-------------------------|----------------------|---------------------|--------------------------|
| <u>Clearing and Revolving Funds</u> | | | | |
| Assets: | | | | |
| Held in County Treasury | \$ 1,514,167 | \$ - | \$ 1,514,167 | \$ - |
| Total Assets | <u>\$ 1,514,167</u> | <u>\$ -</u> | <u>\$ 1,514,167</u> | <u>\$ -</u> |
| Liabilities: | | | | |
| Accounts Payable and Accrued Expenses | \$ 1,514,167 | \$ - | \$ 1,514,167 | \$ - |
| Total Liabilities | <u>\$ 1,514,167</u> | <u>\$ -</u> | <u>\$ 1,514,167</u> | <u>\$ -</u> |
| <u>Taxes and Interest</u> | | | | |
| Assets: | | | | |
| Taxes Receivable | \$ 30,209,752 | \$ 4,356,489 | \$ - | \$ 34,566,241 |
| Total Assets | <u>\$ 30,209,752</u> | <u>\$ 4,356,489</u> | <u>\$ -</u> | <u>\$ 34,566,241</u> |
| Liabilities: | | | | |
| Accounts Payable and Accrued Expenses | \$ 28,085 | \$ 159,966 | \$ - | \$ 188,051 |
| Due to Other Funds | 5,681,915 | - | 1,852,783 | 3,829,132 |
| Assets Held as Agency for Others | 24,499,753 | 6,049,305 | - | 30,549,058 |
| Total Liabilities | <u>\$ 30,209,753</u> | <u>\$ 6,209,271</u> | <u>\$ 1,852,783</u> | <u>\$ 34,566,241</u> |
| <u>Departmental</u> | | | | |
| Assets: | | | | |
| Held in County Treasury | \$ 15,485,215 | \$ 10,468,743 | \$ - | \$ 25,953,958 |
| Other Bank Accounts | 5,524,005 | - | 5,524,005 | - |
| Due from Other Funds | 5,681,915 | - | 1,852,783 | 3,829,132 |
| Total Assets | <u>\$ 26,691,135</u> | <u>\$ 10,468,743</u> | <u>\$ 7,376,788</u> | <u>\$ 29,783,090</u> |
| Liabilities: | | | | |
| Accounts Payable and Accrued Expenses | \$ 140,535 | \$ 40,755 | \$ - | \$ 181,290 |
| Assets Held as Agency for Others | 26,550,601 | 3,051,199 | - | 29,601,800 |
| Total Liabilities | <u>\$ 26,691,136</u> | <u>\$ 3,091,954</u> | <u>\$ -</u> | <u>\$ 29,783,090</u> |

COUNTY OF MONTEREY
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2020

| | Balance July 1, 2019 | Additions | Deductions | Balance June 30, 2020 |
|---------------------------------------|-------------------------|----------------------|---------------------|--------------------------|
| <u>Transit</u> | | | | |
| Assets: | | | | |
| Held in County Treasury | \$ 1,320,034 | \$ 57,405 | \$ - | \$ 1,377,439 |
| Total Assets | <u>\$ 1,320,034</u> | <u>\$ 57,405</u> | <u>\$ -</u> | <u>\$ 1,377,439</u> |
| Liabilities: | | | | |
| Assets Held as Agency for Others | \$ 1,320,034 | \$ 57,405 | \$ - | \$ 1,377,439 |
| Total Liabilities | <u>\$ 1,320,034</u> | <u>\$ 57,405</u> | <u>\$ -</u> | <u>\$ 1,377,439</u> |
| <u>Community Facilities Districts</u> | | | | |
| Assets: | | | | |
| Held in County Treasury | \$ 16,626 | \$ 4,184 | \$ - | \$ 20,810 |
| Total Assets | <u>\$ 16,626</u> | <u>\$ 4,184</u> | <u>\$ -</u> | <u>\$ 20,810</u> |
| Liabilities: | | | | |
| Accounts Payable and Accrued Expenses | \$ - | \$ 142 | \$ - | \$ 142 |
| Assets Held as Agency for Others | 16,626 | 4,042 | - | 20,668 |
| Total Liabilities | <u>\$ 16,626</u> | <u>\$ 4,184</u> | <u>\$ -</u> | <u>\$ 20,810</u> |
| <u>Total All Agency Funds</u> | | | | |
| Assets: | | | | |
| Held in County Treasury | \$ 18,336,043 | \$ 10,530,332 | \$ 1,514,167 | \$ 27,352,207 |
| Other Bank Accounts | 5,524,005 | - | 5,524,005 | - |
| Taxes Receivable | 30,209,752 | 4,356,489 | - | 34,566,241 |
| Due from Other Funds | 5,681,915 | - | - | 3,829,132 |
| Total Assets | <u>\$ 59,751,715</u> | <u>\$ 14,886,821</u> | <u>\$ 7,038,172</u> | <u>\$ 65,747,580</u> |
| Liabilities: | | | | |
| Accounts Payable and Accrued Expenses | \$ 1,682,787 | \$ 200,863 | \$ 1,514,167 | \$ 369,483 |
| Due to Other Funds | 5,681,915 | - | - | 3,829,132 |
| Assets Held as Agency for Others | 52,387,013 | 9,157,909 | - | 61,548,965 |
| Total Liabilities | <u>\$ 59,751,715</u> | <u>\$ 9,358,772</u> | <u>\$ 1,514,167</u> | <u>\$ 65,747,580</u> |

DETAILED BUDGET SCHEDULES



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COUNTY OF MONTEREY
Schedule of Expenditures-Budget and Actual
General
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|--|-------------------------|-------------------|-------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| <u>General Government</u> | | | | |
| Annual County Audit | \$ 48,055 | \$ 165,936 | \$ 132,180 | \$ 33,756 |
| Assessor | 6,647,155 | 6,640,302 | 6,122,710 | 517,592 |
| Auditor-Controller | 2,010,070 | 1,892,024 | 1,195,338 | 696,686 |
| Board of Supervisors | 4,038,778 | 4,036,481 | 3,860,838 | 175,643 |
| CAO - Administration / Finance / Budget | (631,958) | (444,934) | (474,685) | 29,751 |
| CAO Auxiliary Services | 28,008 | 28,004 | 5,456 | 22,548 |
| CAO-Community Engagement & Strategic Advocacy | 348,278 | 1,154,073 | 1,002,796 | 151,277 |
| Civil Rights Office | (120,811) | (120,753) | (178,223) | 57,470 |
| Clerk of the Board | 887,224 | 884,627 | 754,014 | 130,613 |
| Contingencies | 5,778,401 | 4,594,298 | - | 4,594,298 |
| Contracts & Purchasing | (391,283) | (379,554) | (387,322) | 7,768 |
| County Counsel | 762,537 | 1,103,268 | 578,161 | 525,107 |
| County Memberships | 138,382 | 138,382 | 123,731 | 14,651 |
| Courier & Mail Services | 6,011 | (191,914) | (194,313) | 2,399 |
| Development Set-Aside | 2,122,000 | 2,122,000 | 2,122,000 | - |
| Elections | 5,555,932 | 5,551,752 | 5,203,288 | 348,464 |
| Enterprise Risk | 202,145 | 542,589 | 303,390 | 239,199 |
| Facilities Services | (536,661) | 706,099 | (12,371) | 718,470 |
| Fleet Operations | 2,376,672 | 2,545,689 | 2,006,347 | 539,342 |
| Human Resources | (516,811) | (703,079) | (919,553) | 216,474 |
| Information Technology Systems | 5,978,319 | 6,696,555 | 4,585,089 | 2,111,466 |
| Insurance & Other General Expenditures | 396,340 | 396,340 | 173,613 | 222,727 |
| Intergovernmental / Legislative Affairs | 1,760,870 | 2,101,477 | 1,778,697 | 322,780 |
| Other Financing Uses | (3,572,666) | (3,543,862) | (4,088,763) | 544,901 |
| Records Retention | 16,778 | 16,778 | (187,596) | 204,374 |
| Risk Management | - | 2,342 | 1 | 2,341 |
| Surveyor | 792,783 | 792,783 | 715,117 | 77,666 |
| Treasurer - Tax Collector | 7,002,752 | 7,002,857 | 6,140,465 | 862,392 |
| Utilities | 3,907,683 | 4,052,965 | 3,840,326 | 212,639 |
| Special Districts Administration | - | - | (18,784) | 18,784 |
| Total General Government | <u>45,034,983</u> | <u>47,783,525</u> | <u>34,455,475</u> | <u>13,328,050</u> |

continued

COUNTY OF MONTEREY
Schedule of Expenditures-Budget and Actual
General
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|--|-------------------------|--------------------|--------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| <u>Public Safety and Protection</u> | | | | |
| Agriculture Commissioner | 12,295,019 | 12,272,099 | 11,135,229 | 1,136,870 |
| Animal Services | 2,784,233 | 2,780,220 | 2,502,003 | 278,217 |
| Building Services | 6,750,094 | 6,909,991 | 6,291,019 | 618,972 |
| Child Support Services | 11,218,518 | 11,207,276 | 10,482,532 | 724,744 |
| Clerk-Recorder | 2,828,578 | 2,820,628 | 2,445,390 | 375,238 |
| Contributions | 3,968,431 | 4,018,431 | 4,016,556 | 1,875 |
| Courts | 8,055,577 | 8,055,577 | 7,984,901 | 70,676 |
| District Attorney | 28,412,536 | 28,382,533 | 27,905,765 | 476,768 |
| Environmental Services | 1,638,265 | 1,637,428 | 1,178,927 | 458,501 |
| Grand Jury | 170,549 | 170,464 | 169,251 | 1,213 |
| Housing and Economic Dev Admin | 609,764 | 625,022 | 458,732 | 166,290 |
| Litter Control | 578,989 | 578,989 | 425,917 | 153,072 |
| Office of Emergency Services | 1,399,991 | 4,394,862 | 3,074,977 | 1,319,885 |
| Planning Services | 4,169,107 | 4,167,020 | 3,486,136 | 680,884 |
| Probation | 52,275,857 | 52,245,695 | 50,397,596 | 1,848,099 |
| Public Defender | 15,868,608 | 15,858,400 | 14,977,201 | 881,199 |
| Public Guardian / Administrator | 2,124,706 | 2,122,458 | 1,740,715 | 381,743 |
| RMA Administration | 5,922,058 | 5,421,739 | 4,993,385 | 428,354 |
| Sheriff - Admin & Enforcement Ops | 46,941,595 | 47,042,304 | 46,796,877 | 245,427 |
| Sheriff - Coroner Operations | 2,403,269 | 2,401,187 | 2,379,245 | 21,942 |
| Sheriff - Custody Operations | 54,508,325 | 56,005,986 | 54,660,721 | 1,345,265 |
| Sheriff - Inmate Medical Costs | 10,095,177 | 10,095,177 | 9,997,268 | 97,909 |
| Total Public Safety and Protection | <u>275,019,246</u> | <u>279,213,486</u> | <u>267,753,971</u> | <u>11,459,515</u> |
| <u>Health and Sanitation</u> | | | | |
| Children's Medical Services | 5,545,622 | 5,538,736 | 4,671,834 | 866,902 |
| Clinic Services | 57,922,750 | 57,880,678 | 48,585,894 | 9,294,784 |
| County Disposal Sites | 206,979 | 364,502 | 311,271 | 53,231 |
| Emergency Medical Services | 762,898 | 751,524 | 634,603 | 116,921 |
| Environmental Health | 11,736,751 | 11,713,631 | 9,448,274 | 2,265,357 |
| Health Department Administration | 2,109,831 | 2,098,907 | 1,131,392 | 967,515 |
| Public Health | 19,350,596 | 19,333,448 | 17,154,750 | 2,178,698 |
| Total Health and Sanitation | <u>97,635,427</u> | <u>97,681,426</u> | <u>81,938,018</u> | <u>15,743,408</u> |

continued

COUNTY OF MONTEREY
Schedule of Expenditures-Budget and Actual
General
For the Fiscal Year Ended June 30, 2020

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|--|-------------------------|-----------------------|-----------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| <u>Public Assistance</u> | | | | |
| Community Programs | 2,088,283 | 3,551,897 | 2,591,723 | 960,174 |
| Entitlement Programs | 82,393,026 | 82,393,026 | 77,558,820 | 4,834,206 |
| Entitlement Programs - Gen. Assistance | 1,275,577 | 1,275,577 | 1,195,033 | 80,544 |
| Military & Veterans' Services | 2,219,455 | 2,266,327 | 1,673,800 | 592,527 |
| Office for Employment & Training | 244,246 | 251,763 | 236,117 | 15,646 |
| Senior & Aging Services | 2,578,700 | 2,882,788 | 2,623,015 | 259,773 |
| Social Services | <u>121,605,202</u> | <u>122,187,940</u> | <u>111,008,762</u> | <u>11,179,178</u> |
| Total Public Assistance | <u>212,404,489</u> | <u>214,809,318</u> | <u>196,887,270</u> | <u>17,922,048</u> |
| <u>Education</u> | | | | |
| Cooperative Extension Service | <u>463,115</u> | <u>460,788</u> | <u>421,662</u> | <u>39,126</u> |
| Total Education | <u>463,115</u> | <u>460,788</u> | <u>421,662</u> | <u>39,126</u> |
| <u>Recreation and Cultural Services</u> | | | | |
| Laguna Seca Track | 18,929,595 | 24,762,517 | 18,124,824 | 6,637,693 |
| Recreation Services | <u>4,764,810</u> | <u>5,763,617</u> | <u>5,744,577</u> | <u>19,040</u> |
| Total Recreation and Culture Services | <u>23,694,405</u> | <u>30,526,134</u> | <u>23,869,401</u> | <u>6,656,733</u> |
| Total General Fund | <u>\$ 654,251,665</u> | <u>\$ 670,474,677</u> | <u>\$ 605,325,797</u> | <u>\$ 65,148,880</u> |



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STATISTICAL SECTION

Statistical Section

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the readers of the Comprehensive Annual Financial Report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess the County's economic condition.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time. (Schedule 1-4)

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue sources, property tax and sales tax. (Schedule 5-10)

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. (Schedule 11-13)

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the County's financial activities take place. (Schedule 14-16)

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs. (Schedule 17-18)

COUNTY OF MONTEREY
Net Position by Component,
Last Ten Fiscal Years (in thousands)
(Accrual Basis of Accounting)

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Governmental Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | 483,233 | 488,760 | 510,497 | 476,707 | 493,398 | 441,551 | 507,422 | 573,659 | 626,801 | 778,855 |
| Restricted | 101,554 | 28,366 | 23,429 | 58,531 | 75,295 | 153,788 | 147,046 | 233,669 | 229,199 | 296,092 |
| Unrestricted (Deficit) | 53,903 | 122,822 | 144,625 | 179,220 | (157,025) | (136,368) | (157,830) | (180,147) | (159,315) | (254,959) |
| Total Governmental Activities Net Position | <u>638,690</u> | <u>639,948</u> | <u>678,551</u> | <u>714,458</u> | <u>411,668</u> | <u>458,971</u> | <u>496,638</u> | <u>627,181</u> | <u>696,685</u> | <u>819,988</u> |
| Business-Type Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | 49,257 | 52,590 | 56,799 | 64,921 | 76,209 | 74,272 | 78,269 | 75,026 | 77,653 | 87,736 |
| Restricted | - | - | - | - | 101 | 845 | 604 | 604 | 854 | 788 |
| Unrestricted (Deficit) | 61,905 | 64,116 | 57,815 | 54,336 | (39,095) | (16,865) | (10,842) | (19,472) | 43,117 | 38,942 |
| Total Business-Type Activities Net Position | <u>111,162</u> | <u>116,706</u> | <u>114,614</u> | <u>119,257</u> | <u>37,215</u> | <u>58,252</u> | <u>68,031</u> | <u>56,158</u> | <u>121,624</u> | <u>127,466</u> |
| Total Primary Government: | | | | | | | | | | |
| Net investment in capital assets | 532,490 | 541,350 | 567,296 | 541,628 | 569,607 | 515,823 | 585,691 | 648,685 | 704,454 | 866,591 |
| Restricted | 101,554 | 28,366 | 23,429 | 58,531 | 75,396 | 154,633 | 147,650 | 234,273 | 230,053 | 296,880 |
| Unrestricted | 115,808 | 186,938 | 202,440 | 233,556 | (196,120) | (153,233) | (168,672) | (199,619) | (116,198) | (216,017) |
| Total Primary Government Net Position | <u>749,852</u> | <u>756,654</u> | <u>793,165</u> | <u>833,715</u> | <u>448,883</u> | <u>517,223</u> | <u>564,669</u> | <u>683,339</u> | <u>818,309</u> | <u>947,454</u> |

Notes:

- Accounting standards require that net position be reported in the three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position are considered restricted when (1) externally imposed by creditors (such as debt covenants), grantors, contributor, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

COUNTY OF MONTEREY
Changes in Net Position
Last Ten Fiscal Years (in thousands)
(Accrual Basis of Accounting)

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Expense (By Function) | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | 63,092 | 65,283 | 68,114 | 62,834 | 64,747 | 60,364 | 52,580 | 57,968 | 63,448 | \$ 72,581 |
| Public Safety and Protection | 188,103 | 195,539 | 202,351 | 215,556 | 225,461 | 230,062 | 255,735 | 288,016 | 294,152 | 325,688 |
| Public Ways and Facilities | 46,695 | 28,340 | 28,382 | 30,513 | 29,676 | 31,793 | 37,027 | 35,677 | 29,885 | 33,433 |
| Health and Sanitation | 126,050 | 125,339 | 123,088 | 133,639 | 147,810 | 162,094 | 184,533 | 193,742 | 213,880 | 226,447 |
| Public Assistance | 171,299 | 157,884 | 161,214 | 168,359 | 171,051 | 180,651 | 197,944 | 197,637 | 200,968 | 211,118 |
| Education | 8,212 | 7,731 | 7,807 | 8,373 | 8,876 | 9,316 | 9,939 | 9,111 | 9,925 | 10,448 |
| Recreation and Cultural Services | 8,855 | 4,934 | 4,485 | 5,342 | 6,041 | 6,441 | 11,850 | 19,103 | 26,695 | 24,807 |
| Interest on Long-Term Debt | 9,545 | 10,202 | 9,483 | 8,656 | 8,248 | 10,083 | 10,681 | 10,324 | 7,627 | 7,292 |
| Total Governmental Activities Expenses | 621,851 | 595,252 | 604,924 | 633,272 | 661,910 | 690,804 | 760,289 | 811,578 | 846,580 | 911,814 |
| Business-Type Activities: | | | | | | | | | | |
| Natividad Medical Center | 169,335 | 176,269 | 179,531 | 184,553 | 213,033 | 234,616 | 263,623 | 294,713 | 308,181 | 333,149 |
| Parks and Lake Resort | 3,410 | 10,129 | 10,075 | 8,502 | 6,118 | 5,546 | 5,932 | 7,446 | 6,813 | 3,384 |
| Total Business Type Activities Expenses | 172,745 | 186,398 | 189,606 | 193,055 | 219,151 | 240,162 | 269,555 | 302,159 | 314,994 | 336,533 |
| Total Primary Government Expenses | 794,596 | 781,650 | 794,530 | 826,327 | 881,061 | 930,965 | 1,029,845 | 1,113,737 | 1,161,574 | 1,248,347 |
| Program Revenues (By Function) | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges For Services: | | | | | | | | | | |
| PR Charges for Services-General Government | 27,033 | 22,950 | 24,166 | 22,855 | 25,265 | 26,482 | 28,828 | 31,088 | 30,092 | \$ 29,130 |
| PR Charges for Services-Public Safety and Protection | 27,856 | 37,752 | 38,503 | 38,654 | 41,729 | 43,159 | 42,071 | 46,943 | 42,230 | 42,192 |
| PR Charges for Services-Public Ways and Facilities | 18,126 | 3,391 | 3,875 | 3,309 | 3,715 | 4,984 | 2,803 | 3,379 | 3,063 | 4,157 |
| PR Charges for Services-Health and Sanitation | 34,284 | 35,548 | 40,233 | 37,201 | 43,476 | 47,342 | 50,228 | 67,115 | 53,872 | 55,649 |
| PR Charges for Services-Public Assistance | 2,102 | 3,122 | 2,231 | 2,574 | - | 107 | 223 | 1,618 | 2,866 | 1,554 |
| PR Charges for Services-Education | 698 | 411 | 323 | 149 | 157 | 154 | 155 | 156 | 134 | 78 |
| PR Charges for Services-Recreation and Cultural Services | 5,310 | 5,276 | 1,241 | 957 | 1,472 | 1,593 | 2,447 | 832 | 959 | 1,035 |
| Operating Grants and Contributions | 324,371 | 323,675 | 353,380 | 354,894 | 393,283 | 399,091 | 414,960 | 438,209 | 442,265 | 472,306 |
| Capital Grants and Contributions | 10,752 | 11,168 | 11,119 | 5,370 | 3,140 | 4,219 | 9,781 | 68,186 | 45,848 | 74,489 |
| Total Governmental Activities Revenues | 450,532 | 443,293 | 475,071 | 465,963 | 512,237 | 527,132 | 551,495 | 657,526 | 621,329 | 680,589 |
| Business-Type Activities: | | | | | | | | | | |
| Charges For Services: | | | | | | | | | | |
| PR Charges for Services-NMC | 196,348 | 172,536 | 170,180 | 181,565 | 216,345 | 258,456 | 292,732 | 345,748 | 364,240 | 345,618 |
| PR Charges for Services-Parks | 1,045 | 8,476 | 7,325 | 4,727 | 2,874 | 3,833 | 4,340 | 6,066 | 4,359 | 2,992 |
| Operating Grants and Contributions | 5,455 | 160 | 941 | 96 | - | 2 | 26 | 23 | 88 | - |
| PR Capital Grants and Contributions-NMC | - | - | 1,574 | - | 392 | - | - | - | - | - |
| Total Business-Type Activities Revenues | 202,848 | 181,172 | 180,020 | 186,388 | 219,611 | 262,291 | 297,098 | 351,837 | 368,687 | 348,610 |
| Total Primary Government Program Revenues | 653,380 | 624,465 | 655,091 | 652,351 | 731,848 | 789,423 | 848,593 | 1,009,363 | 990,016 | 1,029,199 |
| Net (Expense) Revenue | | | | | | | | | | |
| Governmental Activities | (171,319) | (151,959) | (129,853) | (167,309) | (149,673) | (163,672) | (208,794) | (154,052) | (225,251) | (231,225) |
| Business-Type Activities | 30,103 | (5,226) | (9,586) | (6,667) | 460 | 22,129 | 27,543 | 49,678 | 53,693 | 12,077 |
| Total Primary Net Expense | (141,216) | (157,185) | (139,439) | (173,976) | (149,213) | (141,543) | (181,251) | (104,374) | (171,558) | (219,148) |

COUNTY OF MONTEREY
Changes in Net Position
Last Ten Fiscal Years (in thousands)
(Accrual Basis of Accounting)

| | Fiscal Year Ended June 30, | | | | | | | | | |
|-------------------------------------|----------------------------|-----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|----------------|----------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| General Revenues & Other | | | | | | | | | | |
| Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property Taxes | 128,310 | 126,298 | 124,796 | 128,477 | 135,415 | 143,365 | 150,772 | 159,373 | 170,410 | \$ 175,300 |
| Sales and Use Taxes | 7,125 | 8,856 | 8,754 | 9,688 | 11,901 | 11,741 | 10,339 | 18,010 | 23,717 | 18,708 |
| Transient Occupancy and Other | | | | | | | | | | |
| Transient Occupancy Taxes | 17,140 | 20,049 | 25,399 | 28,102 | 25,912 | 22,834 | 21,279 | 24,960 | 28,608 | 21,774 |
| Other Taxes | - | - | - | - | - | 12,857 | 15,678 | 27,620 | 29,672 | 34,581 |
| | <u>17,140</u> | <u>20,049</u> | <u>25,399</u> | <u>28,102</u> | <u>25,912</u> | <u>35,691</u> | <u>36,957</u> | <u>52,580</u> | <u>58,280</u> | <u>56,354</u> |
| Unrestricted Interest and | | | | | | | | | | |
| Investment Earnings | 3,058 | 7,661 | 7,779 | 8,666 | 10,517 | 12,160 | 15,842 | 21,842 | 31,283 | 10,830 |
| Miscellaneous | 3,958 | 4,244 | 8,215 | 10,485 | 9,286 | 5,747 | 6,250 | 6,784 | 5,184 | 4,613 |
| Transfers | 12,889 | (335) | (6,488) | (862) | (1,898) | 2,274 | 19,552 | 60,892 | (6,430) | 11,510 |
| Special Item | (447) | (13,557) | - | - | - | - | - | - | - | - |
| | <u>172,033</u> | <u>153,216</u> | <u>168,455</u> | <u>184,556</u> | <u>191,133</u> | <u>210,977</u> | <u>239,712</u> | <u>319,481</u> | <u>282,444</u> | <u>295,919</u> |
| Business-Type Activities: | | | | | | | | | | |
| Unrestricted Interest and | | | | | | | | | | |
| Investment Earnings | 3,000 | 369 | 311 | 217 | 214 | 457 | 888 | 1,806 | 4,622 | 4,554 |
| Other Revenues | - | 10,068 | 7,433 | 4,950 | 5,440 | 725 | 899 | 1,315 | 722 | 720 |
| GR Transfers-BUS | (12,889) | 335 | 6,488 | 862 | 1,898 | (2,274) | (19,552) | (60,892) | 6,430 | (11,510) |
| | <u>(9,889)</u> | <u>10,772</u> | <u>14,232</u> | <u>6,029</u> | <u>7,552</u> | <u>(1,092)</u> | <u>(17,764)</u> | <u>(57,771)</u> | <u>11,775</u> | <u>(6,236)</u> |
| Total Business-Type Activities | <u>(9,889)</u> | <u>10,772</u> | <u>14,232</u> | <u>6,029</u> | <u>7,552</u> | <u>(1,092)</u> | <u>(17,764)</u> | <u>(57,771)</u> | <u>11,775</u> | <u>(6,236)</u> |
| Total Primary Government | <u>162,144</u> | <u>163,988</u> | <u>182,687</u> | <u>190,585</u> | <u>198,685</u> | <u>209,885</u> | <u>221,948</u> | <u>261,710</u> | <u>294,219</u> | <u>289,684</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | 714 | (18,103) | 38,602 | 17,247 | 41,460 | 47,305 | 30,918 | 165,429 | 57,193 | 64,694 |
| Business-Type Activities | 20,214 | 5,546 | 4,646 | (638) | 8,012 | 21,037 | 9,779 | (8,093) | 65,468 | 5,842 |
| Total Primary Government | <u>20,928</u> | <u>(12,557)</u> | <u>43,248</u> | <u>16,609</u> | <u>49,472</u> | <u>68,342</u> | <u>40,697</u> | <u>157,336</u> | <u>122,661</u> | <u>70,536</u> |

Schedule 3

COUNTY OF MONTEREY
Fund Balances, Governmental Funds
Last Ten Fiscal Years (in thousands)
(Modified Accrual Basis of Accounting)

| | <u>2011</u> | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------|
| General Fund | | | | | | | | | | |
| Reserved | 7,600 | | | | | | | | | |
| Unreserved | <u>80,731</u> | | | | | | | | | |
| Total general fund | <u><u>88,331</u></u> | | | | | | | | | |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | 20,764 | | | | | | | | | |
| Debt Service | 13,240 | | | | | | | | | |
| Unreserved, Reported In: | | | | | | | | | | |
| Special Revenue Funds | 40,372 | | | | | | | | | |
| Capital Project Funds | 73,033 | | | | | | | | | |
| Other Designations | <u>6,986</u> | | | | | | | | | |
| Total All Other Governmental Funds | <u>154,395</u> | | | | | | | | | |
| Total Governmental Funds Balances | <u><u>242,726</u></u> | | | | | | | | | |
| | | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
| General Fund | | | | | | | | | | |
| Nonspendable | 196 | 262 | 251 | 371 | 328 | 433 | 574 | 662 | 1,889 | |
| Restricted | - | 448 | 534 | 913 | 12,463 | 12,461 | 28,753 | 29,168 | 29,964 | |
| Committed | 52,293 | 60,293 | 60,293 | 70,293 | 73,893 | 45,300 | 62,500 | 91,461 | 91,979 | |
| Assigned | 37,065 | 38,329 | 39,275 | 62,598 | 56,181 | 76,633 | 80,031 | 81,488 | 87,968 | |
| Unassigned | 2,386 | 5,520 | 17,552 | 6,615 | 6,018 | 8,695 | 3,862 | 2,358 | 282 | |
| Total General Fund | <u>91,940</u> | <u>104,852</u> | <u>117,905</u> | <u>140,790</u> | <u>148,883</u> | <u>143,522</u> | <u>175,720</u> | <u>205,137</u> | <u>212,082</u> | |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | 93 | 2,571 | 239 | 145 | 119 | 119 | 121 | - | 76 | |
| Restricted | 28,366 | 45,354 | 57,997 | 81,258 | 124,519 | 128,891 | 151,200 | 145,287 | 250,550 | |
| Committed | 1,932 | 3,510 | 6,932 | 9,801 | 12,280 | 15,994 | 19,032 | 22,298 | 37,010 | |
| Assigned | 70,316 | 63,770 | 58,005 | 51,571 | 57,560 | 84,383 | 81,219 | 75,974 | 7,700 | |
| Unassigned | (35) | - | - | (15) | (17) | (3,506) | (1,159) | (62) | - | |
| Total All Other Governmental Funds | <u>100,672</u> | <u>115,205</u> | <u>123,173</u> | <u>142,760</u> | <u>194,461</u> | <u>225,881</u> | <u>250,413</u> | <u>243,497</u> | <u>295,336</u> | |
| Total Governmental Funds Balances | <u><u>192,612</u></u> | <u><u>220,057</u></u> | <u><u>241,078</u></u> | <u><u>283,550</u></u> | <u><u>343,344</u></u> | <u><u>369,403</u></u> | <u><u>426,133</u></u> | <u><u>448,634</u></u> | <u><u>507,418</u></u> | |

Notes:

- In FY 2010-11 the County implemented GASB 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned. FY 2009-10 fund balances have been recharacterized to comply with GASB54 in order to facilitate year-to-year comparisons.

COUNTY OF MONTEREY
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years(in thousands)
(Modified Accrual Basis of Accounting)

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Revenues: | | | | | | | | | | |
| Taxes | 153,657 | 156,251 | 159,052 | 167,007 | 173,418 | 190,999 | 197,487 | 230,271 | 251,060 | \$ 249,229 |
| Licenses, Permits, and Franchises | 14,546 | 13,864 | 17,155 | 18,587 | 20,831 | 20,545 | 21,427 | 26,282 | 22,234 | 23,037 |
| Fines, Forfeitures, and Penalties | 9,735 | 9,769 | 10,216 | 8,486 | 9,447 | 9,807 | 8,979 | 9,563 | 9,702 | 10,697 |
| Revenue from Use of Money and Property | 5,311 | 6,921 | 7,181 | 6,909 | 8,178 | 10,718 | 14,261 | 20,869 | 29,217 | 26,682 |
| Aid from other Governmental Agencies | 336,495 | 330,210 | 362,079 | 361,406 | 384,407 | 392,091 | 427,029 | 460,941 | 485,258 | 518,707 |
| Charges for Services | 81,543 | 79,050 | 73,073 | 77,780 | 84,808 | 93,608 | 95,387 | 111,148 | 97,894 | 96,880 |
| Miscellaneous Revenues | 9,076 | 8,950 | 12,966 | 12,125 | 11,618 | 8,295 | 9,348 | 11,389 | 9,754 | 8,897 |
| Total Revenues | 610,363 | 605,015 | 641,722 | 652,300 | 692,707 | 726,064 | 773,919 | 870,463 | 905,119 | 934,129 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | 51,599 | 49,817 | 48,960 | 48,892 | 52,032 | 57,826 | 45,167 | 50,046 | 49,652 | 47,297 |
| Public Protection | 186,448 | 203,349 | 201,730 | 214,653 | 224,710 | 235,078 | 249,925 | 264,009 | 263,692 | 286,657 |
| Public Ways and Facilities | 39,629 | 27,090 | 27,024 | 25,058 | 24,049 | 25,396 | 34,039 | 34,674 | 34,011 | 35,501 |
| Health and Sanitation | 125,794 | 125,564 | 127,261 | 132,906 | 147,202 | 165,157 | 178,813 | 187,639 | 206,033 | 216,808 |
| Public Assistance | 171,904 | 158,786 | 162,926 | 168,031 | 170,529 | 182,527 | 205,531 | 195,755 | 197,180 | 206,073 |
| Education | 8,415 | 7,745 | 7,796 | 8,281 | 8,798 | 9,419 | 9,402 | 8,675 | 9,477 | 9,817 |
| Recreation and Cultural Services | 10,428 | 4,783 | 4,155 | 4,801 | 5,249 | 5,866 | 11,635 | 18,451 | 26,826 | 23,869 |
| Debt Service: | | | | | | | | | | |
| Interest and Debt Service Costs | 8,676 | 9,311 | 8,913 | 8,157 | 7,868 | 9,359 | 9,504 | 9,855 | 8,293 | 7,316 |
| Principal | 5,289 | 5,987 | 6,615 | 6,533 | 6,732 | 6,962 | 7,977 | 18,382 | 9,389 | 7,250 |
| Capital Outlay | 11,206 | 12,868 | 12,549 | 10,182 | 23,462 | 23,559 | 32,319 | 79,827 | 66,396 | 40,955 |
| Total expenditures | 619,388 | 605,300 | 607,929 | 627,494 | 670,631 | 721,149 | 784,312 | 867,313 | 870,949 | 881,543 |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | (9,025) | (285) | 33,793 | 24,806 | 22,076 | 4,915 | (10,393) | 3,150 | 34,170 | 52,586 |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Premium on Issuance of Debt | 8,519 | - | - | - | - | 3,970 | - | 15,037 | 3,690 | - |
| Transfers In | 36,671 | 41,462 | 97,359 | 114,285 | 177,944 | 147,409 | 182,195 | 248,186 | 162,383 | 185,779 |
| Transfers Out | (27,533) | (41,797) | (103,847) | (116,484) | (179,223) | (145,135) | (162,643) | (187,780) | (175,186) | (179,613) |
| Lease proceeds | - | - | 60 | - | - | - | 17,240 | 126 | - | - |
| Issuance of Debt | - | - | - | - | - | 48,440 | - | 74,682 | 22,890 | - |
| Capital lease | - | - | - | - | 32 | - | - | - | - | - |
| Sale of Capital Assets | 341 | 725 | 81 | 51 | 87 | 197 | 208 | 256 | 86 | 33 |
| Total Other Financing Sources (Uses) | 17,998 | 390 | (6,347) | (2,148) | (1,160) | 54,881 | 36,999 | 150,507 | 13,863 | 6,199 |
| Special Item | | | | | | | | | | |
| Special Item | - | - | - | - | (230) | - | - | - | - | - |
| Extraordinary Item: | | | | | | | | | | |
| Extraordinary Item | (447) | (13,593) | - | - | - | - | - | - | - | - |
| Net Change in Fund Balances: | 8,526 | (13,488) | 27,446 | 22,658 | 20,686 | 59,796 | 26,607 | 153,657 | 48,033 | 58,784 |
| Debt Service as a Percentage of Non-Capital Expenditures | 2.33 % | 2.66 % | 2.68 % | 2.42 % | 2.28 % | 2.39 % | 2.42 % | 3.67 % | 2.26 % | 1.87 % |

(principal and interest) divided by (total expenditures less capital expenditures)

Notes:

- 2010 Interest and Principal re-stated post CAFR.

COUNTY OF MONTEREY
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

| June 30 | Secured Roll | Unsecured Roll | Exemptions | Net Assessed Valuations | Total Direct Tax Rate |
|---------|-----------------|-------------------|----------------|-------------------------------|-----------------------------|
| 2011 | \$ 48,774,186 | \$ 2,116,423 | \$ (1,770,929) | \$ 49,119,680 | 1.00% |
| 2012 | 48,980,011 | 2,103,408 | (1,856,776) | 49,226,643 | 1.00% |
| 2013 | 49,595,091 | 2,122,678 | (1,914,519) | 49,803,250 | 1.00% |
| 2014 | 51,396,835 | 2,159,991 | (2,009,761) | 51,547,065 | 1.00% |
| 2015 | 54,354,520 | 2,231,717 | (2,119,791) | 54,466,446 | 1.00% |
| 2016 | 57,571,743 | 2,333,413 | (2,196,512) | 57,708,644 | 1.00% |
| 2017 | 60,242,461 | 2,370,771 | (2,324,855) | 60,288,377 | 1.00% |
| 2018 | 63,625,023 | 2,475,907 | (2,455,639) | 63,645,291 | 1.00% |
| 2019 | 67,593,587 | 2,557,084 | (2,474,441) | 67,676,230 | 1.00% |
| 2020 | 71,183,662 | 3,617,496 | (2,627,227) | 72,173,931 | 1.00% |

Source: Monterey County Property Tax Records

Notes:

1. Secured property is generally the real property, which is defined as land, mineral, timber, and improvements such as buildings, structures, crops, trees and vines. Also included in secured roll are unitary properties, including railroads and utilities, which cross the country and are assessed by the State Board of Equalization.
2. Unsecured property is generally personal property, including machinery, equipment, office tools, supplies, mobile homes, and aircraft.
3. Exempt properties include numerous full and partial exclusions/exemptions provided.
4. Article XIII A, added to the California Constitution by Proposition 13 in 1978, fixed the basis for valuation of property subject to taxes at the full cash value. Additionally, Proposition 13 limits the property tax rate to 1% of assessed value, plus the rate necessary to fund local voter-approved bonds and special assessments.

COUNTY OF MONTEREY
Principal Property Taxpayers
For the Fiscal Year Ended June 30, 2020 and June 30, 2011

| Tax Payer | Type of Business | 2020 | | 2011 | | Rank | Percentage of Total County Assessed Value |
|-------------------------------------|------------------|---------------------------------|------|---------------------------------|-------------------|------|---|
| | | Taxable Assessed Value (\$'000) | Rank | Taxable Assessed Value (\$'000) | Rank | | |
| Pebble Beach Company | Tourism | 881,237 | 1 | 1.22% | 606,364 | 2 | 1.23% |
| Pacific Gas & Electric Company | Utility | 666,101 | 2 | 0.92% | 410,609 | 3 | 0.84% |
| Chevron USA Inc | Petroleum | 407,542 | 3 | 0.56% | - | - | - |
| Area Energy LLC | Utility | 323,825 | 4 | 0.45% | 176,804 | 5 | 0.36 |
| D'Arrigo Bros Co. | Agriculture | 166,521 | 5 | 0.23% | 91,610 | 7 | 0.19 |
| California - American Water Company | Utility | 172,454 | 6 | 0.24% | - | - | -% |
| Dynegy Moss Landing LLC | Utility | 160,800 | 7 | 0.22% | 654,600 | 1 | 1.33% |
| Northridge Owner LP | Retail | 133,706 | 8 | 0.19% | 107,898 | 6 | 0.22% |
| Global AG Properties LLC | Agriculture | 123,806 | 9 | 0.17% | - | - | - |
| AAT Del Monte LLC | Real Estate | 120,778 | 10 | -% | - | - | -% |
| Texaco Inc | Utility | - | - | - | 345,989 | 4 | 0.70% |
| Scheild Vineyards California Inc | Agriculture | - | - | - | 91,815 | 8 | 0.19% |
| Pacific Bell Telephone Company | Utility | - | - | - | 89,433 | 9 | 0.18% |
| Pacific Holding | Retail | - | - | - | 93,558 | 10 | 0.19% |
| Ten Largest Taxpayers' Total | | 3,156,770 | | 4.37% | 2,668,680 | | 5.43% |
| All Other Taxpayers' Total | | <u>9,017,161</u> | | <u>95.63%</u> | <u>46,450,999</u> | | <u>94.57%</u> |
| Total | | <u>2,173,931</u> | | <u>100%</u> | <u>49,119,679</u> | | <u>100%</u> |

Source: County of Monterey Property Tax Records

Note:

For Total Taxable Assessed Value refer to Schedule 5 "Assessed Value and Actual Value of Taxable Property".

COUNTY OF MONTEREY
Property Tax Levies and Collections
Last Ten Years
(in thousand of dollars)

| Fiscal Year Ended June 30 | (1) Taxes Levied for the Fiscal Year | (2) Collected within the Fiscal Year of the Levy | | (3) Collections in Subsequent Years | | (4) Total Collections to Date | |
|---------------------------|---|---|--------------------|--|-------------------------------------|----------------------------------|--------------------|
| | | Amount | Percentage of Levy | | Taxes Levied Current and Delinquent | Amount | Percentage of Levy |
| 2011 | \$ 566,445 | \$ 552,997 | 97.63 % | \$ 22,076 | \$ 603,021 | \$ 575,073 | 95.37 % |
| 2012 | 573,255 | 561,891 | 98.02 % | 12,842 | 601,215 | 574,733 | 95.60 % |
| 2013 | 582,546 | 572,426 | 98.26 % | 11,742 | 608,897 | 584,168 | 95.94 % |
| 2014 | 602,945 | 595,209 | 98.72 % | 11,067 | 627,324 | 606,276 | 96.64 % |
| 2015 | 638,813 | 631,178 | 98.80 % | 9,701 | 660,406 | 640,879 | 97.04 % |
| 2016 | 679,997 | 672,613 | 98.91 % | 10,070 | 700,507 | 682,683 | 97.46 % |
| 2017 | 708,862 | 701,198 | 98.92 % | 6,531 | 726,541 | 707,729 | 97.41 % |
| 2018 | 749,030 | 739,622 | 98.74 % | 6,834 | 767,663 | 746,456 | 97.24 % |
| 2019 | 800,083 | 787,856 | 98.47 % | 9,299 | 821,548 | 797,155 | 97.03 % |
| 2020 | 848,703 | 834,557 | 98.33 % | 7,898 | 871,982 | 842,455 | 96.61 % |

Source: Monterey County Property Tax Records.

Notes:

1. Includes Secured, Unsecured, and Unitary Taxes levied for the county itself, school districts, cities and special districts under the supervision of their own governing boards. Includes adjustments to the tax rolls from the levy date to delinquency date.
2. Includes amounts collected by the County on behalf of itself, school districts, cities and special districts under the supervision of their own governing boards.
3. Includes adjustments to the levy. Taxes levied less collections to date equal the delinquent taxes receivable.
4. Includes taxes levied (current and delinquent) related to collections for the year.

COUNTY OF MONTEREY
Debt Service Tax Rate For County And Major Overlapping Government
Per \$100 of Assessed Value
Last Ten Fiscal Years

| | For Fiscal Year Ended June 30, | | | | | | | | | |
|-------------------------------------|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
| County Direct Rates | | | | | | | | | | |
| General | 14.615871 | 14.592533 | 14.771872 | 14.676180 | 14.650911 | 14.741656 | 14.813889 | 14.813870 | 14.784135 | 14.751079 |
| Library | 1.173274 | 1.160721 | 1.163969 | 1.161050 | 1.163189 | 1.170153 | 1.179298 | 1.177428 | 1.172425 | 1.164689 |
| County Service Areas & | | | | | | | | | | |
| Sanitation | 0.110578 | 0.112473 | 0.114429 | 0.114835 | 0.137412 | 0.102427 | 0.153308 | 0.116691 | 0.117764 | 0.115144 |
| Water Resources | 0.353710 | 0.358293 | 0.361855 | 0.363468 | 0.357201 | 0.358306 | 0.358991 | 0.361016 | 0.361484 | 0.362362 |
| City Rates | | | | | | | | | | |
| Carmel | 0.905651 | 0.919484 | 0.928584 | 0.925324 | 0.917630 | 0.904430 | 0.913139 | 0.903411 | 0.827081 | 0.822621 |
| Del Rey Oaks | 0.071862 | 0.073633 | 0.074358 | 0.075784 | 0.073900 | 0.072360 | 0.073054 | 0.072828 | 0.074288 | 0.077210 |
| Gonzales | 0.066087 | 0.068991 | 0.072192 | 0.074007 | 0.074625 | 0.075226 | 0.076742 | 0.077329 | 0.078314 | 0.077412 |
| Greenfield | 0.056088 | 0.053842 | 0.055499 | 0.056536 | 0.057209 | 0.060089 | 0.059165 | 0.058289 | 0.059535 | 0.059437 |
| King City | 0.124264 | 0.129211 | 0.129605 | 0.129815 | 0.132241 | 0.133946 | 0.131165 | 0.130737 | 0.131056 | 0.135188 |
| Marina | 0.339330 | 0.344972 | 0.364489 | 0.342913 | 0.342603 | 0.345570 | 0.375805 | 0.380745 | 0.381047 | 0.387057 |
| Monterey | 1.134106 | 1.152602 | 1.143935 | 1.157047 | 1.155348 | 1.103643 | 1.158205 | 1.167624 | 1.179693 | 1.197878 |
| Pacific Grove | 0.821151 | 0.825886 | 0.824130 | 0.819703 | 0.805354 | 0.807166 | 0.821313 | 0.820216 | 0.807094 | 0.810753 |
| Salinas | 2.273387 | 2.310360 | 2.343531 | 2.363633 | 2.341976 | 2.329014 | 2.263236 | 2.282341 | 2.292314 | 2.306384 |
| Sand City | 0.012258 | 0.013088 | 0.013921 | 0.014689 | 0.015332 | 0.016233 | 0.017156 | 0.017815 | 0.018024 | 0.018044 |
| Seaside | 0.267910 | 0.271064 | 0.273837 | 0.275050 | 0.275665 | 0.276836 | 0.277707 | 0.276452 | 0.279856 | 0.282226 |
| Soledad | 0.062802 | 0.060610 | 0.059097 | 0.057585 | 0.057346 | 0.057528 | 0.053927 | 0.054407 | 0.055514 | 0.055508 |
| Successor Agency Rates | 8.409409 | 8.154961 | 7.734818 | 7.586144 | 8.367956 | 8.248791 | 8.026337 | 7.915752 | 8.008584 | 8.082739 |
| School district | 60.711811 | 60.826832 | 63.681940 | 61.357629 | 60.882411 | 61.016724 | 62.254048 | 62.677332 | 62.531706 | 62.474742 |
| Fire District Rates | 3.984402 | 4.013157 | 3.947294 | 3.849456 | 3.755478 | 3.766515 | 3.800211 | 3.806164 | 3.840794 | 3.829219 |
| Other Special District Rates | 4.506049 | 4.557387 | 4.596391 | 4.599152 | 4.436213 | 4.413387 | 4.458292 | 4.444871 | 4.438881 | 4.414108 |

Source: Monterey County Records

COUNTY OF MONTEREY
(Unincorporated)
Taxable Sales by Category
Last Ten Fiscal Years
(amounts expressed in thousands)

| Type of Business | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Apparel Stores | \$ 9,136 | \$ 9,027 | \$ 9,154 | \$ 9,255 | \$ 8,493 | \$ 8,661 | \$ 8,138 | \$ 8,248 | \$ 7,597 | \$ 7,011 |
| General Merchandise | 1,599 | 1,592 | 1,593 | 1,649 | 1,748 | 1,719 | 1,837 | 618 | 395 | 590 |
| Packaged Liquor | - | - | 3,689 | 6,763 | 7,801 | - | - | - | - | - |
| Food Stores | 50,849 | 51,776 | 51,658 | 54,887 | 58,200 | 56,359 | 46,171 | 45,371 | 45,219 | 47,468 |
| Furniture and Appliances | - | - | 10,821 | 11,515 | 14,514 | - | - | - | - | - |
| Eating and Drinking Places | 73,180 | 67,903 | 67,564 | 73,437 | 73,350 | 82,741 | 90,783 | 87,238 | 95,187 | 99,256 |
| Building Materials | 109,815 | 123,689 | 127,745 | 139,121 | 144,064 | 125,980 | 131,715 | 134,741 | 148,293 | 154,631 |
| Auto Dealers and Suppliers | 27,298 | 36,650 | 35,465 | 36,475 | 38,867 | 36,171 | 40,692 | 49,315 | 47,265 | 45,440 |
| Service Stations | 153,660 | 151,103 | 147,993 | 147,047 | 143,251 | 130,627 | 119,799 | 124,227 | 150,663 | 136,893 |
| Other Retail Stores | 62,940 | 49,131 | 49,061 | 50,780 | 48,748 | 64,342 | 71,242 | 76,599 | 87,817 | 94,828 |
| All Other Outlets | 359,381 | 384,214 | 388,015 | 428,300 | 500,605 | 526,970 | 543,916 | 566,652 | 712,970 | 684,719 |
| Totals | 847,858 | 875,085 | 892,758 | 959,229 | 1,039,641 | 1,033,570 | 1,054,293 | 1,093,009 | 1,295,406 | 1,270,836 |
| County Direct Sales Tax Rate | 0.08 % | 0.08 % | 0.08 % | 0.08 % | 0.08 % | 0.08 % | 0.09 % | 0.08 % | 0.09 % | 0.09 % |

Source: State of California Board of Equalization and The HdL Companies

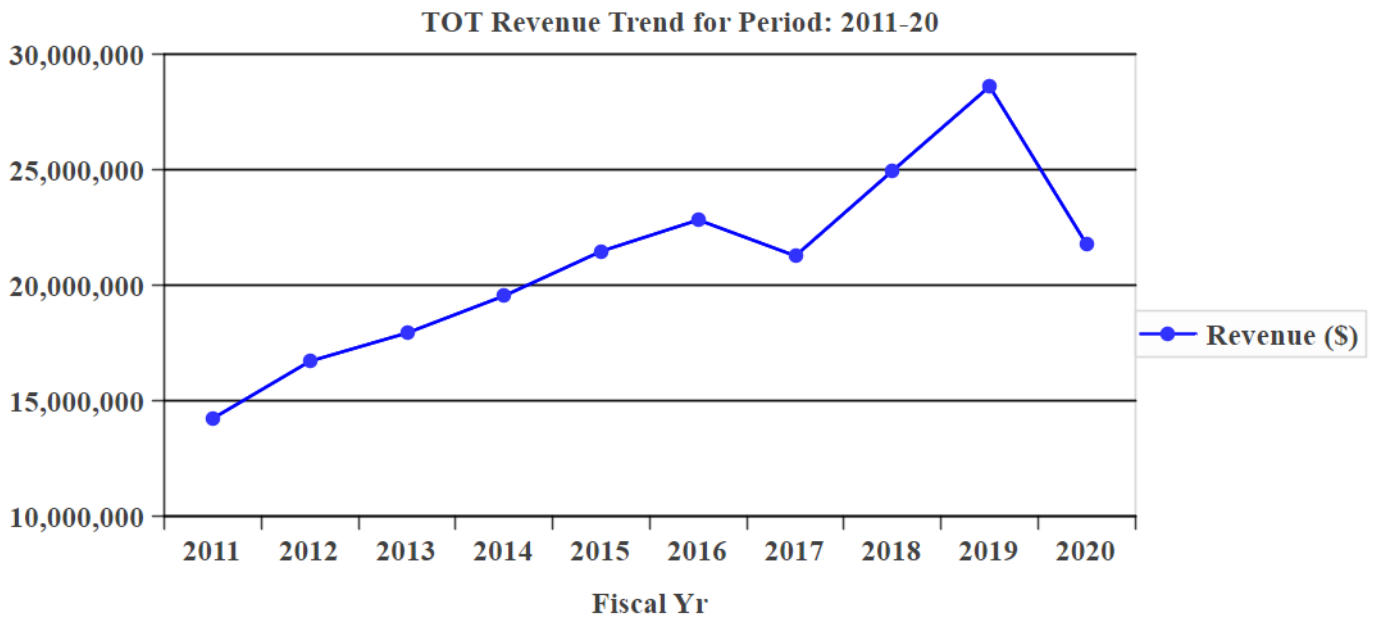
Notes:

Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the county's revenues.

Method changed from calendar to Fiscal Year in FY 10-11

COUNTY OF MONTEREY
 Transient Occupancy Tax
 Actual Receipts
 Last Ten Fiscal Years

| Fiscal Year | Annual Revenue (\$) | Growth Rate |
|-------------|---------------------|-------------|
| 2011 | 14,249,048 | 7.03% |
| 2012 | 16,722,512 | 17.36% |
| 2013 | 17,945,479 | 7.31% |
| 2014 | 19,551,258 | 8.95% |
| 2015 | 21,479,840 | 9.86% |
| 2016 | 22,834,344 | 6.31% |
| 2017 | 21,279,324 | -6.81% |
| 2018 | 24,959,537 | 17.29% |
| 2019 | 28,607,881 | 14.62% |
| 2020 | 21,773,829 | -23.89% |



Source:

Monterey County Treasurer- Tax Collector Transient Occupancy Tax Statements

Financial system data effective FY 2020

COUNTY OF MONTEREY
Ratios of Outstanding Debt by Type
Last 10 years (in thousands, except per capita)
As of Fiscal Year 2019 - 20

| Fiscal Year | Governmental Activities | | | | | | | | Business-Type Activities | | | Total Primary Gov (1) | Per Capita (2) | Percentage of Personal Income (2) |
|-------------|-------------------------------|----------------|-----------|---------------|-----------------|--------------------------|--------------------------|---------------------------|-------------------------------|----------------|-----------------|-----------------------|----------------|-----------------------------------|
| | Certificates of Participation | Capital Leases | RDA Notes | Revenue Bonds | Long Term Loans | Special Assessment Bonds | General Obligation Bonds | Judgment Obligation Bonds | Certificates of Participation | Capital Leases | Long Term Loans | | | |
| 2011 | 137,689 | 151 | 36 | 33,241 | 41,445 | 143 | - | 2,505 | 66,615 | - | 13,571 | 295,396 | 712 | 1.68 % |
| 2012 | 133,385 | 459 | - | 32,613 | 39,543 | 136 | - | 1,705 | 63,890 | - | 10,666 | 282,397 | 669 | 1.63 % |
| 2013 | 128,870 | 132 | - | 31,957 | 37,594 | 129 | - | 870 | 61,070 | - | 7,699 | 268,321 | 629 | 1.46 % |
| 2014 | 124,134 | 76 | - | 31,277 | 35,597 | 121 | - | - | 58,130 | - | 4,668 | 254,003 | 592 | 1.32 % |
| 2015 | 119,182 | 76 | - | 30,356 | 33,549 | 113 | - | - | 55,055 | - | 1,573 | 239,904 | 556 | 1.21 % |
| 2016 | 168,120 | 52 | - | 30,294 | 31,447 | 104 | - | - | 52,889 | - | - | 282,906 | 652 | 1.31 % |
| 2017 | 161,701 | 16,507 | - | 29,526 | 29,289 | 94 | - | - | 49,350 | - | - | 286,467 | 658 | 1.25 % |
| 2018 | 144,115 | 15,801 | - | 28,339 | 27,071 | 83 | - | - | 45,143 | - | - | 260,552 | 595 | 1.09 % |
| 2019 | 138,218 | 14,900 | - | 25,575 | 24,790 | 72 | - | - | 41,469 | - | - | 245,024 | 563 | 1.00 % |
| 2020 | 131,918 | 13,939 | - | 24,555 | 22,444 | 61 | - | - | 37,599 | - | - | 230,516 | 533 | 1.00 % |

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Includes all debt shown for Government and Business-Type Activities

(2) Population and total personal income can be found in Schedule 15 - Demographics and Economic Statistics

COUNTY OF MONTEREY
Legal Debt Margin Information
Last 10 Fiscal Years (in thousands)

| | |
|--|--------------------------|
| <u>Legal Debt Margin Calculation for Fiscal Year Ended June 30, 2020</u> | |
| Net Assessed Value | 72,173,931 |
| Debt Limit 1.25% of Net Assessed Value | \$902,174 |
| Debts Applicable to Limit: | |
| General Obligation Bonds | \$0 |
| Less: Amount Set Aside for | \$0 |
| Repayment of Debt | <u>\$0</u> |
| Net Debt Applicable to Limit | <u>\$0</u> |
| Legal Debt Margin | <u><u>\$ 902,174</u></u> |

| Fiscal Year | Fiscal Year Ended June 30 | | | | | | | | | |
|--|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
| Debt Limit | 902,174 | 845,953 | 795,566 | 753,605 | 721,358 | 680,831 | 644,338 | 622,541 | 615,333 | 613,996 |
| Less: Total Net Debt Applicable to Limit | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>-</u> |
| Legal Debt Margin | <u><u>902,174</u></u> | <u><u>845,953</u></u> | <u><u>795,566</u></u> | <u><u>753,605</u></u> | <u><u>721,358</u></u> | <u><u>680,831</u></u> | <u><u>644,338</u></u> | <u><u>622,541</u></u> | <u><u>615,333</u></u> | <u><u>613,996</u></u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |

Notes:

1. Article XIII A of the California State Constitution and Senate Bill 1656, Statutes of 1978, provided for changing assessed value from 25% of cash value to full cash value. Hence, the 5% limitation on general obligation bond indebtedness imposed by Section 29909 of the Government Code became 1.25% of assessed value
2. For net assessed value refer to Schedule 5 "Assessed Value and Actual Value of Taxable Property"

COUNTY OF MONTEREY
Pledged Revenue Coverage
Last Ten Fiscal Years
As of Fiscal Year 2019 - 20

| Fiscal Year Ended June 30 | Sanitation Revenue Bonds | | | | | | Water Revenue Bonds | | | | | | Special Assessment Bonds | | | |
|---------------------------------|------------------------------------|--------------------------------|-----------------------------|--------------|-----------|-----------|-------------------------------|--------------------------------|-----------------------------|--------------|-------------|----------|--------------------------------------|--------------|----------|----------|
| | Sanitation Charges and Other | Less: Operating Expenses | Net Available Revenue | Debt Service | | | Water Charges and Other | Less: Operating Expenses | Net Available Revenue | Debt Service | | | Special Assessment Collections | Debt Service | | |
| | | | | Principal | Interest | Coverage | | | | Principal | Interest | Coverage | | Principal | Interest | Coverage |
| 2011 | \$ 1,204,279 | \$ 1,321,821 | \$ (117,542) | \$ 57,000 | \$ 48,750 | \$ (1.11) | \$ 2,110,335 | \$ 4,077 | \$ 2,106,258 | \$ 550,000 | \$1,586,913 | \$ 0.99 | \$ 14,714 | \$ 7,000 | \$ 9,499 | \$ 0.89 |
| 2012 | 1,257,397 | 1,320,702 | (63,305) | 59,000 | 45,350 | (0.61) | 2,050,681 | 4,277 | 2,046,404 | 570,000 | 1,564,513 | 0.96 | 14,402 | 7,000 | 8,888 | 0.91 |
| 2013 | 1,166,240 | 1,236,358 | (70,118) | 62,000 | 42,950 | (0.67) | 2,107,965 | 3,902 | 2,104,063 | 595,000 | 1,544,188 | 0.98 | 14,314 | 7,000 | 8,437 | 0.93 |
| 2014 | 1,611,549 | 1,158,715 | 452,834 | 66,000 | 39,850 | 4.28 | 2,137,961 | - | 2,137,961 | 615,000 | 1,522,963 | 1.00 | 14,596 | 8,000 | 7,958 | 0.91 |
| 2015 | 1,011,695 | 1,295,122 | (283,427) | 48,000 | 24,850 | (3.89) | 2,267,256 | 3,902 | 2,263,354 | 640,000 | 1,497,863 | 1.06 | 15,252 | 8,000 | 7,448 | 0.99 |
| 2016 | 979,530 | 1,503,832 | (524,302) | 51,000 | 22,450 | (7.14) | 2,249,065 | 3,400 | 2,245,665 | 670,000 | 1,468,313 | 1.05 | 14,334 | 9,000 | 6,907 | 0.90 |
| 2017 | 1,452,013 | 1,603,607 | (151,594) | 54,000 | 19,900 | (2.05) | 2,341,265 | 3,095 | 2,338,170 | 700,000 | 1,434,063 | 1.10 | 15,209 | 10,000 | 6,301 | 0.93 |
| 2018 | 882,996 | 1,356,076 | (473,080) | 56,000 | 17,200 | (6.46) | 2,196,936 | 3,095 | 2,193,841 | 735,000 | 1,402,781 | 1.03 | 15,466 | 11,000 | 5,632 | 0.93 |
| 2019 | 1,160,334 | 1,361,546 | (201,212) | 59,000 | 14,400 | (2.74) | 3,989,261 | 1,500 | 3,987,761 | 1,030,000 | 693,220 | 2.31 | 13,947 | 11,000 | 4,930 | 0.88 |
| 2020 | 983,653 | 1,403,110 | (419,457) | 62,000 | 11,450 | (5.71) | 3,858,529 | - | 3,858,529 | 730,000 | 1,026,438 | 2.20 | 14,821 | 11,000 | 4,229 | 0.97 |

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements. Sanitation, Water, and Other charges include property tax revenues and investment earnings. Where expenses exceed revenues in any one year, excess revenues from prior years (Fund Balance) were used to meet debt requirements.

COUNTY OF MONTEREY
Direct and Overlapping Bonded Debt
As of June 30, 2020

2019-20 Assessed Valuation (includes unitary utility valuation) \$ 72,173,930,709

| <u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</u> | (1) Percentage Applicable | Debt at June 30, 2020 |
|---|------------------------------|--------------------------------|
| Hartnell Community College District | 99.824 % | \$ 196,450,305 |
| Monterey Peninsula Community College District | 100 | 117,618,522 |
| Carmel Unified School District | 100 | 21,678,445 |
| Monterey Peninsula Unified School District | 100 | 224,481,514 |
| North Monterey County Unified School District | 100 | 31,495,000 |
| Pacific Grove Unified School District | 100 | 43,131,000 |
| Soledad Unified School District | 100 | 54,497,537 |
| South Monterey County Joint Union High School District | 98.891 | 24,549,691 |
| Salinas Union High School District and School Facilities Improvement District | 100 | 129,204,077 |
| Alisal Union School District | 100 | 56,920,760 |
| Greenfield Union School District | 100 | 30,609,965 |
| Salinas City School District | 100 | 40,616,475 |
| Santa Rita Union School District | 100 | 19,589,953 |
| Washington Union School District | 100 | 10,325,000 |
| Other School Districts | Various | 50,756,965 |
| City of Marina | 100 | 6,970,000 |
| Community Facilities Districts | 100 | 25,682,542 |
| City 1915 Act Bonds | 100 | 7,305,000 |
| Special District 1915 Act Bonds | 100 | 3,640,000 |
| Monterey County Water Resources Agency Benefit Assessment District Zone 2C | 100 | 24,358,807 |
| Monterey County Special Assessment Bonds | 100 | 61,000 |
| TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT | | <u>\$ 1,119,942,558</u> |

| <u>DIRECT AND OVERLAPPING GENERAL GOVERNMENT DEBT:</u> | (1) Percentage Applicable | Debt at June 30, 2020 |
|---|------------------------------|------------------------------|
| Monterey County Certificates of Participation | 100 % | \$ 131,917,703 |
| Monterey County Revenue Bonds | 100 | 196,000 |
| Monterey County Notes Payable | 100 | 3,233,015 |
| Monterey County Loans Payable | 100 | 19,210,980 |
| Monterey County Capital Leases | 100 | 13,938,911 |
| Monterey County Board of Education Certificates of Participation | 100 | 1,335,000 |
| Salinas Union High School District General Fund Obligations | 100 | 17,944,419 |
| Salinas City School District Certificates of Participation | 100 | 16,081,136 |
| Other School District General Fund Obligations | Various | 47,270,538 |
| City of Carmel General Fund Obligations | 100 | 4,890,000 |
| City of Carmel Pension Obligation Bonds | 100 | 1,980,000 |
| City of Gonzales General Fund Obligations | 100 | 940,952 |
| City of Greenfield General Fund Obligations | 100 | 6,340,093 |
| City of Monterey General Fund Obligations | 100 | 5,585,000 |
| City of Pacific Grove Pension Obligation Bonds | 100 | 5,299,342 |
| City of Salinas Certificates of Participation | 100 | 111,358,340 |
| City of Seaside Cutino Park Lease Revenue Bonds | 100 | 4,875,000 |
| City of Seaside Measure X Lease Revenue Bonds | 100 | 10,795,000 |
| City of Seaside Pension Obligation Bonds | 100 | 3,310,000 |
| Monterey County Fire Protection District Pension Obligation Bonds | 100 | 25,745,000 |
| Pajaro/Sunny Mesa Community Services District Genreal Fund Obligations | 100 | 245,000 |
| TOTAL GROSS DIRECT AND OVERLAPPING GENERAL GOVERNMENT DEBT | - | 432,491,429 |
| Less: City of Seaside Measure X Lease Revenue Bonds supported by sales tax revenues | - | 10,795,000 |
| TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT | | <u>\$ 421,696,429</u> |

| | | |
|--|-----|--------------------------------|
| OVERLAPPING TAX INCREMENT DEBT (Successor Agencies) | 100 | \$ 89,145,827 |
| TOTAL DIRECT DEBT | | <u>\$ 192,916,416</u> |
| TOTAL GROSS OVERLAPPING DEBT | | 1,448,663,398 |
| TOTAL NET OVERLAPPING DEBT | | 1,437,868,398 |
| GROSS COMBINED TOTAL DEBT | | 1,641,579,814 |
| NET COMBINED TOTAL DEBT | (2) | <u>\$ 1,630,784,814</u> |

COUNTY OF MONTEREY
Direct and Overlapping Bonded Debt
As of June 30, 2020

Ratios to 2019-2020 Assessed Valuation:

| | |
|--|--------|
| Total Direct and Overlapping Tax and Assessment Debt | 1.55 % |
| Total Direct Debt (192,916,416) | 0.27 % |
| Gross Combined Total Debt | 2.27 % |
| Net Combined Total Debt | 2.26 % |

Ratios to Redevelopment Incremental Valuation (\$5,994,373,225):

| | |
|--------------------------------------|--------|
| Total Overlapping Tax Increment Debt | 1.49 % |
|--------------------------------------|--------|

Notes

1. Percentage of overlapping debt applicable to county is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the county divided by the district's total taxable assessed value
2. Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and tax allocation bonds and non-bonded capital lease obligations.

COUNTY OF MONTEREY
Demographics and Economic Statistics
Last Ten Fiscal Years

| Calendar Year | (1) Population | (2) Per Capita Income | (3) Total Personal Income | (4) Median Age | (5) School Enrollment | (6) Unemployment Rate |
|------------------|-------------------|-----------------------------|---------------------------------|----------------------|-----------------------------|-----------------------------|
| 2010 | 415,057 | \$ 42,176 | \$ 17,574,000 | 33 | 70,949 | 12.8 % |
| 2011 | 421,898 | 41,138 | 17,355,940 | 33 | 72,666 | 12.4 % |
| 2012 | 426,762 | 43,034 | 18,365,298 | 33 | 73,460 | 11.4 % |
| 2013 | 428,826 | 44,851 | 19,233,171 | 33 | 74,684 | 10.1 % |
| 2014 | 431,344 | 46,109 | 19,889,054 | 34 | 75,997 | 9.1 % |
| 2015 | 433,898 | 49,836 | 21,623,627 | 34 | 76,768 | 8.1 % |
| 2016 | 435,232 | 52,448 | 22,827,059 | 34 | 77,517 | 7.6 % |
| 2017 | 437,907 | 54,395 | 23,819,797 | 34 | 77,954 | 7.2 % |
| 2018 | 435,594 | 56,193 | 24,477,179 | 35 | 77,923 | 4.7 % |
| 2019 | 434,061 | 59,838 | 25,973,189 | 35 | 77,381 | 7.8 % |

Sources:

1. U.S. Census Bureau-As of July 1, 2018, Released March 2019
2. U.S. Department of Commerce, Bureau of Economic Analysis
3. U.S. Department of Commerce, Bureau of Economic Analysis (in thousands).
4. U.S. Census Bureau, American Community Survey
5. California Department of Education, Education Demographics Unit for 2018-19
6. California Employment Development; Labor Market Info Division

Notes:

Population data estimates are as of July 2019

Per capita personal income was computed using preliminary Census Bureau midyear population estimates.

Total personal income is in thousand of dollars

School enrollment data includes Kindergarten through grade 12

Unemployment rate is based on annual rate

COUNTY OF MONTEREY
Major Industries by Number of Businesses, Employees and Payroll
Last Ten Years

| MSA and Industry | 2010 Total | 2011 Total | 2012 Total | 2013 Total | 2014 Total | 2015 Total | 2016 Total | 2017 Total | 2018 Total | 2019 Total |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| SALINAS MSA | | | | | | | | | | |
| Total | | | | | | | | | | |
| No. of Businesses | 10,668 | 12,022 | 11,195 | 11,717 | 12,123 | 12,180 | 12,274 | 12,681 | 13,380 | 13,648 |
| No. of Employees | 148,321 | 150,224 | 155,869 | 158,846 | 166,546 | 170,385 | 170,383 | 173,386 | 178,844 | 181,536 |
| Payroll (in thousands) | 1,341,043 | 1,406,249 | 1,450,658 | 1,507,712 | 1,585,102 | 1,684,581 | 1,823,620 | 1,868,529 | 1,946,321 | 2,030,131 |
| Agriculture | | | | | | | | | | |
| No. of Businesses | 529 | 529 | 532 | 540 | 546 | 539 | 520 | 530 | 548 | 557 |
| No. of Employees | 56,258 | 58,401 | 60,673 | 62,874 | 66,033 | 67,029 | 66,347 | 67,159 | 69,481 | 70,231 |
| Payroll (in thousands) | 416,294 | 448,534 | 472,663 | 520,761 | 557,753 | 596,901 | 658,994 | 675,089 | 702,286 | 722,652 |
| Utilities | | | | | | | | | | |
| No. of Businesses | 19 | 20 | 21 | 21 | 22 | 20 | 20 | 20 | 21 | 23 |
| No. of Employees | 482 | 557 | 868 | 872 | 763 | 789 | 784 | 804 | 788 | 803 |
| Payroll (in Thousands) | 10,735 | 14,754 | 19,317 | 21,089 | 18,131 | 20,427 | 21,753 | 22,014 | 21,481 | 23,302 |
| Construction and Mining | | | | | | | | | | |
| No. of Businesses | 866 | 824 | 787 | 825 | 857 | 886 | 914 | 951 | 1,049 | 1,066 |
| No. of Employees | 4,314 | 3,997 | 4,673 | 4,823 | 5,080 | 5,538 | 6,067 | 6,416 | 6,790 | 6,888 |
| Payroll (in Thousands) | 54,275 | 51,117 | 58,685 | 62,188 | 65,513 | 75,409 | 91,161 | 94,666 | 101,151 | 108,057 |
| Manufacturing | | | | | | | | | | |
| No. of Businesses | 256 | 244 | 248 | 265 | 267 | 259 | 264 | 271 | 289 | 296 |
| No. of Employees | 5,457 | 5,869 | 5,287 | 5,439 | 5,337 | 5,685 | 5,529 | 5,759 | 5,538 | 5,311 |
| Payroll (in Thousands) | 57,445 | 66,066 | 63,429 | 59,826 | 60,774 | 65,737 | 69,340 | 73,079 | 69,305 | 71,060 |
| Wholesale Trade | | | | | | | | | | |
| No. of Businesses | 391 | 377 | 377 | 368 | 386 | 384 | 375 | 366 | 375 | 379 |
| No. of Employees | 5,281 | 5,120 | 5,480 | 5,227 | 5,496 | 5,459 | 5,548 | 5,868 | 5,923 | 5,836 |
| Payroll (in Thousands) | 79,735 | 83,299 | 88,422 | 92,922 | 88,835 | 94,037 | 101,499 | 99,856 | 101,941 | 100,277 |
| Retail Trade | | | | | | | | | | |
| No. of Businesses | 1,227 | 1,200 | 1,195 | 1,175 | 1,227 | 1,199 | 1,212 | 1,188 | 1,199 | 1,193 |
| No. of Employees | 15,251 | 15,530 | 15,812 | 16,144 | 16,146 | 16,366 | 16,356 | 16,241 | 16,684 | 16,671 |
| Payroll (in Thousands) | 111,004 | 122,602 | 120,195 | 120,072 | 123,709 | 128,116 | 134,773 | 134,980 | 141,741 | 147,826 |
| Transportation and Warehousing | | | | | | | | | | |
| No. of Businesses | 239 | 227 | 230 | 239 | 253 | 269 | 266 | 283 | 313 | 329 |
| No. of Employees | 2,942 | 2,715 | 3,085 | 3,309 | 3,847 | 3,907 | 3,817 | 3,493 | 3,352 | 3,531 |
| Payroll (in Thousands) | 36,081 | 36,164 | 37,895 | 40,049 | 45,023 | 48,726 | 46,978 | 45,508 | 44,062 | 45,883 |
| Information | | | | | | | | | | |
| No. of Businesses | 106 | 99 | 102 | 102 | 93 | 84 | 88 | 87 | 93 | 96 |
| No. of Employees | 1,619 | 1,532 | 1,525 | 1,517 | 1,361 | 1,325 | 1,126 | 1,036 | 1,028 | 994 |
| Payroll (in Thousands) | 23,894 | 24,061 | 23,229 | 23,947 | 21,563 | 23,019 | 17,431 | 15,534 | 14,268 | 14,254 |
| Finance and Insurance | | | | | | | | | | |
| No. of Businesses | 367 | 363 | 345 | 333 | 341 | 333 | 354 | 349 | 366 | 363 |
| No. of Employees | 2,630 | 2,528 | 2,480 | 2,235 | 2,136 | 2,247 | 2,354 | 2,430 | 2,514 | 2,442 |
| Payroll (in Thousands) | 46,824 | 43,452 | 46,190 | 43,238 | 41,400 | 45,027 | 49,584 | 51,645 | 51,634 | 48,911 |
| Real Estate, Rental and Leasing | | | | | | | | | | |
| No. of Businesses | 386 | 360 | 369 | 380 | 396 | 387 | 382 | 390 | 421 | 426 |
| No. of Employees | 1,745 | 1,654 | 1,753 | 1,639 | 1,743 | 1,781 | 1,803 | 1,933 | 2,032 | 1,960 |
| Payroll (in Thousands) | 15,752 | 17,044 | 17,891 | 18,071 | 18,431 | 20,113 | 22,487 | 22,408 | 24,369 | 24,675 |
| Services | | | | | | | | | | |
| No. of Businesses | 7,509 | 7,779 | 6,989 | 7,469 | 7,735 | 7,820 | 7,879 | 8,246 | 8,706 | 8,920 |
| No. of Employees | 52,342 | 52,321 | 54,233 | 54,767 | 58,604 | 60,259 | 60,652 | 62,247 | 64,714 | 66,869 |
| Payroll (in Thousands) | 489,004 | 499,157 | 502,741 | 505,549 | 543,970 | 567,068 | 609,620 | 633,751 | 674,084 | 723,235 |

Source: Employment Development, Labor Market Information

COUNTY OF MONTEREY
Major Industries by Number of Businesses, Employees and Payroll
Last Ten Years

Notes:

1. Data are confidential if there are fewer than 3 businesses in a category or one employer makes up 80 percent or more of the employment in a category
2. Data are suppressed because confidential data could be extrapolated if these totals were included
3. Figures are as per third quarter of the calendar year.
4. Data do not include totals of government employment
5. Rules instituted by the Federal Bureau of Labor Statistics after September 11, prohibit state departments of labor or economic security from publicly identifying the names of individual employers. County of Monterey has removed the Major Employers' data from the statistical section. GASB Statement No 44 allows employment by industry data to be published instead of Major Employers' data.
6. Mining industry has been combined with the Construction industry starting in 2009

COUNTY OF MONTEREY
Full-Time Equivalent County Government Employees by Function/Program
Approved Budget Positions

| | | Fiscal Year Ended June 30, | | | | | | | | |
|------------------------------|---------|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Function/Program | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| General Government | 454.5 | 425.6 | 440.5 | 593.8 | 536.5 | 537.5 | 568.5 | 591.5 | 565.7 | 574.5 |
| Public Protection | 1,176.0 | 1,052.0 | 1,147.0 | 1,193.0 | 1,288.3 | 1,268.3 | 1,314.0 | 1,310.0 | 1,300.5 | 1,327.5 |
| Public Ways and Facilities | 298.5 | 277.5 | 273.5 | 123.0 | 114.0 | 114.0 | 86.0 | 86.0 | 83.0 | 86.0 |
| Health and Sanitation | 772.9 | 761.3 | 793.8 | 851.0 | 893.3 | 869.8 | 1,099.3 | 1,097.3 | 1,043.8 | 1,073.2 |
| Public Assistance | 842.0 | 751.2 | 802.0 | 862.0 | 893.0 | 874.0 | 921.0 | 910.0 | 871.0 | 886.0 |
| Recreation and Education | 143.0 | 139.0 | 140.0 | 137.0 | 124.0 | 107.0 | 116.0 | 87.0 | 120.0 | 1,299.3 |
| Hospital | 840.1 | 839.0 | 863.4 | 886.1 | 990.9 | 994.9 | 1,218.1 | 1,219.1 | 1,255.3 | 69.0 |
| Total Governmental Positions | 4,527.0 | 4,245.6 | 4,460.2 | 4,645.9 | 4,840.0 | 4,765.5 | 5,322.9 | 5,300.9 | 5,239.3 | 5,315.5 |
| Special District: | | | | | | | | | | |
| Water Resource Agency | 60.0 | 60.0 | 63.0 | 63.0 | 63.0 | 55.0 | 55.0 | 51.0 | 46.0 | 48.0 |
| Total Positions: | 4,587.0 | 4,305.6 | 4,523.2 | 4,708.9 | 4,903.0 | 4,820.5 | 5,377.9 | 5,351.9 | 5,285.3 | 5,363.5 |

Source: Monterey County Adopted Budget Book Position Information

Note: Public ways and facilities include Resources Management Agency.

COUNTY OF MONTEREY
Operating Indicators by Function/ Program
Last Ten Fiscal Years

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------------------|---------|---------|-------------|-------------|-----------|-------------|-----------|---------------|----------|--------------|
| GENERAL GOVERNMENT | | | | | | | | | | |
| Assessor | | | | | | | | | | |
| Deeds Processed | 16,789 | 15,991 | 15,280 | 14,000 | 16,000 | 15,018 | 15,159 | 13,349 | 15,420 | 15,338 |
| Recorder -County Clerk | | | | | | | | | | |
| Documents Recorded | 86,769 | 85,915 | 91,818 | 76,016 | 75,012 | 78,850 | 82,662 | 82,852 | 78,341 | 77,764 |
| Marriage Licenses Issued | 2,889 | 2,842 | 2,814 | 3,226 | 3,133 | 3,017 | 3,116 | 2,978 | 2,871 | 2,360 |
| Fictitious Business Names Filed | 2,815 | 2,486 | 2,342 | 2,585 | 2,688 | 2,618 | 2,547 | 2,464 | 2,679 | 2,292 |
| PUBLIC PROTECTION | | | | | | | | | | |
| Emergency Communications | | | | | | | | | | |
| 911 and Non-Emergency Calls | 611,666 | 674,576 | 623,669 | 614,476 | 719,248 | 756,869 | 748,161 | 744,281 | 741,261 | 702,251 |
| CAD Incidents | 588,077 | 571,100 | 568,587 | 590,777 | 591,137 | 520,060 | 520,060 | 587,085 | 593,392 | 527,292 |
| District Attorney's Office | | | | | | | | | | |
| Felonies and Misdemeanors Reviewed | 16,126 | 14,517 | 13,311 | 19,248 | 17,186 | 16,331 | 16,422 | 18,586 | 18,815 | 12,955 |
| Child Support Services | | | | | | | | | | |
| Cases | 18,184 | 18,065 | 17,085 | 16,477 | 16,422 | 15,957 | 15,589 | 15,013 | 14,448 | 13,669 |
| Public Defender | | | | | | | | | | |
| Felonies | 5,835 | 5,706 | 6,070 | 5,937 | 4,599 | 3,585 | 5,472 | 4,856 | 2,077 | 1,737 |
| Misdemeanors | 10,643 | 10,069 | 9,617 | 8,197 | 8,147 | 14,763 | 16,529 | 14,310 | 8,174 | 7,594 |
| Juveniles | 2,384 | 2,155 | 1,775 | 1,416 | 1,078 | 1,208 | 1,593 | 1,270 | 645 | 492 |
| Mental Health and Probate | unavail | unavail | 265 | 385 | 661 | 211 | 266 | 298 | 100 | 119 |
| Court Assigned Counsel | | | | | | | | | | |
| Felonies | 645 | 694 | 806 | 604 | 447 | 283 | 374 | 325 | 389 | 324 |
| Misdemeanors | 428 | 481 | 505 | 312 | 327 | 444 | 401 | 307 | 431 | 382 |
| Juveniles | 548 | 378 | 202 | 97 | 98 | 116 | 192 | 111 | 261 | 145 |
| Truancy Filings/Appearances | unavail | unavail | 312 / 1,761 | 324 / 1,548 | 324/2,003 | 368 / 1,856 | 261/1,651 | unavail/2,518 | 198/2430 | unavail/1932 |
| Sexual Violent Predators (SVP) | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| State Prison Cases | unavail | unavail | unavail | 64 | 54 | 112 | 120 | 166 | 250 | 134 |

COUNTY OF MONTEREY
Operating Indicators by Function/ Program
Last Ten Fiscal Years

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|--------|--------|--------|--------|--------|---------|---------|---------|---------|----------------------|
| Sheriff -Administration and Enforcement Bureau | | | | | | | | | | |
| Warrants Received | 9,629 | 9,967 | 9,732 | 9,234 | 10,810 | 13,858 | 11,546 | 11,367 | 13,376 | 10,589 ¹³ |
| Felony and Misdemeanor Offenses Reported | 4,120 | 4,334 | 4,582 | 3,760 | 4,170 | 4,250 | 4,221 | 4,031 | unavail | 2,017 |
| Sheriff- Joint Gang Task Force | | | | | | | | | | |
| Felony and Misdemeanor Arrests | 527 | 372 | 264 | 168 | 108 | unavail | unavail | unavail | unavail | unavail |
| Task Force and/or Gang Awareness | 11 | 12 | 14 | 12 | 15 | unavail | unavail | unavail | unavail | unavail |
| Sheriff- Custody Operations Bureau | | | | | | | | | | |
| Prisoners Booked | 15,035 | 12,052 | 11,574 | 11,480 | 13,586 | 14,252 | 12,484 | 10,719 | 12,756 | 10,974 |
| Average Daily Prisoner Population | 1,051 | 1,040 | 1,101 | 974 | 926 | 929 | 912 | 900 | 893 | 817 |
| Court Transportation | 24,239 | 22,092 | 22,298 | 22,511 | 23,411 | 17,538 | 18,500 | 18,500 | 18,643 | 13,368 ¹³ |
| Probation | | | | | | | | | | |
| Juvenile Referrals | 5,043 | 2,585 | 1,706 | 1,526 | 1,238 | 2,179 | 2,670 | 2,092 | 1,948 | 1,606 |
| Standard Reports | 2,464 | 2,547 | 2,955 | 3,138 | 2,813 | 2,841 | 2,924 | 2,182 | 2,002 | 1,661 |
| Supervision | 7,319 | 8,074 | 7,027 | 6,911 | 6,500 | 6,565 | 5,947 | 6,395 | 6,764 | 6,433 |
| Juvenile Institutions and Alternative Program | | | | | | | | | | |
| Admissions | 1,406 | 1,461 | 1,540 | 1,479 | 1,214 | 1,109 | 851 | 929 | 836 | 597 |
| Sheriff-Coroner | | | | | | | | | | |
| Total Investigations | 1,045 | 1,054 | 1,071 | 1,050 | 1,100 | 1,200 | 1,168 | 1,133 | 1,090 | 1,066 |
| Coroner's Cases | 301 | 302 | 339 | 320 | 350 | 378 | 586 | 359 | 359 | 394 |
| Planning | | | | | | | | | | |
| Discretionary Permits Initiated | 561 | 703 | 807 | 866 | 1,069 | 1,222 | 1,283 | 1,813 | 1,791 | 1,007 |
| Building Services | | | | | | | | | | |
| Building and Grading Permits | 2,025 | 2,177 | 2,216 | 2,452 | 2,942 | 3,345 | 3,429 | 3,640 | 3,419 | 3,251 |
| Plan Checks | 1,267 | 1,195 | 1,268 | 2,412 | 1,820 | 1,546 | 1,607 | 1,546 | 1,393 | 1,223 |
| Building Inspections | 12,659 | 8,876 | 9,350 | 12,024 | 13,932 | 14,100 | 10,851 | 29,988 | 24,775 | 20,907 |

COUNTY OF MONTEREY
Operating Indicators by Function/ Program
Last Ten Fiscal Years

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------------|------------|-----------|-----------|---------|---------|------------|------------|-----------|------------|
| PUBLIC WAYS AND FACILITIES: | | | | | | | | | | |
| Public Works | | | | | | | | | | |
| Road Miles Maintained | 1,157 | 1,234 | 1,234 | 1,234 | 1,234 | 1,235 | 1,236 | 1,242 | 1,258 | 1,257 |
| Bridges Maintained | 173 | 173 | 173 | 174 | 174 | 174 | 174 | 174 | 175 | 175 |
| Water Resources | - | - | - | - | - | - | - | - | - | - |
| Total Water Deliveries- Acre- Feet | 19,992 | 20,446 | 22,275 | 22,784 | 21,028 | 18,482 | 16,970 | 21,354 | 17,516 | 20,662 |
| Nacimiento Hydro Project Kilowatt Hours | 15,613,560 | 14,326,724 | 4,996,952 | 3,463,653 | 940,824 | 594,682 | 10,771,771 | 13,680,397 | 9,530,793 | 13,508,425 |
| HEALTH AND SANITATION | | | | | | | | | | |
| Animal Field Services | | | | | | | | | | |
| Licenses Sold / Citations Issued | 7,364 | 8,065 | 6,026 | 5,908 | 5,843 | 6,751 | 5,605 | 5,419 | 4,617 | 3,981 |
| Service Calls | 6,164 | 3,281 | 3,451 | 3,120 | 4,345 | 4,506 | 3,755 | 2,759 | 1,362 | 913 |
| Animals Admitted To Shelter | 4,592 | 4,124 | 3,853 | 3,023 | 2,472 | 2,662 | 2,787 | 2,273 | 2,222 | 1,756 |
| Health | | | | | | | | | | |
| Public Health Nursing Home Visits | 15,066 | 14,908 | 9,140 | 7,781 | 5,815 | 6,993 | 4,820 | 852 | 192 | 969 |
| Laboratory Tests | 42,780 | 33,226 | 35,058 | 37,392 | 40,408 | 39,098 | 40,688 | 41,978 | 35,853 | 37,216 |
| Clinic Services | | | | | | | | | | |
| Primary Care Clinic Visits | 162,969 | 169,645 | 169,144 | 159,519 | 170,419 | 179,984 | 183,193 | 194,469 | 195,739 | 194,166 |
| Mental Health | | | | | | | | | | |
| Inpatient Services (Days) | 4,566 | 2,941 | 2,369 | 2,645 | 2,837 | 2,108 | 1,860 | 2,323 | 2,661 | 2,774 |
| Locked Facilities (Days) | 2,434 | 12,237 | 9,841 | 12,757 | 13,543 | 15,717 | 13,818 | 16,094 | 17,809 | 19,113 |
| Public Guardian | | | | | | | | | | |
| Conservatorship Cases | 363 | 325 | 348 | 353 | 341 | 326 | 362 | 317 | 314 | 331 |
| Representative Payee Cases | 407 | 421 | 424 | 382 | 375 | 285 | 215 | 221 | 260 | 261 |
| Alcohol and Drug Programs | | | | | | | | | | |
| Methadone Maintenance Dosing | 46,117 | 49,355 | 50,926 | 58,321 | 67,613 | 75,813 | 79,963 | 88,230 | 88,785 | 96,480 |
| Narcotic Treatment Program Counseling | 25,557 | 26,720 | 27,737 | 31,180 | 34,655 | 40,994 | 48,659 | 58,383 | 494,218 | 600,779 |
| Residential Bed Days | 25,842 | 24,947 | 23,860 | 26,962 | 29,655 | 28,360 | 26,183 | 23,833 | 19,446 | 16,906 |

COUNTY OF MONTEREY
Operating Indicators by Function/ Program
Last Ten Fiscal Years

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------------|
| Children's Medical Services | | | | | | | | | | |
| CCS Referrals Reviewed for Medical Eligibility | 3,195 | 2,267 | 2,152 | 2,072 | 2,130 | 2,158 | 2,120 | 2,080 | 2,501 | 2,683 |
| CCS Referrals Opened for Medical Services | 2,012 | 1,343 | 1,226 | 1,036 | 1,200 | 1,172 | 1,136 | 1,106 | 1,326 | 1,422 |
| CHDP Review Preventive Health Screens | 11,525 | 13,675 | 19,332 | 19,408 | 21,573 | 19,810 | 20,264 | - | 0 | 0 |
| CHDP Patient Tracking for Follow-Up Screens | 1,906 | 1,798 | 2,153 | 2,751 | 2,377 | 1,230 | 2,119 | 318 | 157 | 168 |
| PUBLIC ASSISTANCE | | | | | | | | | | |
| Social Services | | | | | | | | | | |
| Food Stamps and Medi-Cal | 42,079 | 44,588 | 48,133 | 49,369 | 50,920 | 52,194 | 48,743 | 44,948 | 39,691 | 38,668 |
| CWS Permanent Placement | 202 | 179 | 155 | 189 | 216 | 261 | 241 | 220 | 197 | 180 |
| Adult Protective Services & In-Home Supportive Services | 3,885 | 3,994 | 3,974 | 3,933 | 4,264 | 4,326 | 4,494 | 4,722 | 4,985 | 4,735 |
| CalWORKs/TANF Benefits Caseloads | | | | | | | | | | |
| Ongoing | 6,122 | 6,147 | 5,905 | 5,709 | 5,262 | 4,842 | 4,174 | 3,666 | 3,143 | 3,035 |
| Employment Services | 3,482 | 3,559 | 3,921 | 2,968 | 3,156 | 2,799 | 2,337 | 1,975 | 1,616 | 1,519 |
| Childcare Services | 357 | 329 | 204 | 210 | 217 | 234 | 212 | 210 | 178 | 179 |
| Out-of-Home Care, Average Monthly Caseload | | | | | | | | | | |
| Foster Care Ongoing | 295 | 290 | 347 | 387 | 442 | 452 | 393 | 388 | 390 | 375 |
| Court Dependent Children | 7 | 8 | 1 | 2 | - | 0 | 28 | 40 | 5 | 7 |
| Aid to Adoptions | 720 | 708 | 675 | 660 | 675 | 701 | 752 | 777 | 821 | 824 |
| In-Home Support Services- Client Services Paid Cases | | | | | | | | | | |
| Personal Care Services Program | 3,339 | 3,450 | 3,412 | 3,198 | 3,614 | 3,668 | 3,943 | 4,133 | 4,362 | 4,433 |
| Residual/ Waiver Plus | 452 | 455 | 470 | 552 | 365 | 325 | 292 | 310 | 320 | 433 |
| Aid to Indigents | | | | | | | | | | |
| Regular General Assistance | 484 | 617 | 699 | 673 | 636 | 523 | 408 | 429 | 454 | 469 |
| Military and Veterans Affairs Caseload Items | | | | | | | | | | |
| Claims Filed | 1,546 | 1,040 | 1,690 | 1,477 | 1,786 | 2,066 | 1,729 | 1,519 | 1,364 | 1,547 |
| Other Benefit Claims Filed | - | - | - | - | - | - | - | - | - | 3,323 ¹² |
| Veterans Transported to VA Medical | 1,007 | 888 | 1,016 | 1,056 | 823 | 882 | 745 | 771 | 648 | 500 ¹¹ |

COUNTY OF MONTEREY
Operating Indicators by Function/ Program
Last Ten Fiscal Years

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---------|---------|-----------|---------|---------|---------|---------|---------|---------|-----------------------|
| EDUCATION | | | | | | | | | | |
| Library | | | | | | | | | | |
| Customers Visiting Library | 950,922 | 958,852 | 885,633 | 889,397 | 873,444 | 934,585 | 761,655 | 768,556 | 684,329 | 536,673 ¹³ |
| Public Library Computer Sessions | 223,855 | 200,713 | 162,313 | 166,699 | 170,287 | 150,920 | 154,627 | 92,304 | 122,726 | 90,970 ¹³ |
| Virtual Visits to Library Websites | unavail | unavail | 225,000 | 247,500 | 222,750 | 240,570 | 262,439 | 255,106 | 222,337 | 122,542 ¹³ |
| Total Circulation | 666,319 | 649,117 | 602,849 | 542,515 | 573,661 | 620,206 | 583,402 | 490,845 | 496,215 | 430,459 ¹³ |
| Reference Questions | 144,960 | 110,022 | 111,122 | 105,337 | 81,682 | 75,097 | 72,307 | 59,165 | 91,549 | 73,103 ¹³ |
| RECREATION AND CULTURAL SERVICES | | | | | | | | | | |
| Parks | | | | | | | | | | |
| Visitors | 501,867 | 702,018 | 1,113,456 | 989,569 | 623,411 | 622,346 | 435,422 | 672,422 | 553,910 | 185,611 ¹³ |

Source: County of Monterey Departmental Records

- Notes:**
1. Data for prior years may change as more updated information becomes available
 2. Data updated when new study is performed every 3-4 years
 3. As of FY2009, reporting both regular and interim caseloads. Prior to 2009, reported only regular caseload.
 4. Data system change in FY 2012, prior system collected data differently.
 5. As of FY2015, the Task Force's mission has been changed to focus on target driven investigations and narcotics and is collecting data on different categories as listed previously.
 6. During FY2016, the Task Force was dissolved.
 7. FY2017 lower due to Soberanes Fire
 8. Prior to FY2018, Inspection numbers were counted base on STOPS not Inspection COUNTS, Often, one-stop includes multiple inspections.
 9. New statistic reported in FY 2019. Data provided for the prior 10 years.
 10. Per department, billing was changed to minutes from # of 10 minute increments.
 11. Veteran's Transport ended during pandemic
 12. New indicator added for 2020.
 13. Reduction due to impact of COVID-19.

COUNTY OF MONTEREY
Capital Asset Statistics
Last Ten Fiscal Years
For Fiscal Year Ended June 30, 2020

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| General Government | | | | | | | | | | |
| Buildings | 14 | 14 | 14 | 14 | 18 | 18 | 18 | 18 | 33 | 36 |
| Vehicles | 76 | 127 | 92 | 83 | 106 | 97 | 205 | 205 | 205 | 205 |
| Heavy Equipment | 3 | 3 | 7 | 6 | 6 | 5 | 19 | 19 | 19 | 19 |
| Communication Tower | 6 | 6 | 6 | 6 | 9 | 9 | 9 | 9 | 14 | 14 |
| Public Protection | | | | | | | | | | |
| Buildings | 24 | 25 | 25 | 25 | 28 | 28 | 28 | 28 | 34 | 34 |
| Vehicles | 458 | 473 | 450 | 447 | 444 | 338 | 347 | 347 | 347 | 347 |
| Boats | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Heavy Equipment | 48 | 48 | 49 | 13 | 12 | 11 | 25 | 25 | 25 | 25 |
| Public Ways & Facilities (Road Dept) | | | | | | | | | | |
| Bridges | 173 | 173 | 173 | 174 | 174 | 174 | 174 | 175 | 175 | 175 |
| Culverts (ft) | 218,749 | 218,749 | 218,749 | 218,749 | 218,969 | 218,969 | 220,777 | 221,000 | 221,000 | 221,000 |
| Drain System Inlets | 230 | 230 | 230 | 230 | 231 | 235 | 235 | 238 | 238 | 238 |
| Drain System Pipe (ft) | 68,752 | 68,752 | 68,752 | 68,752 | 68,752 | 72,000 | 72,000 | 72,000 | 72,000 | 72,000 |
| Fuel Stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Heavy Road Equipment | 60 | 83 | 83 | 95 | 92 | 111 | 103 | 103 | 103 | 103 |
| Lift Stations | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Maintained Road Miles (paved) | 1,157 | 1,234 | 1,234 | 1,234 | 1,234 | 1,234 | 1,236 | 1,232 | 1,257 | 1,257 |
| Maintenance District Facility Buildings | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Public Parks & Open Space Acreage | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Road Lane Miles | 2,611 | 2,611 | 2,611 | 2,611 | 2,611 | 2,611 | 2,611 | 2,611 | 2,661 | 3 |
| Sanitary Heavy Equipment | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - | - | - |
| Sanitary Sewer Lines(miles) | 60 | 42 | 42 | 42 | 42 | 42 | 42 | 39 | 39 | 39 |
| Street Light | 380 | 380 | 380 | 380 | 380 | 380 | 380 | 380 | 384 | 384 |
| Traffic Signals | 21 | 21 | 28 | 28 | 27 | 28 | 28 | 28 | 29 | 29 |
| Vehicles | 133 | 73 | 100 | 74 | 63 | 240 | 94 | 94 | 94 | 94 |
| Water Resources2 | | | | | | | | | | |
| Dams | 2 | 2 | 2 | 2 | 2 | 2 | 2 | - | - | - |
| Salinas River Diversion Facility | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Heavy Equipment | 7 | 6 | 6 | 10 | 10 | 10 | 20 | 20 | 20 | 20 |
| Hydro-Electric Plants | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Levees | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Pump Stations | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Reclamation Ditches | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicles | 29 | 28 | 27 | 22 | 23 | 23 | 25 | 25 | 25 | 25 |
| Petrero Tide Gate | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Homes | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Pipe Miles | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Wells | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Booster Pumps | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |

COUNTY OF MONTEREY
Capital Asset Statistics
Last Ten Fiscal Years
For Fiscal Year Ended June 30, 2020

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Health | | | | | | | | | | |
| Buildings | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 25 | 25 |
| Vehicles | 145 | 151 | 130 | 120 | 130 | 154 | 153 | 153 | 153 | 153 |
| Heavy Equipment | - | - | - | - | - | - | 3 | 3 | 3 | 3 |
| Public Assistance | | | | | | | | | | |
| Buildings | 5 | 2 | 1 | 1 | 5 | 5 | 5 | 5 | 25 | 25 |
| Vehicles | 105 | 108 | 104 | 100 | 107 | 99 | 97 | 97 | 97 | 97 |
| Recreation and Cultural Services | | | | | | | | | | |
| Basketball courts | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 3 | 3 | 3 |
| Boats | 13 | 13 | 15 | 34 | 42 | 26 | 40 | 40 | 40 | 40 |
| Buildings | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 173 | 173 | 173 |
| Heavy Equipment | 34 | 34 | 34 | 37 | 37 | 91 | 190 | 190 | 190 | 190 |
| Lakes Acres | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Land Acres | 13,566 | 13,566 | 14,325 | 16,873 | 16,873 | 16,873 | 16,873 | 16,873 | 16,873 | 17 |
| Parks | 9 | 9 | 10 | 10 | 10 | 9 | 9 | 8 | 8 | 8 |
| Tennis Courts | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicles | 120 | 120 | 117 | 112 | 98 | 98 | 115 | 115 | 115 | 115 |
| Communication Tower | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Education | | | | | | | | | | |
| Bookmobiles | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Buildings | 6 | 6 | 3 | 3 | 6 | 6 | 6 | 6 | 6 | 6 |
| Vehicles | 15 | 15 | 15 | 17 | 17 | 23 | 18 | 18 | 18 | 18 |
| Heavy Equipment | - | - | - | 1 | 1 | 4 | 5 | 5 | 5 | 5 |

Source:

Owned buildings and parcels from General Services "Real Property Specialist Reports".

Vehicles & Heavy Equipment from General Services "Fleet Focus Equipment Inventory List".

Departmental Records

Note:

Reporting differences in assets between fiscal years due to updated information sources.

(1) information not previously reported