

County of San Diego,

California



Popular Annual Financial Report

Fiscal year ended June 30, 2015

About This Report

County Mission

“To efficiently provide public services that build strong and sustainable communities”

Citizens of San Diego County:

Our Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2015 was prepared by the Auditor and Controller’s office to provide readers of interest an easy to understand summary of our financial activities. The data from this report was taken from our Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. Both reports are available online at www.sdcounty.ca.gov/auditor/cafr.html.

The information included in this report contains an overview of the County’s economy and outlook, an analysis of the County’s financial position and key financial information concerning the County’s investments, capital assets and debt. It also includes a summary of our General Management System, around which we have built a culture of operational excellence, and highlights the five County business groups. It also provides summaries of how the County’s monies were received and spent and includes significant statistical and demographic data.

It is important to note that the financial data in this report is unaudited, includes information exclusively on primary government funds and is presented on a non-GAAP (Generally Accepted Accounting Principles) basis. This means that it excludes discrete component unit and fiduciary fund information, contains condensed financial information and does not provide all of the necessary financial statements and note disclosures required by GAAP.

We hope you enjoy reading this report and invite you to access our audited CAFR online for more detailed information on your County finances. We welcome your questions, comments and suggestions regarding the information in this report. You can contact our office at (619) 531-5413.



Donald F. Steuer

Donald F. Steuer

Assistant Chief Administrative Officer
Chief Operating Officer



Tracy M. Sandoval

Tracy M. Sandoval

Deputy Chief Administrative Officer
Auditor and Controller



About San Diego County

Board of Supervisors



Greg Cox
District 1



Dianne Jacob
District 2



Dave Roberts
District 3
Vice Chair

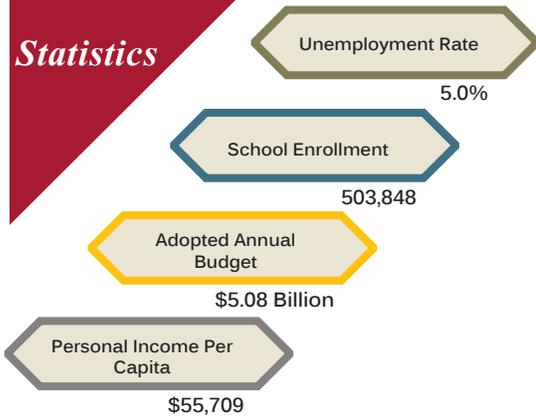


Ron Roberts
District 4



Bill Horn
District 5
Chair

Statistics



Sources: 2015 CAFR Statistical Table 13 and Adopted Operational Plan Fiscal Years 2014-15 & 2015-16

The County was incorporated on February 18, 1850, and functions under a charter adopted in July 1933. A five-member Board of Supervisors elected to four-year terms in district nonpartisan elections governs the County. The Board of Supervisors appoints the following officers: the Chief Administrative Officer (CAO), the County Counsel, the Probation Officer and the Clerk of the Board of Supervisors. The Chief Administrative Officer appoints the Assistant Chief Administrative Officer/Chief Operating Officer, the Deputy Chief Administrative Officer/Auditor and Controller and all other appointive officers. Elected officials head the offices of the Assessor/Recorder/County Clerk, District Attorney, Sheriff and Treasurer-Tax Collector.

It is the second largest County by population in California behind Los Angeles County. There are 18 incorporated cities in the County; of them, the City of San Diego is the largest and Del Mar is the smallest. Tijuana, Mexico is a substantial urban neighbor with a shared border, workforce, and economy.

San Diego County Population

Carlsbad	110,653	Imperial Beach	26,761	San Marcos	90,827
Chula Vista	257,989	La Mesa	58,813	Santee	55,805
Coronado	23,497	Lemon Grove	26,199	Solana Beach	13,104
Del Mar	4,238	National City	59,827	Vista	96,413
El Cajon	101,444	Oceanside	171,682	Unincorporated	504,330
Encinitas	61,518	Poway	49,041	Total	3,227,496
Escondido	147,294	San Diego	1,368,061		

Source: California Department of Finance

About San Diego County

County Economy and Outlook

San Diego's economic outlook continues to improve. The region's economic stability is based on federal spending, innovation clusters, tourism and real estate. San Diego is a thriving hub for technology-oriented industries and an important manufacturing center as well as a popular travel destination. The quality of life attracts a well-educated, talented workforce and well-off retirees which contributes to a positive outlook in consumer spending.

Another indicator of economic health is county taxable sales. Taxable sales began to decline overall in the county in 2007 that continued through 2009. In 2010, taxable sales showed moderate growth which continued in 2011 and 2012 has shown continued improvement although not as great as 2011. Taxable sales grew 6.2% in 2013 and moderate growth is expected to continue in 2014 and 2015 in the region.

The state of the economy plays a significant role in the County's ability to provide core services and the mix of other services sought by the public. The real estate market has impacted the County's general purpose revenue (GPR), although GPR is expected to increase in fiscal year 2015-16 from fiscal year 2014-15. General purpose revenue is relied upon to fund local services where no other funding is available, as well as to fund the County's share of costs for services that are provided in partnership with the State and federal government. The County is continuing to adjust to new roles and responsibilities in the areas of health, public safety, and redevelopment.

County management continuously evaluates and responds to the changing economic environment and its impact on the cost and the demand for County services.

Source: 2015 CAFR Letter of Transmittal

Government (2)		238,900
Professional & Business Services		238,600
Trade, Transportation & Utilities		217,500
Educational & Health Services		193,400
Leisure & Hospitality		185,900
Manufacturing		99,000
Financial Activities		72,200
Construction		67,200
Other Services		51,900
Information Technology		25,200
Farming		10,900
Mining & Logging		400

(1) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, and household domestic workers.
 (2) Excludes the U.S. Department of Defense.

Employment Mix (1)



Source: Adopted Operational Plan Fiscal Years 2015-16 & 2016-17



The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the County of San Diego for its Popular Annual Financial Report for the fiscal year ended June 30, 2014. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

Outstanding Achievement

Other Awards and Recognitions

During fiscal year 2015 the County received awards for its leadership and excellence in operations:

Health and Human Services Agency was awarded the 2014 Silver Achievement in Quality Award by the American Health Care Association and the National Center for Assisted Living based on the Edgemoor Skilled Nursing Facility's demonstrated systematic advancements in quality, plans for continual improvement and cost-effective service.

Department of Planning & Development Services received a Golden Watchdog Award from the San Diego County Taxpayers Association for overhauling its building permit process to make it faster, easier and less expensive for applicants.

Examples of 2015 National Association of Counties Awards received included:

- Veteran Outreach Program (Department of Human Resources): The program, started in 2014, establishes hiring initiatives for the veteran community and transitioning servicemen and women from the local military bases in San Diego County.
- Taking Program Integrity to the Next Level (Housing and Community Development): The County held a regional collaboration event about fraud investigation best practices as it pertains to housing assistance and federal funding for the Housing Choice Voucher program.
- Risk Communication Plan: Targeted Outreach to Form a Partner-relay System (Office of Emergency Services): The County program engages in targeted outreach to diverse language communities to form a partner-relay communication system for disasters and public health emergencies.



County Vision

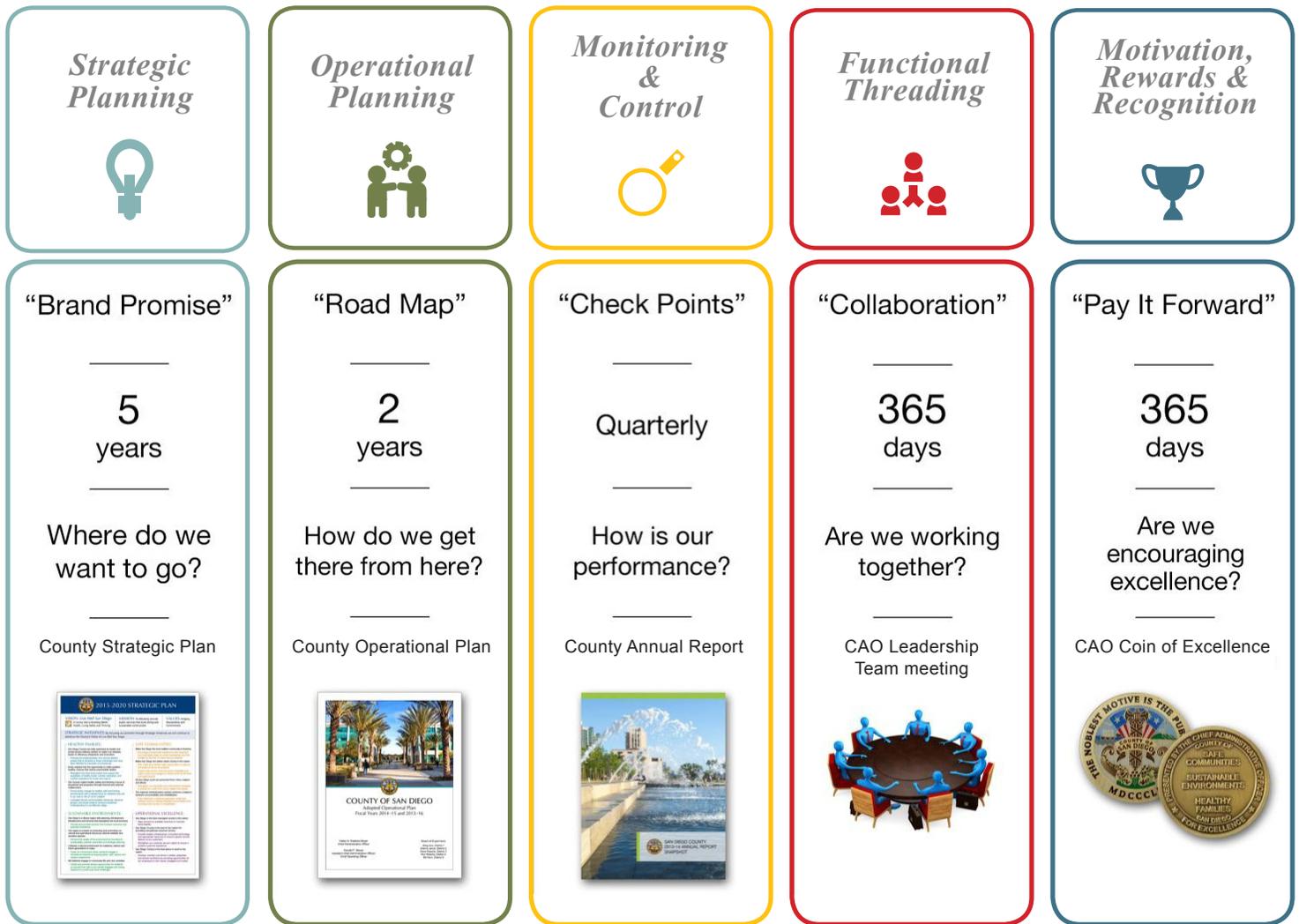
"A region that is Building Better Health, Living Safely and Thriving"



Note: Other Awards and Recognitions are listed in the 2015 CAFR Letter of Transmittal and Adopted Operational Plan Fiscal Years 2015-16 & 2016-17.

General Management System

The General Management System outlines the County's strategic intent (strategic planning), prioritizes its goals and use of resources (operational planning), describes how it monitors progress on performance (monitoring and control), ensures collaboration (functional threading) and recognizes accomplishments (motivation, rewards and recognition) throughout the year. By communicating and adhering to this business model, the County of San Diego is able to maintain an organizational culture that values transparency, accountability, innovation and fiscal discipline and which provides focused, meaningful public services.



County Strategic Initiatives & Objectives

The County provides a full range of public services to residents, including law enforcement, detention and correction, emergency response services, health and sanitation, parks and recreation, libraries and roads. The County also serves as a delivery channel for many State services, such as foster care, public health care and elections. These services are provided by five business Groups (Public Safety, the Health and Human Services Agency, Land Use and Environment, Community Services, and Finance and General Government), each headed by a General Manager who reports to the CAO. All County programs support at least one of the following County Strategic Initiatives and objectives:

Healthy Families

San Diego County has fully optimized its health and social service delivery system to make it an industry leader in efficiency, integration and innovation

- Promote the implementation of a service delivery system that is sensitive to those individuals who have been affected by traumatic circumstances

Every resident has the opportunity to make positive healthy choices that reduce preventable deaths

- Strengthen the local food system and support the availability of healthy foods, nutrition education, and nutrition assistance for those who need it

The county makes health, safety and thriving a focus of all policies and programs through internal and external collaboration

- Pursue policy change for healthy, safe and thriving environments with a special focus on residents who are in our care or rely on us for support
- Leverage internal communication resources, resource groups, and social media to enhance employee understanding of *Live Well San Diego*

Safe Communities

Make San Diego the most resilient community in America

- Encourage and promote residents to take important and meaningful steps to protect themselves and their families for the first 72 hours during a disaster

Make San Diego the safest urban county in the nation

- Plan, build and maintain safe communities to improve the quality of life for all residents
- Expand data-driven crime prevention strategies and utilize current technologies to reduce crime at the local and regional level

All San Diego youth are protected from crime, neglect and abuse

- Strengthen our prevention and enforcement strategies to protect our youth from crime, neglect and abuse

The regional criminal justice system achieves a balance between accountability and rehabilitation

- Fully implement a balanced-approach model that reduces crime by holding offenders accountable while providing them access to rehabilitation

Sustainable Environments

San Diego is a vibrant region with planning, development, infrastructure and services that strengthen the local economy

- Provide and promote services that increase consumer and business confidence

The region is a leader in protecting and promoting our natural and agricultural resources, diverse habitats and sensitive species

- Enhance the quality of the environment by focusing on sustainability, pollution prevention and strategic planning

Cultivate a natural environment for residents, visitors and future generations to enjoy

- Foster an environment where residents engage in recreational interests by enjoying parks, open spaces and outdoor experiences

All residents engage in community life and civic activities

- Create and promote diverse opportunities for residents to exercise their right to be civically engaged and finding solutions to current and future challenges

Operational Excellence

San Diego is the best managed county in the nation

- Align services to available resources to maintain fiscal stability

San Diego County is the best in the nation for providing exceptional customer service

- Provide modern infrastructure, innovative technology and appropriate resources to ensure superior service delivery to our customers
- Strengthen our customer service culture to ensure a positive customer experience

San Diego County is the best place to work in the nation

- Develop, maintain and attract a skilled, adaptable and diverse workforce by providing opportunities for our employees to feel valued, engaged and trusted

County Values

“Integrity, Stewardship, and Commitment”

County Financials

Government-wide Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources by \$2.63 billion at the close of fiscal year 2015, an increase of \$286.9 million or 12% over fiscal year 2014. This included an approximately \$22.92 million increase in net investment in capital assets, (a .72% increase over fiscal year 2014), a decrease of approximately \$50.27 million in the County's restricted net position (a 7.5% decrease over fiscal year 2014), coupled with an approximately \$1.935 billion decrease in unrestricted net position (a 263.4% decrease over fiscal year 2014), mainly due to the implementation of a new accounting pronouncement - GASB 68 which also resulted in a restated beginning net position of approximately \$2.249 billion (not shown in the table below).

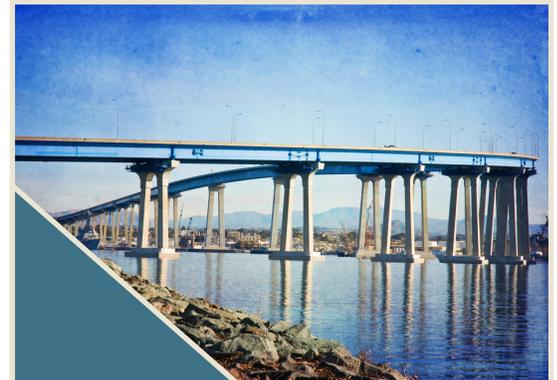
The largest portion of the County's net position reflects its investment of \$3.21 billion in capital assets, net of related debt. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in 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 liquidated for these liabilities.

The County's restricted net position equaled \$620 million and represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, laws and/or regulations of other governments. The remaining portion of the County's net position includes (\$1.20) billion in negative unrestricted net position, mainly due to the previously mentioned implementation of GASB 68.

June 30, 2015 and 2014
(In thousands)

	Total Primary Government	
	2015	2014
Assets		
Current and other assets	\$ 3,654,742	3,531,893
Capital assets	3,556,486	3,537,393
Total assets	7,211,228	7,069,286
Deferred Outflows of Resources		
Total deferred outflows of resources	378,921	4,883
Liabilities		
Long-term liabilities	3,900,991	1,992,123
Other liabilities	521,602	481,054
Total liabilities	4,422,593	2,473,177
Deferred Inflows of Resources		
Total deferred inflows of resources	537,837	9,343
Net Position		
Net investment in capital assets	3,210,235	3,187,316
Restricted	619,565	669,832
Unrestricted	(1,200,081)	734,501
Total net position	\$ 2,629,719	4,591,649

Source: 2015 CAFR Management's Discussion and Analysis Table 1



Key Terms

Here are some definitions that will take the mystery out of the accounting terms you will find throughout the financial sections of this report.

Government-wide: This PAFR presents the balance sheet (statement of net position) which includes assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

It also presents the income statement (statement of changes in net position) which includes revenue and expense information.

Governmental Funds: The County maintains various governmental funds that are used to account for tax, program and other miscellaneous revenues.

Business-type Funds: The County maintains various business-type funds that are used to account for activities for which a fee is charged to external users for goods or services.

Primary Government: Includes all of the governmental and business-type activities belonging to the County but excludes the discrete component unit and fiduciary funds.

Assets: What is owned by the County.

Deferred outflows of resources: Use of net assets (assets minus liabilities) applicable to a future year.

Liabilities: What the County owes.

Deferred inflows of resources: Net assets (assets minus liabilities) received applicable to a future year.

Net position: The difference between: assets plus deferred outflows of resources; minus liabilities and deferred inflows of resources. It's the County's net worth.

Current and other assets: Includes such items as pooled cash and investments, cash and investments with fiscal agents, receivables, internal balances, inventories, deposits with others, and prepaid items.

Capital assets: Includes such items as County land, easements, construction in progress, buildings and improvements, software, equipment, infrastructure, and accumulated depreciation/amortization, if applicable.

Long-term liabilities: Includes such items as bonds, loans, compensated absences, net pension liability, and other County obligations.

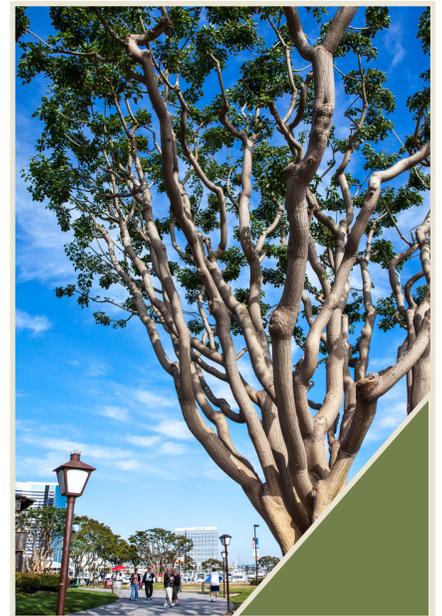
Other liabilities: Includes such items as payables, payroll, accrued interest and unearned revenue.

Net investment in capital assets: Represents amounts invested in capital assets less accumulated depreciation/amortization and any outstanding debt used to acquire these assets.

Restricted: What is not available for use by the County because it is set aside for a particular use.

Unrestricted: One-time funds available for the County to use for operations.

*Total Net Position
Fiscal Years 2011 - 2015
(In billions)*



The 2015 CAFR is available at: www.sdcounty.ca.gov/auditor/cafr.html

County Financials

Government-wide Statement of Changes in Net Position

Program revenues are those that derive directly from the program itself or from other parties, not the taxpayers; while general revenues are those not required to be reported as program revenues. All expenses are reported under a specific function - a group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible.

Notable changes in revenues between fiscal years 2014 and 2015 are attributable in part to: increases in revenue consisting of \$34 million federal aid Behavioral and Mental Health revenues, \$32 million in pre-2004 Senate Bill 90 claim payments, \$23.6 million in federal aid primarily due to the implementation of the Affordable Care Act, \$21.3 million in In Home Supportive Services revenues, \$12.4 million in state aid mental health services act revenues, and \$12.3 million in CalWORKs assistance revenues; offset by decreases of \$103.6 million in federal aid associated with the end of the Low Income Health Program and prior year adjustments, \$71.1 million in state aid for corrections, \$66 million in Aid From Redevelopment Successor Agencies, and \$26.3 million in state aid California Local Revenue Fund 2011 - amounts were fully spent in the prior year.

For the Years Ended
June 30, 2015 and 2014
(In thousands)

	Total Primary Government	
	2015	2014
Revenues:		
Program revenues		
Charges for services	\$ 548,094	553,795
Operating grants and contributions	2,468,519	2,523,412
Capital grants and contributions	39,224	114,310
General revenues		
Property taxes	648,974	627,709
Transient occupancy tax	4,166	3,404
Real property transfer tax	21,049	20,074
Miscellaneous taxes	15	14
Property taxes in lieu of vehicle license fees	332,928	313,844
Sales and use taxes	27,847	24,871
Investment earnings	12,586	17,137
Other	96,944	135,177
Total revenues	4,200,346	4,333,747
Expenses:		
Governmental Activities:		
General government	258,169	249,066
Public protection	1,309,087	1,312,074
Public ways and facilities	161,341	148,209
Health and sanitation	640,020	631,543
Public assistance	1,327,664	1,418,703
Education	37,686	35,647
Recreation and cultural	42,748	38,903
Interest	86,816	92,709
Business-type Activities:		
Airport	14,664	14,118
Jail stores commissary	4,506	4,816
Sanitation District	30,745	28,291
Total expenses	3,913,446	3,974,079
Change in net position	286,900	359,668
Net position at beginning of year (restated)	2,342,819	4,231,981
Net position at end of year	\$ 2,629,719	4,591,649

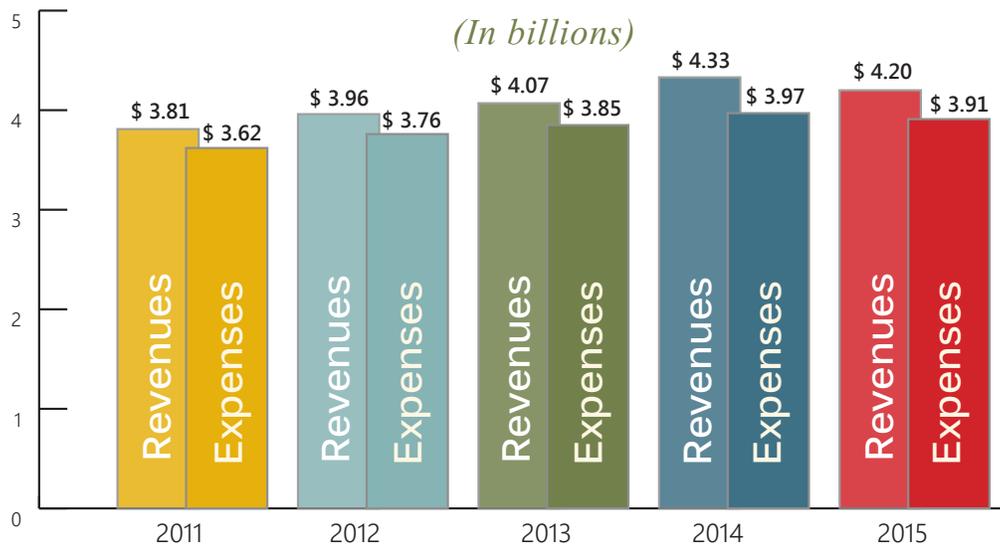
Note: The 2014 column has not been restated.

Notable changes in expenses between fiscal years 2014 and 2015 are mainly due to a net \$137 million decrease in reported pension related expenses due to the implementation of a new accounting pronouncement (GASB 68), coupled with a \$14 million decrease in contracted services; offset by a \$94 million increase in overall salaries and benefits costs.



Source: 2015 CAFR Management's
Discussion and Analysis Table 2

County Revenues & Expenses Fiscal Years 2011-2015



REVENUES:

Charges for services: Fees charged for licenses, permits and franchises, fines, forfeitures, penalties and other fees.

Operating grants and contributions: Aid from local, state and federal agencies.

Capital grants and contributions: Federal and state grants for capital activities and donations made from external entities, e.g. developers.

Property taxes: County property taxes levied.

Transient occupancy tax: A tax levied by the County on rental receipts for temporary lodging in a hotel or other similar facility doing business in the unincorporated area.

Real property transfer tax: A tax assessed on property when ownership is transferred.

Miscellaneous taxes: Various other taxes levied.

Property taxes in lieu of vehicle license fees: Property taxes collected in lieu of vehicle license fees.

Sales and use taxes: A consumption tax charged at the point of purchase for certain goods and services.

Investment earnings: Earnings on County investments.

Other: Includes various miscellaneous revenue types that are not reported in aforementioned categories.

EXPENSES:

General government: Services provided by support departments such as the Assessor/Recorder/County Clerk, Auditor & Controller, Treasurer-Tax Collector, County Counsel, Board of Supervisors and the County Technology Office.

Public protection: Services provided by departments such as

Agriculture Weights and Measures, District Attorney, Department of Animal Services, Office of Emergency Services, fire protection Permanent Road Divisions, Medical Examiner, Probation, and Sheriff.

Public ways and facilities: Services provided by departments such as Permanent Road Divisions, Public Works, and the San Diego Lighting Maintenance District.

Health and sanitation: Services provided by departments such as Air Pollution Control, ambulance and paramedic County Service Areas, Environmental Health, Health and Human Services Agency, Inactive Waste Site Management and certain permanent road divisions.

Public assistance: Services provided by departments such as Health and Human Services, Housing Authority, Probation and In Home Supportive Services Public Authority.

Education: Services provided by departments such as the County Library, and Farm & Home Advisor.

Recreation and cultural: Services provided by departments such as park County Service Areas, Local Park Planning Areas and Parks and Recreation.

Interest: Expenses associated with County debt.

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

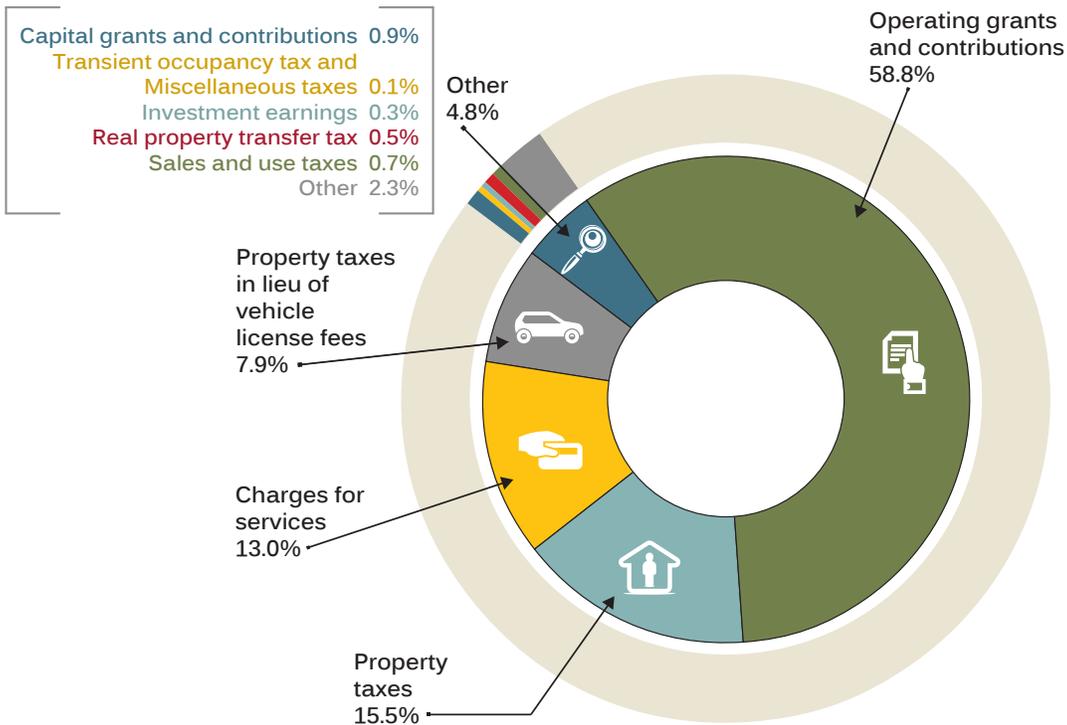
Jail stores commissary: Expenses related to the financing of a Sheriff's commissary store allowing persons incarcerated at various County detention facilities to purchase a variety of goods, including food, snacks, stationery, personal care items and telephone time.

Sanitation district: Expenses related to the operations of the sanitation district governed under the Board of Supervisors.

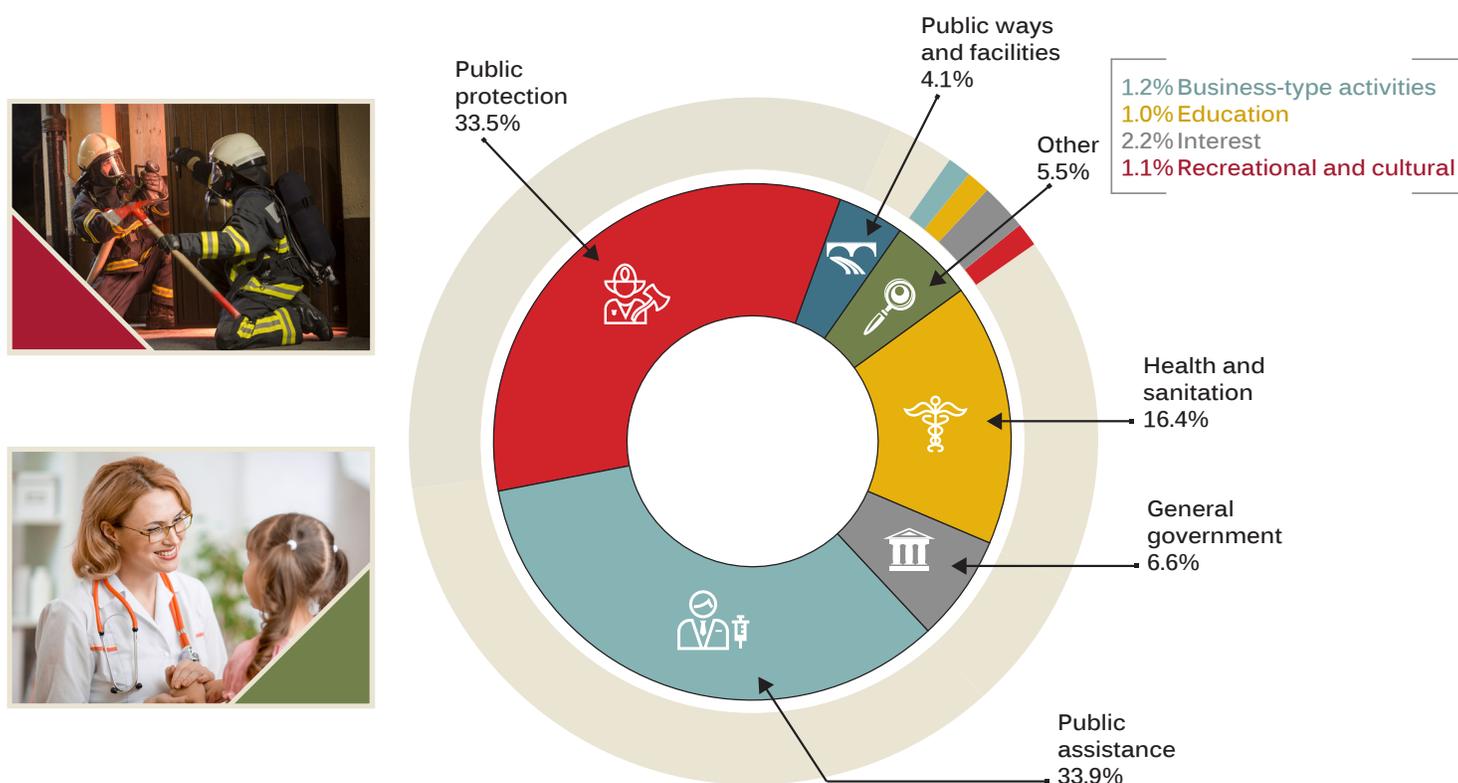
Key
Terms

County Financials

Where does the money come from?



Where does the money go?



Key Financial Data

County Pooled Investments

The County investment practices and policies are based upon state law and prudent money management. The objectives of the Pooled Investment Policy are:

- To safeguard the principal of the funds under the County Treasurer’s control.
- To meet the liquidity needs of the participants.
- To achieve an investment return on the funds under the control of the County Treasurer within the parameters of prudent risk management.

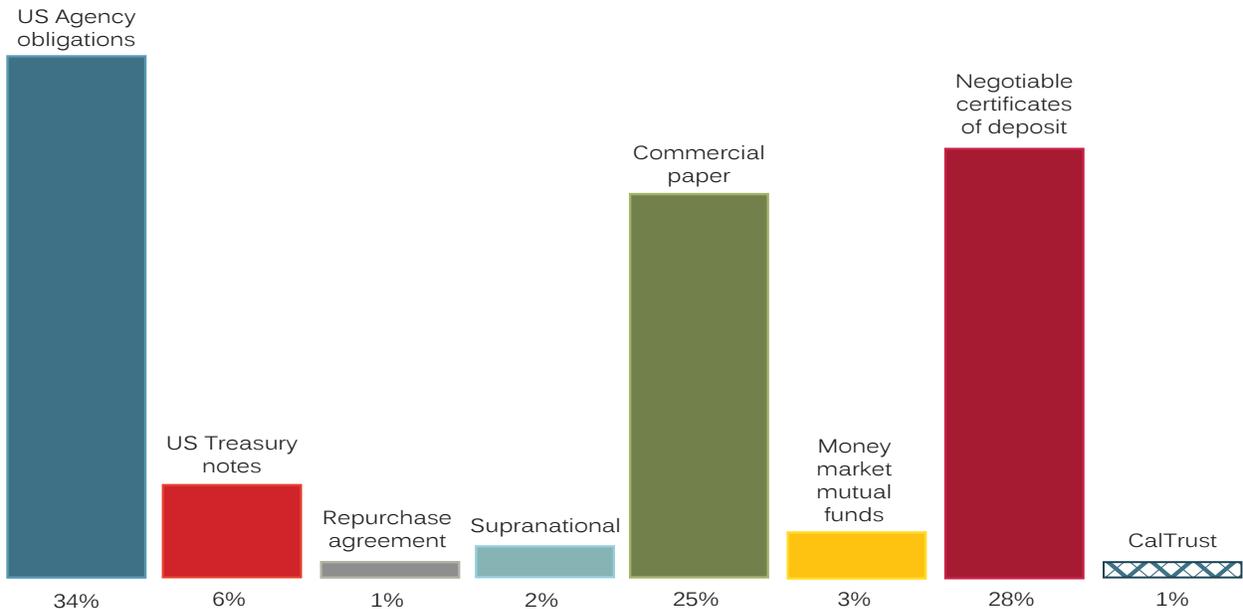
Pooled Investments (In thousands)		
Investment	Fair Value	Standard & Poor’s Rating
US Agency obligations	\$ 2,571,791	A-1+/AA+
US Treasury notes	456,320	AA+
Repurchase agreement	8,999	A-1
Supranational	174,995	AAA
Commercial paper	1,867,577	A-1/A-1+
Money market mutual funds	242,255	A-1+/AAA
Negotiable certificates of deposit	2,094,700	A-1/A-1+
CalTRUST	35,105	AA
Total investments	\$ 7,451,742	

Note: Data presented in this chart excludes investments with fiscal agents.

Source: 2015 CAFR Notes to the Financial Statements Table 7

Credit ratings are forward-looking opinions about credit risk. This year the County pool (Pool) remained rated AAf/S1 by Standard & Poor’s (S&P). The ‘AAf’ rating indicates the highest level of protection against losses from credit defaults, whereas the ‘S1’ volatility rating indicates that the Pool possesses low sensitivity to changing market conditions.

The County’s Pooled Money Fund Investment Policy and California State Law set minimum credit ratings for each type of investment held by the Pool. AAA is the highest quality S&P rating an investment can receive.



Key Financial Data

Capital Assets

The chart below depicts the outstanding capital assets, net of depreciation/amortization, as of June 30, 2015 for both Business-type and Governmental funds.

At June 30, 2015, the County's capital assets, net of depreciation/amortization totaled \$3.56 billion. Capital assets are used to provide services to county residents. Some of the significant capital asset activity in fiscal year 2015 was as follows:

\$43.3 million towards construction of the Las Colinas Detention and Reentry Facility in Santee.

\$37.9 million towards the construction and improvement of County maintained roads, bridges and other road related infrastructure.

\$31.9 million towards acquisition of equipment.

\$19.8 million towards construction of the parking garage at Cedar and Kettner.

\$18.4 million in infrastructure donated by developers.

\$16.3 million towards development of various software applications.

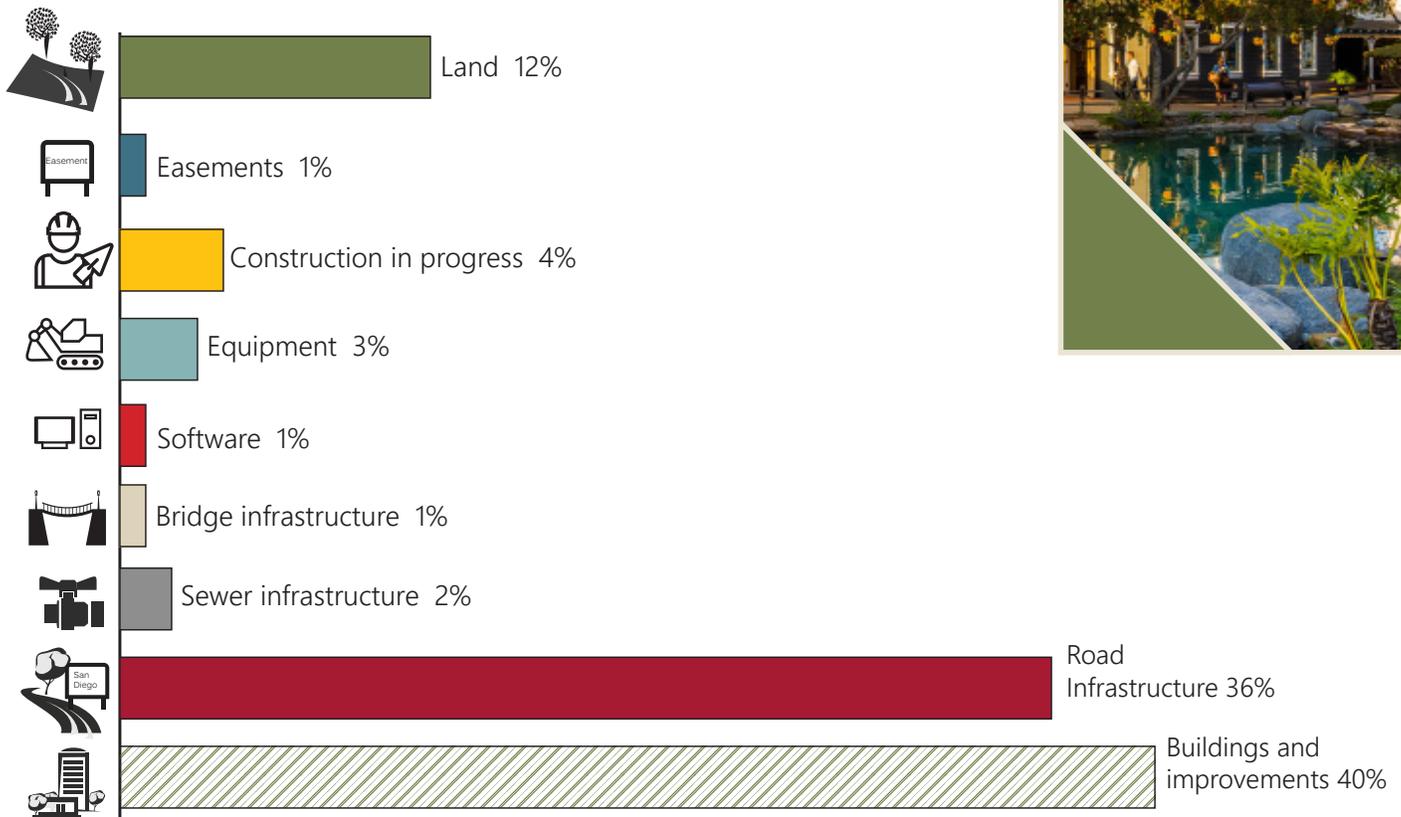
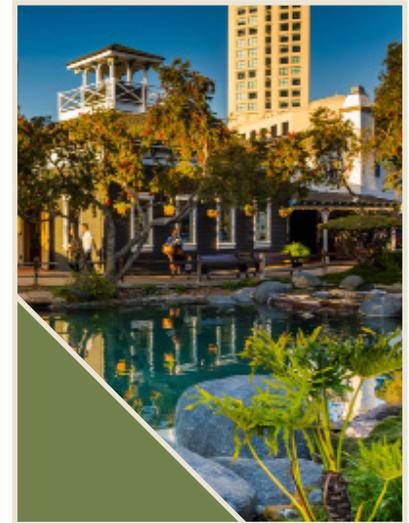
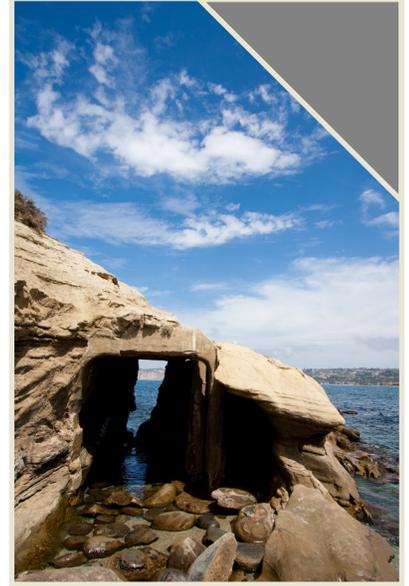
\$6 million towards improvements at various parks.

\$5.7 million towards various land acquisitions for the Multiple Species Conservation Program (MSCP)

\$4.7 million towards construction of the Crime Lab at the County Operations Center.

\$7 million towards improvements at various airports.

\$4 million towards various sewer improvements.

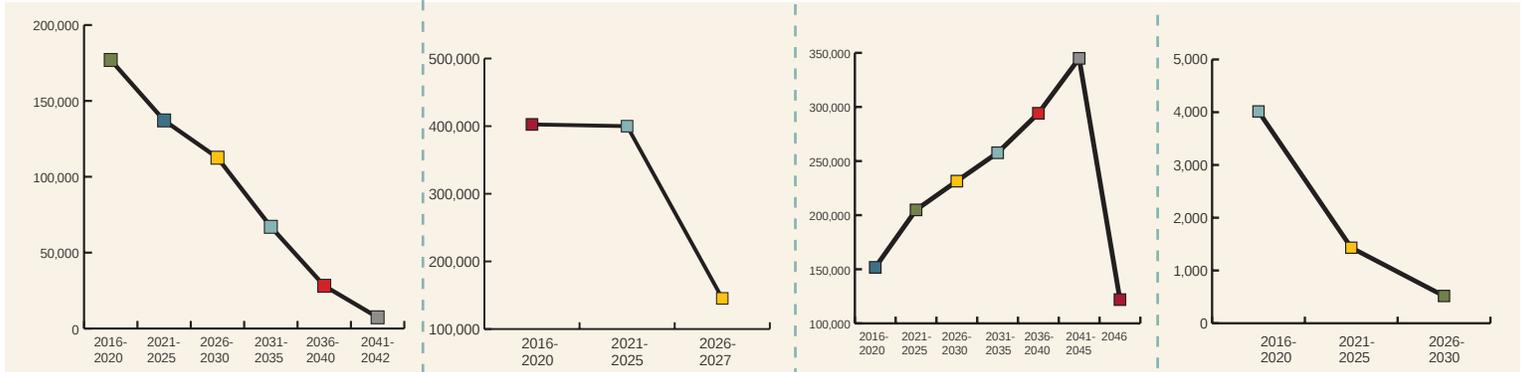


Key Financial Data

Long-Term Liabilities

At June 30, 2015 the County's long-term liabilities totaled \$1.942 billion: \$1.608 billion in long-term debt principal of certificates of participation, bonds and loans; and \$334 million of other long-term liabilities including capital leases, claims and judgments, compensated absences, landfill postclosure, pollution remediation, and unamortized premiums and discounts.

*County Debt Service Requirements to Maturity
(In thousands)*



Certificates of Participation (COP) and Lease Revenue Bonds (LRB)

COP/LRB provide funds for the acquisition and construction of major capital facilities and equipment. The repayment of these COP/LRB is secured by a lease structure where the borrowing entity leases certain properties to another entity, a lessor, which in turn leases the properties back to the borrower. These lessors are the San Diego County Capital Asset Leasing Corporation (SANCAL), and the San Diego Regional Building Authority (SDRBA).

Taxable Pension Obligation Bonds (POB)

POB are issued by the County to reduce its pension unfunded actuarial accrued liability and to achieve interest rate savings by issuing bonds at interest rates which are less than the assumed rate of return earned on proceeds placed in the San Diego County Employees Retirement Association's pension plan. They are also issued to refund previously issued Pension Obligation debt.

Tobacco Settlement Asset-Backed Bonds (TSAB)

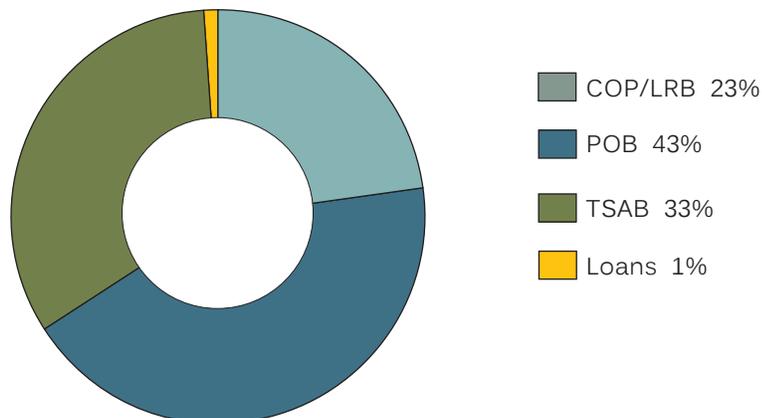
TSAB are issued by the Tobacco Securitization Joint Powers Authority of Southern California to securitize future revenue streams available to the County pursuant to various agreements.

Loans

Loans provide funds for the construction of low income housing; for various projects in County facilities to increase energy efficiency; for the construction of a sewer line and installation of a control tower, at the Ramona Airport; and for lighting improvements at various facilities.

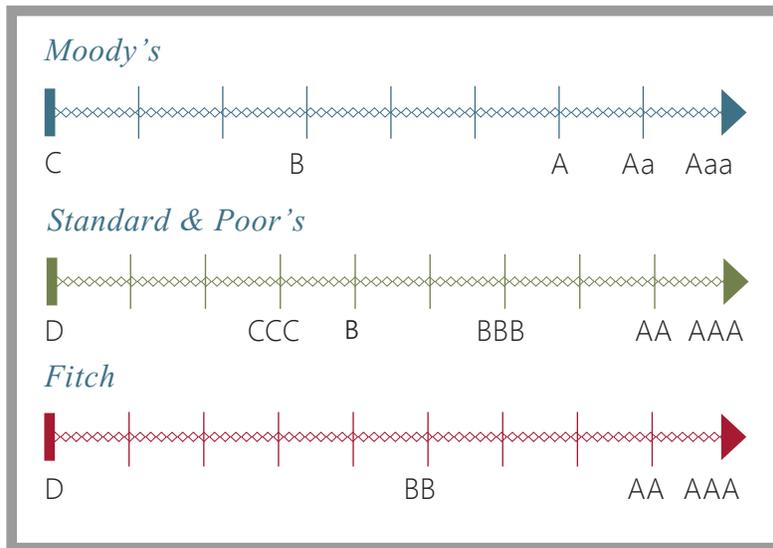
Note: The charts above include debt principal, unaccrued appreciation and interest, whereas the chart below includes debt principal only.

*County Principal Debt Outstanding
(In thousands)*



Key Financial Data

Credit Rating Scale



Note: S&P and Fitch use a plus (+) or minus (-) to show relative standing within its major rating categories. Moody's applies numerical modifiers 1,2 and 3 to each generic rating classification from Aa to Caa where 1 indicates ranking at the higher end, 2 is mid-range and 3 ranks at the lower end of its category.

Sources:

<http://www.moody.com/ratings-process/Ratings-Definitions/002002>

<http://www.standardandpoors.com/ratings/definitions-and-faqs/en/us>

https://www.fitchratings.com/web_content/ratings/fitch_ratings_definitions_and_scales.pdf

Credit Ratings

As of June 30, 2015

	Moody's	Standard & Poor's	Fitch
Issuer Rating	Aaa	AAA	AAA
Certificates of Participation San Diego County Capital Asset Leasing Corporation (SANCAL)	Aa2	AA+	AA+
Certificates of Participation San Diego Regional Building Authority (SDRBA) Metropolitan Transit System Towers	Aa2	AA+	AA+
Lease Revenue Bonds SDRBA County Operations Center 1A	Aa2	AA+	AA+
Refunding Lease Revenue Bonds SDRBA San Miguel	A2	AA+	not rated
Pension Obligation Bonds	Aa2	AA+	AA+
Tobacco Settlement Asset-Backed Bonds - Series 2006A1 (Senior)	Ba3	BBB	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2006A2 (Senior)	B2	BB+	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2006A3 (Senior)	B2	B+	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2006B (First Subordinate)	not rated	CCC+	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2006C (Second Subordinate)	not rated	CCC	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2006D (Third Subordinate)	not rated	CCC	not rated
San Diego County Redevelopment Agency Bonds	not rated	not rated	not rated



Source: 2015 CAFR Management's Discussion and Analysis Table 3

Inventory of Parcels and Assessed Valuations

The County Assessor prepares the local roll which includes the values of real & personal property located throughout the County. The first step in the assessment process is to locate and identify all parcels of property. This is done through the use of assessor's parcel maps. There are 984,587 mapped taxable parcels of land, showing the assessor's parcel numbers, recorded dimensions, acreage, street widths, parcel and lot boundaries, adjoining parcels and recorded map information. The information found on these maps is obtained from government maps, recorded maps, subdivision maps, record of surveys and road surveys. The table below shows the inventory of parcels and assessed valuations for fiscal year 2014-2015. For more information regarding maps and how to obtain a copy, visit <https://arcc.sdcounty.ca.gov/Pages/maps-about.aspx>.

Inventory of Parcels and Assessed Valuations Fiscal Year 2014-2015

Real Property	Total Taxable Parcels	Assessed Valuations
Residential	917,124	\$315,724,332,963
Industrial	11,329	22,725,343,294
Commercial	26,874	63,217,729,113
Irrigated Farm	3,477	1,136,085,545
Rural Land (Non-irrigated)	8,910	1,565,960,488
Institutional	2,192	7,267,177,220
Recreational	14,207	2,719,162,297
Miscellaneous	474	38,526,778
Total Taxable Parcels	984,587	\$414,394,317,698

Note: Data represents total assessed values of real property only, without exemptions.

Assessment Parcel: An area of land in one ownership and one general use that in the opinion of the Assessor should be included under one description for assessment purposes after consideration of all legal factors.

Assessed Value: One hundred percent of full value for the 1981/82 fiscal year and the following fiscal years. Prior to fiscal year 1981/82, the assessed value was 25% of the full value.

Assessor's maps: The foundation of the assessor's record system that provide the legal description for the assessment of all parcels of real property for taxation.

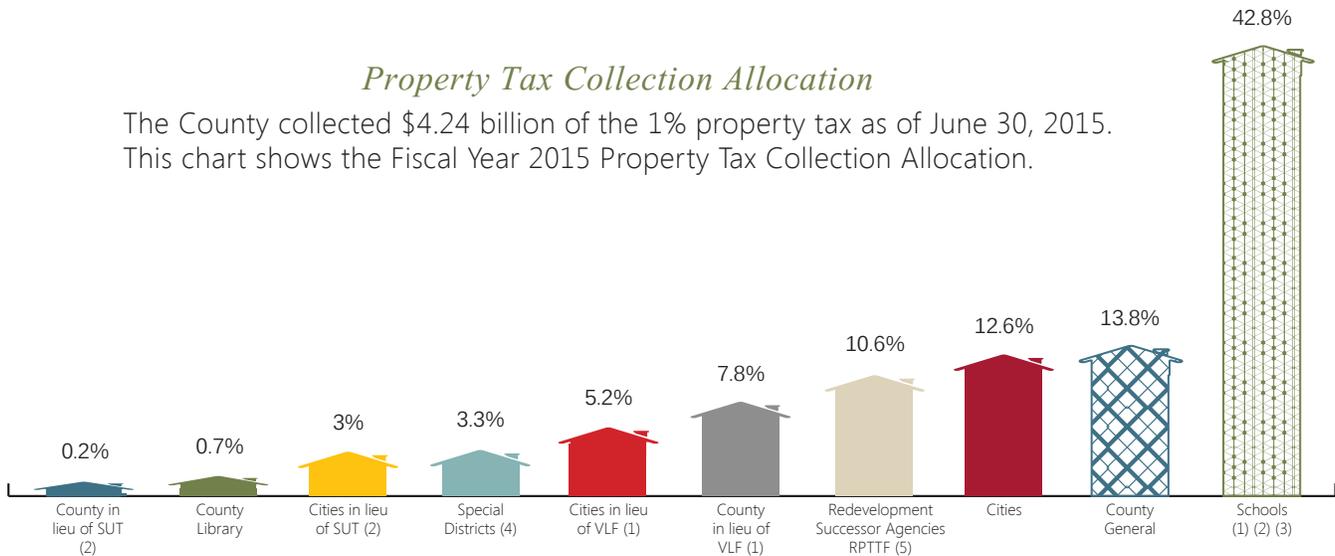
Current Roll: The roll containing the property on which current taxes are a lien. "Roll" means the entire assessment roll.

Sources: County of San Diego Property Valuations, Tax Rates, Useful Information for Taxpayers Fiscal Year ending June 30, 2015, Table 23 & Glossary; California State Board of Equalization Assessors' Handbook Section 215

Key Terms

Property Tax Collection Allocation

The County collected \$4.24 billion of the 1% property tax as of June 30, 2015. This chart shows the Fiscal Year 2015 Property Tax Collection Allocation.



1. Represents the exchange of Property Tax for Cities and County Vehicle License Fee as authorized under Senate Bill 1096, chaptered August 5, 2004.
2. Represents the exchange of Property Tax for Cities and County Sales and Use Tax as authorized under Assembly Bill 1766, chaptered August 2, 2003.
3. The collection allocated to Educational Revenue Augmentation Fund (ERAF) was used to pay the in lieu of vehicle license fee (VLF) and in lieu of sales and use tax (SUT) to County and Cities.
4. Districts under Board of Supervisors.
5. The redevelopment agencies were dissolved in FY 2011-12 (ABx1 26). Their share of property taxes were deposited to the redevelopment successor agencies' Redevelopment Property Tax Trust Fund (RPTTF).

Sources: 2015 CAFR Statistical Table 8; Details of the Property Tax Collection Allocation were provided by the County Auditor and Controller's Property Tax Services Division

2015 Achievements of Note

By the Numbers

Health and Human Services Agency: Processed 3,355 compensation and pension claims to allow veterans and their dependents to thrive by promptly facilitating their access to needed benefits.

Treasurer-Tax Collector: Continued to educate employees on the Deferred Compensation Plan by presenting two Investment and Retirement Symposiums.

District Attorney: Developed and televised 1,200 public service announcements to raise community awareness on the crime of human trafficking and to provide information about how to report and find help for victims.

Animal Services: Promoted community safety and injury prevention by conducting 134 dog bite prevention presentations to area schools and other organizations that encounter dogs during normal operations.

Public Works: Repainted and or used thermoplastic to re-mark crosswalks and roadway legends adjacent to 123 public school and 12 private school locations in the unincorporated area of the county.

Serving the Public

Assessor/Recorder/County.Clerk: Provided the public with a variety of online forms for submittal and related services. This provides a more efficient and effective level of customer service by leveraging the latest in online form processing and electronic signature technology.

Health and Human Services Agency: Continued to build a trauma informed child welfare system through the implementation of the "Pathways to Well-Being" model where children and youth entering the child welfare system were screened and assessed to determine the impact of trauma on development and well-being.

Purchasing and Contracting: Made contracts available through the internet to the public by posting 50% of new and amended contracts within five business days of award.

Sheriff: Maintained safe communities to improve the quality of life for all residents through reduced crime in the Sheriff's jurisdictions within San Diego County by 14.6%, exceeding the goal of 5%.

Environmental Health: Provided outreach events for the Beach Water Quality Program to educate the public on the resources available to determine the water quality at local beaches prior to use.

Operational Excellence

Health and Human Services Agency: Aging and Independence Services received four recognition awards for outstanding service delivery to their customers from the National Association of Area Agencies on Aging. Acutely Vulnerable Adult Protocol, The Alzheimer's Project, Promoting Independence and Choice, and the Residential Care Facility for the Elderly Rating System.

Fire Authority (FA): Received an Agency Award from the Fire Safe Council of San Diego County, a nonprofit agency promoting fire prevention and management, for providing exceptional service within the community. The award recognized the FA for funding work that better prepared more than 200 properties in the East County for the 2014 fire season.

Library: Received the Digital Government & Education Achievement Award for Increased Services with Self-Service Technologies, Apps and Kiosks in the Government-to-citizen State government category.

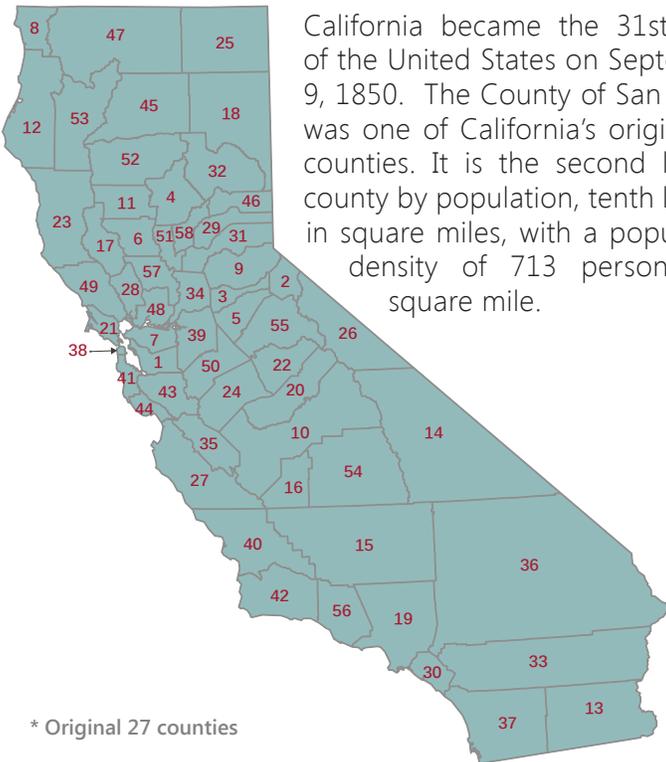
Planning and Development Services (PDS): PDS was honored by the Association of Environmental Professionals winning a Certificate of Merit for Outstanding Environmental Analysis - EIR/EIS, for its work on the Campus Park West Project, specifically for the project's Subsequent EIR (SEIR).

County Communications Office (CCO): The CCO was honored in multiple categories by the National Association of Telecommunications Officers and Advisors (NATOA). The CCO received three first place honors for best in government programming; best website for County News Center; best promotion of a City/County for a video about the services the County provides to its residents; and best magazine program for County Chronicles.

Note: Other Awards and Recognitions are listed in the 2015 CAFR Letter of Transmittal and Adopted Operational Plan Fiscal Years 2015-16 & 2016-17.



San Diego County: One of 58 California Counties



California became the 31st state of the United States on September 9, 1850. The County of San Diego was one of California's original 27 counties. It is the second largest county by population, tenth largest in square miles, with a population density of 713 persons per square mile.

* Original 27 counties

County	Founded	Population	Square miles	
1	Alameda	1853	1,594,569	821
2	Alpine	1864	1,121	743
3	Amador	1854	36,312	606
4	Butte*	1850	224,323	1,677
5	Calaveras*	1850	45,668	1,037
6	Colusa*	1850	21,715	1,156
7	Contra Costa*	1850	1,102,871	804
8	Del Norte	1857	28,031	1,230
9	El Dorado*	1850	184,917	1,786
10	Fresno	1856	972,297	6,011
11	Glenn	1891	28,728	1,327
12	Humboldt	1853	134,398	4,052
13	Imperial	1907	183,429	4,482
14	Inyo	1866	18,574	10,227
15	Kern	1866	874,264	8,163
16	Kings	1893	149,721	1,392
17	Lake	1861	64,918	1,329
18	Lassen	1864	32,092	4,720

County	Founded	Population	Square miles	
19	Los Angeles*	1850	10,136,559	4,751
20	Madera	1893	155,878	2,153
21	Marin*	1850	258,972	828
22	Mariposa*	1850	17,791	1,463
23	Mendocino*	1850	88,863	3,878
24	Merced	1855	266,134	1,979
25	Modoc	1874	9,399	4,203
26	Mono	1861	14,695	3,132
27	Monterey*	1850	425,413	3,771
28	Napa*	1850	140,362	789
29	Nevada	1851	98,193	974
30	Orange	1889	3,147,655	948
31	Placer	1851	369,454	1,502
32	Plumas	1854	19,560	2,613
33	Riverside	1893	2,308,441	7,303
34	Sacramento*	1850	1,470,912	994
35	San Benito	1874	58,344	1,390
36	San Bernardino	1853	2,104,291	20,105
37	San Diego*	1850	3,227,496	4,526
38	San Francisco*	1850	845,602	232
39	San Joaquin*	1850	719,511	1,426
40	San Luis Obispo*	1850	274,293	3,616
41	San Mateo	1856	753,123	741
42	Santa Barbara*	1850	437,643	3,789
43	Santa Clara*	1850	1,889,638	1,304
44	Santa Cruz*	1850	271,646	607
45	Shasta*	1850	178,673	3,847
46	Sierra	1852	3,105	962
47	Siskiyou	1852	45,119	6,347
48	Solano*	1850	429,552	906
49	Sonoma*	1850	496,253	1,768
50	Stanislaus	1854	532,297	1,515
51	Sutter*	1850	95,948	608
52	Tehama	1856	64,323	2,962
53	Trinity*	1850	13,571	3,208
54	Tulare	1852	462,189	4,839
55	Toulumne*	1850	54,337	2,274
56	Ventura	1872	848,073	2,208
57	Yolo*	1850	209,393	1,024
58	Yuba*	1850	74,076	644

Sources: <http://explorer.naco.org>; California Department of Finance

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