



# County of San Diego, California

Popular Annual  
Financial Report

Fiscal year ended  
June 30, 2020



## ABOUT THIS REPORT

### Citizens of San Diego County:

Our Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2020 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, 2020. Both reports are available online at [www.sdcountry.ca.gov/auditor/cafr.html](http://www.sdcountry.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 four 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.



**Tracy M. Sandoval**

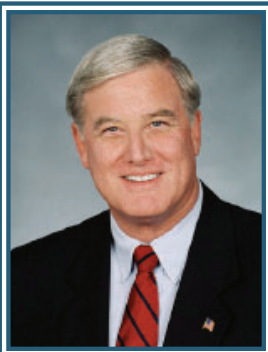
Deputy Chief Administrative Officer/  
Chief Financial Officer



**Tracy Drager**

Auditor and Controller

## ABOUT SAN DIEGO COUNTY



**Greg Cox**  
District 1  
Chair



**Dianne Jacob**  
District 2



**Kristin Gaspar**  
District 3



**Nathan Fletcher**  
District 4



**Jim Desmond**  
District 5  
Vice-Chair

### Board of Supervisors

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. All other non-elected officers are appointed by the CAO. 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.

### Statistics

**13.8%**

UNEMPLOYMENT RATE

**502,785**

SCHOOL ENROLLMENT

**\$6.25 Billion**

ADOPTED ANNUAL BUDGET

**\$51,828**

PERSONAL INCOME  
PER CAPITA

*Sources: 2020 CAFR Statistical Table 13 and Adopted Operational Plan Fiscal Years 2019-20 & 2020-21.*

The 2020 CAFR is available at:  
<https://www.sandiegocounty.gov/content/sdc/auditor/cafr.html>





## ABOUT SAN DIEGO COUNTY

### County Economy and Outlook

San Diego's economy has been affected by the Coronavirus Disease 2019 (COVID-19). According to the California Employment Development Department, San Diego County unemployment rose sharply from pre-COVID-19 levels of 3.2 percent to 15% at the end of May. Beacon Economics assessed that job losses in the San Diego region were concentrated in a few key sectors, including leisure & hospitality, retail, and education & health services; by combining the losses in these sectors, with those in professional services, one can account for about 78 percent of job losses in the County. Based on a recessionary environment combined with the impact of the COVID-19 pandemic, overall sales tax dollars are expected to be less in 2020 than the same period in 2019.

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. A number of risk factors are continuously monitored, including employment, the housing market, and the national economy as a whole.

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

*Source: 2020 CAFR Letter of Transmittal and Management's Discussion and Analysis.*

### San Diego County Population

<b>114,622</b>	CARLSBAD	<b>62,257</b>	NATIONAL CITY
<b>267,503</b>	CHULA VISTA	<b>177,362</b>	OCEANSIDE
<b>21,683</b>	CORONADO	<b>50,207</b>	POWAY
<b>4,322</b>	DEL MAR	<b>1,419,845</b>	SAN DIEGO
<b>105,557</b>	EL CAJON	<b>95,768</b>	SAN MARCOS
<b>63,158</b>	ENCINITAS	<b>56,994</b>	SANTEE
<b>151,478</b>	ESCONDIDO	<b>13,938</b>	SOLANA BEACH
<b>28,163</b>	IMPERIAL BEACH	<b>103,381</b>	VISTA
<b>61,261</b>	LA MESA	<b>513,123</b>	UNINCORPORATED
<b>26,834</b>	LEMON GROVE	<b>3,337,456</b>	TOTAL

*Source: Adopted Operational Plan Fiscal Years 2020-21 and 2021-22.*

### Employment Mix <sup>(1)</sup>

<b>251,600</b>
GOVERNMENT <sup>(2)</sup>
<b>261,300</b>
PROFESSIONAL & BUSINESS SERVICES
<b>232,900</b>
TRADE, TRANSPORTATION & UTILITIES
<b>220,800</b>
EDUCATIONAL & HEALTH SERVICES
<b>200,600</b>
LEISURE & HOSPITALITY
<b>117,300</b>
MANUFACTURING
<b>77,500</b>
FINANCIAL ACTIVITIES
<b>84,800</b>
CONSTRUCTION
<b>54,500</b>
OTHER SERVICES
<b>23,500</b>
INFORMATION TECHNOLOGY
<b>9,000</b>
FARMING
<b>400</b>
MINING & LOGGING

(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.

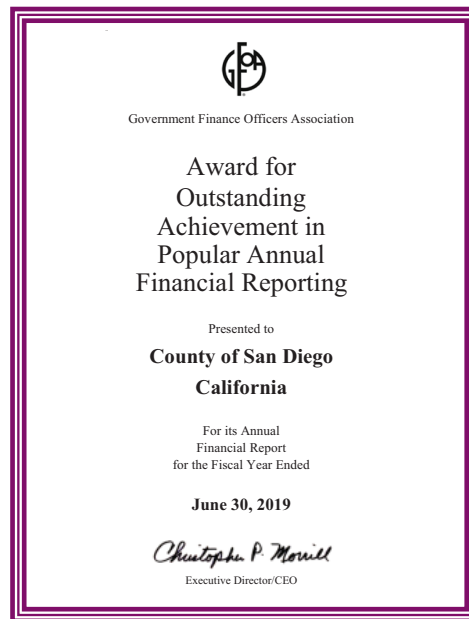
*Source: Adopted Operational Plan Fiscal Years 2020-21 & 2021-22.*



## ACHIEVEMENTS

### Outstanding Achievement

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, 2019. 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.



### Other Awards and Recognitions

During fiscal year 2020, the County received awards for its leadership and excellence in operations, including 54 awards from the National Association of Counties. Examples include:

**Health and Human Services Agency: Family Visit Coaching.** An innovative program to accelerate the permanency process for families and children in foster care. It is a service designed to help parents understand the unmet safety needs that brought their children to the attention of Child Welfare Services and resulted in their placement in the foster care system. It supports learning how to address those needs during family visitation so they may reunify with their children as quickly as safely possible.

**Agriculture, Weights and Measures: Software Development for Water Submeter Test Bench program.** This program will allow for cost savings and increased efficiency in testing time for water submeter inspections and will significantly improve service to customers. The department inspects water submeters that measure the amount of water used by certain businesses and multiunit residences. Inaccurate operation of these submeters could potentially overcharge users.

**Human Resources: Diversity and Inclusion Digest.** A new interactive quarterly newsletter to provide a wide range of information, resources and guided activities for the departmental diversity and inclusion (D&I) champions. The newsletter serves as a tool to capture and share ideas and stories about things that are happening in our community.

**Office of Emergency Services (OES): Countywide Early Earthquake Warning ShakeAlert Test.** The OES hosted the second official test of the ShakeAlert® earthquake early warning system in collaboration with the U.S. Geological Survey and the California Governor's Office of Emergency Services (CalOES). The test in June 2019 was sent via the Wireless Emergency Alert system and included a public survey to help researchers gather data that would determine if WEA would be the most efficient way to issue early earthquake warning to Californians in the future.

**Note:** Other Awards and Recognitions are listed in the 2020 CAFR Letter of Transmittal and Adopted Operational Plan Fiscal Years 2020-21 & 2021-22.

## 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. Each of the five components of the GMS form an annual cycle. Certain components take place at specific times, while others are performed year-round.

## COUNTY STRATEGIC INITIATIVES

Strategic planning communicates the County's strategic direction for the next five years. The Strategic Plan explains the County's four Strategic Initiatives, in addition to its vision, mission and values. The four Strategic Initiatives focus on how we achieve the County's vision of a region that is Building Better Health, Living Safely and Thriving.



Source: Adopted Operational Plan Fiscal Years 2020-21 and 2021-22.

# COUNTY STATEMENT OF VALUES



County of San Diego

## Statement of Values

### Vision

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

### Mission

To efficiently provide public services that build strong and sustainable communities

### Core Values

In recognition that “The noblest motive is the public good,” we are dedicated to the following values:

#### Integrity

Character First

- We maintain the public’s trust through honest and fair behavior.
- We exhibit the courage to do the right thing for the right reason.
- We are dedicated to the highest ethical standards.

#### Stewardship

Service Before Self

- We are accountable to each other and the public for providing service and value.
- We uphold the law and effectively manage the County’s public facilities, resources and natural environment.
- We accept personal responsibility for our conduct and obligations.
- We will ensure responsible stewardship of all that is entrusted to us.

#### Commitment

Excellence in all that we do

- We work with professionalism and purpose.
- We make a positive difference in the lives of the residents we serve.
- We support a diverse workforce and inclusive culture by embracing our differences.
- We practice civility by fostering an environment of courteous and appropriate treatment of all employees and the residents we serve.
- We promote innovation and open communication.



# 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 \$3.33 billion at the close of fiscal year 2020, an increase of \$129.1 million or 4.0% over fiscal year 2019. This included a \$149.8 million increase in net investment in capital assets, (a 4.3% increase over fiscal year 2019), and an increase of approximately \$146.1 million in the County's restricted net position (a 14.4% increase over fiscal year 2019). Additionally, unrestricted net position decreased by \$166.8 million (a 12.7% decrease over fiscal year 2019). The previously mentioned increase of \$129.1 million in net position was composed of changes in total assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

The largest portion of the County's net position reflects its net investment in capital assets of \$3.66 billion (land, easements, buildings and improvements, equipment, software and infrastructure; 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 net 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.

An additional portion of the County's net position (restricted net position), equaled \$1.16 billion 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 \$(1.49) billion in net negative unrestricted net position. The majority of this balance represents the negative unrestricted net position attributable to the County's outstanding Net Pension Liability and Net OPEB Liability.

### June 30, 2020 and 2019 (In thousands)

	Total Primary Government	
	2020	2019
Assets		
Current and other assets	\$ 4,958,636	4,474,712
Capital assets	3,938,373	3,811,084
Total assets	8,897,009	8,285,796
Deferred Outflows of Resources		
Total deferred outflows of resources	1,166,318	918,067
Liabilities		
Long-term liabilities	5,625,441	5,115,383
Other liabilities	945,099	637,372
Total liabilities	6,570,540	5,752,755
Deferred Inflows of Resources		
Total deferred inflows of resources	158,133	245,518
Net Position		
Net investment in capital assets	3,660,873	3,511,119
Restricted	1,158,944	1,012,829
Unrestricted	(1,485,163)	(1,318,358)
Total net position	\$ 3,334,654	3,205,590

Source: 2020 CAFR Management's Discussion and Analysis Table 1.

The 2020 CAFR is available at:  
<https://www.sandiegocounty.gov/content/sdc/auditor/cafr.html>



## 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, net other postemployment benefits (OPEB) liability, and other County obligations.

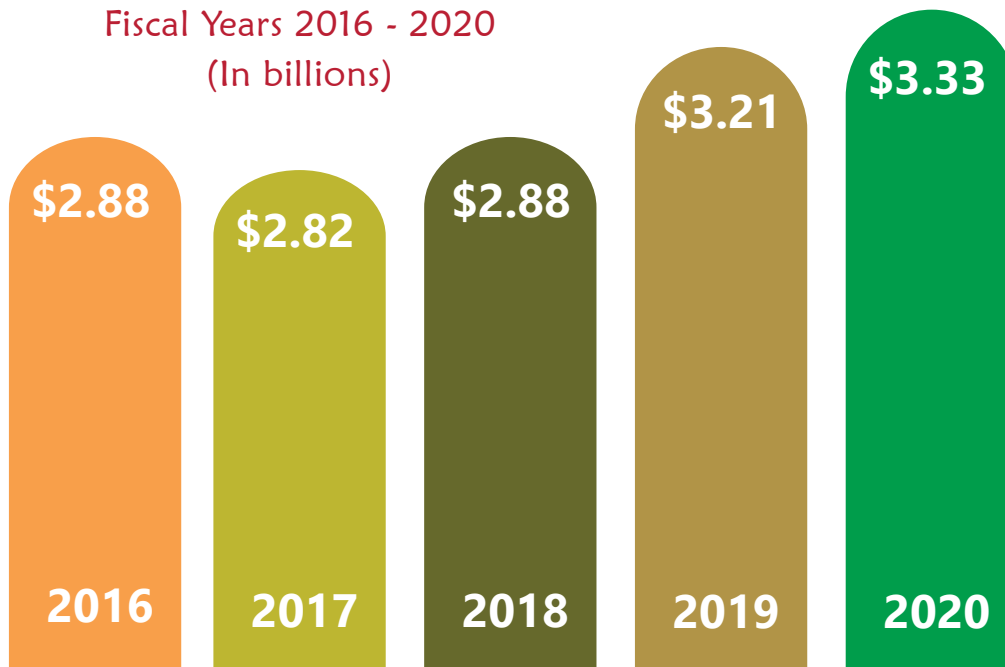
**Other liabilities:** Includes such items as payables, payroll, accrued interest and unearned revenue.

**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 2016 - 2020**  
**(In billions)**



# 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 2019 and 2020 are attributable in part to increases of: \$64 million in federal aid primarily tied to supplemental funding for the COVID-19 pandemic emergency; \$61 million in Realignment revenues for health and human services programs; \$54 million in property taxes and \$24 million in property taxes in lieu of vehicle license fees - both attributable to the county-wide growth in assessed valuation; \$38 million in contributions from property owners associated with the Harmony Grove Community Facilities District; \$27 million in State aid tied to expansion of behavioral health, mental health, and substance abuse programs and, \$16 million in Section 8 choice vouchers revenue.

Notable changes in expenses between fiscal years 2019 and 2020 include increases of: \$253 million in net pension related expenses; \$156 million in overall salaries and benefit costs; \$67 million in the expansion of contracted community services for the Health and Human Services Agency programs; and, \$55 million attributable to COVID-19 emergency response efforts.

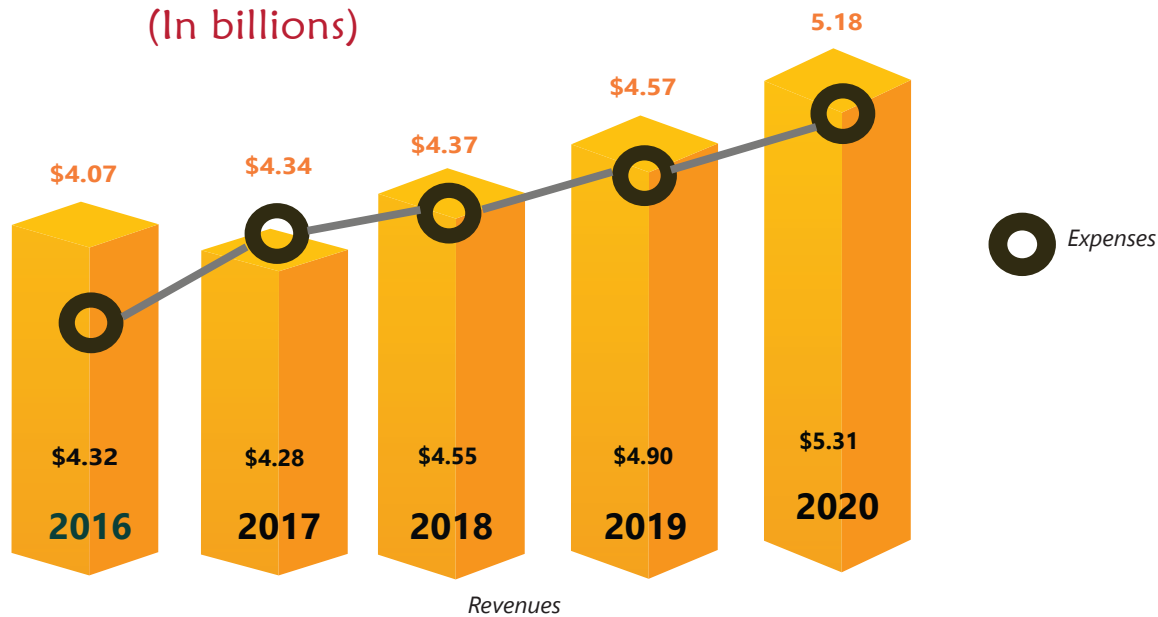
### For the Years Ended June 30, 2020 and 2019 (In thousands)

	Total Primary Government	
	2020	2019
Revenues:		
Program Revenues		
Charges for services	\$ 646,844	598,064
Operating grants and contributions	3,066,604	2,716,374
Capital grants and contributions	29,828	121,425
General Revenues		
Property taxes	851,473	797,838
Transient occupancy tax	4,173	5,785
Real property transfer tax	25,138	26,521
Miscellaneous taxes	3	6
Property taxes in lieu of vehicle license fees	441,609	417,601
Sales and use taxes	30,967	32,332
Investment earnings	104,681	86,348
Other	104,738	92,775
Total revenues	5,306,058	4,895,069
Expenses:		
Governmental Activities:		
General government	426,846	709,150
Public protection	1,848,040	1,479,542
Public ways and facilities	188,295	149,776
Health and sanitation	1,022,279	835,771
Public assistance	1,475,071	1,187,343
Education	52,225	40,020
Recreation and cultural	57,995	43,701
Interest	47,689	74,355
Business-type Activities:		
Airport	14,889	15,178
Jail Stores Commissary	5,776	5,836
San Diego County Sanitation District	28,385	
Sanitation District - Other	9,504	
Sanitation District		32,335
Total expenses	5,176,994	4,573,007
Change in net position	129,064	322,062
Net position at beginning of year	3,205,590	2,883,528
Net position at end of year	\$ 3,334,654	3,205,590

Source: 2020 CAFR Management's Discussion and Analysis Table 2.

## County Revenues & Expenses Fiscal Years 2016-2020 (In billions)

## COUNTY FINANCIALS



### Key Terms

#### 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 County Service Areas, 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 Agency, Housing Authority, Probation and In Home Supportive Services Public Authority.

**Education:** Services provided by departments such as the County Library.

**Recreation and cultural:** Services provided by departments such as park County Service 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 Districts:** Expenses related to the operations of the sanitation districts governed under the Board of Supervisors.



# COUNTY FINANCIALS

Where does the money come from?



**Operating grants and contributions**  
57.7%

**Property taxes**  
16.0%

**Charges for Services**  
12.2%

**Property taxes in lieu of vehicle license fees**  
8.3%

**Other 5.8%**

[Capital grants and contributions .6%  
Investment earnings 2.0%  
Transient occupancy tax 0.1%  
Real property transfer tax 0.5%  
Sales and use taxes 0.6%  
Other 2.0%]

Where does the money go?



**Public protection**  
35.9%

**Public assistance**  
28.5%

**Health and sanitation**  
19.7%

**General government**  
8.2%

**Public ways and facilities**  
3.6%

**Other 4.1%**

[Business-type activities 1.1%  
Education 1.0%  
Interest .9%  
Recreation and cultural 1.1%]

## KEY FINANCIAL DATA

### County Pooled Investments

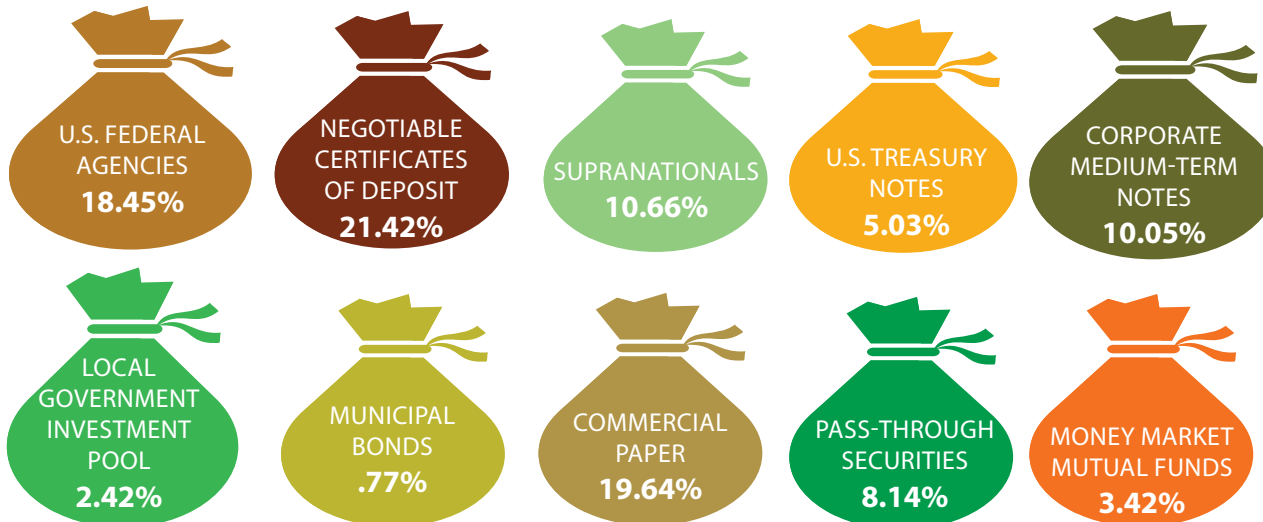
The County investment policies and practices are based on prudent money management principles and state law. The objectives of the Pooled Investment Policy are:

- ☐ 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 control of the County Treasurer within the parameters of prudent risk management.

Credit ratings are forward-looking opinions about credit risk. This year the County Pool (the "Pool") remained rated AAAf/S1 by Fitch. The 'AAAf' 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 Pool's Investment Policy and California State Law set minimum credit ratings for each type of investment held by the Pool. The Pool invests in highly rated securities rated at least "A/F1" by Fitch Ratings or another nationally recognized statistical rating organization.

Pooled Investments (In thousands)		
Investment	Fair Value	Fitch Rating
U.S. Federal Agencies	\$ 1,906,248	AAA
U.S. Treasury Notes	519,792	AAA
Municipal bonds	79,189	AAA
Local Government Investment Pool	250,292	AAA
Pass-through Securities	841,701	F1+/AAA
Supranationals	1,101,661	AAA
Commercial Paper	2,029,638	F1+/F1
Money Market Mutual Funds	352,925	AAA
Negotiable Certificates of Deposit	2,213,173	F1+/F1
Corporate Medium-Term Notes	1,038,249	AA+/A
Total investments	\$ 10,332,868	
Note: Data presented in this chart excludes investments with fiscal agents. Source: 2020 CAFR Notes to the Financial Statements Table 7.		



## KEY FINANCIAL DATA

### Capital Assets

The chart below depicts the outstanding capital assets, net of depreciation/amortization, as of June 30, 2020 for both Business-type and Governmental funds.

At June 30, 2020, the County's capital assets, net of depreciation/amortization totaled \$3.9 billion. Capital assets are used to provide services to county residents. Some of the significant capital asset activity in fiscal year 2020 was as follows:

\$59.5 million towards construction and improvements of County maintained roads, bridges, and other road related infrastructure.

\$35.5 million towards acquisition of equipment.

\$27.1 million towards development of various software applications.

\$21.3 million towards County Administration Center renovations.

\$20.1 million towards construction of Sheriff Technology and Information Center.

\$19.8 million towards land acquisition for Emergency Vehicle Operations Course.

\$18.3 million towards improvement of various capital projects.

\$12.1 million towards construction of San Diego Juvenile Justice Campus.

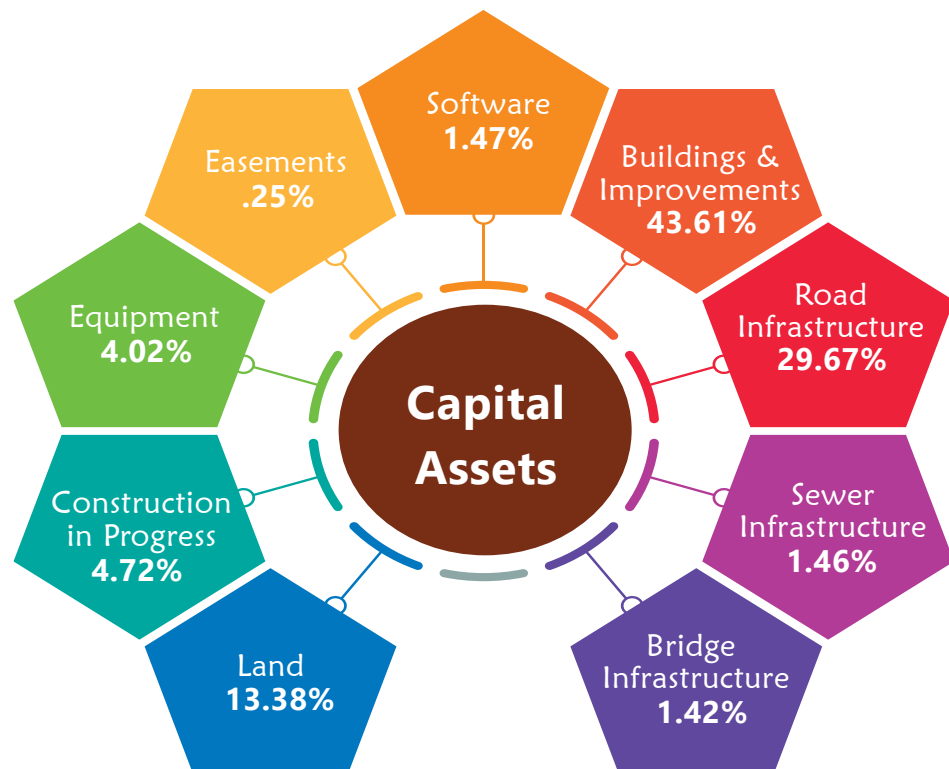
\$8.0 million towards construction of Assessor/Recorder/County Clerk Branch Office.

\$7.0 million towards construction of Regional Communication System.

\$6.0 million towards land and building acquisition of Palomar Airport.

\$3.9 million towards Gillespie Field Cajon Air Center improvements.

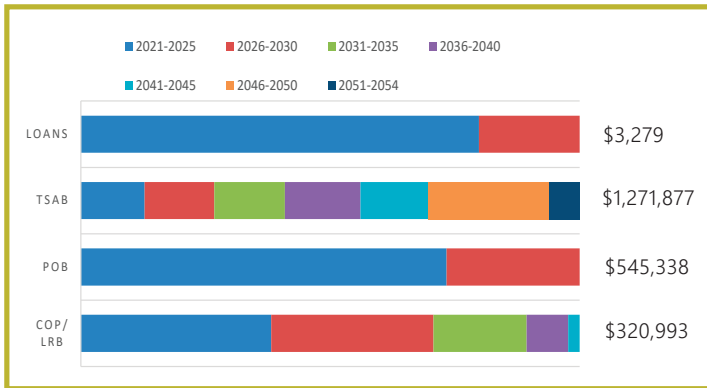
\$2.2 million towards sewer improvements at various locations.





## KEY FINANCIAL DATA

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



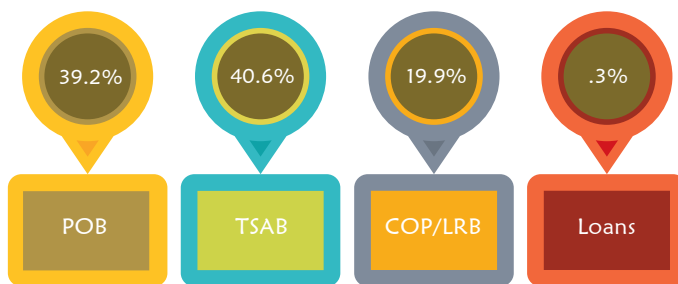
Note: This chart includes debt principal, unaccrued appreciation and interest.

County Board of Supervisors Policy Manual, Section B, Policy B-65, "Long-Term Obligations and Financial Management Policy" (<http://www.sandiegocounty.gov/content/sdc/cob/policy.html>), provides guidance on the County's long-term financial strategy and obligations. Examples of management practices and other information about long-term obligations found in the policy include the following:

The County shall:

- ☐ Invest general purpose revenue savings generated by maturing long-term obligations and/or refinancings to accelerate payment of outstanding long-term obligations and/or to avoid the issuance of new long-term obligations by cash financing of capital projects;
- ☐ Continually review outstanding obligations and aggressively initiate refinancings when economically feasible and advantageous; and,
- ☐ Never use long-term financial obligations to finance current operations or recurring needs.

### County Principal Debt Outstanding



Note: This chart includes debt principal only.

### Long-Term Liabilities

At June 30, 2020 the County's long-term liabilities totaled \$1.729 billion: \$1.163 billion in long-term debt principal of certificates of participation, bonds and loans; and \$566 million of other long-term liabilities including capital leases, claims and judgments, compensated absences, landfill postclosure, pollution remediation, and unamortized premiums and discounts.

#### Loans

Loans provide funds for the construction of low income housing; for various projects in County facilities to increase energy efficiency; for the purchase of one acre of property located in the Borrego Springs area to support the County's Regional Communications System (RCS); and energy savings measures at various facilities.

#### 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)

POBs are issued by the County to reduce its pension unfunded actuarial 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 (SDCERA) 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.

## KEY FINANCIAL DATA

Credit Ratings			
As of June 30, 2020	Moody's	Standard & Poor's	Fitch
Issuer Rating	Aaa	AAA	AAA
Certificates of Participation San Diego County Capital Asset Leasing Corporation (SANCAL)	Aa1	AA+	AA+
Lease Revenue Refunding Bonds SDRBA (County Operations Center) Series 2016A	Aa1	AA+	AA+
Pension Obligation Bonds	Aa2	AAA	AA+
Tobacco Settlement Asset-Backed Bonds - Series 2006B CAB (First Subordinate)	not rated	CCC-	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2006C CAB (Second Subordinate)	not rated	CCC-	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2006D CAB (Third Subordinate)	not rated	CCC-	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2019A (Class 1) Serial Bonds	not rated	A,A-	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2019A (Class 1) Term Bonds	not rated	BBB+	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2019B-1 (Class 2) Turbo CIB	not rated	BBB+,BBB-	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2019B-2 (Class 2) Turbo CAB	not rated	not rated	not rated
San Diego County Redevelopment Agency Bonds	not rated	not rated	not rated

*Source: 2020 CAFR Management's Discussion and Analysis Table 3.*

### Credit Rating Scale

#### Moody's



#### Standard & Poor's



#### Fitch



Note: S&P and Fitch use a plus (+) or minus (-) to show relative standing within its major rating categories. Moody's appends 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:

<https://www.moodys.com/sites/products/AboutMoodyRatingsAttachments/MoodysRatingSymbolsandDefinitions.pdf>  
[https://www.spratings.com/documents/20184/774196/Guide\\_to\\_Credit\\_Rating\\_Essentials\\_Digital.pdf](https://www.spratings.com/documents/20184/774196/Guide_to_Credit_Rating_Essentials_Digital.pdf)  
<https://www.fitchratings.com/site/definitions>

## 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 more than 28,600 assessor's maps, showing 1,001,029 parcels of land. These maps cover the county, including all the cities as well as the unincorporated areas. The parcel maps show 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 2019-2020. For more information regarding maps and how to obtain a copy, visit <https://arcc.sdcounty.ca.gov>.

Inventory of Parcels and Assessed Valuations  
Fiscal Year 2019-2020

Real Property	Total Taxable Parcels	Assessed Valuations
Residential	933,160	\$ 422,318,997,108
Industrial	11,257	30,243,290,492
Commercial	27,071	83,547,469,777
Irrigated Farm	3,183	1,252,869,462
Rural Land (Non-irrigated)	8,507	1,578,566,607
Institutional	2,216	9,944,114,647
Recreational	15,151	3,094,352,960
Miscellaneous	484	37,478,760
Total Taxable Parcels	1,001,029	\$ 552,017,139,813

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

Sources: County of San Diego Property Valuations, Tax Rates, Useful Information for Taxpayers Fiscal Year Ending June 30, 2020, Table 23.

## Key Terms

**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.

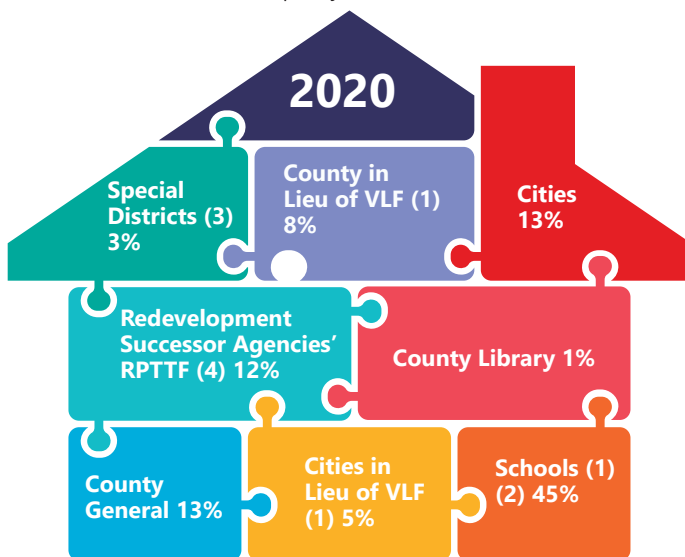
**Assessed Value:** One hundred percent of full value for the 1981/82 fiscal year and the following fiscal years. Prior to fiscal year 1981/82, the assessed value was 25% of the full value.

**Assessor's Maps:** The foundation of the assessor's record system and 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.

## Property Tax Collection Allocation

The County collected \$5.59 billion of the 1% property tax (including Unitary tax) as of June 30, 2020. This chart shows the Fiscal Year 2020 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. The collection allocated to Educational Revenue Augmentation Fund (ERAF) was used to pay the in lieu of vehicle license fee (VLF) to County and Cities.
3. Includes districts under the Board of Supervisors.
4. The redevelopment agencies were dissolved in Fiscal Year 2011-12 (ABx1 26). Their share of property taxes were deposited to the redevelopment successor agencies' Redevelopment Property Tax Trust Fund (RPTTF) and these funds were allocated to Redevelopment Successor Agencies, County, Schools, Cities, Special Districts and the State Controller offices as provided by Health and Safety Code, Division 24, Part 1.85.

Sources: 2020 CAFR Statistical Table 8; Details of the Property Tax Collection Allocation were provided by the County Auditor and Controller's Property Tax Services Division.





## ACHIEVEMENTS OF NOTE

### By the Numbers


Assessor/Recorder/County Clerk: Qualified 90.0% more (or 5,002 more) disabled veterans and surviving spouses for the Disabled Veterans Exemption (DVET). The DVET provides a property tax break saving the qualified veteran or their surviving spouse an average of over \$1,400 a year in property taxes.

Sheriff: Enhanced De-escalation training and provided the training to over 2,000 deputies in order to better respond to and manage critical incidents in an effort towards achieving positive outcomes in crises. De-escalation is a combination of tactical communication with a balanced use of force response to critical situations in order to achieve positive outcomes.

Health and Human Services Agency: Processed 96% (208,565 of 217,774) of CalFresh applications timely, within 30 days, and helped eligible families and individuals buy food and improve their nutrition.

County Library: Partnered with Jewish Family Service (JFS) and U.S. Citizenship and Immigration Services to teach citizenship classes using the JFS curriculum in twice-a-week sessions for 10-week periods to provide quality preparation for future U.S. citizens. Offered 145 members of the community citizenship classes.

### Serving the Public




District Attorney: Implemented the San Diego County Elder and Dependent Adult Abuse Blueprint protocols which included collaboration with leaders of local financial institutions to create an awareness campaign and tools to assist banking staff and the public in identifying the signs of elder financial abuse.

Treasurer-Tax Collector: Implemented e-lockbox services through the County's new bank to receive a single Automated Clearing House (ACH) daily deposit for multiple property tax payments made online through taxpayers' banks, which streamlines the process for posting receivables and makes the revenue more readily available to support County programs and residents.

Planning & Development Services: Adopted amendments to the Zoning Ordinance in February of 2020 to allow for Agricultural Tourism Community Events and amendments to the County Code to implement Urban Agriculture Incentive Zones.

Health and Human Services Agency: Continued the implementation of the Age Well San Diego Plan with community partners, which provide a focus on dementia awareness and increasing accessible/affordable transportation, housing, health/community supports, opportunities for social participation for people of all ages and abilities.

### Operational Excellence



County Communications Office: Won nine Government Programming Awards including second place in overall excellence for County News Center at the National Association of Telecommunications Officers and Advisors (NATOA). NATOA awards recognize excellence in broadcast, cable, multimedia and electronic programming produced by local government agencies.

Environmental Health: Received the California Conference of Directors of Environmental Health award for Excellence in Environmental Health for their response to the Hepatitis A outbreak - for the creation of guidance documents on disinfection in food facilities and the ongoing positive public health impact from their continued education and guidance to other counties and states that are still managing Hepatitis A outbreaks in their jurisdictions.

Probation Department: Received a National Association of Counties award for its Resilience Community Mentoring Program. This program was developed to mentor justice-involved youth and young adults to assist in their rehabilitation and in reducing recidivism.

Health and Human Services Agency: North Region's Child Welfare Services recognized as the 2019 Client Advocate of the Year by North County Lifeline at its Community Impact Awards. Each year, North County Lifeline honors three outstanding community partners who have worked with their organization to make extraordinary contributions to improve North County youth and families' lives. The award is given to an individual or organization who has been a voice for North County youth and families in the community, has made North County Lifeline's mission their personal motto and whose efforts reflect North County Lifeline's vision and values.




Note: Other Awards and Recognitions are listed in the 2020 CAFR Letter of Transmittal and Adopted Operational Plan Fiscal Years 2020-21 & 2021-22.

## T3 STRATEGY



Coronaviruses are a large family of viruses that affect humans and animals. They include those that cause the common cold. A new, or novel, coronavirus was identified in Wuhan, China in December 2019. The disease it causes has been named COVID-19. Early infections in Wuhan, China were linked to an animal market. Now the virus is spreading from person to person. Someone who is actively sick with COVID-19 can spread the illness to others. Scientists think the main way COVID-19 spread is through close person-to-person contact (being within 6 feet of someone infected with the virus for 15 minutes or more cumulatively over a 24-hour period).

In order to effectively control the spread of the disease and associated morbidity and mortality, symptomatic and asymptomatic cases need to be quickly diagnosed and isolated, contacts identified, and quarantined, and supportive treatment provided. The County launched a Test, Trace, and Treat (T3) Strategy on April 28, 2020 as a population health-based strategy using a collaborative effort to achieve collective impact in protecting the public against COVID-19. The T3 Strategy, though initiated by the County of San Diego, relies on the healthcare provider community and other stakeholders to be maximally effective.

 <b>TEST</b>	 <b>TRACE</b>	 <b>TREAT</b>
<p>COVID-19 tests are used to evaluate your status for an active COVID-19 infection and help public health agencies control the virus' spread. Testing also helps identify specific areas and groups with higher rates of infection. Understanding these patterns is important for deploying resources to better protect the public's health and continue safely reopening the County.</p> <p>To assess and increase testing capabilities, the County has organized a Laboratory Testing Task Force of local hospitals, relevant clinics and commercial laboratory systems.</p>	<p>Disease investigation is critical in ensuring those who have tested positive for the disease immediately isolate. Contact tracing allows those who have been exposed to a person with lab confirmed COVID-19 disease to be identified and quarantined to prevent spread of the disease.</p> <p>"We continue to expand our team of contact tracers... These are our disease detectives and a critical component of our T3 strategy." (HHS Director Nick Macchione)</p>	<p>Treat refers to providing assistance with safe isolation/quarantine and individualized services. The County operates the Temporary Lodging program which provides safe housing options for those needing to quarantine or isolate. The Nurse Isolation Helpline connects individuals who test positive with resources such as basic needs or one-time financial support for those who lack access to unemployment or sick day benefits. In addition, the County partners with the San Diego Blood Bank to encourage donations of convalescent plasma.</p>

## Photo Credits

**Source:** Shutterstock.com **Cover page:** The Lily Pond Balboa Park San Diego California USA (exclusive at shutterstock)/LouLouPhotos; Beach in San Diego/ Andrew Zarivny; Torrey Pines Beach (Southern California, USA)/ Marina Ivanova; Red Butte is in the Torrey Pines State Reserve in San Diego/Gloria V Moeller; Sunset by Coronado bridge/Jennifer G. Lang; Iron Mountain in Poway, California, the second highest peak in the city, with the Iron Mountain Trail being the longest wilderness trail in the city/ Sherry V Smith; Small squirrel looking with curious near the ocean in the bright summer day in san diego, california/Ong.thanaong; Apple tree against sky in Julian, San Diego County/Manuela Durson. **Page 2:** Blooming Desert,Anza-Borrego, California, USA/ Bildagentur Zoonar GmbH; La Jolla Cliffs Sunset near UCSD, San Diego, CA/ Steven W Moore; Mission Trails Regional Park in San Diego, CA/ Jim Shelton. **Page 3:** Closeup of Green Cactus, San Diego, California/J.Patton; Cave and cliffs along the Pacific Ocean at Sunset Cliffs Natural Park in Point Loma, California/Jon Bilous; SAN DIEGO, CALIFORNIA - OCTOBER 1, 2019: The guardian of water statue in front of San Diego County Clerk's Office/ FrimuFilms. **Page 4:** Downtown San Diego City View from Coronado Island, San Diego Southern California, USA/ Dancetrokes; Desert Flowers Blooming after Spring Rainfall on Great Hiking Trail around Inland Lake Poway in East San Diego County, CA, U.S./Autumn Sky Photography. **Page 5:** Torrey Pines Beach (Southern California, USA)/Marina Ivanova; Paragliders/ Sebastian Burel. **Page 6:** Breathtaking Sunset over the cliffs, San Diego, California/Daniel Avram; The Lily Pond Balboa Park San

Diego California USA (exclusive at shutterstock)/ LouLouPhotos; San Diego California Coast Line and Seagulls, Scripps Pier La Jolla Shores in San Diego, California USA/ Dancetrokes. **Page 7:** Hang glider in the sky near the ocean coast at La Jolla, California/ Michael Vi; San Diego Pier On the Ocean/C Woods Photography; Slot Canyons at Anza Borrego Desert near San Diego, California, USA/ Jimmy W. **Page 8:** La Jolla beach, San Diego/achinham; Small white boat is docked at the small pier in Lake San Marcos, San Diego north county/EdtheVideo. **Page 9:** Panoramic Landscape Scenic View of Beautiful Lake Hodges in San Diego County from Summit of Bernardo Mountain in Poway California/Autumn Sky Photography; Summer in Coronado San Diego. South and North Bay, San Diego, California, United States/Virrage Images. **Page 10:** Famous Coronado Bridge in San Diego, California/aceshot; Boy looks in wonder at the golden cliffs of california's coastline/ Howard Sandler; Kites flying in North Embarcadero Marina Park, San Diego/Casey K. Bishop. **Page 11:** San Diego convention center as seen from the Embarcadero South/Sherry V Smith; Downtown San Diego/Erin Hunt; View of the city San Diego at sunset with city streets/Lucky-photographer. **Page 12:** With cliffs towering over him, a surfer pulls out of a wave in San Diego, California/Brandon Means; Torrey Pines State Reserve; San Diego, California/Lowe Llaguno; Wildflower blooming in Anza Borrego Desert State Park, California/sumikophoto. **Page 13:** Pelican on the pier in Oceanside, San Diego County, California/Jon Bilous; Dana Point, San Diego, California. View over the harbor/Daniel Avram. **Page 14:** SAN

DIEGO-DEC 6, 2018: Road to the harbor at Downtown, San Diego/ Boyce; Architecture in Balboa Park, (Spreckels Organ Pavilion), San Diego, California, USA/Art Boardman; Building and palm trees at Balboa Park, in San Diego, California/Jon Bilous. **Page 15:** Sunset at Seaport Village, San Diego, California/Mark A Joseph; The Geisel library at the University of California San Diego, La Jolla, California, 07/17/2017/Ryan Kelehar. **Page 16:** Bird Rock and cliffs at Sunset Cliffs in San Diego, California/Sherry V Smith; Dirt Path and Tree Sunset on Fiesta Island, Mission Bay San Diego, California USA, Tourism San Diego California/Dancetrokes. **Page 17:** Palm Trees at Coronado Island in San Diego, California/Ritu Manoj Jethani; Desert wildflowers in full bloom along the Pacific Crest Trail in California's Anza-Borrego Desert State Park, USA/Patrick Poendl. **Page 18:** Sweeping view of the rugged California coastline and ocean beaches/Chad McDermott; Surfer walking on the beach at sunset in San Diego CA/manny5d. **Page 19:** A balance of perfect weather and beautifully curving roads makes the hills of North County San Diego a skater's paradise/J.P Edge; San Diego California Coast Line and Seagulls, Scripps Pier La Jolla Shores in San Diego, California USA/Dancetrokes. **Back Cover:** Sunset by Coronado bridge/Jennifer G. Lang; Iron Mountain in Poway, California, the second highest peak in the city, with the Iron Mountain Trail being the longest wilderness trail in the city/Sherry V Smith; Small squirrel looking with curious near the ocean in the bright summer day in san diego, california/Ong.thanaong.



# County of San Diego

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