

## County of San Diego, California

Annual Comprehensive Financial Report For the fiscal year ended June 30, 2022

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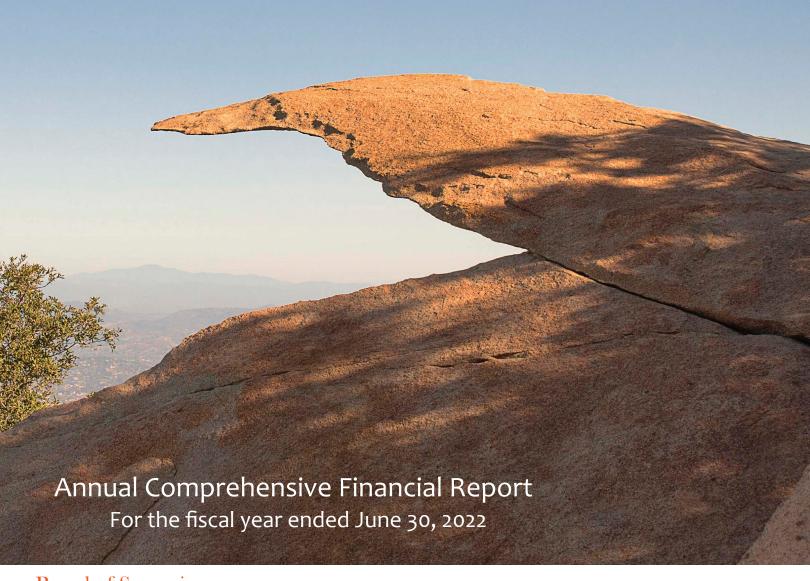
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### County of San Diego, California



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Terra Lawson-Remer - District 3

Nathan Fletcher - District 4

Jim Desmond - District 5

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

Ebony N. Shelton Deputy CAO/ Chief Financial Officer Compiled under the direction of:

Tracy Drager Auditor & Controller

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# Introductory Section



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November 18, 2022

To the honorable members of the Board of Supervisors and the Citizens of San Diego County:

The Annual Comprehensive Financial Report of the County of San Diego (County) for the fiscal year ended June 30, 2022, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework it established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Macias Gini & O'Connell LLP, has issued an unmodified ("clean") opinion on the County of San Diego's basic financial statements for the year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **County Profile**

San Diego County covers 4,261 square miles, approximately the size of the state of Connecticut, extending 70 miles along the Pacific Coast from Mexico to Orange County and inland 75 miles to Imperial County along the international border shared with Mexico. Riverside and Orange counties form the northern border. It is the most southwestern county in the contiguous 48 states.

San Diego County enjoys a wide variety of climate and terrain, from coastal plains and fertile inland valleys to mountain ranges and the Anza-Borrego Desert. The Cleveland National Forest occupies much of the interior portion of the County. The climate is mild in the coastal and valley regions, where most resources and population are located. The average annual rainfall is less than 12 inches for the coastal regions.

According to the State of California Department of Finance (DOF) as of May 2021, the County's population estimate for January 1, 2021 was 3.32 million, which declined 0.5 percent or roughly 16,000 from the January 1, 2020 estimate. San Diego is the second largest county by population in California according to the DOF, and the fifth largest county by population in the nation, as measured by the U.S. Census Bureau based on 2020 population estimates. There are 18

incorporated cities in the County; the City of San Diego being the largest, with a population of approximately 1.41 million; and the City of Del Mar the smallest, at approximately 4,258 people, according to DOF population estimates as of May 2021.

The racial and ethnic composition of the County is as diverse as its geography. The San Diego Association of Governments (SANDAG) projects that in 2035, the San Diego region's population will continue to grow in its diversity with: 37.9 percent White; 36.0 percent Hispanic; 16.5 percent Asian and Pacific Islander; 4.7 percent African American; and 4.9 percent all other groups including American Indian. A significant growth in the region's Asian and Pacific Islander population and a decline in the region's White population is seen in this projection.

### **County Government, Economy and Outlook County Government**

San Diego became one of California's original 27 counties on February 18, 1850, shortly after California became the 31st State in the Union. The County functions under a charter adopted in 1933, as subsequently amended. A five-member Board of Supervisors elected to four-year terms in district, nonpartisan elections governs the County. Each board member is limited to no more than two terms and must reside in the district from which he or she is elected.

The Board of Supervisors sets priorities and approves the County's two-year budget. The County may exercise its powers only through the Board of Supervisors or through agents and officers acting under the authority of the Board or authority conferred by law. 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 nonelected officers are appointed by the CAO. The CAO assists the Board of Supervisors in coordinating the functions and operations of the County; is responsible for carrying out all of the Board's policy decisions that pertain to the functions assigned to that officer; and supervises the expenditures of all departments. Elected officials head the offices of the Assessor/Recorder/County Clerk, District Attorney,

Sheriff and Treasurer-Tax Collector.

The State Legislature has granted each county the power necessary to provide for the health and well-being of its residents. The County provides a full range of public services to residents, including law enforcement, detention and correction, emergency response services, health and human services, parks and recreation, libraries and roads. The County also serves as a delivery channel for many State services, including foster care, public health care and elections.

These services are provided by four business Groups (Public Safety, the Health and Human Services Agency, Land Use and Environment, and Finance and General Government), each headed by a General Manager who reports to the CAO.

### **Economy and Outlook**

### U.S. Economy

Gross domestic product (GDP) is one of the main indicators of the health of the nation's economy, representing the net total dollar value of all goods and services produced in the U.S. over a given time period. GDP growth is driven by a variety of economic sectors, including personal consumption expenditures, gross private domestic investment, net exports of goods and services and government consumption expenditures and gross investment.

According to the U.S. Department of Commerce Bureau of Economic Analysis (BEA), real GDP increased 5.7 percent (from the 2020 annual level to the 2021 annual level) in contrast to a decrease of 3.4 percent seen in 2020 (Bureau of Economic Analysis [BEA]. Gross Domestic Product, Fourth Quarter and Year 2021(Second Estimate). February 2022). The increase reflected increases in all major components: consumer spending, business investment, exports, housing investment, and inventory investment. Imports increased (ibid).

The national economy was significantly impacted by the response to the global COVID-19 pandemic and the significant increase in GDP reflected the continued economic recovery from the sharp decline in 2020. According to the BEA, "Real GDP increased 7.0 percent at an annual rate (1.7 percent at a quarterly rate) in the fourth quarter of 2021, following an increase of 2.3 percent at an annual rate (0.6 percent at a quarterly

rate) in the third quarter. In the fourth quarter, COVID-19 cases resulted in continued restrictions and disruptions in the operations of establishments in some parts of the country. Government assistance payments in the form of forgivable loans to businesses, grants to state and local governments, and social benefits to households all decreased as provisions of several federal programs expired or tapered off" (ibid).

Commenting on the economic recovery of the COVID-19 pandemic, the UCLA Anderson March Economic Outlook stated that the 5.7 percent increase in 2021 is the fastest economic growth since the 1980s and predicts a slowdown in the following years (UCLA Anderson Forecast. March 2022 Economic Outlook). As the US economic growth slows down, the level of GDP is expected to remain below the historic 2.2 percent trend rate of growth in these later years. The UCLA forecast stated that the US economy will grow 2.8 percent in 2022, 2.0 percent in 2023, and 1.9 percent in 2024, and expects the GDP growth to pick back up to trend rates by the end of 2024 (UCLA Anderson Forecast. June 2022 Economic Outlook).

According to the Federal Open Market Committee indicators of economic employment have continued to strengthen. Job gains have been strong in recent months, and the unemployment rate has declined substantially. Inflation remains elevated, reflecting supply and demand imbalances related to the pandemic, higher energy prices, and broader price pressures. The current geopolitical conflict is causing tremendous human and economic hardship. The implications for the U.S. economy are highly uncertain, but in the near term the related events are likely to create additional upward pressure on inflation and weigh on economic activity (Federal Reserve System FOMC Press Conference, March 16, 2022). In light of these developments, the Committee decided to raise the target range for the federal funds rate at 1/4 to 1/2 percent in March 2022 and continuously increased to 2-1/2 percent in July 2022 as inflation remains elevated and geopolitical events continue to create additional upward pressure on inflation. FOMC anticipates that ongoing increases in the target range will be appropriate (Federal Reserve System Press Conference, March 16, 2022 and July 27, 2022).

Economists see a growing risk of recession as the relentlessly strong U.S. economy whips up inflation bringing the heavy-handed response from the Federal Reserve (Fed). The looming risk of a downturn alongside alarmingly high inflation, which hit 7.9 percent in February, captures the Fed's balancing act: It is attempting to cool the economy enough to bring down inflation, but not so much that it spurs a pullback in spending and rising unemployment (The Wall Street Journal, Recession Risk is Rising, Economists Say, April 10, 2022). According to the Bureau of Labor Statistics, the Consumer Price Index (CPI) rose to 9.1 percent for the year ended in June before seasonal adjustment, the largest 12-month increase since the period ending November 1981 (Bureau of Labor Statistics CPI Summary, July 13, 2022). The increase was broad-based, with the indexes for gasoline, shelter, and food being the largest contributors. The energy index rose 7.5 percent over the month and contributed nearly half of all items increase, with the gasoline index rising 11.2 percent (ibid). UCLA forecast does not see consumer price increases easing any time soon and for inflation to remain high for the next two years. UCLA also expects the Fed to raise interest rates at every one of its meetings during the rest of the year and will be able to bring core inflation down to its 2 percent target until after 2024, even with the extent of monetary policy tightening expected this year and into 2023. (UCLA Anderson Forecast. June 2022 Economic Outlook).

Current U.S. gasoline prices reflect high crude oil prices brought on by geopolitical risks. U.S. gasoline inventories ended March 2.6 percent below the previous five-year average (2017-2021). The U.S. Energy Information Administration (EIA) expect refinery utilization to continue increasing and remain elevated through the summer as long as crack spreads remain high, which will contribute to gasoline inventories rising above the five-year average by June (U.S Energy Information Administration, Summer Fuels Outlook April 2022). Increased global consumption of liquid fuels during the first half of 2022, combined with constraints on global refining capacity and rising crude oil prices, puts upward pressure on prices for petroleum products. The average U.S. retail price for regular-grade motor gasoline in first half of 2022 was

\$4.11 per gallon (gal), an increase of \$1.33/gal from the first half of 2021. Retail diesel prices in first half of 2022 averaged \$4.91/ gal, an increase of \$1.85/gal from the first half of 2021 (U.S. Energy Information Administration, Short-Term Energy Outlook, July 2022).

As for unemployment, the national rate had dropped to 5.3 percent, a decrease of 2.8 percent from the increase in 2020 due to the COVID-19 pandemic. According to the Bureau of Labor Statistics (BLS), from January 2021 to January 2022, unemployment rates decreased in 49 states and the District of Columbia, and were essentially unchanged in 1 state. (Bureau of Labor Statistics, U.S. Department of Labor, The Economics Daily, Unemployment rates lower in 49 states and D.C. from January 2021 to January 2022). To kickoff 2022, the January unemployment rate was 4.4 percent, a year over year decrease of 2.4 percent (ibid). In June, the unemployment rate dropped to 3.8 percent similar to the rates prior to the pandemic (U.S. Bureau of Labor Statistics Local Area Unemployment Statistics, July 22, 2022).

In the February 2022 monthly update of Housing Market Indicators, the U.S. Department of Housing and Urban development (HUD) stated that the housing markets was mixed overall. From a year over year basis, price increases remain high with annual gains ranging from 18 to 19 percent, purchases of new homes declined 19.3 percent from a year ago, and January sales of existing homes rose 6.7 percent, the highest since last January, but 2.3 percent below a year earlier (U.S. Department of Housing and Urban Development. Housing Market Indicators Monthly Update. February 2022). The US experienced a decade of underbuilding coinciding with a demographic wave of Millennials who are aging into their prime earning and home buying. This collision of demographically high demand with a decade of underbuilding promises to keep home prices high even as mortgage interest rates rise, demand cools, and supply rebounds (UCLA Anderson Forecast. June 2022 Economic Forecast). UCLA expect home prices to continue increasing but at a more measured rate compared to the past two years and slightly below the rate of home price appreciation of the past decade. UCLA also expects housing completions to increase throughout 2022 as supply constraints for home builders begin to ease (ibid).

According to the Mortgage Bankers Association (MBA), rates on 30-year conforming mortgages jumped 23 points for the week ending March 18, the largest weekly increase since March 2020. Mortgage rates are currently at 4.5 percent compared to recent rates at or below 3.5 percent, and the MBA's March 2022 forecast expects mortgage rates to continue to trend higher through the course of 2022 (Mortgage Applications Decrease in Latest MBA Weekly Survey, March 23, 2022). Something to be cautious of during this buying and selling frenzy is the number of homes in forbearance (pause or reduction in payments). The Housing Market Indicators reflect that only 0.25 percent of borrowers were in forbearance programs before the pandemic, but as of January 2022 1.3 percent or approximately 0.6 million homeowners were in forbearance programs, down from 5.35 percent one year ago (ibid). MBA predicts a 30-year fixed rate mortgage interest rate of 5.2 percent in the third and fourth quarters of 2022, and a 5.0 percent in the first and second quarters of 2023 (MBA Mortgage Finance Forecast, July 18, 2022).

Looking forward, the Federal Reserve Board has forecasted the following: the projected Unemployment rate at 3.7% in 2022, 3.9% in 2023, and 4.1% in 2024, and the personal consumption expenditures (PCE) inflation rate at 4.3% in 2022, 2.7% in 2023 and 2.3% in 2024 (Federal Reserve System. Summary of Economic Projections, June 15, 2022).

While production and employment has essentially recovered from the pandemic, the inflation coupled with the current geopolitical conflict poses substantial risks to the recovery (UCLA Anderson Forecast. March 2022 Economic Outlook).

### California Economy

California's economy is large and diverse, with global leadership in innovation-based industries including information technology, aerospace, entertainment and biosciences. A global destination for millions of visitors, California supports a robust tourism industry (pre-COVID-19), and its farmers and ranchers provide for the world. California accounts for more than 14 percent of the nation's GDP which is, by far, the largest of any State according to the BEA (Gross Domestic Product by State, 3rd Quarter 2021, December 23, 2021, accessed on March 27, 2022). California has been

severely negatively impacted by the COVID-19 pandemic. pandemic-induced The downturn negatively impacted California's economic performance significantly in 2020. By the end of 2021, the golden state recorded well over 5 million total Coronavirus cases, the state with the second highest number of cases (Los Angeles Economic Development Corporation. LAEDC 2022 Economic Forecast. February 2022). Amidst this turmoil, California's economy has, in many areas, fully recovered from the sudden and dramatic fallout of the pandemic, and some parts of the economy have even exceeded their pre-pandemic trend (The Beacon Outlook California, Spring 2022).

In 2021, California's economy was forecast to grow at 3.0 percent (Los Angeles Economic Development Corporation (LAEDC). LAEDC 2021 Economic Forecast. February 2021), however the state moved through the recovery process and is expected to have grown by 6.7 percent in 2021, and is projected to continue growing, albeit at progressively lower rates of 4.2 percent in 2022 and 2.7 percent in 2023 (Los Angeles Economic Development Corporation. LAEDC 2022 Economic Forecast. February 2022). California state revenues are currently at an all-time high due in large part to significant growth in tax receipts during the pandemic (ibid). Several sectors are showing growth in 2021 with technology as its primary driver. Technology, logistics and construction are expected to continue California's economy with faster growth than the U.S. with defense buildup and infrastructure strengthening California's growth in the out years (UCLA Anderson Forecast. March 2022 Economic Outlook). While California has significantly recovered from the pandemic-induced significant downturn, challenges remain. pandemic is still negatively affecting the state's economy, particularly in industries that rely on high degrees of in-person interaction (Los Angeles Economic Development Corporation. LAEDC 2022 Economic Forecast. February 2022). According to UCLA Anderson, major coastal cities will delay recovery in hospitality and retail due to two reasons. First, international arrivals are at 60 to 70 percent below prepandemic level and therefore tourism recovery depends highly on domestic travel, most especially cities close to international airports. Second, the workfrom-home environment for many industries. If those

workers are not in the office, then restaurants and other businesses dependent on employees' gathering in central locations will recover more slowly (UCLA Anderson Forecast. March 2022 Economic Outlook).

As for unemployment, the labor market made an impressive recovery in 2021 with the year being characterized by expansionary fiscal and monetary policy, increasing vaccination numbers, and the lifting of pandemic-related restrictions. However, the unemployment rate of 7.3 percent in 2021 is still higher than the pre-pandemic level of about 4.0 percent in 2019. The leisure and hospitality industry particularly experienced the greatest job losses between 2019 and 2020. In 2021, leisure and hospitality gained more jobs than any other industry, but the total employment figures remain below prepandemic levels (Los Angeles Economic Development Corporation. LAEDC 2022 Economic Forecast. February 2022). As recovery continues, all industries in the state are projected to expand over the next two years with the professional and business services industry expected to add the most jobs out of any in California as it adds back workers lost to the pandemic; leisure and hospitality falling behind second as people return to pre-pandemic activity in term of tourism and entertainment; and trade, transportation, and utilities rounding out the third top contributor to future employment growth as investment in infrastructure starts to come online (ibid). In June 2022, the unemployment rate in California dropped to 4.0 percent, slightly higher than the national rate of 3.8 percent (U.S. Bureau of Labor Statistics Local Area Unemployment Statistics, July 22, 2022).

Today, the challenges facing California's economy are very much the same as they were prior to the pandemic. In fact, the pandemic has acted as an accelerant to these long-standing issues. Housing scarcity has pushed median home prices in the state above \$650,000, double the national figure, and the contraction of California's labor force during the pandemic has exacerbated ongoing labor shortages (The Beacon Outlook California, Spring 2022). Labor availability issues remain with little relief through December 2021. In California, many employment sectors have fully recovered or are close to complete recovery. But the labor force has not. California is still

400,000 potential workers short of the labor force peak that prevailed just before the pandemic hit (California Economic Forecast. Are We Getting Back to Normal Yet? February 1, 2022).

California's housing market continued to see considerable strength in 2021, with median home prices growing 20 percent over the year, fueled by healthy consumers, low inventory, and low mortgage rates (ibid). The average median California home listing increased 11 percent from \$650,748 in 2020 to \$721,996 in 2021. California's median home listing hit an all-time high of around \$750,000 from March to June 2021 before falling to about \$685,000 in December 2021 (Los Angeles Economic Development Corporation. LAEDC 2022 Economic Forecast. February 2022). In the first quarter of 2022, house prices in California averaged \$685,000, an increase of 13 percent on a year-over-year basis. (The Beacon Outlook California, Summer 2022). Consequently, the high prices for homes moves construction along with increased building of residential properties. This is aided by three senate bills which makes it easier to build homes in California (UCLA Anderson Forecast. March 2022 Economic Outlook). UCLA estimates an additional 123,000 new units in 2022 and housing growth up to 151,000 units in 2024, but the UCLA forecast adds, "will it make a difference in housing affordability? No, not really. But it is still a contributor to more housing stock in California and to more construction employment" (ibid).

California faces distinct challenges regarding housing affordability and accessibility that have only been aggravated by the pandemic. This combination encouraged a record-setting number of California residents to seek alternative, more affordable places to live during the pandemic (Los Angeles Economic Development Corporation. LAEDC 2022 Economic Forecast. February 2022). In rental markets, coastal California has increased by approximately 3 percent since the first quarter of 2021. Over the same period, apartment rents in inland communities have surged by 16 percent. This is likely driven by the ability of workers to work remotely during the pandemic and therefore move to more affordable markets (The Beacon Outlook California, Spring 2022).

Consumer spending remained strong in 2021,

encouraged by multiple rounds of Federal and California stimulus checks, the American Rescue Plan Act Child Tax monthly credits, and other supplemental aids due to the pandemic, causing a significant recovery in taxable sales (SANDAG Regional Economic Update; April 14, 2022). Although consumer spending has returned to pre-pandemic level, data shows a shift in where consumers are spending their money. From the Fourth Quarter of 2019 through the Third Quarter of 2021, consumers spent about 30 percent more in durable goods and over 15 percent more on spending nondurable goods, while transportation and recreation services (ibid). As for sales tax, HDL Companies estimates a statewide sales tax of \$2.30 billion in the Fourth Quarter of 2021 and a year over year increase of 14.9 percent (HDL Companies Local Tax Revenues: Recent Effects, Future Trends. February 2022). HDL expects a slower growth of sales tax in Fiscal Year 2022-23, but above the Fiscal Year 2018-19 pre-pandemic levels, forecasting a year over year increase of 3.8 percent and 4.2 percent in the Third and Fourth Quarters of 2022, and a 3.4 percent and 2.9 percent year over year increase in the First and Second quarter of 2023 (ibid).

Overall, 2022 should represent a continued return to normalcy along many social and economic dimensions in California, from housing to labor markets to business and consumer behavior (ibid).

### San Diego Economy

As of 2021, the San Diego region is home to more than 3.3 million residents, the second largest county in California and fifth largest in the nation in terms of population according to the U.S. Census Bureau (U.S. Census Bureau. County Population Totals: 2010-2021, accessed on March 20, 2022). In 2020, San Diego County accounted for more than \$207.7 billion, or 7.8 percent of California's GDP, based on data from the BEA (Bureau of Economic Analysis. Real Gross Domestic Product by County, accessed on March 30, 2022) and 8.4 percent of the State's population, based on U.S. Census Bureau data (ibid).

The San Diego region includes the largest concentration of U.S. military in the world, making the military presence an important driver of the region's economy. In addition, San Diego is a thriving hub for the life sciences/biomedical and technology-oriented

industries, and in non-pandemic years San Diego is a popular travel destination. The region's quality of life attracts a well-educated, talented workforce and well-off retirees which have contributed to local consumer spending.

In January 2022, the San Diego Business Journal hosted its annual economic forecast and several of the panelists are optimistic for the local outlook. Keynote speaker Michael Pugliese, VP and economist at Wells Fargo, said the Omicron surge disrupted the normalization process that had begun after the vaccine became widely available in 2021. Yet his overall outlook for 2022 was cautiously optimistic, colored in part by the fact that the Omicron surge appeared to be waning in late January (San Diego Business Journal. Outlook Cautiously Upbeat at SDBJ's 2022 Economic Trends Summit. January 2022). The current challenge for the labor market is that employment growth could be even faster if it were not for limits on labor supply. Mark Cafferty, President & CEO of the San Diego Regional Economic Development Corporation said, "In this region, middle-income jobs, high income jobs rebounded quickly, but our low-income jobs, as you can imagine, when you think of the sectors that are usually the lower wage sectors of the economy, the bottom fell out of them quite quickly, especially when we were fully shut down. Anything that was sort of foot traffic retail, foot traffic engagement was just decimated, and the jobs took a lot longer to come back because of the starts and stops that we continued to go through as people were trying to, quote unquote, open the economy" (ibid).

UCLA Anderson Forecast estimates San Diego's GDP at \$256 billion in 2021 and for Southern California's real GDP growth to be 4.2% in 2022 and 2.2% in 2023 (UCLA Anderson Forecast, Pandemic continues to influence consumer behavior, affect economy on national, state and local levels, December 2021). Based on the total spending in the U.S. economy, spending particularly in durable goods in perspective is about seven or eight years' worth of growth in under two compared public transportation, years, to entertainment, healthcare and tourism that remains down. (San Diego Business Journal. Outlook Cautiously Upbeat at SDBJ's 2022 Economic Trends Summit. January 2022) According to the San Diego Tourism

Authority (SDTA), San Diego concluded 2021 with 23.8 million visitors, an increase from 14.3 million in 2020 but still shy 32 percent of the 35.1 million prepandemic visitors in 2019. Total visitation to San Diego is expected to reach 87 percent of 2019 visitation in 2022 with 30.7 million visitors. This is due in part to the resilient jobs recovery and increasing compensation growth bolstering households' excess savings and the residing pent-up demand for travel. (San Diego Tourism Authority, Tourism Economics San Diego Travel Forecast, March 2022).

The COVID-19 pandemic led to changes in consumer behavior. Tracking the consumer activity, Google Mobility, a source of aggregated, anonymous big data that analyzes the movement of a community based on map location, shows retail & recreation, grocery & pharmacy, parks, transit stations and workplaces visits in San Diego below the baseline, while residential continues to be above the baseline (Google COVID-19 Mobility Report. California Mobility Data. March 28, 2022). Even if government restrictions are not as tight as they were 12 months ago, mobility data across San Diego shows people being a little more cautious, spending more time at home either for leisure or from working at home (San Diego Business Journal. Outlook Cautiously Upbeat at SDBJ's 2022 Economic Trends Summit. January 2022).

Despite the decline in consumer activity, the sales tax collection in San Diego has shown a strong growth in 2021, especially in general retail. According to Bobby Young, Director of Client Services at HDL, "Even with inflation, higher interest rates on the rise, and higher gas prices, we are still likely to see somewhat of growth out of sales tax and it has a lot to do with the fact that most of our spending is demand spending, the day-today items that we need to live" (HDL Companies. Sales Tax Trends & Economic Drives California Forecast March 2022). HDL's short-term forecast calls for continued expansion but a deceleration in growth in Fiscal Years 2022-23 and 2023-24 (ibid). With an increase in consumer purchases, more sales tax is collected by the County of San Diego. As of the Second Quarter Status Letter to the Board of Supervisors in mid-March, the County was projected to anticipate additional Sales & Use Tax revenue of \$4.6 million in Fiscal Year 2021-22.

Since the Great Recession, the County's reliance on sales tax revenue has increased. Due to changes in funding and service delivery models by the State, sales tax revenue has become critical to supporting essential program areas in Public Safety, and Health and Human Services through dedicated revenue sources including Proposition 172 and Health and Public Safety Realignment. As of the Second Quarter, the County Proposition 172, Health and Public Safety Realignment, and Sales & Use Taxes revenues are expected to be higher than the Fiscal Year 2021-22 budgeted levels by \$51.4 million. Consumer activity also supports the County's program revenue for Behavioral Health through the Mental Health Services Act and road repair activities through the State Gas Tax. As of the Second Quarter, the County Mental Health Services Act and State Gas Tax program revenues are expected to be higher than the Fiscal Year 2021-22 budgeted levels by \$12.1 million. The San Diego County Taxable Sales by Category shows increasing trends in all categories for 2021.

Pre-COVID-19, the visitor industry was the region's second largest export industry and, employed "199,800 residents in fields directly related to the hospitality industry, including lodging, food service, attractions, and transportation," (San Diego Tourism Authority. San Diego County 2021 Visitor Industry General Facts, accessed on March 31, 2022). Although the same industry is still missing jobs that were lost due to the pandemic, employment under the Leisure and Hospitality industry shows an increase to an annual average of 161,600 in 2021 (U.S. Bureau of Labor Statistics State and Area Employment, San Diego, Leisure and Hospitality Industry. Accessed on March 31, 2022). Declining tourism resulting from COVID-19 impacts the County's revenue from Transient Occupancy Tax (TOT), the County's hotel room tax collected in the unincorporated area. In Fiscal Year 2020-21, this revenue source was projected to realize a shortfall of \$0.6 million, in Fiscal Year 2021-22 TOT revenue was budgeted at a lower amount due to decreased air travel and overall tourism to the region, and as of Second Quarter in Fiscal Year 2021-22 TOT revenue was expected to be \$0.7 million higher than budget but still slightly lower than the Fiscal Year 2018-19 baseline by about \$0.2 million. The hotel industry has rebounded since the lock down from COVID-19 has been lifted.

As for employment, the San Diego labor market has gained jobs with the largest job gain continuing to occur in sectors hit hardest by the pandemic. Within Southern California, the recovery of San Diego's labor Empire lagged the Inland has outperformed the Los Angeles metro. (Beacon Economics Regional Outlook California, San Diego Fall 2021). With more than 40 percent of pre-pandemic jobs yet to be regained, the trajectory of recovery among different industries has varied significantly. While industries such as Leisure and Hospitality and Other Services have seen strong growth in recent months, they still have a long way to go to recover all the jobs lost following April 2020's historic decline (ibid). Given the full reopening, San Diego will continue to add to its payroll as labor markets settle. According to the U.S. Bureau of Labor Statistics, San Diego's preliminary employment is at 1.5 million jobs in January 2022, showing a job recovery of approximately 86 percent of the job loss from the pandemic (U.S. Bureau of Labor Statistics Local Area Unemployment Statistics, accessed March 31, 2022).

Unemployment rose sharply during the start of the pandemic from 3.2 percent in March 2020 to 15.7 percent in April 2020, and significantly declined to 4.1 percent in December 2021 (California Employment Development Department. San Diego-Carlsbad MSA Labor Force Data, accessed on March 31, 2022). By June 2022, the local San Diego unemployment rate was 3.2 percent, slightly lower than the U.S. average of 3.8 percent and lower than the State's rate of 4.0 percent (U.S. Bureau of Labor Statistics Local Area Unemployment Statistics, July 22, 2022). Unemployment constrains consumer spending and associated County revenues, while increasing the County's costs due to demand for the County's essential safety net services that residents rely upon in times of uncertainty and need.

When it came to wages, low earning and middle wage San Diego County workers made more than the State average, however high earners on average made less than the State average in 2020 (California Employment Development Department. Occupational Employment Statistics, accessed on March 30, 2021). According to

the U.S. Census Bureau, the median household income for San Diego County in 2020 was nearly \$82,426 but diminishing factors including inflation and the real estate market can reduce that overall buying power.

Having reopened the economy in 2021, the supply chain disruption and greater consumer demand for goods has caused higher inflation. Prices in the San Diego area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), advanced 2.0 percent for the two months ending in January 2022. Regional Commissioner Chris Rosenlund noted that the January increase was influenced by higher prices for shelter and electricity (Bureau of Labor Statistics. Consumer Price Index, San Diego Area. January 2022). Over the last 12 months, CPI-U rose 8.2 percent, the largest over-the-year increase for San Diego since July 1982. Food prices rose 9.6 percent. Energy prices jumped 39.9 percent, largely the result of an increase in the price of gasoline. The index for all items less food and energy rose 6.0 percent over the year (ibid). The Federal Reserve announced the federal funds rate hike in March 2022. This measure is the first in a series of hikes that the Fed has planned to address inflation. The principal problems weighing heavy on consumers this year are not going to disappear quickly. Moreover, higher interest rates are coming, which will directly impact auto loans, consumer loans, and probably home mortgages. Though Inflation is the target as the Fed prepares to push interest rates higher, its prevalence will remain for much of 2022 before any tightening policies have an impact (California Economic Forecast. Our Economic Well-Being...in view of recent annoyances like Inflation, product shortages, a correcting stock market, and now war. March 7, 2022).

San Diego is one of the least affordable areas in the country. According to the San Diego Regional EDC, the median home price in San Diego came in at \$836,700 in December 2021 (San Diego Regional EDC. Economic Snapshot Q4 2021, accessed on March 31, 2022). Home prices in the San Diego metro area rose 27.1 percent year-over-year in January 2022, the fifth-highest price increase in the nation, according to the S&P Case-Shiller Indices (The San Diego Union-Tribune. After slight slowdown, San Diego home prices shoot up near record highs. March 29, 2022). As of

June 2022, the median home price is at \$987,225 for single family homes and \$638,000 for attached homes (San Diego Regional EDC Indicators Monthly Report, July 2022).

Experts attribute the growth in sales to an uptick in mortgage interest rates, as buyers rushed to lock down their home purchases before rates move higher. (San Diego Association of Realtors. Monthly Indicators. February 2022). Housing inventory was at an all-time low of 860,000 as February 2022 began, down 17 percent from a year ago and equivalent to 1.6 monthly supply (ibid). CoreLogic Deputy Chief Economist Selma Hepp said the increase is unsurprising given low inventory of for-sale homes, in part, driven by potential home sellers who would need to compete for higherpriced homes with larger interest rates if they parted with their property. (The San Diego Union-Tribune. After slight slowdown, San Diego home prices shoot up near record highs. March 29, 2022). Homebuilding in San Diego County in 2021 hit a 15-year high, and the recent surge in building new apartments is expected to continue in 2022. Yet the region still isn't coming close to meeting demand and housing prices keep surging as a result. Ultimately, the best way to stabilize the housing market is new construction (The San Diego Union-Tribune. Fix the California housing crisis with both conventional and unconventional means. March 11, 2022). Looking to construction as an indicator of future activity in the residential real estate market, the San Diego Regional EDC reports that in the fourth quarter of 2021 shows that housing permits decreased by 89 in 2021 compared to 2020 but increased 1,276 compared to 2019, driven by multifamily units (San Diego Regional EDC. Economic Snapshot, accessed on March 31, 2022). At the 2022 State of San Diego County Address in March 2022, Chair Nathan Fletcher said "This year alone we are on pace to issue more than 1,600 building permits for new housing in the unincorporated region of our county. Up almost 50 percent from the year before. We are getting out of the decades of litigation that bogged down progress. We made the tough decision to implement a change in how we approve housing and in doing so green lighted 4,000 units of housing that can be built cheaper. And faster" (The 2022 State of San Diego County Address, March 30, 2022).

Outside of the single-family home sector and pre-COVID-19, according to market rental rate data from Zillow rents in San Diego were higher than the national average but increased at about the same rate (Zillow Research. Zillow Observed Rent Index, accessed on March 31, 2022). At the end of 2021, rental rate went into double digits at 17.2 percent on a year-over-year basis (ibid). In 2022, rents could rise up to 9.1 percent based on the state Assembly Bill (AB 1482) signed into Law in January 2020 starting August 1st. Rent increases are limited to 5 percent plus the change in inflation (CPI-U) or 10 percent whichever is lower, although there are limited exemptions to the law including single-family homes and condominiums (The San Diego Union-Tribune, San Diego rents could rise 9.1 percent. Here's what renters and landlords should know. March 28, 2022)

According to the Assessor/Recorder/County Clerk, foreclosures compared to total deeds recorded averaged 0.3 percent over the three-year period of 2003 through 2005, then rose significantly reaching 16.9 percent in 2008 and has declined to 0.1 percent in 2021. Total deeds recorded in 2021 were 162,000, an increase of 17.1 percent from the previous year. Notices from lenders to property owners that they were in default on their mortgage loans peaked at 38,308 in 2009, and foreclosures reached a high of 19,577 in 2008. In comparison, San Diego County saw 1,103 Notices of Default in 2021, down 17.3 percent from the 2020 level. The percentage of properties with delinquent mortgage loans that went into foreclosure averaged at approximately 11.6 percent from 2003 through 2005. During the Great Recession, this indicator peaked at 57.5 percent in 2008 but since has declined to 15.2 percent in 2021, a decrease of 4.4 percent and overall decrease in terms of the number of foreclosures from 2020.

### **County's Economic Base**

The County's economic stability is based on significant manufacturing presence and innovation clusters (e.g., energy storage, cyber-security, and clean tech), a large tourist industry attracted by the favorable climate of the region, a considerable defense-related presence from federal spending, and a thriving hub of biotech and telecommunications industries. Highlights of seasonally unadjusted County employment as of July

2022 preliminary data from the California Employment Development Department Labor Market Information Division are listed below:

- Non-farm industry employment totals 1.51 million jobs. This represents a gain of nearly 61,800 jobs from July 2021. Agriculture includes 9,700 jobs, or 0.6 percent of all industries in the region.
- Goods-producing industries make up 13.4 percent of non-farm employment or 201,500 jobs. The most significant sectors include manufacturing, which accounted for 7.5 percent of non-farm employment or 113,700 jobs; and construction, which accounted for 5.8 percent of total non-farm employment or 87,500 jobs.
- Private (non-government) services industries constitute the largest share of employment in the region and accounted for 71.7 percent of total non-farm employment, with 1,073,300 employed.
- Of these, professional and business services make up the largest non-government sector, comprising 18.4 percent of total non-farm employment, totaling 278,200 jobs. Other large non-government sectors in the private services industry category include trade, transportation, and utilities (220,900 jobs); educational and health services (218,900 jobs); and leisure and hospitality (203,200 jobs).
- Government accounted for 15.5 percent of total non-farm employment, or 234,000 jobs. San Diego's local governments, including education, contribute significantly to this sector.

County revenues that are affected by the state of the local economy include property taxes, sales taxes, and charges for services. Key factors impacting these revenues include real estate activity and consumer spending which are in turn greatly influenced by interest rates and employment levels. Short- and long-term interest rates are currently higher compared to previous years due to the series of hikes that the Fed has enacted to address inflation.

### **General Management System**

The General Management System (GMS) is the County of San Diego's ("County") foundation that guides operations and service delivery to residents, businesses and visitors. The GMS outlines the County's strategic intent, prioritizes its goals and use of

resources, describes how it monitors progress on performance, ensures collaboration and recognizes accomplishments in a structured, coordinated way. 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 that provides focused, meaningful public services.

The County has reimagined its operational approach to planning and decision making by integrating the General Management System (GMS) with the strategic framework adopted by the Board of Supervisors. It takes the GMS in a direction that is reflective of today's communities while preserving the core management principles of strategic planning, operational accountability, enterprise-wide collaboration, and employee connection.

At the core of the reimagined GMS is Community Engagement, based on the principle that all that we do should be for, and created in partnership with, the people we serve. The outer ring is included to reflect the core values of everything we do: integrity, equity, access, belonging and excellence. A just, sustainable, and resilient future for all.

These five GMS components form an annual cycle that is renewed each fiscal year with review of the Strategic Plan and development of a new Operational Plan. More information about the GMS and the Strategic Plan is available online at: https://www.sandiegocounty.gov/cao/.

### **Context for Strategic and Operational Planning**

To be effective, the goals that the County sets and the resources that are allocated must be consistent with the purpose of the organization. The context for all strategic and operational planning is provided by the County's vision; a vision that can only be realized through strong regional partnerships with the community, stakeholders and employees.

### Vision:

A just, sustainable, and resilient future for all

### **Mission:**

Strengthen our communities with innovative, inclusive, and data-driven services through a skilled and supported workforce

### Values:

The County recognizes that "The noblest motive is the public good." As such, there is an ethical obligation for employees to uphold basic standards as we conduct operations. The County is dedicated to:

- Integrity Earn the public's trust through honest and fair behavior, exhibiting the courage to do the right thing for the right reason, and dedicating ourselves to the highest ethical conduct
- Equity Apply an equity lens to appropriately design programs and services so that underserved communities have equitable opportunities. Using data driven metrics, lived experiences and the voices of our community we weave equity through all policies and programs
- Excellence Ensure exceptional service delivery to our customers by practicing fiscal prudence, encouraging innovation and leveraging best practices that promote continuous improvement to build strong, vibrant communities
- Sustainability Secure the future of our region, by placing sustainability at the forefront of our operations deeply embedded into our culture. Dedicate ourselves to meeting our residents' current resource needs without compromising our ability to meet the needs of generations to come
- Access Build trust with the residents we serve through transparent communication and neighborhood engagement that is accessible in the languages, facilities and methods that meet their needs
- Belonging Foster a sense of belonging, not just inclusion, for the people we serve and for the employees of the County who provide those services on a daily basis

### **Strategic and Operational Planning** (Budgetary) **Process**

The County ensures operations are strategically aligned across the organization by developing a five year Strategic Plan that sets forth priorities the County will accomplish with public resources. The Strategic Plan is developed by the Chief Administrative Officer (CAO) and the County Executive Team, based on the policies and initiatives set by the Board of Supervisors, an enterprise review of the issues, risks and

opportunities facing the region and reflects the changing environment, economy and community needs. All County programs support at least one of these four Strategic Initiatives through Audacious Visions, Enterprise-Wide Goals and departmental objectives that make achievement of the initiatives possible. The Strategic Initiatives include the following as updated in Fiscal year 2021-22:

- Equity
- Sustainability
- Community
- Empower
- Justice

The Operational Plan provides the County's detailed financial recommendations for the next two fiscal years. However, pursuant to Government Code §29000 et seq., State law allows the Board of Supervisors to formally adopt only the first year of the Operational Plan as the County's budget. The Board approves the second year of the plan in principle for planning purposes. To demonstrate that resources are allocated to support the County's Strategic Plan, all program objectives in the Operational Plan and department performance measures are aligned with the Strategic Initiatives, Audacious Goals and/or Enterprise-Wide Goals.

State law permits modifications to the adopted budget during the year with approval by the Board of Supervisors, or in certain instances, by the Auditor and Controller.

The Chief Administrative Officer reviews the status of the County's performance against the budget, and requests adjustments as needed, in a quarterly status report to the Board of Supervisors.

### Financial (Budgetary) Policies

California Government Code (GC) Sections 29000 through 29144 provide the statutory requirements pertaining to the form and content of the County's budget. Government Code Section 29009 requires a balanced budget in the recommended, adopted and final budgets, defined as "funding sources shall equal the financing uses."

County Charter Section 703 establishes the Chief Administrative Officer as responsible for all Groups/

Agencies and their departments (except departments with elected officials as department heads), for supervising the expenditures of all departments and for reporting to the Board of Supervisors whether specific expenditures are necessary.

County Code of Administrative Ordinances Article VII establishes the components and timeline for the budget process and establishes the Chief Administrative Officer as responsible for budget estimates and submitting recommendations to the Board of Supervisors. This article also establishes guidelines for the use of fund balance and the maintenance of reserves in order to protect the fiscal health and stability of the County. Expenditures for services are subject to fluctuations in demand and revenues are influenced by changes in the economy and State and federal regulations. This section ensures the County is prepared for unforeseen events by establishing, maintaining and replenishing prudent levels of fund balance and reserves, and by ensuring that all one-time resources generated by the County are appropriated for one-time expenditures only.

On February 14, 2020, the County of San Diego declared a local public health emergency due to COVID-19. In response to the declared emergency and the economic impacts of COVID-19 on County finances, on May 19, 2020 the Board of Supervisors ratified the Chief Administrative Officer's suspension of sections 113.2, 113.5(a), and 113.5(b) of the San Diego County Administrative Code and any other provision of local law pertaining to General Fund balance, reserves, commitments, assignment and management practices until further notice.

Furthermore, on January 12, 2021 (Minute Order No. 11), the Board of Supervisors took action to realign policies that govern County resources. It is anticipated that as a result of this planned framework adjustment that the Administrative Code provisions regarding fund balance will be revised in the near future.

The County has the following policies that serve as guidelines for financial and budgetary processes:

### **Board of Supervisors Policies**

A-81 Procurement of Contract Services: The County may employ an independent contractor if it is determined that the services can be provided more

economically and efficiently by persons employed in the Classified Service.

A-87 Competitive Procurement: The County shall procure items or services on a competitive basis unless it is in the County's best interests not to use the competitive procurement process.

A-136 Use of County of San Diego General Management System for Administration of County Operations: Establishes the General Management System (GMS) as the formal guide for the administration of County departments, programs and services, and ensures that all County departments and offices operate in compliance with the GMS.

B-29 Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery: Provides a methodology and procedure to encourage County departments to recover full cost for services whenever possible.

B-37 Use of the Capital Program Funds: Establishes funding methods, administration and control, and allowable uses of the Capital Program Funds.

B-58 Funding of the Community Enhancement Program: Establishes guidelines and criteria for allocating the appropriations for the Community Enhancement Program.

B-63 Competitive Determination of Optimum Service Delivery Method: Provides that selected departments analyze services, either County-operated or contracted, to determine if the quality, economy and productivity are equal to that of an alternative delivery method, including other government agencies, and to determine how the revenues can be maximized so the highest level or volume of services can be provided.

B-65 Long-Term Obligations and Financial Management Policy: Governs the management and planning for the long-term financial outlook and obligations that bear the County of San Diego's name or name of any related Agency for the County.

B-72 Neighborhood Reinvestment Program: Establishes guidelines and criteria for allocating the appropriations for the Neighborhood Reinvestment Program.

E-14 Expenditure of Tobacco Settlement Revenue in

San Diego County: Establishes that revenue received from the Tobacco Master Settlement Agreement (1998) shall be allocated to support a comprehensive tobacco control strategy, to increase funding for health care-based programs, and to supplement, but not replace, existing health care revenue.

G-16 Capital Facilities and Space Planning: The Department of General Services shall be the responsible agency to manage the capital facilities planning and space needs of the County. On May 19, 2020 (Minute Order No. 19) and December 8, 2020 (Minute Order No. 25), portions of the Board Policy G-16 were revised to reflect the changes to the Capital Improvement Needs Assessment (CINA) Program and update the County's current standards and practices for the Capital Program.

M-13 Legislative Policy: State-Mandated Local Program Costs: Calls on the State and Federal Legislatures to encourage equitable reimbursement of mandated program costs.

### **Administrative Manual**

0030-01 Procedure for Fees, Grants and Revenue Contracts for Services Provided to Agencies or Individuals Outside the County of San Diego Organization: Establishes a procedure within the framework of Board of Supervisors Policy B-29, to serve as guidance in the process of recovering full costs for services provided to agencies or individuals outside the County of San Diego organization under grants or contracts or for which fees may be charged.

0030-06 State Mandated Cost Recovery: Establishes guidelines to attempt full recovery of all Statemandated costs resulting from chaptered legislation and executive orders.

0030-10 Transfers of Appropriations Between Objects within a Budget Unit: Establishes a procedure authorizing the Auditor and Controller, under the direction of the CAO, to transfer appropriations between objects within a budget unit (department).

0030-14 Use of One-Time Revenues: Establishes that one-time revenue will be appropriated only for one-time expenditures such as capital projects or equipment, not for ongoing programs.

0030-18 Establishing Funds and Transfer of Excess

Cash Balances to the General Fund: Establishes the procedure for approval and establishment of funds and a policy to transfer cash balances into the General Fund, as authorized by California Government Code Section 25252.

0030-22 Revenue Management - Auditor and Controller Responsibilities: Establishes the Auditor and Controller as responsible for reviewing and evaluating revenues from all sources in order to maximize these revenues within legal provisions and to institute internal controls and systems to be used by departments to estimate, claim, and collect revenues.

0030-23 Use of the Capital Program Funds (CPFs), Capital Project Development and Budget Procedures: Establishes procedures for developing the scope of capital projects, monitoring the expenditure of funds for capital projects, timely capitalization of assets and closure of capital projects within the CPFs.

### **Strategic Initiatives and Achievements**

Strategic Initiatives provide the framework for the County to set measurable goals. These initiatives are designed to span the entire organization, break down silos, and extend across groups for all departments to see their work contributing to the overall success of the region.

The Strategic Plan is developed by the Chief Administrative Officer (CAO), the Assistant CAO (ACAO), the General Managers and the Strategic Planning Support Team based on the policies and initiatives set by the Board of Supervisors and an enterprise review of the issues, risks and opportunities facing the region and reflects the changing environment, economy and community needs.

In Fiscal Year 2021-22, the County of San Diego underwent a large organizational shift, with the majority of the members of the Board of Supervisors being newly elected. This marked the first time in two decades that all five sitting Supervisors had been in office for their first term. As the County looks toward the future, it was clear now is the time to build upon past successes, identify opportunities for improvement in our current processes, and ensure our operations are aligned with the policy initiatives of the Board of Supervisors. The County began a new strategic planning process in the Summer of 2021, which

included convening a Strategic Planning Team. This process also included reimagining the County's governance documents, including the Vision Statement, Mission Statement, and Values. There are new Strategic Initiatives and Audacious Goals that go along with each to guide the departments in outcomebased goal setting that aligns with the County's Vision.

The five new strategic initiatives are:

### **Equity**

- Health
  - Reduce disparities and disproportionality and ensure access for all through a fully optimized health and social service delivery system and upstream strategies.
  - Focus on policy, systems and environmental approaches that ensure equal opportunity for health and well-being through partnerships and innovation.
- Housing
  - Utilize policies, facilities, infrastructure, and finance to provide housing opportunities that meet the needs of the community.
- Economic Opportunity
  - Dismantle barriers to expanding opportunities in traditionally underserved communities and businesses, especially communities of color and low income.
  - Advance opportunities for economic growth and development to all individuals and the community

### Sustainability

- Economy
  - Align the County's available resources with services to maintain fiscal stability and ensure long-term solvency.
  - Create policies to reduce and eliminate poverty, promoting economic sustainability for all.
- Climate
  - Actively combat climate change through innovative or proven policies, green jobs, sustainable facility construction or maintenance and hazard mitigation.

### Environment

- Protect and promote our natural and agricultural resources, diverse habitats and sensitive species.
- Cultivate a natural environment for residents, visitors and future generations to enjoy.

### Resiliency

 Ensure the capability to respond and recover to immediate needs for individuals, families, and the region.

### **Community**

- Engagement
  - Inspire civic engagement by providing information, programs, public forums or other avenues that increase access for individuals or communities to use their voice, their vote, and their experience to impact change.

### Safety

 Support safety for all communities, including protection from crime, availability of emergency medical services and fire response, community preparedness and regional readiness to respond to a disaster.

### • Quality of Life

 Provide programs and services that enhance the community through increasing the wellbeing of our residents and our environments.

### Communications

- Create proactive communication that is accessible and transparent.
- Offer interpreters for community meetings or translations of information to ensure residents have every opportunity to make informed decisions while listening to, participating in or using County services or programs.

### Partnership

 Facilitate meaningful conversations, shared programming, grant opportunities, or other opportunities to maximize resources through community partnerships to benefit the region.

### **Empower**

- Workforce
  - Invest in our workforce and operations by providing support services and excellent customer service to ensure continuity of operations remains at its best.

- Transparency and Accountability
  - Maintain program and fiscal integrity through reports, disclosures, and audits.

### Innovation

 Foster new ideas and the implementation of proven best practices to achieve organizational excellence.

### **Justice**

- Safety
  - Ensure a fair and equitable justice system in the defense and prosecution of crimes, investigations of abuse and neglect, and support and services for victims.
  - Focus efforts to reduce disparities and disproportionality across the justice system.

### Restorative

 Contribute to a system of restorative justice that strives to repair harm to victims and to the community at large, as well provide inclusive opportunities for justice involved individuals to contribute to the region.

### Environmental

- Advance equal protection and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies with an urgent focus on communities of color and low-income communities recognizing they historically lacked the same degree of protection from environmental and health hazards.
- Ensuring equal access to decision-making processes that create healthy environments in which to live, learn and work.

Strategic planning starts with audacious visions, which are bold statements detailing the impact the County wants to make in the community. Enterprise-wide goals (EWGs) support the audacious visions by focusing on collaborative efforts that inspire greater results than any one department could accomplish alone. Audacious visions and EWGs are developed to support each of the strategic initiatives.

Within the structure of the two-year operational planning process, the County plans for and attains interim progress toward achievement of the Strategic Initiatives. The following highlights are aligned to Strategic Initiatives effective in Fiscal Year 2021-22, prior to transition to the aforementioned updated strategic framework. The Fiscal Year 2021-22 Strategic Initiatives are: Building Better Health, Living Safely, Sustainable Environments/Thriving, and Operational Excellence. Some of the highlights over the last year include:

### **Building Better Health**

- The Progressive Trail Challenge is 15 easy, moderate and tough hikes at parks and preserves across San Diego. The challenge provides a way for people to experience trails on their own time, at their own pace, and at their personal comfort level. Parks in the challenge were hand-picked based on their accessibility, location, scenic opportunity, wildlife and vegetation, existing patronage, nearby staff and accessibility.
- The Health and Human Services Agency (HHSA) improved community health by successfully aligning and delivering vital services in a coordinated and integrated manner to the diverse population of 3.3 million San Diego County residents during the COVID-19 pandemic, using its collective impact framework and existing Live Well San Diego partnerships to distribute timely and accurate COVID-19-related information. HHSA successfully engaged and mobilized residents by using a sector model that included 10 and 11 subsectors to provide weekly information to thousands of stakeholders across the region through an estimated 170 tailored telebriefings, 20 community presentations, and sent 430 total email blasts during critical times of the pandemic.
- The Office of the District Attorney initiated the opening of One Safe Place: The North County Family Justice Center. The Center provides free support services to anyone who has experienced family violence, child abuse, sexual assault, domestic violence, hate crimes, elder abuse, human trafficking, violent loss, or other crimes. Child and adult victims of abuse and their families can walk through the doors and receive acute crisis-care, forensic medical exams, advocacy, counseling and therapy, legal services such as restraining orders, connections to a safe shelter and housing, long term mentoring, workforce readiness, clothing, and educational opportunities all under one roof. District Attorney Summer

Stephan along with a broad coalition of community leaders, victim advocates, health professionals and law enforcement coordinated to launch and open the Center in response to data that demonstrates a need for more supportive services for victims of violence, abuse, and other crimes.

### **Living Safely**

 The Sheriff's Department enhanced youth engagement and diversion opportunities through the grand opening of the RESPECT Project's San Marcos headquarters in January. Complete with classrooms, fitness and recreation spaces, a recording studio, and a community care closet, the new facility functions as a central hub for programming and wraparound services.

### **Sustainable Environments/Thriving**

- Human Services The Health and Agency demonstrated a focus on promoting equity among all San Diegans, fostering a welcoming community to new residents, and reducing homelessness in the region through the establishment of the Homeless Solutions and Equitable Communities (HSEC). These services are carried out across three offices: the Office of Equitable Communities (OEQC) to enhance community engagement and meet the needs of underserved communities and ensure equity among all San Diegans; the Office of Immigrant and Refugee Affairs (OIRA) to foster a welcoming community to new residents by providing information, referrals, and resources and serving as the regional expert and leader in immigrant and refugee affairs and the Office of Homeless Solutions (OHS) to reduce homelessness by coordinating services and community outreach that are essential to prevent at-risk individuals from homeless and becoming supporting experiencing homelessness. Collectively these services strengthen their efforts by leveraging data, strategies, and evidence-based practices for enhanced accountability and decision-making to foster equity, reduce homelessness, and ensure refugees, immigrants, asylees, and others are welcomed and well connected to services across the region.
- The County approved and implemented the Vote Center Model for the June 2022 gubernatorial primary election pursuant to the California Voter's Choice Act. Under the act, every active registered voter automatically receives a ballot in the mail

with multiple options to return their ballot. The Vote Center Model also streamlines the election process as voters are also no longer assigned to a polling place and can visit any voter center.

The Watershed Protection Program is currently piloting a Waterscape Rebate Program. The Program offers rebates for County of San Diego unincorporated residents that are designed to encourage landscape upgrades on private property that help protect water quality. This innovative approach to stormwater management has the dual benefit of direct investment in local communities and environmental protection. To maximize the impact of our program, we partnered with the local water supply agency on a portion of our rebate offerings to augment benefits that also reduce water consumption and contribute to sustainability goals for the region. The impact of our program can be measured in terms of completed projects or pollutant load estimates created using models we developed for this specific purpose.

### **Operational Excellence**

• The County developed and implemented its first Budget Equity Assessment Tool for the Fiscal Year 2022-2023 budget cycle. The tool includes six budget equity questions designed to help each department study how the County's spending plans affect all residents. This process ensures that County programs improve outcomes for all people - including Black, Indigenous, and People of Color, LGBTQIA+, people with disabilities, immigrants, refugees, and low-income and other traditionally underrepresented communities - by addressing and eliminating inequalities in how resources are allocated.

### **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its annual comprehensive financial report for the fiscal year ended June 30, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### Other Awards and Recognitions

The County of San Diego workforce continually plans to cut costs, streamline processes, incorporate the newest technology and expand services to improve the lives of residents and save taxpayer dollars. While the goal is to improve communities, it is gratifying to be recognized for those efforts. The following is a sample of the recognition the County received during the past fiscal year for its leadership and excellence in operations:

The County earned 61 Achievement Awards from the National Association of Counties (NACo) for its innovative programs. Some of the award-winning programs include:

• The County of San Diego Department of General Services was awarded for employing a Monitor-Based Commissioning Program to ensure that financial investments and energy savings from energy efficiency projects are sustained over time. Monitoring-based commissioning (MBCx) is a planned methodology of monitoring equipment performance data in order to maintain and continuously improve building performance over time. To date, this program has resulted in up to \$750,000 in annual energy costs being avoided, with another \$100,000 in previously lost savings being restored.

- The Department of Agriculture, Weights and Measures' Pesticide Regulation Program held a Free Unwanted Pesticide Disposal Event in November 2020 for San Diego county farmers. To efficiently leverage resources and streamline the process for farmers, the program utilized virtual communication technologies to prescreen and inspect pesticides registered for the event. By adopting this virtual approach, 4 program inspectors successfully screened and inspected 453 individual pesticides in 13 business days to determine eligibility and identify any safety concerns. As a result, 32 farmers safely disposed 8,861 lbs. of pesticides at the event.
- Child Support Strives to Empower Youth with Dreams: Through its new "Youth with Dreams" program, the San Diego Department of Child Support Services (SDDCSS) encourages teen and young adult parents to continue reaching for their dreams. Youth with Dreams aims to increase young customers' access to essential resources like education, employment, and other needs for leading a self-sufficient life. This program's goals are finding ways to reduce barriers that young adult and teen customers face and to dismantle stereotypes associated with teen and young adult parents.
- The County Technology Office implemented Account AutoProvisioning to automate the account lifecycle for employees to increase efficiency, increase security posture, reduce risk, increase productivity, eliminate manual process and minimize errors. The project was to automate account management from a human resources job action as the trigger. Key job actions were identified such as hire, termination, transfer, retire, rehire, and leave of absence that would trigger needed automated changes to account status such as disable account. terminate account, enable account, create account or edit an account. The purpose was to automate account changes minimizing delays and errors in manual processes. Doing this also has benefits with security, efficiency, costs, and productivity. The outcome was as expected and here are a few examples: Automated account creation with default groups and access so the employee can login and work on the first day of employment; Automated account deletion after

- termination so that the employee cannot login and minimizes risk of any access after termination; Automated transfers between departments so account access was setup with the default groups and the employee can be productive right away; and Automated disabling accounts for leave of absences which also automatically enables the account when the employee returns.
- The Department of Environmental Health and Quality Plan Check Program provides state law and local ordinance mandated plan check services for retail food facilities, mobile food facilities. wholesale food distribution warehouses, public swimming pools, body art facilities, and massage facilities throughout the County. The Plan Check Digital Review Portal was created to assist the plan check specialist with plan review, standardization of correction and approval letters, transfer of data to the records database and time accounting, as well as ensure all copies of documentation are saved to the approved documents repository. The implementation of the Plan Check Portal achieved the following measurable results for DEHQ: Improved data tracking; Reduced paper waste with an increase in digital plan submittal by 140% from Fiscal Year 2019-20 to Fiscal Year 2020-21; Staff time savings for staff time equating up to 1600 hours with 75% more time savings projected for having one digital repository directory of data storage; and created a better customer experience for both internal and external customers.
- In alignment with the County of San Diego's commitment to make mental health and substance use services a priority, in April 2022, the American Public Works Association (APWA), awarded the Health and Human Services Agency Crisis Stabilization Unit (CSU) project, located inside the Oceanside Live Well Health Center on Mission Avenue, as the Project of the Year in the Structures category.
- Center for Digital Government Government Experience Project Award for ShakeReadySD: This program was integrated into the existing SD Emergency mobile application and automatically alerts populations when shaking from a 4.5 magnitude or greater earthquake is imminent. This will let users know if an earthquake has occurred

nearby that is likely to cause shaking within seconds and it will urge them to take protective action such as drop, cover and hold on or another appropriate safety measure. The County of San Diego and the United States Geological Survey collaborated for more than a year to provide early earthquake warning capability to San Diego following a successful test of the ShakeAlert™ system in the region.

• In November 2021, Promises2Kids awarded the Health and Human Services Agency Child Welfare Services the Changemakers for Children Award, celebrating the outstanding leadership of individuals, corporate partners, and community partners who have each played a critical role in the lives of foster children.

### **Acknowledgments**

We would like to express our appreciation to the accounting staff of County departments and the staff of the Auditor and Controller's department whose coordination, dedication and professionalism are responsible for the preparation of this report. We would also like to thank Macias Gini & O'Connell LLP for their professional support in the preparation of the Annual Comprehensive Financial Report. Lastly, we thank the members of the Board of Supervisors, the Chief Administrative Officer, Group/Agency General Managers and their staff for using sound business practices while conducting the financial operations of the County.

Respectfully,



abour Shelton

EBONY N. SHELTON Deputy CAO/ Chief Financial Officer TRACY DRAGER
Auditor and Controller







Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

### County of San Diego California

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO











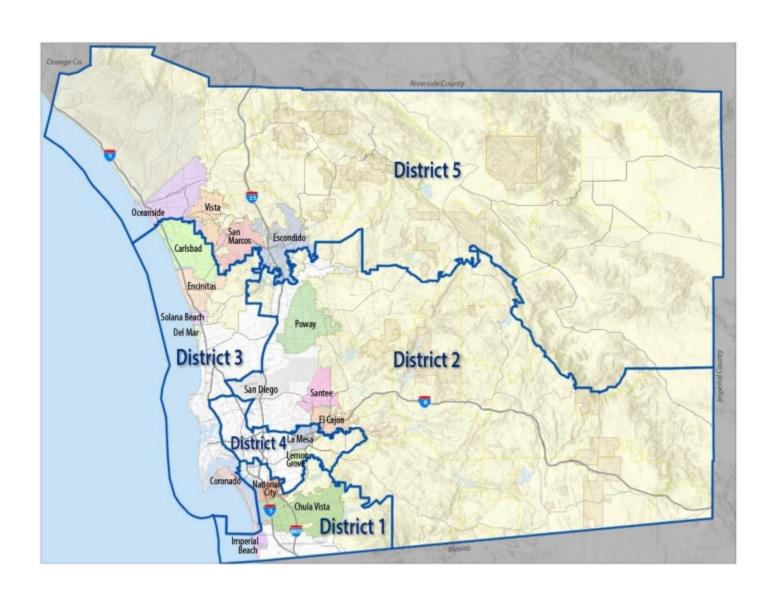
Nora Vargas District 1 Vice Chair

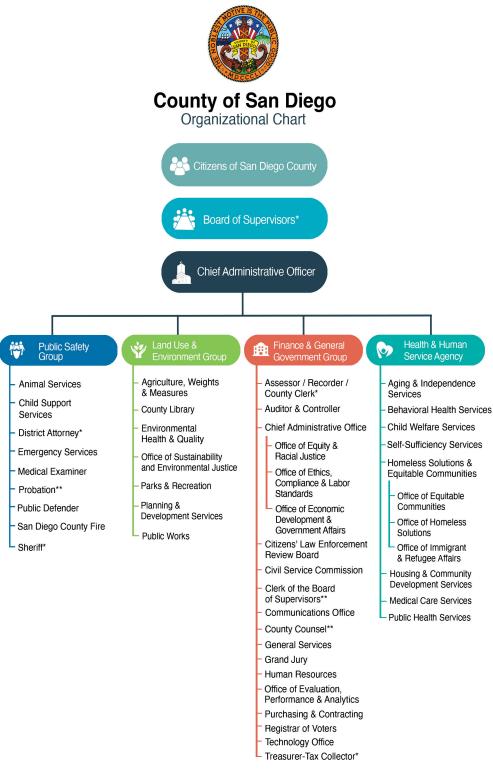
Joel Anderson District 2

Terra Lawson-Remer District 3

Nathan Fletcher District 4 Chair

Jim Desmond District 5





<sup>\*</sup>Elected Officials

<sup>\*\*</sup>Reports to the Board of Supervisors

Caroline Smith

County of San Diego / Annual Comprehensive Financial Report / For the year ended June 30, 2022

### **Chief Administrative Office**

Chief Administrative Officer
Assistant Chief Administrative Officer
Helen N. Robbins-Meyer
Michael Vu

### **Elected Officials**

Assessor/Recorder/County Clerk
District Attorney
Treasurer/Tax Collector
Sheriff
Ernest Dronenburg
Summer Stephan
Dan McAllister
Anthony Ray

### **General Managers/Deputy Chief Administrative Officers**

Finance & General Government Group

Health & Human Services Agency
Land Use & Environment Group

Public Safety Group

Ebony Shelton
Nick Macchione
Sarah Aghassi
Holly Porter

### **Department Heads**

Strategy & Intergovernmental Affairs

Agriculture, Weights & Measures Ha Dang **Animal Services** Kelly Campbell Auditor & Controller Tracy Drager Chief of Staff/CAO Natalia Bravo **Child Support Services** Jeff Grissom Civil Service Commission **Todd Adams** Clerk of the Board of Supervisors **Andrew Potter** County Communication's Office Michael Workman County Counsel Claudia Silva County Technology Office David Smith **Emergency Services Jeff Toney** Environmental Health Amy Harbert **Equity & Racial Justice** Andrew Strong Ethics & Compliance Vacant General Services Marko Medved Health & Human Services Agency (HHSA) Operations Patty Kay Danon HHSA - Aging & Independent Services Kimberly Gallo HHSA - Behavioral Health Services Luke Bergmann Kimberly Giardina HHSA - Child Welfare Services HHSA - Homeless Solutions & Equitable Communities Barbara Jimenez HHSA - Housing & Community Development Services David Estrella HHSA - IHSS/Public Authority Thomas Johnson HHSA - Medical Care Services Eric McDonald, M.D. HHSA - Military & Veterans Willfred Quintong HHSA - Public Administrator/Guardian/Conservator LaShaunda Gaines HHSA - Public Health Services Elizabeth Hernandez/Wilma Wooten, M.D. Rick Wanne HHSA - Self Sufficiency Services **Human Resources** Susan Brazeau Library Migell Acosta Medical Examiner Steven Campman Brian Albright Parks & Recreation Dahvia Lynch Planning & Development Services Tamika Nélson Probation Randy Mize Public Defender **Public Works** Jeff Moneda Purchasing & Contracting Registrar of Voters Jack Pellegrino Cynthia Paes

# Financial Section



### **Independent Auditor's Report**

To the Board of Supervisors County of San Diego, California

### Report on the Audit of the Financial Statements

### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of San Diego, California (County), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the First 5 Commission of San Diego (Commission), a discretely presented component unit, which represents 100% of the assets, net position, and revenues of the discretely presented component unit, and the San Diego Employees Retirement Association (SDCERA), a fiduciary component unit, which represents 59% of assets, 59% of fund balances/net position, and -2% of revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Commission and SDCERA, are based solely on the reports of the other auditors.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter**

As discussed in Notes 7, 14, and 34 to the basic financial statements, effective July 1, 2021, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

The County's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to
  fraud or error, and design and perform audit procedures responsive to those risks. Such procedures
  include examining, on a test basis, evidence regarding the amounts and disclosures in the financial
  statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant
  accounting estimates made by management, as well as evaluate the overall presentation of the
  financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the County's proportionate share of the net pension liability, the schedule of the County's contributions – net pension liability, the schedule of the County's proportionate share of the net OPEB liability, the schedule of the County's contributions – OPEB, and the schedules of revenues, expenditures, and changes in fund balance - budget and actual for the General Fund, Public Safety Fund, and Tobacco Endowment Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund information and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund information and other supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Information

The County's management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Macias Gihi & O'Connell D San Diego, California November 18, 2022

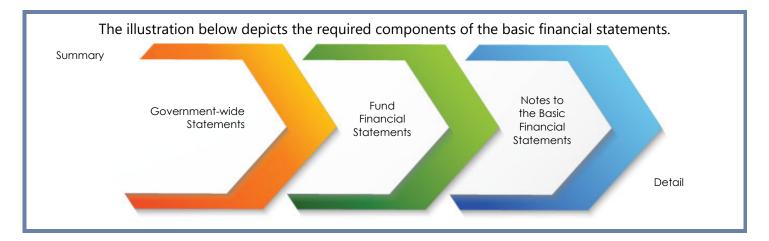
This section of the County of San Diego's (County) Annual Comprehensive Financial Report provides a narrative overview and analysis of the basic financial activities of the County as of and for the year ended June 30, 2022.

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

## **Financial Highlights**

- The assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources at the close of fiscal year 2022 by \$4.06 billion (net position). Of this amount, \$3.88 billion represents net investment in capital assets; \$1.28 billion is restricted for specific purposes (restricted net position); and the remaining portion represents negative unrestricted net position of \$(1.10) billion.
- Total net position increased by \$686.3 million as follows:
  - Governmental activities net position increased by \$666.7 million. The current and other assets, and capital assets increases of \$345.8 million, and \$267.3 million, respectively; coupled with decreases in the net Pension liability and net OPEB liability of \$2,223.2 million and \$20.8 million, respectively; all had the effect of increasing net position; while the decreases to net position included decreases in deferred outflows of resources of \$611 million, coupled with increases in other long-term liabilities, other

- liabilities and deferred inflows of resources of \$159 million, \$152.3 million, and \$1,268.1 million, respectively.
- Business-type activities net position increased by approximately \$19.6 million. The current and other assets increase of \$245.2 million, coupled with decreases in the net pension liability, net OPEB liability, other long-term liabilities, and other liabilities of \$8.6 million, \$100 thousand, \$100 thousand, and \$300 thousand, respectively; all had the effect of increasing net position; while the decrease in capital assets, and deferred outflows of resources of \$1.3 million, and \$2.8 million, respectively; coupled with an increase of \$230.6 million in deferred inflows of resources, had the effect of decreasing net position
- Program revenues for governmental activities were approximately \$4.47 billion. Of this amount, \$3.85 billion or 86% was attributable to operating grants and contributions coupled with capital grants and contributions, while charges for services accounted for \$620 million or 14%.
- General revenues for governmental activities were \$1.50 billion. Of this amount, property taxes and property taxes in lieu of vehicle license fees accounted for approximately \$1.41 billion or 94%; while transient occupancy tax, real property transfer tax, miscellaneous taxes, sales and use taxes, investment earnings and other general revenues accounted for \$90 million or 6%.
- Total expenses for governmental activities were \$5.29 billion. Public protection accounted for \$1.59 billion or 30%, while health and sanitation accounted for \$1.17 billion or 22%. Additionally, public assistance accounted for \$1.79 billion or 34% of this amount.



## **Overview of the Financial Statements**

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

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

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

The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable

resources available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

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

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

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

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for airport operations, jail stores commissary operations, and sanitation services. The Airport Fund is considered to be a major fund. Data from the other enterprise funds are combined into a single, aggregated presentation. Individual fund data for each nonmajor enterprise fund

is provided in the combining and individual fund information and other supplementary information section in this report.

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

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

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

Notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

plan (SDCERA-PP) collective net pension liability, and the SDCERA retiree health plan (SDCERA-RHP) collective net other postemployment benefits liability; and information regarding the County's contributions to the SDCERA-PP and SDCERA-RHP.

Combining financial statements/schedules and supplementary information section of this report presents combining and individual fund statements and schedules referred to earlier that provide

information for nonmajor governmental funds, enterprise funds, internal service funds, and fiduciary funds and are presented immediately following the required supplementary information section of this report.

## Government-wide Financial Analysis Table 1

Net Position June 30, 2022 and 2021 (In Thousands)						
(iii iiiousulius)	vernmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Total	Total
	2022	2021 (1)	2022	2021 (1)	2022	2021 (1)
ASSETS						
Current and other assets Capital assets	\$ 5,682,063 4,224,781	5,336,258 3,957,501	329,005 187,537	83,851 188,831	6,011,068 4,412,318	5,420,109 4,146,332
Total assets	9,906,844	9,293,759	516,542	272,682	10,423,386	9,566,441
DEFERRED OUTFLOWS OF RESOURCES						
Total deferred outflow of resources	910,125	1,521,109	3,858	6,656	913,983	1,527,765
LIABILITIES						
Long-term liabilities	4,173,914	6,258,905	11,621	20,463	4,185,535	6,279,368
Other liabilities	1,491,936	1,339,592	2,676	3,010	1,494,612	1,342,602
Total liabilities	5,665,850	7,598,497	14,297	23,473	5,680,147	7,621,970
DEFERRED INFLOWS OF RESOURCES						
Total deferred inflows of resources	1,360,905	92,802	231,049	405	1,591,954	93,207
NET POSITION						
Net investment in capital assets	3,695,884	3,643,504	187,343	188,831	3,883,227	3,832,335
Restricted	1,281,257	1,404,546			1,281,257	1,404,546
Unrestricted	(1,186,927)	(1,924,481)	87,711	66,629	(1,099,216)	(1,857,852)
Total net position	\$ 3,790,214	3,123,569	275,054	255,460	4,065,268	3,379,029

## **Analysis of Net Position**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources by \$4.06 billion at the close of fiscal year 2022, an increase of \$686.3 million or 20.3% over fiscal year 2021. This included a \$50.9 million increase in net investment in capital assets, (a 1.3% increase over fiscal year 2021), and an decrease of approximately \$123.2 million in the County's restricted net position (a 8.8% decrease over fiscal year 2021). Additionally, unrestricted net position increased by \$758.6 million (a 40.8% increase over fiscal year 2021).

The aforementioned increase of \$686.3 million in net position was composed of the following changes in total assets, deferred outflows of resources, liabilities, and deferred inflows of resources:

Total assets increased by \$856.9 million. This included increases in current and other assets and capital assets
of \$590.9 million and \$266.0 million, respectively. The net increase of \$590.9 million in current and other
assets was primarily attributable to an increase in cash and investments (including restricted and unrestricted

cash and investments with fiscal agents) of \$202.9 million - due in part to the receipt of approximately \$49.060 million in proceeds associated with the issuance of the "County of San Diego Certificates of Participation, Series 2021 (Youth Transition Campus) (Green Bonds)"; a \$109.8 million increase in receivables, net chiefly due to Health and Human Services Agency Public Health related accruals, coupled with a \$245.2 million increase in lease receivables (mostly due to the implementation of a new lease accounting pronouncement); a \$6.1 million increase in property taxes receivables, net, a \$26.7 million increase in inventories, coupled with a \$200 thousand increase in various other assets; while the increase in capital assets consisted primarily of a \$120.7 million increase in land, easements and construction in progress, coupled with a \$145.3 million increase in other capital assets, net of accumulated depreciation and amortization.

- Deferred outflows of resources decreased by \$613.8 million, principally attributable to a net decrease in pension related deferrals due to a significant decrease in the actuarially determined net pension liability including decreases in net difference between projected and actual earnings on pension plan investments, and changes of assumptions or other inputs, of \$561.9 million, and \$74.5 million, respectively; coupled with an \$800 thousand decrease in net difference between projected and actual earnings on OPEB plan investments and a \$600 thousand decrease in contributions to the OPEB plan subsequent to the measurement date; and, a \$2.0 million decrease in unamortized loss on refunding of long-term debt; offset by increases in pension related deferrals including increases in changes in proportionate share and differences between employer's contributions and proportionate share of contributions, contributions to the pension plan subsequent to the measurement date, and the difference between expected and actual experience in the total pension liability of \$14.4 million, \$10.8 million, and \$800 thousand, respectively.
- Total liabilities decreased by approximately \$1.9419 billion, mainly due to decreases in the actuarially determined net pension liability, and actuarially determined net OPEB liability, of \$2.2319 billion and \$20.8 million, respectively; coupled with a \$10.2 million decrease in accounts payable and an \$800 thousand decrease to accrued interest; offset by a net increase in non-net pension, non-net OPEB long-term liabilities of \$158.8 million, coupled with a \$155.2 million increase in unearned revenue and a \$7.8 million increase in accrued payroll.
- Deferred inflows of resources increased by \$1.4987 billion chiefly attributable to a significant decrease in the actuarially determined net pension liability resulting in a \$1.3046 billion increase in the net difference between projected and annual earnings on pension plan investments, and a \$243.2 million increase in the deferred inflows of resources mainly attributable to the implementation of a new lease accounting standard; coupled with a \$2.7 million increase in the net difference between projected and annual earnings on OPEB plan investments and a \$2.4 million increase in property taxes received in advance. These increases were offset by \$52.3 million decrease in the difference between expected and actual experience in the total pension liability, and a \$1.7 million decrease in changes in proportionate share and differences between employer's contributions and proportionate share of contributions, coupled with a \$100 thousand decrease in the gain on refunding of long-term debt and a \$100 thousand decreases in pension changes of assumptions or other inputs.

The largest portion of the County's net position reflects its net investment in capital assets of \$3.88 billion (land, easements, buildings and improvements, equipment, software, infrastructure, and right-to-use assets; 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 \$1.28 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.

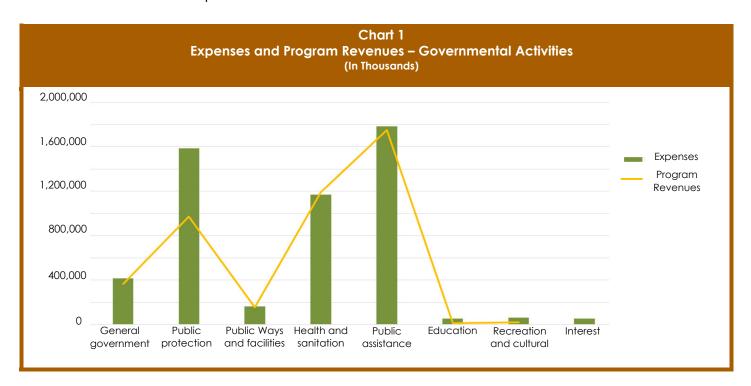
The remaining portion of the County's net position includes \$(1.10) billion in net negative unrestricted net position. The majority of this balance represents the negative unrestricted net position attributable to the County's outstanding Net Pension Liability and Net OPEB Liability.

Table 2

Operating grants and contributions Capital grants and contributions Capital grants and contributions General Revenues Property taxes Property taxes Transient occupancy tax Real property transfer tax Miscellaneous taxes Property taxes in lieu of vehicle license fees Sales and use taxes Investment earnings Other Total revenues  Governmental Activities: General government Public protection Public ways and facilities Health and sanitation Public assistance Education Recreation and cultural Interest Principal Business-type Activities: Airport Jail Stores Commissary San Diego County Sanitation District Sanitation net position before transfers Changes in net position before transfers Transfers  109,343 22 88 77,225 88 87 828,022 88 88 81,289 46 83,635 33 48,289 46 83 84,289 46 83 84,289 46 83 84 82,289 46 83 83 84 84,289 46 83 83 84 84 82,289 46 83 83 84 84 82,289 46 83 83 84 84 82,289 46 83 83 84 84 82,289 46 83 83 84 84 82,289 46 83 83 84 84 82,289 46 83 83 84 84 82,289 46 83 83 84 84 82,289 46 83 83 84 84 82,289 46 83 83 84 84 82,289 46 83 83 84 84 82,289 46 83 83 84 84 82,289 46 83 83 84 84 82,289 46 83 83 84 84 82 88 88 84 84 82 88 88 84 84 82 88 88 84 84 82 88 88 84 84 84 82 88 88 84 84 82 88 88 84 84 84 84 84 84 84 84 84 84 84	
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Revenues: Program Revenues Charges for services \$ 619,799 57 Operating grants and contributions 3,736,703 3,75 Capital grants and contributions 109,343 2 General Revenues Property taxes 928,022 88 Property taxes 928,022 88 Transient occupancy tax 7,225 Real property transfer tax 43,635 3 Miscellaneous taxes 5 Property taxes in lieu of vehicle license fees 481,289 46 Sales and use taxes 43,268 3 Investment earnings (96,987) (2016) Other 94,015 99 Total revenues 5,966,317 5,86 Expenses: Governmental Activities: General government 414,187 46 Public protection 1,586,324 1,82 Public ways and facilities 164,262 166 Health and sanitation 1,167,816 1,36 Public assistance 1,785,733 1,83 Education 55,787 5 Recreation and cultural 60,611 5 Interest 53,971 55 Principal Business-type Activities: Airport Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other Total expenses 5,288,691 5,82 Changes in net position before transfers 677,626 33 Transfers (10,981)	
Revenues: Program Revenues Charges for services \$ 619,799 57 Operating grants and contributions 3,736,703 3,75 Capital grants and contributions 109,343 2 General Revenues Property taxes 928,022 88 Transient occupancy tax 7,225 Real property transfer tax 43,635 3 Miscellaneous taxes 5 Property taxes in lieu of vehicle license fees 481,289 46 Sales and use taxes 43,268 3 Investment earnings (96,987) (2 Other 94,015 9 Total revenues 5,966,317 5,86 Expenses: Governmental Activities: General government 414,187 46 Public protection 1,586,324 1,82 Public ways and facilities 164,262 16 Health and sanitation 1,167,816 1,36 Public assistance 1,785,733 1,83 Education 55,787 5 Recreation and cultural 60,611 5 Principal Business-type Activities: Airport Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other Total expenses 5,288,691 5,82 Changes in net position before transfers 677,626 3 Transfers (10,981)	Intal Intal
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Operating grants and contributions Capital grants and contributions Capital grants and contributions General Revenues Property taxes Property taxes Property transfer tax Property taxes in lieu of vehicle Icense fees Property taxes Pr	
Capital grants and contributions General Revenues Property taxes Property taxes Transient occupancy tax Real property transfer tax Miscellaneous taxes Property taxes in lieu of vehicle license fees Sales and use taxes Investment earnings Other Total revenues Sovernmental Activities: General government Public protection Public ways and facilities Health and sanitation Public assistance Education Recreation and cultural Interest Principal Business-type Activities: Airport Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other Total expenses  Changes in net position before transfers Fase Firansfers  109,343 20 84 82 84 82 82 82 82 82 82 82 82 82 82 82 82 84 84 82 84 84 82 83 84 84 84 84 84 84 84 84 84 84 84 84 84	74,448 58,162 56,369 677,961 630,
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Property taxes Transient occupancy tax Transient occupancy tax Real property transfer tax Ai,635 Aiscellaneous taxes Property taxes in lieu of vehicle license fees Ail,289 Sales and use taxes Ail,268 Ail,289 Ail,289 Ail,289 Ail,289 Ail,289 Ail,289 Ail,268 Ail,289 Ail,268 Ail,289 Ail,268 Ail,289 Ail,289 Ail,289 Ail,268 Ail,289 Ail,289 Ail,289 Ail,289 Ail,289 Ail,281 Ail,281 Ail,281 Ail,281 Ail,281 Ail,281 Ail,282 Ail,28	21,142 3,100 109,343 24,
Transient occupancy tax         7,225           Real property transfer tax         43,635         3           Miscellaneous taxes         5           Property taxes in lieu of vehicle         481,289         46           license fees         481,289         46           Sales and use taxes         43,268         3           Investment earnings         (96,987)         (2           Other         94,015         9           Total revenues         5,966,317         5,86           Expenses:         6         6           Governmental Activities:         414,187         46           Public protection         1,586,324         1,82           Public protection         1,586,324         1,82           Public ways and facilities         164,262         16           Health and sanitation         1,167,816         1,36           Public assistance         1,785,733         1,83           Education         55,787         5           Recreation and cultural         60,611         5           Interest         53,971         5           Principal         8         8           Business-type Activities:         3         3 <tr< td=""><td></td></tr<>	
Real property transfer tax  Miscellaneous taxes  Property taxes in lieu of vehicle license fees  Sales and use taxes Investment earnings Other  Total revenues  Sovernmental Activities:  General government Public protection Public ways and facilities Health and sanitation Public assistance Education Recreation and cultural Interest Principal Business-type Activities:  Airport Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other  Total expenses  Changes in net position before transfers Transfers  43,635  43,635  481,289 46 481,289 46 481,289 46 481,289 46 481,289 46 481,289 46 481,289 46 481,289 48 481,289 46 48 481,289 46 48 481,289 46 48 481,289 46 48 481,289 46 48 481,289 46 48 481,289 46 48 481,289 46 48 481,289 46 48 481,289 46 48 481,289 46 48 481,289 46 48 481,289 46 48 481,289 46 48 481,289 46 48 481,289 46 48 481,289 46 48 481,289 46 48 481,289 46 48 481,28 48 48 48 48 43,268 43 48 48 48 48 48 48 48 48 48 48 48 48 48	31,605 928,022 881,
Real property transfer tax  Miscellaneous taxes  Property taxes in lieu of vehicle license fees  Sales and use taxes Investment earnings Other  Total revenues  Governmental Activities:  General government Public protection Public ways and facilities Health and sanitation Public assistance Education Recreation and cultural Interest Principal Business-type Activities:  Airport Jail Stores Commissary San Diego County Sanitation District Sanitation net position before transfers  Changes in net position before transfers Total expenses  5 481,289 46 481,289 46 481,289 46 481,289 46 481,289 46 481,289 46 481,289 46 481,289 46 481,289 46 481,289 46 481,289 46 481,289 46 481,289 46 481,289 46 481,289 48 481,289 46 48 481,289 46 48 48 48 41,187 46 46 414,18	5,386 7,225 5,
Miscellaneous taxes Property taxes in lieu of vehicle license fees Sales and use taxes Investment earnings Other Other Total revenues Sovernmental Activities: General government Public protection Public ways and facilities Health and sanitation Public assistance Education Recreation and cultural Interest Jail Stores Commissary San Diego County Sanitation District Sanitation net position before transfers Transfers  481,289 46 481,289 46 481,289 46 481,289 46 49,015 9 40,6,987) (2 69,987) (2	35,608 43,635 35,
license fees       481,289       46         Sales and use taxes       43,268       3         Investment earnings       (96,987)       (2         Other       94,015       9         Total revenues       5,966,317       5,86         Expenses:       Governmental Activities:         General government       414,187       46         Public protection       1,586,324       1,82         Public ways and facilities       164,262       16         Health and sanitation       1,167,816       1,36         Public assistance       1,785,733       1,83         Education       55,787       5         Recreation and cultural       60,611       5         Interest       53,971       5         Principal       Business-type Activities:         Airport       Jail Stores Commissary         San Diego County Sanitation District       Sanitation District - Other         Total expenses       5,288,691       5,82         Changes in net position before transfers       677,626       3         Transfers       (10,981)	8 5
license fees       481,289       46         Sales and use taxes       43,268       3         Investment earnings       (96,987)       (2         Other       94,015       9         Total revenues       5,966,317       5,86         Expenses:       Governmental Activities:         General government       414,187       46         Public protection       1,586,324       1,82         Public ways and facilities       164,262       16         Health and sanitation       1,167,816       1,36         Public assistance       1,785,733       1,83         Education       55,787       5         Recreation and cultural       60,611       5         Interest       53,971       5         Principal       Business-type Activities:         Airport       Jail Stores Commissary         San Diego County Sanitation District       Sanitation District - Other         Total expenses       5,288,691       5,82         Changes in net position before transfers       677,626       3         Transfers       (10,981)	
Investment earnings	65,076 481,289 465,
Investment earnings	37,810 43,268 37,
Other94,0159Total revenues5,966,3175,86Expenses:Sepenses:Governmental Activities:414,18746Public protection1,586,3241,82Public ways and facilities164,26216Health and sanitation1,167,8161,36Public assistance1,785,7331,83Education55,7875Recreation and cultural60,6115Interest53,9715Principal55Business-type Activities:3AirportJail Stores Commissary5San Diego County Sanitation District55,288,6915,82Changes in net position before transfers677,6263Transfers(10,981)	2,922) 1,307 (76) (95,680) (2,9
Total revenues 5,966,317 5,86  Expenses: Governmental Activities: General government 414,187 46 Public protection 1,586,324 1,82 Public ways and facilities 164,262 16 Health and sanitation 1,167,816 1,36 Public assistance 1,785,733 1,83 Education 55,787 5 Recreation and cultural 60,611 55 Interest 53,971 55 Principal Business-type Activities: Airport Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other  Total expenses 5,288,691 5,82 Changes in net position before transfers 677,626 3 Transfers (10,981)	95,224 151 2,646 94,166 97,
Expenses: Governmental Activities: General government 414,187 46 Public protection 1,586,324 1,82 Public ways and facilities 164,262 16 Health and sanitation 1,167,816 1,36 Public assistance 1,785,733 1,83 Education 55,787 5 Recreation and cultural 60,611 5 Interest 53,971 5 Principal Business-type Activities: Airport Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other  Total expenses 5,288,691 5,82 Changes in net position before transfers 677,626 3 Transfers (10,981)	65,229 60,915 68,718 6,027,232 5,933,
General government 414,187 46 Public protection 1,586,324 1,82 Public ways and facilities 164,262 16 Health and sanitation 1,167,816 1,36 Public assistance 1,785,733 1,83 Education 55,787 5 Recreation and cultural 60,611 5 Interest 53,971 5 Principal Business-type Activities: Airport Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other  Total expenses 5,288,691 5,82 Transfers (10,981)	
Public protection 1,586,324 1,82 Public ways and facilities 164,262 16 Health and sanitation 1,167,816 1,36 Public assistance 1,785,733 1,83 Education 55,787 55 Recreation and cultural 60,611 55 Interest 53,971 55 Principal Business-type Activities: Airport Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other  Total expenses 5,288,691 5,82 Transfers (10,981)	
Public protection 1,586,324 1,82 Public ways and facilities 164,262 16 Health and sanitation 1,167,816 1,36 Public assistance 1,785,733 1,83 Education 55,787 55 Recreation and cultural 60,611 55 Interest 53,971 55 Principal Business-type Activities: Airport Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other  Total expenses 5,288,691 5,82 Transfers (10,981)	65,464 414,187 465,
Public ways and facilities 164,262 16 Health and sanitation 1,167,816 1,36 Public assistance 1,785,733 1,83 Education 55,787 55 Recreation and cultural 60,611 55 Interest 53,971 55 Principal Business-type Activities: Airport Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other  Total expenses 5,288,691 5,82 Transfers (10,981)	23,535 1,586,324 1,823,
Public assistance 1,785,733 1,83 Education 55,787 55 Recreation and cultural 60,611 55 Interest 53,971 55 Principal Business-type Activities: Airport Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other  Total expenses 5,288,691 5,82 Transfers (10,981)	63,809 164,262 163,
Education 55,787 55 Recreation and cultural 60,611 55 Interest 53,971 55 Principal Business-type Activities: Airport Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other  Total expenses 5,288,691 5,82 Changes in net position before transfers 677,626 3 Transfers (10,981)	53,772 1,167,816 1,363,
Recreation and cultural 60,611 55 Interest 53,971 55 Principal Business-type Activities: Airport Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other  Total expenses 5,288,691 5,82 Changes in net position before transfers 677,626 3 Transfers (10,981)	38,270 1,785,733 1,838,
Recreation and cultural 60,611 55 Interest 53,971 55 Principal Business-type Activities: Airport Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other  Total expenses 5,288,691 5,82 Changes in net position before transfers 677,626 3 Transfers (10,981)	56,272 55,787 56,
Interest 53,971 55 Principal Business-type Activities: Airport Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other  Total expenses 5,288,691 5,82 Changes in net position before transfers 677,626 3 Transfers (10,981)	57,617 60,611 57,
Principal Business-type Activities: Airport Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other  Total expenses 5,288,691 5,82 Changes in net position before transfers 677,626 3 Transfers (10,981)	57,386 53,971 57,
Business-type Activities: Airport Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other  Total expenses 5,288,691 5,82 Changes in net position before transfers 677,626 3 Transfers (10,981)	,
Airport Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other  Total expenses 5,288,691 5,82 Changes in net position before transfers 677,626 3 Transfers (10,981)	
Jail Stores Commissary San Diego County Sanitation District Sanitation District - Other  Total expenses 5,288,691 5,82  Changes in net position before transfers 677,626 3  Transfers (10,981)	15,545 15,586 15,545 15,
San Diego County Sanitation District Sanitation District - Other  Total expenses 5,288,691 5,82  Changes in net position before transfers 677,626 3  Transfers (10,981)	3,010 5,222 3,010 5,
Sanitation District - Other  Total expenses 5,288,691 5,82  Changes in net position before transfers 677,626 3  Transfers (10,981)	25,035 31,716 25,035 31,
Total expenses         5,288,691         5,82           Changes in net position before transfers         677,626         3           Transfers         (10,981)	8,712 10,923 8,712 10,
Changes in net position before transfers 677,626 3 Transfers (10,981)	26,125 52,302 63,447 5,340,993 5,889,
Transfers (10,981)	39,104 8,613 5,271 686,239 44,
, ,	(85) 10,981 85
Change in net position 666,645 3	39,019 19,594 5,356 686,239 44,
	34,550 255,460 250,104 3,379,029 3,334,
	23,569 275,054 255,460 4,065,268 3,379,

## **Analysis of Changes in Net Position**

At June 30, 2022, changes in net position equaled \$686.3 million. Principal revenue sources contributing to the change in net position were operating grants and contributions of \$3.74 billion and property taxes and property taxes in lieu of vehicle license fees totaling of \$1.41 billion. These revenue categories accounted for approximately 85.4% of total revenues. Principal expenses were in the following areas: public assistance, \$1.79 billion, public protection, \$1.59 billion; and health and sanitation, \$1.17 billion. These expense categories accounted for 85% of total expenses.



#### Governmental activities

At the end of fiscal year 2022, total revenues for the governmental activities were \$5.97 billion, while total expenses were \$5.29 billion. Governmental activities increased the County's net position by \$666.7 million, while the business-type activities' change in net position equaled \$19.6 million.

## **Expenses:**

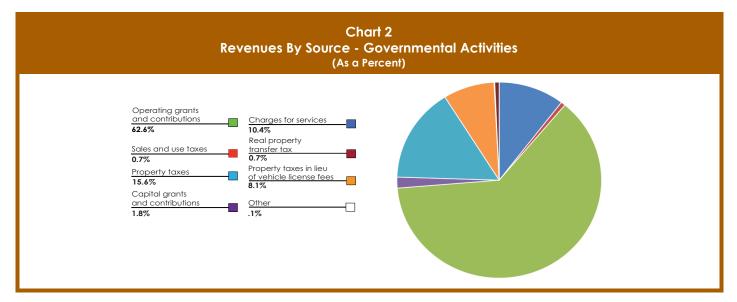
Total expenses for governmental activities were \$5.29 billion, a decrease of \$537 million or 9.2% (\$534 million decrease in functional expenses and \$3 million decrease in interest expense). Public assistance (34%) and public protection (30%) were the largest functional expenses, followed by health and sanitation (22%).

The \$534 million net decrease in functional expenses mainly consisted of the following:

• \$617.9 million decrease in net pension related

## expenses;

- \$92.8 million decrease mainly tied to the completion of Great Plates Delivered Program and various Aging & Independence Services programs to support COVID-19 emergency response efforts;
- \$85.3 million increase in overall salaries and benefit costs;
- \$45.8 million increase in depreciation and amortization expenses, chiefly attributable to the implementation of a new lease accounting standard;
- \$32.8 million increase in expenses primarily tied to contracted services associated with various alcohol and drug treatment and mental health programs; and.
- \$25.3 million increase in claims and judgments expenses.



### **Revenues:**

Total revenues for governmental activities were \$5.97 billion, an increase of 1.7% or \$101 million from the previous year. This increase consisted of an increase in program revenue of \$118 million; offset by a decrease in general revenues of \$17 million as follows:

The \$118 million net increase in program revenue was primarily due to of the following:

- \$272.2 million decrease in COVID-19 revenue tied to the County's T3 Strategy of Test, Trace and Treat to support COVID-19 emergency response efforts broken down as follows: \$226.8 million decrease attributable to the CARES Act; \$96.9 million decrease in COVID-19 revenues related to Federal Emergency Management Act; offset by a \$51.5 million increase in COVID-19 American Rescue Plan Act (ARPA) revenues;
- \$171.5 million increase primarily tied to Emergency Rental Assistance Program (ERAP) revenues;
- \$51.9 million increase in HHSA realignment revenues, including available one-time funding based on statewide sales tax receipts and vehicle license fees that are dedicated for costs in health and human service programs;
- \$51.9 million increase in Proposition 172 revenues;
- \$20.9 million increase primarily tied to federal Social Services Administrative revenues;
- \$16.2 million increase in revenues associated with the California Work Opportunity and Responsibility

to Kids (CalWORKs) program;

- \$14.6 million increase primarily tied to State Social Services Administrative revenues;
- \$14 million increase in federal revenue attributable to the September 2021 Gubernatorial Recall Election;
- \$8 million increase in State aid community corrections revenues;
- \$7.7 million increase in various mental health and behavioral health program revenues;
- \$7.3 million decrease in recorded documents and instruments revenues:
- \$6.2 million increase in revenue tied to various alcohol and drug treatment and mental health programs;
- \$4.4 million increase in Section 8 choice vouchers revenue:
- \$4.3 million increase in aid from Redevelopment Successor Agencies;
- \$3.3 million increase in revenue attributable to various public health programs; and,
- \$3 million in County Library federal revenues used to provide devices and broadband internet access connectivity to students and library patrons during the pandemic.

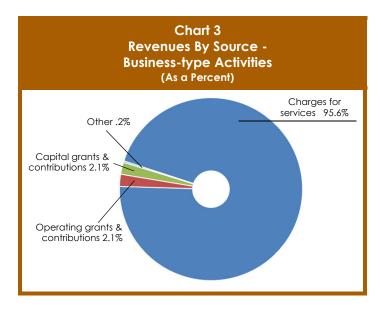
General revenues decreased overall by approximately \$17 million, principally due to increases of \$46 million in property taxes and \$16 million in property taxes in lieu of vehicle license fees, both attributable to the

county-wide growth in assessed valuation; coupled increases in real property transfer taxes, sales and use taxes, and transient occupancy taxes of \$8 million, \$5 million, and \$2 million, respectively; offset by a net \$94 million decrease in investment earnings, attributable to an overall net decrease in the fair value of investments, coupled with a decrease in the County pool average annual apportionment rate from .240% in fiscal year 2021 down to .180% in fiscal year 2022.

The County's governmental activities rely on several sources of revenue to finance ongoing operations. As shown in Chart 2, operating grants and contributions of \$3.74 billion accounted for 62.6%, the largest share of this revenue. These monies are received from parties outside the County and are generally restricted to one or more specific programs. Examples of operating grants and contributions include State and federal revenue for public assistance programs and health and sanitation programs.

Property taxes and property taxes in lieu of vehicle license fees are not shown by program, but are effectively used to support program activities countywide. Combined, these general revenues equaled \$1.41 billion and accounted for 23.7% of governmental activities. Additionally, charges for services were \$620 million and accounted for 10.4% of revenues applicable to governmental activities.

Other factors concerning the finances of the County's major governmental funds are discussed in the governmental funds section of the "Financial Analysis of Major Funds."



## **Business-type Activities**

Business-type activities, which are exclusively comprised of enterprise funds, are intended to recover all or a significant portion of their costs through user fees and charges. As shown in Chart 3, charges for services represent \$58.2 million or 95.6% of total revenues.

Net position of business-type activities increased by approximately \$19.6 million, or 7.7%. This net increase primarily included the following:

- \$12 million increase in Transfers into the San Diego County Sanitation District Fund from the General Fund for system improvement projects;
- \$3.2 million increase in Airport Fund investment earnings principally attributable to an increase in lease interest revenue due to the implementation of a new lease accounting standard;
- \$2.7 million decrease in Jail Stores Commissary Fund contracted services expenses due to decrease in payment for incarcerated persons' phone contract expenses. Effective July 1, 2021, the County Board of Supervisors directed the County to provide free communication services to incarcerated persons;
- \$1.1 million increase in commissary sales in the Jail Stores Commissary Fund; and,
- \$600 thousand increase in equipment rental expense, mainly due to a \$500 thousand increase

in the Sanitation District - Other Fund coupled with a \$100 thousand increase in the Airport Fund.

## **Financial Analysis of Major Funds**

The County uses fund accounting to demonstrate and ensure compliance with finance-related legal requirements.

## **General Fund:**

The General Fund is the chief operating fund of the County. At the end of fiscal year 2022, its unassigned fund balance was \$616.5 million, while total fund balance was \$2.35 billion, an increase of approximately \$67.6 million from fiscal year 2021.

This \$67.6 million net increase in fund balance was significantly attributable to the following:

- \$272.2 million decrease in COVID-19 revenue tied to the County's T3 Strategy of Test, Trace and Treat to support COVID-19 emergency response efforts broken down as follows: \$226.8 million decrease attributable to the CARES Act; \$96.9 million decrease in COVID-19 revenues related to Federal Emergency Management Act; offset by a \$51.5 million increase in COVID-19 American Rescue Plan Act (ARPA) revenues;
- \$171.5 million increase primarily tied to Emergency Rental Assistance Program (ERAP) revenues;
- \$105.2 million net increase in salaries and benefits costs is primarily due to negotiated labor agreements, required retirement contributions and increase in overtime cost due to return to normal operations and high vacancies which required overtime to cover the mandatory shifts;
- \$92.8 million decrease in expenditures mainly tied to the completion of Great Plates Delivered Program and various Aging & Independence Services programs to support COVID-19 emergency response efforts;
- \$83.7 million decrease in capital outlay expenditures principally comprised of decreases in lease related capital outlay, equipment purchases, and internally generated software;
- \$51.9 million increase in HHSA realignment revenues, including available one-time funding based on statewide sales tax receipts and vehicle license fees that are dedicated for costs in health

- and human service programs;
- \$16.2 million increase in revenues associated with the California Work Opportunity and Responsibility to Kids (CalWORKs) program;
- \$8 million increase in State aid community corrections revenues;
- \$8 million increase in real property transfer taxes;
- \$8 million decrease in State aid for juvenile probation related public safety realignment;
- \$5.6 million increase in Sheriff's Department Homeland Security grant revenues;
- \$4.3 million increase in aid from Redevelopment Successor Agencies;
- \$3.3 million increase in state aid community corrections revenue for the District Attorney's Office; and,
- \$2.9 million increase in expenditures attributable to incarcerated persons' telephone services and behavioral health program costs.

## **Public Safety Special Revenue Fund:**

This fund was established to account for Proposition 172 half-cent sales taxes collected and apportioned to the County by the California Department of Tax and Fee Administration to fund public safety activities. Per Government Code Section 30052, a "maintenance of effort" (pre-Proposition (Prop) 172 public safety funding level) must be maintained by the County to comply with the statute's spending requirements. In accordance with the Code, funds are allocated to the Sheriff, District Attorney, and Probation departments. Transfers out of this fund subsidize the following types of public safety activities: juvenile detention services; facilities maintenance and support; capital projects, one-time equipment and other expenditures; ongoing technology initiatives; and various region-wide services.

As of June 30, 2022, the total (restricted) fund balance in the Public Safety Special Revenue Fund was \$150.4 million, a \$43.3 million increase from the previous fiscal year; mainly due to a \$51.9 million increase in Prop 172 revenue due to the elimination of coronavirus pandemic restrictions that resulted in increased consumer spending and higher sales tax revenue.

## **Tobacco Endowment Special Revenue Fund:**

This special revenue fund is used to account for the \$411 million the County received from the Tobacco Asset Securitization Corporation (Corporation) related to the sale of 25 years of tobacco settlement revenue in fiscal year 2002; and an additional \$123 million the County received from the Corporation resulting from the issuance of the San Diego County Tobacco Asset Securitization Corporation refunding bonds in fiscal year 2006. At the end of fiscal year 2022, fund balance was \$257.9 million, a decrease of approximately \$36.7 million from fiscal year 2021, principally due to a \$30.6 million unrealized investment loss, offset by approximately \$9.4 million in realized investment income, coupled with \$15.1 million in transfers out to the General Fund for the support of health related program expenditures, along with \$153 thousand of administrative costs.

## **Airport Fund:**

This fund is used to account for the maintenance, operations, and development of County airports. A major objective of the airport program is to develop airport property utilizing federal and state grants in order to enhance the value of public assets, generate new revenues and be a catalyst for aviation and business development. As of June 30, 2022, the total net position of the Airport Enterprise Fund was \$131.5 million, a \$2.7 million increase from the previous fiscal year. This net increase was principally due to a \$3.2 million increase in Airport Fund investment earnings principally attributable to an increase in lease interest revenue due to the implementation of a new lease accounting standard; offset by a \$100 thousand increase in the equipment rental expense, a \$200 thousand increase in depreciation/amortization expense, an approximately \$100 thousand increase in fuel expenses, and an approximately \$100 thousand increase in utilities expenses.

## **General Fund Budgetary Highlights**

The County's final budget differs from the original budget (see Notes to required supplementary information) in that it contains supplemental appropriations approved during the fiscal year for various programs and projects, as well as transfers of appropriations, budget corrections, rebudgets, and

account reclassifications. For the fiscal year ended June 30, 2022, net expenditure appropriations increased by a net \$190.0 million and appropriations for transfers out increased by \$35.6 million.

Significant appropriation increases of note to the original budget were the following:

- \$194.8 million for ARPA funded Emergency Rental Assistance Program
- \$21.8 million for Gubernatorial Recall Election September 14, 2021
- \$3.9 million for Microbusiness COVID-19 Relief Grant
- \$2.0 million for fire and emergency medical services capital asset equipment

Actual revenues underperformed final budgeted amounts by \$755.7 million, while actual expenditures were less than the final budgeted amount by \$1.3 billion. The combination of revenue and expenditure shortfalls resulted in a revenue/expenditure operating variance of \$575.7 million. Other financing sources and uses of funds resulted in a net sources versus uses variance from budget of \$463.7 million. These combined amounts resulted in a variance in the net change in fund balance of \$1.0 billion.

Highlights of actual expenditures compared to final budgeted amounts are as follows:

#### **Salaries and Benefits:**

The final budget over expenditure variance across all functions in this category was \$102.1 million. Savings were realized in the Public Safety Group, Health and Human Services Agency, Land Use and Environment Group, and Finance and General Government Group primarily from lower than budgeted salaries and employee benefits costs due to staff turnover and departments' management of vacancies.

## **Services and Supplies:**

The final budget over expenditure variance across all County groups in this category was \$910.1 million. Overall, this expenditure variance primarily resulted from savings in various services, contracts and project delays, and lower costs than anticipated for various projects and COVID-19 response related expenditures. This variance also includes appropriations for

stabilization of anticipated pension costs in future years. Due to the voter-approved passage of Measure C in 2018, an amendment to the County Charter entitled *Protecting Good Government Through Sound Fiscal Practices*, unused amounts that were appropriated for pension stabilization are legally restricted for pension-related costs, and are included in the Restricted fund balance in the General Fund.

## **Delayed Expenditures:**

Many County projects, such as maintenance and information technology, establishment of County's enterprise activities, take place over more than one fiscal year. At inception they are budgeted at full expected cost, resulting in budgeted over expenditure variances that are rebudgeted in the subsequent fiscal year. For example, positive expenditure variance of \$4.0 million associated with the Office of Equity and Racial Justice (OERJ) to establish the County's enterprise equity and racial justice activities that have not been completed; \$3.4 million in COVID-19 programs in Homeless Solutions and Equitable Communities; \$3.1 million in multi-year Senior Nutrition contracts in Aging and Independence Services; and \$2.9 million COVID-19 emergency response efforts in Housing and Community Development Services.

# Capital Assets and Commitments Capital Assets

At June 30, 2022, the County's capital assets for both governmental and business-type activities were \$4.22 billion and \$188 million, respectively, net of accumulated depreciation/amortization. Investment in capital assets includes land, construction in progress, buildings and improvements, infrastructure (including roads, bridges, flood channels, and traffic signals), equipment, software, easements and right-to-use assets. Significant increases to capital assets in fiscal year 2022 included:

### **Governmental Activities:**

- \$55.0 million towards construction and improvements of County maintained roads, bridges, and other road related infrastructure.
- \$37.0 million towards construction of Youth Transition Campus. Total project costs are estimated at \$210.6 million.

- \$26.1 million towards acquisition of equipment.
- \$24.5 million towards construction of Southeast San Diego Live Well Center. Total project costs are estimated at \$76.0 million.
- \$19.2 million towards improvement of various capital projects.
- \$18.0 million towards County Administration Center (CAC) renovations. Total project costs are estimated at \$84.4 million.
- \$16.9 million towards Rock Mountain Detention Facility renovations. Total project costs are estimated at \$37.6 million.
- \$11.7 million towards development of various software applications.
- \$9.4 million towards construction of Lakeside Branch Library. Total project costs are estimated at \$17.9 million.
- \$8.7 million towards Ohio Street Probation renovations. Total project costs are estimated at \$19.4 million.
- \$8.0 million towards various land acquisitions for the Multiple Species Conservation Program (MSCP).
- \$7.2 million towards improvements at Lindo Lake. Total project costs are estimated at \$12.2 million.
- \$6.7 million towards construction of Lakeside Equestrian Facility. Total project costs are estimated at \$18.6 million.
- \$5.3 million towards construction of Incarcerated Peoples' Transfer Tunnel. Total project costs are estimated at \$9.8 million.
- \$3.4 million towards land acquisition for Emergency Vehicle Operations Course. Total project costs are estimated at \$33.3 million.
- \$3.2 million towards construction of Mt. Laguna Fire Station #49. Total project costs are estimated at \$6.3 million.
- \$2.6 million towards construction of Regional Communication System. Total project costs are estimated at \$35.9 million.
- \$2.2 million towards renovation of Sheriff Ridgehaven Headquarters. Total project costs are estimated at \$21.6 million.
- \$2.0 million towards construction of San Marcos

Road Maintenance Station and Fleet Garage. Total project costs are estimated at \$7.5 million.

- \$1.8 million towards major maintenance improvements to COC EV Charging Stations. Total project costs are estimated at \$2.8 million.
- \$1.6 million towards improvements to Guajome Sewers. Total estimated project costs are estimated at \$1.8 million.
- \$1.6 million towards improvements at North Coastal Live Well Health Center. Total estimated project costs are estimated at \$8.0 million.
- \$1.5 million towards construction of Palomar Mountain Fire Station. Total project costs are estimated at \$4.0 million.
- \$1.4 million towards expansion of Lincoln Acres Park. Total project costs are estimated at \$5.5 million.
- \$1.3 million towards construction of Sheriff Technology and Information Center. Total project costs are estimated at \$49.1 million.
- \$1.2 million towards major maintenance improvements at Sunshine Summit Fire Station.
   Total project costs are estimated at \$2.2 million.
- \$1.0 million towards construction of East Otay Mesa Fire Station #38. Total project costs are estimated at \$20.3 million.

## **Business-type Activities:**

• \$1.4 million towards diversion and abandonment of Spring Valley Outfall Meter.

For the government-wide governmental activities financial statement presentation, depreciable capital assets are depreciated from the acquisition date to the end of the current fiscal year. Governmental funds financial statements record capital asset purchases as expenditures.

## **Capital Commitments**

As of June 30, 2022, capital commitments included the following:

### **Governmental Activities:**

\$243 million for the construction of Youth Transition Campus, Southeast San Diego Live Well Center, East Otay Mesa Fire Station #38, Lakeside Equestrian Facility, Lakeside Branch Library, and Regional Communication System, development of Integrated Property Tax System; renovation of the County Administration Center, Rock Mountain Detention Facility, Sheriff Ridgehaven Headquarters, and Hall of Justice; improvements at Lindo Lake, and improvements of County Roads and Bridges; deconstruction, reconstruction and transportation of BSL-3 Modular Lab; and vehicle acquisitions.

## **Business-type Activities:**

\$1.4 million for improvements to Los Coches Sewer System.

(Please refer to Note 7 in the notes to the basic financial statements for more details concerning capital assets and capital commitments.)

## **Long-Term Liabilities**

### **Governmental Activities:**

At June 30, 2022, the County's governmental activities had outstanding long-term liabilities (without regard to the net pension liability or net OPEB liability) of \$1.867 billion.

Of this amount, approximately \$1.136 billion pertained to long-term debt outstanding. Principal debt issuances included: \$452 million in Tobacco Settlement Asset-Backed Bonds; \$341 million in taxable pension obligation bonds; \$245 million in certificates of participation (COPs) and lease revenue bonds (LRBs); \$96 million in unamortized issuance premiums; and \$2 million in loans.

Other long-term liabilities included: \$13 million in financed purchases; \$301 million in claims and judgments; \$138 million in compensated absences; \$21 million for landfill postclosure costs; \$256 million for leases; and \$2 million for pollution remediation.

During fiscal year 2022, the County's total COPs, LRBs, unamortized issuance premiums, and other bonds and loans for governmental activities decreased by \$28.964 million.

The \$28.964 million net decrease was due to the following increases and decreases:

Increases to debt were \$71.276 million and included:

 \$49.060 million of fixed interest rate Certificates of Participation titled "County of San Diego

Certificates of Participation, Series 2021" (Youth Transition Campus) (Green Bonds);

- \$7.385 million of principal accreted (added) to the outstanding Tobacco Settlement Asset-Backed Bonds' Capital Appreciation Bonds principal; and,
- \$14.831 million due to the effects of unamortized issuance premiums.

Decreases to debt were \$100.240 million and included:

- \$93.741 million in principal debt service payments;
- \$6.499 million due to the effects of unamortized issuance premiums.

## **Business-type Activities:**

Long-term liabilities (without regard to the net pension liability or net OPEB liability) for business-type activities consisted of \$472 thousand for compensated absences.

During fiscal year 2022, long-term liabilities for business-type activities decreased by \$132 thousand due to a net decrease in compensated absences.

(Please refer to Notes 12 through 17 in the notes to the financial statements for more details concerning long-term debt; changes in long-term liabilities; and funds used to liquidate liabilities.)

## **Credit Ratings**

The County's issuer and credit ratings on its bonded program are as follows:

#### Table 3

Credit Ratings			
Cream Rainings	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

The County's issuer and credit ratings are assigned by three of the major rating agencies: Moody's Investors Service (Moody's), S&P Global Ratings (Standard & Poor's), and Fitch Ratings (Fitch). The County's existing triple A Issuer Ratings were affirmed in October 2021 by Moody's, Standard & Poor's and Fitch.

In October 2021 all three rating agencies reaffirmed the existing Aa2, AAA, and AA+ ratings on the County's outstanding Pension Obligation Bonds. The existing Aa1 and AA+ ratings on the County's outstanding lease-backed obligations were also reaffirmed. The one notch difference between the

County's issuer and lease-backed rating reflects the standard legal structure for these abatement lease financings and leased assets.

In September 2021 Standard & Poor's (S&P) evaluated and reaffirmed the Tobacco Settlement Asset-Backed Bonds Series 2006B, 2006C, and 2006D (Capital Appreciation Bonds). S&P also reaffirmed the ratings for the Series 2019 Tobacco Settlement Asset-Backed Bonds, Classes A and B-1 (Serial and Term Bonds, and Current Interest Bonds, respectively). There was one rating change from A- to A for the 2019 Class A bonds maturing on June 1, 2031.

All three rating agencies noted the County's strong financial management, which effects a very strong fiscal position, and a large and diverse tax base, which bolsters the County's strong economy.

## **Economic Factors and Next Year's Budget and Rates**

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. Economic indicators show that the economy has essentially recovered from the COVID-19 pandemic, although inflation coupled with the current geo-political conflict poses risks to the recovery. Risk factors are continuously monitored, including employment, the housing market, and the national economy as a whole.

The following economic factors were considered in developing the fiscal year 2023 Operational Plan:

- The fiscal year 2023 General Fund adopted budget contains total appropriations of \$5.65 billion. This is an increase of \$113.1 million, or 2.0%, from the fiscal year 2022 General Fund adopted budget. Program Revenue comprises 68.4% of General Fund financing sources in fiscal year 2023, and is derived primarily from State and federal subventions and grants, and from charges and fees earned by specific programs. This revenue source is dedicated to, and can be used only for, the specific programs with which it is associated.
- General purpose revenue (GPR) funds local discretionary services, as well as the County's share of costs for services that are provided in partnership with the State and federal governments. GPR comprises approximately 29.5% of the General Fund. In the fiscal year 2023

- adopted budget, the County's GPR increased 7.4%; with budgeted GPR of \$1,665.2 million in fiscal year 2023 compared to \$1,550.7 million budgeted in fiscal year 2022.
- The largest source of GPR is property tax revenue, which represents 51.8% of total GPR in fiscal year 2023, and includes current secured, current supplemental, current unsecured and current unsecured supplemental property taxes. The term "current" refers to those taxes that are due and expected to be paid in the referenced budget year. For fiscal year 2023, property tax revenue is budgeted at \$863.3 million, which is \$55.9 million or 6.9% higher than the budget for fiscal year 2022 and the increase is mainly due to the 6.0% Assessed Value (AV) growth. For fiscal years 2015, 2016, 2017, 2018, 2019, 2020 and 2021 the final growth rates were 5.7%, 5.6%, 6.35%, 6.13%, 5.72%, 5.33% and 4.02%, respectively. For fiscal year 2023, an assumed rate of 6.00% is projected in overall assessed value of real property.
  - Current secured property tax revenue (\$831.7 million in fiscal year 2023) is expected to increase by \$54.7 million in fiscal year 2023 from the adopted budget level for fiscal year 2022. This revenue is generated from the secured tax roll, that part of the roll containing real property, including residential and commercial property as well as State-assessed public utilities. The fiscal year 2023 revenue amount assumes an increase of 6.00% in the local secured assessed value. The budget also makes certain assumptions regarding the County's share of countywide property tax revenues, the delinquency rate, exemptions and the amount of tax roll corrections and refunds on prior year assessments.
  - Current supplemental property tax revenue (\$8.7 million in fiscal year 2023) is expected to slightly decrease by \$0.1 million in fiscal year 2023 from the adopted level for fiscal year 2022. This revenue is derived from net increases to the secured tax roll from either new construction or changes in ownership that occur subsequent to the January 1 lien date and are therefore more difficult to predict. These actions are captured on the supplemental tax roll.
  - Current unsecured property tax revenue (\$22.7 million in fiscal year 2023) is not based on a lien on real property and is expected to increase by

- \$1.2 million in fiscal year 2023 from the adopted level for fiscal year 2022. The unsecured tax roll is that part of the assessment roll consisting largely of business personal property owned by tenants.
- Current unsecured supplemental property tax revenue (\$0.1 million in fiscal year 2023) remains largely unchanged. It is derived from supplemental bills that are transferred to the unsecured roll when a change of ownership occurs, and a tax payment is due from the prior owner. Or there may be a subsequent change in ownership following the initial change in ownership which occurs prior to the mailing of the initial supplemental tax bill.
- Property taxes in lieu of vehicle license fees (VLF) comprises 30.4%, or \$506.3 million, of budgeted GPR in fiscal year 2023. This revenue source was established by the State in fiscal year 2005 to replace the previous distribution of VLF to local governments. The annual change in this revenue source is statutorily based on the growth/decline in the net taxable unsecured and local secured assessed value. With projected 6.00% increase in the combined taxable unsecured and local secured assessed value in fiscal year 2023, budgeted revenues are \$32.4 million higher than fiscal year 2022. The increase is partially associated with the change in actual assessed value in fiscal year 2022 which increased by 4.02% compared to a budgeted increase of 3.00%.
- Teeter revenue represents approximately 1.0%, or \$16.4 million, of budgeted GPR in fiscal year 2023. In fiscal year 1994, the County adopted the alternative method of secured property tax apportionment available under Chapter 3, Part 8, Division 1, of the California Revenue and Taxation Code (also known as the "Teeter Plan.") Under this plan, the County advances funds to participating taxing entities to cover unpaid (delinquent) taxes (the "Teetered Taxes.") The County's General Fund benefits from this plan by being entitled to future collections of penalties and interest that are due once the delinquent taxes are paid. A legal requirement of the Teeter Plan requires the County to maintain a tax loss reserve fund to cover losses that may occur if delinquent taxes are not paid, and the property goes into default and is sold for less than the outstanding taxes and assessments. Throughout the year, all interest and penalties

- collected on Teetered secured and supplemental property taxes are first deposited into the Teeter Tax Loss Reserve Fund. Any excess amounts above 25% of the total delinquent secured taxes and assessments may be transferred to the General Fund pursuant to Revenue and Taxation Code Section 4703.2(c). For fiscal year 2023, Teeter revenue is budgeted to increase by \$0.5 million from fiscal year 2022 primarily due to projected higher collections from a higher prior year receivables.
- Sales and use tax revenue is budgeted at \$39.5 million in fiscal year 2023, representing approximately 2.4% of GPR. This revenue is derived from taxable sales by retailers who sell or rent tangible personal property in unincorporated areas of the county, or from use taxes from consumers who purchase tangible personal property from out of State. Use taxes are also imposed on the storage, use, lease or other consumption of tangible personal property at any time a sales tax has not been paid by the retailer. Sales and use tax revenue in fiscal year 2023 is estimated to be \$4.8 million, or 13.7%, higher than the fiscal year 2022 adopted budget primarily due to the rebound from the pandemic.
- Intergovernmental revenue is budgeted at \$164.7 million in fiscal year 2023, an increase of \$20.1 million or 13.9% and is approximately 9.9% of total GPR. This increase is due to continuing growth in pass-through distributions and recognition of higher residual revenue from the distribution of former redevelopment funds. The intergovernmental revenue source represents funding the County receives from various intergovernmental including sources. Redevelopment Successor Agencies, the City of San Diego (pursuant to a memorandum of understanding related to the County's Central Jail), the federal government (payments in lieu of taxes for tax-exempt federal lands administered by the Bureau of Land Management, the National Park Service, and the U.S. Fish and Wildlife Service), and the State of California (reimbursement to the County for the Homeowner's Property Tax Relief program). The largest portion of this funding is from redevelopment property tax revenues. In pursuant to ABX1 26, redevelopment agencies were dissolved by the California legislature. The California Supreme Court upheld

the constitutionality of the dissolution on December 29, 2011. The Court extended the date of dissolution from October 1, 2011 to February 1, 2012. Based on Health and Safety Code Section 34183 (a)(1), the County auditor-controller shall remit from the Redevelopment Property Tax Trust Fund to each affected local taxing agency property tax revenues in an amount equal to that which would have been received under Health and Safety Code Sections 33401, 33492.140, 33607, 33607.5, 33607.7 or 33676. The residual balance (Health and Safety Code Section 34183(a)(4)), not allocated for specific purposes, will be distributed to local taxing agencies in accordance with Section 34188.

 Other revenues are budgeted at \$75.1 million in fiscal year 2023 and are approximately 4.5% of the total GPR. Various revenue sources make up this category including: Real Property Transfer Tax (RPTT), interest on deposits and investments, fees, fines, forfeitures, prior year property taxes, penalties and cost on delinquency taxes, franchise fees, and other miscellaneous revenues. The fiscal year 2023 amount is a 1.1% or \$0.9 million increase from fiscal year 2022.

County management continuously evaluates and responds to the changing economic environment and its impact on the cost and the demand for County services. Specific actions are detailed in the fiscal year 2023 Adopted Operational Plan which can be accessed at https://www.sandiegocounty.gov/content/dam/sdc/auditor/pdf/adoptedplan\_22-24.pdf

## **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Auditor and Controller's Office, County of San Diego, located at 5530 Overland Avenue, Suite 410, San Diego, California 92123.





STATEMENT OF NET POSITION				
June 30, 2022				
(In Thousands)				
		rimary Government		Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
ASSETS	ACTIVITIES	7.6.11411163	10101	3di i Diego
Pooled cash and investments	\$ 3,974,605	96.197	4,070,802	48.128
Cash with fiscal agents	7	, 5, . , ,	7	10,120
Investments with fiscal agents	250.623		250,623	
Receivables, net	1,211,244	5.960	1,217,204	2.011
Lease receivables	17.086	228,114	245,200	_,
Property taxes receivables, net	134,520	,	134,520	
Internal balances	1,486	(1,486)	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Due from component unit	117	(17.00)	117	
Inventories	46,982	219	47,201	
Deposits with others	8		8	
Prepaid items	503	1	504	2
Restricted assets:				
Cash with fiscal agents	570		570	
Investments with fiscal agents	44,312		44,312	
Capital assets:	,-		, -	
Land, easements and construction in progress	955.161	19.929	975,090	
Other capital assets, net of accumulated				
depreciation/amortization	3,269,620	167,608	3,437,228	2,446
Total assets	9,906,844	516,542	10,423,386	52,587
DEFERRED OUTFLOWS OF RESOURCES				
Non-Pension:				
Unamortized loss on refunding of long-term debt	28,024		28,024	
Pension:				
Contributions to the pension plan subsequent to the measurement date	586,947	2,402	589,349	
Changes in proportionate share and differences between	000,747	2,402	007,047	
employer's contributions and proportionate share of				
contributions	27,820	113	27,933	
Changes of assumptions or other inputs	139,350	817	140,167	
Difference between expected and actual experience in the total pension liability	111,060	442	111.502	
OPEB:	111,000	772	111,002	
Contributions to the OPEB plan subsequent to the				
measurement date	16,924	84	17,008	
Total deferred outflows of resources	910,125	3,858	913,983	

Continued on next page



STATEMENT OF NET POSITION				
June 30, 2022				
(In Thousands)				
-		mary Government		Component Unit
(Continued)	Governmental Activities	Business-type Activities	Total	First 5 Commission of
(Continued)	ACTIVITIES	ACTIVITIES	TOTAL	San Diego
LIABILITIES	449.955	2,009	451,964	9.612
Accounts payable		2,009	·	7,012
Accrued payroll	69,808	2/3	70,083	
Accrued interest	11,576		11,576	117
Due to primary government	0.40.507	200	0.40.000	117
Unearned revenue	960,597	392	960,989	
Noncurrent liabilities:				
Due within one year	248,232	170	248,402	327
Due in more than one year - other	1,619,011	302	1,619,313	2,259
Due in more than one year - net pension liability	2,235,909	10,764	2,246,673	
Due in more that one year - net OPEB liability	70,762	385	71,147	
Total Liabilities	5,665,850	14,297	5,680,147	12,315
DEFERRED INFLOWS OF RESOURCES				
Non-pension:				
Leases	17,002	226,213	243,215	
Property taxes received in advance	12,572		12,572	
Unamortized gain on refunding of long-term debt	90		90	
Pension: Changes in proportionate share and differences between employer's contributions and proportionate	3,292	11	3,303	
share of contributions Differences between expected and actual experience	3,272	11	3,303	
in the total pension liability	25,338	186	25,524	
Changes of assumptions or other inputs	14		14	
Net difference between projected and actual earnings on pension plan investments	1,299,926	4,639	1,304,565	
OPEB:				
Net difference between projected and actual earnings on OPEB plan investments	2,671		2,671	
Total deferred inflows of resources	1,360,905	231,049	1,591,954	

Continued on next page



STATEMENT OF NET POSITION				
June 30, 2022				
(In Thousands)				
	Prim	nary Government		Component Unit
	Governmental	Business-type		First 5 Commission
(Continued)	Activities	Activities	Total	of San Diego
NET POSITION				
Net investment in capital assets	3,695,884	187,343	3,883,227	
Restricted for:				
Creditors - Capital projects	6,725		6,725	
Grantors - Housing assistance	108,175		108,175	
Donations	2,944		2,944	
Pension Stabilization	214,196		214,196	
Laws or regulations of other governments: Custody of non-violent, non-serious, non-sex offenders				
and supervision of post release offenders	54,898		54,898	
Future road improvements	234,502		234,502	
Health and Human Services Agency programs Construction, maintenance and other costs for justice,	23,942		23,942	
health, and social facilities and programs Road, park lighting maintenance, fire protection and	32,023		32,023	
ambulance service Development of multifamily housing for persons with serious mental illness who are homeless, chronically	38,809		38,809	
homeless, or at-risk of becoming chronically homeless Down payment and closing costs assistance for first-time	60,553		60,553	
homebuyers	4,974		4,974	
Defray administrative costs, other general restrictions	25,539		25,539	
Custody and care for youthful offenders	14,543		14,543	
Juvenile probation activities	11,011		11,011	
Teeter tax loss	13,552		13,552	
Vector control Improvement and maintenance of recorded document	8,781		8,781	
systems	24,744		24,744	
Flood Control future drainage improvements	33,828		33,828	
Public safety activities	153,334		153,334	
Expansion of behavioral health community provider capacity and to strengthen the regional continuum of care	24,270		24,270	
Other purposes	189,914		189,914	
First 5 Commission of San Diego				40,272
Unrestricted	(1,186,927)	87,711	(1,099,216)	
Total net position	\$ 3,790,214	275,054	4,065,268	40,272

STATEMENT OF ACT								
For the Year Ended	June 30, 20	)22						
(In Thousands)			Program Reven	291	Net (Expense) R	Pevenue and	l Changes in	n Net Position
			Trogram keven	<del></del>	Net (Expense) r	<del>levenue u</del> nc	r <del>Criuriges</del> II	Componer
					Primary	Governmer	nt	Únit
		Charges for	Operating Grants and	Capital Grants and	Governmental	Business- type		First 5 Commissio
Functions/Programs	Expenses	Services	Contributions	Contributions	Activities	Activities	Total	of San Dieg
Governmental Activitie								
General government	\$ 414,187	128,540	233,416	1,648	(50,583)		(50,583)	
Public protection Public ways and	1,586,324	288,901	636,353	46,661	(614,409)		(614,409)	
facilities '	164,262	22,758	132,994	162	(8,348)		(8,348)	
Health and sanitation	1,167,816	143,837	1,043,875	5,061	24,957		24,957	
Public assistance	1,785,733	19,072	1,675,985	55,811	(34,865)		(34,865)	
Education Recreation and	55,787	172	11,518		(44,097)		(44,097)	
cultural	60,611	16,519	2,562		(41,530)		(41,530)	
Interest	53,971				(53,971)		(53,971)	
Total governmental activities	5,288,691	619,799	3,736,703	109,343	(822,846)		(822,846)	
Business-type Activities:								
Airport	15,545	14,200	1,235			(110)	(110)	
Jail Stores Commissary San Diego County	3,010	6,476				3,466	3,466	
Sanitation District Sanitation District -	25,035	29,367				4,332	4,332	
Other	8,712	8,119	60			(533)	(533)	
Total business-type activities	52,302	58,162	1,295			7,155	7,155	
Total primary government	5,340,993	677,961	3,737,998	109,343	(822,846)	7,155	(815,691)	
Component Unit: First 5 Commission of	<b>.</b> 00.400		01.500					10.17
San Diego	\$ 33,683		31,509					(2,17

Continued on next page



STATEMENT OF ACTIVITIES							
For the Year Ended June 30, 2022							
(In Thousands)							
	Net (Expense) Revenue and Changes in Net Position						
		· · · · · · · · · · · · · · · · · · ·	rimary Government	<u>_</u>	Component Unit		
	Go	vernmental	Business-type		First 5 Commission of		
(Continued)		Activities	Activities	Total	San Diego		
Changes in net position:							
Net (expense) revenue	\$	(822,846)	7,155	(815,691)	(2,174)		
Revenues:							
General Revenues							
Taxes:							
Property taxes		928,022		928,022			
Transient occupancy tax		7,225		7,225			
Real property transfer tax		43,635		43,635			
Miscellaneous taxes		5		5			
Property taxes in lieu of vehicle license fees		481,289		481,289			
Sales and use taxes		43,268		43,268			
Total general tax revenues		1,503,444		1,503,444			
Investment earnings		(96,987)	1,307	(95,680)	326		
Other		94,015	151	94,166			
Total general revenues		1,500,472	1,458	1,501,930	326		
Transfers		(10,981)	10,981				
Total general revenues and transfers		1,489,491	12,439	1,501,930	326		
Change in net position		666,645	19,594	686,239	(1,848)		
Net position at beginning of year		3,123,569	255,460	3,379,029	42,120		
Net position at end of year	\$	3,790,214	275,054	4,065,268	40,272		

BALANCE SHEET

GOVERNMENTAL FUNDS						
June 30, 2022						
(In Thousands)						
(in inousanas)		General Fund	Public Safety Fund	Tobacco Endowment Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			,			
Pooled cash and investments Cash with fiscal agents	\$	2,880,676 7	72,329	6,721	569,813	3,529,539 7
Investments with fiscal agents		1		250,622		250,623
Receivables, net		967,373	68,081	3,032	144,684	1,183,170
Lease receivables		4,587			9,337	13,924
Property taxes receivables, net		133,348			1,172	134,520
Due from other funds		64,206	12,133		43,620	119,959
Inventories		43,184			1,067	44,251
Deposits with others					8	8
Prepaid items		78			425	503
Restricted assets:						
Cash with fiscal agents		218			352	570
Investments with fiscal agents					44,312	44,312
Total assets		4,093,678	152,543	260,375	814,790	5,321,386
LIABILITIES, DEFERRED INFLOWS OF RESOURCES A	ND FUND	BALANCES				
LIABILITIES						
Accounts payable		306,168		1	56,108	362,277
Accrued payroll		65,661			2,419	68,080
Due to other funds		84,862	2,119	2,438	57,194	146,613
Unearned revenue		949,782			9,973	959,755
Total liabilities		1,406,473	2,119	2,439	125,694	1,536,725
DEFERRED INFLOWS OF RESOURCES						
Non-pension:						
Leases		4,567			9,278	13,845
Property taxes received in advance		11,810			762	12,572
Unavailable revenue		320,819			110,895	431,714
Total deferred inflows of resources		337,196			120,935	458,131

Continued on next page



BALANCE SHEET					
GOVERNMENTAL FUNDS					
June 30, 2022					
(In Thousands)			Tabaaaa	Other and	Takail
	General	Public	Tobacco Endowment	Other Governmental	Total Governmental
(Continued)	Fund	Safety Fund	Fund	Funds	Funds
FUND BALANCES		·			
Nonspendable:					
Not in spendable form:					
Loans, due from other funds and prepaids	5,231			425	5,656
Inventories and deposits with others	43,184			1,075	44,259
Restricted for:					
Creditors - Debt service				47,162	47,162
Creditors - Capital projects	07.050			55,785	55,785
Grantors - Housing assistance	97,252			10,923	108,175
Donations	2,944				2,944
Pension Stabilization	214,196				214,196
Laws or regulations of other governments:	2,910	150.424			153,334
Public safety activities Custody of non-violent, non-serious, non-sex offenders	2,710	130,424			133,334
and supervision of post release offenders	54,898				54,898
Improvement and maintenance of recorded	24,744				24.744
document systems  Development of multifamily housing for persons with	24,/44				24,744
serious mental illness who are homeless, chronically					
homeless, or at-risk of becoming chronically homeless	60,553				60,553
Down payment and closing costs assistance for first-time homebuyers	4,974				4,974
Defray administrative costs, other general restrictions	25,539				25,539
Future road improvements				215,800	215,800
Construction, maintenance and other costs for justice,				•	
health, and social facilities and programs	32,023				32,023
Custody and care of youthful offenders	14,543				14,543
Juvenile probation activities Expansion of behavioral health community provider	11,011				11,011
capacity and to strengthen the regional continuum					
of care	24,270				24,270
Fund purpose				142,684	142,684
Other purposes	104,608			33,828	138,436
Committed to:					
Support, promote, and improve educational options for San Diego County K-12 youth	33,427				33.427
Realignment health, mental health and social services	39				39
Roadway major maintenance and safety projects				10,269	10,269
Chula Vista Bayfront Project public infrastructure				,	
improvements	8,334			50.010	8,334
Landfill, postclosure and landfill maintenance	510.540			50,210	50,210
Capital projects' funding	513,563		0.57.007		513,563
Health Evaluation, acquisition, construction, or rehabilitation of			257,936		257,936
affordable housing for low-income residents	36,558				36,558
Other purposes	25,238				25,238
Assigned to:					
Subsequent one-time expenditures	40,418				40,418
Legislative and administrative services	97,776				97,776
Other purposes	255,299				255,299
Unassigned	616,477				616,477
Total fund balances	2,350,009	150,424	257,936	568,161	3,326,530
Total liabilities, deferred inflows of resources and	\$ 4,093,678	152,543	260,375	814,790	5 201 20/
fund balances	φ <del>4</del> ,073,070	132,343	200,373	014,/70	5,321,386

<sup>▶</sup> Notes to the basic financial statements are an integral part of this statement ◀

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-	WID	<u> </u>
STATEMENT OF NET POSITION		
June 30, 2022		
(In Thousands)		
Total fund balances - governmental funds	\$	3,326,530
Capital assets used in governmental activities (excluding internal service funds) are not current financial resources and,		
therefore, are not reported in the balance sheet. This amount represents capital assets net of accumulated depreciation/		4 1 50 100
amortization.		4,150,183
Unamortized gain on refundings (to be amortized as interest expense).		(90)
Unamortized loss on refundings (to be amortized as interest expense).		28,024
Accrued interest on long-term debt.		(11,576
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds		401.71
and recognized as revenue in the statement of activities.		431,714
Long-term interest receivable on housing loans.		25,302
Deferred outflows of resources - Contributions to the pension plan subsequent to the measurement date.		573,60
Deferred outflows of resources - Contributions to the OPEB plan subsequent to the measurement date.		16,443
Deferred outflows of resources - Changes in proportionate share and differences between employer's contributions and		07.10
proportionate share of contributions - Pension.		27,196
Deferred outflows of resources - Changes of assumptions or other inputs - Pension.		135,686
Deferred outflows of resources - Differences between expected and actual experience in the total pension liability.		108,693
Deferred inflows of resources - Changes in proportionate share and differences between employer's contributions and		10.000
proportionate share of contributions - Pension.		(3,233
Deferred inflows of resources - Changes of assumptions or other inputs - Pension		(14
Deferred inflows of resources - Differences between expected and actual experience in the total pension liability.		(24,870
Deferred inflows of resources - Net difference between projected and actual earnings on pension plan investments.		(1,271,604
Deferred inflows of resources - Net difference between projected and actual earnings on OPEB plan investments.		(2,671
Long-term liabilities, such as bonds, notes, loans payable, financed purchases, leases, claims and judgments,		
compensated absences, landfill postclosure, pollution remediation, net pension liability, and net OPEB liability are not due		
and payable in the current period and, therefore, are not reported in the funds. (See Note 2 to the financial statements;		(2.01./ 410
Table 3.)		(3,816,412
Internal service funds are used by management to charge the costs of information technology, vehicle operations and		
maintenance, employee benefits, public liability, road and communications services, materials and supplies (purchasing), and facilities services to individual funds; and, to make loans for start-up services for new and existing county service		
districts. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds		
are included in the governmental activities in the statement of net position. (See Note 2 to the financial statements; <b>Table</b>		
3.)		97,312
Net position of governmental activities	\$	3,790,214
		3,, , 3, <u>2</u> 1

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS							
For the Year Ended June 30, 2022							
(In Thousands)							
(iii moosanas)			Tobacco	Other	Total		
		Public Safety	Endowment	Governmental	Governmental		
	General Fund	Fund	Fund	Funds	Funds		
Revenues:				40.501	1 400 015		
Taxes	\$ 1,434,814			63,501	1,498,315		
Licenses, permits and franchise fees	41,988			12,989	54,977		
Fines, forfeitures and penalties	79,634			399	80,033		
Revenue from use of money and property	(52,337)		(21,375)	(3,642)	(77,354)		
Aid from other governmental agencies:							
State	1,444,771	367,630		139,274	1,951,675		
Federal	1,399,041			185,918	1,584,959		
Other	173,426			8,620	182,046		
Charges for current services	429,405			39,264	468,669		
Other	35,193	1		42,970	78,164		
Total revenues	4,985,935	367,631	(21,375)	489,293	5,821,484		
Expenditures:							
Current:							
General government	406,915		153	6,882	413,950		
Public protection	1,720,637			9,380	1,730,017		
Public ways and facilities	7,567			88,749	96,316		
Health and sanitation	1,175,482			23,826	1,199,308		
Public assistance	1,563,491			207,448	1,770,939		
Education	1,222			55,242	56,464		
Recreation and cultural	48,976			3,670	52,646		
Capital outlay	19,413			233,917	253,330		
Debt service:							
Principal	60,165			79,011	139,176		
Interest	11,513			40,576	52,089		
Bond issuance costs				588	588		
Total expenditures	5,015,381		153	749,289	5,764,823		
Excess (deficiency) of revenues over (under)	-,,						
expenditures	(29,446)	367,631	(21,528)	(259,996)	56,661		
Other financing sources (uses):							
Sale of capital assets	183			15	198		
Issuance of leases:							
Leases	914			257	1,171		
Issuance of bonds, loans and financed purchases:							
Face value of financed purchases	1,331				1,331		
Face value of bonds issued				49,060	49,060		
Premium on issuance of bonds				14,831	14,831		
Transfers in	351,572			265,167	616,739		
Transfers out	(282,426)	(324,336)	(15,113)	(16,479)	(638,354)		
Total other financing sources (uses)	71,574	(324,336)	(15,113)	312,851	44,976		
Net change in fund balances	42,128	43,295	(36,641)	52,855	101,637		
Fund balance at beginning of year	2,282,435	107,129	294,577	515,468	3,199,609		
Increase (decrease) in nonspendable inventories	25,446	10,,12,	_, ,,,,,	(162)	25,284		
Fund balances at end of year	\$ 2,350,009	150,424	257,936	568,161	3,326,530		
Toria balarices at eria or year	Ψ 2,000,007	100,424	207,700	300,101	0,020,000		

<sup>▶</sup> Notes to the basic financial statements are an integral part of this statement ◀

to the financial statements; Table 4.)

Change in net position - governmental activities.

77,979

(213,176)

(4,932)

666,645

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amounts are deferred and amortized in the statement of activities. (See Note 2 to the financial statements; **Table 4.**) Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (See Note 2 to the financial statements; **Table 4.**)

Internal service funds are used by management to charge the costs of centralized services to individual funds. The net revenue (expense) of certain activities of internal service funds is reported within governmental activities. (See Note 2

#### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF **GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES** For the Year Ended June 30, 2022 (In Thousands) Net change in fund balances - total governmental funds \$ 101,637 Governmental funds accrue property tax revenue which is deemed collectible within 60 days. However, for the statement of activities the total amount estimated to ultimately be collected is accrued. 5,127 Revenues that do not provide current financial resources are not reported as revenues in the funds (deferred inflows) 44,992 but are recognized as revenue in the statement of activities. Revenues earned on long-term housing loans. 1,589 Adjustment to nonspendable inventories. 25,284 Change in accounting estimate for postclosure costs - (public protection function) - San Marcos landfill. (215)Change in accounting estimate for pollution remediation - (general government function). 1,197 Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. (See Note 2 to the financial statements; Table 4.) 39,091 The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (See Note 2 to the financial statements; **Table 4**.) (2,471)Contributions to the pension plan subsequent to the measurement date. 574,037 Contributions to the OPEB plan subsequent to the measurement date. 16,506 The issuance of long-term debt (e.g. bonds, notes, loans, financed purchases, and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these

STATEMENT OF NET POSITION				
PROPRIETARY FUNDS				
June 30, 2022				
(In Thousands)				
	Rusina	ess-type Activities		Governmental Activities
	D03II II	Other	 Total	ACIIVIIIes
		Enterprise	Enterprise	Internal Service
	Airport Fund	Funds	Funds	Funds
ASSETS				
Current assets:				
Pooled cash and investments	\$ 25,226	70,971	96,197	445,066
Receivables, net	2,279	655	2,934	1,404
Lease receivables	7,110		7,110	505
Due from other funds	61	292	353	37,156
Inventories	1	218	219	2,731
Prepaid items	1		1	
Total current assets	34,678	72,136	106,814	486,862
Noncurrent assets:				
Lease receivables	221,004		221,004	2,657
Due from other funds	3,026		3,026	63
Capital assets:				
Land	12,536	1,089	13,625	
Construction in progress	624	5,680	6,304	1
Buildings and improvements	134,750	19,248	153,998	2,963
Equipment	2,467	4,602	7,069	185,243
Software	297		297	14,036
Road infrastructure	25,245		25,245	
Sewer infrastructure		112,515	112,515	
Accumulated depreciation/amortization	(68,909)	(62,607)	(131,516)	(127,645)
Total noncurrent assets	331,040	80,527	411,567	77,318
Total assets	365,718	152,663	518,381	564,180
DEFERRED OUTFLOWS OF RESOURCES				
Pension:				
Contributions to the pension plan subsequent to the measurement date	1.137	1.265	2,402	13.346
Changes in proportionate share and differences between	1,10/	1,203	2,402	15,540
employer's contributions and				
proportionate share of contributions	56	57	113	624
Changes of assumptions or other inputs	455	362	817	3,664
Difference between expected and actual experience in the total pension liability	181	261	442	2,367
OPEB:	101	201	772	2,007
Contributions to the OPEB plan subsequent to the				
measurement date	 37	47	84	481
Total deferred outflows of resources	1,866	1,992	3,858	20,482

Continued on next page



STATEMENT OF NET POSITION				
PROPRIETARY FUNDS				
June 30, 2022				
(In Thousands)				
(iii iiioosanas)				Governmental
	Busi	ness-type Activitie	es	Activities
		Other	Total	
		Enterprise	Enterprise	Internal Service
(Continued)	Airport Fund	Funds	Funds	Funds
LIABILITIES				
Current liabilities:				
Accounts payable	1,256	753	2,009	87,678
Accrued payroll	119	156	275	1,728
Due to other funds	279	2,114	2,393	7,040
Unearned revenue	392		392	842
Loans payable				210
Compensated absences	77	93	170	1,316
Claims and judgments				58,908
Total current liabilities	2,123	3,116	5,239	157,722
Noncurrent liabilities:				
Loans payable				385
Compensated absences	136	166	302	2,340
Claims and judgments				242,449
Net pension liability	5,236	5,528	10,764	50,020
Net OPEB liability	180	205	385	1,874
Total noncurrent liabilities	5,552	5,899	11,451	297,068
Total liabilities	7,675	9,015	16,690	454,790
DEFERRED INFLOWS OF RESOURCES				
Non-pension:				
Leases	226,213		226,213	3,157
Pension:				
Changes in proportionate share and differences between employer's contributions and				
proportionate share of contributions	6	5	11	59
Differences between expected and actual experience in		40	10/	
the total pension liability Net difference between projected and actual earnings on	138	48	186	468
pension plan investments	2.088	2,551	4,639	28,322
Total deferred inflows of resources	228,445	2,604	231,049	32,006
NET POSITION	,			<u> </u>
Net investment in capital assets	106,974	80,369	187,343	71,821
Unrestricted net position	24,490	62,667	87,157	26,045
Total net position	\$ 131,464	143,036	274,500	97,866
	•			

Reconciliation between net position - enterprise funds and net position of business-type activities as reported in the government-wide statement of net position					
Total net position	\$	274,500			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		554			
Net position of business-type activities	\$	275,054			

Investment earnings

Capital contributions

Change in net position

Gain (loss) on disposal of assets

Total nonoperating revenues (expenses)

Net position (deficits) at beginning of year Net position (deficits) at end of year

Income (loss) before capital contributions and transfers

Interest expense

Transfers in

Transfers out

County of San Diego / Annual Comprehensive Financial Report / For the year ended June 30, 2022

#### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION **PROPRIETARY FUNDS** For the Year Ended June 30, 2022 (In Thousands) Governmental Business-type Activities Activities Other Total Enterprise Enterprise Internal Service Airport Fund Funds Funds Funds Operating revenues: \$ 14,200 43,962 58,162 509,216 Charges for current services 151 151 2.661 Other 58.313 Total operating revenues 14,351 43,962 511,877 Operating expenses: 3,589 8,450 51,794 Salaries and employee benefits 4,861 2,454 5,766 8,220 42,107 Repairs and maintenance 398 1,305 1,703 63 Equipment rental 15.896 15.896 Sewage processing 1,418 3.942 5,360 273,892 Contracted services 2,884 Depreciation/amortization 3,565 6,449 21,014 520 32,424 Utilities 457 63 2,065 2,065 4,907 Cost of material 78,454 Claims and judgments 91 7 98 13,474 Fuel 1,025 2,558 3.583 7,413 Other 52,344 15,521 525,542 36,823 Total operating expenses (1,170)7,139 5,969 Operating income (loss) (13,665) Nonoperating revenues (expenses): 1,235 1,295 4,193 60 Grants

2.730

3,965

2.795

(132)

2,729

128,735

131,464

66

(1,423)

(1,363)

15,720

(4,673)

16,823

126,213

143,036

5,776

1,307

2,602

8,571

15,786

(4,805)

19,552

254,948

274,500

(8,669)

(1)

1,569

(2,908)

1,049 12,478

(1,844)

(4,890)

102,756

97,866

(16,573)

Reconciliation between change in net position - enterprise funds and change in net position of bus as reported in the government-wide statement of activities	iness-type	activities
Change in net position Adjustment to reflect the consolidation of internal service fund activities related to	\$	19,552
enterprise funds		42
Change in net position of business-type activities	\$	19,594

STATEMENT OF CASH FLOWS					
PROPRIETARY FUNDS					
For the Year Ended June 30, 2022					
(In Thousands)					
	Business-type Activities			Governmental Activities	
		DOSII	Other	Total	ACIIVIIIC3
		Airport	Enterprise	Enterprise	Internal Service
		Fund	Funds	Funds	Funds
Cash flows from operating activities:					
Cash received from customers	\$	4,664	36,241	40,905	13,600
Cash received from other funds		3	7,794	7,797	493,476
Cash payments to suppliers		(5,571)	(27,524)	(33,095)	(324,715)
Cash payments to employees		(4,280)	(5,780)	(10,060)	(59,947)
Cash payment to other funds		(2,839)	(1,863)	(4,702)	(33,299)
Cash paid for claims and judgments					(67,214)
Other payments			(3)	(3)	(11)
Net cash provided (used) by operating activities		(8,023)	8,865	842	21,890
Cash flows from noncapital financing activities:					
Operating grants		2,441	58	2,499	4,864
Transfers from other funds		66	15,720	15,786	12,478
Transfers to other funds		(132)	(4,673)	(4,805)	(1,844)
Payments received on advances to other funds					10
Principal paid on long-term debt					(189)
Interest paid on long-term debt					(1)
Other noncapital increases		138		138	
Net cash provided (used) by noncapital financing activities		2,513	11,105	13,618	15,318
Cash flows from capital and related financing activities:					
Capital contributions					1,049
Acquisition of capital assets		(1,364)	(3,805)	(5,169)	(21,715)
Lease payments received		7,134		7,134	739
Proceeds from sale of assets			209	209	1,838
Net cash provided (used) by capital and related financing activities		5,770	(3,596)	2,174	(18,089)
Cash flows from investing activities:					
Investment earnings		2,707	(1,491)	1,216	(8,908)
Net increase (decrease) in cash and cash equivalents		2,967	14,883	17,850	10,211
Cash and cash equivalents - beginning of year		22,259	56,088	78,347	434,855
Cash and cash equivalents - end of year		25,226	70,971	96,197	445,066

Continued on next page



STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended June 30, 2022 (In Thousands)				
(iii iiioosanas)		Governmental		
	BUSII	ness-type Activ		Activities
	Airport	Other Enterprise	Total Enterprise	Internal Service
(Confinued)	Fund	Funds	Funds	Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (1,170)	7,139	5,969	(13,665)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Decrease (increase) in receivables	(9,843)	(79)	(9,922)	(587)
Decrease (increase) in due from other funds	1	152	153	(4,402)
Decrease (increase) in inventories		7	7	(1,484)
Increase (decrease) in accounts payable	(66)	(621)	(687)	17,040
Increase (decrease) in accrued payroll	3		3	218
Increase (decrease) in due to other funds	23	302	325	638
Increase (decrease) in unearned revenue	158		158	188
Increase (decrease) in compensated absences	(41)	(91)	(132)	374
Increase (decrease) in claims and judgments				11,240
Pension expense	(623)	(789)	(1,412)	(8,260)
OPEB expense	(30)	(39)	(69)	(424)
Depreciation / amortization	3,565	2,884	6,449	21,014
Total adjustments	(6,853)	1,726	(5,127)	35,555
Net cash provided (used) by operating activities	\$ (8,023)	8,865	842	21,890
Non-cash investing and capital financing activities: Capital acquisitions included in accounts payable	\$ 36	156	192	2,777

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STATEMENT OF FIDUCIARY NET PO	OSITION			
FIDUCIARY FUNDS				
June 30, 2022				
(In Thousands)				
	San Diego County Employees Retirement Association Pension (and Other Postemployment Benefits) Trust Fund	Pooled Investments - Investment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund	Custodial Funds
ASSETS				
Pooled cash and investments	\$ 2,183	9,078,329	2,028	381,238
Cash with fiscal agents	2,339,835			7,038
Investments with fiscal agents			1,104	5,622
Securities lending cash collateral	71,341			
Receivables:				
Contributions	7,530			
Accrued interest and dividends	37,642			
Settlement of investments sold	1,359,395			
Accounts receivable				5,272
Investment earnings receivable		20,911	3	32,994
Taxes receivable, net		76,976		93,856
Other receivables		21,839		482
Investments at fair value				
Domestic equity securities	2,141,005			
International equity securities	1,203,864			
Fixed income securities	6,850,814			
Cash and securities for swaps	(336,637)			
Private equity	576,344			
Private real assets	467,379			
Real estate	1,370,363			
Capital assets, net	3,872			
Total assets	16,094,930	9,198,055	3,135	526,502

Continued on next page



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STATEMENT OF FIDUCIARY NET POSITION				
FIDUCIARY FUNDS				
June 30, 2022				
(In Thousands)				
(Continued)	San Diego County Employees Retirement Association Pension (and Other Postemployment Benefits) Trust Fund	Pooled Investments - Investment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund	Custodial Funds
LIABILITIES	· · · · · · · · · · · · · · · · · · ·			
Collateral payable for securities lending	71,363			
Settlement of investments purchased	1,432,375			
Professional services	12,377			
Death benefits	1,709			
Retirement benefits	1,296			
Refunds to members	2,825			
County advance contribution	19,507			
Accounts payable		186,243		99,898
Warrants outstanding				4,523
Accrued payroll				1
Accrued interest			32	
Other liabilities	13,141			
Noncurrent liabilities:				
Due within one year			643	
Due in more than one year			6,065	
Due to other funds			4,511	
Due to other governments				177,195
Total liabilities	1,554,593	186,243	11,251	281,617
NET POSITION				
Restricted for:				
Pension	14,503,991			
OPEB	36,346			
Pool participants		9,011,812		
Private purpose			(8,116)	
Individuals, organizations and other governments	1451222	0.011.010	(0.11.1)	244,885
Total net position	\$ 14,540,337	9,011,812	(8,116)	244,885

STATEMENT OF CHANGES IN FIDUCIARY NET POSITIO	ON			
FIDUCIARY FUNDS				
For the Year Ended June 30, 2022				
(In Thousands)	San Diego County Employees Retirement Association Pension (and Other Postemployment Benefits) Trust Fund	Pooled Investments- Investment Trust	County of San Diego Successor Agency Private Purpose Trust	Custodial
ADDITIONS	benefits) Itust rund	Funds	Fund	Funds
Contributions:				
Employer contributions	\$ 650,976			
• •	164,089			
Plan member contributions	184,087	14,389,384		2,678,122
Contributions to investments		14,307,304		
Property taxes collected for other governments	815,065	1 4 200 20 4		8,115,128 10,793,250
Total contributions	613,063	14,389,384		10,793,230
Investment income:				
Net appreciation/(depreciation) in fair value of investments:	/700 0 401			
Equity securities	(722,048)			
Fixed income	(722,528)			
Foreign currency	66,491			
Real estate and private equity	312,018			
Private real assets	32,413			
Futures	(73,303)			
Swaps	(627,595)			
Total net appreciation/(depreciation) in fair value of investments	(1,734,552)			
Interest income:	100 444			
Fixed income	128,464			
Cash	1,408			
Investment earnings		(193,391)	(53)	(16,660)
Total interest income	129,872	(193,391)	(53)	(16,660)
Other Additions:				
Dividends	24,512			
Real estate income	76,881			
Private equity income	4,877			
Private real assets income	52,160			
Total other	158,430			
Less: investment expenses	(64,560)	(870)		
Net investment income, before securities lending	(1,510,810)	(194,261)	(53)	(16,660)
Securities lending income	780			
Securities lending rebates and bank charges	1			
Net securities lending	781			
Net investment income	(1,510,029)	(194,261)	(53)	(16,660)
Property taxes- Successor Agency Redevelopment Property Tax Trust Fund Distribution			2,275	
Total additions	(694,964)	14,195,123	2,222	10,776,590

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STATEMENT OF CHANGES IN FIDUCIARY NET POFIDUCIARY FUNDS	SITION			
For the Year Ended June 30, 2022				
(In Thousands) (Continued)	San Diego County Employees Retirement Association Pension (and Other Postemployment Benefits) Trust Fund	Pooled Investments- Investment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund	Custodial Funds
DEDUCTIONS				
Benefits:				
Retirement benefits	887,268			
Death benefits	2,027			
Health benefits	12,839			
Total benefits	902,134			
Member refunds	7,660			
Administrative expenses	16,437	6,402	3	
Distributions from investments		13,134,814		2,665,694
Property taxes distributed to other governments				8,109,736
Contributions to other agencies			550	
Interest			455	
Total deductions	926,231	13,141,216	1,008	10,775,430
Change in net position	(1,621,195)	1,053,907	1,214	1,160
Net position (deficit) at beginning of year	16,161,532	7,957,905	(9,330)	243,725
Net position (deficit) at end of year	\$ 14,540,337	9,011,812	(8,116)	244,885

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#### NOTE 1

# **Summary of Significant Accounting Policies The Reporting Entity**

The County of San Diego (the "County" or "CoSD"), is a political subdivision of the State of California (the "State") and as such can exercise the powers specified by the Constitution and laws of the State of California. The County operates under a charter and is governed by an elected five-member Board of Supervisors (the "Board").

The County provides a full range of general government services including police protection, detention and correction, public assistance, health and sanitation, recreation, library, flood control, public ways and facilities, inactive waste management, airport management and general financial and administrative support.

The County reporting entity includes all significant organizations, departments, and agencies over which the County is considered to be financially accountable. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. As required by accounting principles generally accepted in the United States of America (GAAP), the financial statements present the financial position of the County and its component units.

These are entities for which the County is considered to be financially responsible and has a potential financial benefit/burden relationship.

Blended component units, although legally separate entities are, in substance, part of the County's operations and data from these component units are combined with the data from the primary government.

A discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County.

#### **Blended Component Units**

The blended component units listed below are agencies and special districts whose governing board is the County Board of Supervisors. The County Board of Supervisors therefore has the ability to impose its will. These component units have a direct financial benefit/burden relationship with the County, are fiscally dependent on the County, and as such financial actions including the setting of rates, issuance of debt and the adoption of the annual budget remain with the County.

County of San Diego In Home Supportive Services Public Authority (IHSSPA) - The IHSSPA was established to assist eligible low-income elderly and persons with disabilities in San Diego County to live high quality lives in their own homes. The IHSSPA program is mandated by the State. As the employer of record, IHSSPA recruits, screens, and trains home care workers who are available to assist eligible consumers in their own homes. IHSSPA is reported as a special revenue fund.

County Service Districts (CSD) - The CSDs were established to provide authorized services such as road, park, fire protection and ambulance to specific areas in the County. They are financed by ad valorem property taxes in the area benefited or by special assessments levied on specific properties. The CSDs are reported as special revenue funds.

Flood Control District (FCD) - The FCD was established to provide flood control in the County's unincorporated area. It is financed primarily by ad valorem property taxes and charges to property owners. The FCD is reported as a special revenue fund.

Lighting Maintenance District (LMD) - The LMD was established to provide street and road lighting services to specified areas of the County. Revenue sources include ad valorem taxes, benefit fees, state funding and charges to property owners. The LMD is reported as a special revenue fund.

San Diego County Housing Authority (SDCHA) - The SDCHA was established to provide decent housing in a suitable environment for individuals who cannot afford standard private housing. Contracts with the U.S. Department of Housing and Urban Development provide the major funding sources. SDCHA is reported

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in two *special revenue funds* - Housing Authority - Low and Moderate Income Housing Asset Fund, and the Housing Authority - Other Fund.

San Diego County Sanitation District (SD) - The SD was established to construct, operate and maintain reliable and sustainable sanitary sewer systems. Revenue sources include charges to property owners, other agencies, and grants. The SD is reported as an enterprise fund.

Sanitation District - Other (SD Other) - The SD Other was established to construct, operate and maintain reliable and sustainable sanitary sewer and potable water systems. Revenue sources include charges to property owners, other agencies, and grants. The SD Other is reported as an enterprise fund.

Blended component units governed by boards other than the CoSD Board of Supervisors are listed below. These component units are, in substance, part of the County's operations due to their relationship with the County and the nature of their operations. Specifically, the CoSD Board appoints either all or a majority of their board members and the services they provide solely benefit the County.

San Diego County Capital Asset Leasing Corporation (SANCAL) - SANCAL was established to finance the acquisition of County buildings and equipment. It is a nonprofit corporation governed by a five-member Board of Directors, which is appointed by the CoSD Board. SANCAL financial activities are reported in a debt service fund.

San Diego County Tobacco Asset Securitization Corporation (SDCTASC) - The SDCTASC was created under the California Nonprofit Public Benefit Corporation Law and was established to purchase tobacco settlement payments allocated to the County from the State of California, pursuant to a Tobacco Master Settlement Agreement. SDCTASC is governed by a Board of Directors consisting of three members, two of which are employees of the County and one independent director who is not an employee of the County. The SDCTASC is reported as part of the Tobacco Securitization Joint Special Revenue Fund.

San Diego Regional Building Authority (SDRBA) - The SDRBA was established under the Mark-Roos Local Bond Pooling Act of 1985 and authorized to issue

bonds for the purpose of acquiring and constructing public capital improvements and to lease them to its members, the County and the San Diego Metropolitan Transit Development Board (MTDB). The services provided by the *SDRBA* to the MTDB are insignificant.

The *SDRBA* is governed by a Commission consisting of three members, two of which are County Supervisors appointed by the County Board of Supervisors and concurrently serve on the Board of Directors of the San Diego Trolley, Inc. and the Board of Directors of MTDB. The third Commissioner is a member of MTDB and is appointed by the MTDB Board. The *SDRBA*'s financial activities are reported in a *debt service fund*.

Tobacco Securitization Joint Powers Authority of Southern California (TSJPA) - The TSJPA was created by a joint exercise of powers agreement between the County and the County of Sacramento pursuant to Government Code Sections 6500 et seg. The TSJPA's purpose is to finance a loan to the San Diego County Tobacco Asset Securitization Corporation (the Corporation) via the sale of tobacco asset-backed bonds. The *Corporation* in turn uses the loan proceeds to purchase the County's future tobacco settlement revenues under a purchase and sale agreement. The TSJPA is administered by a Board of Directors consisting of three members, two members who are appointed by the CoSD Board and the third member is appointed by the Sacramento County Board of Supervisors. The TSJPA is reported as part of the Tobacco Securitization Joint Special Revenue Fund.

Separately issued financial reports for *IHSSPA*, *SDCTASC*, *SDRBA*, and *TSJPA* can be obtained from the County Auditor and Controller's Office located at 5530 Overland Avenue, Suite 410, San Diego, California 92123.

#### **Discrete Component Unit**

The First 5 Commission of San Diego (Commission) was established by the Board as a separate legal entity under the authority of the California Children and Families First Act and Sections 130100 et seq. of the Health and Safety Code. The Commission administers the County's share of tobacco taxes levied by the State for the purpose of implementing early childhood development programs. The County appoints all of the Commission's board and can remove appointed members at will.

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The *Commission* is discretely presented because its Board is not substantively the same as the County's, and it does not provide services entirely or almost entirely to the County. A separately issued financial report can be obtained by writing to First 5 Commission, 9655 Granite Ridge Drive, Suite 120, San Diego, CA 92123.

### **Fiduciary Component Unit**

The San Diego County Employees Retirement Association (SDCERA) is a cost-sharing, multipleemployer public retirement system organized under the 1937 Retirement Act. SDCERA is an independent governmental entity separate and distinct from the County of San Diego and provides retirement, disability, death, and health insurance allowance benefits for SDCERA members and beneficiaries. The County is a major participant in the SDCERA plans. The County appoints a majority of the SDCERA Retirement Board and is considered to have a financial burden as it is legally obligated to make contributions to the plans. The activity of SDCERA is reported within the following fiduciary funds - SDCERA Pension Trust Fund and SDCERA Other Postemployment Benefits Trust Fund.

# Financial Reporting Structure Basic Financial Statements

The basic financial statements include both government-wide financial statements and fund financial statements which focus on the County as a whole in the government-wide financial statements and major individual funds in the fund financial statements.

#### **Government-Wide Financial Statements**

The government-wide financial statements (statement of net position and statement of activities) display information about the County as a whole and the change in aggregate financial position resulting from the activities of the fiscal period, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the County (including its blended component units) as well as its discretely presented component unit. In the statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis by

column, and are reported using the economic resources measurement focus and the accrual basis of accounting, which incorporates capital assets as well as long-term debt and obligations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and are not eliminated in the process of used consolidation. All internal balances in the statement of net position have been eliminated, with the exception of those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the primary government total column. The statement of activities presents functional revenue and expenses of governmental activities and businesstype activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. In the statement of activities, internal service funds' revenue and expenses related to interfund services have been eliminated. Revenue and expenses related to services provided to external customers have not been eliminated and are presented within governmental activities.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given

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function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### **Fund Financial Statements**

The fund financial statements are presented after the government-wide financial statements. They display information about major funds individually and in the aggregate for governmental and proprietary funds. In governmental and fiduciary funds, assets and liabilities are presented in order of relative liquidity. In proprietary funds, assets and liabilities are presented in a classified format that distinguishes between all current and noncurrent assets and liabilities. Current assets in the classified format are those considered available to generate or use cash within twelve months of the end of the fiscal period. Examples include cash, various receivables and short-term investments. All other assets are considered noncurrent. Current liabilities are obligations to be paid within the next fiscal year. Examples include payables and the current portion of long-term liabilities. For all fund types, deferred outflows of resources are presented after assets; and deferred inflows of resources are presented following liabilities. For further information see Deferred Outflows and Inflows of Resources.

Major individual governmental funds are reported as separate columns in the fund financial statements and are presented on a current financial resources measurement focus and modified accrual basis of accounting. Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for and reports all financial resources of the County not accounted for and reported in another fund. Revenues are primarily derived from taxes; licenses, permits and franchise fees; fines, forfeitures and penalties; use of money and property; aid from other governmental agencies; charges for current services; and other revenues. Expenditures are

expended for functions of general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and cultural activities. Expenditures also include capital outlay and debt service.

The Public Safety Special Revenue Fund accounts for Proposition 172 half-cent sales taxes collected and apportioned to the County by the California Department of Tax and Fee Administration and are restricted for funding public safety activities. Per Government Code Section 30052, a "maintenance of effort" (pre-Proposition 172 public safety funding level) must be maintained by the County to comply with the statute's spending requirements. In accordance with the Code, these funds are allocated to the Sheriff, District Attorney and Probation departments. Transfers out of this fund subsidize the following types of public safety activities: juvenile detention services; facilities maintenance and support; capital projects, equipment and other one-time expenditures; on-going technology initiatives; and various region-wide services.

The *Tobacco Endowment Special Revenue Fund* accounts for tobacco settlement payments allocated to the County from the State of California, pursuant to the Master Settlement Agreement concluded on November 23, 1998 between the major tobacco companies and 46 states (including California), the District of Columbia and four U.S. Territories. According to Board of Supervisors Policy E-14, tobacco settlement monies are to be used for healthcare-based programs.

The County also reports the Airport Fund as a major Enterprise Fund. The Airport Fund is reported in a separate column in the fund financial statements using the economic resources measurement focus and the accrual basis of accounting. This fund is used to account for the maintenance, operations, and development of County airports. A major objective of the airport program is to develop airport property utilizing federal and state grants in order to enhance the value of public assets, generate new revenues and be a catalyst for aviation and business development.

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The County reports the following additional funds and fund types:

Enterprise Funds - these nonmajor funds account for jail stores commissary and sanitation district activities; including operations and maintenance, financing of clothing and personal sundry items for persons institutionalized at various county facilities, sewage collection and treatment services.

Internal Service Funds account for the financing of public works and communications equipment; the financing of materials and supplies (purchasing); start up services for new and existing County service districts; the County's public liability and employee benefits activities; the financing of fleet services; facilities management activities; and the financing of information technology services. Goods or services provided by servicing County departments are paid for on a cost reimbursement basis by receiving departments.

The following *fiduciary funds* include the activities of the San Diego County Employees Retirement Association, a fiduciary component unit of the County; and funds which account for resources that are held by the County as a trustee or custodian for outside parties and cannot be used to support the County's programs.

San Diego County Employees Retirement Association Pension (and Other Postemployment Benefits) Trust Fund - This fund is used to account for financial activities of the Pension Plan and Other Postemployment Benefits Plan administered by San Diego County Employees Retirement Association.

Pooled Investments - Investment Trust Funds account for investment activities on behalf of external entities and include the portion of the County Treasurer's investment pool applicable to external entities. In general, external entities include school districts, independent special districts and various other governments.

County of San Diego Successor Agency Private Purpose Trust Fund is a fiduciary fund type used by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the County of San Diego Successor Agency; formed pursuant to California Assembly Bill ABx1 26.

Custodial funds account for assets held by the County in a custodial capacity. The funds reported as custodial funds are not required to be reported in pension (and other employee benefit) trust funds, pooled investments - investment trust funds, or private purpose trust funds. Custodial funds account for the receipt, temporary investment, and remittance to individuals, private organizations, or other governments and also include property taxes collected on behalf of cities and other taxing agencies. The County's custodial funds use the economic resources measurement focus and accrual basis of accounting.

# Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are susceptible to accrual when measurable and available. Sales taxes, investment earnings, state and federal grants, and charges for services are accrued when their receipt occurs within 180 days following the end of the fiscal year. Property taxes are accrued if they are collectible within 60 days after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due. General capital assets acquisitions and principal payments on general long-term debt are reported as expenditures in

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governmental funds. Proceeds of general long-term debt and leases are reported as other financing sources.

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

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

### Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

#### **Cash and Investments**

The County's cash and cash equivalents for cash flow reporting purposes are considered to be cash on hand, demand deposits, restricted cash, and investments held in the County's Investment Pool (the "Pool").

The Pool is available for use by all funds. Each fund's portion of the Pool is displayed on the statements of net position/balance sheets as "pooled cash and investments." The share of each fund's pooled cash and investments account is separately accounted for and interest earned, net of related expenses, is apportioned quarterly based on the fund's average daily cash balance in proportion to the total pooled cash and investments based on amortized cost. \$2.356 million of interest earned by certain funds has been assigned to and reported as revenue of another fund. For fiscal year 2022, the General Fund was assigned \$2.093 million and the Other Governmental Funds were assigned \$263 thousand.

Governmental Accounting Standards Board Statement No. 72 (GASB 72) Fair Value Measurement and Application establishes a hierarchy of inputs to valuation techniques used to measure fair value and requires disclosures to be made about investment fair value measurements, the level of fair value hierarchy, and valuation techniques.

According to GASB 72, an investment is defined as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. Investments not measured at fair value continue to include, for example, money market mutual funds which are valued at net asset value - \$1 per share (amortized cost).

The following investments that have a remaining maturity at the time of purchase of one year or less and are held by fiscal agents outside of the County's Pool are to be measured at amortized cost: Money market mutual funds, including commercial paper; and participating interest-earning investment contracts, such as negotiable certificates of deposit.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement.

Fair value measurements for pooled investments and investments with fiscal agents are categorized within the fair value hierarchy established by GASB 72. The hierarchy is based on the valuation inputs used to measure the fair value of assets and liabilities. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability. None of the County's investments are valued using Level 1 and Level 3 inputs.

#### **Receivables and Payables**

The major receivables for governmental and businesstype activities are taxes, due from other governmental agencies, leases, and loans. All property taxes and accounts receivable are shown net of an allowance for

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uncollectibles, as applicable. Property taxes allowance for uncollectibles for governmental funds, pooled investment - investment trust funds, and Custodial Funds - Property Tax Collection Funds were \$13.090 \$7.337 million, \$4.744 million. and million. respectively; while the accounts receivable allowance for uncollectibles for governmental funds were \$5.338 million. Activities between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are disclosed in Note 8. All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities reported are the government-wide financial statements as "internal balances".

Noncurrent interfund receivables between funds are reported as nonspendable fund balance in the General Fund; and as a restricted, committed or assigned fund balance in other governmental funds, as applicable.

Secured property taxes are levied based upon the assessed valuation as of the previous January 1st, (lien date) and the tax levy is recorded as of July 1st (levy date). They are payable in two equal installments due on November 1st and February 1st and are considered delinquent with ten percent penalties after December 10th and April 10th, respectively. An additional penalty of one and one-half percent per month begins to accrue on July 1st on defaulted secured property taxes. Unsecured property taxes are due as of the January 1st lien date and become delinquent, with 10 percent penalties, after August 31st. An additional penalty of one and one-half percent per month begins to accrue after October 31st on delinquent unsecured property taxes.

Governmental funds' property tax revenues are recognized in the fiscal year for which they are levied, provided they are due within the fiscal year and collected within 60 days after the fiscal year end. Property tax revenues are also recognized for unsecured and supplemental property taxes that are due at year end, and are collected within 60 days after the fiscal year end, but will not be apportioned until the next fiscal year due to the timing of the tax apportionment schedule.

### **County Leased Property**

The County is a lessor of real property. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund, and enterprise fund financial statements for leases with an initial, individual value of \$250 thousand or more.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The County uses its estimated incremental borrowing rate as the discount rate for leases, using the appropriate rate under the BVAL Municipal AAA curve.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a measurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

## **Inventories and Prepaid Items**

Inventories include consumable inventories valued at average cost. They are accounted for as expenditures at the time of purchase and reported in governmental funds as an asset with an offsetting nonspendable fund balance amount. Proprietary fund types are carried at average cost and are expended when consumed. Prepaid items reflect payments for costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements, with

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expenditures/expenses recorded when consumed. Inventories and prepaid items recorded in the governmental funds are not in spendable form and thus, an equivalent portion of fund balance is reported as nonspendable.

#### **Capital Assets**

Capital assets are of a long-term character and include: land, easements, construction in progress, buildings and improvements, equipment, software, right-to-use assets, and infrastructure.

Infrastructure assets include roads, bridges and sewers.

Capital assets are recorded at *historical cost* if purchased or constructed. Donated capital assets are recorded at *estimated acquisition value* at the date of donation. Capital assets with original unit costs equal to or greater than the *capitalization thresholds* shown in **Table 1** are reported in the applicable *governmental activities* or *business-type activities* columns in the government-wide financial statements.

Table 1	
Capitalization Thresholds	
Land	\$ 0
Easements	50
Buildings and improvements	50
Equipment	5
Software	5-100
Infrastructure	25-50
Right-to-use assets	250

Depreciation and amortization are charged over the capital assets' estimated useful lives using the straight-line method for proprietary and governmental fund types. Governmental fund type depreciation and amortization are only shown in the statement of activities. Proprietary fund type depreciation and amortization are shown both in the fund statements and the government-wide statement of activities.

Estimated useful lives are shown in **Table 2**.

Table 2	
Estimated Useful Lives	
Buildings and improvements	10-50 years
Equipment	4-30 years
Software	2-10 years
Infrastructure	10-50 years
Right-to-use assets	Lease Term

#### **Unearned Revenue**

Under both the accrual and the modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for unearned revenue. Unearned revenue may be found in government-wide financial reporting as well as in the governmental, proprietary, and fiduciary funds' financial statements.

#### **Deferred Outflows and Inflows of Resources**

The County reports deferred outflows and inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods.

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. Revenue must also be susceptible to accrual; it must be both measurable and available to finance expenditures of the current fiscal period. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding deferred inflow of resources. This type of deferred inflow is unique to governmental funds, since it is tied to the modified accrual basis of accounting, which is used only in connection with governmental funds.

Examples of deferred outflows and inflows of resources include property taxes received in advance, unavailable revenue, unamortized losses and gains on refunding of long-term debt (discussed below), and pension/OPEB related deferrals. Pension/OPEB related deferred outflows and inflows of resources include

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changes in proportionate share and differences between employer's contributions and proportionate share of contributions, changes in assumptions or other inputs, contributions to the pension/OPEB plan subsequent to the measurement date, differences between expected and actual experience in the total pension/OPEB liability and net difference between projected and actual earnings on pension/OPEB plan investments.

Occasionally, the County refunds some of its existing debt. When this occurs, the difference between the funds required to retire (reacquisition price of) the refunded debt and the net carrying amount of refunded debt results in a deferred amount on refunding. If there is an excess of the reacquisition price of refunded debt over its net carrying amount, it is treated as a deferred outflow of resources (a deferred loss on refunding). If there is an excess net carrying value amount of refunded debt over its reacquisition price, it is treated as a deferred inflow of resources (a deferred gain on refunding).

## **Lease Obligations**

The County is a lessee for both real and personal property. The County recognizes a lease liability and a right-to-use asset in the government-wide financial statements. The County recognizes lease liabilities for leases with an initial, individual value of \$250 thousand or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right-to-use asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. Future lease payments should be discounted using the interest rate the lessor charges the lessee, which may be the interest rate implicit in the lease. However, if the implicit rate is not readily determinable then the incremental borrowing rate may be used. Therefore, the County uses the Incremental Borrowing Rate as its discount rate.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the right-to-use asset and lease liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-to-use assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

#### **Long-Term Obligations**

Long-term liabilities reported in the statement of net position include the amount due in one year (current) and the amount due in more than one year (noncurrent).

General long-term liabilities consist of the noncurrent portion of claims and judgments, compensated absences, landfill postclosure and other noncurrent liabilities. General long-term liabilities are not reported as liabilities in governmental funds but are reported in the governmental activities column in the government-wide statement of net position. General long-term debt is not limited to liabilities arising from debt issuances but may also include noncurrent liabilities on other commitments that are not current liabilities properly recorded in governmental funds.

Debt may be issued at par (face) value, with a premium (applicable to debt issued in excess of face value) or at a discount (applicable to debt issued at amounts less than the face value).

In the government-wide financial statements and proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life

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of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of the debt issued and premiums are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Capital Appreciation Bonds (CABs) issued by the County represent bonds that are issued at a deep discount, pay no current interest but accrete or compound in value from the date of issuance to the date of maturity. CABs are presented at their maturity value less the unaccreted appreciation. Unaccreted appreciation represents the difference between the maturity value of the debt and their par (face) value. The unaccreted appreciation is accreted as interest over the life of the CABs.

#### **Pension**

The County recognizes its proportionate share of the San Diego County Employees Retirement Association Pension Plan's (SDCERA-PP) collective net pension liability. Essentially, the net pension liability represents the excess of the total pension liability over the fiduciary net position of the SDCERA-PP reflected in the actuarial report provided by the SDCERA-PP actuary. The net pension liability is measured as of the County's prior fiscal year-end. Changes in the net pension liability are recorded in the period incurred, as pension expense or as deferred outflows of resources or deferred inflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred outflows of resources or deferred inflows of resources are those that arise from changes in actuarial assumptions or other inputs, changes in proportionate share and differences between employer's contributions and proportionate share of contributions, differences between expected and actual experience in the total pension liability, contributions to the pension plan

subsequent to the measurement date, and the net difference between projected and actual earnings on SDCERA-PP investments.

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

#### **OPEB**

The County recognizes its proportionate share of the San Diego County Employees Retirement Association retiree health plan's (SDCERA-RHP) collective net other postemployment benefits liability (net OPEB liability). Essentially, the net OPEB liability represents the excess of the total OPEB liability over the fiduciary net position of the SDCERA-RHP reflected in the actuarial report provided by the SDCERA-RHP actuary. The net OPEB liability is measured as of the County's prior fiscal year-end. Changes in the net OPEB liability are recorded in the period incurred, as OPEB expense or as deferred outflows of resources or deferred inflows of resources depending on the nature of the change. The changes in net OPEB liability that are recorded as deferred outflows of resources or deferred inflows of resources are those that arise from changes in actuarial assumptions or other inputs, changes in differences between proportionate share and employer's contributions and proportionate share of contributions, differences between expected and actual experience in the total OPEB liability, contributions to the OPEB plan subsequent to the measurement date, and the net difference between projected and actual earnings on SDCERA-RHP investments.

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources, information about the fiduciary net position of the SDCERA-RHP and additions to/deductions from the SDCERA-RHP fiduciary net position have been determined on the same basis as they are reported by SDCERA. For this

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purpose, benefit payments are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

#### **Employees' Compensated Absences**

The County's policy is to permit employees to earned but unused accumulate vacation, compensatory time, holiday and sick leave benefits. Each of these benefits is subject to certain limits based on employee class, except for sick leave and compensatory time that is subject to Fair Labor Standards Act (FLSA) rules or the California Labor Code. All vacation pay and a certain portion of compensatory and sick pay for specified employee classes is accrued in the government-wide and proprietary funds financial statements. Except for specified employee classes, there is no liability for unpaid accumulated sick leave since the County does not cash out unused sick leave when employees separate from service with the County. However, employees eligible for retirement benefits that meet minimum balance requirements may apply unused sick leave toward determining their length of service for the purpose of calculating retirement benefits.

Accumulated leave benefits including vacation, sick leave, and compensatory time worked are recorded in the government-wide statement of net position. Amounts recorded as accumulated leave benefits include the employer's share of Social Security and Medicare taxes. These amounts would not be expected to be liquidated from expendable available financial resources, but would be expected to be liquidated in future years as employees elect to use these benefits as prescribed by Civil Service rules and regulations.

County employees in the unclassified service and certain employees hired prior to 1979 may receive up to 50% and 25%, respectively, of the cash value of all or a portion of their sick leave balances upon termination or retirement. The cash value of these benefits is included in the accumulated leave benefits noted above. This liability has been recorded in the current and long-term portion of compensated absences in the appropriate proprietary funds and government-wide statement of net position.

California Labor Code Section 4850 entitles safety officers who meet certain criteria to receive full salary in lieu of temporary disability payments for the period of disability, not exceeding 365 days, or until such earlier date as he or she is retired on permanent disability pension. This liability is accrued in the current and long-term portion of compensated absences.

All County employees who have completed at least five years of continuous service in the County retirement system, and have a sick leave balance of at least one hundred hours, may convert, at retirement, all or a portion of their sick leave balance to retirement service credits on a hour-for-hour basis. The conversion of these balances to retirement service credits is included in the County's actuarial accrued liability, as part of the annual actuarial valuation which includes assumptions regarding employee terminations, retirement, death, etc.

#### **General Budget Policies**

An operating budget is adopted each fiscal year by the Board of Supervisors for the governmental funds. The annual resolution adopts the budget at the object level of expenditures within departments. Annual budgets are not required to be adopted for the Tobacco Securitization Joint Special Revenue Fund; and the Debt Service and Capital Projects Funds (other governmental funds). Please refer to the note to the required supplementary information for more details regarding the County's general budget policies.

#### **Fund Balance**

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. These classifications include: nonspendable; restricted; and the unrestricted classifications of committed, assigned and unassigned. When both restricted and unrestricted resources are available for use, fund balance is generally depleted by restricted resources first, followed by unrestricted resources in the following order: committed, assigned and unassigned. The fund balance classifications are defined as follows:

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**Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

**Restricted** fund balance - amounts with constraints placed on their use that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed fund balance** - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Supervisors. The Board of Supervisors may establish fund balance commitments by adoption of an ordinance, resolution, or formal board action memorialized by minute orders as may be required by law. All are equally binding. Those committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned fund balance - amounts that are constrained by the County's *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the highest level of decision making authority (the Board of Supervisors), or by a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. This intent is expressed by the Board of Supervisors approval of the use of fund balance to fund non-capital related expenditures and via action taken by the Board of Supervisors on November 5, 2013, which provides that fund balance may be committed by the Board and/or assigned by the Chief Administrative Officer for specific purposes.

**Unassigned fund balance** - the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports

a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

#### **Net Position**

**Net investment in capital assets** - consists of capital assets net of accumulated depreciation reduced by the outstanding principal of capital related debt (adjusted by any unamortized premiums, discounts, losses and gains on refunding of debt, and unspent proceeds related to debt), incurred by the County to buy or construct, and lease capital assets shown in the statement of net position. Capital assets cannot readily be sold and converted to cash.

**Restricted net position** - consists of restricted assets reduced by liabilities related to those assets. Constraints placed on net position are externally imposed by creditors, grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

**Unrestricted net position** - consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

#### **Indirect Costs**

County indirect costs are allocated to benefiting departments and are included in the program expense reported for individual functions and activities. Cost allocations are based on the annual *County-wide Cost Allocation Plan* which is prepared in accordance with Federal Office of Management and Budget (OMB) 2 CFR 200 Uniform Guidance.

#### **Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates

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and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates.

#### NOTE 2

#### Reconciliation of Government-Wide and Fund Financial Statements

#### **Balance Sheet/Statement of Net Position**

Explanations of certain differences between the governmental funds balance sheet and the government-wide statement of net position are detailed below:

#### Table 3

# Governmental Funds Balance Sheet / Government-Wide Statement of Net Position Reconciliation At June 30, 2022

Long-term liabilities, such as bonds, notes, loans payable, financed purchases, leases, claims and judgments, compensated absences, landfill postclosure, pollution remediation, net pension liability, and net OPEB liability, are not due and payable in the current period and, therefore, are not reported in the funds. The details of this \$3,816,412 difference are as follows:

Certificates of participation and lease revenue bonds \$ 245,0  Taxable pension obligation bonds \$ 340,0
Taxable pension obligation bonds 340 8
Taxable periods and a series
Tobacco settlement asset-backed bonds 452,2
Loans - non-internal service funds
Unamortized issuance premiums (to be amortized as interest expense) 95,5
Financed purchases - non-internal service funds
Compensated absences - non-internal service funds
Leases - non-internal service funds 256,
Landfill postclosure - San Marcos landfill 20,6
Pollution remediation 1,5
Subtotal \$ 1,561,6
Net pension liability - non-internal service funds 2,185,8
Net OPEB pension liability - non-internal service funds 68,8
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities \$ 3,816,4

Internal Service Funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of internal service funds are included in governmental activities in the statement of net position. The details of this \$97,312 difference are as follows:

Net position of the internal service funds	\$	97,866
Less: Internal payable representing charges in excess of cost to business-type activities - prior years		(512)
Less: Internal payable representing charges in excess of cost to business-type activities - current year		(42)
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	-\$	97.312

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## Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities

Explanations of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities are detailed below:

and the Consumer and Media Chalance and at A a Pode Borne 19 P		
and the Government-Wide Statement of Activities Reconciliation		
For the Year Ended June 30, 2022		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those of a control of the cost of those of the cost		
over their estimated useful lives and reported as depreciation/amortization expense. The details of this \$39,091 differences		
Capital outlay	\$	253,33
Depreciation/amortization expense		(214,239
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities	\$	39.09
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to a		,
position. The details of this \$(2,471) difference are as follows:	aeciease	1101
The proceeds from the sale of capital assets provide current financial resources but have no effect on net position	\$	(19
The loss on the disposal of capital assets does not affect current financial resources but decreases net position	Ψ	(3,90
Donations of assets to the County do not provide current financial resources but increase net position		1,6
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net		1,00
position - governmental activities	\$	(2,47
the issuance of long-term debt (e.g., bonds, notes, loans, financed purchases, and leases) provides current financial		
funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of pre and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of ac of this \$77,979 difference are as follows:		
Debt issued or incurred:		
Face value of bonds issued	\$	(49,06
Premium on issuance of bonds		(14,83
Face value of financed purchases		(1,33
Leases		(1,17
Principal payments		93,5
Lease payment		43,3
Financed purchase payments		2,3
Net gain on conversion of leases pursuant to the implementation of GASB 87, Leases		5,1
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net		
position - governmental activities	\$	77,9
Some expenses reported in the statement of activities do not require the use of current financial resources and, there reported as expenditures in governmental funds. The details of this \$(213,176) difference are as follows:		
	\$	(212,79
		(27
Change in net OPEB liability, deferred inflows of resources and deferred outflows of resources		1,7
Change in net OPEB liability, deferred inflows of resources and deferred outflows of resources  Compensated absences		8
Change in net OPEB liability, deferred inflows of resources and deferred outflows of resources  Compensated absences  Accrued interest		(7,38
Change in net OPEB liability, deferred inflows of resources and deferred outflows of resources  Compensated absences  Accrued interest  Accretion of capital appreciation bonds		2 10
Change in net OPEB liability, deferred inflows of resources and deferred outflows of resources  Compensated absences  Accrued interest  Accretion of capital appreciation bonds  Amortization of premiums		
Change in net OPEB liability, deferred inflows of resources and deferred outflows of resources Compensated absences Accrued interest Accretion of capital appreciation bonds Amortization of premiums Amortization of gain on refundings		;
Change in net OPEB liability, deferred inflows of resources and deferred outflows of resources Compensated absences Accrued interest Accretion of capital appreciation bonds Amortization of premiums Amortization of gain on refundings Amortization of loss on refundings		8
Change in net OPEB liability, deferred inflows of resources and deferred outflows of resources Compensated absences Accrued interest Accretion of capital appreciation bonds Amortization of premiums Amortization of gain on refundings Amortization of loss on refundings Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities	\$	(1,95
Change in net OPEB liability, deferred inflows of resources and deferred outflows of resources Compensated absences Accrued interest Accrued i		(1,95 (213,17
Change in net OPEB liability, deferred inflows of resources and deferred outflows of resources Compensated absences Accrued interest Accretion of capital appreciation bonds Amortization of premiums Amortization of gain on refundings Amortization of loss on refundings Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities Internal Service Funds. The net revenue (expense) of certain activities of internal service funds is reported within gover The details of this \$(4,932) difference are as follows:	nmental	(1,95 (213,17 activities.
Change in net pension liability, deferred inflows of resources and deferred outflows of resources Change in net OPEB liability, deferred inflows of resources and deferred outflows of resources Compensated absences Accrued interest Accretion of capital appreciation bonds Amortization of premiums Amortization of gain on refundings Amortization of loss on refundings Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities Internal Service Funds. The net revenue (expense) of certain activities of internal service funds is reported within gover the details of this \$(4,932) difference are as follows: Change in net position of the internal service funds Less: Loss from charges to business-type activities		6,49 (1,95 (213,17 activities. (4,89
Change in net OPEB liability, deferred inflows of resources and deferred outflows of resources  Compensated absences  Accrued interest  Accretion of capital appreciation bonds  Amortization of premiums  Amortization of gain on refundings  Amortization of loss on refundings  Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities  Internal Service Funds. The net revenue (expense) of certain activities of internal service funds is reported within gover The details of this \$(4,932) difference are as follows:  Change in net position of the internal service funds	nmental	(1,95 (213,17 activities. (4,89

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### NOTE 3

## **Deposits and Investments**

The Treasurer is responsible for authorizing all County bank accounts and pursuant to Government Code Sections 27000.1 - 27000.5, 27130 - 27137, and 53600 - 53686 is responsible for conducting County investment activities of the County's investment pool (the "Pool") as well as various individual investment accounts outside of the Pool. Additionally, the Treasurer has oversight responsibilities for investments with fiscal agents.

The Pool is a County sponsored "external investment pool" wherein moneys of the County and other legally separate external entities, which are not part of the County Reporting Entity, are commingled (pooled) and invested on the participants' behalf.

Pursuant to Sections 27130-27137 of the California Government Code, the Board of Supervisors has established the Treasury Oversight Committee (TOC) which monitors and reviews the Investment Policy. The TOC consists of three Ex-officio positions of the County, a Board of Supervisor's representative, and five members of the public, representing a City Official, a Special District Official, a School Official, and two members of the public having expertise in public finance per Government Code. The investment policy requires a financial audit to be conducted annually on a fiscal year basis, which includes limited tests of compliance with laws and regulations, with the duty of the TOC to review the audit. The Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company. The Pool does not have any legally binding guarantees of share values.

A separately issued annual financial report for the Pool can be obtained from the Treasurer-Tax Collector at 1600 Pacific Highway, Room 112, San Diego, California, 92101 and can also be accessed at http://www.sdttc.com.

Total pooled cash and investments totaled \$13.58 billion consisting of: \$13.54 billion investments in the County pool; \$24.154 million in deposits; \$20.604 million of collections in transit; and, \$504 thousand in imprest cash.

### **Deposits**

Government Code Section 53652 et. seq. and the Treasurer's Pool Investment Policy (Pool Policy) prescribe the amount of collateral that is required to secure the deposit of public funds.

Federal Depository Insurance Corporation (FDIC) insurance is available for funds deposited at any one insured depository institution in the State for up to a maximum of \$250 thousand for demand deposits and up to a maximum of \$250 thousand for time and savings deposits. The aforementioned Government Code and Pool Policy require that depositories collateralize public funds with securities having a market value of at least 10% in excess of the total amount of the deposits. These securities shall be placed in the institution's pooled collateral account and monitored by the State Treasurer of California or a mutually agreed upon third party custodian bank.

### **Custodial Credit Risk - Deposits**

The custodial credit risk for deposits is the risk that the County will not be able to recover deposits that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not insured or collateralized; or collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the government's name.

The Pool does not have a formal policy regarding sweep (deposit) accounts, but utilizes national or state chartered banks where amounts exceeding the FDIC insurance level are invested in repurchase agreements that are collateralized by U.S. Treasury and Federal Agency securities equal to or greater than the deposit amount in accordance with California Government Code.

California Government Code Section 53652 et. seq. requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. At June 30, 2022, the County's deposits were not exposed to custodial credit risk, as these deposits were either

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covered by FDIC insurance or collateralized with securities held by a named agent depository except as noted below:

a. Cash in banks is defined as short-term, highly liquid deposits with an original maturity of three months or less. Deposits consist of cash in banks. At year-end, the Pool maintained accounts in JP Morgan Bank. The carrying amount of the Pool's deposits was \$24.154 million, and the bank balance at June 30, 2022 was \$19.633 million. The difference between the carrying amount and the bank balance includes temporary reconciling items such as outstanding checks and deposits in transit. Of the bank balance, \$250 thousand was covered by federal deposit insurance and \$19.383 million was collateralized with securities held by a depository agent on behalf of the Pool as required by California Government Code Section 53656. The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Also, a financial institution may, in accordance with the California Government Code, secure local agency deposits using first trust deed mortgages; however, the fair value of the first trust deed mortgages collateral must be at least 150% of the total amount deposited.

b. The carrying amount of demand deposits with Fiscal Agents (outside of the Pool), other than demand deposits of the San Diego County Employees Retirement Association, was \$7.617 million and the bank balance per various financial institutions was \$8.605 million. Of the total bank balance, \$524 thousand was covered by federal deposit insurance and \$8.081 million was collateralized by a named agent depository.

#### **Investments**

Government Code Section 53601 governs the types of investments that may be purchased and makes certain restrictions on investment maturity, maximum portfolio percentages, term, value, credit quality and timing to minimize the risk of loss.

Permissible types of investments and financial instruments include: U.S. treasuries, U.S. Federal agencies, local agency obligations, banker's acceptances, repurchase and reverse repurchase agreements, collateralized certificates of deposit, commercial paper, corporate medium-term notes, negotiable certificates of deposit, pass-through mortgage securities, supranationals, and money market mutual funds.

Investments in the Pool are stated at fair value in accordance with GASB Statement No. 72. Securities, which are traded on a national exchange, are valued at the last reported sales price at current exchange rates. Institutional money market mutual funds are carried at portfolio book value (net asset value). All purchases of investments are accounted for on a trade-date basis.

Unrealized gains or losses of securities are determined by taking the difference between amortized cost and the fair value of investments. The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that were held in more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior year(s) and the current year.

In addition to the above, the Board annually adopts a Pooled Money Fund Investment Policy. This policy is based on the criteria in Government Code Section 53601 but adds further specificity and restrictions to permitted investments.

No policies have been established for investments with fiscal agents, however, moneys held by trustees on behalf of the County may generally only be invested in permitted investments specified in trustee or indenture agreements.

In conjunction with the discussion below concerning investment risks, please refer to Tables 7 and 8, respectively, which provide details on pooled investments and those held with fiscal agents at fiscal provides vear-end. Additionally, **Table** 10 comparison of Pool policy restrictions with Government Code Section 53601 requirements.

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#### **Interest Rate Risk - Investments**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity its fair value is to changes in market interest rates.

To mitigate the effect of interest rate risk, the Pool maintains a laddered portfolio in compliance with the Investment Policy, which requires at least 15% of securities to mature within 90 days and at least 35% of securities to mature within one year. In addition, the Pool limits the maximum effective duration of the portfolio to two years. As of June 30, 2022, the Pool was in full compliance with all provisions of the Investment Policy and the California Government Code. Actual weighted average days to maturity by investment type is presented in **Table 7**.

California Government Code Section 53601 indicates that when there is no specific limitation on the term or remaining maturity at the time of the investment, then no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment.

Generally, investments with fiscal agents are structured in such a way that securities mature at the times and in the amounts that are necessary to meet scheduled expenditures and withdrawals.

#### **Credit Risk - Investments**

Credit risk is the risk that an issuer or other counterparty to an investment may not fulfill its obligations.

The Pool's Investment Policy, which is more restrictive than the Government Code, places a minimum standard on the ratings of investments held in the Pool. Investments in securities other than those guaranteed by the U.S. Treasury or Government Sponsored Enterprises must have a credit rating of no less than "A" for long-term or "F1" for short-term.

Nonrated securities include sweep accounts and repurchase agreements. Sweep accounts and collateralized certificates of deposit must be FDIC insured and collateralized with securities held by a named agent of the depository. Repurchase agreements are collateralized by securities, authorized by California Government Code Section 53601, having a market value of at least 102% of the amount of the repurchase agreement. The Pool did not have any repurchase agreements in its portfolio as of June 30, 2022.

Credit quality based on Fitch's Fund Credit Quality Rating is noted below and on **Table 7**.

Table 5 Fitch Investment Ra	ting	
	Investment Pool Rating at June 30, 2022	Minimum Pool Investment Policy Ratings at Time of Purchase
Overall credit rating	AAAf/S1	
Short-term		F1
Long-term		Α

#### **Concentration of Credit Risk - Investments**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. This occurs when there is a lack of diversification or having too much invested in a few individual issuers.

As disclosed in **Table 10**, the Treasury maintains investment policies that establish thresholds for holdings of individual securities. The Pool did not have any holdings meeting or exceeding the allowable threshold levels as of June 30, 2022.

The Pool's holdings of Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC) securities are issued by agencies that remain under conservatorship by the Director of the Federal Housing Agency. The U.S. government does not guarantee, directly or indirectly, the securities of the Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), FNMA or FHLMC.

The following issuers exceeded the 5 percent threshold of the total fair value of the County Pool's investments as of June 30, 2022: FFCB 5.50%; FHLB

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(7.72%); FHLMC (5.23%); Bank of Montreal Chicago (5.56%); Bank of Nova Scotia Houston (5.17%); and, Toronto Dominion (5.16%).

No general policies have been established for investments with fiscal agents, to limit the amount of exposure to any one single issuer, however, moneys held by trustees on behalf of the County may generally only be invested in permitted investments specified in trustee or indenture agreements. Instruments in any one issuer that represent 5% or more of the County investments with fiscal agents by individual major fund or nonmajor funds in the aggregate at June 30, 2022 are shown in **Table 6**. Any investments explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from **Table 6**. Percentages by issuer for pooled investments are noted in **Table 7**.

Table 6 Concentration of Credi Investments With Fiscal			
	Tol	oacco	
Issuer	Endow	ment Fund	Percent
State of Georgia	\$	27,670	11%
State of Maryland		29,662	12%
State of Minnesota		26,568	11%
State of Washington		25,677	10%

#### **Custodial Credit Risk - Investments**

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the government's name.

The Investment Policy requires that securities purchased from any bank or dealer including appropriate collateral (as defined by California State Law), not insured by FDIC, shall be placed with an independent third party for custodial safekeeping. Securities purchased by the Pool are held by a third-party custodian, The Northern Trust Company, in their trust department to mitigate custodial credit risk.

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Table 7							
Pooled Investments							
At June 30, 2022							
	Fair Value	Book Value	Interest Rate Range	Maturity Range	Weighted Average Maturity (days)	NRSRO Rating	% of Portfolio
Federal Agencies:							
Federal Farm Credit Bank (FFCB)	\$ 744,858	773,751	0.2% - 3.53%	10/22 - 5/27	925	AAA	5.50%
Federal Home Loan Bank (FHLB)	1,044,964	1,098,029	0.375% - 3.64%	9/22 - 6/27	1230	AAA	7.72%
Federal Home Loan Mortgage Corporation (FHLMC)	707,930	745,458	0.25% - 0.75%	6/23 - 12/25	752	AAA	5.23%
Federal National Mortgage Association (FNMA)	666.513	712.041	0.25% - 2.875%	9/23 - 12/25	1055	AAA	4.92%
U.S. Treasury Notes	1,450,664	1,534,246	0.25% - 2.75%	7/22 - 9/26	1048	AAA	10.71%
Pass-through Securities	553,284	566,432	0.20% - 3.74%	6/23 - 5/27	1237	AAA	4.09%
Supranationals	995,797	1,035,064	0.29% - 3.03%	9/22 - 6/26	745	AAA	7.35%
Commercial Paper	2,386,111	2,386,111	0.3% - 3.1%	7/22 - 2/23	88	F-1 - F-1+	17.62%
Local Agency Investment Fund	2	2	0.94%	N/A	311	NR	0.00%
Local Government Investment Pools	1,573	1,573	1.40%	N/A	28	AAA	0.01%
Money Market Mutual Funds	618,500	618,500	1.151% - 1.41%	N/A	16	AAA	4.57%
Municipal Bonds	444,548	464,445	0.309% - 5.45%	2/23 - 6/27	934	AAAAA	3.27%
Negotiable Certificates of Deposit	3,398,769	3,407,000	0.16% - 3.65%	7/22 - 6/23	113	F-1+	25.10%
Medium-Term Notes	529,392	543,621	0.7% - 3.45%	7/22 - 4/25	569	A+ -AA-	3.91%
Total investments	\$ 13,542,905	13,886,273			552	_	100%

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ble 8							
vestments with Fiscal Agents							
June 30, 2022							
	Fo	air Value	Interest Rate Range	Maturity Range	Weighted Average Maturity (days)	S&P Rating	% of Portfolio
unty investments with fiscal agents							
estricted:							
ed income tax exempt bonds	\$	5,195	5.00%	1/26 - 9/27	1551	A+	1.76%
ed income tax exempt bonds		15,512	1.85% - 5%	12/24 - 11/30	2233	AA	5.26%
ed income tax exempt bonds		4,300	5.00%	8/23 - 12/26	1028	AA-	1.46%
ed income tax exempt bonds		38,616	5.00%	10/23 - 8/36	2952	AA+	13.09%
ed income tax exempt bonds		168,158	2% - 5%	6/23 - 8/35	3062	AAA	57.03%
ed income tax exempt bonds		2,342	5.00%	7/30	2923	NR	0.79%
ney market mutual funds		16,500	0.17%	7/22	6	AAAm	5.59%
ototal		250,623					
tricted:							
ney market mutual funds		44,312	0.28% - 1.34%	7/22 - 8/22	7 - 46	AAAm	15.02%
ototal		44,312					
al County investments with fiscal agents		294,935				_	100.00%
ate Purpose Trust Fund investments:							
ney market mutual funds		1,104	1.05% - 1.13%	7/22	10	AAAm _	100.00%
al Private Purpose Trust Fund investments		1,104					100.00%
stodial Funds investments:						_	
ney market mutual funds		5,622	0.28%	7/22	22	AAAm	100.00%
al Custodial Funds investments		5,622				_	100.00%
al investments with fiscal agents	\$	301,661					

#### **Fair Value Measurements**

The County categorizes its fair value measurements within the fair value hierarchy established by GASB 72. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets for identical assets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- •Level 3: Investments reflect prices based upon unobservable sources.

None of the County's investments are valued using Level 1 and Level 3 inputs.

The Pool uses the market approach as a valuation technique in the application of GASB 72. This method uses prices and other relevant information generated by market transactions involving identical or comparable assets or groups of assets.

Total pooled investments as of June 30, 2022, were valued at \$13.543 billion. The fair value of pooled investments categorized according to GASB 72 fair value hierarchy totaled \$12.923 billion, and are all classified as Level 2. Money market mutual funds totaling \$618.5 million, are valued at net asset value - \$1 per share (amortized cost) and local government investment pool funds, together with the local agency investment fund - totaling \$1.5 million, are not subject to the fair value hierarchy.

Total investments with fiscal agents as of June 30, 2022, were valued at \$301.6 million. The fair value of investments with fiscal agents according to the GASB 72 fair value hierarchy totaled \$234.1 million, and are

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all classified as Level 2. Fixed income tax exempt bonds were valued using matrix pricing, which is consistent with the market approach. The matrix pricing technique is used to value some types of financial instruments, such as debt securities, without relying exclusively on quoted prices for the specific securities. Instead, matrix pricing relies on the securities' relationship to other benchmark quoted securities. The following investments have a remaining maturity at the time of purchase of one year or less,

are held by fiscal agents outside of the County's Pool, and are measured at amortized cost: Money market mutual funds, \$67.5 million.

**Table 9** summarizes pooled investments' and investments with fiscal agents' recurring fair value measurements and the fair value hierarchy as of June 30, 2022.

Table 9				
Pooled Investments and Investments	s With Fiscal Agen	ts By Fair Value Leve	el	
			Value Measurements U	sing
		Quoted Prices In		
		Active Markets For	Significant Other	Significant
	l 20, 2000	Identical Assets	Observable Inputs	Unobservable Inputs
Pooled investments by fair value level	June 30, 2022	(Level 1)	(Level 2)	(Level 3)
·	\$ 553,284		553.284	
	\$ 553,284 2,386,111		2,386,111	
Commercial Paper	3,398,769		3,398,769	
Negotiable Certificates of Deposit	-,,			
Municipal Bonds	444,548		444,548	
Medium-Term Notes	529,392		529,392	
Supranationals	995,797		995,797	
U.S. Government Agencies	3,164,265		3,164,265	
U.S. Treasury Notes	1,450,664	_	1,450,664	
Total pooled investments by fair value level	12,922,830		12,922,830	
Pooled investments not subject to the fair value	ue hierarchy			
Money Market Mutual Funds	618,500			
Local Government Investment Pools	1,573			
Local Agency Investment Fund	2			
Total pooled investments	13,542,905			
Investments with fiscal agents by fair value lev				
Fixed Income Tax Exempt Bonds	234,123		234,123	
Total investments with fiscal agents by fair value	ue level		234,123	
Investments with fiscal agents not subject to t	he fair value hierarchy			
Money Market Mutual Funds	67,538			
Total investments with fiscal agents not	37,000			
subject to the fair value hierarchy	67,538			
Total investments with fiscal agents	\$ 301,661			

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# Table 10 Investment Pool Policy Restrictions versus California Government (Gov) Code Section 53601 Requirements

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				( 5 ) ( )	Maximur			
	Maximum M		Maximum %		One			m Rating
	Gov.	Pool		Pool		Pool	Gov.	Pool
Investment Type	Code	Policy	Gov. Code	Policy	Gov. Code	Policy	Code	Policy
U.S. Treasury Obligations	5 years	5 years	None	None	None	None	None	None
Agency Obligations	5 years	5 years	None	None	None	35%	None	None
Local Agency and State								
Obligations (1)	5 years	5 years	None	30%	None	10%	None	Α
Bankers' Acceptances	180 days	180 days	40%	40%	30%	5%	None	A-1
Commercial paper (2)(3)	270 days	270 days	40%	40%	10%	10%	A-1	A-1
Negotiable Certificates of								
Deposit (1)	5 years	5 years	30%	30%	30%	10%	None	Α
Repurchase Agreements (4)	1 year	1 year	None	40%	None	Note (4)	None	None
Reverse Repurchase								
Agreements	92 days	92 days	20%	20%	20%	10%	None	None
Securities Lending	92 days	92 days	20%	20%	20%	10%	None	None
Medium-Term Notes (1)	5 years	5 years	30%	30%	30%	10%	Α	Α
Collateralized Certificates of								
Deposit (5)	N/A	13 months	None	5%	None	5%	None	None
FDIC & NCUA Insured Deposit								
Accounts	N/A	13 months	None	5%	None	5%	None	None
Covered Call Option/Put Option	N/A	90 days	None	10%	None	None	None	None
Money Market Mutual Funds (6)	N/A	N/A	20%	20%	10%	10%	AAAm	AAAm
Local Government Investment								
Pools (LGIP)	N/A	N/A	None	5%	None	5%	AAAm	AAAm
Local Agency Investment Fund								
(LAIF) (7)	N/A	N/A	None	5%	None	None	None	None
Pass-Through Securities	5 years	5 years	20%	20%	20%	10%	AA	AA
Supranationals (8)	5 years	5 years	30%	30%	30%	10%	AA	AA

- (1) For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "-") by at least one Nationally Recognized Statistical Rating Organization (NRSRO). For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.
- (2) Government Code Section 53635(a)(1-2) specifies percentage limitations for this security type for county investment pools.
- (3) Maximum Exposure Per Issuer The maximum exposure to a single issuer shall be 10% of the fund value, inclusive of any other non-Commercial Paper, Medium-Term Notes, or Negotiable CD Investments.
- (4) Maximum Exposure Per Issue The maximum exposure to a single Repurchase Agreement (RP) broker/dealer shall be 10% of the portfolio value when the dollar-weighted average maturity is greater than five days or 15% of the portfolio when the dollar-weighted maturity is five days or less.
- (5) Institutions at or above the highest short-term rating category (without regard to qualifications of such rating symbol such as "+" or "-") by at least one NRSRO may pledge mortgage-based collateral for County deposits.
- (6) Money Market Mutual Fund ratings must be in the highest rating category by at least two NRSROs.
- (7) Local Agency Investment Fund (LAIF) is an unrated fund.
- (8) The following institutions are considered "Supranationals": International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC) and Inter-American Development Bank (IADB).

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# NOTE 4 Restricted Assets

Restricted assets include monies or other resources required to be set aside to repay principal and interest under debt covenants; and to comply with other legal or contractual requirements. For fiscal year 2022 restricted assets were as follows:

Table 11		
Restricted Assets		
Fund	Legal or Contractual Requirements	Debt Covenants
General Fund	\$ 218	
Other Governmental Funds:		
Harmony Grove Community Facilities District - Special Revenue Fund		2,372
Housing Authority - Other Special Revenue Fund	352	
Tobacco Securitization Joint Special Revenue Fund		34,236
Pension Obligation Bonds Debt Service Fund		9
SANCAL Debt Service Fund		83
San Diego Regional Building Authority Debt Service Fund		4
Harmony Grove Community Facilities District - Capital		
Projects Fund		7,589
SANCAL Capital Projects Fund		19

## NOTE 5 Receivables

Details of receivables reported in the Government-wide Statement of Net Position are presented in **Table 12**. Amounts that are not expected to be collected within the next fiscal year are identified below.

Due from Other Governmental Agencies Governmental activities - \$19.522 million:

This amount includes: \$10.430 million in Senate Bill (SB) 90 cost reimbursements due the County for the provision of State mandated programs mostly for Absentee Ballots, Racial and Identity Profiling, and Sexually Violent Predators. The State Constitution requires reimbursement for these costs and interest will accrue on the reimbursement claims until they are paid according to Government Code Section 17617; and, \$9.092 million in amounts owed to the County

from those external entities that financed their portion of the Regional Communications System (RCS) NextGen Project upgrade.

Loans - Governmental activities - \$185.710 million:

This amount includes: \$113.003 million in housing rehabilitation loan programs for low-income or special needs residents, and loans for low income housing down payments; \$24.540 million in community development block grant loans; \$13.786 million owed to the Housing Authority - Low and Moderate Income Housing Asset Fund for Affordable Housing Development and Single-Family Rehabilitation Loans; \$25.302 million in interest receivable on housing longterm loans; \$3.417 million in low income housing developer loans; \$4.069 million in COVID-19 Small Business Loan Receivable; \$1.085 million owed to the General Fund from the County of San Diego Successor Agency Private Purpose Trust Fund as a result of a loan to provide funding for project improvements for the Upper San Diego River Project; and \$400 thousand owed to the County Low and Moderate Income Housing Asset Fund (CLMIHAF) from the County of San Diego Successor Agency Private Purpose Trust Fund as a result of the Airport Enterprise Fund transferring its twenty percent outstanding loan principal balance to the CLMIHAF mandated by California Health and Safety Code 34191.4. At the fund level, in the General Fund and the CLMIHAF, these loans are presented as "Due From Other Funds". See Note 8 to the financial statements, "Interfund Balances". The remaining balance represents various other loans totaling \$108 thousand.

Loans- Business-type activities- \$3.092 million:

This amount includes \$66 thousand in Airport Enterprise Fund (AEF) loans to Airport lessees for the purchase of AEF reversionary interests in leasehold improvements existing at the expiration of previous leases; and \$3.026 million owed to the AEF from the County of San Diego Successor Agency Private Purpose Trust Fund as a result of a loan to fund airport projects. In the Airport Enterprise Fund, this loan is presented as "Due From Other Funds". See Note 8 to the financial statements, "Interfund Balances".

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Receivables									
Primary Governmen At June 30, 2022	t a	nd Discret	ely Presente	ed Componer	it Unit				
		Accounts	Investment Earnings	Due From Other Government Agencies	Loans	Other	Total Receivables	Allowance For Doubtful Accounts	Receivables Net
Governmental activities:		ACCOUNTS	Larrings	Agencies	LOGITS	Olliel	Kecelvables	Accounts	1101
General Fund	\$	5,440	6.127	807,128	136,928	11,750	967,373		967,373
Public Safety Fund	Ψ	3,440	0,127	68,080	130,720	11,730	68,081		68,081
Tobacco Endowment			'	00,000			00,001		00,001
Fund			3,032				3,032		3,032
Other Governmental Funds		26,101	8,409	92,970	21,995	547	150,022	(5,338)	144,684
Internal Service Funds		6	883	494		21	1,404		1,404
Total governmental activities - fund level	\$	31,547	18,452	968,672	158,923	12,318	1,189,912	(5,338)	1,184,574
Add: loan receivable from the County of San Diego Successor Agency Private Purpose Trust								, ,	
Fund					1,485		1,485		1,485
Add: interest receivable on housing long-term loans					25,302		25,302		25,302
Less: Due from Component Unit						(117)	(117)		(117)
Total governmental activities - Statement of									
Net Position  Business-type activities:	\$	31,547	18,452	968,672	185,710	12,201	1,216,582	(5,338)	1,211,244
Airport Fund		1,674	59	480	66		2,279		2,279
Other Enterprise Funds		468	163	24			655		655
Total Enterprise Funds	\$	2,142	222	504	66		2,934		2,934
Add: loan receivable from the County of San									
Diego Successor Agency Private Purpose Trust Fund					3,026		3,026		3,026
Total business-type activities - Statement of									
Net Position	\$	2,142	222	504	3,092	-	5,960		5,960
Component Unit:									
First 5 Commission of San Diego	\$	238	106	1,401		266	2,011		2,011

(Amounts expressed in thousands unless otherwise noted)

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### NOTE 6

## **County Property on Lease to Others**

As of June 30, 2022, the County's lease receivables totaled \$245.2 million - consisting of \$239 million in land and \$6.2 million in buildings. The details are shown in the table below:

Table 13 County Property on L	aasa	to Other	re						
Cooliny Floperty on E	cuse	Land Lease	Building Lease	Building Sublease	Total Building Lease	Total Land and Building	Original Lease Terms (In Years)	Remaining LeaseTerms (In Years)	Interest Rate(s)
Governmental Activities	\$	12,278				12,278	54 to 83	35 to 42	1.57%
Governmental Activities			3,125		3,125	3,125	4 to 19	1 to 10	0.51% to 1.37%
Governmental Activities				1,683	1,683	1,683	4 to 14	2 to 8	0.51% to 1.24%
Subtotal		12,278		_	4,808	17,086			
				_					
Business-Type Activities		226,697				226,697	14 to 54	4 to 50	1.24% to 1.57%
Business-Type Activities			1,417		1,417	1,417	4 to 44	2 to 18	0.51% to 1.57%
Subtotal		226,697			1,417	228,114			
Total	\$	238,975			6,225	245,200			

Interest rates on all leases are calculated using the appropriate rate under the Bloomberg Valuation Service (BVAL) Municipal AAA curve. During fiscal year 2022, the County recognized \$10.8 million in lease revenue, \$3.4 million in interest revenue, and variable payments of \$558 thousand.

The annual future lease payments expected to be received are presented in **Table 14**.

Table 14 Leases to Maturit	v		
Fiscal Year	<b>P</b> rincipal	Interest	Total
Governmental Activiti	es:		
2023	\$ 1,438	221	1,659
2024	1,249	212	1,461
2025	1,057	202	1,259
2026	841	194	1,035
2027	567	186	753
2028-2032	2,467	827	3,294
2033-2037	1,579	685	2,264
2038-2042	1,708	556	2,264
2043-2047	1,847	417	2,264
2048-2052	1,854	270	2,124
2053-2057	1,968	121	2,089
2058-2062	406	22	428
2063-2067	105	3	108
Total	17,086	3,916	21,002
<b>Business-Type Activitie</b>	s:		
2023	7,110	3,407	10,517
2024	7,316	3,318	10,634
2025	7,177	3,209	10,386
2026	7,277	3,107	10,384
2027	7,314	3,003	10,317
2028-2032	36,597	13,436	50,033
2033-2037	34,860	10,772	45,632
2038-2042	32,046	8,167	40,213
2043-2047	25,578	5,861	31,439
2048-2052	18,922	4,211	23,133
2053-2057	15,371	2,815	18,186
2058-2062	14,209	1,699	15,908
2063-2067	11,982	604	12,586
2068-2072	2,355	86	2,441
Total	228,114	63,695	291,809
Grand Total	\$ 245,200	67,611	312,811

(Amounts expressed in thousands unless otherwise noted)

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## NOTE 7

## **Capital Assets**

## **Changes in Capital Assets**

Increases and decreases in the County's capital assets for governmental and business-type activities during the fiscal year were as follows:

	Beginning Balance at July 1, 2021	Increases	Decreases	Ending Balance at June 30, 2022
Capital assets, not being depreciated/amortized:				
Land	\$ 530,057	8,290		538,34
Easements	9,833			9,83
Construction in progress	290,884	186,257	(70,160)	406,98
otal capital assets, not being depreciated/amortized	830,774	194,547	(70,160)	955,16
Capital assets, being depreciated/amortized:				
Buildings and improvements (1)	2,325,622	56,555		2,382,17
Equipment	411,068	26,944	(12,902)	425,11
Software	177,303	11,362	(5,359)	183,30
Road infrastructure	2,909,144	50,490		2,959,63
Bridge infrastructure	88,535	4,663		93,19
Right-to-use Assets:				
Right-to-use land (1)	56,011			56,01
Right-to-use buildings and improvements (1)	240,838	257		241,09
Right-to-use equipment (1)	1,430	914		2,34
otal capital assets, being depreciated/amortized	6,209,951	151,185	(18,261)	6,342,87
ess accumulated depreciation/amortization for:				
Buildings and improvements (1)	(715,723)	(58,656)		(774,379
Equipment	(234,585)	(32,412)	12,497	(254,500
Software	(104,044)	(21,819)	5,277	(120,586
Road infrastructure	(1,770,515)	(74,176)		(1,844,691
Bridge infrastructure	(30,909)	(1,743)		(32,652
Right-to-use Assets:				
Right-to-use land		(1,376)		(1,376
Right-to-use buildings and improvements		(44,531)		(44,531
Right-to-use equipment		(540)		(540
otal accumulated depreciation/amortization	(2,855,776)	(235,253)	17,774	(3,073,255
otal capital assets, being depreciated/amortized, net	3,354,175	(84,068)	(487)	3,269,62
Governmental activities capital assets, net	\$ 4,184,949	110,479	(70,647)	4,224,78

(Amounts expressed in thousands unless otherwise noted)

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Table 16 Capital Assets - Business-type Activities					
	Bal	eginning ance at v 1, 2021	Increases	Decreases	Ending Balance at June 30, 2022
Capital assets, not being depreciated/amortized:					
Land	\$	13,625			13,625
Construction in progress		10,030	5,331	(9,057)	6,304
Total capital assets, not being depreciated/amortized		23,655	5,331	(9,057)	19,929
Capital assets, being depreciated/amortized:					
Buildings and improvements		147,176	6,822		153,998
Equipment		7,251	30	(212)	7,069
Software		297			297
Road infrastructure		25,227	18		25,245
Sewer infrastructure		110,297	2,218		112,515
Total capital assets, being depreciated/amortized:		290,248	9,088	(212)	299,124
Less accumulated depreciation/amortization for:					
Buildings and improvements		(63,723)	(3,094)		(66,817)
Equipment		(2,267)	(518)	5	(2,780)
Software		(178)	(39)		(217)
Road infrastructure		(4,023)	(640)		(4,663)
Sewer infrastructure		(54,881)	(2,158)		(57,039)
Total accumulated depreciation/amortization		(125,072)	(6,449)	5	(131,516)
Total capital assets, being depreciated/amortized, net		165,176	2,639	(207)	167,608
Business-type activities capital assets, net	\$	188,831	7,970	(9,264)	187,537

## **Depreciation/Amortization**

Depreciation/amortization expense was charged to governmental activities and business-type activities as shown below:

Table 17		
Depreciation Expense - Governme	ntal Activi	ties
General government	\$	17,207
Public protection		45,065
Public ways and facilities		75,534
Health and sanitation		10,641
Public assistance		4,465
Education		3,096
Recreation and cultural		11,784
Internal Service Funds		21,014
Total	\$	188,806

Table 18		
Amortization Expense - Governme	ntal Activit	ies
Public protection	\$	16,358
Public ways and facilities		53
Health and sanitation		5,051
Public assistance		24,442
Education		543
Total	\$	46,447

Table 19		
Depreciation Expense - Business-type	oe Activities	
Airport Fund	\$	3,565
Jail Stores Commissary Fund		1
San Diego County Sanitation District Fund		2,821
Sanitation District - Other Fund		62
Total	\$	6,449

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## **Capital and Other Commitments**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting is used in the governmental funds. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year or years. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed, or assigned are included within committed or assigned fund balance, as appropriate. At June 30, 2022, the County General Fund's outstanding encumbrances totaled \$857.351 million; the Public Safety Fund's outstanding encumbrances totaled \$4.003 million; and, Nonmajor governmental funds' outstanding encumbrances totaled \$158.710 million.

At June 30, 2022, major contracts entered into for structures and improvements and other commitments within governmental activities are noted in **Table 20**.

Table 20 Capital Commitments		
At June 30, 2022		
	(	Remaining Commitments
Governmental Activities		
General Fund:		
Construction of Youth Transition Campus	\$	66,654
Construction of Southeast San Diego Live Well Center		35,461
Renovation of County Administration Center		23,137
Development of Integrated Property Tax System		15,679
Construction of East Otay Mesa Fire		1.4.400
Station #38		14,602
Construction of Lakeside Equestrian Facility		8,901
Construction of Lakeside Branch Library		4,226
Replacement of SBRC Escalator and Elevator		2,083
Hall of Justice Major Systems Renovation Project		2,073
Deconstruction, Reconstruction and Transportation of BSL-3 Modular Lab		1,681
Improvements at Lindo Lake		1,528
Renovation of Rock Mountain Detention Facility		1,400
Construction of Regional Communication System		1,260
Renovation of Sheriff Ridgehaven Headquarters		1,007
Subtotal		179,692
Other Governmental Funds:		
Improvements of County Roads		39,451
Subtotal		39,451
Internal Service Funds:		
Vehicle Acquisitions		23,845
Subtotal		23,845
Governmental Activities Subtotal		242,988
Business-type Activities		
Other Enterprise Funds:		
Improvements to Los Coches Sewer System		1,445
Business-type Activities Subtotal		1,445
Total	\$	244,433

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### NOTE 8 Interfund Balances

Interfund balances at fiscal year-end consisted of the following amounts:

Inte	Table 21 Interfund Balances At June 30, 2022										
			eneral Fund	Public Safety	Tobacco Endowment	Other Governmental	Airport Fund	Other Enterprise	Internal Service	Private Purpose Trust Fund	Total
	General Fund			1,998	2,438	53,410	59	290	4,926	1,085	64,206
_	Public Safety	\$	12,133								12,133
FROM	Other Governmental		41,357	121		336	83	1,271	52	400	43,620
	Airport Fund		61							3,026	3,087
DUE	Other Enterprise Funds		62				1	229			292
Δ	Internal Service		31,249			3,448	136	324	2,062		37,219
	Total	\$	84,862	2,119	2,438	57,194	279	2,114	7,040	4,511	160,557

Descriptions of amounts not due to be repaid in the subsequent year are discussed below:

- a) \$1.085 million is due to the General Fund from the County of San Diego Successor Agency Private Purpose Trust Fund (Upper San Diego River Project) as a result of a loan to provide funding for Project improvements.
- b) \$3.026 million is due from the County of San Diego Successor Agency Private Purpose Trust Fund to the Airport Enterprise Fund as a result of a loan to fund airport projects.
- c) \$400 thousand is due from the County of San Diego Successor Agency Private Purpose Trust Fund to the County Low and Moderate Income Housing Asset Fund as a result of the Airport Enterprise Fund transferring its twenty percent outstanding loan principal balance to the County Low and Moderate Income Housing Asset Fund as mandated by California Health and Safety Code 34191.4.

For further discussion of the loans to the County of San Diego Successor Agency Private Purpose Trust Fund, refer to Note 32 to the financial statements, "County of San Diego Successor Agency Private Purpose Trust Fund for Assets of Former San Diego County Redevelopment Agency". Note that on the Statement of Net Position, the "Due from other funds" for the General Fund's \$1.085 million Upper San Diego

River Project Ioan and the "Due from other funds" for the County Low and Moderate Income Housing Asset fund's \$400 thousand are included in the governmental activities' "Receivables, net". The "Due from other funds" for the \$3.026 million Airport Enterprise Fund's airport projects Ioan, is included in the business-type activities' "Receivables, net". See Note 5 to the financial statements, "Receivables."

All remaining balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and, 3) payments between funds are made.

(Amounts expressed in thousands unless otherwise noted)

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## NOTE 9 Interfund Transfers

Interfund transfers at fiscal year-end consisted of the following amounts:

Tro	ble 22 Insfers In/Transfers Out June 30, 2022								
					TRANSFERS				
		General Fund	Public Safety	Tobacco Endowment	Other Governmental	Airport Fund	Other Enterprise	Internal Service	Total
_	General Fund		323,924	15,113	11,790		745		351,572
S	Other Governmental	\$ 255,633	412		4,278	132	2,868	1,844	265,167
噐	Airport Fund	16			50				66
NSFERS	Other Enterprise Funds	14,720					1,000		15,720
IRA	Internal Service	12,057			361		60		12,478
F	Total	\$ 282,426	324,336	15,113	16,479	132	4,673	1,844	645,003

In general, transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and, (3) use unrestricted revenues collected in the General Fund to finance programs accounted for in other funds in accordance with budgetary authorizations.

## NOTE 10 Payables

Payables at fiscal year-end are shown below:

Table 23 Payables							
At June 30, 2022							
Al Julie 30, 2022	Ver	dors	Aid to Other Individuals	Due to Othe Governmen Agencies		Other	Total Payables
Governmental Activities:							
General Fund	\$ 2	265,022	4,771	18	,782	17,593	306,168
Tobacco Endowment Fund						1	1
Other Governmental Funds		52,321	43	1	,777	1,967	56,108
Internal Service Funds		85,749	15		152	1,762	87,678
Total governmental activities		103,092	4,829	20	,711	21,323	449,955
Business-type activities:							
Airport Fund		1,127	7		19	103	1,256
Other Enterprise Funds		551				202	753
Total Business-type activities:		1,678	7		19	305	2,009
Component Unit:							
First 5 Commission of San Diego		9,612					9,612

(Amounts expressed in thousands unless otherwise noted)

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NOTE 11 Deferred Inflows of Resources: Unavailable Revenue

#### Table 24 **Deferred Inflows of Resources - Non-pension** At June 30, 2022 Other Unavailable General Revenue Property and miscellaneous local taxes 55,364 997 56,361 Aid from other governmental 253,784 71,285 325,069 agencies 138 Charges for services 138 11,533 38,613 50,146 320,819 110,895 431,714 Total

A large portion of the Unavailable Revenue – aid from other governmental agencies consists primarily of \$233 million in Federal Emergency Management Act funds; \$71.1 million of TransNet one-half cent sales tax to be used for projects in the Road Fund, and \$10.4 million of California Senate Bill 90 (SB 90) funds. In 1972, SB90 established a requirement that the State reimburse local government agencies for the costs of the new programs or increased levels of service on programs mandated by the State. Additionally, there are \$3.2 million in Drug Medi-Cal administrative activities receivables, and \$3.0 million in Mental Health Block Grant receivables. The remaining \$4.4 million represents various other unavailable aid from other governmental agencies.

Of the \$50.1 million of Unavailable Revenue – other, approximately \$17.6 million are tobacco settlement receivables, \$19.5 million are low and moderate income housing assistance receivables, \$11 million is for the Sheriff Regional Communication System upgrade project, approximately \$1.4 million is for interest receivable and \$600 thousand represents various other unavailable revenues.

## NOTE 12 Lease Obligations

As of June 30, 2022, the County's lease obligations totaled \$256 million - consisting of \$254 million in Real Property, (\$55 million in land, and \$199 million in buildings), and Personal Property - Equipment of \$2 million. The details of these leases are shown below.

#### **Real Property**

The land leases had original lease terms ranging from 14 years to 99 years, with remaining lease terms ranging from 4 years to 65 years; with interest rates ranging from 1.24% to 1.57%. The building leases had original lease terms ranging from one year to 49 years, with remaining lease terms ranging from 6 months to 24 years; with interest rates ranging from 0.16% to 2.03%. Interest rates on all leases are calculated using the appropriate rate under the Bloomberg Valuation Service (BVAL) Municipal AAA curve.

The annual future lease payments are presented below.

Table 25 Real Property Leases Requirements To Maturity								
			<b>.</b>					
Fiscal Year	Principal	Interest	Total					
2023	\$ 40,264	2,368	42,632					
2024	37,975	2,147	40,122					
2025	30,393	1,924	32,317					
2026	23,830	1,719	25,549					
2027	15,685	1,548	17,233					
2028-2032	34,969	6,283	41,252					
2033-2037	24,902	4,279	29,181					
2038-2042	3,825	3,494	7,319					
2043-2047	4,082	3,185	7,267					
2048-2052	3,702	2,880	6,582					
2053-2057	3,960	2,578	6,538					
2058-2062	4,284	2,255	6,539					
2063-2067	4,633	1,905	6,538					
2068-2072	5,011	1,528	6,539					
2073-2077	5,421	1,118	6,539					
2078-2082	5,864	675	6,539					
2083-2087	5,577	199	5,776					
Total	\$ 254,377	40,085	294,462					

#### **Personal Property**

The equipment leases had original lease terms ranging from 4 years to 5 years, with remaining lease terms ranging from 2 years to 4 years; with interest rates

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ranging from 0.39% to 0.55%. Interest rates on all leases are calculated using the appropriate rate under the BVAL Municipal AAA curve.

The annual future lease payments are presented below.

Table 26								
Personal Property Leases								
Requirements	To M	aturity						
Fiscal Year	Pi	rincipal	Interest	Total				
2023	\$	592	7	599				
2024		594	5	599				
2025		377	3	380				
2026		184	1	185				
Total	\$	1,747	16	1,763				

# NOTE 13 Long-Term Debt

## Certificates of Participation (COPs) and Lease Revenue Bonds (LRBs)

Certificates of Participation (COPs) and Lease Revenue Bonds (LRBs) provide funds for the acquisition and construction of major capital facilities and equipment. The repayment of these COPs and LRBs is secured by a lease structure where the borrowing entity, such as the County, leases certain properties to another entity, a lessor, which in turn leases the properties back to the County. These lessors are the San Diego County Capital Asset Leasing Corporation (SANCAL), and the San Diego Regional Building Authority (SDRBA), both blended component units of the County. (See discussion of Blended Component Units under Note 1 "Summary of Significant Accounting Policies".)

COPs and LRBs are secured by: a) (lease) base rental payments, for the use of certain facilities or equipment and b) encumbrances on the facilities. The leased premises are typically facilities or equipment purchased with proceeds of the COPs or LRBs. The base rental payments are made primarily from the County General Fund to the SANCAL or SDRBA. Under lease terms, the County is required to make the necessary annual appropriations for lease payments, except to the extent those payments are eligible to be abated in accordance with the terms of the leases.

COPs and LRBs evidence a pro rata share in a specific pledged revenue stream of lease payments, and investors in the certificates or bonds are entitled to

receive a share in these lease payments from a particular project. Lease payments are passed through the lessor to the investors. The lessor assigns the lease and lease payments to a trustee, which distributes the lease payments to the investors.

In December 2021, \$49.060 million of Certificates of Participation titled "County of San Diego Certificates of Participation, Series 2021 (Youth Transition Campus) (Green Bonds)" (the Certificates) were executed and delivered pursuant to the trust agreement by and among the trustee bank, the County and SANCAL. The Certificates were issued with a 5.00% fixed interest rate with maturity dates ranging from October 1, 2023, to October 1, 2051. These Certificates were issued with premium of \$14.831 million. Proceeds of \$63.891 million, along with County contributions of \$15 million were distributed as follows: 1) \$75 million to fund the acquisition, construction, and installation costs on the Youth Transition Campus project; 2) \$3.264 million of proceeds were used to finance capitalized interest with respect to the Certificates through April 1, 2023; 3) \$418 thousand was set aside to pay certain costs of issuance, and 4) \$209 thousand was used to pay the underwriter's discount.

Upon the occurrence of an event of default (as described in the COP and LRB financing documents), the Facility Lease provides that SANCAL, SDRBA, or its assignees must thereafter maintain the Facility Lease in full force and effect and may only recover rent and other monetary charges as they become due, all without terminating the County's right to possession of the Leased Property regardless of whether or not the County has abandoned the Leased Property. There is no available remedy of acceleration of the Lease Payments due over the term of the Lease Agreement. The lessors may not declare any Lease Payments not then in default to be immediately due and payable.

(Amounts expressed in thousands unless otherwise noted)

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Details of the COPs and LRBs outstanding at June 30, 2022 are as follows:

Table 27 Certificates of Participation (COP) and Lease Revenue Bonds (LRB) Outstanding Final Balance at Original Interest Maturity June 30, Issuance Rate Date 2014 Edgemoor and RCS Refunding **COP Series** 2014A 2.00 -\$ 91,675 5.00% 2030 56,425 (Edgemoor) 2016 County Operations Center 3.00 -Refunding LRB 105,330 5.00% 2036 84,095 2019 Justice **Facilities** Refunding of 1997 Central 10,530 15.635 5.00% 2026 Jail COP 2019 Justice **Facilities** Refunding of 1998 Courthouse 3,815 1,125 2023 COP 5.00% 2020A Waterfront Park 2.00 -Refunding COP 21,910 2042 21,265 (Tax-Exempt) 5.00% 2020B Cedar and Kettner Refunding 0.45% -22,840 23,815 3.125% 2042 COP (Taxable) 2021 Youth Transition 49,060 5.00% 2052 Campus COP 49,060

\$ 311,240

Total

245,340

Annual debt service requirements to maturity for COPs and LRBs are as follows:

Table 28 Certificates of Part Bonds -	icip	ation and	l Lease Rev	enue						
Debt Service Requirements to Maturity										
Fiscal Year		Principal	Interest	Total						
2023	\$	15,660	10,774	26,434						
2024		15,990	10,023	26,013						
2025		16,765	9,237	26,002						
2026		16,300	8,458	24,758						
2027		15,115	7,728	22,843						
2028-2032		69,420	27,731	97,151						
2033-2037		48,760	14,589	63,349						
2038-2042		22,105	8,130	30,235						
2043-2047		11,045	4,843	15,888						
2048-2052		14,180	1,666	15,846						
Subtotal		245,340	103,179	348,519						
Add:										
Unamortized issuance										
premium		41,228								
Total	\$	286,568								

#### **Taxable Pension Obligation Bonds (POBs)**

Taxable Pension Obligation Bonds (POBs) were 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. POBs also have been issued to refund previously issued POB debt. Because current federal tax law restricts the investment of proceeds of tax-exempt bonds in higher-yielding taxable securities, POBs are issued on a taxable basis.

The obligation of the County to make payments with respect to the POBs is an absolute and unconditional obligation of the County imposed by law, enforceable pursuant to the County Employees Retirement Law of 1937, as amended. Upon the occurrence of an event of default (as described in the financing documents) the principal and accreted value of the bonds then outstanding and the interest accrued thereon will become due and payable immediately.

(Amounts expressed in thousands unless otherwise noted)

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Details of POBs outstanding at June 30, 2022 are as follows:

Table 29 Taxable Pension Obligation Bonds									
Issuance	Origina Amoun		Final Maturity Date	Outstanding Balance at June 30, 2022					
		3.28 -							
2004 Series A	\$ 241,360	5.86%	2023	7,795					
2004 Series B1-2	147,82	5.91%	2025	147,825					
		3.33 -							
2008 Series A	343,51	5 6.03%	2027	185,205					
Total	\$ 732,700	<u> </u>		340,825					

Annual debt service requirements to maturity for POBs are shown below in **Table 30**.

Table 30 Taxable Pension Obligation Bonds - Debt Service Requirements to Maturity								
Fiscal Year	F	Principal	Interest	Total				
2023	\$	62,835	17,098	79,933				
2024		66,765	13,163	79,928				
2025		70,855	8,988	79,843				
2026		75,220	4,495	79,715				
2027		65,150	491	65,641				
Total	\$	340,825	44,235	385,060				

#### **Tobacco Settlement Asset-Backed Bonds (TSAB)**

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

A 1998 Master Settlement Agreement (MSA) was originally entered by four cigarette into manufacturers. 46 states and six other U.S. jurisdictions (Settling States) to provide state governments, including California, with compensation for smoking related medical costs and to help reduce smoking in the United States. There is no end date to the yearly settlement payments; they are perpetual. Also, a Memorandum of Understanding (MOU) and a supplemental agreement (ARIMOU) was agreed to by the State of California and all California counties and four California cities, granting those California municipalities the right to receive tobacco settlement allocation payments, (also known as Tobacco Settlement Revenues (TSRs)).

In fiscal year 2002, the Authority issued \$446.86 million 2001 Tobacco Settlement Asset-Backed Bonds (2001 Bonds), to fund the Authority's loan to the San Diego County Tobacco Asset Securitization Corporation (Corporation), pursuant to a agreement between the Authority the Corporation. (Both entities are blended component units of the County.) According to the loan agreement, the Corporation has pledged, assigned, and granted to the Authority, a first priority perfected security interest in all rights, title and interest of the Corporation, to the TSRs the Corporation purchased from the County. The Corporation used the net proceeds of the loan, \$411.913 million, to pay the County, in exchange for the County's transfer to the Corporation of all the County's rights, title and interest in the TSRs. Net proceeds were placed in an endowment fund to fund healthcare-based programs pursuant to Board Policy E-14 and IRS regulations, and do not secure the repayment of the TSAB.

In May 2006 the Authority issued Series 2006 TSAB (2006 Bonds) in the amount of \$583.631 million to refund the outstanding principal of the original 2001 Bonds noted above and to loan an additional \$123.515 million to the Corporation. The proceeds were placed into the endowment fund for the aforementioned purposes.

In November 2019 the Authority issued Tobacco Settlement Asset-Backed Refunding Bonds, Series 2019 Senior Bonds, in the amount of \$405.964 million to refund all of the Series 2006 Bonds that were Senior Bonds, and partially cancel a portion of the Series 2006 Bonds that were Third Subordinate Bonds.

Upon the occurrence of an event of default (as described in the Tobacco Securitization Authority Indenture), bond payments shall be applied in full to each order of bonds until bonds are no longer outstanding in the following manner: (1) Class 1 Senior Bonds: First, the accrued unpaid interest on the Class 1 Senior Bonds (Senior Bonds), and Second, the Bond Obligation (principal and accreted value) on all outstanding Class 1 Senior Bonds; (2) Class 2 Senior Bonds: First, the accrued and unpaid interest on the Class 2 Senior Bonds and, then Second, the Bond Obligation on all Class 2 Senior Bonds; (3) Series 2006B CABs (Series 2006 First Subordinate Bonds)

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principal and interest or accreted value; (4) Series 2006C CABs (Series 2006 Second Subordinate Bonds) principal and interest or accreted value; (5) Series 2006D CABs (Series 2006 Third Subordinate Bonds) principal and interest or accreted value; and (6) Additional Subordinate Bonds, (if authorized and issued), principal and interest or accreted value. The value of any Capital Appreciation Bonds (CABs) that are Series 2019B-2 Senior Bonds, Series 2006 First Subordinate Bonds, Series 2006 Second Subordinate Bonds or Series 2006 Third Subordinate Bonds shall continue to accrete at the default rate (including accretion on any unpaid accreted value), to the extent legally permissible.

Under the terms of the bond indenture (Indenture), TSRs are pledged to the repayment of the TSAB. Accordingly, the bonds are payable solely from certain funds held under the Indenture, including TSRs and earnings on such funds (collections).

The minimum payments for the Bonds are based on the 2006 Indenture and the Series 2006 Supplement, both dated as of May 1, 2006 and amended and restated as of November 1, 2019, and the 2019 Indenture and Series 2019 Supplement, dated November 1, 2019. However, actual payments on the Bonds depend on the amount of TSRs received by the County. The amount of these TSRs is affected by cigarette consumption, inflation, and the financial capability of the participating manufacturers. There are a number of risks associated with the amount of actual TSRs the County receives each year, including litigation affecting the participating manufacturers and possible bankruptcy as a result thereof, increased growth of non-participating manufacturer's market disputed payments set-aside by the participating manufacturers into an escrow account, a decline in cigarette consumption materially beyond forecasted levels, reduction in investment earnings due to unforeseen market conditions, and other future adjustments to the calculation of the TSRs.

No assurance can be given that actual cigarette consumption in the United States during the term of the Bonds will be as assumed in the Base Case, or that the other assumptions underlying these Base Case assumptions, including that certain adjustments and offsets will not apply to payments due under the MSA,

will be consistent with future events. If actual events deviate from one or more of the assumptions underlying the Base Case, the amount of TSRs available to make payments, including Turbo Redemption Payments will be affected. No assurance can be given that these structuring assumptions, upon which the projections of the Bond payments and Turbo Redemptions are based, will be realized.

Details of the Bonds outstanding at June 30, 2022 are as follows:

Table 31 Tobacco Settle	ement Ass	set-Back		
Issuance	Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2022
Series 2006B CABs	\$ 19,770	6.25%	2046	231,820
2006B unaccreted appreciation CABs				(178,614)
Series 2006C CABs	8,686	6.40%	2046	107,950
2006C unaccreted. appreciation				(0.4.001)
CABs Series 2006D				(84,021)
CABs	3.126	7.10%	2046	50,940
2006D unaccreted appreciation CABs				(41,336)
2019A (Class 1)				(41,556)
Senior Current Interest Bonds	252,345	5.00%	2048	231,005
2019B-1 (Class 2) Turbo Current Interest Bonds	120,000	2.25%- 5.00%	2048	95,590
2019B-2 (Class 2) Turbo Capital Appreciation				
Bonds	33,619	5.625%	2054	228,795
2019B-2 (Class 2) Turbo unaccreted appreciation				
CABs				(189,844)
Total	\$ 437,546			452,285

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Annual debt service requirements to maturity are as follows:

As shown in **Table 32**, the unpaid accreted appreciation of the Bonds as of June 30, 2022 was \$60,490 which will continue to accrue and will be paid upon redemption.

T 11 00									
Table 32									
Tobacco S	ettlement /	Asset-Backed	Bonds -						
Debt Service Requirements to Maturity									
		Unaccreted							
Fiscal Year	Principal	Appreciation	Interest	Total					
2023	\$ 7,480	7,850	16,299	31,629					
2024	7,395	8,342	15,925	31,662					
2025	7,630	8,865	15,554	32,049					
2026	8,015	9,420	15,171	32,606					
2027	8,355	10,013	14,769	33,137					
2028-2032	43,295	60,329	67,452	171,076					
2033-2037	45,800	81,844	56,582	184,226					
2038-2042	49,035	111,076	44,260	204,371					
2043-2047	76,581	123,175	32,710	232,466					
2048-2052	104,590	49,833	4,794	159,217					
2053-2054	33,619	23,068		56,687					
Subtotal	391,795	493,815	283,516	1,169,126					
Add:									
Accreted appreciation									
through									
June 30, 2022	60,490								
Subtotal	452,285								
Add:									
Unamortized									
Issuance									
Premium	54,289								
Total	\$ 506,574								

Pledged revenue related to the Bonds for the year ended June 30, 2022 was as follows:

Table 33 Tobacco Settlement Asset-Backed Bonds - Pledged Revenues									
		Fiscal Y	ear 2022						
Final Maturity Date	Pledged Revenue To Maturity	Debt Principal & Interest Paid	Pledged Revenue Received						
2054	\$ 1.229.616	\$ 35.529	\$ 35,242						
	Final Maturity Date	Pledged Final Revenue Maturity To Date Maturity	riscal Y  Debt  Pledged Principal  Final Revenue &  Maturity To Interest  Date Maturity Paid						

#### **Loans - Governmental Activities**

Loans for various governmental activities included a United States Department of Agriculture Farmers Home Administration loan for the construction of low income housing (Firebird Manor); a real property contract with the Whiting Family Trust titled Sheriff RCS - Ocotillo Wells for the purchase of one acre of property located in the Borrego Springs area to support the County's Regional Communications System (RCS); an Energy Conservation Assistance Act agreement with the California Commission to fund energy savings measures consisting of 2,200 LED streetlight fixtures; an Energy Conservation Assistance Act loan agreement with the California Energy Commission to fund energy savings measures at the Edgemoor Skilled Nursing Facility consisting of Demand Control Ventilation for Commercial Kitchen Exhaust and replacing interior and exterior lighting fixture lamps with LEDs; and San Diego Gas & Electric (SDG&E) On Bill Financing (OBF) program loans used to fund energy efficiency and demand response projects at County-owned facilities.

In November 2011, the County Board of Supervisors authorized the use of the previously mentioned SDG&E OBF program loans to fund energy efficiency and demand response projects. This program finances installations, modifications and upgrades, such as lighting retrofits and controls and mechanical system upgrades, with the goal of reducing utility costs. The financing is a zero percent interest loan which is repaid from energy savings generated by each SDG&E meter. The County received its first OBF loan in 2013.

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As of June 30, 2022, twelve OBF loans were outstanding, with remaining balances totaling \$529 thousand.

Upon the occurrence of an event of default on any of the aforementioned loans (as described in the Promissory Note or Loan Agreement), the whole sum of principal and interest shall become immediately due and payable. Furthermore, for the OBF loans, failure to repay the loan balance could result in shutoff of utility energy service, adverse credit reporting, and collection procedures which may include legal action.

Details of loans outstanding at June 30, 2022 for governmental activities are as follows:

Table 04				
Table 34	vn m o ntol	A akis iki a		
Loans - Gove	Original	Interest	Final Maturity	Outstanding Balance at
Issuance	Amount	Rate	Date <sup>'</sup>	June 30, 2022
Loans - non interr	nal service fu	nds (ISF)		
Firebird Manor	\$ 4,486	1.00%	2028	924
California Energy Comm Loan (Street Light & Maint Dist)	1.422	1.00%	2025	154
Sheriff RCS	1,722	1.0070	2020	104
Land Purchase	68	6.78%	2026	27
Total loans - non-ISF	5,976		_	1,105
_				
Loans - ISF				
San Diego Gas and Electric On Bill Financing (Facilities ISF)	3,732	0.00%	2029	529
California Energy Comm Loan (Edgemoor				
Skilled Nursing)	261	1.00%	2023	66
Total loans - ISF	3,993			595
Total	\$ 9,969			1,700

Annual debt service requirements to maturity for loans - governmental activities are as follows:

Table 35								
Loans - Governmental Activities								
Debt Service Requi	reme	nts to Ma	turity					
Fiscal Year	Pr	incipal	Interest	Total				
2023	\$	525	14	539				
2024		266	9	275				
2025		255	7	262				
2026		234	5	239				
2027		211	3	214				
2028-2029		209	1	210				
Total	\$	1,700	39	1,739				

#### **Financed Purchases**

On June 30, 2016, the County entered into a \$23 million equipment financed purchase agreement with Motorola Solutions Inc., with a first payment due date of July 15, 2017. This equipment is classified as construction in progress in the Government-wide Statement of Net Position and the financed purchase obligation is reflected as a liability in that statement. The term of the financed purchase is 10 years, with an interest rate of 2.79%, maturing in July 2026. Upon the occurrence of an event of default (as described in the equipment financed purchase agreement) Motorola Solutions, Inc. may exercise any one or more of the following remedies: (i) all amounts then due under the financed purchase shall become immediately due and payable; (ii) the equipment shall be returned to Motorola Solutions; (iii) the equipment may be sold, leased or subleased, holding the County liable for all financed purchase payments and other amounts due prior to the effective date of such selling, leasing or subleasing and for the difference between the purchase price, rental and other amounts; and (iv) exercise any other right, remedy or privilege which may be available under the applicable laws of the state of the equipment location. Furthermore, the financed purchase may be terminated in the event the funds appropriated by the County's governing body (or otherwise available) are insufficient. In the event of such termination, the County agrees to peaceably surrender possession of the equipment to Motorola Solutions.

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In fiscal year 2022, the County assumed a \$1.33 million financed purchase agreement with Municipal Finance Corporation for the Julian-Cuyamaca Fire Station. This building is classified as a capital asset in the Government-wide Statement of Net Position and the financed purchase obligation is reflected as a liability in that statement. The term of the financed purchase is 14 years, with an interest rate of 3.85%, maturing in July 2035. Upon the occurrence of an event of default (as described in the financed purchase agreement) Municipal Finance Corporation may exercise any and all remedies available pursuant to law or granted pursuant to the financed purchase agreement and, without terminating the agreement, may collect each installment of rent as it becomes due and enforce any other term or provision to be kept or performed by the County, regardless of whether or not the County has abandoned the leased property.

Table 36 Financed Purchases Outstanding										
Issuance		Original Imount	Interest Rate	Final Maturity Date	Bala Ju	standing ance at ine 30, 2022				
Julian- Cuyamaca Fire										
Station	\$	1,331	3.85%	2036	\$	1,295				
Sheriff NEXTGEN										
RCS		23,000	2.79%	2027		12,304				
Total	\$	24,331			\$	13,599				

Table 37									
Financed Purchases									
Fiscal Year		Principal	Interest	Total					
2023	\$	2,402	392	2,794					
2024		2,470	324	2,794					
2025		2,540	255	2,795					
2026		2,611	183	2,794					
2027		2,685	109	2,794					
2028-2032		489	131	620					
2033-2036		402	32	434					
Subtotal		13,599	1,426	15,025					
Total	\$	13,599							

## **Arbitrage**

In compliance with the Tax Reform Act of 1986 and subsequent U.S. Treasury Regulations, the County performed arbitrage rebate calculations via a third party to determine probable amounts due to the Federal government. At June 30, 2022, the probable arbitrage rebate was zero.

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NOTE 14 Changes in Long-Term Liabilities

Long-term liability activities for the year ended June 30, 2022 were as follows:

	Вс	eginning alance at uly 1, 2021	Additions	Reductions	Accreted Interest	Ending Balance at June 30, 2022	Amounts Due Within One Year
Governmental Activities:							
COPs, bonds and loans							
Certificates of participation and lease revenue bonds	\$	211,585	49,060	(15,305)		245,340	15,660
Taxable pension obligation bonds		400,125		(59,300)		340,825	62,83
Tobacco settlement asset-backed bonds		463,185		(18,285)	7,385	452,285	7,480
Loans - non-internal service funds (ISF)		1,766		(661)		1,105	31.
Loans - internal service funds		785		(190)		595	210
Unamortized issuance premiums		87,185	14,831	(6,499)		95,517	6,62
Total COPs, bonds and loans	\$	1,164,631	63,891	(100,240)	7,385	1,135,667	93,12
Other long-term liabilities:							
Financed purchases (1)	\$	14,568	1,331	(2,300)		13,599	2,40
Claims and judgments - ISF		290,117	78,454	(67,214)		301,357	58,90
Compensated absences - non-ISF		136,496	93,414	(95,193)		134,717	50,88
Compensated absences - ISF		3,282	2,405	(2,031)		3,656	1,31
Landfill postclosure		20,388	215			20,603	68
Leases - non-ISF (1)		298,279	1,171	(43,326)		256,124	40,85
Pollution remediation		2,717	1,370	(2,567)		1,520	4.
Total Other long-term liabilities	\$	765,847	178,360	(212,631)		731,576	155,10
Total Governmental Activities	\$	1,930,478	242,251	(312,871)	7,385	1,867,243	248,23
Business-type Activities:							
Compensated absences	\$	604	219	(351)		472	1 <i>7</i>
Total Business-type Activities	\$	604	219	(351)		472	17

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#### NOTE 15

## **Funds Used to Liquidate Liabilities**

The following funds presented in **Table 39** below have typically been used to liquidate other long-term obligations in prior years:

Table 39 Liquidated Liabilities				
Liability	Fund(s) Used to Liquidate in Prior Years			
Claims and Judgments	Internal Service Funds - Employee Benefits and Public Liability Insurance			
Compensated Absences	General Fund; Special Revenue Funds - Road, County Library, Inactive Wastesites and Other Special Revenue Funds; Internal Service Funds - Facilities Management, Fleet Services and Purchasing; and Enterprise Funds - Airport and Sanitation District - Other			
Landfill Postclosure	Special Revenue Funds - Inactive Wastesites			
Pollution Remediation	General Fund and Special Revenue Funds - Inactive Wastesites			
Net Pension Liability	General Fund; Special Revenue Funds - Road, County Library, Inactive Wastesites and Other Special Revenue Funds; Internal Service Funds - Facilities Management, Fleet Services and Purchasing; and Enterprise Funds - Airport and Sanitation District - Other			
Net Other Postemployment Benefits Liability	General Fund; Special Revenue Funds - Road, County Library, Inactive Wastesites and Other Special Revenue Funds; Internal Service Funds - Facilities Management, Fleet Services and Purchasing; and Enterprise Funds - Airport and Sanitation District - Other			

### NOTE 16

#### **Landfill Site Postclosure Care Costs**

State laws and regulations require the placement of final cover on all landfill sites that stopped accepting solid waste after October 9, 1991 and the performance of certain maintenance and monitoring functions at these sites for a minimum of 30 years after closure. Closure and postclosure care costs are paid near or after the date a landfill stops accepting waste. The San Marcos Landfill is the sole waste disposal site owned by the County that is subject to these regulations. It was operational and accepted solid waste from 1979 until March 11, 1997. Formal closure of this landfill spanned from July 2004 through March 2007. Post closure maintenance began March 22, 2007.

The projected landfill postclosure care liability at June 30, 2022 for the San Marcos Landfill was \$20.603 million. This estimated amount is based on what it would cost to perform all postclosure maintenance

over a 30 year period in calendar year 2022 dollars and is subject to change as a result of such factors including but not limited to: inflation; deflation; advancements in technology; and amendments to laws and regulations.

In addition to the above, state regulations require that landfill closure and postclosure maintenance costs be fully funded at the time of closure, unless a landfill owner/operator can demonstrate financial responsibility towards these activities by using other approved financial assurance alternatives. A pledge of revenue is one of various alternatives allowed to fund estimated postclosure costs. Under this alternative, the Board of Supervisors, on February 3, 1998, approved Minute Order No. 5 "Postclosure Maintenance Funding for the San Marcos Landfill", wherein the County entered into a pledge of revenue agreement with the California Integrated Waste Management Board (CIWMB). Pursuant to Resolution No. 98-24, adopted under Minute Order No. 5, the Board directed that the amount of pledged revenue shall be equal to \$790 thousand per year for the 30 year period of postclosure maintenance commencing upon completion of the final closure of the San Marcos Landfill. The amount of pledged revenue was reduced to \$626 thousand on December 20, 2016 when the California Department of Resources Recycling and Recovery (CalRecycle) reviewed and approved a revised postclosure maintenance plan for the San Marcos Landfill submitted by the County. The pledged amount is a promise of existing funds rather than future revenues and may increase or decrease to match any adjustment to identified cost estimates that are mutually agreed to by the County and CalRecycle.

Beginning July 1, 2011, CalRecycle, in accordance with Title 27, Division 2, Subdivision 1, Chapter 6 of the California Code of Regulations, requires owners and operators of all disposal facilities operating after July 1, 1991 to provide additional financial assurance for corrective action based on the highest amount of either a water release corrective action or a non-water release corrective action, on or before the date of the first permit review.

The County determined that a non-water release corrective action would have the highest cost impact to the landfill and on January 27, 2016 the Board of

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Supervisors approved Minute Order No. 4 "Adopt a Resolution for Financial Assurance for Corrective Actions of the San Marcos Landfill and Authorize Submission of a Pledge of Revenue for Corrective Action Program at San Marcos Landfill." Pursuant to Resolution No. 16-011, adopted under Minute Order No. 4, the County entered into a pledge of revenue agreement to assure that adequate funds are available to carry out the Corrective Action Program 95-112 of the San Marcos Landfill. The pledge of revenue for corrective action costs is \$3 million per year for the 30year period and may increase or decrease to match any adjustment to the identified cost estimate mutually agreed to by the County and CalRecycle (adjusted to \$3.123 million in fiscal year 2022). This pledged revenue will remain in the Inactive Wastesites Special Revenue Fund as a contingency until such time that corrective action costs are incurred.

Regulations governing solid waste management are promulgated by government agencies at the federal and state levels. These regulations address the design, construction, operation, maintenance, closure and postclosure maintenance of various types of facilities; acceptable and prohibited waste types; and inspection, permitting, environmental monitoring and solid waste recycling requirements. Regulations at both the state and federal levels could impose retroactive liability, particularly with respect to cleanup activities relating to any landfill site ever operated by the County, whether or not owned by the County. Thus, the County has potential liability with respect to every landfill ever owned, operated, contracted to be operated, or into which the County disposed waste. Compliance with these regulations may be costly, and, as more stringent standards are developed to protect the environment, these costs could increase.

## NOTE 17 Pollution Remediation

Governmental Accounting Standards Board Statement No. 49, Accounting and Financial Reporting for Remediation establishes Pollution Obligations, accounting and reporting guidelines for the recognition and measurement of pollution remediation obligations (liabilities).

The County is involved in several remediation actions to clean up pollution sites within its boundaries. These matters generally coincide with the County's ownership of land, buildings and infrastructure assets. In some cases, regulatory agencies (e.g., California Regional Water Quality Control Board) notified the County of the need for remedial action. In addition, County conducts its own environmental monitoring and this activity identifies pollution sites and matters requiring further investigation and possible remediation. Once the County is aware of conditions, it commences monitoring, assessment, testing, and/or cleanup activities, and recognizes pollution remediation obligations when estimates can reasonably be determined.

The types of pollution that have been identified include leaking underground storage tanks, water, groundwater and soil contamination, and excessive levels of other contaminants. Remediation efforts include developing remediation and feasibility studies, source identification studies, site testing, sampling and analysis, ground water cleanup, removal of storage tanks and other hazardous materials.

As of June 30, 2022, the County's estimated pollution remediation obligations totaled \$1.52 million. These obligations were all associated with the County's government-wide governmental activities. The estimated liabilities were determined by project managers and/or consultants, based on historical cost information for projects of the same type, size and complexity and measured at their current value or current quotes from outside service providers. In subsequent periods, the County will adjust estimated obligations when new information indicates that such changes are required, including technology and changes in applicable laws or regulations.

The County owns a 70-acre parcel at Gillespie Field Airport that consisted of vacant, mowed land, and a temporary asphalt parking lot, and in 2012 approved a project to redevelop the site to aviation uses in four phases. Historical agricultural and industrial uses of the site have left pollutant remnants detected at soil, various concentrations in the including organochlorine, pesticide chlordane, hydrocarbons, and toluene. fiscal year 2021 project was Cajon Air Center Development Phase III, requiring

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construction site dewatering, and measures were taken to avoid construction worker contact with contaminated groundwater because of an offsite spill on private property which was conveyed through groundwater to County-owned land. The County is not liable for the spill/contamination but has assumed responsibility for remediation during construction. The remediation costs for dewatering and removing contaminated soils for fiscal year 2021 were \$97 thousand. No new project phases or other construction occurred in fiscal year 2022; however, because the estimated and not actual costs were reported in fiscal year 2021, in fiscal year 2022, the County is reporting the difference between the actuals and what was previously reported, resulting in a total thousand. Engineering \$102 redevelopment and infrastructure of the site's future phase is on hold and, therefore, the range of pollution remediation obligation is not reasonably estimable at this time. Upon finalization of the construction plans, a soil and sediment management plan will be implemented, if necessary, to manage above ground debris, including the following: hydrocarbon and toluene impacted sediment; metals within stained soil; and abandonment or protection of the onsite irrigation and groundwater monitoring wells.

The County owns and manages a facility in Otay Mesa. Based on the findings from an inspection by the County of San Diego Department of Environmental Health and Quality (DEHQ) - Hazardous Material Division (HMD) performed in May of 2021, hazardous waste violations were issued to the County on August 2, 2021, that appear to be related to contamination that conveyed to landscape and hardscape areas. The findings included soil that was collected near storm drain inlets that tested positive for lead and/or brass in amounts that exceeded acceptable solid waste disposal levels. Upon notification of the violations, the inside of the drains and the areas immediately surrounding the inlets were cleaned. Filters and barriers were then placed to prevent unwanted materials entering the drains. An environmental consultant was contracted by the County to perform a more extensive review of the facility conditions. While awaiting the report from the consultant, a separate case was being issued to determine if contamination discharged deeper into the soil or beyond the designed containment. Since this time the County has been working to execute an agreement for further investigation and implementation of any corrective actions. The County's consultant continues to assist with defining the scope and will begin the investigation once the agreement is in place. The range of the pollution studies are not complete; therefore, the financial obligation for remediation is not reasonably estimable at this time.

The property formerly known as the Triple S Horse Ranch in Otay Mesa, located at 1550 Sunset Ave., San Diego, CA 92154, was purchased by the County in 2002 and was incorporated into the Tijuana River Valley Regional Park managed by the Department of Parks and Recreation (DPR). At the time of the 2002 acquisition, DEHQ, Department of General Services (DGS), and DPR began the process to confirm potential clean-up requirements and associated costs for removing items thought to have existed on the property at the time of purchase including three trailers and septic tanks that serviced the trailers along with remediating any potential staining or spillage of diesel fuel or gasoline if present. Unfortunately, for reasons unknown, the paperwork for this process was not completed. DEHQ, DGS and DPR are now actively collaborating to confirm if clean-up efforts were previously completed, if any clean-up remains to be needed, and if so, what the potential associated costs are. Considering this property was purchased 20 years ago and is now part of an active park site it is anticipated that all clean-up was previously completed. The site is being assessed (by DGS and DPR) to confirm if any remaining clean-up is required. Since the assessments are in the beginning stages, it is not yet known if any clean-up efforts are needed, therefore the financial obligation for potential remediation cannot be reasonably estimated at this time.

The Citizens Development Corporation (plaintiff) was awarded \$2.6 million against the County in a groundwater contamination case. An insurance recovery for \$2.35 million will be used to offset the above amount, leaving \$250 thousand the County must pay to the plaintiff.

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## NOTE 18 Conduit Debt Obligations

From time to time, the County has issued tax-exempt conduit debt under the authority of Chapter 7 of Part 5 of Division 3 of the Health and Safety Code of the State of California on behalf of qualified borrowers to provide financial assistance for projects deemed to be of public interest.

Conduit debt consisted of three Certificates of Participation (COPs) for the acquisition, construction, capital improvement and equipping of various facilities. Conduit debt is secured by the property that is financed and is payable from the respective COPs' base rentals. Upon repayment of the debt, ownership of the acquired facilities transfers to the private-sector entity served by the debt issuance.

The County is not obligated in any manner for repayment of this debt. Accordingly, the debt is not reported as liabilities in the accompanying financial statements.

As of June 30, 2022, the aggregate conduit debt principal amount outstanding was \$49.040 million.

# NOTE 19 Special Tax Bonds

### Harmony Grove Village Improvement Area No. 1 Special Tax Bonds, Series 2018A

In February 2018 the Community Facilities District No. 2008-01 (Harmony Grove Village) of the County of San Diego, Improvement Area No. 1 Special Tax Bonds, Series 2018A (the "Series 2018A Bonds"), were issued totaling \$15.710 million. Proceeds of the Series 2018A Bonds were used to pay the costs of the acquisition of certain public facilities necessary for the development of that portion of the District designated as Improvement Area No. 1, to fund a reserve for the Series 2018A Bonds and to pay the costs of issuing the bonds. The Series 2018A Bonds are payable solely from net special tax revenues derived from the levy of the special taxes on real property located within the boundaries of Improvement Area No. 1 and are secured by a pledge of all the net special tax revenues and moneys deposited in certain custodial funds established under the Series 2018A Indenture.

## Harmony Grove Village Improvement Area No. 1 Special Tax Bonds, Series 2020A

In January 2020 the Community Facilities District No. 2008-01 (Harmony Grove Village) of the County of San Diego, Improvement Area No. 1 Special Tax Bonds, Series 2020A (the "Series 2020A Area No. 1 Bonds"), were issued totaling \$13.505 million. Proceeds of the Series 2020A Area No. 1 Bonds were used to pay the costs of the acquisition of certain public facilities necessary for the development of that portion of the District designated as Improvement Area No. 1, to increase the reserve for the Bonds and to pay the costs of issuing the bonds. The Series 2020A Area No. 1 Bonds are payable solely from net special tax revenues derived from the levy of the special taxes on real property located within the boundaries Improvement Area No. 1 and are secured by a pledge of all the net special tax revenues and moneys deposited in certain custodial funds established under the Series 2020A Indenture.

The County is not liable in any manner for repayment of this debt. Accordingly, the debt is not reported as liabilities in the accompanying financial statements.

## Harmony Grove Village Improvement Area No. 2 Special Tax Bonds, Series 2020A

In January 2020 the Community Facilities District No. 2008-01 (Harmony Grove Village) of the County of San Diego, Improvement Area No. 2 Special Tax Bonds, Series 2020A (the "Series 2020A Area No. 2 Bonds"), were issued totaling \$24.290 million. Proceeds of the Series 2020A Area No. 2 Bonds were used to pay the costs of the acquisition of certain public facilities necessary for the development of that portion of the District designated as Improvement Area No. 2, to fund a reserve for the Series 2020A Area No. 2 Bonds and to pay the costs of issuing the bonds. The Series 2020A Area No. 2 Bonds are payable solely from net special tax revenues derived from the levy of the special taxes on real property located within the boundaries of Improvement Area No. 2 and are secured by a pledge of all the net special tax revenues and moneys deposited in certain custodial funds established under the Series 2020A Indenture.

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The County is not liable in any manner for repayment of this debt. Accordingly, the debt is not reported as liabilities in the accompanying financial statements.

# **NOTE 20** Fund Balance Policy - General Fund

In fiscal year 2018, the Board of Supervisors adopted San Diego County Code of Administrative Ordinance No. 10509 (N.S.), "An Ordinance Amending the San Diego County Code of Administrative Ordinances Article VII, Section 113 Relating to the Maintenance and Restoration of Fund Balances and Reserves in the General Fund", thereby amending Sections 113.1, "General Fund Balances and Reserves", 113.2, "General Fund Commitments and Assignments of Fund Balance, and 113.3, "Restoration of General Fund Reserve Minimum Balance; and added Section 113.4, "Fund Balances and Use of One Time Revenues".

The purpose of this code is to establish guidelines in accordance with industry best practices regarding the maintenance and use of General Fund Unrestricted fund balance and the use of one-time revenues to help protect the fiscal health and stability of the County. Available Unrestricted General Fund balance shall be determined by excluding Unrestricted Fund balances that have been Committed or Assigned thereby focusing solely on Unassigned Fund balance. These sections include:

General Fund Balances and Reserves: A portion of Unassigned Fund balance shall be maintained as a reserve (General Fund Reserve) at a minimum of two months of audited General Fund expenditures (which is the equivalent of 16.7% of audited General Fund expenditures). The General Fund Reserve will protect the County against expenditure and revenue volatility, natural disasters and other unforeseen emergencies, economic downturns, unfunded pension liabilities, and aging infrastructure.

Appropriation of the General Fund Reserve minimum balance requires at least one of the following criteria to be met:

- An unanticipated revenue shortfall or expenditure increase where total expenditures exceeds total revenues.
- A legally declared emergency as defined in Government Code Section 29127.

- To absorb unforeseen changes in pension liability, including changes in the assumed rate of return, market losses, to maintain or reduce the unfunded pension liability, or other related changes as recommended by the Chief Administrative Officer (CAO).
- To help mitigate risk due to maintaining aging infrastructure including capital improvements, new construction, or other recommendations made by the CAO.
- To the extent reserves are available, a recommendation made by the CAO to promote the long-term fiscal health and stability of the County.

Furthermore, all appropriation of the General Fund Reserve minimum balance and/or transfers from the General Fund Reserve appropriation, shall require a 4/5th vote of the Board of Supervisors.

To the extent that available Unassigned Fund balance is available in excess of General Fund Reserve minimum balance, the CAO may recommend the appropriation or commitment of the available balance for one-time uses. These recommendations may appear in the CAO Recommended Operational Plan or as an agenda item for a regularly scheduled meeting of the Board of Supervisors.

General Fund Commitments and Assignments of Fund Balance: From time to time, fund balance may be committed by the Board of Supervisors and/or assigned by the CAO for specific purposes. A commitment requires formal board action to establish, change or cancel while an assignment may be established, changed or cancelled by the CAO. Changing or cancelling a commitment or assignment of fund balance shall not be approved if such action would result in increased and/or unfunded costs or liabilities such as those required to fulfill existing contractual obligations or to identify alternative funding sources for the original Commitment or Assignment purpose or if such action would jeopardize the long-term fiscal sustainability of the County. Commitments and/or assignments shall not be approved if they would result in the amount of the General Fund Reserve falling below the minimum required balance.

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Restoration of General Fund Reserve Minimum Balance: In the event that the General Fund Reserve falls below the minimum required balance, the CAO shall present a plan to the Board of Supervisors for restoration of the targeted levels. The plan should restore balances to targeted levels within one (1) to three (3) years, depending on the use, reasons for use, and severity of the event. In the event that the General Fund Reserve is used to serve as a short-term financing bridge, the plan shall include mitigation of long-term structural budgetary imbalances by aligning ongoing expenditures to ongoing revenues.

On February 14, 2020, the County of San Diego declared a local public health emergency due to COVID-19. In response to the declared emergency and

the economic impacts of COVID-19 on County finances, on May 19, 2020 the Board of Supervisors ratified the Chief Administrative Officer's suspension of sections 113.2, 113.5(a), and 113.5(b) of the San Diego County Administrative Code and any other provision of local law pertaining to General Fund balance, reserves, commitments, assignment and management practices until further notice.

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### NOTE 21

# Fund Balances Restricted for Laws or Regulations of Other Governments: Fund Purpose

At June 30, 2022, the fund balances restricted for laws or regulations of other governments: fund purpose are presented in **Table 40** as follows:

Fund Type:	Purpose	Α	mount
Nonmajor Funds			
Special Revenue Funds			
Asset Forfeiture Program Fund	Law enforcement	\$	9,397
Community Facilities District Funds - Other	Fire protection and suppression, emergency response, operation and maintenance of facilities, and flood control services		6,11:
County Library Fund	Library services		13,58
County Low and Moderate Income Housing Asset Fund	County housing activities		4,188
County Service District Funds	Road, park lighting maintenance, fire protection and ambulance services		38,80
Edgemoor Development Fund	Edgemoor development		8,42
	Maintenance and operation of parks and recreation services, fire protection services, emergency response, street improvements,		
Harmony Grove Community Facilities District Fund	street lighting, and flood control services		3,638
Housing Authority Low and Moderate income Housing Asset Fund	Housing Authority housing activities		70
In Home Supportive Services Public Authority Fund	In home supportive services		2:
Inmate Welfare Program Fund	Benefit, education, and welfare of jail inmates		16,116
Lighting Maintenance District Fund	Street and road lighting maintenance		5,275
Other Creeigl Revenue Funda	Retracement or remonument surveys, improvements for grazing lands, wildlife propagation and aviation purposes, capital improvements and repairs, contracts administration, data collection, analysis and reporting, and responding to complaints		6.982
Other Special Revenue Funds	regarding trash and trash haulers in unincorporated areas  Developing new or rehabilitating existing neighborhood or		0,78
Park Land Dedication Fund	community park or recreational facilities		30.062
Total Nonmajor Funds (Special Revenue Funds)	22	\$	142,684

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## **NOTE 22**

# Fund Balances Restricted for Laws or Regulations of Other Governments: Other Purposes

At June 30, 2022, the fund balances restricted for laws or regulations of other governments: other purposes are presented in **Table 41** as follows:

Table 41		
Fund Balances Restricted for Laws or Regulations of Other Governments: Other Purposes		
At June 30, 2022		
Major Fund		
General Fund		
Juvenile justice crime prevention	\$	23,375
Teeter tax loss		13,552
Parole revocation hearings		12,331
Vector control		8,781
Fingerprinting equipment purchase and operation		5,550
Real estate fraud prosecution		4,390
Juvenile probation camp		3,862
Probation Department activities		3,785
Emergency medical services, various construction costs		3,190
Reimburse District Attorney's Office for the reasonable costs of investigation and prosecution of cases related		
to fraud schemes targeting state dollars intended for K-12 education		3,127
Domestic violence and child abuse prevention		2,940
Rehabilitative housing and supervision services for secure track youth population		2,659
Projects, programs and services that benefit Crest - Dehesa - Harbison Canyon - Granite Hills sub-region		2,297
Parks and Recreation land acquisition, improvements, stewardship and other activities		2,198
Probation community transition unit activities		1,999
Pre-trial felony mental health diversion program		1,722
Public Defender defense of indigent cases		1,664
Vehicle abatement activities		1,643
Sheriff law enforcement		1,349
Sheriff automated warrant system		1,046
Disarming prohibited persons program		871
Improvement, maintenance and operation of the Waterfront Park		842
Administration, operation and conservation of trails, paths or other facilities for off-highway motor vehicles		508
Acquisition, rehabilitation, construction and financing of courtrooms, courtroom buildings or court facilities		378
Sheriff vehicle maintenance and replacement		333
Offset costs incurred to locate and notify victims to whom restitution is owed		208
Lease or purchase of California state approved voting systems, or components of voting systems		3
Total General Fund	\$	104,608
Nonmajor Funds		
Special Revenue Funds		
Flood Control District Fund		
Flood control future drainage improvements	\$	33,828
Total Nonmajor Special Revenue Funds	\$	33,828
Total Nonmajor Funds	\$	33,828
Total Fund Balances Restricted for Laws or Regulations of Other Governments: Other Purposes	\$	138,436
The state of the s	Ψ	130,400

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# NOTE 23 Fund Balances Committed to Other Purposes At June 30, 2022, the fund balances committed to

At June 30, 2022, the fund balances committed to other purposes are presented in **Table 42** as follows:

Table 42 Fund Balances Committed To Other Purpose	es	
At June 30, 2022		
Major Fund		
General Fund		
Regional communication system infrastructure enhancements	\$	13,939
Department of Environmental Health and Quality services		5,471
Department of Planning and Development Services activities		2,774
Parks and Recreation land acquisition		1,576
San Diego Fire Authority equipment replacement		433
Future purchase of agricultural conservation easements		260
Management of conduit financing programs		258
South County Shelter capital improvements		222
Parks expansion and improvements		132
Parks and Recreation turf replacement Sweetwater Valley		128
Capital projects or major maintenance projects		45
Total General Fund	\$	25,238

# **NOTE 24 Fund Balances Assigned to Other Purposes**

At June 30, 2022 the fund balances assigned to other purposes are presented in **Table 43** as follows:

Table 43 Fund Balances Assigned to Other Purpos At June 30, 2022	ses	
Major Fund		
General Fund		
Law enforcement, detention, legal and other protection services	\$	95,113
Planning, land use, agriculture, watershed and other public services		57,855
Health, mental health and social services		54,962
Park and Recreation services		18,034
One-time labor negotiation payments		8,102
Assessor/Recorder/County Clerk services		5,831
Maintenance		4,682
Registrar of Voters services		4,169
Fire protection		3,643
Community Enhancement program		1,324
Hall of Justice future lease payments		800
Treasurer-Tax Collector services		689
Animal Services		95
Total General Fund	\$	255,299

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## **NOTE 25**

# **Net Position Restricted for Laws or Regulations of Other Governments: Other Purposes**

At June 30, 2022, the net position restricted for laws or regulations of other governments: other purposes is presented in **Table 44** as follows:

Table 44		
Net Position Restricted for Laws or Regulations of Other Governments: Other Purposes		
At June 30, 2022		
Developing new or rehabilitating existing neighborhood or community park or recreational facilities	\$	30,062
Juvenile justice crime prevention		23,375
Benefit, education, and welfare of jail inmates		16,116
Library services		13,587
Parole revocation hearings		12,331
Law enforcement		9,397
Edgemoor development		8,426
Retracement or remonument surveys, improvements for grazing lands, wildlife propagation and aviation purposes		
capital improvements and repairs, contracts administration, data collection, analysis and reporting, and responding to		
complaints regarding trash and trash haulers in unincorporated areas		6,982
Fire protection and suppression, emergency response, operation and maintenance of facilities, and flood control		
services		6,112
Fingerprinting equipment purchase and operation		5,550
Street and road lighting maintenance		5,275
Sheriff law enforcement		5,113
Real estate fraud prosecution		4,390
County housing activities		4,188
Juvenile probation camp		3,862
Probation Department activities		3,785
Maintenance and operation of parks and recreation services, fire protection services, emergency response, street		
improvements, street lighting, and flood control services		3,638
Emergency medical services, various construction costs		3,190
Reimburse District Attorney's Office for the reasonable costs of investigation and prosecution of cases related to fraud		
schemes targeting state dollars intended for K-12 education		3,127
Domestic violence and child abuse prevention		2,940
Rehabilitative housing and supervision services for secure track youth population		2,659
Projects, programs and services that benefit Crest - Dehesa - Harbison Canyon - Granite Hills sub-region		2,297
Parks and Recreation land acquisition, improvements, stewardship and other activities		2,198
Probation community transition unit activities		1,999
Pre-trial felony mental health diversion program		1,722
Public Defender defense of indigent cases		1,664
Vehicle abatement activities		1,643
Sheriff automated warrant system		1,046
Disarming prohibited persons program		871
Improvement, maintenance and operation of the Waterfront Park		842
Administration, operation and conservation of trails, paths or other facilities for off-highway motor vehicles		508
Acquisition, rehabilitation, construction and financing of courtrooms, courtroom buildings or court facilities		378
Sheriff vehicle maintenance and replacement		333
Offset costs incurred to locate and notify victims to whom restitution is owed		208
Housing Authority housing activities		70
In home supportive services		22
Lease or purchase of California state approved voting systems, or components of voting systems		8
	\$	189,914
Total Net Position Restricted for Laws or Regulations of Other Governments: Other Purposes	φ	107,714

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# NOTE 26 Risk Management

The County operates a Risk Management Program, whereby it is self-insured for general liability (California Government Code Section 990), malpractice (California Government Code Section 990.9), automobile liability (California Vehicle Code 16020(b)(4)) Section and primary workers' compensation (California Code of Regulations, Title 8, Section 15203.4). The County purchases insurance coverage for all risk property losses, cyber liability, excess workers' compensation, government crime insurance, including employee dishonesty and faithful performance, aviation commercial general liability, and aircraft hull and liability insurance. Settlements in the areas covered have not exceeded insurance coverage for each of the past three fiscal years.

The County's Employee Benefits and Public Liability Insurance Internal Service Funds (ISF) are used to report all of its uninsured risk management activities. Risk management liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Actuarial evaluations were obtained which determine estimates of known and projected public liability and workers' compensation claim liabilities. These evaluations include estimates for claims incurred but not reported; allocated and unallocated loss adjustment expenses; and amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

At June 30, 2022, these liabilities discounted for anticipated investment return (public liability of 1% and workers' compensation of 2.5%), totaled \$301.4 million, including \$103.3 million in public liability and \$198.1 million in workers' compensation. Changes in the balances of claim liabilities for fiscal years 2022 and 2021 are shown in **Table 45**.

Table 45					
Risk Management - Changes in Claim Liabilities					
		2022	2021		
Employee Benefits Fund					
Unpaid claims, July 1	\$	197,565	191,086		
Incurred claims		31,176	34,776		
Claim payments		(30,648)	(28,297)		
Unpaid claims, June 30	\$	198,093	197,565		
Public Liability Insurance Fund					
Unpaid claims, July 1	\$	92,552	94,150		
Incurred claims		47,278	18,380		
Claim payments		(36,566)	(19,978)		
Unpaid claims, June 30	\$	103,264	92,552		

# **NOTE 27 Contingencies**

## Litigation

As of June 30, 2022 the County has no potential liability that could result if unfavorable final decisions are rendered in numerous lawsuits to which the County is a named defendant.

#### **Unrecorded Leave Benefits**

County employees have unrecorded accumulated benefits of approximately \$246 million in sick leave, holiday and compensatory time. With the exception of sick leave for eligible employees, these benefits are not payable to employees upon termination and are normally liquidated at year-end or as employees elect to use their benefits per Civil Service rules and regulations. Accumulated vacation, sick leave, and compensatory time-off for which employees are eligible for payment upon separation have been recorded as liabilities in the appropriate proprietary funds and the government-wide statement of net position.

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#### **Federal and State Programs**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

# NOTE 28 Joint Ventures

The San Diego Geographic Information Source (SanGIS) was created in July 1997 as a joint powers agreement between the City of San Diego and the County of San Diego. SanGIS objectives are to create and maintain a geographic information system; marketing and licensing compiled digital geographic data and software; providing technical services; and publishing geographic and land related information for the City and the County, other public agencies, and the private sector. It is governed by a Board of Directors consisting of one voting member from the City of San Diego and one from the County of San Diego. SanGIS relies mostly on an annual budget of \$1.5 million contributed primarily by the City and the County to supplement its operating revenues. In its latest report, SanGIS reported an increase in net position of \$68 thousand and ending net position of \$724 thousand for the fiscal year ended June 30, 2021. The financial report may be obtained by writing to SanGIS at 5510 Overland Ave., Suite 230, San Diego CA 92123 or by calling (858) 874-7000 or by E-mail at webmaster@sangis.org.

The County is a participant with 18 incorporated cities to operate the Unified San Diego County Emergency Services Organization for the purpose of providing regional planning and mutual assistance in the event of an emergency or disaster in the region. The organization is governed by the Unified Disaster Council (UDC) with the San Diego County Board of Supervisors, who serves as Chair of the Council, and a representative from each of the 18 incorporated cities. The County of San Diego Office of Emergency Services (OES) serves as staff to the UDC. OES is a liaison between the incorporated cities, the California

Governor's Office of Emergency Services, the Federal Emergency Management Agency, as well as non-governmental agencies such as the American Red Cross. A contractual agreement requires that the cities and the County provide the total required funding each year; one half from the cities and the other half from the County. In its latest report, the organization reported an increase in net position of \$46 thousand and ending net position of \$234 thousand for the fiscal year ended June 30, 2021. Separate financial statements may be obtained from the Office of Emergency Services, 5580 Overland Ave., Suite 100, San Diego CA 92123 or by calling (858) 565-3490 or by E-mail at oes@sdcounty.ca.gov.

The San Diego Workforce Partnership (Partnership) funds job training programs to empower job seekers to meet the current and future workforce needs of employers in San Diego County. Two boards provide oversight: The Consortium Policy Board and the Workforce Development Board (WDB). As the Workforce Partnership is a joint powers authority, the Consortium Policy Board is a partnership of the City and County of San Diego. Members include two County Board of Supervisors, two San Diego City Council members, and a community representative (currently the United Way of San Diego). The Consortium Policy Board appoints members to, and receives recommendations from, the WDB. The two boards collaborate on a variety of funding decisions and priorities. For the fiscal year ended June 30, 2021, the Partnership reported an increase in net position of \$306 thousand and ending net position of \$987 thousand. Complete financial reports may be obtained by writing to the San Diego Workforce Partnership, 9246 Lightwave Ave., Suite 210, San Diego, CA 92123 or by calling (619) 228-2900.

In November 2011, the County of San Diego, which oversees the San Diego County Fire Authority, agreed to be a participant in the Heartland Fire Training Authority effective July 1, 2012. The Authority includes 10 other member agencies and was formed for the purposes of jointly equipping, maintaining, operating, and staffing to provide training of fire-fighting and emergency response personnel to member agencies. It is governed by a Commission comprised of elected officials from each member jurisdiction. The annual

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budget is derived from fees paid by participating agencies along with revenue generated from class offerings. In its latest report, Heartland Fire Training Authority reported an increase in net position of \$33 thousand and ending net position of \$1.4 million for the fiscal year ended June 30, 2021. The financial report may be obtained by writing to Heartland Fire Training Authority at 1301 North Marshall Ave., El Cajon CA 92020 or by calling (619) 441-1683.

## NOTE 29 Pension Plans

#### **Plan Description**

The County contributes to the San Diego County Employees Retirement Association pension plan (SDCERA-PP or the Plan), a cost-sharing, multipleemployer, defined benefit pension plan that is administered by the Board of Retirement of the San Diego County Employees Retirement Association (SDCERA), a public employee retirement system established by the County of San Diego (County) on July 1, 1939. SDCERA is an independent governmental entity separate and distinct from the County of San Diego. The SDCERA-PP provides retirement, disability, death and survivor benefits for its members under the County Employees Retirement Law of 1937 (Government Code Section 31450 et. seq.), the "Retirement Act".

The management of SDCERA is vested with the Board of Retirement. The Board consists of nine members and two alternates made up of member-elected representatives, Board of Supervisors-appointed representatives and the County Treasurer-Tax Collector who is elected by the general public and a member of the Board of Retirement by law. All members of the Board of Retirement serve terms of three years except for the County Treasurer-Tax Collector whose term runs concurrent with his term as County Treasurer.

## Plan Membership

The participating employers in the SDCERA-PP consist of the County of San Diego; Superior Court of California - County of San Diego; Air Pollution Control District; San Dieguito River Valley Joint Powers Authority; Local Agency Formation Commission; and, the San Diego County Office of Education.

All employees of the County of San Diego and the other aforementioned participating employers working in a permanent position at least 20 hours each week are members of the SDCERA. Membership begins with the first biweekly payroll period in the month following employment. Members are vested after accruing five years of service credit.

There are separate retirement plans (types of membership) - General and Safety, under the SDCERA-PP. Safety membership is extended to those involved in active law enforcement or who otherwise qualify for Safety membership including court service officers and probation officers. All other employees are classified as General members.

The SDCERA-PP has five Tiers. Subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code Section 7522 et seg. and Assembly Bill (AB) 197, any new employee hired on or after January 1, 2013 through June 30, 2018 who became a General member, (January 1 2013 through June 30, 2020 for Safety members), was placed into Tier C; while any new employee hired on or after July 1, 2018 who became a General member and any new employee who will be hired on or after July 1, 2020 who becomes a Safety member, is placed into Tier D. Tier C and Tier D, are the current open plans for all new General and Safety employees; Tiers I, A, and B are generally closed to new entrants but have active members. On March 8, 2002, the Board of Supervisors eliminated Tier II and established Tier A for active General Members and all non-retired Safety Members who entered on or after March 8, 2002 and before August 28, 2009. All active General Members were converted to Tier A unless they elected to opt-out during a one-time opt-out period. All active and deferred Safety Members were converted to Tier A. All deferred General Tier II Members and active Members who elected to opt out of Tier A were converted to Tier I. Both Tier I and Tier Il are closed to new members.

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#### **Benefits Provided**

The tiers and their basic provisions are listed in the following table:

Table 46 SDCERA	- PP Tiers aı	nd Basic Prov	isions	
Tier Name	Governing Code	Membership Effective Date	Basic Provisions	Final Average Salary Period
General Tier I	§31676.12	Before March 8, 2002 (1)	2.62% at 62; maximum 3% COLA	Highest 1 - year
General Tier A	§31676.17	March 8, 2002 to August 27, 2009	3.0% at 60; maximum 3% COLA	Highest 1 - year
General Tier B	§31676.12	August 28, 2009 to December 31, 2012	2.62% at 62; maximum 2% COLA	Highest 3 - year
General Tier C	§7522.20(a)	January 1, 2013 to June 30, 2018	2.5% at 67; maximum 2% COLA	Highest 3 - year (2)
General Tier D	§31676.01	July 1, 2018	1.62% at 65; maximum 2% COLA	Highest 3 - year (2)
Safety Tier A	§31664.1	Before August 28, 2009	3.0% at 50; maximum 3% COLA	Highest 1 - year
Safety Tier B	§31664.2	August 28, 2009 to December 31, 2012		Highest 3 - year
Safety Tier C	§7522.25(d)	January 1, 2013 to June 30, 2020	2.7% at 57; maximum 2% COLA	Highest 3 - year (2)
Safety Tier D	§7522.25(c)	July 1, 2020 <mark>with membershi</mark> p	2.5% at 57; maximum 2% COLA	Highest 3 - year (2)

- (1) All general members with membership dates before March 8, 2002 who made a specific and irrevocable election to opt out of General Tier A. This also included those General Members in deferred status on March 8, 2002.
- (2) PEPRA limits the amount of compensation that can be used to calculate retirement benefit for Tier C and Tier D to 100% of the 2013 Social Security taxable wage base limit for General members and 120% for Safety members. These amounts will be adjusted with price inflation starting in 2014.

General members enrolled in Tier 1, A or B are eligible to retire once they attain the age of 70 regardless of service or at age 50 (55 for Tier B) and have acquired 10 or more years of retirement service credit. A General member in Tier 1, A or B with 30 years of service is eligible to retire regardless of age. General members enrolled in General Tier C or D are eligible to retire once they attain the age of 70 regardless of service or at age of 52, and have acquired five or more years of retirement service credit.

Safety members enrolled in Tier A or B are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A Safety member in Tier A or B with 20 years of service is eligible to retire regardless of age. Safety members enrolled in Safety Tier C or D are eligible to retire once they have attained the age of 70 regardless of service or at age of 50, and have acquired five or more years of retirement service credit.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

For members enrolled in Tier 1, A or B, the maximum monthly retirement allowance is 100% of final compensation. PEPRA limits the amount of compensation that can be used to calculate the retirement benefit for Tier C and Tier D to 100% of the 2013 Social Security taxable wage base limit for General Members and 120% for Safety Members. These amounts will be adjusted with price inflation starting in 2014.

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. Certain surviving spouse or domestic partners may also be eligible if marriage or domestic partnership was at least two years prior to the date of death and the surviving spouse or domestic partner has attained age 55. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

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The County Employees Retirement Law of 1937 (Government Code Section 31450 et seq.) assigns the County Board of Supervisors the authority to establish and amend benefit provisions.

In addition to the aforementioned retirement, disability, death and survivor benefits, SDCERA provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustment (COLA), based upon the ratio of the past two annual Consumer Price Indices for the San Diego-Carlsbad Area (with 1982-84 as the base period), is capped at 3.0% for Tier 1 and Tier A; and capped at 2.0% for Tier B, Tier C and Tier D. The County Employees Retirement Law of 1937 (Government Code Section 31450 et seq.) assigns the SDCERA Board of Retirement authority to approve retiree members and beneficiaries cost-of-living increases.

#### **Contributions**

SDCERA-PP is a contributory plan, meaning both the member and the employer pay contributions into the system; membership and contributions are mandatory. All members are required to make contributions to SDCERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of June 30, 2022 for fiscal year 2022 was 11.39% of compensation, (not adjusted for employer pick-up of employee contributions).

The County of San Diego and the other participating agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from SDCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2022 for fiscal year 2022 was 44.01% (not adjusted for pick-up) of compensation.

The Retirement Act requires that County and member contributions be actuarially determined to provide a specific level of benefit. California Government Code Section 31454 (Section 31454) requires the Board of Supervisors to adjust the rates of the San Diego County employer employee retirement and contributions in accordance with the recommendations of the Board of Retirement of SDCERA (SDCERA Board). Section 31454 allows the Board of Supervisors to set (amend) the rate to a higher rate than that recommended by the SDCERA Board, but cannot fix the rate lower than the recommended rate. Contribution rates are expressed as a percentage of covered payroll and member rates vary according to age at entry, benefit tier level and certain negotiated contracts that provide for the County to pay a portion of members' contributions.

Contributions to the Plan from the County were \$589,349 for the year ended June 30, 2022.

Employer and employee contribution rates and active members for the General and Safety plans are as follows:

Table 47 Employer/Employee Contribution Rates and Active Members by Tier				
	Employer Contribution Rates	Employee Contribution Rates	Active Members	
General Tier I	44.32%	8.89 - 16.72%	14	
General Tier A	44.32%	10.63 - 18.40%	5,861	
General Tier B	44.32%	7.66 - 14.62%	1,367	
General Tier C	37.66%	9.19%	4,384	
General Tier D	35.05%	6.51%	3,270	
Safety Tier A	62.26%	14.55 - 21.19%	1,570	
Safety Tier B	62.26%	11.62 - 17.10%	432	
Safety Tier C	53.99%	15.15%	1,208	
Safety Tier D	53.29%	14.53%	94	

SDCERA issues a publicly available financial report that includes financial statements and required supplementary information for the SDCERA-PP. The financial report may be obtained by writing to San Diego County Employees Retirement Association, 2275 Rio Bonito Way, Unit 100, San Diego, California 92108-1685, by calling (619) 515-6800, or via the following internet address https://www.sdcera.org/finance\_Annual\_Comprehensive\_Financial\_Reports.htm.

## Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the County reported a liability of \$2,246,673 for its proportionate share of the collective Net Pension Liability (NPL). The NPL was measured as of June 30, 2021 and was determined by rolling forward the Total Pension Liability (TPL) as of the June

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30, 2020 actuarial valuation date. The NPL is equal to the difference between the TPL and the Plan's Fiduciary Net Position.

Pension amounts, including the County's proportionate share of the NPL, are determined separately for the General and Safety membership classes based on their benefit provisions, actuarial experience, receipts and expenses. The total pension liability for each membership class was calculated based on the participants in and benefits provided for the respective membership class, and the SDCERA-PP fiduciary net position was determined in proportion to the valuation value of assets for each membership class. San Diego County is the sole active employer in the Safety membership class that made contributions in fiscal year 2021; therefore 100% of the NPL for the Safety membership class is allocated to San Diego County.

For the County's General membership class, actual or statutorily required contributions for the fiscal year ended June 30, 2021 were used as the basis for determining the proportion of pension amounts, including the NPL. The ratio of the County's General member contributions to the total SDCERA-PP General member contributions for all participating employers is multiplied by the SDCERA-PP total General member NPL to determine the County's proportionate share of the General membership class NPL. The County's total proportionate share is the combination of the County's Safety and General member proportions.

At June 30, 2021, the County's proportionate share of employer contributions was approximately 93.800%, (General 91.036%, Safety 100%), which was an increase of approximately 0.786% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County recognized pension expense of \$217,755.

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Table 48 Pension Deferred Outflows/Inflows				
	Ου	eferred tflows of sources	Deferred Inflows of Resources	
Contributions to the pension plan subsequent to the measurement date	\$	589,349		
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions		27.933	3,303	
Changes of assumptions or other inputs		140,167	14	
Net difference between projected and actual earnings on pension plan investments			1,304,565	
Differences between expected and actual experience in the total pension liability		111,502	25,524	
	\$	868,951	1,333,406	

Deferred outflows of resources and deferred inflows of resources noted above represent the unamortized portion of changes to the net pension liability to be recognized in future periods in a systematic and rational manner.

Projected earnings on pension investments are recognized as a component of pension expense. The net difference between projected and actual earnings on pension plan investments is reported as a deferred outflow of resources or deferred inflow of resources and amortized as a component of pension expense on a closed basis over a five-year period, beginning with the period in which they are incurred.

Changes in proportionate share and differences between employer's contributions and proportionate share of contributions, changes of assumptions and other inputs, and differences between expected and actual experience in the total pension liability, are amortized over the average of the expected remaining service lives (service lives) of all employees that are provided with pensions through the SDCERA-PP and are recorded as a component of pension expense, beginning with the period in which they are incurred. \$589,349 reported as deferred outflows of resources related to pensions resulting from County

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contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Table 49	
Pension Expense	
Year Ending June 30	Amount
2023	\$ 175,711
2024	158,847
2025	281,566
2026	437,680
Total	\$ 1,053,804

#### **Actuarial Assumptions**

Total Pension Liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of employee service. The significant actuarial assumptions used to measure the total pension liability as of June 30, 2021 (the measurement date) are shown in the following table:

Table 50 Actuarial Assumptions			
Inflation	2.75%		
Salary increases	General: 4.15% to 10.50% and Safety: 4.25% to 12.00%, vary by service, including inflation		
	7.00%, net of pension plan investment		
Discount rate	expense, including inflation		
Cost-of-living adjustment	Maximum of 3% for Tiers I and A Maximum 2% for Tiers B, C and D		
Date of last			
experience study	July 1, 2015 through June 30, 2018		

Mortality rates for General members and beneficiaries are based on the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) times 100% for males and 105% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018. Mortality rates for Safety members are based on the Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) times 105% for males and 95% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018. Mortality rates for General members

with a disability retirement are based on Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) times 75% for males and 75% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018. Mortality rates for Safety members with a disability retirement are based on Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) times 100% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018.

The allocation of investment assets within the SDCERA portfolio is approved by the Board of Retirement. Plan assets are managed on a total return basis with a long-term objective of achieving the assumed investment rate of return.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding subtracting expected inflation and expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the June 30, 2020 actuarial valuation and rolled forward to the June 30, 2021 measurement period:

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Table 51
Target Allocation and Projected Arithmetic Real Rates
of Return for each Asset Class

of Return for each Asset Class					
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return			
Large Cap Equity	18.00%	5.44%			
Small Cap Equity	2.00%	6.18%			
Developed International Equity	15.00%	6.54%			
Global Equity	5.80%	6.45%			
Emerging Markets Equity	7.00%	8.73%			
High Yield Bonds	6.00%	3.64%			
Intermediate Bonds	19.20%	1.25%			
Private Real Estate (Core)	7.20%	4.51%			
Private Real Estate (Non-Core)	1.80%	5.82%			
Private Equity	7.00%	9.00%			
Infrastructure	4.50%	5.83%			
Hedge Funds	4.00%	4.90%			
Private Debt	1.00%	6.50%			
Timber	0.75%	4.34%			
Farmland	0.75%	5.63%			
Total	100%				

#### **Discount Rate**

The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed SDCERA-PP member contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current SDCERA-PP members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future SDCERA-PP members and their beneficiaries, as well as projected contributions from future SDCERA-PP members, are not included. Based on those assumptions, the SDCERA-PP's net position was projected to be available to make all projected future benefit payments for current SDCERA-PP members. Therefore, the long-term expected rate of return on SDCERA-PP investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

## Sensitivity of the County's Proportionate Share of the Net Pension Liability to the Changes in the Discount Rate

The following table presents the County's proportionate share of the Net Pension Liability as of June 30, 2021, calculated using the discount rate of 7.00, as well as what the County's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

Table 52 County's Share of Net Sensitivity	Рe	nsion Lial	oili	ty Discou	'n	t Rate
		1% Decrease (6.00%)		Current Discount Rate (7.00%)	ı	1% Increase (8.00%)
County's proportionate share of the net pension plan liability	\$	4,649,038	\$	2,246,673	\$	281,694

## **SDCERA-PP Fiduciary Net Position**

Detailed information about the SDCERA-PP fiduciary net position is available in the aforementioned SDCERA publicly available financial report.

# NOTE 30 Other Postemployment Benefits Retiree Health Plan

#### **Plan Description**

The County contributes to the SDCERA retiree health plan, (SDCERA-RHP) a cost-sharing multiple-employer defined benefit health plan administered by SDCERA. The SDCERA-RHP is administered as an Internal Revenue Code Section 401(h) account (Health Benefits 401(h) Trust) within the defined benefit pension plan under the authority granted by the Retirement Act to the SDCERA Board of Retirement. The Health Benefits 401(h) Trust was established by the SDCERA Retirement Board and the County's Board of Supervisors. The Retirement Act assigns the authority to establish and amend Health Insurance Allowance (HIA) benefits to the SDCERA Board of Retirement.

SDCERA issues a publicly available financial report that includes financial statements and required supplementary information for the SDCERA-RHP. The

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financial report may be obtained by writing to San Diego County Employees Retirement Association, 2275 Rio Bonito Way, Unit 100, San Diego, California 92108-1685, by calling (619) 515-6800, or via the following internet address https://www.sdcera.org/finance\_Annual\_Comprehensive\_Financial\_Reports.htm.

#### **Benefits Provided**

The SDCERA Retirement Board approved the SDCERA-RHP HIA benefits for eligible retired Tier I and Tier II members. The SDCERA-RHP is closed to members in the other Tiers. The HIA is paid from the Health Benefits 401(h) Trust, which is pooled with total fund assets for investment purposes, and is used exclusively to fund future retired member health insurance allowances and program administration. The HIA is not a vested SDCERA benefit and is not guaranteed. It may be reduced or discontinued at any time.

The HIA may be applied to a member's insurance premiums for an SDCERA-sponsored plan or toward medical, dental, and prescription insurance premiums paid to other providers selected by the member. The allowance may not be used toward dependents' premiums, nor can it be used to cover any additional medical expenses incurred. It may not be used toward expenses for vision insurance, office visits or prescription co-payments. An allowance (or any portion of an allowance) that the retiree is unable to use, is forfeited.

Currently, an HIA benefit is paid to retired General and Safety Tier I and Tier II Members with at least 10 years of SDCERA service credit. Reciprocal service credit and purchased service credit from work in a prior public agency do not count toward the total service credit used to determine the level of allowance. The allowance increases for each year of service credit, with a maximum allowance of \$400 per month available for Members with 20 or more years of SDCERA service credit. When Members become eligible for Medicare, their HIA allowance is set at \$300 per month, plus reimbursement for Medicare Part B premiums.

Members who were granted a disability retirement and were determined to be totally disabled are eligible for the maximum allowance. Members with less than 10 years of service credit who were granted a disability retirement and determined to be partially disabled are eligible for the minimum allowance.

The benefit amounts for non-disabled retirees in Tiers I and II are listed in the following table:

Table 53 Benefit Amount for Non-Disabled Retires								
		Monthly Allowance if Not						
Years of SDCERA Service Credit*		Eligible for Medicare	Monthly Allowance if Eligible for Medicare					
Less than 10		0	\$0					
10	\$	200						
11		220	300					
12		240						
13		260	In addition to the					
14		280	allowance, \$93.50 will be					
15		300	reimbursed to use toward					
			the cost of the monthly Medicare Part B					
16		320	premium.					
17		340						
18		360						
19		380						
20 or more		400						

<sup>\*</sup> Members who retired on or before September 30, 1991 may be eligible for the maximum allowance.

Upon the retiree's death, the HIA may be transferred to the retiree's eligible spouse or registered domestic partner. The duration of coverage is lifetime for retiree plus continuance to an eligible surviving spouse or registered domestic partner for life. The level of HIA payable to the survivor is the same as that payable to the retiree.

#### **Contributions**

The SDCERA-RHP is funded by employer contributions that are based on a biennial actuarial valuation, actuarially determined 20-year level dollar amortization schedule. The Actuarial Valuation of Other Postemployment Benefits (OPEB) as of June 30, 2020, established the fiscal year 2022 employer contribution rate of 1.31 percent of covered payroll which amounted to \$17,008 in required contributions made by the County. The Internal Revenue Code limits employer contributions to a 401(h) account to a maximum of 25 percent of the employer's normal cost contributions to the pension plan.

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## OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2022, the County reported a liability of \$71,147 for its proportionate share of the collective Net Other Postemployment Benefits Liability (NOL). The NOL was measured as of June 30, 2021 (measurement date), and determined based upon the results of the actuarial valuation as of June 30, 2021. The Plan's Fiduciary Net Position (plan assets) and the Total OPEB Liability (TOL) were also valued as of the measurement date. The NOL is equal to the difference between the TOL and the Plan's Fiduciary Net Position.

The County's proportion of the NOL, as well as its proportion of the other OPEB related deferred outflows of resources and deferred inflows of resources is determined using the employer contributions from each employer category from July 1, 2020 through June 30, 2021 as provided to the SDCERA Actuary from SDCERA. The ratio of the County's contributions to the total employer contributions is multiplied by the SDCERA-RHP total NOL to determine the County's proportionate share of the NOL. The same calculation is performed for the other OPEB related deferred outflows of resources and deferred inflows of resources.

At June 30, 2021 the County's proportionate share of the NOL was approximately 93.257%, which was an increase of approximately 0.587% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County recognized OPEB expense of \$258.

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Table 54  OPEB Deferred Outflows/Inflows			
	Οι	eferred offlows of esources	Deferred Inflows of Resources
Contributions to the OPEB plan subsequent to the measurement date	\$	17,008	
Net difference between projected and actual earnings on OPEB plan investments			2,671
	\$	17,008	2,671

Deferred inflows of resources noted above represent the unamortized portion of changes to the net OPEB liability to be recognized in future periods in a systematic and rational manner.

Projected earnings on OPEB investments are recognized as a component of OPEB expense. The net difference between projected and actual earnings on OPEB plan investments is reported as a deferred outflow of resources or deferred inflow of resources and amortized as a component of OPEB expense on a closed basis over a five-year period, beginning with the period in which they are incurred.

Changes in proportionate share and differences between employer's contributions and proportionate share of contributions, changes of assumptions and other inputs, and differences between expected and actual experience in the total OPEB liability, are amortized over the average of the expected remaining service lives (service lives) of all employees that are provided with OPEB through the SDCERA-RHP and are recorded as a component of OPEB expense, beginning with the period in which they are incurred.

\$17,008 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the NOL in the year ending June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Table 55 OPEB Expense	
Year Ending June 30	Amount
2023	\$ 632
2024	595
2025	627
2026	817
Total	\$ 2,671

#### **Actuarial Assumptions**

The TOL in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, as shown in the table below:

Table 56						
Actuarial Assumptions						
Inflation	2.75%					
Salary increases	General: 4.15% to 10.50%, including inflation					
Discount rate	7.00%					
Health care trend	Non-Medicare: 7.50% graded to ultimate 4.50% over 12 years; Medicare: 6.50% graded to ultimate 4.50% over 8 years.					
Health insurance allowance subsidy increases	0.00%					

Changes in assumptions were made from the prior measurement period and included changes in the healthcare trend. The non-Medicare healthcare trend for the prior measurement period was 6.75% graded to ultimate 4.50% over 9 years. The Medicare healthcare trend rate for the prior measurement period was 6.25% graded to ultimate 4.50% over 7 years.

Mortality rates include Post-retirement mortality rates and Pre-retirement mortality rates. Post-retirement mortality rates include healthy retirement and disabled retirement.

Healthy Retirement. For General members and all beneficiaries, mortality rates are based on Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table (separate tables for males and females) times 100% for males and 105% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018. For Safety Members, mortality rates are based on Pub-2010

Safety Healthy Retiree Headcount-Weighted Above-Median Mortality Table (separate tables for males and females) times 105% for males and 95% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018.

Disabled Retirement. For General members, mortality rates are based on Pub-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Table (separate tables for males and females) times 75% for males and 75% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018. For Safety members, mortality rates are based on Pub-2010 Safety Disabled Retiree Headcount-Weighted Mortality Table (separate tables for males and females) times 100% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018.

The aforementioned mortality data reasonably reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Pre-retirement. For General members, mortality rates are based on the Pub-2010 General Employee Headcount-Weighted Above-Median Mortality Table (separate tables for males and females) times 100% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018. For Safety members, mortality rates are based on Pub-2010 Safety Employee Headcount-Weighted Above-Median Mortality Table (separate tables for males and females) times 100% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an experience study for the period from July 1, 2015 through June 30, 2018. They are the same as the assumptions used in the June 30, 2021 funding actuarial valuation for SDCERA-RHP.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for

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each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each measurement class, after deducting inflation, but before deducting investment expenses, are summarized in the following table:

Table 57
Target Allocation and Projected Arithmetic Real Rates
of Return for Each Asset Class

of Keturn for Edan Asset Cl	ass	
		Long-Term
	Target	Expected Real
Asset Class	Allocation	Rate of Return
Large Cap Equity	18.00%	5.44%
Small Cap Equity	2.00%	6.18%
Developed International Equity	15.00%	6.54%
Global Equity	5.80%	6.45%
Emerging Market Equity	7.00%	8.73%
High Yield Bonds	6.00%	3.64%
Intermediate Bonds	19.20%	1.25%
Private Real Estate (Core)	7.20%	4.51%
Private Real Estate (Non-Core)	1.80%	5.82%
Private Equity	7.00%	9.00%
Infrastructure	4.50%	5.83%
Hedge Funds	4.00%	4.90%
Private Debt	1.00%	6.50%
Timber	0.75%	4.34%
Farmland	0.75%	5.63%
Total	100%	

#### **Discount Rate**

The discount rate used to measure the TOL was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current SDCERA-RHP members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs (if any) for future SDCERA-RHP members and their beneficiaries, as well as projected contributions (if any) from future SDCERA-RHP members, are not included. Based on those assumptions, the SDCERA-RHP's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current SDCERA-RHP members. Therefore, the long-term expected rate of return on SDCERA-RHP investments was applied to all periods of projected benefit payments to determine the TOL as of June 30, 2021.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to the Changes in the Discount Rate and Changes in the Healthcare Cost Trend Rate

The following table presents County's the proportionate share of the Net OPEB Liability (NOL) as of June 30, 2021, calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate; and presents the County's proportionate share of the NOL as of June 30, 2021 and what it would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Table 58 County's Share of Net OPEB Liability						
Discount Rate Sensitivity		1% crease .00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)		
County's proportionate share of the net OPEB plan liability	\$	78,457	71,147	64,719		

Healthcare Cost Trend Rate Sensitivity	Dec	1% crease*	Current Trend Rates*	1% Increase*
County's proportionate				
share of the net OPEB plan				
liability	\$	70,830	71,147	71,443

<sup>\*</sup> Because current benefits for most members are limited by the fixed dollar health insurance allowance levels, the trend assumption has little effect on the Net OPEB Liability.

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## **SDCERA-RHP Fiduciary Net Position**

Detailed information about the SDCERA-RHP fiduciary net position is available in the aforementioned SDCERA publicly available financial report.

## NOTE 31 Fund Deficits

Table 59	
Fund Deficits	
At June 30, 2022	
Internal Service Funds:	
Facilities Management Fund	\$ (32,629)
Public Liability Insurance Fund	(15,408)

The Facilities Management Fund deficit of \$32.6 million resulted from adjustments attributed to reporting the County's proportionate shares of the SDCERA-PP net pension liability and the SDCERA-RHP net OPEB liability.

The Public Liability Insurance Fund deficit of \$15.4 million resulted mainly from the accrual of the estimated liability based on an actuarial determination that overall losses had developed significantly higher than expected. The liability increased to \$103.3 million from the prior year's estimate of \$92.6 million. The County intends to reduce the deficit through increased rate charges to County Departments in fiscal year 2022-23, primarily based on the 5 year history of actual expenditures by department.

#### NOTE 32

## County of San Diego Successor Agency Private Purpose Trust Fund for Assets of Former San Diego County Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill x1 26 (the "Bill") that provided for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the County that previously had reported the San Diego County Redevelopment Agency (SDCRA) as a blended component unit.

The Bill provided that upon dissolution of a redevelopment agency, either the County or another unit of local government would agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 24, 2012, via Minute Order

14, the County Board of Supervisors designated the County as the successor agency to the SDCRA; in accordance with the Bill.

Subject to the control of an established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will continue to only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

After the date of dissolution, as allowed in the Bill, the County elected to retain the housing assets and functions previously performed by the former SDCRA. These assets and activities are accounted for in the County Low and Moderate Income Housing Asset Fund and are reported in the County's governmental fund financial statements. The remaining assets, liabilities, and activities of the dissolved SDCRA are reported in the County of San Diego Successor Agency Private Purpose Trust Fund (fiduciary fund) financial statements of the County.

#### **Due To Other Funds**

The County of San Diego Successor Agency Private Purpose Trust Fund's "Due To Other Funds" consists of outstanding loans owed to the General Fund for the Upper San Diego River Project (\$1.085 million), to the Airport Enterprise Fund (AEF) for the Airport Projects (\$3.026 million) and to the County Low and Moderate Income Housing Asset Fund (CLMIHAF) (\$400 thousand). The loans were originally made from the General Fund and AEF to the former San Diego County Redevelopment Agency (SDCRA) but were transferred to the County of San Diego Successor Agency Private Purpose Trust Fund upon dissolution of the SDCRA on

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Additionally, in fiscal year 2016, February 1, 2012. twenty percent of the then outstanding amount owed to the AEF was transferred from the AEF to the CLMIHAF, as mandated by California Health and Safety Code 34191.4. As of June 30, 2022, the interest earned on the General Fund loan accrues on the average quarterly outstanding balance, at a rate equal to the average County earned investment rate as determined by the County Treasurer. Interest earned on the AEF and CLMIHAF loans accrue at the rate mandated by Health and Safety Code 34191.4. Under California Assembly Bills ABx1 26 and AB 1484, it is expected that the County Successor Agency Private Purpose Trust Fund will pay principal and interest on the loans outstanding when funds are available for this purpose. The timing and total amount of any repayment is subject to applicable law.

## NOTE 33 San Diego County Redevelopment Agency (SDCRA) Revenue Refunding Bonds

December 2005, the San Diego County Redevelopment Agency (SDCRA) issued \$16 million Revenue Refunding Bonds Series 2005A that were to mature in fiscal year 2032 but will now mature in 2031 due to the effect of making turbo payments. The SDCRA had pledged property tax increment revenues generated within the Gillespie Field Project Area to pay for the bonds. Gillespie Field Airport revenues may also be used to fund debt service payments if there are insufficient property tax increment revenues to cover a particular fiscal year's debt service requirement. Bonds are also payable from funds held under the indenture, including earnings on such funds. Pursuant to California Assembly Bill ABx1 26, the responsibility for the payment of this debt was transferred to the County of San Diego Successor Agency Private Purpose Trust Fund. The Series 2005A Bonds are not a debt of the County and are not payable out of any funds or properties other than those of the SDCRA.

Upon the occurrence of an event of default (as described in the financing documents) the principal of all of the Bonds then outstanding and the interest accrued thereon shall be immediately due and payable.

SDCRA revenue refunding bonds outstanding at June 30, 2022 were as follows:

Table 60 SDCRA Revenue Refunding Bonds							
Issuance		Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2022		
Revenue Refunding Bonds			3.65 -				
Series 2005A	\$	16,000	5.75%	2031	6,725		
Total	\$	16,000			6,725		

Annual debt service requirements to maturity for SDCRA bonds are as follows:

Table 61 SDCRA Revenue Refunding Bonds - Debt Service Requirements to Maturity									
Fiscal Year	Pi	rincipal	Interest	Total					
2023	\$	645	359	1,004					
2024		680	323	1,003					
2025		715	285	1,000					
2026		755	244	999					
2027		795	199	994					
2028-2031		3,135	313	3,448					
Total		6,725	1,723	8,448					
Less:									
Unamortized issuance discount		(17)							
Total	\$	6,708							

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SDCRA pledged revenue for the year ended June 30, 2022 was as follows:

Table 62 SDCRA Revenue Refunding Bonds - Pledged Revenues								
					Fiscal Ye	ear 2	022	
		5.			Debt 			
	e: .		edged	Pr	incipal			
	Final	RE	evenue		& .		edged	
Dalat Diades d	Maturity		То		nterest		venue	
Debt Pledged	Date	IVI	aturity		Paid	Red	ceived	
Revenue								
Refunding Bonds	0021	d.	0.440	ıt.	1 525	¢	1.550	
Series 2005A	2031	\$	8,448	\$	1,535	\$	1,550	

## **Changes in Long-Term Liabilities**

Long-term liability activities for the year ended June 30, 2022 were as follows:

Table 63 SDCRA Changes in Long-Term Liabilities								
		Beginning Balance at July 1, 2021	Additions	Reductions	Ending Balance at June 30, 2022	Amounts Due Within One Year		
Revenue Refunding Bonds Series 2005A	\$	7,850		(1,125)	6,725	645		
Unamortized issuance discounts		(19)		2	(17)	(2)		
Total	\$	7,831		(1,123)	6,708	643		

#### NOTE 34

## **New Governmental Accounting Standards Implementation Status**

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

The County has implemented this Statement for the current fiscal year.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period and requires that it be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. It also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

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In fiscal year 2022, the County determined that these requirements do not affect the reporting for the County.

In March 2020, the GASB issued *Statement No. 93*, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an InterBank Offered Rate.

In fiscal year 2022, the County determined that all requirements of this statement that were effective for reporting periods beginning after June 15, 2021, and all reporting periods thereafter, do not affect the financial reporting for the County. The requirements of this Statement for the removal of the London Interbank Offering Rate as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022.

In June 2020, the GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. It also requires that the financial burden criterion in paragraph 7 of Statement No. 84, Fiduciary Activities, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, Financial Reporting for Pension Plans, or paragraph 3 of Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, respectively. This Statement requires (1) that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. This Statement supersedes the remaining provisions of Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be measured as of the end of the plan's reporting period in all circumstances.

The requirements of this Statement relative to limiting the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans was effective upon the date of issuance of this Statement and addressed in the implementation of Statement No. 84, Fiduciary Activities. In fiscal year 2022, the County determined that the remaining requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans do not affect the financial reporting for the County.

In April 2022, the GASB issued *Statement No. 99, Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

In fiscal year 2022, the County determined that all requirements of this statement that were effective for fiscal year 2022 do not affect the financial reporting for the County. The remaining requirements of this statement are effective for fiscal years beginning after June 15, 2022 and June 15, 2023, respectively.

#### **Under Analysis**

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

In May 2019, the GASB issued *Statement No. 91 Conduit Debt Obligations*. This Statement clarifies the existing definition of a conduit debt obligation;

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establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures.

This Statement also addresses arrangements-often characterized as leases that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In March 2020, the GASB issued *Statement No. 93, Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an InterBank Offered Rate.

The requirements of this Statement for the removal of the London Interbank Offering Rate as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this statement were effective for reporting periods beginning after June 15, 2021, and all reporting periods thereafter, however, in fiscal year 2022, the County determined that these requirements do not affect the financial reporting for the County.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information **Technology** Arrangements. This Statement provides guidance on accounting and financial reporting subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and requirements for the subscription liability, and other essential information.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In April 2022, the GASB issued *Statement No. 99*, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

In fiscal year 2022, the County determined that all requirements of this statement that were effective for fiscal year 2022 do not affect the financial reporting for the County. The remaining requirements of this statement are effective for fiscal years beginning after June 15, 2022 and June 15, 2023, respectively.

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

In June 2022, the GASB issued *Statement No. 101, Compensated Absences*. The objective of this Statement is to better meet the information needs of

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financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

#### **NOTE 35**

# San Diego County Employees Retirement Association (SDCERA)

#### **Investments**

The California Constitution and the County Employees Retirement Law of 1937 (CERL) grant the Board of Retirement (Retirement Board) exclusive control over SDCERA's Trust Fund. The CERL permits the Board to invest, or delegate the authority to invest, Trust Fund assets through the purchase, holding or sale of any form or type of investment, financial instrument, or financial transaction. All purchases and sales of investments are accounted for on a trade-date basis, and dividends declared but not received are accrued on the ex-dividend date. Realized and unrealized gains or losses of securities are determined based on fair values.

#### **Cash and Short-Term Investments**

Cash and short-term investments are cash and assets readily convertible to cash. They include funds held in bank accounts, certificates of deposit, banker's acceptances, Treasury bills, commercial paper and other money market instruments with original maturities of 90 days or less.

#### Valuation of Investments

SDCERA's custodian bank provides daily valuation of portfolio assets using third-party vendors or specified alternative sources that are considered reliable. The custodian bank reviews the data received from these sources for valuation accuracy. Pricing methodologies vary by asset type and are summarized next.

#### **Equity**

Exchange-traded domestic and global equities and equity option values are based on the closing price reported by the primary exchange on which the asset trades or other agreed-upon exchange. Over-the-

counter (OTC) equity investments not traded on an exchange and warrants are valued based on the last bid price.

#### **Fixed Income**

Domestic and global fixed income securities with an active market and Preferred stocks are valued based on bid prices.

#### **Private Equity and Private Real Assets**

The fair value of all private equity and private real asset investments are determined based on valuations provided in good faith by the General Partners or fund managers consistent with their valuation policies. Valuation assumptions are based upon the nature of the investments and underlying businesses, and valuation techniques vary based upon investment type and involve expert judgment. Private equity and private real assets funds are subject to annual independent audit.

#### **Real Estate**

Real estate directly owned by SDCERA is held in separate accounts. Limited Partner interests are valued based on the net asset value of the partnership, which is determined by the General Partners in accordance with the partnership's valuation policies. Properties are generally valued by an independent third-party appraisal performed on a rotational one-to-three-year basis consistent with the Uniform Standards of Professional Appraisal Practice. During the interim years, real estate values are adjusted for market conditions and cash flow activities. Real estate investments held in separate accounts and Limited Partner interests are subject to an annual independent audit.

#### **Mortgage Loans**

**Table 64** presents SDCERA's mortgage loans payable associated with its real estate investments as of June 30, 2022. Principal includes amortization and terminal principal payments for the loan balance as of June 30, 2022, and interest includes interest payments on the forecasted loan balances, inclusive of additional draws after June 30, 2022.

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#### Table 64 Mortgage Loans Payable For the fiscal year ended June 30, 2022 (In Thousands) Fiscal year payable Principal (1) Interest (2) Total 2023 46,314 19,820 66,134 40,056 18,303 58,359 2024 2025 38,872 18,066 56,938 2026 83,585 14,391 97,976 56,168 2027 46,589 9,579 2028-2032 168,395 22,881 191,276 Total 423,811 103,040 526,851

- (1) Principal includes amortization and terminal principal payments for the loan balances as of June 30, 2022.
- (2) Interest includes interest payments on the forecasted loan balances, inclusive of additional draws after June 30, 2022.

#### **Derivative Financial Instruments**

Derivatives are used in investment portfolios to gain exposure to certain assets or markets, to protect against the risk of adverse moves in asset prices or to enhance returns. SDCERA permits its investment managers to use derivatives to implement their approved investment strategies within their portfolios provided such usage does not introduce market leverage to the total Trust Fund.

SDCERA reports the fair value of derivative instruments in the Statement of Fiduciary Net Position. **Table 65** presents SDCERA's derivative instruments as reported in the Statement of Fiduciary Net Position in the domestic equity, international equity, fixed income and private equity categories as of June 30, 2022.

Table 65									
Derivative Instruments Summary									
As of June 30, 2022									
(In Thousands)									
Derivative	C	Changes in	Fair	Notional					
Туре	Fc	ıir Value (1)	Value	Value					
Swaps	\$	(434,073)	(336,637)	3,487,384					
Options		(25,870)	(26,259)						
Forwards		18,885	25,144	700,770					
Futures		(18,606)	(13,533)	210,215					
Total	\$	(459,664)	(351,285)	4,398,369					
(1) All changes in the fair value of these derivatives are reported as									

investment income in the Statement of Changes in Fiduciary Net

Position.

## **Swaps**

Swaps are contracts by which the parties agree to exchange cash flows and usually involve exchanging a fixed cash flow for a variable cash flow. For example, one party may agree to receive a fixed interest payment in exchange for the total return of an equity index. Swaps do not trade on exchanges. **Table 66** presents SDCERA's Swaps by Type as of June 30, 2022.

Table 66			
Swaps by Type			
As of June 30, 2022			
(In Thousands)			
	Description/	Notional	Fair
Туре	Counterparty	Value	Value
Cleared Interest Rate Swaps	Chicago Mercantile Exchange Inc		(331)
Cleared Interest Rate			(001)
Swaps	LCH Ltd		(2,462)
Total Return Swaps	BNP Paribas SA	\$ 29,261	(2,822)
Total Return Swaps	Barclays Bank PLC	96,318	(6,210)
Total Return Swaps	Citibank NA	350,953	(28,995)
	First Union National		
Total Return Swaps	Bank/Charlotte NC	535,544	(37,699)
Total Return Swaps	HSBC Bank PLC	249,399	(20,464)
Total Return Swaps	HSBC Securities Inc	280,012	(48,262)
Total Return Swaps	JPMorgan Chase Bank NA	501,514	(39,909)
	Merrill Lynch & Co		
Total Return Swaps	Inc	140,748	(21,012)
	Morgan Stanley & Co International		
Total Return Swaps	PLC	620,443	(55,922)
	Royal Bank of		
Total Return Swaps	Canada	541,738	(60,747)
	TD Waterhouse		, ,,
Total Return Swaps	Group Inc	3,301	(316)
Total Return Swaps	UBS AG/London	138,153	(11,486)
Total		\$ 3,487,384	(336,637)

### **Options**

Options are contracts that give the buyer the right, but not the obligation, to buy or sell an asset at a predetermined price by a specified date. While options may be privately negotiated, the majority of options

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are standardized contracts that trade on an exchange. **Table 67** presents SDCERA's Options by Type as of June 30, 2022.

Table 67 Options by Type As of June 30, 2022 (In Thousands)		
Туре	Notional Value	Fair Value
Call		\$ (160)
Put		(26,099)
Total		\$ (26,259)

### **Forwards**

Forwards are non-standardized, binding contracts between two parties to buy and sell an asset at a specified price at a certain future date; they do not trade on an exchange. Forwards settle at the end of the contract term. **Table 68** presents SDCERA's Forward Contracts by Type as of June 30, 2022.

Table 68 Forward Contracts by 1 As of June 30, 2022 (In Thousands)	Гуре		
Туре	No	otional Value	Fair Value
Foreign Currency Forwards	\$	700,770	25,144
Total	\$	700,770	25,144

### **Futures**

Futures are standardized, binding contracts to buy and sell an asset at a specified price by a certain date. Futures are exchange-traded and settle daily. For SDCERA, net gains and losses for the daily settlements are included in the Statement of Changes in Fiduciary Net Position. **Table 69** presents a summary of SDCERA's Futures Contracts by Type as of June 30, 2022.

Table 69 Futures Contracts by Type As of June 30, 2022 (In Thousands)								
Туре	1	Notional Value	Fair Value					
Equity Futures	\$	677,100	(16,626)					
Fixed Income Futures		(466,885)	3,093					
Total	\$	210,215	(13,533)					

## **Deposits And Investments**

SDCERA retains investment managers who specialize in particular asset classes and are subject to the guidelines and controls established in SDCERA's Investment Policy Statement (IPS). SDCERA contracts with The Bank of New York Mellon (BNY Mellon) to custody Plan assets.

SDCERA's Investment Philosophy is contained in the Investment Policy Statement (IPS) and is based on Modern Portfolio Theory, which posits that a diversified portfolio with capitalization-weighted allocations to multiple asset classes will maximize Trust Fund returns and diversify against the risk of loss. Interest rate and credit risks are embedded in a capitalization-weighted portfolio, cannot be diversified away, and are observed in the expected and realized volatilities of the Trust Fund, its components, and the benchmarks. This is reviewed and reported to the Retirement Board monthly.

Any risks from deviations from the capitalization-weighted benchmarks are taken by active investment managers and these risks are captured by the expected and realized tracking error of each manager. These data are also reviewed by staff and are reported to the Board monthly at a summary level for the total Trust Fund. Chapters II.A (Investment Philosophy), III.E (Investment Manager Requirements), IV.F (Risk Measurement and Management) and G (Tracking Error), and VI.A (Asset Class Allocations, Ranges and Update Cycle) and B (Total Trust Fund Benchmarks) of the Investment Policy Statement are the formal policy statements that address these risks and overall risk management.

## **Highly Sensitive Investments**

As of June 30, 2022, SDCERA's investments included collateralized mortgage obligations (CMO) and mortgage-backed securities totaling \$126.2 million. These securities are highly sensitive to interest rate fluctuations and are subject to prepayment risk in a period of declining interest rates.

#### **Annual Rate of Return**

In FY 2022, the annual money-weighted rate of return for the Trust Fund, net of fees, was (9.2)%. The moneyweighted rate of return reflects investment performance, net of fees, adjusted for the timing of

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cash flows and the amounts invested. The money-weighted rate of return can be different than the time-weighted rate of return for the SDCERA-PP, which was (9.4)%, net of fees for FY 2022.

#### **Investment Risk**

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, investment risk disclosure is required for interest rate risk, credit risk (including custodial credit risk and concentrations of credit risk) and foreign currency risk.

#### **Interest Rate Risk**

Interest rate risk is the risk that a change in interest rates will adversely impact the fair value of an investment. In general, an investment's maturity and coupon rate affect how much its price will change as a result of fluctuations in market interest rates. Interest rate risk is addressed in the IPS, Section IV.F., as part of the overall Trust Fund Risk Measurement and Management. Investment managers with interest rate exposures monitor these exposures as part of their role addressed in the IPS, Chapter III.E (Investment Manager Requirements) and report any changes to these exposures to SDCERA in a timely manner.

**Table 70** presents exposure to interest rate risk in terms of maturity as of June 30, 2022.

Table 70 Investment Maturities by Type						
As of June 30, 2022						
(In Thousands)						
			Invest	ment Maturities (ir	n years)	
Investment Type	Less t	han 1	1 - 5	6 - 10	More than 10	Totals
Agency CMO or Mortgage-Backed	\$	31,725	39,441		553	71,719
Asset Backed		31,256	978	16,175		48,409
Commingled Funds		256,325	594,368	608,526	150,583	1,609,802
Convertibles		3,034	4,571	86,554		94,159
Corporates		202,218	23,336	730,265	62,467	1,018,286
Municipal		356				356
Non-Agency CMO or Mortgage-Backed		2,303	50,191	1,995		54,489
Private Placements	1,	,162,173	311,379	657,090	417,495	2,548,137
Sovereign Debt		1,111		4,312		5,423
US Government Debt		2,702	184,108	598,005	240,752	1,025,567
Totals	\$ 1,	,693,203	1,208,372	2,702,922	871,850	6,476,347

#### **Credit Risk**

Credit risk is the risk that a bond issuer or counterparty will fail to make timely interest and principal payments and thus default on its obligations. Credit risk is influenced by the issuers or counterparty's financial position and prior history of payments or defaults. Credit rating agencies evaluate borrowers' creditworthiness and issue ratings on debt issuances to designate the level of confidence that the borrower will honor its debt obligations as agreed. Credit rate risk is addressed in the IPS, Section IV.F., as part of the overall Trust Fund Risk Measurement and Management. Investment managers with credit rate exposures monitor these exposures as part of their

role addressed in the IPS, Chapter III.E (Investment Manager Requirements) and report any changes in credit rate risk to SDCERA in a timely manner.

**Table 71** and **Table 72** present SDCERA's fixed income securities ratings by category as of June 30, 2022. Credit ratings were issued by Standard & Poor's (S&P) Global Ratings. The weighted average credit rating of Below Investment Grade assets was B.

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Table 71							
Credit Risk							
As of June 30, 2022							
(In Thousands)							
					Below Investment		
Investment Type	AAA	AA	Α	BBB	Grade	Not Rated	Totals
Agency CMO or Mortgage-Backed	\$ 71,719						71,719
Asset Backed	38,437				1	9,971	48,409
Commingled Funds	1,092,353	83,936	134,039	142,321	894	156,259	1,609,802
Convertibles			273			93,886	94,159
Corporates	669	13,330	510,234		427,888	66,164	1,018,285
Municipal						356	356
Non-Agency CMO or Mortgage-Backed	20,775	1,216	5,468		1,995	25,035	54,489
Private Placements	785,807	21,468	248,618		759,188	733,056	2,548,137
Sovereign Debt					4,613	811	5,424
US Government Debt	1,025,567						1,025,567
Totals	\$ 3,035,327	119,950	898,632	142,321	1,194,579	1,085,538	6,476,347

Table 72						
Credit Risk Percentage of Holdings As of June 30, 2022						
Investment Type	AAA	AA	A	BBB	Below Investment Grade	Not Rated
Agency CMO or Mortgage-Backed	2.4%					
Asset Backed	1.2%					0.9%
Commingled Funds	36.0%	70.0%	14.9%	100.0%	0.1%	14.4%
Convertibles						8.7%
Corporates		11.1%	56.8%		35.8%	6.1%
Municipal						
Non-Agency CMO or Mortgage- Backed	0.7%	1.0%	0.6%		0.2%	2.3%
Private Placements	25.9%	17.9%	27.7%		63.5%	67.5%
Sovereign Debt					0.4%	0.1%
US Government Debt	33.8%					
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

## Agency Collateralized Mortgage Obligations or Mortgage-Backed Securities

Agency collateralized mortgage obligations (CMOs) or mortgage-backed securities are securities issued by an agency that use mortgages as collateral.

#### **Asset-Backed**

Asset-backed securities are securities that are collateralized by a pool of assets such as loans, leases, credit card debt, royalties or receivables.

## **Commingled Funds**

Commingled funds are professionally managed diversified investment portfolios comprised of assets from multiple investors and managed as a single portfolio. Commingled funds are not publicly traded and participation in them is typically limited to institutional investors.

#### **Convertibles**

Convertibles are securities that can be converted into other securities under specified conditions, such as convertible bonds or preferred stock that can be converted into shares of common stock.

(Amounts expressed in thousands unless otherwise noted)

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## **Corporates**

Corporates refer to debt securities issued by domestic or foreign corporations.

## Municipal

Municipal bonds are debt securities issued by a state, county, city, redevelopment agency, special purpose district, school district or similar entity.

## **Non-Agency CMOs or Mortgage-Backed Securities**

Non-Agency CMOs or mortgage-backed securities are domestic and foreign securities that use mortgages as collateral but are issued by an entity other than an agency.

#### **Private Placements**

Private placements are domestic and foreign stocks or bonds sold to pre-selected investors and institutions rather than in the open market.

## **Sovereign Debt**

Sovereign debt refers to fixed income securities issued by the central governments of countries other than the U.S.

### **U.S. Government Debt**

U.S. Government debt refers to fixed income securities issued by the United States of America, such as Treasury notes and bonds.

#### **Derivative Credit Risk**

Derivative instruments generally have a maturity of one year or less. **Table 73** presents counterparty credit ratings related to swaps and forward contracts in SDCERA's portfolio as of June 30, 2022. Credit ratings were issued by S&P Global Ratings.

Table 73 Credit Risk of Derivatives at Fair Value							
As of June 30, 2022 (In Thousands)							
Credit Rating		Swaps	Forwards				
A+	\$	(266,571)	17,469				
A		(6,210)	5,855				
A-			1,486				
AA-		(63,525)	334				
Not Rated		(331)					
Total subject to credit risk	\$	(336,637)	25,144				

#### **Concentration of Credit Risk**

Credit risk concentration refers to the risk of loss that could occur from a disproportionately large exposure to any single credit risk, such as investing a large proportion of a portfolio's assets in a single security or in the securities of a single issuer. As of June 30, 2022, in conformance with GASB Statements No. 40 and No. 67, no single issuer exceeded 5% of SDCERA's total investments or represented 5% or more of its total net position. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are exempt from GASB disclosure requirements.

## **Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely impact the value of an investment. **Table 74** presents SDCERA's Net Exposure to Foreign Currency Risk. Foreign currency risk is addressed in the IPS, Section IV.F., as part of the overall Trust Fund Risk Measurement and Management. Investment managers with foreign currency exposures monitor these exposures as part of their role addressed in the IPS, Chapter III.E (Investment Manager Requirements) and report any changes in foreign currency risk to SDCERA in a timely manner.

(Amounts expressed in thousands unless otherwise noted)

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Table 74							
Net Exposure to Foreign Curre	ncy	Risk					
As of June 30, 2022							
(In Thousands)							
(iii iiioosailas)				Foreign			
			Fixed	Exchange	Cash & Cash	Commingled	
Currency Name		Equity	Income	Contracts	Equivalents	Funds	Total
Euro Currency Unit	\$	113,377	290,686	(1,147)	661	287,905	691,482
Japanese Yen		21,330		(421)	243,840	243,394	508,143
Pound Sterling		15,308	84,622	(113)	746	137,926	238,489
Hong Kong Dollar		15,376			238	138,690	154,304
Swiss Franc		3,347			875	87,047	91,269
Australian Dollar		5,181	17,578	(448)	73	67,927	90,311
South Korean Won		8,060				54,082	62,142
Taiwan Dollar						60,428	60,428
Canadian Dollar		6,266	8,278	(13)	2,212	31,250	47,993
Indian Rupee						40,008	40,008
Swedish Krona		1,379			73	33,391	34,843
Brazilian Real		3,947			570	23,623	28,140
Danish Krone		1,408		(6)	271	21,911	23,584
Chinese Yuan Renminbi						21,710	21,710
South African Rand		1,332			161	17,782	19,275
Singapore Dollar		2,125		(242)		11,471	13,354
Saudi Riyal						13,068	13,068
Israeli Shekel		1,561	811	(2)	4,341	5,397	12,108
Thailand Baht		1,118				10,976	12,094
Russian Ruble						11,511	11,511
Norwegian Krone		1,381			8	7,960	9,349
Indonesian Rupiah		1,296		(129)	30	7,849	9,046
Malaysian Ringgit		546				8,323	8,869
Mexican Peso		715		2	33	6,262	7,012
New Zealand Dollar		113	(1,169)		1,982	3,832	4,758
Turkish Lira		1,905				2,061	3,966
Qatar Rials						3,868	3,868
Philippines Peso		129				3,618	3,747
Chilean Peso		91				3,353	3,444
Polish Zloty					1	3,035	3,036
Uae Dirham						2,873	2,873
Other (Less Than \$2 Million Holdings)		114		(2)	10	2,436	2,558
Total	\$	207,405	400,806	(2,521)	256,125	1,374,967	2,236,782

SDCERA also had indirect exposure to foreign currency through its investment in DFA Emerging Markets Value Portfolio (NASDAQ: DFEVX), an institutional mutual fund that invests primarily in shares of foreign equities. As of June 30, 2022, SDCERA's investment in this mutual fund totaled \$90.2 million. Detailed information about the fund is available at: us.dimensional.com.

#### **Custodial Credit Risk**

Custodial credit risk is the risk of being unable to recover the value of investment or collateral securities in the possession of an outside party. Custodial credit risk is influenced by how the securities are insured and registered and where they are held. SDCERA's investments are insured, registered or held by the SDCERA-PP or its agent in the SDCERA-PP's name. SDCERA's deposits are insured, registered or collateralized with securities held by fiscal agents in

(Amounts expressed in thousands unless otherwise noted)

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the SDCERA-PP's name. Therefore, SDCERA's custodial credit risk is not material and is addressed in its overall risk policy in Chapter IV of its IPS.

## **Securities Lending**

SDCERA's IPS permits the SDCERA-PP to enter into securities lending transactions. SDCERA lends U.S. Government obligations, domestic and international bonds and equities to brokers with a simultaneous agreement to return collateral for the same securities plus a fee in the future. SDCERA's securities lending agent BNY Mellon manages the securities lending program and receives securities and/or cash as collateral. Cash and non-cash collateral are pledged at between 102% or 105% of the fair value of domestic securities and international securities on loan, respectively. There are no restrictions on the amount of securities that can be loaned at one time. The term to maturity of the loaned securities is generally not matched with the term to maturity of the investment of the cash collateral. BNY Mellon is required to indemnify SDCERA if the borrowers fail to return the borrowed securities.

As of June 30, 2022, the SDCERA-PP had \$807.8 million in securities on loan and held cash and non-cash collateral of \$877.6 million from borrowers.

**Table 75** presents SDCERA's Securities Lending Transactions as of June 30, 2022.

Table 75 Securities Lending Transactions As of June 30, 2022 (In Dollars)							
	S	SDCERA ecurities Lent	Cash and Non-Cash Collateral				
Lent for cash collateral:							
Domestic corporate	\$	28,281,260	29,238,009				
Domestic equities		11,667,323	11,990,371				
US government debt		2,287,231	2,334,138				
International equities		2,365,952	2,665,551				
Exchange Traded		24,639,566	25,135,804				
Lent for securities collateral:							
Domestic corporate		1,879,858	1,921,928				
Domestic equities		13,101,729	13,823,787				
US government debt		707,514,900	772,529,481				
International equities		12,663,842	14,316,046				
Exchange Traded		3,404,043	3,628,489				
Total	\$	807,805,704	877,583,604				

BNY Mellon invests the cash collateral for securities lending in a separately managed, short-term investment account. As shown in **Table 76**, at June 30, 2022, the short-term investment account consisted of 99.7% overnight repurchase agreements and 0.3% asset-backed securities.

Table 76 Securities Lending Investments As of June 30, 2022 (In Dollars)								
		Fair value	% of Total					
Repurchase agreements	\$	71,154,193	99.7%					
Asset-backed floating		216,149	0.3%					
Other (cash)		(29,337)	0.0%					
Total	\$	71,341,005	100.0%					

The time deposits and asset-backed securities were rated A by S&P Global Ratings. SDCERA does not have the ability to pledge or sell collateral securities without a borrower default. As of June 30, 2022, SDCERA had no credit risk exposure to borrowers.

#### Fair Value of Investments

SDCERA measures and records its investments using fair value measurement guidelines in accordance with generally accepted accounting principles. These guidelines recognize a three-level fair value hierarchy, as follows:

**Level 1:** Quoted prices for identical investments in active markets;

**Level 2:** Observable inputs other than quoted market prices; and,

**Level 3:** Unobservable inputs.

**Table 77** presents a schedule of SDCERA's Fair Value Measurements as of June 30, 2022. Values are derived from BNY Mellon and are presented based on securities classification. Amounts per asset class, when aggregated, correspond to values presented in the Statement of Fiduciary Net Position.

(Amounts expressed in thousands unless otherwise noted)

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Table 77					
Fair Value Measurements					
As of June 30, 2022					
(In Dollars)					
(iii Dollars)		Takal an af			
		Total as of 6/30/2022	Level 1	Level 2	Level 3
Investments by Fair Value Level:		-, -, -,			201010
Equity Securities:					
Domestic Equity Securities	\$	2,157,605,343	374,584,847	1,402,661,601	380,358,895
International Equity Securities		1,205,631,063	120,863,301	655,278,737	429,489,025
Total Equity Securities		3,363,236,406	495,448,148	2,057,940,338	809,847,920
Fixed Income Securities		6,847,094,895	1,181,524,838	5,594,291,941	71,278,116
Private Equity		241,182,800			241,182,800
Private Real Assets		106,873,417			106,873,417
Real Estate		578,231,954			578,231,954
Total Investments by Fair Value Level		11,136,619,472	1,676,972,986	7,652,232,279	1,807,414,207
Investments measured at Net Asset Value (NAV):					
Private Equity		335,160,428			
Private Real Assets		360,506,222			
Real Estate		792,131,464			
Total Investments measured at NAV		1,487,798,114			
Investments Derivative Instruments:					
Forwards		25,143,632		25,143,632	
Futures		(13,533,362)	(13,533,362)		
Options		(26,258,854)		(26,258,854)	
Swaps		(336,637,266)		(336,637,266)	
Total Investments Derivative Instruments		(351,285,850)	(13,533,362)	(337,752,488)	
Total investments Measured at Fair Value		12,273,131,736			
Investments Securities Lending Collateral:					
Collateral payable for securities lending		71,363,872		71,363,872	
Total Collateral from securities lending	\$	71,363,872		71,363,872	
Values derived from custodian bank and presented k			n. Amounts per asset	class, when aggreg	ated,
correspond to values as presented in the Statement o	of Fiduciar	y Net Position.			

Fixed income and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Securities classified as Level 2 are valued using matrix pricing, market corroborated pricing and inputs such as yield curves and indices. Securities classified as Level 3 are valued using investment manager pricing for private placements, private equities and real estate.

Investments valued using the net asset value (NAV) per share or its equivalent are considered "alternative investments" and, unlike more traditional investments, generally do not have readily- obtainable market values and take the form of limited partnerships. SDCERA invests in the following alternate investments:

**Private Equity Funds**. These funds generally invest in illiquid, non-publicly traded equity and debt securities and partnership interests. Investments in these Limited Partnership investments are stated at fair value in accordance with U.S. generally accepted accounting principles and Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurement.

**Private Real Assets Funds**. These funds generally invest in agriculture, energy, infrastructure, metals and mining, and timber assets. The investments are typically illiquid and non-publicly traded.

**Real Estate Funds**. These funds invest both in U.S. and foreign commercial real estate. The fair values of the investments have been determined using the NAV per share or its equivalent of the Plan's ownership interest

(Amounts expressed in thousands unless otherwise noted)

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in partners' capital. Generally, these investments cannot be redeemed. Distributions from each fund are received when income is distributed or when the underlying investments in the funds are liquidated.

SDCERA values alternative investments based on the partnerships' financial statements. If June 30 statements are available, those values are used. If partnerships have fiscal years ending dates other than June 30, the value is obtained from the most recently available valuation combined with subsequent calls and distributions.

**Table 78** presents a schedule of the unfunded commitments, redemption frequency and redemption notice period for SDCERA's Alternative Investments Measured at Net Asset Value, as of June 30, 2022.

Table 78 Investments Measured at Net Assets V As of June 30, 2022	alue (NAV)				
(In Dollars)		Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity Funds	\$	335,160,428	155,866,437	Not Eligible	N/A
Private Real Assets Funds		360,506,222	85,194,957	Variable	Variable
Real Estate Funds		792,131,464	249,329,108	Variable	Variable
Total Investments measured at NAV	\$	1,487,798,114	490,390,502		

## **Commitments And Contingencies**

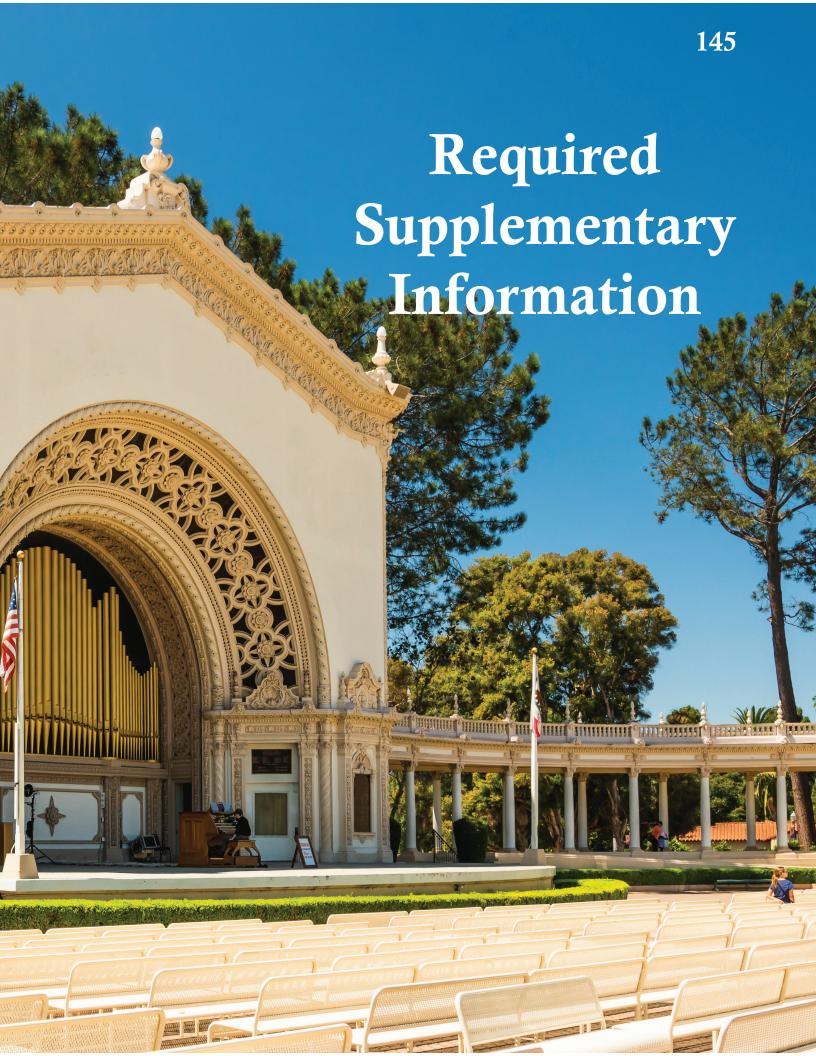
#### **Derivative Instruments**

Through certain investment managers, SDCERA is a party to derivative financial instruments. Derivative instruments include but are not limited to contracts for delayed delivery of securities, commodities or currencies in which the seller agrees to make delivery at a specified future date of a specified instrument at a specified price or yield. Risks arise from the possible inability of counterparties to meet the terms of their contract. The risk of loss from these financial instruments includes credit risk and market risk, which refers to the possibility that future changes in market prices may make such financial instruments less valuable.

#### **Unfunded Commitments**

The Statement of Fiduciary Net Position does not reflect unfunded commitments to invest in private equity funds in the amount of \$155.9 million, real estate funds in the amount of \$249.3 million and private real asset funds in the amount of \$85.2 million. SDCERA funds these commitments from Plan assets over multiple fiscal years.





## **Pension Plan**

The schedule (in thousands) of the County's proportionate share of the San Diego County Employees Retirement Association pension plan collective Net Pension Liability is shown in the table below:

	Fiscal Year 2022*	Fiscal Year 2021*	Fiscal Year 2020*	Fiscal Year 2019*	Fiscal Year 2018*	Fiscal Year 2017*	Fiscal Year 2016*	Fiscal Year 2015*
County's proportion of the net pension liability County's proportionate share of the net	93.800% \$ 2,246,673	93.014%	93.750%	94.119%	93.136%	92.898%	92.827%	92.292% 1.958.456
pension liability  County's covered payroll	\$ 1,307,845							988,858
County's proportionate share of the net pension liability as a percentage of its covered payroll	171.784%	353.255%	318.480%	279.106%	314.575%	377.067%	250.089%	198.052%
Plan fiduciary net position as a percentage of the total pension liability	87.07%	72.83%	76.08%	78.32%	75.56%	70.48%	78.63%	82.65%

The schedule (in thousands) of County contributions to the San Diego County Employees Retirement Association pension plan is shown in the table below:

Table 2 Schedule of the County's Contributions - Net Pension Liability								
ĺ	Fiscal Year 2022*			Fiscal Year 2019*	Fiscal Year 2018*	Fiscal Year 2017*	Fiscal Year 2016*	Fiscal Year 2015*
Actuarial determined contributions	\$ 589,349	578,519	523,865	485,619	465,339	386,971	354,524	356,732
Contributions in relation to the actuarially								
determined contribution	589,349	578,519	533,885	499,451	487,841	386,971	354,524	356,732
Contribution deficiency (excess)**			(10,020)	(13,832)	(22,502)			
County's covered payroll	\$ 1,339,194	1,307,845	1,267,790	1,190,184	1,145,764	1,091,617	1,058,595	1,036,987
Contributions as a percentage of								
covered payroll	44.01%	44.23%	42.11%	41.96%	42.58%	35.45%	33.49%	34.40%
*Amounta presented above were based a	us blass fiss sul		l 20 000	0 1 20 0	001 1 20	0000 1	20 2010 1	- 20 0010

<sup>\*</sup>Amounts presented above were based on the fiscal years ended June 30, 2022, June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018, June 30, 2016, and June 30, 2015, respectively.

Note: This Schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

<sup>\*\*</sup>Based on one-time use of over-realized general purpose revenue generated by greater-than-anticipated assessed value growth as per County Code of Administrative Ordinances Article VII, Section 113.5(b)

## **Changes in Assumptions**

The following assumptions used to determine the Total Pension Liability have changed:

Table 3		
Actuarial Assumptions		
	Reporting Period: June 30, 2015	Reporting Period: June 30,2016
Inflation	3.25%	3.00%
	General: 4.75% to 10.00% and Safety: 5.00% to 12.00%	General: 4.50% to 9.75% and Safety: 4.75% to 11.75%
Salary increases	vary by service, including inflation.	vary by service, including inflation.
	7.75%, net pension plan investment expense, including	7.50%, net pension plan investment expense,
Discount rate	inflation.	including inflation.
	Reporting Period: June 30, 2016	Reporting Period: June 30,2017
	General: 4.50% to 9.75% and Safety: 4.75% to 11.75% vary	y General: 4.25% to 10.25% and Safety: 4.50% to
Salary increases	by service, including inflation.	12.00% vary by service, including inflation.
	7.50%, net pension plan investment expense, including	7.25%, net of pension plan investment expense,
Discount rate	inflation.	including inflation.
Date of last experience study	July 1, 2009 through June 30, 2012	July 1, 2012 through June 30, 2015
Mortality rates	RP-2000	RP-2014
	Reporting Period: June 30, 2019	Reporting Period: June 30, 2020
Inflation	3.00%	2.75%
	General: 4.25% to 10.25% and Safety: 4.50% to 12.00%	General: 4.15% to 10.50% and Safety: 4.25% to
Salary increases	vary by service, including inflation.	12.00% vary by service, including inflation.
	7.25%, net of pension plan investment expense,	7.00%, net of pension plan investment expense,
Discount rate	including inflation.	including inflation.
Date of last experience study	July 1, 2012 through June 30, 2015	July 1, 2015 through June 30, 2018
Mortality rates	RP-2014	Pub-2010

## **OPEB Plan**

The schedule (in thousands) of the County's proportionate share of the San Diego County Employees Retirement Association Retiree Health Plan collective Net OPEB Liability is shown in the table below:

	Fiscal Year 2022*	Fiscal Year 2021*	Fiscal Year 2020*	Fiscal Year 2019*	Fiscal Year 2018*
County's proportion of the net OPEB liability	93.257%	92.670%	93.396%	93.227%	92.594%
County's proportionate share of the net OPEB liability	\$ 71,147	92,006	106,033	119,483	132,163
County's covered payroll	\$ 1,307,845	1,267,790	1,190,184	1,145,764	1,091,617
County's proportionate share of the net OPEB liability as a percentage of its covered payroll	5.440%	7.257%	8.909%	10.428%	12.107%
Plan fiduciary net position as a percentage of the total OPEB liability	31.57%	19.70%	14.73%	10.12%	6.92%

<sup>\*</sup>Amounts presented above were based on the measurement period ended June 30, 2021, June 3, 2020, June 30, 2019, June 30, 2018 and June 30, 2017.

Note: This Schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

The schedule (in thousands) of County contributions to the San Diego County Employees Retirement Association Retiree Health Plan is shown in the table below:

	Fiscal Year 2022*	Fiscal Year 2021*	Fiscal Year 2020*	Fiscal Year 2019*	Fiscal Year 2018*
Actuarial determined contributions	\$ 17,008	17,611	18,472	18,892	18,229
Contributions in relation to the actuarially determined					
contributions	17,008	17,611	18,472	18,892	18,229
Contribution deficiency (excess)					
County's covered payroll	\$ 1,339,194	1,307,845	1,267,790	1,190,184	1,145,764
Contributions as a percentage of covered payroll	1.27%	1.35%	1.46%	1.59%	1.59%

Note: This Schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

## **Changes in Assumptions**

The following assumptions used to determine the Total OPEB Liability have changed:

Table 6		
Actuarial Assumptions	Reporting Period: June 30, 2018	Reporting Period: June 30, 2019
Salary increases	General: 4.50% to 9.75% including inflation.	General: 4.25% to 10.25% including inflation.
		Non-Medicare: 7.00% graded to ultimate 4.50%
		over 10 years; Medicare: 6.50 graded to ultimate
Healthcare trend	6.50% graded to ultimate 4.50% over 8 years.	4.50% over 8 years.
	Reporting Period: June 30, 2019	Reporting Period: June 30, 2020
Inflation	3.00%	2.75%
Salary increases	General: 4.25% to 10.25% including inflation.	General: 4.15% to 10.50% including inflation.
Discount rate	7.25%	7.00%
	Non-Medicare: 7.00% graded to ultimate 4.50%	Non-Medicare: 6.75% graded to ultimate 4.50%
	over 10 years; Medicare: 6.50% graded to	over 9 years; Medicare: 6.25% graded to ultimate
Healthcare trend	ultimate 4.50% over 8 years.	4.50% over 7 years.
	Reporting Period: June 30, 2021	Reporting Period: June 30, 2022
	Non-Medicare: 6.75% graded to ultimate 4.50%	Non-Medicare: 7.50% graded to ultimate 4.50%
	over 9 years; Medicare: 6.25% graded to ultimate	e over 12 years; Medicare: 6.50% graded to ultimate
Healthcare trend	4.50% over 7 years.	4.50% over 8 years.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BA	LANCE	-		
BUDGET AND ACTUAL				
GENERAL FUND				
For the Year Ended June 30, 2022				
(In Thousands)			-: .	
		Original Budget	Final Budget	Actual
Revenues:		0 0	<u> </u>	
Taxes	\$	1,373,250	1,373,250	1,434,814
Licenses, permits and franchise fees		37,123	37,124	41,988
Fines, forfeitures and penalties		46,078	46,076	79,634
Revenue from use of money and property		12,765	12,765	(52,337)
Aid from other governmental agencies:				
State		1,423,937	1,459,666	1,444,771
Federal		1,890,128	2,080,879	1,399,041
Other		161,415	161,414	173,426
Charges for current services		462,216	462,017	429,405
Other		112,766	108,482	35,193
Total revenues		5,519,678	5,741,673	4,985,935
Expenditures:				
Current:				
General government:				
Assessor/recorder/county clerk - finance		59,866	61,066	50,641
Auditor and controller		32,681	30,604	28,349
Auditor and controller - information technology management services		12,134	14,404	7,767
Board of supervisors district #1		2,485	2,685	2,517
Board of supervisors district #2		2,090	2,765	2,400
Board of supervisors district #3		2,480	2,680	2,597
Board of supervisors district #4		2,449	2,651	2,460
Board of supervisors district #5		2,448	2,504	2,332
Board of supervisors general office		910	910	883
Chief administrative office - legislative and administrative		9,280	9,549	7,457
Civil service commission		567	567	546
Clerk of the board of supervisors - legislative and administrative		4,249	4,247	4,002
Community enhancement		10,026	10,026	3,883
Community projects		10,318	10,487	8,541
County communications office		3,868	3,869	3,279
County to challe any office		32,950	32,950	31,541
County technology office		13,589	13,587	9,501
Countywide general expense Finance and general government - legislative and administrative		437,418	378,631	101,839
Finance and general government - other general		7,348	9,526	7,449
Finance and general government group - CAC major maintenance		29,336	27,463	5,892
Finance and general government group - finance		8,623 6,364	8,122	7,155
Human resources - other general government		6,657	7,140 6,656	5,776 5,331
Human resources - personnel		26,951	26,951	25,786
Land use and environment - legislative and administrative		11,867	11,667	7,596
Lease payments - bonds		362	362	7,570
Office of evaluation, performance and analytics		4,500	4,500	144
Public safety - legislative and administrative		23,105	23,417	12,587
Registrar of voters		29,378	23,417 51,177	38,075
Treasurer - tax collector		23,484	23,484	20,589
Total general government		817,783	784,647	406,915
		017,703	7 04,047	700,713

Continued on next page



SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALAN	CE -
BUDGET AND ACTUAL	
GENERAL FUND	

For the Year Ended June 30, 2022

		 	-
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(In Thousands)			
(Continued)	Original Budget	Final Budget	Actual
Public protection:			
Agriculture, weights and measures	24,807	25,570	19,285
Agriculture, weights and measures - sealer	6,200	5,623	5,212
Assessor/recorder/county clerk - other protection	25,081	23,881	17,207
Child support	41,845	41,845	41,845
Citizens law enforcement review board	1,541	1,691	1,557
Contributions for trial courts	67,208	67,408	67,024
Department of animal services	9,311	9,313	9,051
District attorney - judicial	225,682	223,081	200,725
Fire protection, Office of emergency services	68,699	69,679	59,710
Grand jury	612	612	496
Local agency formation commission administration	498	498	484
Medical examiner	13,191	13,525	12,483
Office of emergency services	10,238	10,542	8,020
Penalty assessment	3,129	3,129	
Planning and development services	78,447	80,470	50,660
Probation - detention and correction	182,275	182,340	145,024
Probation - juvenile detention	42,371	41,051	46,356
Public defender	103,737	104,029	97,644
Public works, flood control, soil and water, general	25,756	31,723	3,961
Sheriff - adult detention	402,395	359,071	354,468
Sheriff - detention and correction	5,743	5,742	5,505
Sheriff - other protection	3,525	3,066	2,957
Sheriff - police protection	664,752	683,018	570,963
Total public protection	2,007,043	1,986,907	1,720,637
Public ways and facilities:			
Public works, dept of gen	1,647	1,396	75
Public works, general - public ways	9,951	9,944	7,492
Total public ways and facilities	11,598	11,340	7,567
Health and sanitation:			
Environmental health and quality	55,756	55,797	45,859
Health and human services agency - drug and alcohol abuse services	173,931	173,954	155,807
Health and human services agency - health	597,159	559,594	375,451
Health and human services agency - health administration	1,531	1,536	1,174
Health and human services agency - medical care	61,012	61,835	61,900
Health and human services agency - mental health	605,875	603,261	535,278
Public works, general - sanitation	610	2,110	13
Total health and sanitation	1,495,874	1,458,087	1,175,482

Continued on next page



SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FU	IND BALANCE -			
BUDGET AND ACTUAL				
GENERAL FUND				
For the Year Ended June 30, 2022				
(In Thousands)				
(Continued)	Or	iginal Budget	Final Budget	Actual
Public assistance:	<u> </u>	.9	-	, 1313 61
Health and human services agency - medical services		6,723	6,382	5,178
Health and human services agency - other assistance		626,552	872,834	614,980
Health and human services agency - social administration		976,418	992,730	928,566
Health and human services agency - veterans' services		4,153	4,173	3,913
Probation - care of court wards		16,985	16,987	10,854
Total public assistance		1,630,831	1,893,106	1,563,491
Education:				
Agriculture, weights and measures		1,487	1,487	1,222
Total education		1,487	1,487	1,222
Recreation and cultural:				
Parks and recreation		69,578	74,515	48,976
Total recreation and cultural		69,578	74,515	48,976
Capital outlay		51,268	63,939	19,413
Debt service:				
Principal		60,904	60,904	60,165
Interest		10,377	11,836	11,513
Total expenditures		6,156,743	6,346,768	5,015,381
Excess (deficiency) of revenues over (under) expenditures		(637,065)	(605,095)	(29,446)
Other financing sources (uses):				
Sale of capital assets				183
Issuance of leases:				
Leases		914	914	914
Issuance of bonds, loans and financed purchases:				
Face value of financed purchases		1,331	1,331	1,331
Transfers in		385,611	385,610	351,572
Transfers out		(744,362)	(779,971)	(282,426)
Total other financing sources (uses)		(356,506)	(392,116)	71,574
Net change in fund balances		(993,571)	(997,211)	42,128
Fund balances at the beginning of year		2,282,435	2,282,435	2,282,435
Increase (decrease) in nonspendable inventories			25,446	25,446
Fund balances at end of year	\$	1,288,864	1,310,670	2,350,009

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE **BUDGET AND ACTUAL**

PUBLIC SAFETY FUND

For the Year Ended June 30, 2022

(In Thousands)

	Original	Budget	Final Budget	Actual	
Revenues:	<u> </u>			<u> </u>	
Aid from other governmental agencies:					
State	\$	312,157	312,157	367,630	
Other				1	
Total revenues		312,157	312,157	367,631	
Excess (deficiency) of revenues over (under) expenditures		312,157	312,157	367,631	
Other financing sources (uses):					
Transfers out		(346,299)	(346,299)	(324,336)	
Total other financing sources (uses)		(346,299)	(346,299)	(324,336)	
Net change in fund balances		(34,142)	(34,142)	43,295	
Fund balances at beginning of year		107,129	107,129	107,129	
Fund balances at end of year	\$	72,987	72,987	150,424	

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANG BUDGET AND ACTUAL TOBACCO ENDOWMENT FUND	GES IN F	UND BALANCE		
For the Year Ended June 30, 2022				
(In Thousands)	С	Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	\$	1,900	1,900	(21,375)
Total revenues		1,900	1,900	(21,375)
Expenditures:				
Current:				
General government:				
Tobacco settlement		200	200	153
Total general government		200	200	153
Total expenditures		200	200	153
Excess (deficiency) of revenues over (under) expenditures		1,700	1,700	(21,528)
Other financing sources (uses):				
Transfers out		(15,113)	(15,113)	(15,113)
Total other financing sources (uses)		(15,113)	(15,113)	(15,113)
Net change in fund balances		(13,413)	(13,413)	(36,641)
Fund balances at beginning of year		294,577	294,577	294,577
Fund balances at end of year	\$	281,164	281,164	257,936

## **Budgetary Information** General Budget Policies

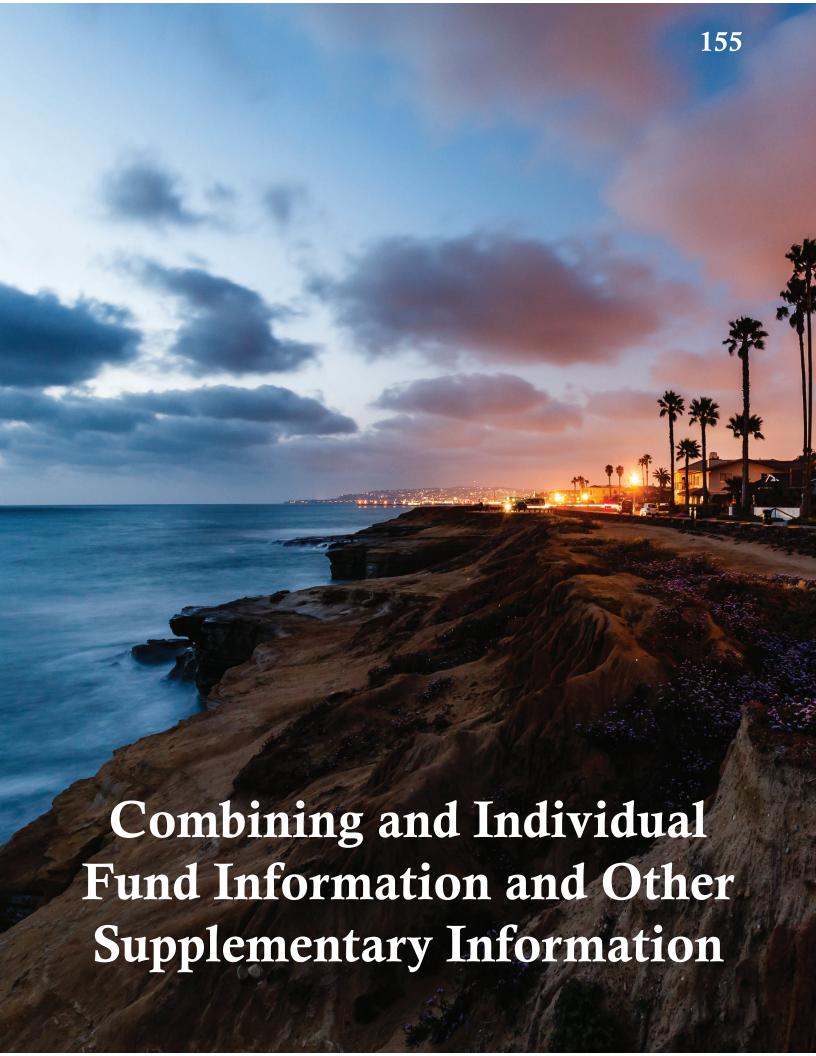
An operating budget is adopted each fiscal year by the Board of Supervisors for the governmental funds. The annual resolution adopts the budget at the object level of expenditures within departments. Annual budgets are not required to be adopted for the Tobacco Securitization Joint Special Revenue Fund; and the Debt Service and Capital Projects Funds (other governmental funds). Certain annual appropriations are budgeted on a project or program basis. If such projects or programs are not completed at the end of the fiscal year, unexpended appropriations, including encumbered funds, are carried forward to the following year with the approval of the Board of Supervisors.

Appropriations may also be adjusted during the year with the approval of the Board of Supervisors. Additionally, the County Budget Act authorizes the Chief Administrative Officer (CAO) and/or Auditor and Controller to approve transfers within a department as long as overall appropriations of the department are not increased. Such adjustments are reflected in the final budgetary data. Accordingly, the legal level of budgetary control by the Board of Supervisors is the department level.

The schedule of revenues, expenditures, and changes in fund balance - budget and actual for the General Fund, Public Safety Fund and the Tobacco Endowment Fund that is presented as Required Supplementary Information was prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

The Original Budget consists of the adopted budget plus the budget carried forward from the prior fiscal year. Accordingly, encumbrances that are subject to automatic re-appropriation are included as part of the original budget. The County adopts its budget by June 30 of the prior fiscal year. The final budget includes the original budget plus amended budget changes occurring during the fiscal year.

The Actual column represents the actual amounts of revenue, expenditures, and other financing sources and uses reported on a GAAP basis which is the same basis that is used to present the aforementioned original and final budget.



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## NONMAJOR GOVERNMENTAL FUNDS

#### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

## **Asset Forfeiture Program Fund**

This fund was established to account for the proceeds of assets that were seized and forfeited by federal and state agencies participating in asset forfeiture programs. These programs are law enforcement initiatives that recover assets used in criminal activities and redirects such assets and the investment income derived therefrom to the support of crime victims and local law enforcement initiatives. This fund is restricted for law enforcement.

## **Community Facilities District Funds - Other**

These funds were established to provide services such as fire protection and suppression, emergency response, operation and maintenance of the facilities, and flood control to citizens residing within that specific district. CFDs are funded by special taxes levied on citizens residing within the district. These funds are restricted for fire protection and suppression, emergency response, operation and maintenance of facilities, and flood control.

## **County Library Fund**

This fund was established to provide library services for the unincorporated area as well as 11 of the incorporated cities within the county. Property taxes provide most of the fund's revenues; aid from other governmental agencies, grants and revenues from library services provide the remaining principal revenues. This fund is restricted for library services.

## **County Low and Moderate Income Housing Asset Fund**

Pursuant to Health and Safety Code 34176, the County elected to assume the housing functions of the housing assets of the former San Diego County Redevelopment Agency, along with the related rights,

powers, liabilities, duties and obligations. As a result, this fund was created on February 1, 2012, and the use of this fund is restricted for housing activities.

## **County Service District Funds**

These special district funds were established to provide authorized services such as road, park, lighting maintenance, fire protection or ambulance service to specific areas in the county. They are financed by ad valorem property taxes in the area benefited or by special assessments levied on specific properties. They also derive revenue from cities and from services provided to property owners. This fund is restricted for road, park lighting maintenance, fire protection and ambulance services.

## **Edgemoor Development Fund**

This fund was established pursuant to Board Policy F-38, which provides guidelines for the use, development and disposition of the County's 326 acres of property located in the City of Santee, known as the Edgemoor Property. Revenues are derived from the sale or lease of land within the Edgemoor property, and these revenues are to be used for the reconstruction of the Edgemoor Skilled Nursing Facility. A portion of these reconstruction costs include an annual transfer to reimburse the General Fund for annual lease payments associated with the 2014 Edgemoor Refunding COPs, which refunded the 2005 and 2006 Edgemoor COPs. Those COPs were used to fund the redevelopment of the Edgemoor Skilled Nursing Facility, which was completed in 2009. The federal reimbursements with the SB 1128 program are also deposited into this fund. This fund is restricted for Edgemoor development.

#### **Flood Control District Fund**

This fund was established to account for revenues and expenditures related to providing flood control in the county. It is financed primarily by ad valorem property taxes. This fund is restricted for flood control future drainage improvements.

## Harmony Grove Community Facilities District Fund

This fund was established to account for services provided such as fire protection, emergency response, street improvements, flood control, street lighting, and the maintenance and operation of parks for the

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citizens of Harmony Grove Village. It is financed by special taxes levied on the citizens residing within the district. This fund is restricted for the maintenance and operation of parks and recreation services, fire protection services, emergency response, street improvements, street lighting, and flood control service.

## **Housing Authority - Low and Moderate Income Housing Asset Fund**

Pursuant to Health and Safety Code 34176 (b) and (b)(2), the City of Santee elected to transfer the housing functions of the Successor Agency to the Community Development Commission of the City of Santee, to the County of San Diego Housing Authority (Housing Authority). This fund was created in fiscal year 2013-14 and the use of this fund is restricted for housing activities.

## **Housing Authority - Other Fund**

This fund was established to account for revenues and expenditures of programs administered by the Housing Authority. These programs assist individuals and families to reside in decent, safe, and sanitary housing. The U.S. Department of Housing and Urban Development (HUD) provides the majority of the funding for the Housing Authority's program expenditures.

## In Home Supportive Services Public Authority Fund (IHSSPA)

This authority was established for the administration of the IHSSPA registry, investigation of the qualifications and background of potential registry personnel, referral of registry personnel to IHSSPA recipients and the provision for training of providers and recipients. IHSSPA is funded by the State's social services realignment fund, federal and state programs. The monies are initially deposited into the County's General Fund, and transferred to the IHSSPA fund. This fund is restricted for in home supportive services.

#### **Inactive Wastesites Fund**

This fund was established to receive one-time homeowner association deposits and residual funds from the sale of the County's Solid Waste System. Expenditures include repairs, maintenance and care for the County's inactive landfill sites in accordance with

all applicable governmental regulations, laws and guidelines. This fund is committed to landfill postclosure and inactive landfill maintenance.

## **Inmate Welfare Program Fund**

This fund was established to receive telephone and other vending commissions and profits from stores operated in connection with the County jails. Fund expenditures, by law, must be solely for the benefit, education and welfare of confined inmates. This fund is restricted for the benefit, education, and welfare of jail inmates.

## **Lighting Maintenance District Fund**

This fund was established to provide street and road lighting services to specified areas of the county. Revenue sources include ad valorem taxes, benefit fees, state funding and charges to property owners. This fund is restricted for street and road lighting maintenance.

## **Other Special Revenue Funds**

These funds were established to receive user fees, land lease revenues and fines. The activities (expenditures) of these funds are restricted for retracement or remonument surveys, improvements for grazing lands, wildlife propagation and aviation purposes, capital improvements and repairs, contracts administration, data collection, analysis and reporting, and responding to complaints regarding trash and trash haulers in unincorporated areas.

#### **Park Land Dedication Fund**

This fund was established to receive and expend special park land dedication fees from developers of land as a condition for approval of any development. The fees may be used for the purchase of land and the development of land for active park or recreational facilities. These facilities serve the future residents of such developments and the greater county at large. In lieu of the payment of these fees, the developer may dedicate land for active park or recreational facilities. This fund is restricted, as per the Park Land Dedication Ordinance, to developing new or rehabilitating existing neighborhood or community park or recreational facilities.

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#### Road Fund

This fund was established to provide for maintenance and construction of roadways and for specialized engineering services to other governmental units and the public. Revenues consist primarily of the County's share of state highway user taxes and are supplemented by federal funds, vehicle code fines, and fees and reimbursements for engineering services provided. This fund is restricted for future road improvements.

### **Tobacco Securitization Joint Special Revenue Fund**

The Tobacco Securitization Joint Special Revenue Fund accounts for the transactions of the San Diego County Tobacco Asset Securitization Corporation and Tobacco Securitization Authority of Southern California, two component units, that are blended into the County's financial statements. This fund is funded by restricted tobacco settlement revenues.

#### **DEBT SERVICE FUNDS**

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated.

## **Pension Obligation Bonds Fund**

This fund receives payments from the County and other agencies for payment of principal and interest due on taxable pension obligation bonds. The debt issue was used to satisfy the County's requirement to amortize the unfunded actuarial accrued liability with respect to retirement benefits accruing to members of the San Diego County Employees Retirement Association. This fund is restricted for debt service.

## San Diego Regional Building Authority Fund

This fund receives interest on monies invested in permissible investments as directed by each San Diego Regional Building Authority (SDRBA) financing's Trust indenture. Debt service payments made in this fund also include payments not accounted for in the County's General Fund related to SDRBA debt issuances; and are secured by interest earnings on the aforementioned permissible investments. This fund is restricted for debt service.

#### SANCAL Fund

This fund receives interest on monies invested in permissible investments as directed by each San Diego County Capital Asset Leasing Corporation (SANCAL) financing's Trust indenture. Debt service payments made in this fund are secured by the aforementioned interest earnings and represent payments not accounted for in the County's General Fund related to SANCAL debt issuances. This fund is restricted for debt service.

#### **CAPITAL PROJECTS FUND**

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

## **Capital Outlay Fund**

This fund is used exclusively to finance the acquisition, construction and completion of permanent public improvements, including public buildings; and for the costs of acquiring land and permanent improvements. Revenues are obtained from grants; and contributions from other funds when approved by the Board of Supervisors. This fund is committed to capital projects.

## Harmony Grove Community Facilities District Fund

This fund is used to account for expenditures of the Harmony Grove Village Special Tax A revenues and the proceeds from the sale of special tax bonds of the Harmony Grove Community Facilities District No. 2008-01. The monies are used to reimburse the developer for the construction of facilities in the Harmony Grove Community Facilities District Improvement Areas 1 and 2. The fund is restricted for capital projects per the debt covenant.

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#### **SANCAL Fund**

This fund is used to account for the expenditures of the proceeds from the sale of certificates of participation of the San Diego Capital Asset Leasing Corporation (SANCAL) used to pay construction costs for the County's Youth Transition Campus. This fund is restricted for capital projects per various debt covenants.

COMBINING BALANCE SHEET				
NONMAJOR GOVERNMENTAL FUNDS June 30, 2022				
(In Thousands)				
(iii iiioosanas)	Special	Debt	Capital	Total Nonmajor
	Revenue	Service	Projects	Governmental
	Funds	Funds	Funds	Funds
ASSETS				
Pooled cash and investments	\$ 478,293	11,217	80,303	569,813
Receivables, net	138,576	162	5,946	144,684
Lease receivables	9,337			9,337
Property taxes receivables, net	1,172			1,172
Due from other funds	15,952	1,316	26,352	43,620
Inventories	1,067			1,067
Deposits with others	8			8
Prepaid items	425			425
Restricted assets:				
Cash with fiscal agents	352			352
Investments with fiscal agents	36,608	96	7,608	44,312
Total assets	681,790	12,791	120,209	814,790
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	24,639		31,469	56,108
Accrued payroll	2,419		,	2,419
Due to other funds	24,552	43	32,599	57,194
Unearned revenue	9,617	.0	356	9,973
Total liabilities	61,227	43	64,424	125,694
DEFERRED INFLOW OF RESOURCES				
Non-pension:				
Leases	9,278			9,278
Property taxes received in advance	762			762
Unavailable revenue	110,895			110,895
Total deferred inflows of resources	120,935			120,935
FUND BALANCES	.20,7.00			. 20,700
Nonspendable:				
Not in spendable form:				
	425			425
Loans, due from other funds and prepaids Inventories and deposits with others	1,075			1,075
Restricted for:	1,073			1,070
	34,414	12,748		47,162
Creditors - Debt service	34,414	12,740	55,785	55,785
Creditors - Capital projects	10,923		33,763	10,923
Grantors - Housing assistance	10,723			10,723
Laws or regulations of other governments:	015 000			015 000
Future road improvements	215,800			215,800
Fund purpose	142,684			142,684
Other purposes	33,828			33,828
Committed to:	10.070			1000
Roadway major maintenance and safety projects	10,269			10,269
Landfill closure, postclosure and landfill maintenance	50,210	10.740	FF 705	50,210
Total fund balances	499,628	12,748	55,785	568,161
Total liabilities, deferred inflows of resources and fund balances	\$ 681,790	12,791	120,209	814,790

COMBINING BALANCE SHEET					
NONMAJOR GOVERNMENTAL FUNDS					
SPECIAL REVENUE FUNDS					
June 30, 2022					
(In Thousands)					
(iii iiioosanas)			Community		County Low
			Community Facilities	County	and Moderate
	Asset	Forfeiture	District Funds -	Library	Income Housing
		am Fund	Other	Fund	Asset Fund
ASSETS					
Pooled cash and investments	\$	9,578	6,675	17,062	370
Receivables, net	'	22	18	3,091	4,826
Lease receivables				2,2.	.,,==
Property taxes receivables, net			67	853	
Due from other funds		1	1	000	400
Inventories		63	•	1	
Deposits with others					
Prepaid items					2
Restricted assets:					_
Cash with fiscal agents					
Investments with fiscal agents					
Total assets		9,664	6,761	21,007	5,598
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		7,001	0,7 01	21,007	0,070
LIABILITIES					
Accounts payable		202	5	3,998	
Accrued payroll		202	· ·	846	
Due to other funds		2	5	1,263	2
Unearned revenue			572	8	
Total liabilities		204	582	6,115	2
DEFERRED INFLOWS OF RESOURCES					
Non-pension:					
Leases					
Property taxes received in advance				575	
Unavailable revenue			67	729	1,406
Total deferred inflows of resources			67	1,304	1,406
FUND BALANCES				,	,
Nonspendable:					
Not in spendable form:					
Loans, due from other funds and prepaids					2
Inventories and deposits with others		63		1	_
Restricted for:					
Creditors - Debt service					
Grantors - Housing assistance					
Laws or regulations of other governments:					
Future road improvements					
Fund purpose		9,397	6,112	13,587	4,188
Other purposes		. ,	3,2	. 3,337	.,.00
Committed to:					
Roadway major maintenance and safety projects					
Landfill postclosure and landfill maintenance					
Total fund balances		9,460	6,112	13,588	4,190
Total liabilities, deferred inflows of resources and fund balances	\$	9,664	6,761	21,007	5,598
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COMBINING BALANCE SHEET						
NONMAJOR GOVERNMENTAL FUNDS						
SPECIAL REVENUE FUNDS						
June 30, 2022						
(In Thousands)						
,					Harmony	Housing
		County		Flood	Grove	Authority - Low
		Service	Edgemoor	Control	Community	and Moderate
		District	Development	District	Facilities	Income Housing
(Continued)		Funds	Fund	Fund	District Fund	Asset Fund
ASSETS						
Pooled cash and investments	\$	42,086	15,612	34,179	1,334	578
Receivables, net		749	1,156	169	3	19,522
Lease receivables			8,883			
Property taxes receivables, net		125		102		
Due from other funds		222	8,556			50
Inventories		82		3		
Deposits with others						
Prepaid items						
Restricted assets:						
Cash with fiscal agents					0.070	
Investments with fiscal agents					2,372	
Total assets		43,264	34,207	34,453	3,709	20,150
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANC	ES					
LIABILITIES						
Accounts payable		3,399		132	17	
Accrued payroll			1.4.050	100	- 1	
Due to other funds		574	16,950	192	54	
Unearned revenue				136		559
Total liabilities		3,973	16,950	460	71	559
DEFERRED INFLOWS OF RESOURCES						
Non-pension:			0.001			
Leases		00	8,831			
Property taxes received in advance		88		80		10.501
Unavailable revenue		312	0.001	82		19,521
Total deferred inflows of resources		400	8,831	162		19,521
FUND BALANCES						
Nonspendable:						
Not in spendable form:						
Loans, due from other funds and prepaids		00		0		
Inventories and deposits with others		82		3		
Restricted for:						
Creditors - Debt service						
Grantors - Housing assistance						
Laws or regulations of other governments:						
Future road improvements		00.000	0.404		0.400	70
Fund purpose		38,809	8,426	22.000	3,638	70
Other purposes				33,828		
Committed to:						
Roadway major maintenance and safety projects						
Landfill postclosure and landfill maintenance		20 001	0.407	22 021	2 /20	70
Total fund balances	ıπ	38,891	8,426	33,831	3,638	70
Total liabilities, deferred inflows of resources and fund balances	Þ	43,264	34,207	34,453	3,709	20,150



COMBINING BALANCE SHEET						
NONMAJOR GOVERNMENTAL FUNDS						
SPECIAL REVENUE FUNDS						
June 30, 2022						
(In Thousands)			la Hanna			
	ш.	ousing	In Home Supportive	Inactive	Inmate Welfare	Lighting
		thority -	Services Public	Wastesites	Program	Maintenance
(Continued)		ner Fund	Authority Fund	Fund	Fund	District Fund
ASSETS						
Pooled cash and investments	\$	7,369	2,597	49,814	15,404	5,531
Receivables, net		5,883	12	812	37	12
Lease receivables				454		
Property taxes receivables, net						25
Due from other funds		17	209	16	1,173	
Inventories					169	65
Deposits with others		8				
Prepaid items		1				
Restricted assets:						
Cash with fiscal agents		352				
Investments with fiscal agents						
Total assets		13,630	2,818	51,096	16,783	5,633
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND	BALAN	CES				
LIABILITIES		707	0.0	010	10.5	007
Accounts payable		797	88	312	485	237
Accrued payroll		105	165	34	10	17
Due to other funds		195	2,543	93	13	17
Unearned revenue		1,529	0.707	420	400	054
Total liabilities		2,521	2,796	439	498	254
DEFERRED INFLOWS OF RESOURCES						
Non-pension:				447		
Leases  Property tayon received in advance				44/		19
Property taxes received in advance Unavailable revenue		20				20
Total deferred inflows of resources		20		447		39
FUND BALANCES				777		
Nonspendable:						
Not in spendable form:						
Loans, due from other funds and prepaids		1				
Inventories and deposits with others		8			169	65
Restricted for:		-				
Creditors - Debt service		157				
Grantors - Housing assistance		10,923				
Laws or regulations of other governments:		.,.				
Future road improvements						
Fund purpose			22		16,116	5,275
Other purposes						
Committed to:						
Roadway major maintenance and safety projects						
Landfill postclosure and landfill maintenance				50,210		
Total fund balances		11,089	22	50,210	16,285	5,340
Total liabilities, deferred inflows of resources and fund						
balances	\$	13,630	2,818	51,096	16,783	5,633

COMPINING PALANCE CHEET						
COMBINING BALANCE SHEET						
NONMAJOR GOVERNMENTAL FUNDS						
SPECIAL REVENUE FUNDS						
June 30, 2022						
(In Thousands)					T .	T
	Otho	er Spacial	Park Land		Tobacco Securitization	Total Special
		er Special Evenue	Dedication	Road	Joint Special	Revenue
(Continued)		unds	Fund	Fund	Revenue Fund	Funds
ASSETS	•	01103	10114	10110	Revenieerena	101103
Pooled cash and investments	\$	6,486	30,550	233,068		478,293
Receivables, net	*	810	69	83,802	17,583	138,576
Lease receivables					,,,,,,	9,337
Property taxes receivables, net						1,172
Due from other funds		65		5,242		15,952
Inventories				684		1,067
Deposits with others						8
Prepaid items				422		425
Restricted assets:						
Cash with fiscal agents						352
Investments with fiscal agents					34,236	36,608
Total assets		7,361	30,619	323,218	51,819	681,790
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BA	ALANCE	S				
LIABILITIES						
Accounts payable		238	536	14,189	4	24,639
Accrued payroll		36		1,338		2,419
Due to other funds		62	21	2,566		24,552
Unearned revenue		43		6,770		9,617
Total liabilities		379	557	24,863	4	61,227
DEFERRED INFLOWS OF RESOURCES						
Non-pension:						0.070
Leases						9,278
Property taxes received in advance						762
Unavailable revenue				71,180	17,558	110,895
Total deferred inflows of resources				71,180	17,558	120,935
FUND BALANCES						
Nonspendable:						
Not in spendable form:				400		405
Loans, due from other funds and prepaids				422 684		425
Inventories and deposits with others				004		1,075
Restricted for:					34,257	34,414
Creditors - Debt service					34,237	10,923
Grantors - Housing assistance						10,723
Laws or regulations of other governments:				215,800		215,800
Future road improvements		6,982	30,062	213,000		142,684
Fund purpose		0,702	30,062			33,828
Other purposes Committed to:						33,020
				10,269		10,269
Roadway major maintenance and safety projects				10,207		50,210
Landfill postclosure and landfill maintenance  Total fund balances		6,982	30,062	227,175	34,257	499,628
Total liabilities, deferred inflows of resources and fund		0,702	50,002	227,170	07,20/	7//,020
balances	\$	7,361	30,619	323,218	51,819	681,790

Total liabilities, deferred inflows of resources and fund balances

7,088

4,263

12,791

County of San Diego / Annual Comprehensive Financial Report / For the year ended June 30, 2022

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DEBT SERVICE FUNDS June 30, 2022					
(In Thousands)		Pension Obligation Bonds Fund	San Diego Regional Building Authority Fund	SANCAL Fund	Total Debt Service Funds
ASSETS					
Pooled cash and investments	\$	115	4,249	6,853	11,217
Receivables, net			10	152	162
Due from other funds		1,316			1,316
Restricted assets:					
Investments with fiscal agents		9	4	83	96
Total assets		1,440	4,263	7,088	12,791
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANC	CES				
LIABILITIES					
Due to other funds		43			43
Total liabilities		43			43
FUND BALANCES					
Restricted for:					
Creditors - Debt service		1,397	4,263	7,088	12,748
Total fund balances		1,397	4,263	7,088	12,748

1,440

Total liabilities, deferred inflows of resources and fund balances

# Combining Financial Statements/Schedules - Nonmajor Governmental Funds

7,589

52,572

120,209

County of San Diego / Annual Comprehensive Financial Report / For the year ended June 30, 2022

60,048

\$

COMBINING BALANCE SHEET				
NONMAJOR GOVERNMENTAL FUNDS				
CAPITAL PROJECTS FUNDS				
June 30, 2022				
(In Thousands)				
	l Outlay nd	Harmony Grove Community Facilities District Fund	SANCAL Fund	Total Capital Projects Funds
ASSETS				
Pooled cash and investments	\$ 27,750		52,553	80,303
Receivables, net	5,946			5,946
Due from other funds	26,352			26,352
Restricted assets				
Investments with fiscal agents		7,589	19	7,608
Total assets	60,048	7,589	52,572	120,209
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	27,093		4,376	31,469
Due to other funds	32,599			32,599
Unearned revenue	356			356
Total liabilities	60,048		4,376	64,424
FUND BALANCES				
Restricted for:				
Creditors - Capital projects		7,589	48,196	55,785
Total fund balances		7,589	48,196	55,785

# COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended June 30, 2022

(In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 63,501			63,501
Licenses, permits and franchise fees	12,989			12,989
Fines, forfeitures and penalties	399			399
Revenue from use of money and property	(8,190)	5,886	(1,338)	(3,642)
Aid from other governmental agencies:				
State	109,265		30,009	139,274
Federal	185,548		370	185,918
Other	8,361		259	8,620
Charges for current services	38,351		913	39,264
Other	37,309	5,637	24	42,970
Total revenues	447,533	11,523	30,237	489,293
Expenditures:				
Current:				
General government	474	5,740	668	6,882
Public protection	9,380			9,380
Public ways and facilities	88,749			88,749
Health and sanitation	23,826			23,826
Public assistance	207,448			207,448
Education	55,242			55,242
Recreation and cultural	3,670			3,670
Capital outlay	55,735		178,182	233,917
Debt service:			,	
Principal Principal	19,711	59,300		79,011
Interest	17,265	23,311		40,576
Bond issuance costs	/200	588		588
Total expenditures	481,500	88,939	178,850	749,289
Excess (deficiency) of revenues over (under) expenditures	(33,967)	(77,416)	(148,613)	(259,996)
Other financing sources (uses):	(00,707)	(,,,,,,,	(110,010)	(207,770)
Sale of capital assets	15			15
Issuance of leases:				. •
Leases	257			257
Issuance of bonds, loans and financed purchases:	207			207
Face value of bonds issued			49,060	49,060
Premium on issuance of bonds		3.891	10,940	14,831
Transfers in	51,949	76,406	136,812	265,167
Transfers out	(16,479)	70,400	100,012	(16,479)
	35,742	80,297	196,812	312,851
Total other financing sources (uses)	1,775	2,881	48,199	52,855
Net change in fund balances Fund balances at beginning of year	498,015	9,867	7,586	515,468
	(162)	7,007	7,500	(162)
Increase (decrease) in nonspendable inventories	\$ 499,628	12.748	55,785	568,161
Fund balances at end of year	ψ 477,020	12,/40	33,703	300,101

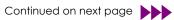
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES								
NONMAJOR GOVERNMENTAL FUNDS								
SPECIAL REVENUE FUNDS								
For the Year Ended June 30, 2022								
(In Thousands)								
	Accot I	- orfeiture	Community Facilities	County	County Low and Moderate Income			
		am Fund	District Funds Other	Library Fund	Housing Asset Fund			
Revenues:	1,09.0	ammona	Bisiner Fortas Offici	Elerary Ferra	110031119713301110114			
Taxes			2,512	43,661				
Licenses, permits and franchise fees			_,,,,	,				
Fines, forfeitures and penalties	\$	262	7					
Revenue from use of money and property	,	(203)	(143)	(348)	2			
Aid from other governmental agencies:		(===)	( /	(= :=)				
State				344				
Federal		2,289		3,485				
Other		2,207		7,689				
Charges for current services				170				
Other				166				
Total revenues		2,348	2,376	55,167	2			
Expenditures:		2,010	2,070	00,107	<u>_</u> _			
Current:								
General government								
Public protection		640	714					
Public ways and facilities		0.10	, , , ,					
Health and sanitation								
Public assistance					14			
Education				55,242	17			
			95	33,242				
Recreation and cultural			73	580				
Capital outlay				300				
Debt service:				522				
Principal				322				
Interest		640	809	56,347	14			
Total expenditures  Excess (deficiency) of revenues over (under)		040	007	30,347	14			
expenditures		1,708	1,567	(1,180)	(12)			
Other financing sources (uses):				( , ,	· · · · · · · · · · · · · · · · · · ·			
Sale of capital assets		15						
Issuance of leases:								
Leases				257				
Transfers in				22				
Transfers out		(11)	(160)	(1,272)				
Total other financing sources (uses)		4	(160)	(993)				
Net change in fund balances		1,712	1,407	(2,173)	(12)			
Fund balances at beginning of year		7,746	4,705	15,763	4,202			
Increase (decrease) in nonspendable inventories		2	.,,, 00	(2)	1,202			
Fund balances at end of year	\$	9,460	6,112	13,588	4,190			
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Continued on next page



NOMAJOR GOVERNMENTAL FUNDS   SPECIAL REVENUE FUNDS   For the Year Ended June 30, 2022   (In Thousands)   Service	COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES									
Page										
Post The Year Ended June 30, 2022   The Year Ended June 30,										
Public protection   Publ										
Revenuer										
Taxes	(Continued)	S 1	Service District	Development	Control	Grove Community Facilities	Authority - Low and Moderate Income Housing Asset			
Licenses, permits and franchise fees   Fines, forfeitures and penalties   Revenue from use of money and property   (774)   44   (827)   (29)   (12)   (12)   (12)   (12)   (12)   (13)		<b>.</b>	0.051		5.000	007				
Fines, forfeithures and penaltiles   Revenue from use of money and property   Revenue from use of money and from use of money and use of money and from use of money and from use of money and us		\$	9,051		5,980	83/				
State         31         33           Federal         5,953         1,085           Other         53         31           Charges for current services         10,655         856         12           Other         1,166         1         83           Total revenues         26,135         1,130         6,156         820         (12)           Expenditures:         2         2,135         1,130         6,156         820         (12)           Expenditures:         2         3         4,775         7,559         1           Ceneral government         1,824         4,775         7,559         7,559           Public protection         1,824         4,775         7,559         1           Public assistance         1,701         7,559         1<	Fines, forfeitures and penalties Revenue from use of money and property		(774)	44	(827)	(29)	(12)			
Federal   S.953   1.085   Charges for current services   10.6855   8.56   12   Charges for current services   1.166   1   8.3   Charges for current services   1.166   1   8.3   Charges for current services   26.135   1.130   6.156   820   (12)   Chapmoditures   Current:   Current:   Current:   Ceneral government   1.78   68   Current:   Ceneral government   1.824   4.775   Current:			21		22					
Other         53         31         Charges for current services         10,655         856         12           Other         1,166         1         856         12           Total revenues         26,135         1,130         6,156         820         (12)           Expenditures:          18         68         4,775         4,775         4,759<				1.005	33					
Charges for current services			· ·	1,085	0.1					
Other         1,166         1         83           Total revenues         26,135         1,130         6,156         820         (12)           Expenditures:         Current:           General government         1,78         68         4,775           Public protection         1,824         4,775         4,759           Public ways and facilities         1,701         7,559         4           Health and sanitation         13,985         3         1         4         4,775         1           Public assistance         13,985         3         1         665         3         1         1         8         1         1         8         1         1         8         1         1         8         1         1         8         1         1         8         1         1         1         1         8         4         1						10				
Total revenues				1		12				
Expenditures:				•		200	(10)			
Current:         General government         178         68           Public protection         1,824         4,775           Public ways and facilities         1,701         7,559           Health and sanitation         13,985         7,559           Public assistance         1         1           Education         Recreation and cultural         2,994         665           Capital outlay         665         5           Debt service:         34         5           Principal         34         5           Interest         34         7,559         1           Excess (deficiency) of revenues over (under) expenditures         5,453         1,062         682         6,739)         13           Other financing sources (uses)         5,453         1,062         682         6,739)         13           Sale of capital assets         1         2,167         1         1         1           Isuance of leases:         1         2,167         1			26,135	1,130	6,156	820	(12)			
Health and sanitation   13,985	Current: General government			68	4,775					
Recreation and cultural       2,994         Capital outlay       665         Debt service:       34         Principal Interest       34         Total expenditures       20,682       68       5,474       7,559       1         Excess (deficiency) of revenues over (under) expenditures       5,453       1,062       682       (6,739)       (13)         Other financing sources (uses):       Sale of capital assets         Issuance of leases:       Leases       2,167         Transfers in       2,167       2,167         Transfers out       (2,895)       (8,394)       2,167         Net change in fund balances       2,558       (7,332)       2,849       (6,739)       (13)         Fund balances at beginning of year       36,337       15,758       31,009       10,377       83         Increase (decrease) in nonspendable inventories       (4)       (27)	Health and sanitation Public assistance					7,559	1			
Debt service:  Principal 34  Interest  Total expenditures 20,682 68 5,474 7,559 1  Excess (deficiency) of revenues over (under) expenditures 5,453 1,062 682 (6,739) (13)  Other financing sources (uses):  Sale of capital assets Issuance of leases: Leases Transfers in 2,167  Transfers out (2,895) (8,394)  Total other financing sources (uses) (2,895) (8,394)  Total other financing sources (uses) (2,895) (8,394) 2,167  Net change in fund balances 2,558 (7,332) 2,849 (6,739) (13)  Fund balances at beginning of year 36,337 15,758 31,009 10,377 83  Increase (decrease) in nonspendable inventories (4) (27)			2,994							
Principal Interest         34           Total expenditures         20,682         68         5,474         7,559         1           Excess (deficiency) of revenues over (under) expenditures         5,453         1,062         682         (6,739)         (13)           Other financing sources (uses):         Sale of capital assets         8         8         8         8         8         8         8         9         13)         9         13         14         15         15         15         16         16         15         16         16         16         16         16         16         16         16         16         17         16         17         16         16         17	Capital outlay				665					
Total expenditures         20,682         68         5,474         7,559         1           Excess (deficiency) of revenues over (under) expenditures         5,453         1,062         682         (6,739)         (13)           Other financing sources (uses):         Sale of capital assets           Issuance of leases:         Leases           Transfers in         2,167           Transfers out         (2,895)         (8,394)           Total other financing sources (uses)         (2,895)         (8,394)         2,167           Net change in fund balances         2,558         (7,332)         2,849         (6,739)         (13)           Fund balances at beginning of year         36,337         15,758         31,009         10,377         83           Increase (decrease) in nonspendable inventories         (4)         (27)	Principal				34					
Excess (deficiency) of revenues over (under) expenditures 5,453 1,062 682 (6,739) (13)  Other financing sources (uses):  Sale of capital assets  Issuance of leases:  Leases  Transfers in 2,167  Transfers out (2,895) (8,394)  Total other financing sources (uses) (2,895) (8,394) 2,167  Net change in fund balances 2,558 (7,332) 2,849 (6,739) (13)  Fund balances at beginning of year 36,337 15,758 31,009 10,377 83  Increase (decrease) in nonspendable inventories (4) (27)			00 (00		5 17 1	7.550				
Other financing sources (uses):         Sale of capital assets         Issuance of leases:         Leases         Transfers in       2,167         Transfers out       (2,895)       (8,394)         Total other financing sources (uses)       (2,895)       (8,394)       2,167         Net change in fund balances       2,558       (7,332)       2,849       (6,739)       (13)         Fund balances at beginning of year       36,337       15,758       31,009       10,377       83         Increase (decrease) in nonspendable inventories       (4)       (27)							(10)			
Issuance of leases:         Leases       2,167         Transfers in       2,167         Transfers out       (2,895)       (8,394)       2,167         Total other financing sources (uses)       (2,895)       (8,394)       2,167         Net change in fund balances       2,558       (7,332)       2,849       (6,739)       (13)         Fund balances at beginning of year       36,337       15,758       31,009       10,377       83         Increase (decrease) in nonspendable inventories       (4)       (27)			5,453	1,062	682	(6,/39)	(13)			
Transfers in         2,167           Transfers out         (2,895)         (8,394)           Total other financing sources (uses)         (2,895)         (8,394)         2,167           Net change in fund balances         2,558         (7,332)         2,849         (6,739)         (13)           Fund balances at beginning of year         36,337         15,758         31,009         10,377         83           Increase (decrease) in nonspendable inventories         (4)         (27)	Issuance of leases:									
Transfers out         (2.895)         (8.394)           Total other financing sources (uses)         (2.895)         (8.394)         2,167           Net change in fund balances         2,558         (7,332)         2,849         (6,739)         (13)           Fund balances at beginning of year         36,337         15,758         31,009         10,377         83           Increase (decrease) in nonspendable inventories         (4)         (27)										
Total other financing sources (uses)         (2.895)         (8.394)         2,167           Net change in fund balances         2,558         (7,332)         2,849         (6,739)         (13)           Fund balances at beginning of year         36,337         15,758         31,009         10,377         83           Increase (decrease) in nonspendable inventories         (4)         (27)	Transfers in				2,167					
Net change in fund balances         2,558         (7,332)         2,849         (6,739)         (13)           Fund balances at beginning of year         36,337         15,758         31,009         10,377         83           Increase (decrease) in nonspendable inventories         (4)         (27)	Transfers out									
Fund balances at beginning of year 36,337 15,758 31,009 10,377 83 Increase (decrease) in nonspendable inventories (4) (27)										
Increase (decrease) in nonspendable inventories (4) (27)	Net change in fund balances									
			36,337	15,758	31,009	10,377	83			
Fund balances at end of year \$ 38,891 8,426 33,831 3,638 70	Increase (decrease) in nonspendable inventories									
	Fund balances at end of year	\$	38,891	8,426	33,831	3,638	70			

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES										
NONMAJOR GOVERNMENTAL FUNDS										
SPECIAL REVENUE FUNDS										
For the Year Ended June 30, 2022										
(In Thousands)										
		In Home		Inmate						
	Housing	Supportive Services Public	Inactive Wastesites Fund	Welfare	Lighting					
(Continued)	Authority - Other Fund			Program Fund	Maintenance District Fund					
Revenues:	Officer Forta	Authority Fund	runa	runa	DISTRICT FUNG					
Taxes					1,460					
Licenses, permits and franchise fees					1,100					
Fines, forfeitures and penalties										
Revenue from use of money and property	\$ 1,056	(42)	(811)	(103)	(120)					
Aid from other governmental agencies:	¥ .,,,,,	( '-/	(= : : )	( /	( /					
State			696		8					
Federal	166,629		17							
Other	362				2					
Charges for current services	3,978	1,843	44		890					
Other	126			22						
Total revenues	172,151	1,801	(54)	(81)	2,240					
Expenditures:										
Current:										
General government										
Public protection				1,378						
Public ways and facilities					2,095					
Health and sanitation			7,361							
Public assistance	172,284	35,149								
Education										
Recreation and cultural										
Capital outlay										
Debt service:										
Principal	154	106			517					
Interest	10	3	7.0/1	1.070	4					
Total expenditures	172,448	35,258	7,361	1,378 (1,459)	2,616					
Excess (deficiency) of revenues over (under) expenditures	(297)	(33,457)	(7,415)	(1,459)	(376)					
Other financing sources (uses): Sale of capital assets										
Issuance of leases:										
Leases Transfers in		33,378	4	2,698						
Transfers out	(458)	00,070	(44)	(1,000)						
Total other financing sources (uses)	(458)	33,378	(40)	1,698						
Net change in fund balances	(755)	(79)	(7,455)	239	(376)					
Fund balances at beginning of year	11,844	101	57,665	16,142	5,729					
Increase (decrease) in nonspendable inventories	, 5 1 1		3. ,000	(96)	(13)					
Fund balances at end of year	\$ 11,089	22	50,210	16,285	5,340					





Total other financing sources (uses)

Fund balances at beginning of year

Increase (decrease) in nonspendable inventories

Net change in fund balances

Fund balances at end of year

County of San Diego / Annual Comprehensive Financial Report / For the year ended June 30, 2022

COMBINING STATEMENT OF REVENUES,	EXPENDITURES, AND	CHANGES IN F	UND BALAN	CES	
NONMAJOR GOVERNMENTAL FUNDS					
SPECIAL REVENUE FUNDS					
For the Year Ended June 30, 2022					
(In Thousands)					
	Other Special	Park Land		Tobacco Securitization Joint Special Revenue	Total Special
(Continued)	Revenue Funds	Dedication Fund	Road Fund	Fund	Revenue Funds
Revenues:					
Taxes					63,501
Licenses, permits and franchise fees		5,134	7,855		12,989
Fines, forfeitures and penalties	\$ 130				399
Revenue from use of money and property	(191)	(671)	(5,076)	58	(8,190)
Aid from other governmental agencies:					
State	239		107,914		109,265
Federal			6,090		185,548
Other	0.007		224		8,361
Charges for current services	3,387		16,516	25 470	38,351
Other	3,565	4,463	275 133,798	35,470 35,528	37,309 447,533
_Total revenues Expenditures:	3,363	4,403	133,770	33,326	447,333
Current:					
General government				228	474
Public protection	49			220	9,380
Public ways and facilities			77,394		88,749
Health and sanitation	2,480		,		23,826
Public assistance					207,448
Education					55,242
Recreation and cultural		581			3,670
Capital outlay	165		54,325		55,735
Debt service:					
Principal			93	18,285	19,711
Interest			1	17,244	17,265
Total expenditures	2,694	581	131,813	35,757	481,500
Excess (deficiency) of revenues over (under) expenditures	871	3,882	1,985	(229)	(33,967)
Other financing sources (uses):					
Sale of capital assets					15
Issuance of leases:					0.57
Leases	7		10 /70		257
Transfers in	(89)	12.40)	13,673		51,949
Transfers out	(89)	(348)	(1,808)		(16,479)

(82)

789

6,193

6,982

(348)

3,534

26,528

30,062

11,865

13,850

(22)

213,347

227,175

(229)

34,486

34,257

35,742

1,775

(162)

498,015

Net change in fund balances Fund balances at beginning of year

Fund balances at end of year

County of San Diego / Annual Comprehensive Financial Report / For the year ended June 30, 2022

673

724

1,397

(241)

4,504

4,263

2,449

4,639

7,088

2,881

9,867

COMBINING STATEMENT OF REVENUES, EXPENDITURES, A	AND CHANG	ES IN FUN	D BALANCES		
NONMAJOR GOVERNMENTAL FUNDS  DEBT SERVICE FUNDS  For the Year Ended June 30, 2022					
(In Thousands)					
	C	Pension Obligation Onds Fund	San Diego Regional Building Authority Fund	SANCAL Fund	Total Debt Service Funds
Revenues:					
Revenue from use of money and property	\$	83	5,651	152	5,886
Other		5,637			5,637
Total revenues		5,720	5,651	152	11,523
Expenditures:					
Current:					
General government			5,721	19	5,740
Debt service:					
Principal		59,300			59,300
Interest		22,153	171	987	23,311
Bond issuance costs				588	588
Total expenditures		81,453	5,892	1,594	88,939
Excess (deficiency) of revenues over (under) expenditures		(75,733)	(241)	(1,442)	(77,416)
Other financing sources (uses):					
Issuance of bonds, loans and financed purchases:					
Premium on issuance of bonds				3,891	3,891
Transfers in		76,406			76,406
Total other financing sources (uses)		76,406		3,891	80,297
		/70	(0.41)	0.440	0.001

60,000

48,196

48,196

3

7,586

7,589

196,812

48,199

7,586

55,785

Total other financing sources (uses)

Fund balances at beginning of year

Net change in fund balances

Fund balances at end of year

County of San Diego / Annual Comprehensive Financial Report / For the year ended June 30, 2022

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND NONMAJOR GOVERNMENTAL FUNDS CAPITAL PROJECTS FUNDS For the Year Ended June 30, 2022 (In Thousands)	D CHAN	IGES IN FU	IND BALANC	ES	
		Capital Outlay Fund	Harmony Grove Community Facilities District Fund	SANCAL Fund	Total Capital Projects Funds
Revenues:				(1.0.(1)	(1.000)
Revenue from use of money and property			3	(1,341)	(1,338)
Aid from other governmental agencies:	•	00.000			00.000
State	\$	30,009			30,009
Federal		370			370
Other		259			259
Charges for current services		913			913
Other		24			24
Total revenues		31,575	3	(1,341)	30,237
Expenditures:					
Current:					
General government		668			668
Capital outlay		167,719		10,463	178,182
Total expenditures		168,387		10,463	178,850
Excess (deficiency) of revenues over (under) expenditures		(136,812)	3	(11,804)	(148,613)
Other financing sources (uses):					
Issuance of bonds, loans and financed purchases:					
Face value of bonds issued				49,060	49,060
Premium on issuance of bonds				10,940	10,940
Transfers in		136,812			136,812

Fund balances at end of year

4,065

4,067

9,460

County of San Diego / Annual Comprehensive Financial Report / For the year ended June 30, 2022

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES	IN FUND BALA	ANCE -		
BUDGET AND ACTUAL				
ASSET FORFEITURE PROGRAM FUND				
For the Year Ended June 30, 2022				
(In Thousands)				
	Oriç	ginal Budget	Final Budget	Actual
Revenues:				
Fines, forfeitures and penalties				262
Revenue from use of money and property				(203)
Aid from other governmental agencies:				
Federal				2,289
Total revenues				2,348
Expenditures:				
Current:				
Public protection:				
District attorney asset forfeiture program - federal	\$	779	779	207
District attorney asset forfeiture program - state		100	100	46
District attorney asset forfeiture program - US Treasury		50	50	
Probation asset forfeiture program		100	100	
Sheriff's asset forfeiture program		1,152	1,152	387
Sheriff's asset forfeiture State		1,100	1,100	
Total public protection		3,281	3,281	640
Capital outlay		250	250	
Total expenditures		3,531	3,531	640
Excess (deficiency) of revenues over (under) expenditures		(3,531)	(3,531)	1,708
Other financing sources (uses):				
Sale of capital assets				15
Transfers out		(150)	(150)	(11)
Total other financing sources (uses)		(150)	(150)	4
Net change in fund balances		(3,681)	(3,681)	1,712
Fund balances at beginning of year		7,746	7,746	7,746
Increase (decrease) in nonspendable inventories			2	2

\$

1,407

4,705

6,112

(6)

4,705

4,699

(6) 4,705

4,699

Net change in fund balances

Fund balances at end of the year

Fund balances at the beginning of the year

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FU	IND BALANCE -				
BUDGET AND ACTUAL					
COMMUNITY FACILITIES DISTRICT FUNDS - OTHER					
For the Year Ended June 30, 2022					
(In Thousands)		<b>.</b>		= 15 1 1	
		Origin	al Budget	Final Budget	Actual
Revenues:		_			
Taxes		\$	1,778	1,778	2,512
Fines, forfeitures and penalties					7
Revenue from use of money and property			19	19	(143)
Aid from other governmental agencies:					
Other			424	424	
Total revenues			2,221	2,221	2,376
Expenditures:					
Current:					
Public protection:					
Horse Creek Ridge CFD 13-01 Special Tax C			338	338	
SDCFPD CFD 04-01 SPECIAL TAX A			5	5	
SDCFPD EOM CFD 09-01 SPECIAL TAX A			130	130	103
SDCFPD EOM CFD 09-01 SPECIAL TAX B			619	619	611
Total public protection			1,092	1,092	714
Recreation and cultural:					
Horse Creek Ridge CFD 13-01 Interim			571	571	75
Horse Creek Ridge CFD 13-01 Special Tax A			129	129	14
Sweetwater pl maint CFD 19-02 Special Tax			153	153	6
Total recreation and cultural			853	853	95
Total expenditures			1,945	1,945	809
Excess (deficiency) of revenues over (under) expenditures			276	276	1,567
Other financing sources (uses):					
Transfers In			4	4	
Transfers out			(286)	(286)	(160)
Total other financing sources (uses)			(282)	(282)	(160)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN BUDGET AND ACTUAL COUNTY LIBRARY FUND	N FUND BALAN	NCE -		
For the Year Ended June 30, 2022				
(In Thousands)				
(	Oriair	nal Budget	Final Budget	Actual
Revenues:	29			
Taxes	\$	42,382	42,382	43,661
Revenue from use of money and property		105	105	(348)
Aid from other governmental agencies:				
State		267	477	344
Federal		561	4,809	3,485
Other		5,563	5,563	7,689
Charges for current services		238	238	170
Other		294	294	166
Total revenues		49,410	53,868	55,167
Expenditures:				
Current:				
Education:				
County library		58,296	62,847	55,242
Total education		58,296	62,847	55,242
Capital outlay		1,150	1,149	580
Debt service:				
Principal		522	522	522
Interest				3
Total expenditures		59,968	64,518	56,347
Excess (deficiency) of revenues over (under) expenditures		(10,558)	(10,650)	(1,180)
Other financing sources (uses):				
Issuance of leases:				
Leases				257
Transfers In			22	22
Transfers out		(2,262)	(2,571)	(1,272)
Total other financing sources (uses)		(2,262)	(2,549)	(993)
Net change in fund balances		(12,820)	(13,199)	(2,173)
Fund balances at beginning of year		15,763	15,763	15,763
Increase (decrease) in nonspendable inventories			(2)	(2)
Fund balances at end of year	\$	2,943	2,562	13,588

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES BUDGET AND ACTUAL		E -		
COUNTY LOW AND MODERATE INCOME HOUSING ASSET For the Year Ended June 30, 2022	FUND			
(In Thousands)	Oriainal	Budget	Final Budget	Actual
Revenues:	. 5	3 2 💆 2		
Revenue from use of money and property	\$	5	5	2
Aid from other governmental agencies:				
Other		22	22	
Total revenues		27	27	2
Expenditures:				
Current:				
Public assistance:				
CSHAF Gillespie housing		25	25	13
CSHAF USDRIP housing		4	4	1
Total public assistance		29	29	14
Total expenditures		29	29	14
Excess (deficiency) of revenues over (under) expenditures		(2)	(2)	(12)
Net change in fund balances		(2)	(2)	(12)
Fund balances at beginning of year		4,202	4,202	4,202
Fund balances at end of year	\$	4,200	4,200	4,190

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN F	UND BALA	NCE -		
BUDGET AND ACTUAL				
COUNTY SERVICE DISTRICT FUNDS				
For the Year Ended June 30, 2022				
(In Thousands)				
	Orig	inal Budget	Final Budget	Actual
Revenues:				
Taxes	\$	7,508	7,512	9,051
Revenue from use of money and property		805	567	(774)
Aid from other governmental agencies:				
State		19	19	31
Federal		4,846	4,846	5,953
Other		135	35	53
Charges for current services		9,645	9,984	10,655
Other		302	302	1,166
Total revenues		23,260	23,265	26,135
Expenditures:				
Current:				
General government:				
CSA 135 Zone B Del Mar Regional Communication System		51	50	37
CSA 135 Zone F Poway Regional Communication System		170	170	94
CSA 135 Zone H Solana Beach Regional Communication System		64	64	40
CSA 135 Zone K Borrego Springs Regional Communication System		9	9	7
Total general government		294	293	178
Public protection:				
CSA 135 EMS fire protection				37
CSA 135 Jacumba fire med service zone				2
San Diego County Fire Protection District		1,399	1,403	1,086
SDCFPD Mt Laguna		17	17	7
SDCFPD Palomar		65	64	51
SDCFPD Descanso		60	60	35
SDCFPD Dulzura		13	13	13
SDCFPD Tecate		13	13	13
SDCFPD Potrero		16	16	16
SDCFPD Jacumba		17	17	13
SDCFPD Rural West		495	495	410
SDCFPD Yuima		50	50	50
SDCFPD Julian		123	123	91
Total public protection	\$	2,268	2,271	1,824



For the Year Ended June 30, 2022   (In Thousands)	SCHEDULE OF REVENUES, EXPENDITURES, AND CHAI BUDGET AND ACTUAL COUNTY SERVICE DISTRICT FUNDS	NGES IN FUND BALA	NCE -		
Continued)         Original Budget         Final Budget         Actual           Public ways and facilities;         PRD & Pauma Valley         \$ 291         291         14           PRD B Magee RD-PALA         342         342         111           PRD 10 Davis Dr         36         36         6           PRD 11 A Bernardo RD         50         50         50           PRD 11 D Bernardo RD         6         6         4           PRD 11 D Bernardo RD         26         26         4           PRD 11 D Bernardo RD         26         26         4           PRD 12 Lomair         180         180         180         34           PRD 13 B Stewart Canyon         34         34         5         5           PRD 13 B Stewart Canyon         34         34         5           PRD 18 Harrison Park         259         259         243           PRD 18 Harrison Park         259         259         243           PRD 29 Duolpher Park         259         259         243           PRD 21 Rouma Heights         794         774         774           PRD 23 Rock Terrace RD         34         34         34           PRD 24 MT Williney RD         76 </th <th>For the Year Ended June 30, 2022</th> <th></th> <th></th> <th></th> <th></th>	For the Year Ended June 30, 2022				
Public ways and facilities: PRD 6 Fauma Volley \$ 291 291 14 PRD 8 Magee RD-PALA 342 342 11 PRD 9 8 Santa Fe 159 159 9 PRD 10 Davis Dr 36 36 36 66 PRD 11 A Bemardo RD 50 50 50 PRD 11 C Bemardo RD 6 6 6 6 4 PRD 11 D Bemardo RD 6 6 6 6 4 PRD 11 D Bemardo RD 6 6 6 6 4 PRD 11 C Bemardo RD 6 6 6 6 4 PRD 11 C Bemardo RD 7 180 180 180 34 PRD 12 Lomair 180 180 180 34 PRD 13 A Pala Mesa 219 219 219 37 PRD 13 8 Stewart Canyon 34 34 34 5 PRD 16 Wynola 175 175 175 108 PRD 18 Harrison Park 259 259 243 PRD 20 Dalily Road 418 420 345 PRD 21 Pauma Heights 794 794 36 PRD 22 W Dougherty S1 5 5 5 3 PRD 23 Rock Terrace RD 76 76 76 76 PRD 23 ROck Terrace RD 76 76 76 4 PRD 23 ROck Terrace RD 76 76 76 4 PRD 23 ROck Terrace RD 76 76 76 76 PRD 24 Strick Shrincon Springs 34 34 34 6 PRD 24 Strick Shrincon Springs 34 34 34 6 PRD 25 Strick Shrincon Springs 34 34 34 6 PRD 26 RD 38 Gay Rio Terrace 80 30 30 30 22 PRD 38 Gay Rio Terrace 50 50 50 8 PRD 45 Rincon Springs 34 34 34 6 PRD 26 RD 38 Gay Rio Terrace 77 58 58 58 8 PRD 38 Gay Rio Terrace 78 39 39 5 PRD 54 Mit Helix 83 83 83 5 PRD 55 Roli Park Lane EY 31 31 31 35 PRD 56 Roli Park Lane EY 31 32 33 PRD 57 RD 60 River Drive 31 31 31 35 PRD 58 Roli Park Lane EY 39 39 5 PRD 56 Rolinbow Crest 42 42 42 PRD 58 ROS Grobive 39 39 39 5 PRD 75 RO Gry Rio Drive 42 42 42 PRD 75 A Gay Rio Drive 42 42 42 PRD 75 A Gay Rio Drive 42 42 42 PRD 75 Roly Drive 42 42 44 PRD 75 Roly Drive 44 42 44 PRD 75 Roly Drive 42 44 42 PRD 75 Roly Drive 44 42 44 PRD 75 Gardena Way 86 2 82					
PRD 6 Pouma Valley   \$ 291 291 14   PRD 8 Magee RD-PALA 342 342 342 11   PRD 9 8 Sorlate Fe 159 159 99   PRD 10 Davis Dr 36 36 36 36 6   PRD 11 A Bernardo RD 50 50 50 50   PRD 11 A Bernardo RD 50 50 50 50   PRD 11 D Bernardo RD 66 6 6 4 4   PRD 11 D Bernardo RD 26 26 26 4 9   PRD 11 D Bernardo RD 180 180 34   PRD 13 A Pola Mesa 219 219 219 37   PRD 13 B Stewart Canyon 34 34 34 5   PRD 13 B Stewart Canyon 34 37 175 108   PRD 18 Harrison Park 259 259 259 243   PRD 21 Pouma Heights 794 794 36   PRD 22 W Dougherty St 5 5 5 3   PRD 22 W Dougherty St 5 5 5 3   PRD 23 Noval Oaks-Carroll 42 42 42   PRD 24 MT Whitney RD 76 76 76 4 4   PRD 30 Royal Oaks-Carroll 49 Sunset Knolls Road 58 8 8 8   PRD 45 Rincon Springs 34 34 34 6   PRD 46 RD 50 Knoll Park Lane E	(Continued)	Origin	al Budget	Final Budget	Actual
PRD 8 Magee RD-PALA         342         342         11           PRD 9 B Santa Fe         159         159         9           PRD 11 D Davis Dr         36         36         6           PRD 11 A Bernardo RD         50         50         5           PRD 11 C Bernardo RD         6         6         6         4           PRD 11 D Bernardo RD         26         26         26         4           PRD 12 Lornair         180         180         34         34         34         5           PRD 13 A Pala Mesa         219         219         37         7         PRD 13 S Stewart Canyon         34         34         34         5         5         PRD 18 Marrison Park         259         259         223         259         259         238         2	Public ways and facilities:				
PRD 9 B Santa Fe PRD 10 Davis Dr PRD 11 D Bernardo RD PRD 12 C 26 PRD 13 B PRD 13 B Probable State Sta	PRD 6 Pauma Valley	\$	291	291	14
PRD 10 Davis Dr         36         36         6           PRD 11 A Bernardo RD         50         50         5           PRD 11 C Bernardo RD         6         6         4           PRD 11 D Bernardo RD         26         26         4           PRD 12 Lornair         180         180         34           PRD 13 A Pala Mesa         219         219         219         37           PRD 13 B Slewart Canyon         34         34         34         5           PRD 18 Harrison Park         259         259         259         243           PRD 18 Harrison Park         259         259         259         243           PRD 20 Daily Road         418         420         345           PRD 21 Pauma Heights         794         794         34           PRD 22 W Dougherty St         5         5         5         3           PRD 23 Rock Terrace RD         34         34         2           PRD 24 MT Whitney RD         76         76         76         4           PRD 38 Gay Rio Terrace         50         50         8           PRD 45 Riocan Springs         34         34         34         6           PRD 46 Rocoso R	PRD 8 Magee RD-PALA		342	342	11
PRD 11 A Bernardo RD         50         50         5           PRD 11 D Bernardo RD         6         6         4           PRD 11 D Bernardo RD         26         26         26           PRD 12 Lornair         180         180         34           PRD 13 A Pala Mesa         219         219         37           PRD 13 B Stewart Canyon         34         34         3         5           PRD 18 Harrison Park         259         259         243         34           PRD 20 Daily Road         418         420         345           PRD 21 Pauma Heights         794         794         36           PRD 22 W Dougherty St         5         5         5         3           PRD 23 Rock Terrace RD         34         34         34         2           PRD 24 MT Whitney RD         76         76         4         4         4         4         4         4         4         4         1         6         4         4         4         4         4         4         4         4         4         1         6         76         4         4         2         4         2         1         1         4         2	PRD 9 B Santa Fe		159	159	9
PRD 11 C Bernardo RD         6         6         4           PRD 11 D Bernardo RD         26         26         26         4           PRD 12 Lomair         180         380         34         34         RD         34         34         34         5         PRD 13 B Stewart Canyon         34         34         34         5         PRD 16 Wynola         175         175         108         RD         19 Harrison Park         259         259         243         PRD 20 Daily Road         418         420         345         PRD 21 Pauma Heights         794         794         34         34         34         22         PRD 22 W Dougherty St         5         5         5         3         PRD 23 Rock Terrace RD         34         34         34         2         2         PRD 23 Rock Terrace RD         34         34         34         2         2         PRD 23 Rock Terrace RD         34         34         34         2         2         RD 30 Rock Terrace RD         34         34         34         2         4         2         10         RD 30 Rock Terrace RD         36         34         34         34         4         2         4         10         RD 40 Rock Sock Sock Sock Sock Sock Sock Sock S	PRD 10 Davis Dr		36	36	6
PRD 11 D Bernardo RD         26         26         4           PRD 12 Lomair         180         180         34           PRD 13 A Pala Mesa         219         219         37           PRD 13 B Stewart Canyon         34         34         34           PRD 16 Wynola         175         175         108           PRD 18 Harrison Park         259         259         243           PRD 20 Daily Road         418         420         345           PRD 21 Pauma Heights         794         794         36           PRD 22 W Dougherty St         5         5         5         3           PRD 23 Rock Terrace RD         34         34         2           PRD 24 MT Whitney RD         76         76         4           PRD 30 Royal Oaks-Carroll         42         42         10           PRD 38 Gay Rio Terrace         50         50         8           PRD 45 Rincon Springs         34         34         6           PRD 46 Rocoso Road         28         28         5           PRD 47 Sunset Knolls Road         58         58         8           PRD 50 Knoll Park Lane EX         132         132         132         13      <	PRD 11 A Bernardo RD		50	50	5
PRD 12 Lomair         180         180         34           PRD 13 A Pala Mesa         219         219         37           PRD 13 B Stewart Canyon         34         34         34         5           PRD 18 Harrison Park         259         259         259         243           PRD 20 Daily Road         418         420         345           PRD 21 Pauma Heights         794         794         36           PRD 22 W Dougherty St         5         5         5         3           PRD 23 Rock Terrace RD         34         34         2           PRD 24 MT Whitney RD         76         76         76         4           PRD 38 Gary Rio Terrace         50         50         8           PRD 45 Rincon Springs         34         34         34         6           PRD 45 Rincon Springs         34         34         6           PRD 58 Road         88	PRD 11 C Bernardo RD		6	6	4
PRD 13 A Pala Mesa         219         219         37           PRD 13 B Stewart Canyon         34         34         34         5           PRD 16 Wynola         175         175         108         98         259         259         243         285         285         243         243         PRD 20 Daily Road         418         420         345         285         287         29         243         242         242         243         285         282         283         285         283         285         282         283         285         284         285         282         284         285         282         286         286         286         287         282         288         286         288         28	PRD 11 D Bernardo RD		26	26	4
PRD 13 B Stewart Canyon         34         34         35           PRD 16 Wynola         175         175         108           PRD 18 Harrison Park         259         259         243           PRD 20 Daily Road         418         420         345           PRD 21 Pauma Heights         794         794         36           PRD 22 W Dougherty St         5         5         5         3           PRD 23 Rock Terrace RD         34         34         34         2           PRD 24 MT Whitney RD         76         76         4           PRD 30 Royal Oaks-Carroll         42         42         10           PRD 38 Gay Rio Terrace         50         50         8           PRD 45 Rincon Springs         34         34         4           PRD 45 Rincon Springs         34         34         6           PRD 45 Rincon Springs         38         38         8	PRD 12 Lomair		180	180	34
PRD 16 Wynola       175       175       108         PRD 18 Harrison Park       259       259       243         PRD 20 Daily Road       418       420       345         PRD 21 Pauma Heights       794       794       36         PRD 22 W Dougherty St       5       5       5       3         PRD 23 Rock Terrace RD       34       34       34       2         PRD 24 MT Whitney RD       76       76       76       4         PRD 38 Gay Rio Terrace       50       50       50       8         PRD 38 Gay Rio Terrace       50       50       8         PRD 45 Rincon Springs       34       34       4         PRD 45 Rincon Springs       34       34       4         PRD 47 Sunset Knolls Road       28       28       5         PRD 48 Sunset Knolls Road       58       58       8         PRD 50 Knoll Park Lane       30       30       2         PRD 53 Knoll Park Lane EX       132       132       3         PRD 55 Rainbow Crest       400       400       35         PRD 56 Rinbow Crest       400       400       35         PRD 61 Green Meadow Way       187       187	PRD 13 A Pala Mesa		219	219	37
PRD 18 Harrison Park         259         259         243           PRD 20 Daily Road         418         420         345           PRD 21 Pauma Heights         794         794         36           PRD 22 W Dougherty St         5         5         5         3           PRD 23 Rock Terrace RD         34         34         2           PRD 24 MT Whitney RD         76         76         4           PRD 30 Royal Oaks-Carroll         42         42         10           PRD 38 Gay Rio Terrace         50         50         50           PRD 45 Rincon Springs         34         34         4           PRD 45 Rincon Springs         34         34         4           PRD 46 Roccso Road         28         28         5           PRD 49 Sunset Knolls Road         58         58         8           PRD 50 Knoll Park Lane         30         30         32           PRD 53 Knoll Park Lane EX         132         132         132           PRD 55 Rainbow Crest         400         400         35           PRD 55 Rainbow Crest         400         400         35           PRD 61 Green Meadow Way         187         187         6 <tr< td=""><td>PRD 13 B Stewart Canyon</td><td></td><td>34</td><td>34</td><td>5</td></tr<>	PRD 13 B Stewart Canyon		34	34	5
PRD 20 Daily Road       418       420       345         PRD 21 Pauma Heights       794       794       36         PRD 22 W Dougherty St       5       5       3         PRD 23 Rock Terrace RD       34       34       34       2         PRD 24 MT Whitney RD       76       76       76       4         PRD 30 Royal Oaks-Carroll       42       42       42       10         PRD 38 Gay Rio Terrace       50       50       50       8         PRD 45 Rincon Springs       34       34       4       6         PRD 46 Rocoso Road       28       28       28       5         PRD 49 Sunset Knolls Road       58       58       8         PRD 50 Knoll Park Lane       30       30       30       2         PRD 53 Knoll Park Lane EX       132       132       132       3         PRD 55 Rainbow Crest       400       400       35       8       9         PRD 55 Rainbow Crest       400       400       35       9       9       187       187       6         PRD 60 River Drive       31       31       31       5       6       6       9       9       39       39	PRD 16 Wynola		175	175	108
PRD 21 Pauma Heights       794       794       36         PRD 22 W Dougherty St       5       5       3         PRD 23 Rock Terrace RD       34       34       34       2         PRD 24 MT Whitney RD       76       76       76       4         PRD 30 Royal Oaks-Carroll       42       42       42       10         PRD 38 Gay Rio Terrace       50       50       8         PRD 45 Rincon Springs       34       34       6         PRD 46 Rocoso Road       28       28       28       5         PRD 49 Sunset Knolls Road       58       58       8       8         PRD 50 Knoll Park Lane       30       30       30       2         PRD 53 Knoll Park Lane EX       132       132       132       3         PRD 54 Mt Helix       83       83       83       5         PRD 55 Rainbow Crest       400       400       35         PRD 56 River Drive       31       31       31       5         PRD 60 River Drive       31       31       31       5         PRD 61 Green Meadow Way       187       187       6         PRD 75 B Gay Rio Drive       38       38       9	PRD 18 Harrison Park		259	259	243
PRD 22 W Dougherty St       5       5       3         PRD 23 Rock Terrace RD       34       34       2         PRD 24 MT Whitney RD       76       76       4         PRD 30 Royal Oaks-Carroll       42       42       10         PRD 38 Gay Rio Terrace       50       50       8         PRD 45 Rincon Springs       34       34       6         PRD 45 Rincon Springs       34       34       6         PRD 46 Rocoso Road       28       28       28       5         PRD 49 Sunset Knolls Road       58       58       8       8         PRD 50 Knoll Park Lane       30       30       2       2         PRD 53 Knoll Park Lane EX       132       132       3       3       5         PRD 54 Mt Helix       83       83       83       5         PRD 55 Rainbow Crest       400       400       35       5         PRD 60 River Drive       31       31       31       5         PRD 63 Hillview Road       593       593       14         PRD 75 A Gay Rio Drive       38       38       9         PRD 75 A Gay Rio Drive       39       39       39       5	PRD 20 Daily Road		418	420	345
PRD 22 W Dougherty St       5       5       3         PRD 23 Rock Terrace RD       34       34       2         PRD 24 MT Whitney RD       76       76       4         PRD 30 Royal Oaks-Carroll       42       42       10         PRD 38 Gay Rio Terrace       50       50       8         PRD 45 Rincon Springs       34       34       6         PRD 46 Rocoso Road       28       28       28       5         PRD 49 Sunset Knolls Road       58       58       8       8         PRD 50 Knoll Park Lane       30       30       30       2         PRD 53 Knoll Park Lane EX       132       132       132       3         PRD 55 Rainbow Crest       400       400       35         PRD 55 Rainbow Crest       400       400       35         PRD 60 River Drive       31       31       31       5         PRD 63 Hillview Road       593       593       14         PRD 75 A Gay Rio Drive       38       38       9         PRD 75 B Gay Rio Drive       39       39       5         PRD 75 Kingford Ct       17       17       17       4         PRD 77 Monfiel Truck Trail <t< td=""><td>PRD 21 Pauma Heights</td><td></td><td>794</td><td>794</td><td>36</td></t<>	PRD 21 Pauma Heights		794	794	36
PRD 24 MT Whitney RD       76       76       4         PRD 30 Royal Oaks-Carroll       42       42       10         PRD 38 Gay Rio Terrace       50       50       8         PRD 45 Rincon Springs       34       34       4         PRD 46 Roccoso Road       28       28       28       5         PRD 49 Sunset Knolls Road       58       58       8       8         PRD 50 Knoll Park Lane       30       30       2       2       2       3       2       2       3       3       2       2       3       5       8 <td>PRD 22 W Dougherty St</td> <td></td> <td>5</td> <td>5</td> <td>3</td>	PRD 22 W Dougherty St		5	5	3
PRD 30 Royal Oaks-Carroll       42       42       10         PRD 38 Gay Rio Terrace       50       50       8         PRD 45 Rincon Springs       34       34       6         PRD 46 Rocoso Road       28       28       5         PRD 49 Sunset Knolls Road       58       58       8         PRD 50 Knoll Park Lane       30       30       2         PRD 53 Knoll Park Lane EX       132       132       3         PRD 54 Mt Helix       83       83       5         PRD 55 Rainbow Crest       400       400       35         PRD 60 River Drive       31       31       31       5         PRD 61 Green Meadow Way       187       187       6         PRD 63 Hillview Road       593       593       14         PRD 70 El Camino Corto       38       38       9         PRD 75 A Gay Rio Drive       42       42       4         PRD 75 B Gay Rio Drive       39       39       5         PRD 76 Kingford Ct       17       17       4         PRD 77 Montiel Truck Trail       162       162       14         PRD 78 Gardena Way       82       82       2	PRD 23 Rock Terrace RD		34	34	2
PRD 38 Gay Rio Terrace       50       50       8         PRD 45 Rincon Springs       34       34       6         PRD 46 Rocoso Road       28       28       5         PRD 49 Sunset Knolls Road       58       58       8         PRD 50 Knoll Park Lane       30       30       2         PRD 53 Knoll Park Lane EX       132       132       3         PRD 54 Mt Helix       83       83       5         PRD 55 Rainbow Crest       400       400       35         PRD 60 River Drive       31       31       31       5         PRD 61 Green Meadow Way       187       187       6         PRD 63 Hillview Road       593       593       14         PRD 70 El Camino Corto       38       38       9         PRD 75 A Gay Rio Drive       42       42       4         PRD 75 B Gay Rio Drive       39       39       5         PRD 76 Kingford Ct       17       17       4         PRD 77 Montiel Truck Trail       162       162       14         PRD 78 Gardena Way       82       82       2	PRD 24 MT Whitney RD		76	76	4
PRD 45 Rincon Springs       34       34       6         PRD 46 Rocoso Road       28       28       5         PRD 49 Sunset Knolls Road       58       58       8         PRD 50 Knoll Park Lane       30       30       2         PRD 53 Knoll Park Lane EX       132       132       3         PRD 54 Mt Helix       83       83       5         PRD 55 Rainbow Crest       400       400       35         PRD 60 River Drive       31       31       31       5         PRD 61 Green Meadow Way       187       187       6         PRD 63 Hillview Road       593       593       14         PRD 70 El Camino Corto       38       38       9         PRD 75 A Gay Rio Drive       42       42       4         PRD 75 B Gay Rio Drive       39       39       5         PRD 76 Kingford Ct       17       17       4         PRD 77 Montiel Truck Trail       162       162       14         PRD 78 Gardena Way       82       82       2	PRD 30 Royal Oaks-Carroll		42	42	10
PRD 45 Rincon Springs       34       34       6         PRD 46 Rocoso Road       28       28       5         PRD 49 Sunset Knolls Road       58       58       8         PRD 50 Knoll Park Lane       30       30       2         PRD 53 Knoll Park Lane EX       132       132       3         PRD 54 Mt Helix       83       83       5         PRD 55 Rainbow Crest       400       400       35         PRD 60 River Drive       31       31       31       5         PRD 61 Green Meadow Way       187       187       6         PRD 63 Hillview Road       593       593       14         PRD 70 El Camino Corto       38       38       9         PRD 75 A Gay Rio Drive       42       42       4         PRD 75 B Gay Rio Drive       39       39       5         PRD 76 Kingford Ct       17       17       4         PRD 77 Montfiel Truck Trail       162       162       14         PRD 78 Gardena Way       82       82       2	PRD 38 Gay Rio Terrace		50	50	8
PRD 49 Sunset Knolls Road       58       58       8         PRD 50 Knoll Park Lane       30       30       2         PRD 53 Knoll Park Lane EX       132       132       3         PRD 54 Mt Helix       83       83       5         PRD 55 Rainbow Crest       400       400       35         PRD 60 River Drive       31       31       5         PRD 61 Green Meadow Way       187       187       6         PRD 63 Hillview Road       593       593       14         PRD 70 El Camino Corto       38       38       9         PRD 75 A Gay Rio Drive       42       42       4         PRD 75 B Gay Rio Drive       39       39       5         PRD 76 Kingford Ct       17       17       4         PRD 77 Montiel Truck Trail       162       162       14         PRD 78 Gardena Way       82       82       2			34	34	6
PRD 50 Knoll Park Lane       30       30       2         PRD 53 Knoll Park Lane EX       132       132       3         PRD 54 Mt Helix       83       83       5         PRD 55 Rainbow Crest       400       400       400       35         PRD 60 River Drive       31       31       31       5         PRD 61 Green Meadow Way       187       187       6         PRD 63 Hillview Road       593       593       14         PRD 70 El Camino Corto       38       38       9         PRD 75 A Gay Rio Drive       42       42       4         PRD 75 B Gay Rio Drive       39       39       5         PRD 76 Kingford Ct       17       17       4         PRD 77 Montiel Truck Trail       162       162       14         PRD 78 Gardena Way       82       82       2	PRD 46 Rocoso Road		28	28	5
PRD 53 Knoll Park Lane EX       132       132       3         PRD 54 Mt Helix       83       83       5         PRD 55 Rainbow Crest       400       400       35         PRD 60 River Drive       31       31       31       5         PRD 61 Green Meadow Way       187       187       6         PRD 63 Hillview Road       593       593       14         PRD 70 El Camino Corto       38       38       9         PRD 75 A Gay Rio Drive       42       42       4         PRD 75 B Gay Rio Drive       39       39       5         PRD 76 Kingford Ct       17       17       4         PRD 77 Montiel Truck Trail       162       162       14         PRD 78 Gardena Way       82       82       2	PRD 49 Sunset Knolls Road		58	58	8
PRD 54 Mt Helix       83       83       5         PRD 55 Rainbow Crest       400       400       35         PRD 60 River Drive       31       31       31       5         PRD 61 Green Meadow Way       187       187       6         PRD 63 Hillview Road       593       593       14         PRD 70 El Camino Corto       38       38       9         PRD 75 A Gay Rio Drive       42       42       4         PRD 75 B Gay Rio Drive       39       39       5         PRD 76 Kingford Ct       17       17       4         PRD 77 Montiel Truck Trail       162       162       14         PRD 78 Gardena Way       82       82       2	PRD 50 Knoll Park Lane		30	30	2
PRD 55 Rainbow Crest       400       400       35         PRD 60 River Drive       31       31       31       5         PRD 61 Green Meadow Way       187       187       6         PRD 63 Hillview Road       593       593       14         PRD 70 El Camino Corto       38       38       9         PRD 75 A Gay Rio Drive       42       42       4         PRD 75 B Gay Rio Drive       39       39       5         PRD 76 Kingford Ct       17       17       4         PRD 77 Montiel Truck Trail       162       162       14         PRD 78 Gardena Way       82       82       2	PRD 53 Knoll Park Lane EX		132	132	3
PRD 60 River Drive       31       31       5         PRD 61 Green Meadow Way       187       187       6         PRD 63 Hillview Road       593       593       14         PRD 70 El Camino Corto       38       38       9         PRD 75 A Gay Rio Drive       42       42       4         PRD 75 B Gay Rio Drive       39       39       5         PRD 76 Kingford Ct       17       17       4         PRD 77 Montiel Truck Trail       162       162       14         PRD 78 Gardena Way       82       82       2	PRD 54 Mt Helix		83	83	5
PRD 61 Green Meadow Way       187       187       6         PRD 63 Hillview Road       593       593       14         PRD 70 El Camino Corto       38       38       9         PRD 75 A Gay Rio Drive       42       42       4         PRD 75 B Gay Rio Drive       39       39       5         PRD 76 Kingford Ct       17       17       4         PRD 77 Montiel Truck Trail       162       162       14         PRD 78 Gardena Way       82       82       2	PRD 55 Rainbow Crest		400	400	35
PRD 63 Hillview Road       593       593       14         PRD 70 El Camino Corto       38       38       9         PRD 75 A Gay Rio Drive       42       42       4         PRD 75 B Gay Rio Drive       39       39       5         PRD 76 Kingford Ct       17       17       4         PRD 77 Montiel Truck Trail       162       162       14         PRD 78 Gardena Way       82       82       2	PRD 60 River Drive		31	31	5
PRD 63 Hillview Road       593       593       14         PRD 70 El Camino Corto       38       38       9         PRD 75 A Gay Rio Drive       42       42       4         PRD 75 B Gay Rio Drive       39       39       5         PRD 76 Kingford Ct       17       17       4         PRD 77 Montiel Truck Trail       162       162       14         PRD 78 Gardena Way       82       82       2	PRD 61 Green Meadow Way		187	187	6
PRD 75 A Gay Rio Drive       42       42       4         PRD 75 B Gay Rio Drive       39       39       5         PRD 76 Kingford Ct       17       17       4         PRD 77 Montiel Truck Trail       162       162       14         PRD 78 Gardena Way       82       82       2			593	593	14
PRD 75 B Gay Rio Drive       39       39       5         PRD 76 Kingford Ct       17       17       4         PRD 77 Montiel Truck Trail       162       162       14         PRD 78 Gardena Way       82       82       2	PRD 70 El Camino Corto		38	38	9
PRD 75 B Gay Rio Drive       39       39       5         PRD 76 Kingford Ct       17       17       4         PRD 77 Montiel Truck Trail       162       162       14         PRD 78 Gardena Way       82       82       2	PRD 75 A Gay Rio Drive		42	42	4
PRD 76 Kingford Ct       17       17       4         PRD 77 Montiel Truck Trail       162       162       14         PRD 78 Gardena Way       82       82       2	,		39	39	5
PRD 77 Montiel Truck Trail       162       162       14         PRD 78 Gardena Way       82       82       2	•		17	17	4
PRD 78 Gardena Way 82 82 2	-		162	162	14
				82	2
	•		255	255	
PRD 88 East Fifth St 27 27 4					
PRD 90 South Cordoba \$ 27 27 2		\$	27	27	2





SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGI	ES IN FUND	BALANCE -		
BUDGET AND ACTUAL				
COUNTY SERVICE DISTRICT FUNDS				
For the Year Ended June 30, 2022				
(In Thousands)		0:: 15 1	F: 15 1 1	
(Continued)		Original Budget	Final Budget	Actual
PRD 94 Roble Grande Road	\$	503	503	7
PRD 95 Valle Del Sol		310	310	7
PRD 99 Via Allondra Del Corvo		45	45	5
PRD 101 A Hi Ridge Rd		37	37	10
PRD 101 Johnson Lake		74	74	8
PRD 102 Mtn Meadow		169	169	15
PRD 103 Alto Drive		160	160	8
PRD 104 Artesian Rd		51	51	41
PRD 105 A Alta Loma Dr		76	76	8
PRD 105 Alta Loma Dr		71	71	9
PRD 106 Garrison Way ET AL		50	50	6
PRD 117 Legend Rock		352	352	10
PRD 123 Mizpah Lane		39	39	4
PRD 125 Wrightwood Road		23	23	3
PRD 126 Sandhurst Way		7	7	3
PRD 127 Singing Trails Dr		14	14	4
PRD 130 Wilkes Road		269	269	18
PRD 133 Ranch Creek Road		98	98	6
PRD 134 Kenora Lane		90	90	21
PRD 1003 Alamo Way		20	20	5
PRD 1005 Eden Valley Lane		99	99	5
PRD 1008 Canter		6	6	3
PRD 1010 Alpine Highlands		417	417	402
PRD 1011 La Cuesta		77	77	2
PRD 1012 Millar		74	74	5
PRD 1013 Singing Trails		56	56	7
PRD 1014 Lavender Pt Lane		24	24	3
PRD 1015 Landavo Drive ET AL		50	50	14
PRD 1016 El Sereno Way		88	88	7
PRD 1017 Kalbaugh-Haley-Toub St		57	57	26
Total public ways and facilities		8,867	8,869	1,701
Health and sanitation:				
CSA 17 San Dieguito Ambulance		5,690	11,503	5,386
CSA 69 Heartland Paramedics		8,931	18,548	8,584
PRD 122 Otay Mesa East		7	7	
PRD 136 Sundance Detention Basin		24	24	15
Total health and sanitation	\$	14,652	30,082	13,985



SCHEDULE OF REVENUES, EXPENDITURES, AND CHANG	2ES IN FIIN	D BALANCE -		
BUDGET AND ACTUAL	JLJ III I UIII	D DALANCL -		
COUNTY SERVICE DISTRICT FUNDS				
For the Year Ended June 30, 2022				
(In Thousands)				
(Continued)		Original Budget	Final Budget	Actual
Recreation and cultural:				
CSA 26 LMD Zone 2 Julian	\$	50	50	28
CSA 26 Rancho San Diego		172	179	100
CSA 26 San Diego landscape maintenance		136	136	105
CSA 81 Fallbrook Park		216	301	292
CSA 83 San Dieguito Local Park		1,182	1,205	655
CSA 83A 4S Ranch Park		783	845	797
CSA 128 San Miguel Park		405	517	505
CSA 138 Valley Center Park		364	364	203
PRD 26 A Cottonwood Village		240	240	145
PRD 26 B Monte Vista		185	185	164
Total recreation and cultural		3,733	4,022	2,994
Debt service:				
Principal		23	23	
Total expenditures		29,837	45,560	20,682
Excess (deficiency) of revenues over (under) expenditures		(6,577)	(22,295)	5,453
Other financing sources (uses):				
Transfers In		15,130	300	
Transfers out		(10,455)	(4,687)	(2,895)
Total other financing sources (uses)		4,675	(4,387)	(2,895)
Net change in fund balances		(1,902)	(26,682)	2,558
Fund balances at beginning of year		36,337	36,337	36,337
Increase (decrease) in nonspendable inventories			(4)	(4)
Fund balances at end of year	\$	34,435	9,651	38,891

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUI BUDGET AND ACTUAL EDGEMOOR DEVELOPMENT FUND For the Year Ended June 30, 2022 (In Thousands)	ND BALAN	CE -		
(iii iiioosaiias)		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	\$	569	569	44
Aid from other governmental agencies:				
Federal		1,377	1,377	1,085
Other				1
Total revenues		1,946	1,946	1,130
Expenditures:				
Current:				
General government:				
Edgemoor development fund		232	232	68
Total general government		232	232	68
Total expenditures		232	232	68
Excess (deficiency) of revenues over (under) expenditures		1,714	1,714	1,062
Other financing sources (uses):				
Transfers out		(8,566)	(8,566)	(8,394)
Total other financing sources (uses)		(8,566)	(8,566)	(8,394)
Net change in fund balances		(6,852)	(6,852)	(7,332)
Fund balances at beginning of year		15,758	15,758	15,758
Fund balances at end of year	\$	8,906	8,906	8,426

(27)

18,704

18,731

(27)

33,831

Increase (decrease) in nonspendable inventories

Fund balances at end of year

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES	IN FUND BALANCE -		
BUDGET AND ACTUAL			
FLOOD CONTROL DISTRICT FUND			
For the Year Ended June 30, 2022			
(In Thousands)			
	Original Budget	Final Budget	Actual
Revenues:			
Taxes	\$ 4,944	4,944	5,980
Revenue from use of money and property	114	114	(827)
Aid from other governmental agencies:			
State			33
Other	160	160	31
Charges for current services	275	276	856
Other			83
Total revenues	5,493	5,494	6,156
Expenditures:			
Current:			
Public protection:			
Flood control district	18,166	19,045	4,672
Stormwater maintenance, Blackwolf	13	13	1
Stormwater maintenance, Lake Rancho Viejo	170	169	101
Stormwater maintenance, Ponderosa Estates	13	13	1
Total public protection	18,362	19,240	4,775
Capital outlay	665	665	665
Debt service:			
Principal	34	34	34
Total expenditures	19,061	19,939	5,474
Excess (deficiency) of revenues over (under) expenditures	(13,568)	(14,445)	682
Other financing sources (uses):			
Transfers In	1,290	2,167	2,167
Total other financing sources (uses)	1,290	2,167	2,167
Net change in fund balances	(12,278)	(12,278)	2,849
Fund balances at beginning of year	31,009	31,009	31,009
		(07)	(07)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FU BUDGET AND ACTUAL HARMONY GROVE COMMUNITY FACILITIES DISTRICT FUND	JND BALANCE -			
For the Year Ended June 30, 2022				
(In Thousands)				
	Origi	nal Budget	Final Budget	Actual
Revenues:				
Taxes	\$	816	816	837
Revenue from use of money and property		17	17	(29)
Aid from other governmental agencies:				
Charges for current services		37	37	12
Total revenues		870	870	820
Expenditures:				
Current:				
Public protection:				
Harmony Grove CFD 08-01 flood control spec tax B		250	250	
Total public protection		250	250	
Public ways and facilities:				
Harmony Grove CFD 08-01 oth svcs spec tax B		454	454	145
Harmony Grove CFD 08-01 fire protection		455	455	438
Harmony Grove CFD 08-01 improvement		9,304	9,304	6,976
Total public ways and facilities		10,213	10,213	7,559
Total expenditures		10,463	10,463	7,559
Excess (deficiency) of revenues over (under) expenditures		(9,593)	(9,593)	(6,739)
Net change in fund balances		(9,593)	(9,593)	(6,739)
Fund balance at beginning of year		10,377	10,377	10,377
Fund balances at end of year	\$	784	784	3,638

70

83

83

Fund balances at end of year

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE BUDGET AND ACTUAL HOUSING AUTHORITY - LOW AND MODERATE INCOME For the Year Ended June 30, 2022				
(In Thousands)				
	Original E	Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	\$	15	15	(12)
Aid from other governmental agencies:				
Other		11	11	
Total revenues		26	26	(12)
Expenditures:				
Current:				
Public assistance:				
Other assistance - other budgetary entity		26	26	1
Total public assistance		26	26	1
Total expenditures		26	26	1
Excess (deficiency) of revenues over (under) expenditures				(13)
Net change in fund balances				(13)
Fund balances at beginning of year		83	83	83

Fund balances at end of year

10,379

11,089

10,379

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SCHEDULE OF REVENUES, EXPENDITURES, AND CHANG BUDGET AND ACTUAL HOUSING AUTHORITY - OTHER FUND For the Year Ended June 30, 2022	ES IN FUI	ND BALANCE -		
(In Thousands)		Ovinin al Bustoni	Final Bundarak	المالية المالية
Davis		Original Budget	Final Budget	Actual
Revenues:	\$	1.278	1.278	1.056
Revenue from use of money and property	φ	1,276	1,2/0	1,036
Aid from other governmental agencies:  Federal		174,970	174,970	166.629
Other		5,189	5.189	362
Charges for current services		4.320	4.320	3.978
Other		2,557	2,557	126
Total revenues		188,314	188,314	172,151
Expenditures:			100,011	., 2,
Current:				
Public assistance:				
Other assistance - other budgetary entity		189,407	189,017	172,284
Total public assistance		189,407	189,017	172,284
Debt service:				
Principal		165	165	154
Interest		16	16	10
Total expenditures		189,588	189,198	172,448
Excess (deficiency) of revenues over (under) expenditures		(1,274)	(884)	(297)
Other financing sources (uses):				
Transfers out		(191)	(581)	(458)
Total other financing sources (uses)		(191)	(581)	(458)
Net change in fund balances		(1,465)	(1,465)	(755)
Fund balances at beginning of year		11,844	11,844	11,844

\$

(79)

101

22

(3)

101

98

(3)

101

98

Net change in fund balances

Fund balances at end of year

Fund balances at beginning of year

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#### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL** IN HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY FUND For the Year Ended June 30, 2022 (In Thousands) Original Budget Final Budget Actual Revenues: (42)Revenue from use of money and property Aid from other governmental agencies: \$ 1.711 1.711 1.843 Charges for current services 1,711 1,711 1,801 Total revenues Expenditures: Current: Public assistance: 37,445 37,445 35,149 IHSS public authority Total public assistance 37,445 37,445 35,149 Debt service: 106 106 106 Principal Interest 37,551 35,258 37,551 Total expenditures Excess (deficiency) of revenues over (under) expenditures (35,840) (35,840) (33,457) Other financing sources (uses): 35,837 35,837 33,378 Transfers In 35,837 35,837 33,378 Total other financing sources (uses)

\$

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN F	UND BALANCE -			
BUDGET AND ACTUAL				
INACTIVE WASTESITES FUND				
For the Year Ended June 30, 2022				
(In Thousands)	Out at	and December at	Fig. at D. salasak	A = 4
	Origir	nal Budget	Final Budget	Actual
Revenues:	_			
Revenue from use of money and property	\$	245	245	(811)
Aid from other governmental agencies:				
State		375	375	696
Federal		44	43	17
Charges for current services		5,895	5,895	44
Total revenues		6,559	6,558	(54)
Expenditures:				
Current:				
Health and sanitation:				
Duck pond landfill cleanup		15	15	
Inactive waste site management		8,709	8,712	7,361
Total health and sanitation		8,724	8,727	7,361
Total expenditures		8,724	8,727	7,361
Excess (deficiency) of revenues over (under) expenditures		(2,165)	(2,169)	(7,415)
Other financing sources (uses):				
Transfers In			4	4
Transfers out		(57)	(57)	(44)
Total other financing sources (uses)		(57)	(53)	(40)
Net change in fund balances		(2,222)	(2,222)	(7,455)
Fund balances at beginning of year		57,665	57,665	57,665
Fund balances at end of year	\$	55,443	55,443	50,210

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN	N FUND BALANCE -			
BUDGET AND ACTUAL	110115 57 127 11102			
INMATE WELFARE PROGRAM FUND				
For the Year Ended June 30, 2022				
(In Thousands)				
	Original Bu	dget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	\$	152	152	(103)
Aid from other governmental agencies:				
Other		20	20	22
Total revenues		172	172	(81)
Expenditures:				
Current:				
Public protection:				
Probation inmate welfare		2	2	
Sheriff's inmate welfare - adult detention		4,134	4,133	1,378
Total public protection		4,136	4,135	1,378
Total expenditures		4,136	4,135	1,378
Excess (deficiency) of revenues over (under) expenditures		(3,964)	(3,963)	(1,459)
Other financing sources (uses):				
Transfers In		3,126	3,125	2,698
Transfers out		(1,688)	(1,688)	(1,000)
Total other financing sources (uses)		1,438	1,437	1,698
Net change in fund balances		(2,526)	(2,526)	239
Fund balances at beginning of year		16,142	16,142	16,142
Increase (decrease) in nonspendable inventories			(96)	(96)
Fund balances at end of year	\$	13,616	13,520	16,285

Increase (decrease) in nonspendable inventories

Fund balances at end of year

(13)

4,658

4,671

(13) 5,340

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN	FUND BALANCE -		
BUDGET AND ACTUAL LIGHTING MAINTENANCE DISTRICT FUND For the Year Ended June 30, 2022			
(In Thousands)	Original Budget	Final Budget	Actual
Revenues:	Shighlidi bodgor	Tillal boagot	7.01001
Taxes	\$ 1,3	1,332	1,460
Revenue from use of money and property		78 78	(120)
Aid from other governmental agencies:			
State		8 8	8
Other			2
Charges for current services	8	855 855	890
Total revenues	2,2	2,273	2,240
Expenditures:			
Current:			
Public ways and facilities:			
San Diego lighting maintenance	2,8	7	2,095
Total public ways and facilities	2,8	05 2,805	2,095
Debt service:			
Principal		515 515	517
Interest		11 11	4
Total expenditures	3,3		2,616
Excess (deficiency) of revenues over (under) expenditures	(1,05	, , ,	(376)
Net change in fund balances	(1,03		(376)
Fund balances at beginning of year	5,7	· ·	5,729
		(10)	(10)

5,098

5,098

6,982

Fund balances at end of year

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FU	IND BALANCE -			
OTHER SPECIAL REVENUE FUNDS				
For the Year Ended June 30, 2022				
(In Thousands)				
	Origina	l Budget	Final Budget	Actual
Revenues:				
Fines, forfeitures and penalties	\$	96	96	130
Revenue from use of money and property				(191)
Aid from other governmental agencies:				
State		236	236	239
Charges for current services		3,354	3,354	3,387
Total revenues		3,686	3,686	3,565
Expenditures:				
Current:				
Public protection:				
Agriculture, weights and measures - fish and game		18	18	18
Grazing advisory board		9	9	
Public works, survey		270	270	31
Total public protection		297	297	49
Health and sanitation:				
Sanitation - waste planning and recycling		4,241	4,249	2,480
Total health and sanitation		4,241	4,249	2,480
Capital outlay		165	165	165
Total expenditures		4,703	4,711	2,694
Excess (deficiency) of revenues over (under) expenditures		(1,017)	(1,025)	871
Other financing sources (uses):				
Transfers in			7	7
Transfers out		(78)	(77)	(89)
Total other financing sources (uses)		(78)	(70)	(82)
Net change in fund balances		(1,095)	(1,095)	789
Fund balances at beginning of year		6,193	6,193	6,193

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -						
BUDGET AND ACTUAL						
PARK LAND DEDICATION FUND						
For the Year Ended June 30, 2022						
(In Thousands)						
	Origir	nal Budget	Final Budget	Actual		
Revenues:	Ť		•			
Licenses, permits and franchise fees	\$	750	750	5,134		
Revenue from use of money and property		37	37	(671)		
Aid from other governmental agencies:						
Total revenues		787	787	4,463		
Expenditures:						
Current:						
Recreation and cultural:						
PLD administrative fee		751	751	36		
Local Park Planning Area 15 Sweetwater		2	2	1		
Local Park Planning Area 20 Spring Valley		1	1	(1)		
Local Park Planning Area 25 Lakeside		5	5			
Local Park Planning Area 26 Crest		1	1			
Local Park Planning Area 27 Alpine		4	904	535		
Local Park Planning Area 28 Ramona		117	1,017	2		
Local Park Planning Area 29 Escondido		1	1			
Local Park Planning Area 30 San Marcos		2	2			
Local Park Planning Area 31 San Dieguito		2	2	2		
Local Park Planning Area 32 Carlsbad		2	2			
Local Park Planning Area 35 Fallbrook		11	11			
Local Park Planning Area 36 Bonsall		4	4	2		
Local Park Planning Area 37 Vista		1	1			
Local Park Planning Area 38 Valley Center		40	40	4		
Local Park Planning Area 39 Pauma		1	1			
Local Park Planning Area 40 Palomar-Julian		332	332			
Local Park Planning Area 41 Mount Empire		1	1			
Local Park Planning Area 42 Anza-Borrego		1	1	1		
Local Park Planning Area 45 Valle de Oro		1	1	(1)		
Total recreation and cultural		1,280	3,080	581		
Total expenditures		1,280	3,080	581		
Excess (deficiency) of revenues over (under) expenditures		(493)	(2,293)	3,882		
Other financing sources (uses):						
Transfers out		(6,550)	(6,629)	(348)		
Total other financing sources (uses)		(6,550)	(6,629)	(348)		
Net change in fund balances	<u> </u>	(7,043)	(8,922)	3,534		
Fund balances at beginning of year		26,528	26,528	26,528		
Fund balances at end of year	\$	19,485	17,606	30,062		

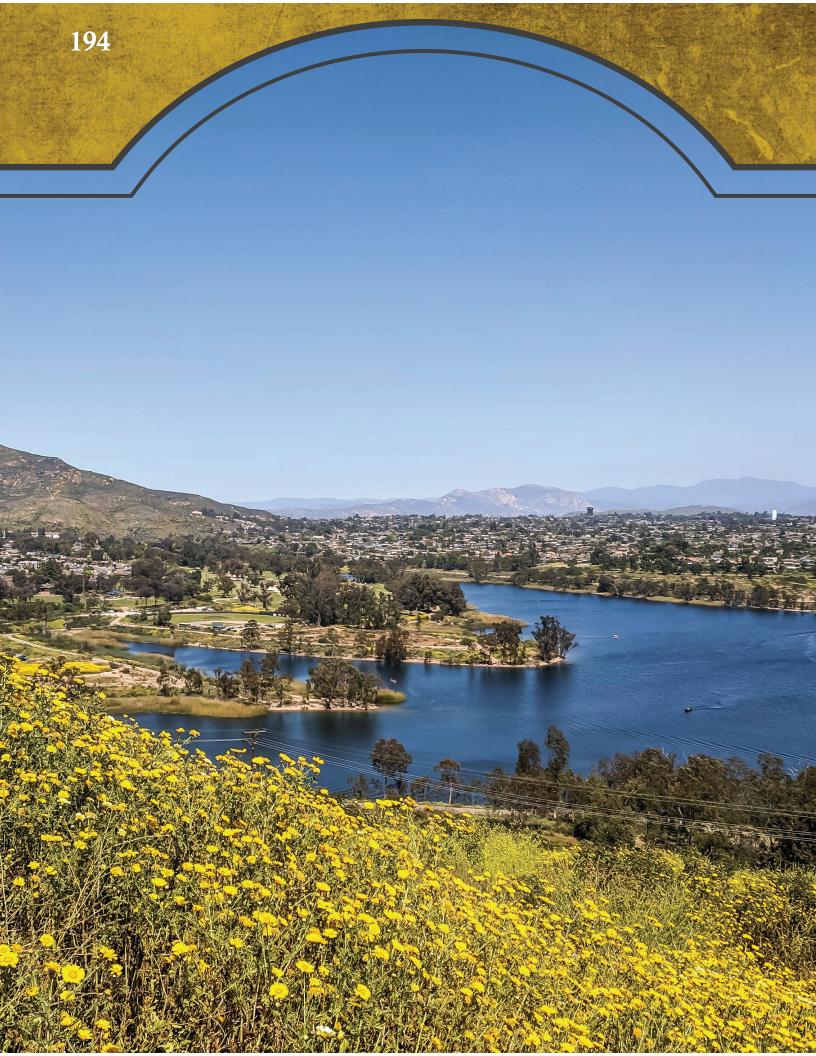
Fund balances at end of year

112,865

102,024

227,175

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN	FUND BALANCE -			
BUDGET AND ACTUAL				
ROAD FUND				
For the Year Ended June 30, 2022				
(In Thousands)	Origina	al Budget	Final Budget	Actual
Payanuag	Origina	л воаgeт	rinai buagei	ACIUUI
Revenues:	\$	6,000	6,000	7,855
Licenses, permits and franchise fees	Φ	1,525	1,526	(5,076)
Revenue from use of money and property		1,323	1,320	(3,076)
Aid from other governmental agencies:		1.40.401	1.42.017	107.01.4
State		142,481	143,817	107,914
Federal		25,768	28,457	6,090
Other		10140	1,041	224
Charges for current services		18,149	18,150	16,516
Other		811	811	275
Total revenues		194,734	199,802	133,798
Expenditures:				
Current:				
Public ways and facilities:				
Public works, road		250,495	268,677	77,394
Total public ways and facilities		250,495	268,677	77,394
Capital outlay		54,437	54,437	54,325
Debt Service:				
Principal		93	93	93
Interest		1	1	1
Total expenditures		305,026	323,208	131,813
Excess (deficiency) of revenues over (under) expenditures		(110,292)	(123,406)	1,985
Other financing sources (uses):				
Transfers In		11,703	13,998	13,673
Transfers out		(1,893)	(1,893)	(1,808)
Total other financing sources (uses)		9,810	12,105	11,865
Net change in fund balances		(100,482)	(111,301)	13,850
Fund Balances at the beginning of year		213,347	213,347	213,347
Increase (decrease) in nonspendable inventories			(22)	(22)
	Φ.	1100/5	100.004	007.175



#### NONMAJOR ENTERPRISE FUNDS

#### **Jail Stores Commissary Fund**

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

## San Diego County Sanitation District Fund

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

#### **Sanitation District - Other Fund**

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

COMBINING STATEMENT OF NET POSITION				
NONMAJOR ENTERPRISE FUNDS				
June 30, 2022				
(In Thousands)				
	 ail Stores mmissary Fund	San Diego County Sanitation District Fund	Sanitation District - Other Fund	Total Other Enterprise Funds
ASSETS				
Current assets:				
Pooled cash and investments	\$ 1,350	60,989	8,632	70,971
Receivables, net	420	185	50	655
Due from other funds		22	270	292
Inventories	217		1	218
Total current assets	1,987	61,196	8,953	72,136
Noncurrent assets:				
Capital assets:				
Land		1,069	20	1,089
Construction in progress		5,002	678	5,680
Buildings and improvements		18,527	721	19,248
Equipment	155	3,746	701	4,602
Sewer infrastructure		112,515		112,515
Accumulated depreciation/amortization	(155)	(61,624)	(828)	(62,607)
Total noncurrent assets		79,235	1,292	80,527
Total assets	1,987	140,431	10,245	152,663
DEFERRED OUTFLOWS OF RESOURCES				
Pension: Contributions to the pension plan subsequent to the measurement date Changes in proportionate share and differences between			1,265	1,265
employer's contributions and proportionate share of contributions			57	57
Changes of assumptions or other inputs			362	362
Difference between expected and actual experience in the total pension liability			261	261
OPEB:			47	17
Contributions to OPEB subsequent to the measurement date			47	47
Total deferred outflows of resources			1,992	1,992



COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS				
June 30, 2022				
(In Thousands)				
(iii iiioosanas)		San Diego		
	Jail Stores	County	Sanitation	Total Other
	Commissary	Sanitation	District -	Enterprise
(Continued)	Fund	District Fund	Other Fund	Funds
LIABILITIES				_
Current liabilities:				
Accounts payable	274	360	119	753
Accrued payroll			156	156
Due to other funds	1,376	293	445	2,114
Compensated absences			93	93
Total current liabilities	1,650	653	813	3,116
Noncurrent liabilities:				
Compensated absences			166	166
Net pension liability			5,528	5,528
Net OPEB liability			205	205
Total noncurrent liabilities			5,899	5,899
Total liabilities	1,650	653	6,712	9,015
DEFERRED INFLOWS OF RESOURCES				
Pension:				
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions			5	5
Differences between expected and actual experience in the total			3	3
pension liability			48	48
Net difference between projected and actual earnings on pension			2.551	2.551
plan investments			2,551	2,604
Total deferred inflows of resources			2,604	2,604
NET POSITION		79.077	1.292	80.369
Net investment in capital assets	337	79,077 60,701	1,292	62,667
Unrestricted net position		139,778	2.921	143,036
Total net position	\$ 337	137,//8	۷,۶۷۱	143,036

Change in net position

Net position (deficits) at beginning of year

Net position (deficits) at end of year

15,995

123,783

139,778

833

2,088

2,921

16,823

126,213

143,036

(5)

342

337

\$

COMBINING STATEMENT OF REVENUES, EXPENSES, A NONMAJOR ENTERPRISE FUNDS	AND CHANC	SES IN NI	ET POSITION		
For the Year Ended June 30, 2022					
(In Thousands)					
(iii iiioosaiias)	Io	il Stores	San Diego	Sanitation	Total Other
		mmissary	County Sanitation	District - Other	Enterprise
		Fund	District Fund	Fund	Funds
Operating revenues:					
Charges for current services	\$	6,476	29,367	8,119	43,962
Total operating revenues		6,476	29,367	8,119	43,962
Operating expenses:					
Salaries and employee benefits				4,861	4,861
Repairs and maintenance		22	4,947	797	5,766
Equipment rental		8		1,297	1,305
Sewage processing			15,896		15,896
Contracted services		357		1,061	1,418
Depreciation		1	2,821	62	2,884
Utilities				63	63
Cost of material		2,065			2,065
Fuel		7			7
Other		548	1,439	571	2,558
Total operating expenses		3,008	25,103	8,712	36,823
Operating income (loss)		3,468	4,264	(593)	7,139
Nonoperating revenues (expenses):					
Grants				60	60
Investment earnings		(30)	(1,346)	(47)	(1,423)
Total nonoperating revenues (expenses)		(30)	(1,346)	13	(1,363)
Income (loss) before capital contributions and transfers		3,438	2,918	(580)	5,776
Transfers in			13,077	2,643	15,720
Transfers out		(3,443)		(1,230)	(4,673)
			15.005		1 / 000

COMBINING STATEMENT OF CASH FLOWS					
NONMAJOR ENTERPRISE FUNDS					
For the Year Ended June 30, 2022					
(In Thousands)					
( moosanas)			San Diego		
		Jail Stores	County	Sanitation	Total Other
	C	Commissary	Sanitation	District -	Enterprise
		Fund	District Fund	Other Funds	Funds
Cash flows from operating activities:					
Cash received from customers	\$	6,353	29,396	492	36,241
Cash received from other funds			108	7,686	7,794
Cash payments to suppliers		(2,980)	(22,225)	(2,319)	(27,524)
Cash payments to employees				(5,780)	(5,780)
Cash payments to other funds		(32)	(556)	(1,275)	(1,863)
Other payments		(3)			(3)
Net cash provided (used) by operating activities		3,338	6,723	(1,196)	8,865
Cash flows from noncapital financing activities:					
Operating grants				58	58
Transfers from other funds			13,077	2,643	15,720
Transfers to other funds		(3,443)		(1,230)	(4,673)
Net cash provided (used) by noncapital financing activities		(3,443)	13,077	1,471	11,105
Cash flows from capital and related financing activities:					
Acquisition of capital assets			(3,397)	(408)	(3,805)
Proceeds from sale of assets		209			209
Net cash provided (used) by capital and related financing activities		209	(3,397)	(408)	(3,596)
Cash flows from investing activities:					
Investment earnings		(31)	(1,409)	(51)	(1,491)
Net increase (decrease) in cash and cash equivalents		73	14,994	(184)	14,883
Cash and cash equivalents - beginning of year		1,277	45,995	8,816	56,088
Cash and cash equivalents - end of year		1,350	60,989	8,632	70,971
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)		3,468	4,264	(593)	7,139
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Decrease (increase) in receivables		(123)	29	15	(79)
Decrease (increase) in due from other funds			108	44	152
Decrease (increase) in inventories		7			7
Increase (decrease) in accounts payable		(431)	(289)	99	(621)
Increase (decrease) in due to other funds		416	(210)	96	302
Increase (decrease) in compensated absences				(91)	(91)
Pension expense				(789)	(789)
OPEB expense				(39)	(39)
Depreciation / amortization		1	2,821	62	2,884
Total adjustments		(130)	2,459	(603)	1,726
Net cash provided (used) by operating activities	\$	3,338	6,723	(1,196)	8,865
Non-cash investing and capital financing activities:				( /	
Capital acquisitions included in accounts payable	\$		156		156
the state of the s					



#### INTERNAL SERVICE FUNDS

Internal service funds are established to account for services furnished to other County departments and are financed primarily by these service charges. Because they are exempt from budgetary control, they are free to employ commercial accounting techniques, and are often used in situations where a more accurate determination of operating results is desired.

## **Employee Benefits Fund**

This fund was established to account for workers' compensation and unemployment insurance. Specifically, for workers' compensation the fund includes: claims payment, the actuarial liability, insurance costs and contributions by various departments.

# **Facilities Management Fund**

This fund was established to account for the financing of facilities maintenance, public service utilities, property management, project management, architectural and engineering services, real estate acquisition and leasing, and mail services provided to County departments on a cost reimbursement basis.

## **Fleet Services Fund**

This fund was established to account for the maintenance, repair, fuel, and financing of Fleet vehicles provided to County departments on a cost reimbursement basis.

#### **Information Technology Fund**

This fund was established to account for telecommunications services provided to County departments on a cost reimbursement basis.

#### **Public Liability Insurance Fund**

This fund was established to account for all of the County's public liability claims and related expenses in compliance with the applicable provisions of the law.

# **Purchasing Fund**

This fund was established to account for the procurement of services, materials, and supplies provided to County departments and provides record storage services; all on a cost reimbursement basis.

## **Road and Communication Equipment Fund**

This fund was established to account for the financing of Public Works' road and communication equipment provided to the following funds: Road, Airport, and Inactive Wastesites; on a cost reimbursement basis.

# **Special District Loans Fund**

This fund was established to provide financing for start up services for new and existing County Service Districts on a cost reimbursement basis.

COMBINING STATEMENT OF NET POSITION					
INTERNAL SERVICE FUNDS					
June 30, 2022					
(In Thousands)					
(iii iiioosaiias)			Facilities	Fleet	Information
	F	mployee	Management	Services	Technology
		nefits Fund	Fund	Fund	Fund
ASSETS					
Current assets:					
Pooled cash and investments	\$	209,334	15,327	53,729	39,123
Receivables, net		540	180	372	32
Lease receivables			505		
Due from other funds		1,836	10,625	4,976	16,676
Inventories			1,018	1,707	
Total current assets		211,710	27,655	60,784	55,831
Noncurrent assets:					
Lease receivables			2,657		
Due from other funds					
Capital assets:					
Construction in progress					
Buildings and improvements				2,963	
Equipment			6,652	130,962	
Software			448	213	9,188
Accumulated depreciation/amortization			(3,942)	(90,789)	(2,807)
Total noncurrent assets			5,815	43,349	6,381
Total assets		211,710	33,470	104,133	62,212
DEFERRED OUTFLOWS OF RESOURCES					
Pension:					
Contributions to the pension plan subsequent to the measurement date Changes in proportionate share and differences between employer's			9,455	1,533	
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions			447	81	
Changes of assumptions or other inputs			2,494	704	
Difference between expected and actual experience in the total			2,777	704	
pension liability			1,664	287	
OPEB:					
Contributions to OPEB subsequent to the measurement date			342	55	
Total deferred outflows of resources			14,402	2,660	



COMBINING STATEMENT OF NET POSITION					
INTERNAL SERVICE FUNDS					
June 30, 2022					
(In Thousands)					
(iii inousanas)	Er	nployee	Facilities	Fleet	Information
		Renefits	Management	Services	Technology
(Continued)	·	Fund	Fund	Fund	Fund
LIABILITIES					
Current liabilities:					
Accounts payable		7,054	13,963	4,209	52,539
Accrued payroll			1,241	190	
Due to other funds		1,406	1,060	975	186
Unearned revenue			841	1	
Loans payable			210		
Compensated absences			890	103	
Claims and judgments		29,375			
Total current liabilities		37,835	18,205	5,478	52,725
Noncurrent liabilities:					
Loans payable			385		
Compensated absences			1,583	183	
Claims and judgments		168,718			
Net pension liability			35,318	7,509	
Net OPEB liability			1,319	264	
Total noncurrent liabilities		168,718	38,605	7,956	
Total liabilities		206,553	56,810	13,434	52,725
DEFERRED INFLOWS OF RESOURCES					
Leases			3,157		
Pension:					
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions			40	10	
Differences between expected and actual experience in the total				.0	
pension liability			257	145	
Net difference between projected and actual earnings on pension plan investments			20,237	2,986	
Total deferred inflows of resources			23,691	3,141	
NET POSITION			20,071	0,141	
Net investment in capital assets			3,158	42,104	6,381
Unrestricted net position		5,157	(35,787)	48,114	3,106
Total net position (deficits)	\$	5,157	(32,629)	90,218	9,487
rotal her position (deficing)	Ψ	0,107	(02,027)	70,210	7,407



COMBINING STATEMENT OF NET POSITION					
INTERNAL SERVICE FUNDS					
June 30, 2022					
(In Thousands)					
(iii iiioosaiias)	Public			Special	Total
	Liability		Road and	District	Internal
	Insurance	Purchasing	Communication	Loans	Service
(Continued)	Fund	Fund	Equipment Fund	Fund	Funds
ASSETS					
Current assets:					
Pooled cash and investments	\$ 98,390	7,963	20,774	426	445,066
Receivables, net	214	18	48		1,404
Lease receivables					505
Due from other funds	35	978	2,030		37,156
Inventories		6			2,731
Total current assets	98,639	8,965	22,852	426	486,862
Noncurrent assets:					
Lease receivables					2,657
Due from other funds				63	63
Capital assets:					
Construction in progress		1			1
Buildings and improvements					2,963
Equipment		220	47,409		185,243
Software		4,173	14		14,036
Accumulated depreciation/amortization		(1,905)	(28,202)		(127,645)
Total noncurrent assets		2,489	19,221	63	77,318
Total assets	98,639	11,454	42,073	489	564,180
DEFERRED OUTFLOWS OF RESOURCES					
Pension:					
Contributions to the pension plan subsequent to the measurement date		2.358			13.346
Changes in proportionate share and differences		_,			
between employer's contributions and proportionate		0.4			40.4
share of contributions		96			624
Changes of assumptions or other inputs Difference between expected and actual experience		466			3,664
in the total pension liability		416			2,367
OPEB:					
Contributions to OPEB subsequent to the measurement		<b>a</b> :			40-
date		84			481
Total deferred outflows of resources		3,420			20,482



Total net position (deficits)

County of San Diego / Annual Comprehensive Financial Report / For the year ended June 30, 2022

\$

(15,408)

544

40,008

489

COMBINING STATEMENT OF NET POSITION	J					
INTERNAL SERVICE FUNDS	•					
June 30, 2022						
(In Thousands)						
(in inousanas)						Total
				Road and		Internal
	Public	c Liability	Purchasing	Communication	Special District	Service
(Continued)	Insura	nce Fund	Fund	Equipment Fund	Loans Fund	Funds
LIABILITIES						
Current liabilities:						
Accounts payable		8,277	112	1,524		87,678
Accrued payroll			297			1,728
Due to other funds		2,506	366	541		7,040
Unearned revenue						842
Loans payable						210
Compensated absences			323			1,316
Claims and judgments		29,533				58,908
Total current liabilities		40,316	1,098	2,065		157,722
Noncurrent liabilities:						
Loans payable						385
Compensated absences			574			2,340
Claims and judgments		73,731				242,449
Net pension liability			7,193			50,020
Net OPEB liability			291			1,874
Total noncurrent liabilities		73,731	8,058			297,068
Total liabilities		114,047	9,156	2,065		454,790
DEFERRED INFLOWS OF RESOURCES						
Leases						3,157
Pension:						
Changes in proportionate share and differences between employer's contributions						
and proportionate share of contributions			9			59
Differences between expected and actual						
experience in the total pension liability  Net difference between projected and actual			66			468
earnings on pension plan investments			5,099			28,322
Total deferred inflows of resources			5,174			32,006
NET POSITION						
Net investment in capital assets			2,489	17,689		71,821
Unrestricted net position		(15,408)	(1,945)	22,319	489	26,045
Takal mak masikian / alaƙisika)	Φ.	/15 AOR)	511	40.008	100	07 944

COMBINING STATEMENT OF REVENUES, EXPENSES, A	ND CHANGE	S IN NET P	OSITION		
INTERNAL SERVICE FUNDS					
For the Year Ended June 30, 2022					
· ·					
(In Thousands)			e 1111	EL .	
	Er	nployee	Facilities Management	Fleet Services	Information Technology
		efits Fund	Fund	Fund	Fund
Operating revenues:					
Charges for current services	\$	51,533	147,257	46,434	192,705
Other	·	214	654	355	
Total operating revenues		51,747	147,911	46,789	192,705
Operating expenses:					
Salaries and employee benefits			37,666	5,746	
Repairs and maintenance			30,624	8,012	
Equipment rental			46	3	
Contracted services		15,983	39,457	2,529	197,049
Depreciation			256	13,273	2,934
Utilities			31,931	409	
Cost of material			4,725	182	
Claims and judgments		31,176			
Fuel			443	11,554	
Other			4,445	1,792	
Total operating expenses		47,159	149,593	43,500	199,983
Operating income (loss)		4,588	(1,682)	3,289	(7,278)
Nonoperating revenues (expenses):					
Grants		983	3,068	98	
Investment earnings		(4,558)	(319)	(1,152)	
Interest expense			(1)		
Gain (loss) on disposal of assets			1	1,332	
Total nonoperating revenues (expenses)		(3,575)	2,749	278	
Income (loss) before capital contributions and transfers		1,013	1,067	3,567	(7,278)
Capital contributions				1,049	
Transfers in		52	4,199	807	6,340
Transfers out			(1,329)	(200)	
Change in net position		1,065	3,937	5,223	(938)
Net position (deficits) at beginning of year		4,092	(36,566)	84,995	10,425
Net position (deficits) at end of year	\$	5,157	(32,629)	90,218	9,487



Net position (deficits) at beginning of year

Net position (deficits) at end of year

County of San Diego / Annual Comprehensive Financial Report / For the year ended June 30, 2022

INTERNAL SERVICE FUNDS					
For the Year Ended June 30, 2022					
(In Thousands)					
	Public Liability		Road and	Special	
	Insurance <sup>*</sup>	Purchasing	Communication	District	Total Internal
(Continued)	Fund	Fund	Equipment Fund	Loans Fund	Service Funds
Operating revenues:					
Charges for current services	50,246	10,888	10,153		509,21
Other	309	1,129			2,66
Total operating revenues	50,555	12,017	10,153		511,877
Operating expenses:					
Salaries and employee benefits		8,382			51,79
Repairs and maintenance			3,471		42,10
Equipment rental		14			63
Contracted services	16,171	2,236	467		273,892
Depreciation		756	3,795		21,014
Utilities		84			32,42
Cost of material					4,907
Claims and judgments	47,278				78,454
Fuel			1,477		13,474
Other	4	1,172			7,413
Total operating expenses	63,453	12,644	9,210		525,542
Operating income (loss)	(12,898)	(627)	943		(13,665)
Nonoperating revenues (expenses):					
Grants		44			4,193
Investment earnings	(2,000)	(175)	(453)	(12)	(8,669
Interest expense					(1)
Gain (loss) on disposal of assets			236		1,569
Total nonoperating revenues (expenses)	(2,000)	(131)	(217)	(12)	(2,908
ncome (loss) before capital contributions and transfers	(14,898)	(758)	726	(12)	(16,573
Capital contributions					1,049
Transfers in		594	486		12,478
Transfers out		(315)			(1,844)
Change in net position	(14,898)	(479)	1,212	(12)	(4,890)
	(510)	1 000	20.707	501	100.75

(510)

(15,408)

1,023

544

38,796

40,008

501

489

102,756

97,866

COMBINING STATEMENT OF CASH FLOWS				
INTERNAL SERVICE FUNDS				
For the Year Ended June 30, 2022				
(In Thousands)				
(	mployee Benefits Fund	Facilities Management Fund	Fleet Services Fund	Information Technology Fund
Cash flows from operating activities:				
Cash received from customers	\$ 704	7,600	1,657	2,135
Cash received from other funds	51,298	138,431	44,118	189,523
Cash payments to suppliers	(3,929)	(106,222)	(20,428)	(187,809)
Cash payments to employees		(43,464)	(6,657)	
Cash payments to other funds	(11,828)	(6,854)	(3,751)	32
Cash paid for claims and judgments	(30,648)			
Other payments			(11)	
Net cash provided (used) by operating activities	5,597	(10,509)	14,928	3,881
Cash flows from noncapital financing activities:				
Operating grants	983	3,739	98	
Transfers from other funds	52	4,199	807	6,340
Transfers to other funds		(1,329)	(200)	
Payments received on advances to other funds				
Principal paid on long-term debt		(189)		
Interest paid on long-term debt		(1)		
Net cash provided (used) by noncapital financing activities	1,035	6,419	705	6,340
Cash flows from capital and related financing activities:				
Capital contributions			1,049	
Acquisition of capital assets			(9,855)	(9,187)
Lease payments received		739		
Proceeds from sale of assets		1	1,495	
Net cash provided (used) by capital and related financing activities		740	(7,311)	(9,187)
Cash flows from investing activities:				
Investment earnings	(4,684)	(319)	(1,195)	
Net increase (decrease) in cash and cash equivalents	1,948	(3,669)	7,127	1,034
Cash and cash equivalents - beginning of year	207,386	18,996	46,602	38,089
Cash and cash equivalents - end of year	\$ 209,334	15,327	53,729	39,123



COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended June 30, 2022					
(In Thousands)					
(Continued)		nployee efits Fund	Facilities Management Fund	Fleet Services Fund	Information Technology Fund
Reconciliation of operating income (loss) to net cash					
provided (used) by operating activities:  Operating income (loss)	\$	4,588	(1,682)	3,289	(7,278)
Adjustments to reconcile operating income (loss) to	Ψ	4,300	(1,002)	5,207	(7,270)
net cash provided (used) by operating activities:					
Decrease (increase) in receivables		317	(726)	(164)	(13)
Decrease (increase) in due from other funds		(62)	(1,342)	(850)	(1,034)
Decrease (increase) in inventory			(981)	(502)	
Increase (decrease) in accounts payable		(117)	194	148	9,158
Increase (decrease) in accrued payroll			145	28	
Increase (decrease) in due to other funds		343	(659)	642	114
Increase (decrease) in unearned revenue			188		
Increase (decrease) in compensated absences			258	29	
Increase (decrease) in claims and judgments		528			
Pension expense			(5,856)	(919)	
OPEB expense			(304)	(46)	
Depreciation / amortization			256	13,273	2,934
Total adjustments		1,009	(8,827)	11,639	11,159
Net cash provided (used) by operating activities	\$	5,597	(10,509)	14,928	3,881
Non-cash investing and capital financing activities:					
Capital acquisitions included in accounts payable	\$			1,245	



COMBINING STATEMENT OF CASH FLOWS						
INTERNAL SERVICE FUNDS						
For the Year Ended June 30, 2022						
(In Thousands)						
(III III oosallas)	F	Public			Special	
		ability		Road and	District	
		urance	Purchasing	Communication	Loans	Total Internal
(Continued)		Fund	Fund	Equipment Fund	Funds	Service Funds
Cash flows from operating activities:						
Cash received from customers \$		309	1,195			13,600
Cash received from other funds		50,250	11,473	8,373	10	493,476
Cash payments to suppliers		(5,591)	(695)	(41)		(324,715)
Cash payments to employees			(9,826)			(59,947)
Cash payments to other funds		(2,646)	(2,747)	(5,505)		(33,299)
Cash paid for claims and judgments		(36,566)				(67,214)
Other payments						(11)
Net cash provided (used) by operating activities		5,756	(600)	2,827	10	21,890
Cash flows from noncapital financing activities:						
Operating grants			44			4,864
Transfers from other funds			594	486		12,478
Transfers to other funds			(315)			(1,844)
Payments received on advances to other funds					10	10
Principal paid on long-term debt						(189)
Interest paid on long-term debt						(1)
Net cash provided (used) by noncapital financing activities			323	486	10	15,318
Cash flows from capital and related financing activities:						
Capital contributions						1,049
Acquisition of capital assets			(1)	(2,672)		(21,715)
Lease payments received						739
Proceeds from sale of assets				342		1,838
Net cash provided (used) by capital and related financing activities			(1)	(2,330)		(18,089)
Cash flows from investing activities:						
Investment earnings		(2,052)	(180)	(466)	(12)	(8,908)
Net increase (decrease) in cash and cash equivalents		3,704	(458)	517	8	10,211
Cash and cash equivalents - beginning of year		94,686	8,421	20,257	418	434,855
Cash and cash equivalents - end of year	\$	98,390	7,963	20,774	426	445,066



COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended June 20, 2022						
For the Year Ended June 30, 2022 (In Thousands)						
		Public Liability nsurance	Purchasing	Road and Communication	Special District Loans	Total Internal Service
(Continued)		Fund	Fund	Equipment Fund	Funds	Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$	(12,898)	(627)	943		(13,665)
Adjustments to reconcile operating income loss) to net cash provided (used) by operating activities:						
Decrease (increase) in receivables		(1)				(587
Decrease (increase) in due from other funds		5	651	(1,780)	10	(4,402)
Decrease (increase) in inventory			(1)			(1,484
Increase (decrease) in accounts payable		7,597	69	(9)		17,040
Increase (decrease) in accrued payroll			45			218
Increase (decrease) in due to other funds		341	(21)	(122)		638
Increase (decrease) in unearned revenue						188
Increase (decrease) in compensated absences			87			374
Increase (decrease) in claims and judgments		10,712				11,240
Pension expense			(1,485)			(8,260)
OPEB expense			(74)			(424)
Depreciation / amortization			756	3,795		21,014
Total adjustments		18,654	27	1,884	10	35,555
Net cash provided (used) by operating activities	\$	5,756	(600)	2,827	10	21,890
Non-cash investing and capital financing activities:	¢			1.532		2,777
Capital acquisitions included in accounts payable	\$			1,332		



### FIDUCIARY FUNDS

Fiduciary funds include the activities of the San Diego County Employees Retirement Association, a fiduciary component unit of the County; and funds which account for resources that are held by the County as a trustee or custodian for outside parties and cannot be used to support the County's programs.

### PENSION AND OTHER POSTEMPLOYENT BENEFITS TRUST FUNDS

### San Diego County Employees Retirement Association (SDCERA) Pension Trust Fund

The Pension Trust Fund is used to account for financial activities of the Pension Plan administered by SDCERA.

# San Diego County Employees Retirement Association (SDCERA) Other Postemployment Benefits (OPEB) Trust Fund

The SDCERA OPEB Trust Fund is used to account for the financial activities of the OPEB trust for the purpose of holding and investing assets to fund the Retiree Health Program administered by SDCERA.

### **CUSTODIAL FUNDS**

### **Property Tax Collection Funds**

These funds are used for recording the collection and distribution of property taxes.

### **Other Custodial Funds**

The Other Custodial funds account for the receipt, temporary investment, and remittance to individuals, private organizations, or other governments.

COMBINING STATEMENT OF FIDUCIARY NET POSITION PENSION AND OTHER POSTEMPLOYMENT BENEFITS							
June 30, 2022							
(In Thousands)							
	San Diego County Employees Retirement Association Pension Trust Fund	San Diego County Employees Retirement Association Other Postemployment Benefits Trust Fund	Total San Diego County Employees Retirement Association Pension (and Other Postemployment Benefits) Trust Fund				
ASSETS	<b>A</b> 0.100		0.100				
Pooled cash and investments	\$ 2,183	5.054	2,183				
Cash with fiscal agents	2,333,981	5,854	2,339,835				
Securities lending cash collateral	71,163	178	71,341				
Receivables:							
Contributions	7,530		7,530				
Accrued interest and dividends	37,548	94	37,642				
Settlement of investments sold	1,355,978	3,417	1,359,395				
Investments at fair value:							
Domestic equity securities	2,135,653	5,352	2,141,005				
International equity securities	1,200,855	3,009	1,203,864				
Fixed income securities	6,833,689	17,125	6,850,814				
Cash and securities for swaps	(335,796)	(841)	(336,637)				
Private equity	574,903	1,441	576,344				
Private real assets	466,211	1,168	467,379				
Real estate	1,366,938	3,425	1,370,363				
Capital assets, net	3,862	10	3,872				
Total assets	16,054,698	40,232	16,094,930				
LIABILITIES							
Collateral payable for securities lending	71,185	178	71,363				
Settlement of investments purchased	1,428,794	3,581	1,432,375				
Professional services	12,346	31	12,377				
Death benefits	1,709		1,709				
Retirement benefits	1,296		1,296				
Refunds to members	2,825		2,825				
County advance contribution	19,458	49	19,507				
Other liabilities	13,094	47	13,141				
Total liabilities	1,550,707	3,886	1,554,593				
NET POSITION							
Restricted for:							
Pension	14,503,991		14,503,991				
OPEB		36,346	36,346				
Total net position	\$ 14,503,991	36,346	14,540,337				

COMBINING STATEMENT OF CHANGES IN FID			
PENSION AND OTHER POSTEMPLOYMENT BEN	EFITS		
For the Year Ended June 30, 2022			
(In Thousands)			
(		San Diego County	Total San Diego County
	San Diego County	Employees Retirement	Employees Retirement
	Employees Retirement	Association Other	Association Pension (and
	Association Pension	Postemployment Benefits	Other Postemployment
	Trust Fund	Trust Fund	Benefits) Trust Fund
ADDITIONS			
Contributions:			
Employer contributions	632,595	18,381	650,976
Plan member contributions	164,089		164,089
Total contributions	796,684	18,381	815,065
Investment income:			
Net appreciation/(depreciation) in fair value of investments:			
	(719,951)	(2,097)	(722,048)
Equity securities	(717,731)	(2,099)	(722,528)
Fixed income	(720,427) 66,298	193	(722,326) 66,491
Foreign currency	311,112	906	312,018
Real estate and private equity	· · · · · · · · · · · · · · · · · · ·		
Private real assets	32,319	94	32,413
Futures	(73,090)	(213)	(73,303)
Swaps Table to the second of t	(625,772)	(1,823)	(627,595)
Total net appreciation/(depreciation) in fair value of investments	(1,729,513)	(5,039)	(1,734,552)
Interest income:	(1,7,27,313)	(0,007)	(1,7 0 1,002)
Fixed income	128,091	373	128,464
Cash	1,404	4	1,408
Total interest income	129,495	377	129,872
Other additions:	127,176	<u> </u>	
Dividends	24,441	71	24,512
Real estate income	76,658	223	76,881
Private equity income	4,863	14	4,877
Private real assets income	52,008	152	52,160
Total other	157,970	460	158,430
Less: investment expenses	(64,373)	(187)	(64,560)
Net investment income, before securities lending	(1,506,421)	(4,389)	(1,510,810)
Securities lending income	778	2	780
Securities lending rebates and bank charges	1	_	1
Net securities lending	779	2	781
Net investment income	(1,505,642)	(4,387)	(1,510,029)
Total additions	(708,958)	13,994	(694,964)
DEDUCTIONS	(, 55,, 55)	,,,,	(67.1,76.1)
Benefits:			
Retirement benefits	887,268		887,268
Death benefits	2,027		2,027
Health benefits	2,027	12,839	12,839
Total benefits	889,295	12,839	902,134
Member refunds	7,660	12,007	7,660
	16,437		16,437
Administrative expenses  Total deductions	913,392	12,839	926,231
Change in net position	(1,622,350)	1,155	(1,621,195)
Net position at beginning of year	16,126,341	35,191	16,161,532
Net position (deficit) at end of year	\$ 14,503,991	36,346	14,540,337
nor posmori (donon) di orid or your	Ψ 11,000,771	00,040	14,040,007

Restricted for:

Total net position

Individuals, organizations and other governments

County of San Diego / Annual Comprehensive Financial Report / For the year ended June 30, 2022

COMBINING STATEMENT OF FIDUCIARY CUSTODIAL FUNDS June 30, 2022	Y NET POSITION			
(In Thousands)				
		Property Tax Collection Funds	Other Custodial Fund	Total Custodial Funds
ASSETS				
Pooled cash and investments	\$	119,388	261,850	381,238
Cash with fiscal agents			7,038	7,038
Investments with fiscal agents			5,622	5,622
Receivables:				
Accounts receivable			5,272	5,272
Investment earnings receivable		1,987	31,007	32,994
Taxes receivable, net		93,856		93,856
Other receivables			482	482
Total assets		215,231	311,271	526,502
LIABILITIES				
Accounts payable		29,852	70,046	99,898
Warrants outstanding			4,523	4,523
Accrued payroll			1	1
Due to other governments		102,896	74,299	177,195
Total liabilities		132,748	148,869	281,617
NET POSITION				

82,483

82,483

162,402

162,402

244,885

244,885

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COMBINING STATEMENT OF CHANGES IN FIDUCIA CUSTODIAL FUNDS For the Year Ended June 30, 2022	RY NET POSITIO	ON		
(In Thousands)	Pro	perty Tax	Other	Total
		ction Funds	Custodial Fund	Custodial Funds
ADDITION\$				
Contributions:				
Property taxes collected for other governments	\$	8,115,128		8,115,128
Contributions to investments			2,678,122	2,678,122
Total contributions		8,115,128	2,678,122	10,793,250
Investment earnings:				
Investment earnings		(900)	(15,760)	(16,660)
Total additions		8,114,228	2,662,362	10,776,590
DEDUCTIONS				
Property taxes distributed to other governments		8,109,736		8,109,736
Distributions from investments			2,665,694	2,665,694
Total deductions		8,109,736	2,665,694	10,775,430
Change in net position		4,492	(3,332)	1,160
Net position at beginning of year		77,991	165,734	243,725
Net position (deficit) at end of year	\$	82,483	162,402	244,885



# Statistical Section

### Introduction

Government Accounting Standards Board (GASB) Statement No. 44, *Economic Condition Reporting: The Statistical Section (an amendment of NCGA Statement 1)* requires that certain detailed statistical information be presented in this section, typically in ten-year trends, to assist users in utilizing the basic financial statements, notes to the financial statements, and required supplementary information in order to assess the economic condition of the County. Provisions of this Statement require that governments preparing this statistical section are encouraged but not required, to report all years of information retroactively.

In this regard, when available, ten year trend information has been provided. When accounting data or other information is unavailable, statistical tables are footnoted to indicate as such. Generally, information was unavailable because non-accounting trend data called for by Statement No. 44 which was significantly different than data reported in previous fiscal years' statistical tables was either not available from external sources in the format required or was not available in internal archived data.

Financial Trends220
These Tables contain information to help the reader understand how the County's financial performance and well-being have changed over time.
Revenue Capacity228
These Tables contain information to help the reader assess the County's most significant local revenue source, the property tax.
Debt Capacity232
These Tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.
Demographic and Economic Information236
These Tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.
Operating Information238
These Tables contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

### **Sources:**

Unless otherwise noted, the information in the following tables is derived from the annual comprehensive financial reports for the relevant year.

### Table 1 County of San Diego Net Position by Component

Last Ten Fiscal Years (Accrual Basis of Accounting) (In Thousands)

	Fiscal Year					
		2013	2014	2015	2016	2017
Net position						
Governmental activities						
Net investment in capital assets	\$	2,861,061	3,015,405	3,042,782	3,124,804	3,130,429
Restricted		619,855	669,832	619,565	604,917	596,862
Unrestricted (1)		514,015	655,954	(1,268,029)	(1,090,381)	(1,151,817)
Total governmental activities net position		3,994,931	4,341,191	2,394,318	2,639,340	2,575,474
Business-type activities						
Net investment in capital assets		167,430	171,911	167,453	167,282	174,044
Restricted						
Unrestricted (1)		81,185	78,547	67,948	68,586	71,119
Total business-type activities net position		248,615	250,458	235,401	235,868	245,163
Primary government						
Net investment in capital assets		3,028,491	3,187,316	3,210,235	3,292,086	3,304,473
Restricted		619,855	669,832	619,565	604,917	596,862
Unrestricted (1)		595,200	734,501	(1,200,081)	(1,021,795)	(1,080,698)
Total primary government net position	\$	4,243,546	4,591,649	2,629,719	2,875,208	2,820,637

	Fiscal Year						
		2018	2019	2020	2021	2022	
Net position							
Governmental activities							
Net investment in capital assets	\$	3,229,874	3,336,893	3,477,320	3,643,504	3,695,884	
Restricted		666,597	1,012,829	1,158,944	1,404,546	1,281,257	
Unrestricted (1)		(1,250,068)	(1,380,605)	(1,551,714)	(1,924,481)	(1,186,927)	
Total governmental activities net position		2,646,403	2,969,117	3,084,550	3,123,569	3,790,214	
Business-type activities							
Net investment in capital assets		176,909	174,226	183,553	188,831	187,343	
Restricted							
Unrestricted (1)		60,216	62,247	66,551	66,629	87,711	
Total business-type activities net position		237,125	236,473	250,104	255,460	275,054	
Primary government							
Net investment in capital assets		3,406,783	3,511,119	3,660,873	3,832,335	3,883,227	
Restricted		666,597	1,012,829	1,158,944	1,404,546	1,281,257	
Unrestricted (1)		(1,189,852)	(1,318,358)	(1,485,163)	(1,857,852)	(1,099,216)	
Total primary government net position	\$	2,883,528	3,205,590	3,334,654	3,379,029	4,065,268	

<sup>(1)</sup> Beginning in 2015, these amounts reflect the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27. Beginning in 2018 these amounts reflect the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefit Other Than Pensions.

### Table 2 County of San Diego Changes in Net Position

For the Last Ten Fiscal Years (Accrual Basis of Accounting)

				Fiscal Year		
		2013	2014	2015	2016	2017
Expenses						
Governmental activities						
General government	\$	240,409	249,066	258,169	257,887	637,532
Public protection		1,236,708	1,312,074	1,309,087	1,359,423	1,455,462
Public ways and facilities		135,432	148,209	161,341	140,245	140,366
Health and sanitation		851,246	631,543	640,020	675,077	723,508
Public assistance		1,183,923	1,418,703	1,327,664	1,421,851	1,179,180
Education		34,104	35,647	37,686	41,086	38,477
Recreation and cultural		34,204	38,903	42,748	44,883	37,727
Interest on long-term debt		95,801	92,709	86,816	81,665	79,152
Total governmental activities expenses		3,811,827	3,926,854	3,863,531	4,022,117	4,291,404
Business-type activities		-,- ,-	-,,-	-,,	, , , , ,	
Airport		14,107	14.118	14,664	14,439	14,518
Wastewater management		22,936	, -	,	,	,
Sanitation district		5,754	28,291	30,745	28,693	25,185
Sanitation district - Other		-,, -,		55,5	_5,5.5	
Jail Stores Commissary			4,816	4,506	5.362	6,007
Total business-type activities expenses		42,797	47,225	49,915	48,494	45,710
Total primary government expenses		3.854.624	3,974,079	3,913,446	4,070,611	4,337,114
Total pilitally government expenses		0,00 1,02 1	3777 1707 7	377 137 113	1,07 0,011	1,007,111
Program revenues						
Governmental activities						
Charges for services:						
General government		98,205	100.328	92,109	99,531	111,389
Public protection		244,612	240,850	250,054	252,303	270,345
Other activities		153,958	169,274	162,578	164,721	165,846
Operating grants and contributions		2,467,966	2,519,619	2,467,817	2,543,749	2,407,522
Capital grants and contributions		32,728	114,310	39,224	12,947	16,296
Total governmental activities program revenues		2,997,469	3,144,381	3.011.782	3.073.251	2,971,398
Business-type activities		2,777,407	0,144,001	0,011,702	0,070,201	2,771,070
Charges for services:						
Airport		11.077	12,647	11,984	12.044	14,302
Wastewater management		6,561	12,047	11,704	12,044	14,002
Sanitation district		18,564	25,037	26,831	26,719	29,063
Sanitation district - Other		10,504	25,007	20,001	20,717	27,000
Jail Stores Commissary			5,659	4,538		7.141
Operating grants and contributions		4,933	3,793	702	3,513	5,659
Capital grants and contributions		4,700	3,773	702	3,313	3,037
Total business-type program revenues		41,135	47,136	44,055	42,276	56,165
Total primary government program revenues		3,038,604	3,191,517	3,055,837	3,115,527	3,027,563
Total plittary government programme vendes		3,030,004	3,171,317	3,033,037	3,113,327	3,027,303
Net (Expense) Revenue						
Governmental activities		(814,358)	(782,473)	(851,749)	(948,866)	(1,320,006)
Business-type activities		(1,662)	(89)	(5,860)	(6,218)	10,455
Total primary government net (expense) revenue	<b>\$</b>	(816,020)	(782,562)	(857,609)	(955,084)	(1,309,551)
Total plittidity government their (expense) revenue	Ψ	(010,020)	[/02,302]	[037,007]	(700,004)	[1,507,551]



### Table 2 County of San Diego Changes in Net Position

For the Last Ten Fiscal Years (Accrual Basis of Accounting)

			Fiscal Year		
	2018	2019	2020	2021	2022
Expenses					
Governmental activities					
General government \$	621,987	709,150	788,228	465,464	414,18
Public protection	1,435,847	1,479,542	1,677,645	1,823,535	1,586,32
Public ways and facilities	160,615	149,776	199,679	163,809	164,26
Health and sanitation	777,383	835,771	964,251	1,363,772	1,167,81
Public assistance	1,158,563	1,187,343	1,378,281	1,838,270	1,785,73
Education	39,107	40,020	41,124	56,272	55,78
Recreation and cultural	38,081	43,701	49,543	57,617	60,61
Interest on long-term debt	78,217	74,355	47,689	57,386	53,97
Total governmental activities expenses	4,309,800	4,519,658	5,146,440	5,826,125	5,288,69
Business-type activities					
Airport	18,399	15,178	14,889	15,586	15,54
Wastewater management					
Sanitation district	32,660	32,335	28,385	31,716	25,03
Sanitation district - Other			9,504	10,923	8,71
Jail Stores Commissary	6,050	5,836	5,776	5,222	3,01
Total business-type activities expenses	57,109	53,349	58,554	63,447	52,30
Total primary government expenses	4,366,909	4,573,007	5,204,994	5,889,572	5,340,99
Program revenues					
Governmental activities					
Charges for services:					
General government	105,676	108,724	116,282	119,713	128.54
Public protection	257,797	252,906	247,887	252,958	288,90
Other activities	189,520	182,793	225,893	201,777	202,35
Operating grants and contributions	2,589,141	2.716.354	3.062.586	3.751.844	3,736,70
Capital grants and contributions	9,360	121,425	28,608	21,142	109,34
Total governmental activities program revenues	3,151,494	3,382,202	3,681,256	4,347,434	4,465,84
Business-type activities	0,101,171	0,002,202	0,001,200	1,0 1,7 10 1	1, 100,0
Charges for services:					
Airport	13,783	14,281	13,903	14,243	14,20
Wastewater management	10,700	17,201	10,700	17,270	14,20
Sanitation district	28,475	32.382	25,672	26,625	29,36
Sanitation district - Other	20,470	02,002	10,188	10,089	8,11
Jail Stores Commissary	7,426	6,978	7.019	5,412	6,47
Operating grants and contributions	329	20	4,018	6,679	1,29
Capital grants and contributions	527	20	1,220	3,100	1,2/
Total business-type program revenues	50,013	53,661	62,020	66,148	59,45
Total primary government program revenues	3,201,507	3,435,863	3,743,276	4,413,582	4,525,30
Not (Expanse) Boyonus					
Net (Expense) Revenue Governmental activities	/1 150 20/1	/1 127 AE/\	/1 A/E 10 A\	/1 /70 /01\	1900.04
	(1,158,306)	(1,137,456)	(1,465,184)	(1,478,691)	(822,846
Business-type activities	(7,096)	312	3,466	2,701	7,15
Total primary government net (expense) revenue \$	(1,165,402)	(1,137,144)	(1,461,718)	(1,475,990)	(815,69



### Table 2 County of San Diego Changes in Net Position

For the Last Ten Fiscal Years (Accrual Basis of Accounting) (In Thousands)

			Fiscal Year		
	 2013	2014	2015	2016	2017
General revenues and other changes in net position					
Governmental activities					
Taxes:					
Property taxes	\$ 587,145	627,709	648,974	680,434	720,645
Other taxes	20,912				
Transient occupancy tax		3,404	4,166	4,128	4,889
Real property transfer tax		20,074	21,049	24,589	23,960
Miscellaneous taxes		14	15	38	10
Property taxes in lieu of VLF	303,646	313,844	332,928	351,524	371,105
Sales and use taxes	24,809	24,871	27,847	28,898	27,779
Investment earnings	3,504	16,635	12,250	17,818	15,315
Other general revenues	 90,789	132,612	93,889	82,745	88,038
Total governmental general revenues	 1,030,805	1,139,163	1,141,118	1,190,174	1,251,741
Transfers	114	7,086	2,693	3,714	4,399
Total governmental activities	1,030,919	1,146,249	1,143,811	1,193,888	1,256,140
Business-type activities					
Investment earnings	46	502	336	1,622	523
Other general revenues	 123	2,565	3,055	8,777	2,716
Total business-type general revenues	 169	3,067	3,391	10,399	3,239
Transfers	(114)	(7,086)	(2,693)	(3,714)	(4,399)
Total business-type activities	 55	(4,019)	698	6,685	(1,160)
Total primary government	1,030,974	1,142,230	1,144,509	1,200,573	1,254,980
Change in net position					
Governmental activities	216,561	363,776	292,062	245,022	(63,866)
Business-type activities	 (1,607)	(4,108)	(5,162)	467	9,295
Total change in net position	\$ 214,954	359,668	286,900	245,489	(54,571)



### Table 2 County of San Diego Changes in Net Position

For the Last Ten Fiscal Years (Accrual Basis of Accounting) (In Thousands)

### (Continued

	·		Fiscal Year		
	2018	2019	2020	2021	2022
General revenues and other changes in net position					
Governmental activities					
Taxes:					
Property taxes	\$ 758,427	797,838	851,473	881,605	928,022
Other taxes					
Transient occupancy tax	5,105	5,785	4,173	5,386	7,225
Real property transfer tax	25,910	26,521	25,138	35,608	43,635
Miscellaneous taxes	6	6	3	8	5
Property taxes in lieu of VLF	393,824	417,601	441,609	465,076	481,289
Sales and use taxes	30,744	32,332	30,967	37,810	43,268
Investment earnings	38,057	84,335	102,116	(2,922)	(96,987)
Other general revenues	 93,604	90,041	102,310	95,224	94,015
Total governmental general revenues	1,345,677	1,454,459	1,557,789	1,517,795	1,500,472
Transfers	 4,421	5,711	(5,172)	(85)	(10,981)
Total governmental activities	1,350,098	1,460,170	1,552,617	1,517,710	1,489,491
Business-type activities					
Investment earnings	1,159	2,013	2,565	(76)	1,307
Other general revenues	2,892	2,734	2,428	2,646	151
Total business-type general revenues	 4,051	4,747	4,993	2,570	1,458
Transfers	(4,421)	(5,711)	5,172	85	10,981
Total business-type activities	(370)	(964)	10,165	2,655	12,439
Total primary government	1,349,728	1,459,206	1,562,782	1,520,365	1,501,930
Change in net position					
Governmental activities	191,792	322,714	115,443	39,019	666,645
Business-type activities	(7,466)	(652)	13,631	5,356	19,594
Total change in net position	\$ 184,326	322,062	129,074	44,375	686,239

# Table 3 County of San Diego Fund Balances Governmental Funds

ast Ien Fiscal Year: (In Thousands)

			Fiscal Year		
	2013	2014	2015	2016	2017
General Fund					
Nonspendable	\$ 12,347	12,276	13,379	13,489	19,894
Restricted	295,264	296,548	269,294	272,500	266,904
Committed	464,831	492,175	478,980	591,941	677,058
Assigned	184,526	217,628	328,588	381,202	483,464
Unassigned	644,454	713,045	798,135	747,277	697,293
Total general fund	1,601,422	1,731,672	1,888,376	2,006,409	2,144,613
All Other Governmental Funds					
Nonspendable	5,600	4,884	5,149	5,981	6,062
Restricted	433,952	459,579	427,703	398,385	396,063
Committed	413,796	395,291	379,711	371,622	376,179
Assigned			228	917	1,478
Total other governmental funds	\$ 853,348	859,754	812,791	776,905	779,782

				Fiscal Year		
		2018	2019	2020	2021	2022
General Fund	· · · · · · · · · · · · · · · · · · ·					
Nonspendable	\$	22,747	47,019	23,244	22,900	48,415
Restricted		319,782	608,729	696,261	692,270	674,465
Committed		796,086	637,450	626,470	500,256	617,159
Assigned		480,063	418,718	414,650	405,739	393,493
Unassigned		688,449	712,149	707,871	661,270	616,477
Total general fund		2,307,127	2,424,065	2,468,496	2,282,435	2,350,009
All Other Governmental Funds						
Nonspendable		5,993	5,634	5,759	5,513	1,500
Restricted		413,626	471,464	496,757	544,367	656,606
Committed		367,515	365,450	395,784	367,294	318,415
Assigned		2,066	2,865	3,672		
Total other governmental funds	\$	789,200	845,413	901,972	917,174	976,521

### Table 4 County of San Diego Changes in Fund Balances Governmental Funds

Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

· · · · · · · · · · · · · · · · · · ·	Fiscal Year				
	2013	2014	2015	2016	2017
Revenues:					
Taxes	\$ 941,644	987,061	1,038,552	1,090,722	1,148,655
Licenses, permits and franchise fees	52,746	55,819	54,181	57,375	57,066
Fines, forfeitures and penalties	50,070	47,125	49,200	46,295	44,146
Revenue from use of money and property	21,918	34,855	23,033	28,396	23,079
Aid from other governmental agencies:					
State	1,374,266	1,513,606	1,490,603	1,487,655	1,482,53
Federal	946,356	919,151	917,901	959,399	796,594
Other	138,575	169,724	106,691	110,816	122,767
Charges for current services	366,442	389,224	387,788	398,705	411,488
Other	78,455	61,409	91,903	75,264	77,429
Total revenues	3,970,472	4,177,974	4,159,852	4,254,627	4,163,760
From a malifornia a					
Expenditures: General government	226,648	231,370	237,875	233,180	260,005
Public protection	1,187,848	1,277,698	1,353,710	1,343,281	1,434,323
				70,946	75,90
Public ways and facilities	66,514	75,565	73,991		
Health and sanitation	840,735	620,319	644,865	670,871	731,034
Public assistance	1,178,112	1,410,925	1,346,078	1,426,134	1,184,697
Education	32,034	33,431	37,095	39,592	39,687
Recreation and cultural	31,092	31,604	36,838	37,800	39,325
Total governmental functions	3,562,983	3,680,912	3,730,452	3,821,804	3,764,972
Capital outlay	165,737	264,015	160,474	185,065	120,509
Debt service:					
Principal	75,687	59,535	67,542	65,929	66,28
Interest	93,678	93,232	85,673	88,502	75,150
Bond issuance costs	393		583	761	
Payment to refunded bond escrow agent		1 007 101	8,461	12,481	4 00 4 01
Total expenditures	3,898,478	4,097,694	4,053,185	4,174,542	4,026,918
Excess (deficiency) of revenues over (under) expenditures	71,994	80,280	106,667	80,085	136,842
Other financing sources (uses)					
Sale of capital assets	5,997	58,420	984	2,319	240
Issuance of leases:	2,	00,0		=, =	
Leases					
Issuance of bonds, loans, capital lease, and financed purchases:					
Face value of financed purchases					
Face value of bonds issued	29,335		732		
Face value of loans issued	27,000		702	690	
Face value of capital lease				0,0	6,122
Premium on issuance of bonds	574		15,070	22,163	0,122
Refunding bonds issued	07 <del>-</del> 1		93,750	105,330	
Payment to refunded bond escrow agent			(103,771)	(122,533)	
Transfers in	460,931	478,533	434,541	470,175	474,28
Transfers (out)	(472,183)	(480,236)	(439,657)	(476,484)	(478,540
Total other financing sources (uses)	24,654	56,717	1,649	1,660	2,108
Net change in fund balances	\$ 96,648	136,997	108,316	81,745	138,950
Debt service as a percentage of noncapital expenditures	4.54%	3.98%	3.94%	3.87%	3.62%
pepi service as a perceniage of noncapilal expenditures	4.34%	3.70%	3.74%	3.0/ 76	3.62%



# Table 4 County of San Diego Changes in Fund Balances Governmental Funds

(Modified Accrual Basis of Accounting)
(In Thousands)

(Continued)

Revenues		Fiscal Year				
Taxasa		2018	2019	2020	2021	2022
Licenses, permits and franchise fees	Revenues:					
Fines, forfeitures and penallities   42,417	Taxes	\$ 1,214,06	1,276,584	1,344,469	1,427,167	1,498,315
Revenue from use of money and property   A3.407   87.604   97.867   6.077   173.341   Aid Irom other governmental agencies:	Licenses, permits and franchise fees	62,18	62,951	59,663	58,792	54,977
Nation other governmental agencies:   1,644,254		42,41	7 43,589	44,409	40,248	
State	Revenue from use of money and property	43,40	7 87,604	97,867	6,097	(77,354)
Federal   1926   1927   1927   1927   1927   1927   1927   1928	Aid from other governmental agencies:					
Ditag	State	1,644,25			1,820,507	1,951,675
Charges for current services   433.325   424.365   462.718   463.591   468.669   79.777   78.501   85.613   79.189   78.164   79.977   78.501   85.613   79.189   78.164   79.977   78.501   85.613   79.189   78.164   79.977   78.501   85.613   79.189   78.164   79.977   78.501   85.613   79.189   78.164   79.977   78.501   85.613   79.189   78.164   78.575   78.575   7	Federal	828,693	909,211	1,029,342	1,527,626	, ,
Other Office revenues         79,977         78,501         85,613         79,189         78,184           Expenditures:         4,480,980         4,657,155         5,176,346         5,611,329         5,821,484           Expenditures:         Ceneral government         270,469         282,021         353,496         388,139         413,950           Public profection         1,486,679         1,569,507         1,652,858         1,633,731         1,730,017           Public profection         1,186,679         1,569,507         1,652,858         1,633,731         1,730,017           Public assistance         1,195,090         1,263,184         1,424,290         1,762,216         1,770,939           Education         41,238         45,707         46,571         505,51         56,444           Recreation and cultural         39,648         42,856         46,081         44,751         52,646           folial governmental functions         3,934,836         4,167,796         46,533,883         5,267,079         5,319,640           Capital outlay         267,685         183,654         272,524         387,159,640         588,244         1,999         139,176           Interest         76,181         82,766         98,544	Other	132,65	142,822	157,984	188,112	
Page	Charges for current services			462,718	463,591	468,669
Page	Other			85,613		
General government         270.469         282.021         35.346         388.139         413.950           Public protection         1,486.679         1,569,597         1,652.658         1,633.731         1,730.017           Public ways and facilities         100,322         89,184         136,703         83,436         96,316           Health and sanitation         801,370         875,337         973,884         1,304,255         1,179,930           Public assistance         1,195,090         1,263,184         1,424,290         1,782,216         1,770,939           Education         41,238         45,707         46,571         50,551         56,464           Recrection and cultural         39,668         42,856         46,081         44,751         52,646           Total governmental functions         3,934,836         4,167,796         46,383         35,287,079         53,19,640           Capital outlary         267,685         183,654         272,524         387,163         253,330           Debt service:         7         7,6181         82,766         98,544         91,999         139,176           Interest         73,637         69,381         72,761         56,728         82,099           Bond issuance cost	Total revenues	4,480,980	4,657,155	5,176,346	5,611,329	5,821,484
General government         270.469         282.021         353.496         388.139         413.950           Public protection         1,486.679         1,569.597         1,652.658         1,633.731         1,730.017           Public ways and facilities         100.322         89,184         136,703         83,436         96,316           Health and sanitation         801,370         875,337         973,884         1,304,255         1,179,930           Public assistance         1,195,090         1,263,184         1,424,290         1,782,216         1,770,939           Education         41,238         45,707         46,571         50,551         56,464           Recrection and cultural         39,688         42,856         46,081         44,751         52,646           Total governmental functions         3,934,836         4,167,796         46,38883         52,870,79         53,13,30           Capital outlary         267,685         183,654         272,524         387,163         253,330           Debt service:         7         7,761         56,728         52,039           Principal         7,181         82,766         98,544         91,999         139,176           Interest         7,582         3,415	Expenditures:					
Public protection		270,46	9 282,021	353,496	388,139	413,950
Public ways and facilities   100,322   89,184   136,703   83,436   96,316   Health and sanitation   801,370   875,337   973,884   1,304,255   1,199,308   Public assistance   1,195,090   1,263,184   1,424,290   1,782,216   1,770,939   Education   41,238   45,707   46,571   50,551   56,464   Recreation and cultural   39,668   42,856   46,081   44,751   52,646   Total governmental functions   3,934,836   4,167,796   4,633,883   5,287,079   53,119,640   Capital outlary   267,685   183,654   272,524   387,163   253,330   Debt service:  Principal   76,181   82,766   98,544   91,999   139,176   11,771						
Health and sanitation   801,370   875,337   973,884   1,304,255   1,199,308   Public assistance   1,195,090   1,263,184   1,424,290   1,782,216   1,770,998   Education   41,238   45,707   46,571   50,551   56,464   Recreation and cultural   39,668   42,856   46,081   44,751   52,646   Total governmental functions   3934,836   4,167,796   4,633,883   5,287,079   5,31,640   Capital outlay   267,685   183,654   272,524   387,163   253,330   Debt service:   Principal   76,181   82,766   98,544   91,999   139,176   Interest   73,637   69,381   72,761   56,728   52,089   Bond issuance costs   73,637   69,381   72,761   56,728   52,089   Romain source costs   33,415   807   588   Payment to refunded bond escrow agent   33,415   807   588   Fayment to refunded bond escrow agent   4,352,339   4,503,597   5,111,670   5,829,812   5,764,823   5						
Public assistance		801,370	875,337	973,884	1,304,255	1,199,308
Education         41,238         45,707         46,571         50,551         56,464           Recreation and cultural         39,668         42,856         46,081         44,751         52,646           Total governmental functions         3934,838         4,167,779         4,633,883         5,287,079         531,640           Capital outlay         267,685         183,654         272,524         387,163         253,330           Debt service:         76,181         82,766         98,544         91,979         139,176           Interest         73,637         69,381         72,761         56,728         52,089           Bond issuance costs         73,637         69,381         72,761         56,728         52,089           Bond issuance costs         30,543         6,034         6,034         6,034         6,034           Total expenditures         4,352,339         4,503,597         5,111,670         5,829,812         5,764,823           Excess (deficiency) of revenues over (under) expenditures         128,641         153,558         64,676         (218,483)         56,661           Other financing sources (uses)           Sclee of capital assets         12         52,213         11,557         235         19						
Recreation and cultural   39,668   42,856   46,081   44,751   52,646   Total governmental functions   3,934,836   4,167,796   4,633,883   5,287,079   5,319,640   Capital outlay   267,685   183,654   272,524   387,163   253,330   Debt service:						
Total governmental functions   3,934,836   4,167,796   4,633,883   5,287,079   5,319,640     Capital outlay   267,685   183,654   272,524   387,163   253,330     Debt service:	Recreation and cultural				•	
Capital outlay   267,685   183,654   272,524   387,163   253,330     Debt service:						
Debt service:   Principal   76,181   82,766   98,544   91,999   139,176   176,181   172,761						
Principal         76,181         82,766         98,544         91,999         139,176           Interest         73,637         69,381         72,761         56,728         52,089           Bond issuance costs         3,415         807         588           Payment to refunded bond escrow agent         30,543         6,036           Total expenditures         4,352,339         4,503,597         5,111,670         5,829,812         5,764,823           Excess (deficiency) of revenues over (under) expenditures         128,641         153,558         64,676         (218,483)         56,661           Other financing sources (uses)           Sale of capital assets         126         25,213         11,557         235         198           Issuance of leases:         126         25,213         11,557         235         198           Issuance of bonds, loans, capital lease, and financed purchases:         1,171         150						
Interest   73,637   69,381   72,761   56,728   52,089   8	Principal	76,18	82,766	98,544	91,999	139,176
Bond issuance costs   3,415   807   588   Payment to refunded bond escrow agent   30,543   6,036   Colorador   5,764,823		73,63	7 69,381	72,761	56,728	52,089
Total expenditures	Bond issuance costs				807	588
Excess (deficiency) of revenues over (under) expenditures   128,641   153,558   64,676   (218,483)   56,661	Payment to refunded bond escrow agent			30,543	6,036	
Excess (deficiency) of revenues over (under) expenditures         128,641         153,558         64,676         (218,483)         56,661           Other financing sources (uses)           Sale of capital assets         126         25,213         11,557         235         198           Issuance of leases:         1,171           Leases         1,171           Issuance of bonds, loans, capital lease, and financed purchases:         57,554         49,060           Face value of bonds issued         57,554         49,060           Face value of loans issued         57,554         49,060           Face value of capital lease         45,495         217         217           Premium on issuance of bonds         66,047         3,432         14,831           Refunding bonds issued         425,414         45,725         45,483           Payment to refunded bond escrow agent         (450,127)         (48,344)         17,735           Transfers (out)         (532,605)         (533,891)         (595,710)         (654,122)         (638,354)           Total other financing sources (uses)         40,636         19,236         35,901         47,959         44,976           Net change in fund balances         169,277         172,794         100,577	Total expenditures	4,352,33	9 4,503,597	5,111,670	5,829,812	5,764,823
Sale of capital assets       126       25,213       11,557       235       198         Issuance of leases:       Leases       1,171         Issuance of bonds, loans, capital lease, and financed purchases:       Face value of financed purchases       1,331         Face value of bonds issued       57,554       49,060         Face value of loans issued       Fremium on issuance of bonds       217         Premium on issuance of bonds       66,047       3,432       14,831         Refunding bonds issued       425,414       45,725         Payment to refunded bond escrow agent       17 (450,127)       (48,344)         Transfers in       527,620       527,914       578,503       643,479       616,739         Transfers (out)       (532,605)       (533,891)       (595,710)       (654,122)       (638,354)         Total other financing sources (uses)       40,636       19,236       35,901       47,959       44,976         Net change in fund balances       \$ 169,277       172,794       100,577	Excess (deficiency) of revenues over (under) expenditures	128,64	153,558		(218,483)	
Sale of capital assets       126       25,213       11,557       235       198         Issuance of leases:       Leases       1,171         Issuance of bonds, loans, capital lease, and financed purchases:       Face value of financed purchases       1,331         Face value of bonds issued       57,554       49,060         Face value of loans issued       Fremium on issuance of bonds       217         Premium on issuance of bonds       66,047       3,432       14,831         Refunding bonds issued       425,414       45,725         Payment to refunded bond escrow agent       17 (48,344)         Transfers in       527,620       527,914       578,503       643,479       616,739         Transfers (out)       (532,605)       (533,891)       (595,710)       (654,122)       (638,354)         Total other financing sources (uses)       40,636       19,236       35,901       47,959       44,976         Net change in fund balances       \$169,277       172,794       100,577       (170,524)	Other financing sources (uses)					
Issuance of leases:   Leases   1,171     Issuance of bonds, loans, capital lease, and financed purchases:   Face value of financed purchases   1,331     Face value of bonds issued   57,554   49,060     Face value of loans issued   217     Fremium on issuance of bonds   66,047   3,432   14,831     Refunding bonds issued   425,414   45,725     Payment to refunded bond escrow agent   (450,127)   (48,344)     Transfers in   527,620   527,914   578,503   643,479   616,739     Transfers (out)   (532,605)   (533,891)   (595,710)   (654,122)   (638,354)     Total other financing sources (uses)   40,636   19,236   35,901   47,959   44,976     Net change in fund balances   \$169,277   172,794   100,577   (170,524)   101,637		12	5 25 213	11.557	23.5	198
Leases       1,171         Issuance of bonds, loans, capital lease, and financed purchases:       1,331         Face value of financed purchases       57,554       49,060         Face value of loans issued       217         Face value of capital lease       45,495       217         Premium on issuance of bonds       66,047       3,432       14,831         Refunding bonds issued       425,414       45,725         Payment to refunded bond escrow agent       (450,127)       (48,344)         Transfers in       527,620       527,914       578,503       643,479       616,739         Transfers (out)       (532,605)       (533,891)       (595,710)       (654,122)       (638,354)         Total other financing sources (uses)       40,636       19,236       35,901       47,959       44,976         Net change in fund balances       \$ 169,277       172,794       100,577       (170,524)       101,637		12	20,210	11,007	200	170
Issuance of bonds, loans, capital lease, and financed purchases:         Face value of financed purchases       1,331         Face value of bonds issued       57,554       49,060         Face value of loans issued       217         Premium on issuance of bonds       66,047       3,432       14,831         Refunding bonds issued       425,414       45,725         Payment to refunded bond escrow agent       (450,127)       (48,344)         Transfers in       527,620       527,914       578,503       643,479       616,739         Transfers (out)       (532,605)       (533,891)       (595,710)       (654,122)       (638,354)         Total other financing sources (uses)       40,636       19,236       35,901       47,959       44,976         Net change in fund balances       \$ 169,277       172,794       100,577       (170,524)       101,637						1 171
Face value of financed purchases       1,331         Face value of bonds issued       57,554       49,060         Face value of loans issued       217         Fremium on issuance of bonds       66,047       3,432       14,831         Refunding bonds issued       425,414       45,725         Payment to refunded bond escrow agent       (450,127)       (48,344)         Transfers in       527,620       527,914       578,503       643,479       616,739         Transfers (out)       (532,605)       (533,891)       (595,710)       (654,122)       (638,354)         Total other financing sources (uses)       40,636       19,236       35,901       47,959       44,976         Net change in fund balances       \$ 169,277       172,794       100,577       (170,524)       101,637						1,1,7
Face value of bonds issued         Face value of loans issued         Face value of capital lease       45,495       217         Premium on issuance of bonds       66,047       3,432       14,831         Refunding bonds issued       425,414       45,725         Payment to refunded bond escrow agent       (450,127)       (48,344)         Transfers in       527,620       527,914       578,503       643,479       616,739         Transfers (out)       (532,605)       (533,891)       (595,710)       (654,122)       (638,354)         Total other financing sources (uses)       40,636       19,236       35,901       47,959       44,976         Net change in fund balances       \$ 169,277       172,794       100,577       (170,524)       101,637						1.331
Face value of loans issued         Face value of capital lease       45,495       217         Premium on issuance of bonds       66,047       3,432       14,831         Refunding bonds issued       425,414       45,725         Payment to refunded bond escrow agent       (450,127)       (48,344)         Transfers in       527,620       527,914       578,503       643,479       616,739         Transfers (out)       (532,605)       (533,891)       (595,710)       (654,122)       (638,354)         Total other financing sources (uses)       40,636       19,236       35,901       47,959       44,976         Net change in fund balances       \$ 169,277       172,794       100,577       (170,524)       101,637					57 554	,
Face value of capital lease       45,495       217         Premium on issuance of bonds       66,047       3,432       14,831         Refunding bonds issued       425,414       45,725         Payment to refunded bond escrow agent       (450,127)       (48,344)         Transfers in       527,620       527,914       578,503       643,479       616,739         Transfers (out)       (532,605)       (533,891)       (595,710)       (654,122)       (638,354)         Total other financing sources (uses)       40,636       19,236       35,901       47,959       44,976         Net change in fund balances       \$ 169,277       172,794       100,577       (170,524)       101,637					07,001	17,000
Premium on issuance of bonds         66,047         3,432         14,831           Refunding bonds issued         425,414         45,725           Payment to refunded bond escrow agent         (450,127)         (48,344)           Transfers in         527,620         527,914         578,503         643,479         616,739           Transfers (out)         (532,605)         (533,891)         (595,710)         (654,122)         (638,354)           Total other financing sources (uses)         40,636         19,236         35,901         47,959         44,976           Net change in fund balances         \$ 169,277         172,794         100,577         (170,524)         101,637		45.49.	5	217		
Refunding bonds issued       425,414       45,725         Payment to refunded bond escrow agent       (450,127)       (48,344)         Transfers in       527,620       527,914       578,503       643,479       616,739         Transfers (out)       (532,605)       (533,891)       (595,710)       (654,122)       (638,354)         Total other financing sources (uses)       40,636       19,236       35,901       47,959       44,976         Net change in fund balances       \$ 169,277       172,794       100,577       (170,524)       101,637		10, 1,			3.432	14.831
Payment to refunded bond escrow agent       (450,127)       (48,344)         Transfers in       527,620       527,914       578,503       643,479       616,739         Transfers (out)       (532,605)       (533,891)       (595,710)       (654,122)       (638,354)         Total other financing sources (uses)       40,636       19,236       35,901       47,959       44,976         Net change in fund balances       \$ 169,277       172,794       100,577       (170,524)       101,637						,55.
Transfers in         527,620         527,914         578,503         643,479         616,739           Transfers (out)         (532,605)         (533,891)         (595,710)         (654,122)         (638,354)           Total other financing sources (uses)         40,636         19,236         35,901         47,959         44,976           Net change in fund balances         \$ 169,277         172,794         100,577         (170,524)         101,637				•		
Transfers (out)         (532,605)         (533,891)         (595,710)         (654,122)         (638,354)           Total other financing sources (uses)         40,636         19,236         35,901         47,959         44,976           Net change in fund balances         \$ 169,277         172,794         100,577         (170,524)         101,637		527.620	527.914			616.739
Total other financing sources (uses)         40,636         19,236         35,901         47,959         44,976           Net change in fund balances         \$ 169,277         172,794         100,577         (170,524)         101,637					•	
Net change in fund balances \$ 169,277 172,794 100,577 (170,524) 101,637					<del></del>	
					· · · · · · · · · · · · · · · · · · ·	·

# Table 5 County of San Diego Assessed Value of Taxable Property

Last Ten Fiscal Years (1) (In Thousands)

	Real Prope	erty	Personal P	roperty	Less: Tax E	xempt		
							Total Taxable	
							Assessed	<b>Total Direct</b>
Fiscal Year	Secured L	Insecured	Secured	Unsecured	Secured	Unsecured	Value	Tax Rate
2013	\$ 388,067,793	\$ 3,362,102	\$ 3,785,463	\$ 10,908,493	\$ 11,532,649	\$ 1,632,359	\$ 392,958,843	1.00000
2014	401,174,212	3,471,163	3,857,452	11,337,598	12,195,985	1,660,818	405,983,622	1.00000
2015	424,400,547	3,837,190	3,708,390	11,638,652	12,531,830	1,812,206	429,240,743	1.00000
0017	440,000,051	0 (05 000	0.5/7.007	11,000,47	10.074.474	1 001 051	450 015 500	1 00000
2016	449,303,851	3,695,989	3,567,927	11,923,467	13,374,474	1,801,251	453,315,509	1.00000
2017	473,696,673	3,733,123	3,527,495	12.797.155	14,227,380	1.875.970	477.651.096	1.00000
2017	473,070,073	3,733,123	3,327,473	12,777,100	14,227,300	1,0/3,//0	477,031,070	1.00000
2018	502,995,352	3,839,661	3,954,578	12,853,406	14,954,254	1,862,561	506,826,182	1.00000
	, , , , , , , , , , , , , , , , , , , ,	.,,	.,,	, , , , , , , ,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,	, .	
2019	533,571,034	3,970,087	4,073,291	13,691,328	16,390,213	2,026,718	536,888,809	1.00000
2020	563,905,066	4,408,141	3,978,117	14,496,090	17,360,610	2,231,365	567,195,439	1.00000
2021	594,177,079	4,983,017	4,284,537	14,654,279	17,856,045	1,987,395	598,255,472	1.00000
0000	(10 (17 5 (0	4.515.01.4	0.000.1.47	10.015.174	10 (51000	0.005.000	/10 5 / / / / 7	1 00000
2022	618,617,563	4,515,314	3,989,147	13,315,174	19,654,928	2,235,803	618,546,467	1.00000

<sup>(1)</sup> Due to the passage of Proposition 13 (Prop 13) in 1978, the County does not track the estimated actual value of real and personal properties; therefore, assessed value as a percentage of actual value is not applicable. Under Prop 13, property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the CPI on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value.

Source: County of San Diego, Auditor and Controller, Property Tax Services Division

Total Overlapping Rates

Total Direct and Overlapping Rates

County of San Diego / Annual Comprehensive Financial Report / For the year ended June 30, 2022

			Table								
			inty of S								
Property Tax Rates - Direct and Overlapping Governments  (Per \$100 of Assessed Value)											
Fiscal Year											
DI 10 1 (1)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Direct Rates (1) County of San Diego	0.140	0.139	0.140	0.139	0.139	0.139	0.138	0.138	0.138	0.138	
,											
Cities (3)	0.232	0.233	0.233	0.235	0.238	0.238	0.242	0.242	0.245	0.247	
Schools (4)	0.594	0.594	0.593	0.592	0.590	0.590	0.587	0.587	0.585	0.583	
Special Districts	0.034	0.034	0.034	0.034	0.033	0.033	0.033	0.033	0.032	0.032	
Total Direct Rates	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Overlapping Rates (2)											
Cities (3)	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	
Schools	0.073	0.103	0.102	0.105	0.103	0.109	0.110	0.140	0.139	0.141	
Special Districts	0.009	0.009	0.009	0.009	0.009	0.009	0.009	0.011	0.012	0.013	

(1) The \$1.00 per \$100 of Assessed Value (Proposition 13) tax rate beginning in Fiscal Year 1978-79 is distributed according to State Law on a percentage basis to each of the eligible taxing agencies in the County.

0.115

1.115

0.118

1.118

0.116

1.116

0.122

1.122

0.123

1.123

0.155

1.155

0.155

1.155

0.158

1.158

- (2) Overlapping rates for cities, schools and special districts are chargeable to property owners within their respective tax rate areas (TRA).

  Overlapping rates do not apply to all property owners (e.g. the rates for special districts apply only to property owners whose property is located within the geographic boundary (TRA) of the special district.)
- (3) Includes property tax revenue that is distributed in the Redevelopment Property Tax Trust Fund (RPTTF) starting fiscal year 2012 (Redevelopment Agencies' dissolution was February 1, 2012) to present. Prior to dissolution, property tax revenue was distributed to the redevelopment agencies.
- (4) Includes property tax revenue that is distributed in the Educational Revenue Augmentation Fund (ERAF). Source: County of San Diego, Auditor and Controller, Property Tax Services Division

0.086

1.086

0.116

1.116

# Table 7 County of San Diego Principal Property Taxpayers

Current Year and Nine Years Ago (In Thousands)

		2013				
	Secured	2022	Percentage of	Secured	2013	
	Taxable		Total Secured	Taxable		Percentage of Total
	Assessed		Taxable Assessed	Assessed		Secured Taxable
Taxpayer	Value	Rank	Value	Value	Rank	Assessed Value
San Diego Gas & Electric Company	\$ 10,569,101	l	1.75%	\$ 6,680,341	l	1.76%
ban 2.0ge cas at 2.00ms company	Ψ 10/00//101		117 070	φ σ/σσσ/στ.	•	117 070
Qualcomm Inc	2,393,907	2	0.40%	1,260,447	6	0.33%
(C)	1 (0 ( 5 ( 1	•	0.007	1 0 / 0 500	_	0.047
Kilroy Reality L P	1,406,561	3	0.23%	1,369,583	5	0.36%
Irvine Co L L C	1,173,569	4	0.19%	1,486,278	4	0.39%
1,1110 00 11 0	1,170,007	•	0.1770	1,100,270	•	0.0770
UTC Venture LLC	875,419	5	0.15%			
	007.101	,	0.1.47	1.5.47.000	•	0.416
Host Hotels and Resorts LP	827,191	6	0.14%	1,547,903	3	0.41%
B S K Del Partners LLC	718,100	7	0.12%	966,452	7	0.25%
DOTE DOTT ATTIONS ELEC	, 10,100	,	0.12/0	700,102	,	0.2070
Sorrento West Properties Inc	628,540	8	0.10%			
Fashion Valley Mall L L C	541,939	9	0.09%			
One Park Boulevard L L C	521,387	10	0.09%			
	021,007		0.07,70			
Southern California Edison Co.				2,458,486	2	0.65%
				011.000	•	2.217
Pacific Bell Telephone Company				811,092	8	0.21%
Sunstone Park Lessees LLC				600,540	9	0.16%
CONSTONIO I GIR ECOSCOS EEC				000,010	,	0.1070
O C/S D Holdings LLC				600,462	10	0.16%
Totals	\$ 19,655,714		3.26%	\$ 17,781,584		4.68%
Totals	φ 17,000,/14		3.20%	φ 1/,/01,384		4.00%
Source: County of San Diego, Auditor	and Controller, Pro	perty Tax S	Services Division			
		1				

# Table 8 County of San Diego Property Tax Levies and Collections

\_ast Ten Fiscal Year: (In Thousands)

		Collections with	in the Fiscal Year			
		of the	e Levy		Total Collection	ons to Date
	Total Tax Levy for		Percentage	Collections in		Percentage
Fiscal Year	Fiscal Year (1)	Amount	of Levy	Subsequent Years	Amount	of Levy
2013	\$ 3,929,588	\$ 3,871,591	98.52%	\$ 35,226	\$ 3,906,817	99.42%
2014	4,059,836	4,011,889	98.82%	32,045	4,043,934	99.61%
2015	4,292,407	4,241,271	98.81%	32,638	4,273,909	99.57%
0017	4 500 155	4 400 000	00.000	00.050	4.510.057	00.400
2016	4,533,155	4,489,098	99.03%	29,859	4,518,957	99.69%
2017	4,776,510	4,738,515	99.20%	31.875	4,770,390	99.87%
2017	4,770,010	4,730,313	77.2076	31,073	4,770,370	77.07/6
2018	5,068,261	5,019,394	99.04%	32,656	5,052,050	99.68%
	2,000,00	2,211,211		5_,000	5,552,555	
2019	5,368,888	5,318,210	99.06%	36,014	5,354,224	99.73%
2020	5,671,954	5,590,625	98.57%	60,513	5,651,138	99.63%
2021	5,982,555	5,903,354	98.68%	39,495	5,942,849	99.34%
2022	6,185,465	6,118,910	98.92%	NA	6,118,910	98.92%

<sup>(1)</sup> Includes secured, unsecured and unitary tax levy for the County and school districts, cities and special districts under the supervision of independent governing boards.

Source: County of San Diego, Auditor and Controller, Property Tax Services Division

### Table 9 County of San Diego Ratios of Outstanding Debt by Type

(In Thousands, Except Per Capita Amount)

			riscai rear		
	2013	2014	2015	2016	2017
Governmental Activities:					
Certificates of Participation & Lease					
Revenue Bonds	\$ 413,992	396,173	376,955	351,179	330,956
Tobacco Settlement Asset-Backed Bonds	551,350	551,442	542,883	546,110	548,832
Pension Obligation Bonds	769,068	732,330	692,338	649,860	605,520
Capital and Retrofit loans	5,169	5,124	5,188	6,020	5,249
Capitalized Leases	152	119	84	51	6,084
Leases (2)					
Financed Purchases (2)					
Business-type Activities:					
Capital Loans	1,046	766	475	171	0
Total Primary Government	\$ 1,740,777	1,685,954	1,617,923	1,553,391	1,496,641
Percentage of Personal Income (1)	1.11%	0.99%	0.90%	0.83%	0.78%
Per Capita (1)	\$ 553	528	501	472	451

			Fiscal Year		
	2018	2019	2020	2021	2022
Governmental Activities:					
Certificates of Participation & Lease					
Revenue Bonds	\$ 309,388	287,889	260,352	241,030	286,568
Tobacco Settlement Asset-Backed Bonds	546,113	544,069	533,851	520,925	506,574
Pension Obligation Bonds	558,525	508,765	456,040	400,125	340,825
Capital and Retrofit loans	4,282	3,610	3,201	2,551	1,700
Capitalized Leases (2)	47,691	43,593	39,300	90,595	
Leases (2)					256,124
Financed Purchases (2)					13,599
Business-type Activities:					
Capital Loans					
Total Primary Government	\$ 1,465,999	1,387,926	1,292,744	1,255,226	1,405,390
Percentage of Personal Income (1)	0.75%	0.72%	0.75%	0.76%	0.84%
Per Capita (1)	\$ 439	414	387	379	428

<sup>(1)</sup> See Table 13 Demographic and Economic Statistics
(2) Effective fiscal year 2021-2022 capital leases no longer apply pursuant to GASB 87, Leases.

## Table 10 County of San Diego Ratios of General Bonded Debt Outstanding

Last Ien Fiscal Years
(In Thousands, Except Per Capita Amount)

			Fiscal Year		
	2013	2014	2015	2016	2017
Certificates of Participation & Lease Revenue Bonds	\$ 413,992	396,173	376,955	351,179	330,956
Less: Amounts Available in Debt Service Fund	 28,140	27,728	28,798	20,107	19,992
Net Certificates of Participation & Lease Revenue Bonds	385,852	368,445	348,157	331,072	310,964
Pension Obligation Bonds	769,068	732,330	692,338	649,860	605,520
Less: Amounts Available in Debt Service Fund	161	423	877	375	574
Net Pension Obligation Bonds	768,907	731,907	691,461	649,485	604,946
Total Net Bonded Debt	\$ 1,154,759	1,100,352	1,039,618	980,557	915,910
Percentage of Actual Taxable Value of Property (1)	0.29%	0.27%	0.24%	0.22%	0.19%
Per Capita (2)	\$ 367	344	322	298	276

			Fiscal Year		
	2018	2019	2020	2021	2022
Certificates of Participation & Lease Revenue Bonds	\$ 309,388	287,889	260,352	241,030	286,568
Less: Amounts Available in Debt Service Fund	20,455	20,634	13,773	9,143	
Net Certificates of Participation & Lease Revenue Bonds	288,933	267,255	246,579	231,887	286,568
Pension Obligation Bonds	558,525	508,765	456,040	400,125	340,825
Less: Amounts Available in Debt Service Fund	993	1,526	1,345	724	
Net Pension Obligation Bonds	557,532	507,239	454,695	399,401	340,825
Total Net Bonded Debt	\$ 846,465	774,494	701,274	631,288	627,393
Percentage of Actual Taxable Value of Property (1)	0.17%	0.14%	0.12%	0.11%	0.10%
Per Capita (2)	\$ 254	231	212	190	191

<sup>(1)</sup> See Table 5 Assessed Value of Taxable Property - Total Assessed Value

<sup>(2)</sup> See Table 13 Demographic and Economic Statistics - Population Data

### Table 11 County of San Diego **Legal Debt Margin Information** Last Ten Fiscal Years (In Thousands)

**Total Net Debt** Applicable to Legal Debt Margin/ Fiscal Year **Debt Limit Debt Limit** Limit (1) Legal Debt Margin 2013 4,911,986 4,911,986 100% 2014 5,074,795 5,074,795 100% 2015 100% 5,365,509 5,365,509 2016 5,666,444 5,666,444 100% 2017 5,970,639 5,970,639 100% 2018 6,335,327 6,335,327 100% 2019 100% 6,711,110 6,711,110 2020 7,089,943 7.089.943 100% 100% 2021 7,478,193 7,478,193 2022 7,731,831 7,731,831 100% Legal Debt Margin Calculation for Fiscal Year 2022 Assessed value 618,546,467

Debt limit (1.25% of total assessed value) (2) 7,731,831

Debt applicable to limit:

General obligation bonds

Less: Amount set aside for repayment of general

obligation debt

Total net debt applicable to limit

7,731,831 Legal debt margin

- (1) For the fiscal years presented, the County had no debt that qualified as indebtedness subject to the bonded debt limit under the California Constitution.
- (2) Under California State law, the total amount of bonded indebtedness shall not at any time exceed 1.25% of the taxable property of the County as shown by the last equalized assessment roll.

### Table 12 County of San Diego Pledged-Revenue Coverage

Last Ten Fiscal Years (In Thousands)

		Tobaco	o Settlement Asset	-Backed Bonds		
	Tobacco Settlement	Less: Operating	Net Available			
Fiscal Year	Revenues	Expenses (1)	Revenue	Principal (2)	Interest	Coverage
2013	\$ 41,460	\$ 111	\$ 41,349	\$ 17,035	\$ 25,263	0.98
2014	27,256	195	27,061	5,750	24,453	0.90
2014	27,230	175	27,001	3,730	24,433	0.70
2015	26,982	190	26,792	14,760	24,181	0.69
2016	26,680	130	26,550	3,355	23,480	0.99
2017	27,440	120	27,320	4,265	23,321	0.99
2018	32,759	232	32,527	10,145	23,118	0.98
2019	31,754	171	31,583	9,930	22,636	0.97
2020	30,444	203	30,241	28,479	30,827	0.51
2021	34,364	226	34,138	16,425	17,890	0.99
2022	35,470	228	35,242	18,285	17,244	0.99

<sup>(1)</sup> Operating expenses do not include interest.

<sup>(2)</sup> Tobacco Principal Debt Service requirements include Turbo Principal payments.

# Table 13 County of San Diego **Demographic and Economic Statistics**

			Per Capita		
		Personal Income	Personal Income	School	Unemployment
Year	Population (1)	(In thousands) (2)	(In dollars)	Enrollment (3)	Rate (4)
2013	3,150,178	\$ 156,600,000	\$ 49,711	499,850	8.1
2014	2.104.270	170 200 000	F2 212	F02 00 /	
2014	3,194,362	170,300,000	53,313	503,096	6.5
2015	3,227,496	179,800,000	55,709	503,848	5.3
2016	3,288,612	186,900,000	56,832	504,561	4.9
0017	2.217.100	100 107 000	F7.000	505.010	4.0
2017	3,316,192	192,107,000	57,930	505,310	4.2
2018	3,337,456	194,633,000	58,318	508,169	3.7
2019	3,351,786	191,558,000	57,151	506,260	3.3
0000	0.040.055	170.070.000	51.000	500 705	10.0
2020	3,343,355	173,279,000	51,828	502,785	13.8
2021	3,315,404	164,786,000	49,703	490,068	7.0
	2,210,101	2.17. 2.27.2.2	,. 55		
2022	3,287,306	167,801,000	51,045	481,102	3.2

### Sources:

- (1) California Department of Finance
- (2) Los Angeles County Economic Development Corporation
- (3) California Department of Education
  (4) U.S. Department of Labor, Bureau of Labor Statistics

# Table 14 County of San Diego Principal Employers

Current Year and Nine Years Ago

			2022		2013					
				Percentage of				Percentage of		
				Total County				Total County		
Employer	<b>Employees</b>		Rank	Employment (2)	<b>Employees</b>		Rank	Employment (3)		
U.C. San Diego	35,802	(1)	1	2.36%	27,832	(3)	2	1.87%		
Sharp Healthcare	19,468	(1)	2	1.28%	15,960	(3)	4	1.07%		
orrang freamfeare	17,100	( ' /		1.2070	10,700	(0)	'	1.07 70		
County Of San Diego	17,954	(1)	3	1.18%	16,011	(3)	3	1.07%		
City Of San Diego	11,820	(1)	4	0.78%	10,306	(3)	7	0.69%		
General Atomics (and affiliated										
companies)	6,745	(1)	5	0.44%	7,668	(3)	9	0.51%		
San Diego State University	6,454	(1)	6	0.43%	N/A		N/A	N/A		
Rady Children's Hospital-San Diego	5,711	(1)	7	0.38%	N/A		N/A	N/A		
San Diego Community College District	5,400	(1)	8	0.36%	N/A		N/A	N/A		
Sempra Energy	5,063	(1)	9	0.33%	N/A		N/A	N/A		
YMCA of San Diego County	5,057	(1)	10	0.33%	N/A		N/A	N/A		
Total	119,474	( ' /	10	7.87%	77,777		13/73	5.21%		

### Sources:

(1) Adopted Operational Plan Fiscal Years 2022–23 and 2023–24, page 25, using the 2021 San Diego County's Largest Employers List. Note: The Naval Base San Diego was excluded. 2021 San Diego County's Largest Employers List was discontinued by the San Diego Business Journal.

(2) California Labor Market Info (www.labormarketinfo.edd.ca.gov)

Percentage is calculated by dividing employees by total county employment of 1,515,800 as of June 2022

(3) FY 2012-2013 ACFR Table 14

# Table 15 County of San Diego Full-time Equivalent County Government Employees by Function

Last Ten Fiscal Years

			Fiscal Year		
Function	2013	2014	2015	2016	2017
General	1,485	1,479	1,485	1,529	1,515
Public protection	7,638	7,859	7,923	7,882	7,942
Public ways and facilities	369	366	356	370	388
Health and sanitation	2,068	2,029	1,994	1,987	2,059
Public assistance	3,728	4,160	4,368	4,462	4,552
Education	251	246	259	267	269
Recreation and cultural	162	172	166	171	172
Total	15,701	16,311	16,551	16,668	16,897

			Fiscal Year		
Function	2018	2019	2020	2021	2022
General	1,531	1,552	1,553	1,571	1,614
Public protection	7,899	7,917	7,883	7,595	7,484
Tobile profession	7,077	7,717	7,000	7,070	7,707
Public ways and facilities	385	391	374	377	387
Health and sanitation	2,092	2,194	2,311	2,227	2,359
Public assistance	4,583	4,660	4,817	4,873	4,847
		, , , , , , , , , , , , , , , , , , , ,			
Education	271	268	262	254	264
Recreation and cultural	177	190	224	226	240
Recreation and colloral	1//	190	224	220	240
Total	16,938	17,172	17,424	17,123	17,195

Source: County of San Diego Auditor and Controller, Central Payroll Administration

### Table 16 **County of San Diego Operating Indicators by Function** Last Ten Fiscal Years Fiscal Year **Function** 2013 2014 2015 2016 2017 General Registrar of Voters: Percent of total mail ballots tallied by the Monday after Election Day 74.30% 99.00% 98.00% 75.00% 59.00% Assessor/Recorder/County Clerk: Percent of mandated assessments completed by 99.00% 100.00% 100.00% 100.00% 100.00% Treasurer-Tax Collector: Secured taxes collected (% of total) 99.20% 98.00% 99.10% 99.10% 99.30% **Public protection** Child Support Services: Percent of current support collected (federal performance 68.00% 71.00% 72.00% measure #3) 67.00% 73.00% Sheriff: Number of jail "A" (or unduplicated) bookings 126.836 89,936 82,702 81,975 80,177 Sheriff: Daily average – number of inmates 5,274 5,706 5,226 5,152 (1) District Attorney: Felony defendants received 27,745 27,424 22,302 21,281 21,656 District Attorney: Misdemeanor defendants received 25,080 27,441 31,242 31,684 30,101 Planning and Development Services: Percent of building inspections completed next 100.00% 98.00% 98.00% (1) day (1) Planning and Development Services: Average permit center counter wait time (in minutes) (1) 31 25 25 23 Animal Services: Percent of euthanized animals that were treatable 28.00% 20.00% 12.80% 0.00% 0.00% Public ways and facilities Public Works: Protect water quality through Department of Public Works roads/drainage waste debris removal (cubic yards removed) 25,000 60,045 27,010 22,152 20,586 **Health and sanitation** Regional Operations: Children age 0-4 years receive age-appropriate vaccines 99.50% (1) (1) Regional Operations: Children age 11-18 years receive age-appropriate vaccines 99.40% (1)(1) (1) (1) 99.00% Regional Operations: Children age 0-18 years receive age-appropriate vaccines (1) 99.00% 100.00% 100.00% Behavioral Health Services: Wait time for children's mental health outpatient treatment 3.5 days 4 days (1) (1) (1) Public assistance Aging & Independence Services: Face-to-face adult protective services investigations 95.00% 97.00% 96.00% 96.00% within 10 days 97.00% Child Welfare Services: Foster children in 12th grade who achieve high school 83.00% completion (diploma, certificate or equivalent) 79.00% (1) (1) (1) Child Welfare Services: Family participation in joint case planning and meetings quarterly (1) (1) 56.00% 77.00% 76.00% Self-Sufficiency Services: CalWORKs applications processed timely to help eligible families become more self-sufficient 96.00% 97.00% (1) (1) (1) 6.84 7.82 7.82 County Library: Annual average circulation per item 7.52 7.47 Recreation and cultural 47,270 47.907 48.098 48.565 48,836 Parks and Recreation: Number of parkland acres owned and effectively managed Parks and Recreation: Number of miles of trails managed in the County trails program 330 336 359 363 363 (1) Trend data not available

Source: Various County departments

Table 16					
County of San Dieg	0				
Operating Indicators by F					
Last Ten Fiscal Years					
(Continued)					
(Commodu)			Fiscal Year		
Function	2018	2019	2020	2021	2022
General					
Registrar of Voters: Percent of total mail ballots tallied by the Monday after					
Election Day	93.00%	71.00%	97.00%	99.00%	92.00%
Assessor/Recorder/County Clerk: Percent of mandated assessments completed					
by close of annual tax roll	100.00%	100.00%	100.00%	100.00%	100.00%
Treasurer-Tax Collector: Secured taxes collected (% of total)	98.50%	99.20%	98.70%	99.00%	98.50%
Public protection					
Child Support Services: Percent of current support collected (federal performance					
measure #3)	72.00%	71.00%	71.00%	71.00%	67.00%
Sheriff: Number of jail "A" (or unduplicated) bookings	81,412	80,257	63,728	45,186	50,944
Sheriff: Daily average – number of inmates	(1)	(1)	(1)	(1)	(1)
District Attorney: Felony defendants received	20,676	21,308	19,193	21,219	23,464
District Attorney: Misdemeanor defendants received	32,383	33,220	27,120	26,950	29,178
Planning and Development Services: Percent of building inspections completed					
next day	(1)	(1)	(1)	(1)	(1)
Planning and Development Services: Average permit center counter wait time (in					
minutes)	23	21	22	(1)	23
Animal Services: Percent of euthanized animals that were treatable	0.00%	0.00%	0.00%	0.00%	0.00%
Public wave and facilities					
Public ways and facilities Public Works: Protect water quality through Department of Public Works roads/					
drainage waste debris removal (cubic yards removed)	19,290	24,636	22,150	18,790	17,512
diamage made designation (easie yards terriored)	17,270	21,000	22,100	10,770	17,012
Health and sanitation					
Regional Operations: Children age 0-4 years receive age-appropriate vaccines	(1)	(1)	(1)	(1)	(1)
Regional Operations: Children age 11-18 years receive age-appropriate vaccines	(1)	(1)	(1)	(1)	(1)
Regional Operations: Children age 0-18 years receive age-appropriate vaccines	99.00%	100.00%	100.00%	100.00%	100.00%
Behavioral Health Services: Wait time for children's mental health outpatient	(1)	(1)	(1)	(1)	(1)
treatment	(1)	(1)	(1)	(1)	(1)
Public assistance					
Aging & Independence Services: Face-to-face adult protective services					
investigations within 10 days	97.00%	98.00%	97.00%	98.00%	99.00%
Child Welfare Services: Foster children in 12th grade who achieve high school	77.0070	70.0070	77.0070	70.0070	77.0070
completion (diploma, certificate or equivalent)	(1)	(1)	(1)	(1)	(1)
Child Welfare Services: Family participation in joint case planning and meetings	( · /	( - )	( - )	( - /	( · )
quarterly	79.00%	80.00%	(1)	(1)	(1)
Self-Sufficiency Services: CalWORKs applications processed timely to help eligible			` ′	` /	` ′
families become more self-sufficient	97.00%	98.00%	97.00%	99.00%	99.00%
Education					
County Library: Annual average circulation per item	7.51	7.74	8.10	4.20	6.03
Recreation and cultural					
Parks and Recreation: Number of parkland acres owned and effectively					
managed	49,800	51,721	53,475	56,131	56,956
Parks and Recreation: Number of miles of trails managed in the County trails	47,000	01,721	00,770	00,101	00,700
program	364	368	375	380	384
p. 0 g. s	30 <del>-1</del>	500	5, 5	300	50-
(1) Trend data not available					
Source: Various County departments					

Table 17 County of San Diego Capital Asset Statistics by Function										
			Last	Ten Fiscal	Years					
					Fisca	l Year				
Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government										
Fleet vehicles	1,762	1,762	1,825	1,814	1,801	2,010	1,919	1,758	1,728	1,681
Buildings	1,126	1,136	1,114	1,123	1,153	1,092	1,069	1,092	1,114	1,120
Land	1,090	1,124	1,136	1,146	1,177	1,290	1,330	1,362	1,393	1,416
Dudalia parata atia a										
Public protection  Building - sub stations	12	15	16	16	16	16	17	16	16	14
Patrol units		1,473	1,448	1,520	1,511	1,604	1,837	1,620	1,628	1,699
Detention facilities	1,402 9	1,4/3	1,440	1,320	1,511	9	9	9	9	9
Determon racilines	7	10	10	10	- 11	7	7	7	7	7
Public ways and facilities										
Road miles	1,938.63	1,938.71	1,940.48	1,953.71	1,941.91	1,942.98	1,942.59	1,944.25	1,945.50	1,945.46
Bridges	200	200	201	201	204	208	208	208	208	208
Airports	7	7	7	7	7	7	7	7	7	7
Road stations	13	13	13	13	13	13	13	13	13	13
Health and sanitation										
Inactive landfills	23	23	23	23	23	23	23	23	23	23
Sewer lines miles	432.00	432.00	432.00	432.00	432.00	432.00	432.00	432.00	432.00	432.00
Water pollution control facilities	5	6	1	1	1	1	1	1	1	1
Wastewater treatment plants	3	3	3	3	3	3	3	3	3	3
Wastewater pump stations	8	8	8	8	8	8	8	8	8	8
Dudellie esseichere e.e.										
Public assistance	1	1	1	1	1	1	1	1	1	1
Administration building				1	1	•	1	•	1	•
Housing facilities	6	6	6	5	5	5	5	5	5	5
Education										
Libraries	20	20	20	20	21	21	22	22	22	22
Recreation and cultural										
Parks/open space area	91	91	109	109	109	118	125	130	152	156
Campgrounds	8	8	8	8	8	8	8	8	9	9
Source: Various County department	ents									



### Photo credits:

**Pg IV:** Expansive Misty Tree Volcan Mountain, Julian, California, USA near San Diego, Jimmy W, Shutterstock.com

**Pg 20:** Aerial view of community park on the top off a hill, Carmel Valley. San Diego, California, USA, Unwind, Shutterstock.com

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**Back Cover:** Young brother and sister seeing and playing at the beach for the first time. San Diego County, California, Micaiah Bennett, Shutterstock.com



County of San Diego, California

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