



County of San Diego, California

Popular Annual Financial Report
Fiscal year ended June 30, 2022

ABOUT THIS REPORT



Ebony N. Shelton
Deputy Chief Administrative
Officer/Chief Financial
Officer

Citizens of San Diego County:

Our Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2022 was prepared by the Auditor and Controller's office to provide readers of interest an easy to understand summary of our financial activities. The data from this report was taken from our Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. Both reports are available online at www.sdcountry.ca.gov/auditor/cafr.html.

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



Tracy Drager
Auditor and Controller

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

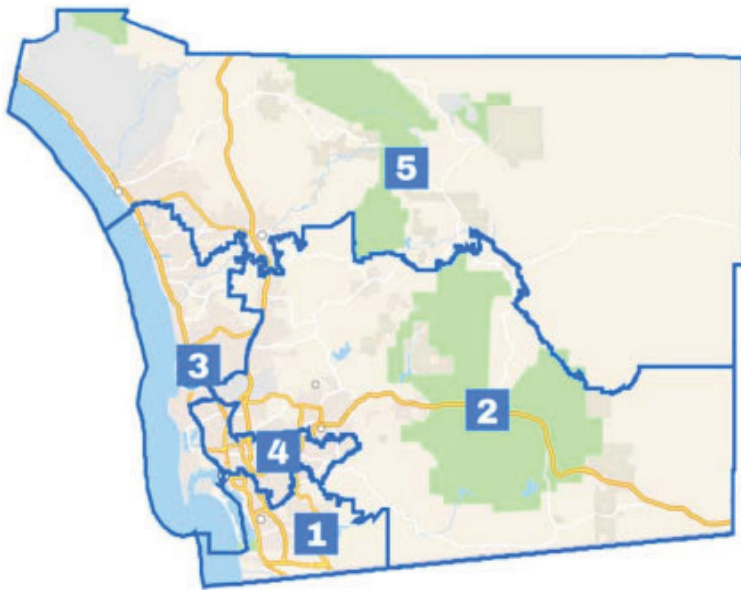
We hope you enjoy reading this report and invite you to access our audited ACFR online for more detailed information on your County finances. We welcome your questions, comments and suggestions regarding the information in this report. You can contact our office at (858) 694-2176.



Board of Supervisors

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

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



San Diego County Population

115,501	CARLSBAD	62,749	NATIONAL CITY
274,449	CHULA VISTA	176,754	OCEANSIDE
22,357	CORONADO	48,936	POWAY
4,258	DEL MAR	1,411,034	SAN DIEGO
103,243	EL CAJON	96,302	SAN MARCOS
62,289	ENCINITAS	56,800	SANTEE
151,688	ESCONDIDO	13,827	SOLANA BEACH
27,774	IMPERIAL BEACH	103,268	VISTA
59,578	LA MESA	498,252	UNINCORPORATED
26,345	LEMON GROVE	3,315,404	TOTAL

Source: Adopted Operational Plan Fiscal Years 2022-23 & 2023-24.

Nora Vargas
District 1
Vice-Chair



Joel Anderson
District 2



Terra Lawson-Remer
District 3



Nathan Fletcher
District 4
Chair



Jim Desmond
District 5



County Economy and Outlook

San Diego's economy has been affected by the Coronavirus Disease 2019 (COVID-19). 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.

Despite the decline in consumer activity, the sales tax collection in San Diego has shown a strong growth in 2021, especially in general retail.

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. Risk factors are continuously monitored, including employment, the housing market, and the national economy as a whole.

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

Source: 2022 ACFR Letter of Transmittal and Management's Discussion and Analysis.



Statistics

3.2%
UNEMPLOYMENT RATE
481,102
SCHOOL ENROLLMENT

\$7.23 BILLION
ADOPTED ANNUAL
BUDGET
\$51,045
PERSONAL INCOME
PER CAPITA

Sources: 2022 ACFR Statistical Table 13 and Adopted Operational Plan Fiscal Years 2021-22 & 2022-23.

Employment Mix ⁽¹⁾

244,600
GOVERNMENT ⁽²⁾

279,000
PROFESSIONAL &
BUSINESS
SERVICES

227,300
TRADE,
TRANSPORTATION
& UTILITIES

217,200
EDUCATIONAL &
HEALTH
SERVICES

182,600

LEISURE & HOSPITALITY

115,100

MANUFACTURING

74,500

FINANCIAL ACTIVITIES

83,300

CONSTRUCTION

51,300

OTHER SERVICES

22,500

INFORMATION TECHNOLOGY

8,000

FARMING

300

MINING & LOGGING

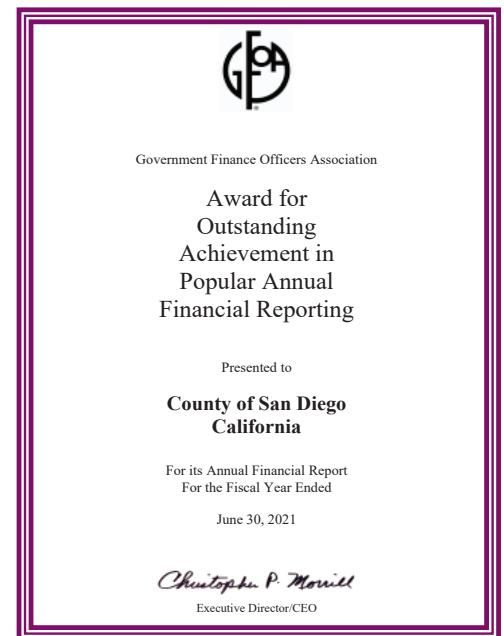
(1) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, and household domestic workers.
(2) Excludes the U.S. Department of Defense.

Source: Adopted Operational Plan Fiscal Years 2022-23 & 2023-24.

The 2022 ACFR is available
at: [www.sdcountry.ca.gov/
auditor/cafr.html](http://www.sdcountry.ca.gov/auditor/cafr.html).

Outstanding Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the County of San Diego for its Popular Annual Financial Report for the fiscal year ended June 30, 2021. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.



Other Awards and Recognitions

During fiscal year 2022, the County received awards for its leadership and excellence in operations, including 61 awards from the National Association of Counties. Examples include:

Health and Human Services Agency: The Self-Sufficiency Services Centre City Family Resource Center has adopted a new Storefront Customer Service delivery structure to enhance the ability to deliver services in a safe and efficient manner during the COVID-19. They completed a new walk-up storefront remodel designed to include service windows for quick transactions eliminating the need for a dedicated lobby where staff are able to provide essential services with increased accessibility, significant shortened wait times, maximizing the use of available technology.

Parks and Recreation: Progressive Trail Challenge - 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.

County Technology Office: Implemented the JELS Child Welfare eDocument Transfer for better efficiency. The Justice Electronic System (JELS) was first implemented in 2010, and in 2021, was further expanded to automate the electronic distribution of necessary CWS Child Welfare Reports and Minute Orders from Dependency Court proceedings to the privately held computer case management systems of Delinquency Legal Services, Children's Legal Services, and Voices for Children. As a result, over 50,000 multi-page reports formerly printed, collated, and delivered by County CWS to the DLS, CLS, and CASA organizations, are no longer manually handled.

Sheriff: "Academia de Alguacil" is the first-of-its-kind five-week Spanish language sheriff's academy, coordinated in partnership with the San Diego County Office of Education's Migrant Education Program, and was specifically designed to build relationships with Spanish-only speaking community members. Participants were parents of children who participated in the migrant education program. Academia de Alguacil is designed with cultural needs at the forefront with curriculum and presentations entirely in Spanish and built around reoccurring needs and themes communicated to and observed by our deputies in the communities.

Note: Other Awards and Recognitions are listed in the 2022 ACFR Letter of Transmittal and Adopted Operational Plan Fiscal Years 2022-23 & 2023-24.



The General Management System Reimagined

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: www.sdcounty.ca.gov/cao/.

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 our community stakeholders and employees.



*Source: Adopted Operational Plan
Fiscal Years 2022-23 and 2023-24.*

GENERAL MANAGEMENT SYSTEM REIMAGINED

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 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.

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.

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.

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.

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.

Government-wide Statement of Net Position

June 30, 2022 and 2021 (In thousands)		
	Total Primary Government	
	2022	2021 (1)
Assets		
Current and other assets	\$ 6,011,068	5,420,109
Capital assets	4,412,318	4,146,332
Total assets	10,423,386	9,566,441
Deferred Outflows of Resources		
Total deferred outflows of resources	913,983	1,527,765
Liabilities		
Long-term liabilities	4,185,535	6,279,368
Other liabilities	1,494,612	1,342,602
Total liabilities	5,680,147	7,621,970
Deferred Inflows of Resources		
Total deferred inflows of resources	1,591,954	93,207
Net Position		
Net investment in capital assets	3,883,227	3,832,335
Restricted	1,281,257	1,404,546
Unrestricted	(1,099,216)	(1,857,852)
Total net position	\$ 4,065,268	3,379,029

(1) The fiscal year 2021 balances were not restated for Governmental Accounting Standards Board Statement No. 87, Leases.

Source: 2022 ACFR Management's Discussion and Analysis Table 1.

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 a decrease of approximately \$123.2 million in the County's restricted net position (an 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 previously mentioned increase of \$686.3 million in net position was composed of changes in total assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

The largest portion of the County's net position reflects its net investment in capital assets of \$3.88 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, chiefly attributable to the County's outstanding Net Pension Liability and Net OPEB Liability.

The 2022 ACFR is available
at: [www.sdcounty.ca.gov/
auditor/cafr.html](http://www.sdcounty.ca.gov/auditor/cafr.html).

Key Terms

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

Government-wide: This PAFR presents the balance sheet (statement of net position) which includes assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. It also presents the income statement (statement of changes in net position) which includes revenue and expense information.

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

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

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

Assets: What is owned by the County.

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

Liabilities: What the County owes.

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

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

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

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

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

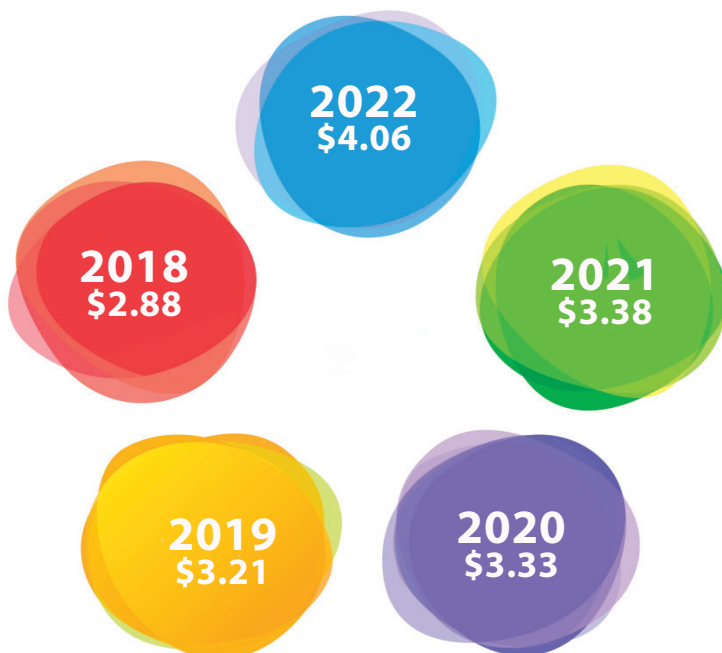
Other liabilities: Includes such items as payables, payroll, accrued interest and unearned revenue.

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

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

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

Total Net Position Fiscal Years 2018 - 2022 (In billions)



Government-wide Statement of Changes in Net Position

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

Notable changes in revenues between fiscal years 2021 and 2022 are attributable in part to a \$272 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; offset by increases of \$172 million primarily tied to Emergency Rental Assistance Program (ERAP) revenues; \$52 million in HHSA realignment revenues, including available one-time funding based on statewide sales tax receipts and vehicle license fees; \$52 million in Proposition 172 revenues; \$21 million increase primarily tied to federal Social Services Administrative revenues; \$16 million in revenues associated with the California Work Opportunity and Responsibility to Kids (CalWORKs) program; \$15 million primarily tied to State Social Services Administrative revenues; \$14 million in federal revenue attributable to the September 2021 Gubernatorial Recall Election; \$8 million in State aid community corrections revenues; and, \$8 million increase in various mental health and behavioral health program revenues.

Notable changes in expenses between fiscal years 2021 and 2022 include a \$618 million decrease in net pension related expenses; offset by a \$85.3 million increase in overall salaries and benefit costs.

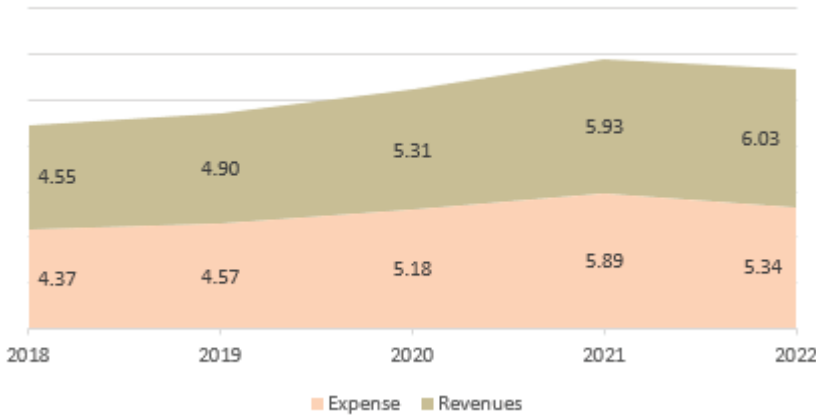
For the Years Ended June 30, 2022 and 2021 (In thousands)

	Total Primary Government	
	2022	2021 (1)
Revenues:		
Program Revenues		
Charges for services	\$ 677,961	630,817
Operating grants and contributions	3,737,998	3,758,523
Capital grants and contributions	109,343	24,242
General Revenues		
Property taxes	928,022	881,605
Transient occupancy tax	7,225	5,386
Real property transfer tax	43,635	35,608
Miscellaneous taxes	5	8
Property taxes in lieu of vehicle license fees	481,289	465,076
Sales and use taxes	43,268	37,810
Investment earnings	(95,680)	(2,998)
Other	94,166	97,870
Total revenues	6,027,232	5,933,947
Expenses:		
Governmental Activities:		
General government	414,187	465,464
Public protection	1,586,324	1,823,535
Public ways and facilities	164,262	163,809
Health and sanitation	1,167,816	1,363,772
Public assistance	1,785,733	1,838,270
Education	55,787	56,272
Recreation and cultural	60,611	57,617
Interest	53,971	57,386
Business-type Activities:		
Airport	15,545	15,586
Jail Stores Commissary	3,010	5,222
San Diego County Sanitation District	25,035	31,716
Sanitation District - Other	8,712	10,923
Total expenses	5,340,993	5,889,572
Changes in net position before transfers	686,239	44,375
Transfers		
Change in net position	686,239	44,375
Net position at beginning of year	3,379,029	3,334,654
Net position at end of year	\$ 4,065,268	3,379,029

(1) The fiscal year 2021 balances were not restated for Governmental Accounting Standards Board Statement No. 87, Leases.

Source: 2022 ACFR Management's Discussion and Analysis Table 2.

County Revenues & Expenses Fiscal Years 2018-2022 (In billions)



Key Terms

REVENUES:

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

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

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

Property taxes: County property taxes levied.

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

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

Miscellaneous taxes: Various other taxes levied.

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

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

Investment earnings: Earnings on County investments.

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

EXPENSES:

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

Public protection: Services provided by departments such as Agriculture Weights and Measures, District Attorney, Department

of Animal Services, Office of Emergency Services, fire protection County Service Areas, Medical Examiner, Probation, and Sheriff.

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

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

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

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

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

Interest: Expenses associated with County debt.

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

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

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



Where does the money go?

Public protection **29.7%**
Public assistance **33.3%**
Health and sanitation **21.9%**
General government **7.8%**
Public ways and facilities **3.1%**
Other **4.2%**

[Business-type activities 1.1%

Education 1.0%

Interest 1.0%

Recreation and cultural 1.1%]

Where does the money come from?

Operating grants and contributions **62.1%**
Property taxes **15.4%**
Charges for services **11.2%**
Property taxes in lieu of vehicle license fees **8.0%**
Other **3.3%**

[Capital grants and contributions 1.8%

Investment earnings (1.6%)

Transient occupancy tax 0.1%

Real property transfer tax 0.7%

Sales and use taxes 0.7%

Other 1.6%]

County Pooled Investments

The County investment policies and practices are based on prudent money management principles and state law.

The objectives of the Pooled Investment Policy are:

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

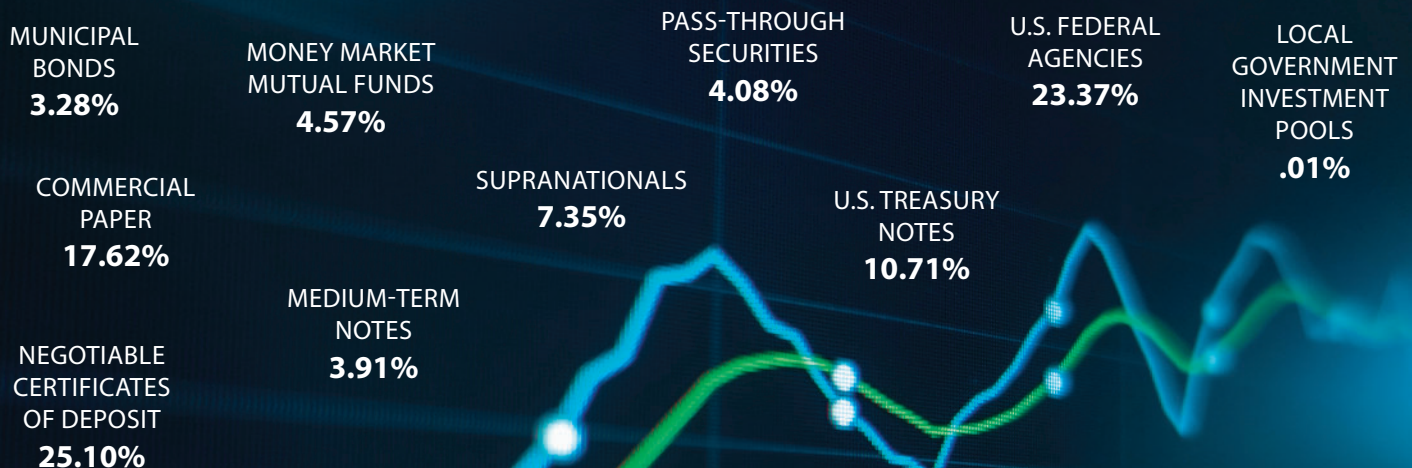
Credit ratings are forward-looking opinions about credit risk. This year the County Pool (the "Pool") remained rated AAAs/S1 by Fitch. The 'AAAs' rating indicates the highest level of protection against losses from credit defaults, whereas the 'S1' volatility rating indicates that the Pool possesses low sensitivity to changing market conditions.

The County Pool's Investment Policy and California State Law set minimum credit ratings for each type of investment held by the Pool. The Pool invests in highly rated securities rated at least "A/F1" by Fitch Ratings or another nationally recognized statistical rating organization.

Pooled Investments (In thousands)		
Investment	Fair Value	Fitch Rating
U.S. Federal Agencies	\$ 3,164,265	AAA
U.S. Treasury Notes	1,450,664	AAA
Pass-through Securities	553,284	AAA
Supranationals	995,797	AAA
Commercial Paper	2,386,111	F-1 - F-1+
Local Agency Investment Fund	2	NR
Local Government Investment Pools	1,573	AAA
Money Market Mutual Funds	618,500	AAA
Municipal Bonds	444,548	AA- - AAA
Negotiable Certificates of Deposit	3,398,769	F-1+
Medium-Term Notes	529,392	A+ - AA-
Total investments	\$ 13,542,905	

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

Source: 2022 ACFR Notes to the Financial Statements Table 7.



Capital Assets

The chart below depicts the outstanding capital assets, net of depreciation/amortization, as of June 30, 2022 for both Business-type and Governmental funds.

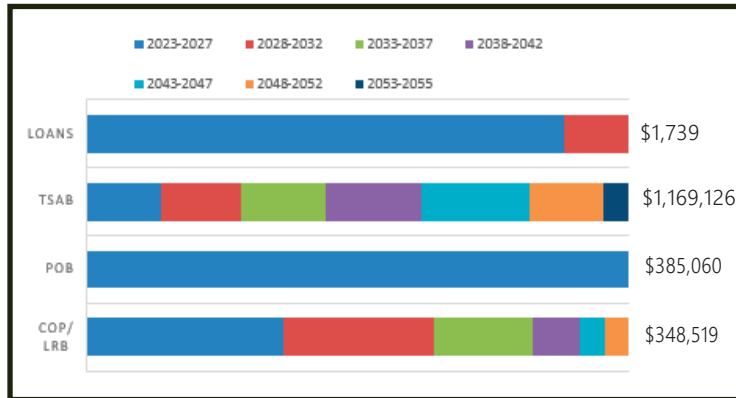
At June 30, 2022, the County's capital assets, net of depreciation/amortization totaled \$4.41 billion. Capital assets are used to provide services to county residents. Some of the significant capital asset activity in fiscal year 2022 was as follows:

- \$55.0 million towards construction/improvements of County maintained roads, bridges, and other road related infrastructure.
- \$37.0 million towards construction of Youth Transition Campus.
- \$26.1 million towards acquisition of equipment.
- \$24.5 million towards construction of Southeast San Diego Live Well Center.
- \$19.2 million towards improvement of various capital projects.
- \$18.0 million towards County Administration Center (CAC) renovations.
- \$16.9 million towards Rock Mountain Detention Facility renovations.
- \$11.7 million towards development of various software applications.
- \$9.4 million towards construction of Lakeside Branch Library.
- \$8.7 million towards Ohio Street Probation renovations.
- \$8.0 million towards various land acquisitions for the Multiple Species Conservation Program.
- \$7.2 million towards improvements at Lindo Lake.
- \$1.4 million towards diversion and abandonment Spring Valley Outfall Meter.



(1) Land - 12.51%	(5) Equipment - 3.96%	(9) Bridge infrastructure - 1.37%
(2) Easements - .22%	(6) Software - 1.42%	(10) Right-to-use Land - 1.24%
(3) Construction in progress - 9.37%	(7) Road infrastructure - 25.74%	(11) Right-to-use buildings & Improvements - 4.45%
(4) Buildings & improvements - 38.42%	(8) Sewer infrastructure - 1.26%	(12) Right-to-use equipment - .04%

County Debt Service Requirements to Maturity (In thousands)



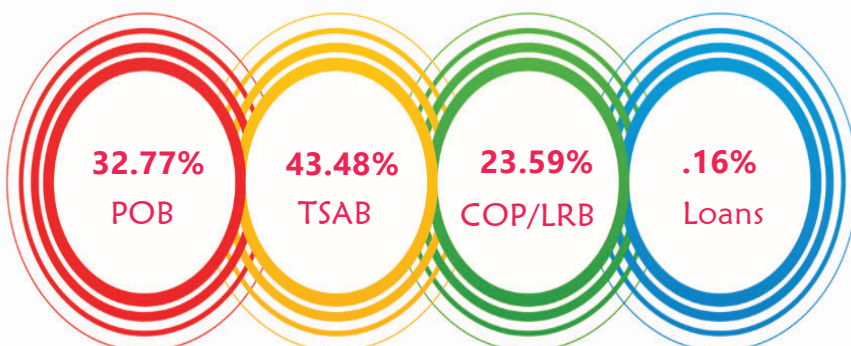
Note: This chart includes debt principal, unaccrued appreciation and interest.

County Board of Supervisors Policy Manual, Section B, Policy B-65, "Long-Term Obligations and Financial Management Policy" (https://codelibrary.amlegal.com/codes/san_diego/latest/sandiego_board/b_65_long_term_obligations_and_financial_management_policy), provides guidance on the County's long-term financial strategy and obligations. Examples of management practices and other information about long-term obligations found in the policy include the following:

The County shall:

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

County Principal Debt Outstanding



Long-Term Liabilities

At June 30, 2022 the County's long-term liabilities totaled \$1.867 billion: \$1.040 billion in long-term debt principal of certificates of participation, bonds and loans; and \$827 million of other long-term liabilities including financed purchases, claims and judgments, compensated absences, landfill postclosure, leases, pollution remediation, and unamortized premiums.

Loans

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

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

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

Taxable Pension Obligation Bonds (POB)

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

Tobacco Settlement Asset-Backed Bonds (TSAB)

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

Note: This chart includes debt principal only

KEY FINANCIAL DATA

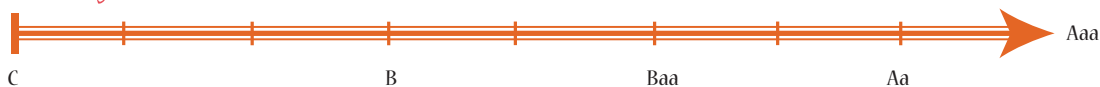


Credit Ratings			
As of June 30, 2022	Moody's	Standard & Poor's	Fitch
Issuer Rating	Aaa	AAA	AAA
Certificates of Participation San Diego County Capital Asset Leasing Corporation (SANCAL)	Aa1	AA+	AA+
Lease Revenue Refunding Bonds SDRBA (County Operations Center) Series 2016A	Aa1	AA+	AA+
Pension Obligation Bonds	Aa2	AAA	AA+
Tobacco Settlement Asset-Backed Bonds - Series 2006B CAB (First Subordinate)	not rated	CCC-	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2006C CAB (Second Subordinate)	not rated	CCC-	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2006D CAB (Third Subordinate)	not rated	CCC-	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2019A (Class 1) Serial Bonds	not rated	A,A-	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2019A (Class 1) Term Bonds	not rated	BBB+	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2019B-1 (Class 2) Turbo CIB	not rated	BBB+,BBB-	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2019B-2 (Class 2) Turbo CAB	not rated	not rated	not rated
San Diego County Redevelopment Agency Bonds	not rated	not rated	not rated

Source: 2022 ACFR Management's Discussion and Analysis Table 3.

Credit Rating Scale

Moody's



Standard & Poor's



Fitch



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

Sources:

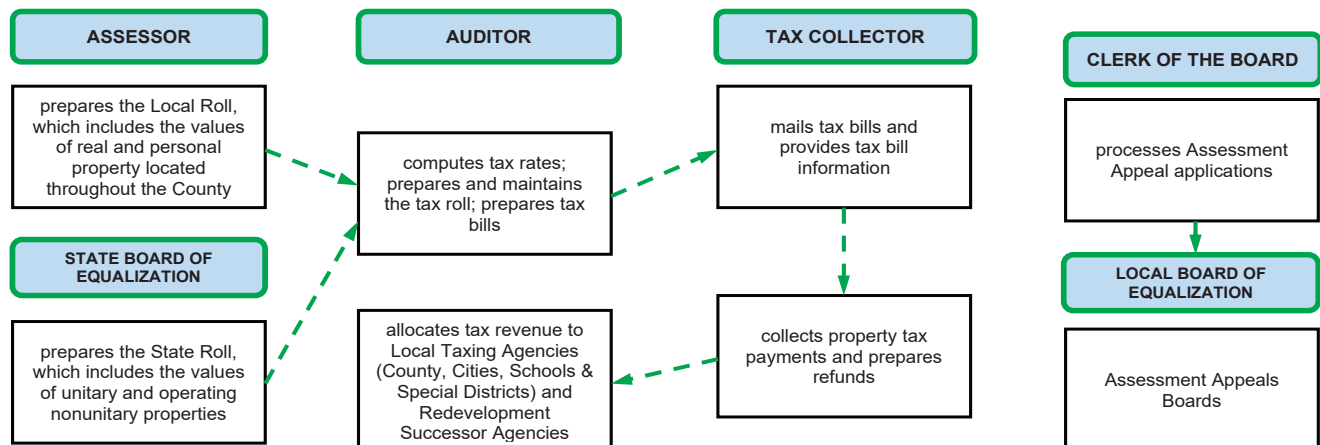
<https://www.moody's.com/sites/products/AboutMoody'sRatingsAttachments/Moody'sRatingSymbolsandDefinitions.pdf>

https://www.spratings.com/documents/20184/774196/Guide_to_Credit_Rating_Essentials_Digital.pdf

<https://www.fitchratings.com/site/definitions>

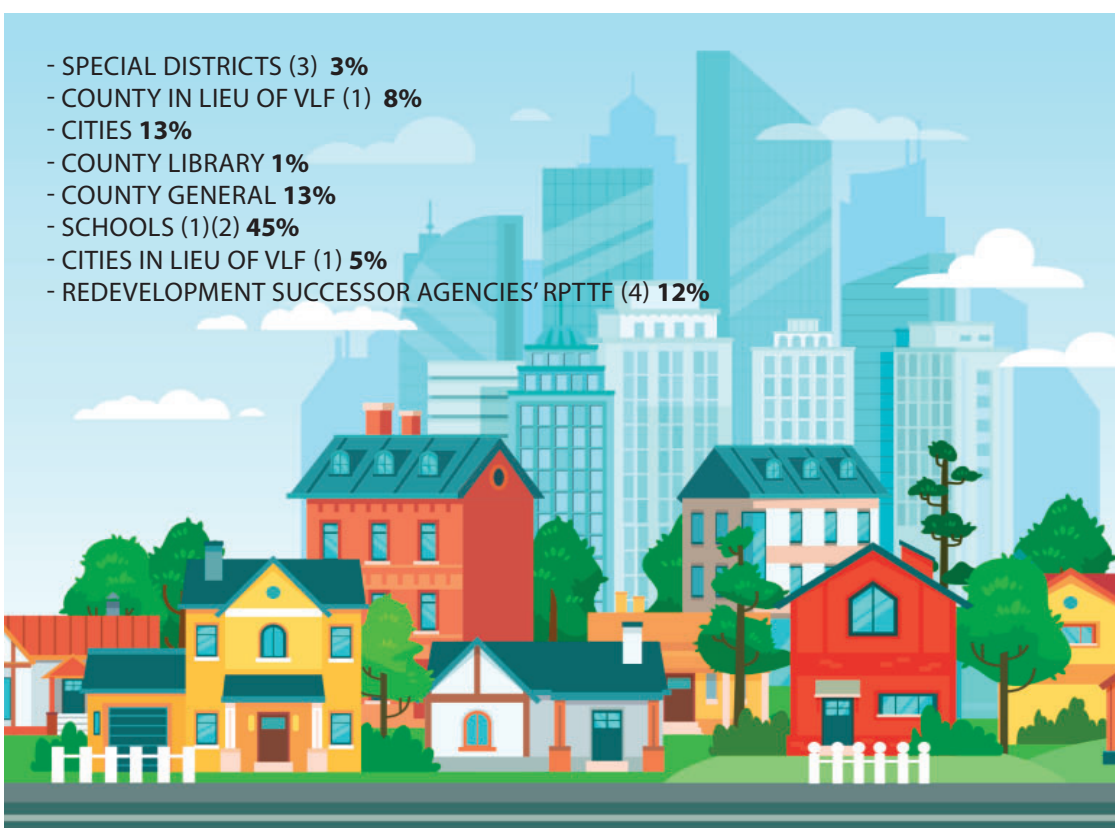
How the Property Tax System Works

Property tax administration is the responsibility of three primary departments of the County of San Diego: (1) The County Assessor is responsible for determining the taxable value of real and personal property and for preparing the annual assessment roll. (2) The County Auditor computes tax rates and applies them to the properties' taxable value to generate the tax roll and tax bills; and is also responsible for allocating and distributing property tax revenues collected to local taxing agencies. (3) The County Tax Collector is responsible for billing and collection activities, including the mailing of tax bills, processing of tax bill payments, and maintenance of taxpayer accounts. Additionally, the Clerk of the Board processes applications for assessment appeal. The local Assessment Appeals Board, appointed by the Board of Supervisors, hears appeals and determines the correct value to be used for the period being appealed.



Property Tax Collection Allocation

The County collected \$6.12 billion of the 1% property tax (including Unitary tax) as of June 30, 2022. This graphic shows the Fiscal Year 2022 Property Tax Collection Allocation.



1. Represents the exchange of Property Tax for Cities and County Vehicle License Fee as authorized under Senate Bill 1096, chaptered August 5, 2004.
2. The collection allocated to Educational Revenue Augmentation Fund (ERAF) was used to pay the in lieu of vehicle license fee (VLF) to County and Cities.
3. Includes districts under the Board of Supervisors.
4. The redevelopment agencies were dissolved in Fiscal Year 2011-12 (ABx1 26). Their share of property taxes were deposited to the redevelopment successor agencies' Redevelopment Property Tax Trust Fund (RPTTF) and these funds were allocated to Redevelopment Successor Agencies, County, Schools, Cities, Special Districts and the State Controller offices as provided by Health and Safety Code, Division 24, Part 1.85.

Sources: 2022 ACFR Statistical Table 8; Details of the Property Tax Collection Allocation were provided by the County Auditor and Controller's Property Tax Services Division.

ACHIEVEMENTS OF NOTE

By the Numbers

Assessor/Recorder/County Clerk: Increased the number of qualified disabled veterans and their surviving spouses for the Disabled Veterans' Exemption to over 12,760 and saved them an additional \$1.54 million annually in property taxes.

Probation: Ensured that 98% (508 of 520) of clients on juvenile probation completed their probation without new sustained law violations, exceeding the goal of 80% by ensuring that programs and services for youth are aligned with national best practices and that youth have access to a broad spectrum of services and support in the community.

County Library: Children had access to the Summer Learning Program through 40,000 activity books distributed at branches and through community partners at meal distribution sites, which encouraged exciting learning activities and reading challenges to help continue learning while children were not in school.

Health and Human Services Agency: Processed 98% (229,228 of 234,472) of CalFresh applications timely, within 30 days, to help eligible families and individuals buy food and improve their nutrition. Target exceeds the State requirement of 90%.

Serving the Public

District Attorney: Created an Elder Justice Task Force and accompanying awareness campaign that supports the San Diego County Elder and Dependent Adult Abuse Blueprint through a public outreach and education campaign, investigation, and prosecution of increasing financial fraud crimes against seniors.

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

Agriculture, Weights and Measures: Promoted consumer confidence in local fruit, vegetables, and nursery stock production by providing education and services that promote and provide safe and high-quality agricultural products.

Health and Human Services Agency: Established the Housing Disability Advocacy Program (HDAP) to increase the income of people who can access Social Security benefits by providing outreach, case management, housing, and benefit advocacy services.

Operational Excellence

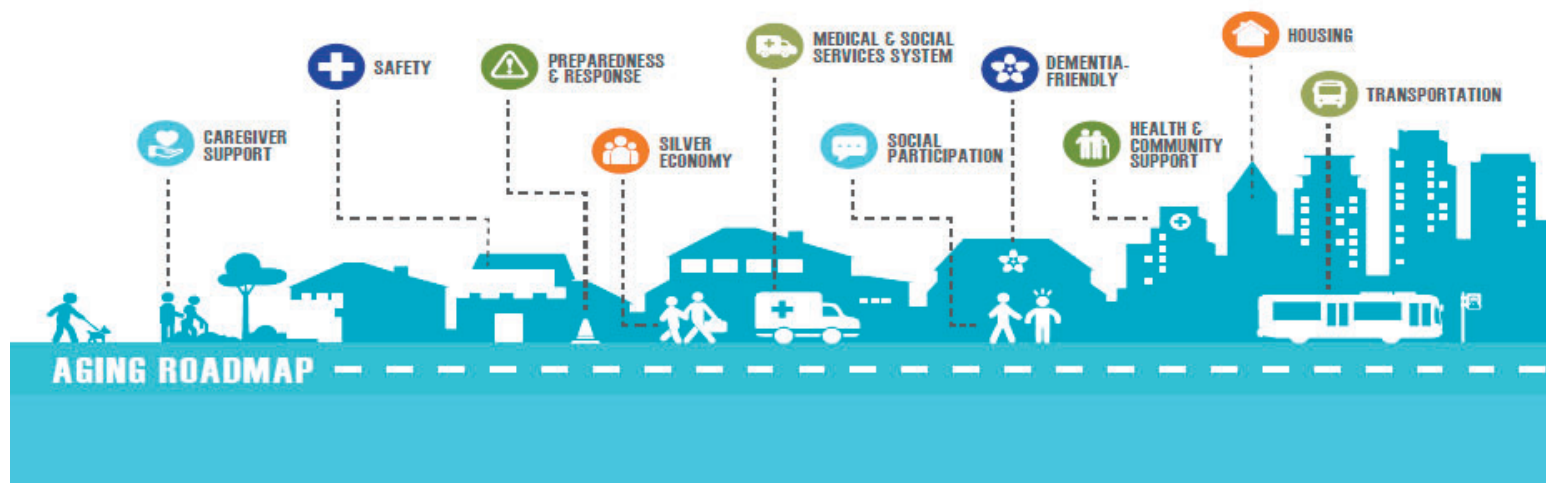
Department of Environmental Health and Quality: Received a National Association of Counties award. Vector Control implemented Eye Gnat Trap Improvements in which program staff reengineered the traps to reduce the time it would take for a technician to empty the old bait and add new bait mixture every two weeks. With the original trap model, it took two technicians 8 to 10 hours per week. The 2021 reengineered trap reduced workload to one technician for 6 to 8 hours per week, a reduction of more than 50%.

Child Support Services: Received a National Association of Counties award for its Expanded Service Delivery program in which it expanded its customer service delivery model to engage with customers in a way that is more favorable for the customer. Millennials compose nearly 50% of Child Support's caseload, thus, case managers were equipped with text-based communication, allowing for a two-way communication medium that is popular with the millennial age group. Additionally, SDDCSS' launched a Live Chat feature and provides the ability for customers to interact with their case manager via Zoom.

Health and Human Services Agency: Aging & Independence Services received the 2021 Aging Innovations Award for its Aging Roadmap in July 2021. The County's submission was one of the top three most innovative initiatives for older adults across the nation.

Purchasing and Contracting: Received the Achievement in Excellence Procurement Award. The National Procurement Institute's prestigious annual award is earned by those organizations that demonstrate excellence by obtaining a high score based on criteria designed to measure innovation, professionalism, productivity, e-procurement, and leadership attributes of the procurement organization.

Note: Other Awards and Recognitions are listed in the 2022 ACFR Letter of Transmittal and Adopted Operational Plan Fiscal Years 2022-23 & 2023-24.



The Aging Roadmap is San Diego County's regional vision and framework for supporting healthy aging for people of all ages. The framework supports the Live Well San Diego vision; was created and implemented through partnerships; is targeted and adaptable to meet the emerging and greatest needs; and, elevates efforts of Age Well San Diego and other existing programs and services. The Aging Roadmap vision and implementation is organized by 10 focus areas that collectively represent our county's comprehensive system of care, including person-centered and communitywide efforts. It is guided by the County of San Diego Health and Human Services Agency, Aging & Independence Services (AIS). More information about this framework, its roadmap partners and services can be found at www.livewellsd.org/content/livewell/home/Topics/aging/aging-roadmap.html.

The vision for each of the 10 focus areas are as follows:

- 1. CAREGIVER SUPPORT:** Caregivers have access to the support and resources necessary to provide responsive and manageable care to older adults, while also tending to their own well-being.
- 2. SAFETY:** Older adults and persons with disabilities are safe in their homes and community.
- 3. PREPAREDNESS:** Older adults and their caregivers are prepared to be safe during disasters.
- 4. SILVER ECONOMY:** A skilled and diverse workforce, with supporting technologies and products, supports healthy aging in our community. Older adults have opportunities to work and volunteer.
- 5. MEDICAL & SOCIAL SERVICES:** Care coordination among medical and social services provides proactive, seamless, prevention-focused, and responsive support.
- 6. SOCIAL PARTICIPATION:** A range of social and community engagement opportunities for older adults to promote active living and enriching experiences across all age groups and generations.
- 7. DEMENTIA-FRIENDLY:** Individuals with dementia live as independently as possible and are encouraged and welcomed by everyone to participate in community life.
- 8. HEALTH & COMMUNITY SUPPORT:** When changes and challenges in health occur, older adults and their families know how to find relevant resources, support, and care planning in their community.
- 9. HOUSING:** Older adults live in safe and affordable housing that is located near goods, services, and activities, all of which allows them to age in their community.
- 10. TRANSPORTATION:** A livable community with safe, affordable, accessible, and reliable transportation for non-drivers that ensures older adults stay connected to their communities, the services they need, and the people they care about.



Photo Credits

Source: Shutterstock.com **Cover page:** Lake Jennings, located in the city of Lakeside, is a water supply reservoir in San Diego County and a popular destination for fishing and boating./Sherry V. Smith; Cows Grazing on Dry Big Laguna Lake, Laguna Mountains, San Diego County, July 2016/dlhca; San Diego, California. Coastline sandstone cliffs by the ocean at Torrey Pines State Park and Reserve in La Jolla. Captivating views of unique landscape rock formation along the beach coast/Debbie Ann; Garden at Mission San Diego Alcalá in San Diego, California/Irra; Torrey Pines State Beach shot at dusk during sunset in La Jolla, San Diego, California USA./Sarah Quintans; A female sea lion sitting on rocks at sunset looking at the camera in La Jolla Cove, in San Diego. Coastal beach wildlife landscape of southern California./Lyonstock; Young brother and sister seeing and playing at the beach for the first time. San Diego County, California./Micaiah Ben; Balboa park cultural center in San Diego California./Artazum; Beautiful sunset on the beach with a concrete pier/Natalie Tsuleva; **Page 2:**

San Diego, California. Coastline sandstone cliffs by the ocean at Torrey Pines State Park and Reserve in La Jolla. Captivating views of unique landscape rock formation along the beach coast/Debbie Ann Powell; **Page 4:** Coronado Bridge and Park of San Diego Skyline. California, USA./Piotr Zajda; San Diego, California / County of San Diego - April 5 2017: A boy playing with a dog in the ocean at Fiesta Island's Dog Beach/Klod; **Page 5:** A view of Mission bay between two sets of palm trees by Dana Point in San Diego, California./Trevor Fairbank; **Page 7:** Downtown San Diego skyline in California, USA at sunset/f11photo; **Page 8:** Cliffs and ocean. Awesome beach scene. Panoramic view Sunset Cliffs Natural Park at Point Loma in San Diego, California/Hanna Tor; **Page 9:** Sunny midday view from Mount Helix in La Mesa, California near San Diego, looking south/ Apokastasis; **Page 10:** A landscape of Lake Murray just before sunset in San Diego with Cowles Mountain in the background/tonytakes.photos; **Page 11:** Street in the San Diego neighborhood, have a vintage colonial architecture of

antique houses who are hotels and restaurant in the present, this loneliness is for quarantine covid-19/William RG; **Page 12:** happy child girl running with a kite at sunset outdoors/Evgeny Atamanenko; happy child girl with a kite running on meadow in summer in nature/Evgeny Atamanenko; **Page 13:** Stock market trading graph and candlestick chart on screen monitor for financial investment and economic concept./ST House Studio; **Page 16:** Old scenic church at sunset time in San Diego/Nick Starichenko; **Page 19:** Portrait of happy senior couple posing isolated on white background/Ruslan Huzau; **Back Cover:** A dirt trail lined with boulders at Ramona Grasslands Preserve in San Diego County./ Sherry V. Smith; Downtown San Diego, California, city skyline, as seen from Coronado Island./randy andy; Colorful hot air balloons on the sky over San Diego, California. USA/Unwind.



County of San Diego

County Operations Center
5530 Overland Avenue, Suite 410, San Diego CA 92123
www.sdcounty.ca.gov