

The image features a vibrant photograph of a coastal scene. On the right side, dark, layered rock formations jett out into the sea. Turquoise waves are breaking against these rocks, creating white foam and spray. The water transitions from a deep blue to a lighter turquoise as it moves. A large, solid purple diagonal banner covers the top right and bottom left corners of the image, framing the central photograph.

County of San Diego, California

Popular Annual Financial Report
Fiscal year ended June 30, 2023

Citizens of San Diego County:

Our Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2023 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, 2023. 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.

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.

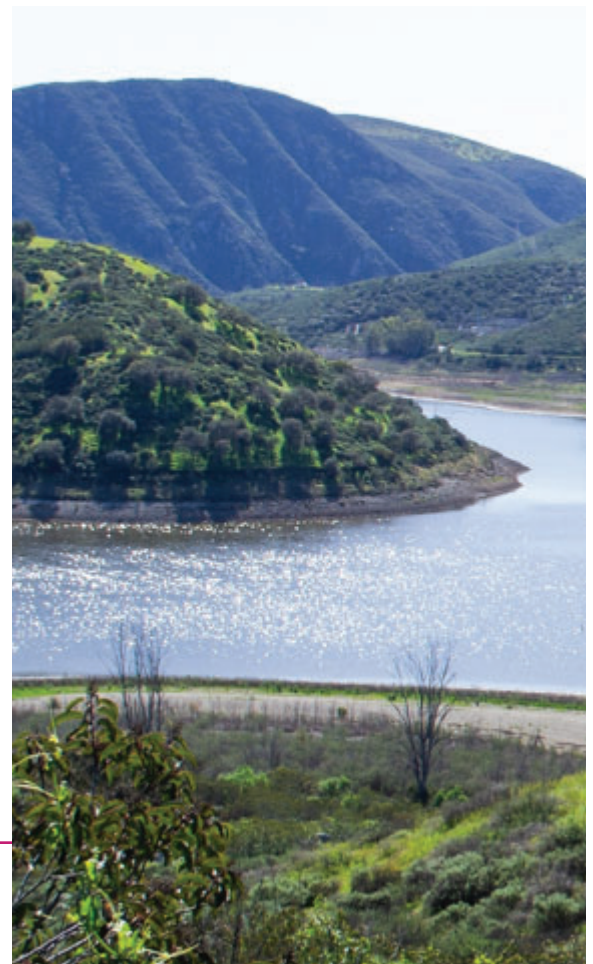
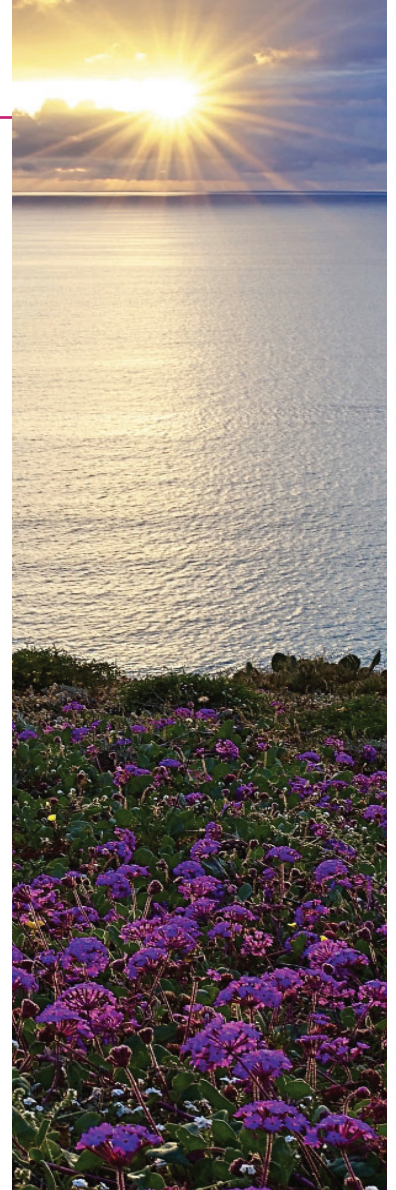
We hope you enjoy reading this report and invite you to access our audited ACFR online for more detailed information on your County finances. We welcome your questions, comments and suggestions regarding the information in this report. You can contact our office at (858) 694-2176.



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



Tracy Drager
Auditor and Controller



Board of Supervisors



Nora Vargas
District 1
Chair



Joel Anderson
District 2



Terra Lawson-Remer
District 3
Vice-Chair



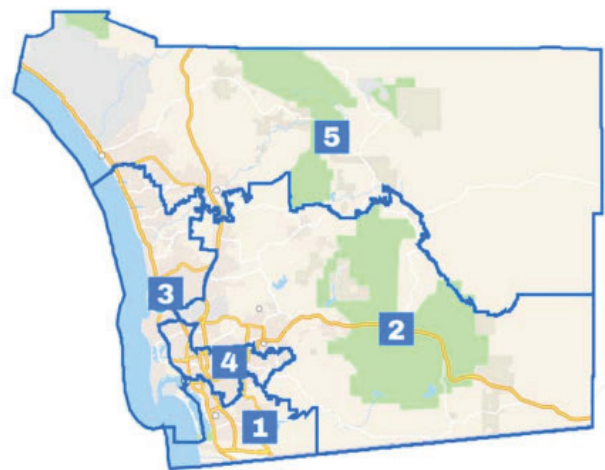
Vacant
District 4



Jim Desmond
District 5

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

115,585	CARLSBAD	61,471	NATIONAL CITY
276,785	CHULA VISTA	173,048	OCEANSIDE
22,277	CORONADO	48,759	POWAY
3,929	DEL MAR	1,374,790	SAN DIEGO
105,638	EL CAJON	93,585	SAN MARCOS
61,515	ENCINITAS	59,015	SANTEE
150,679	ESCONDIDO	12,812	SOLANA BEACH
26,243	IMPERIAL BEACH	100,291	VISTA
60,472	LA MESA	513,170	UNINCORPORATED
27,242	LEMON GROVE	3,287,306	TOTAL

Source: Adopted Operational Plan Fiscal Years 2023-24 & 2024-25.



County Economy and Outlook

There are several key industry dynamics driving growth in San Diego. First, San Diego is not overly reliant on tourism-related industries, which are a drag on employment growth in places like Los Angeles. Second, San Diego is not overly reliant on technology jobs, which are increasingly remote and contributing to worker shortages in tech hubs such as San Francisco (Beacon Economics Regional Outlook San Diego, Winter 2023). In the San Diego Business Journal Outlook, Miguel Motta, San Diego head of Biocom, and Juli Moran, San Diego office managing partner at Deloitte, both spoke of strong federal funding as well as a robust talent pipeline in the life sciences industry in San Diego. Panelist Miguel Motta sees a continuous positive trend in life sciences from job creation, investment in the region, and number of patents created. San Diego has an amazing ecosystem, comparable to any in the world, that is comprised of academic institutions, research organizations, entrepreneurs, talent, and investment coming into the region. In terms of talent, Panelist Juli Moran said that the region graduates over 7,000 Science, Technology, Engineering and Math (STEM) professionals a year from all the universities and research institutes in San Diego (ibid).

When there is an increase in consumer purchases, more sales tax is collected by the County of San Diego. As of the Second Quarter Status Report to the Board of Supervisors in mid-March, the County anticipated additional Sales & Use Tax revenue of \$5.1 million in Fiscal Year 2022-23.

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: 2023 ACFR Letter of Transmittal and Management’s Discussion and Analysis.

Statistics

4.0%	\$7.36 BILLION
UNEMPLOYMENT RATE	ADOPTED ANNUAL BUDGET
476,760	\$72,637
SCHOOL ENROLLMENT	PERSONAL INCOME PER CAPITA

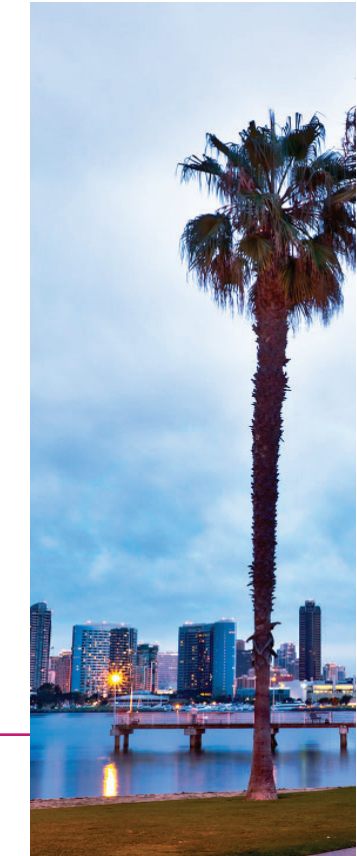
Sources: 2023 ACFR Statistical Table 13 and Adopted Operational Plan Fiscal Years 2022-23 & 2023-24.

Employment Mix (1)

249,500
GOVERNMENT (2)
291,700
PROFESSIONAL & BUSINESS SERVICES
228,700
TRADE, TRANSPORTATION & UTILITIES
235,000
EDUCATIONAL & HEALTH SERVICES
200,900
LEISURE & HOSPITALITY
118,500
MANUFACTURING
76,000
FINANCIAL ACTIVITIES
88,200
CONSTRUCTION
56,600
OTHER SERVICES
22,200
INFORMATION TECHNOLOGY
8,800
FARMING
400
MINING & LOGGING

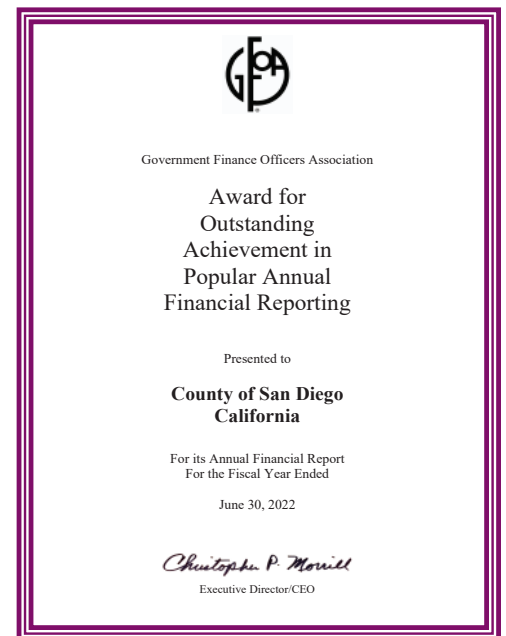
(1) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, and household domestic workers. (2) Excludes the U.S. Department of Defense.

Source: Adopted Operational Plan Fiscal Years 2023-24 & 2024-25.



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, 2022. 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 2023, the County received awards for its leadership and excellence in operations, including 54 awards from the National Association of Counties. Examples include:

District Attorney, Public Defender, Health and Human Services Agency (HHS) Department of Homeless Solutions and Equitable Communities: Homeless Court Pop-Up Resource Fairs are a collaborative partnership between these County departments and the City Attorney, Superior Court and over 90 local homeless service agencies (public and non-profit) to engage a special court session held regularly at a hyper-local community site, designed for homeless or at-risk-of-homelessness citizens to resolve outstanding misdemeanor and minor/traffic offenses. Once the participant has engaged with one of the service agencies present, they are counseled by the Public Defender and their low-level misdemeanor and infraction warrants/DMV holds are recalled, and barriers are removed.

Office of Emergency Services: The Emergency Operations Center (EOC) Playbook offers a step-by-step guide for the Office of Emergency Services to activate and open the County Operational Area EOC, establish a battle rhythm, perform leadership, staff and partner notifications, and take actions to address a rapidly escalating emergency. The playbook outlines in-person, virtual, and hybrid EOC coordination of all-hazard planning, mitigation, response, and recovery to foster strong, capable, and prepared communities.

Office of Sustainability and Environmental Justice (OSEJ): The County of San Diego has created Environmental Justice OSEJ StoryMap, a new environmental justice tool called a StoryMap to visually represent environmental health concerns in neighborhoods of the San Diego region by census tract. This visual "library" of health indicators will help raise awareness on this topic and provide information for the public's use in planning, advocacy, or education.

Agriculture/Weights & Measures: The department of Agriculture/Weights & Measures created an Apiary Training Video to help address the historical need for more frequent and comprehensive training for Apiary inspectors, creating a more unified statewide system, and promoting the beekeeping industry throughout California. The County's Apiary Program expands beekeeping opportunities in the unincorporated areas of San Diego County, promotes responsible beekeeping, and ensures public safety.

Note: Other Awards and Recognitions are listed in the 2023 ACFR Letter of Transmittal and Adopted Operational Plan Fiscal Years 2023-24 & 2024-25.

The General Management System Reimagined

The County's operational approach to planning and decision making is through the integration of the General Management System (GMS) with the strategic framework adopted by the Board of Supervisors. The GMS is reflective of today's communities while preserving the core management principles of strategic planning, operational accountability, enterprisewide collaboration, and employee connection.

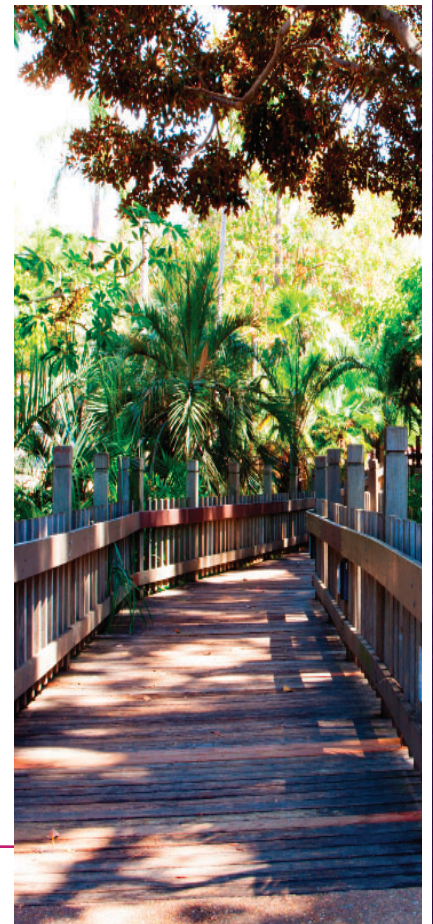
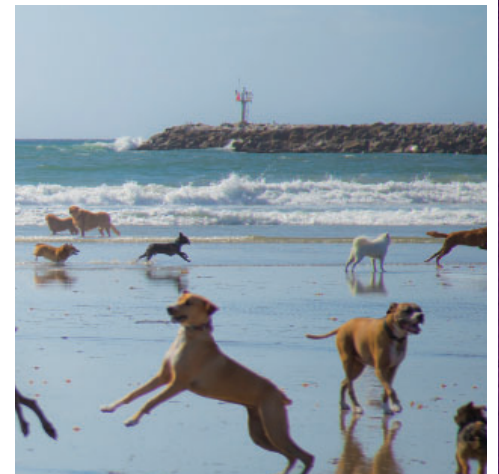
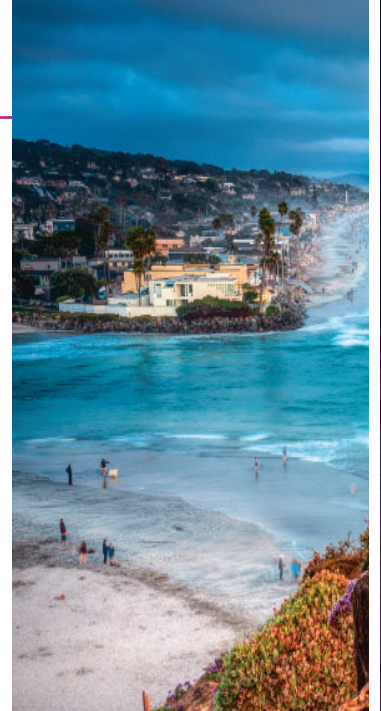
At the core of the GMS is Community Engagement, based on the principle that all that we do should be for, and created in partnership with, the people we serve. The outer ring is included to reflect the core values of everything we do: integrity, equity, access, belonging and excellence.

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.sdcountry.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 2023-24 and 2024-25.*





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:

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.

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.

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.

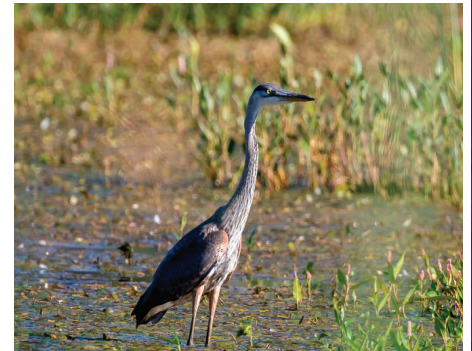
Excellence: Ensure exceptional service delivery to our customers by practicing fiscal prudence, encouraging innovation and leveraging best practices that promote continuous improvement to build strong, vibrant communities.

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.

Government-wide Statement of Net Position

June 30, 2023 and 2022 (In thousands)		
	Total Primary Government	
	2023	2022
Assets		
Current and other assets	\$ 6,337,163	6,011,068
Capital assets	4,539,480	4,412,318
Total assets	10,876,643	10,423,386
Deferred Outflows of Resources		
Total deferred outflows of resources	2,565,130	913,983
Liabilities		
Long-term liabilities	7,215,939	4,185,535
Other liabilities	1,428,612	1,494,612
Total liabilities	8,644,551	5,680,147
Deferred Inflows of Resources		
Total deferred inflows of resources	389,036	1,591,954
Net Position		
Net investment in capital assets	3,983,505	3,883,227
Restricted	1,804,905	1,281,257
Unrestricted	(1,380,224)	(1,099,216)
Total net position	\$ 4,408,186	4,065,268

Source: 2023 ACFR Management's Discussion and Analysis Table 1.



The 2023 ACFR is available at:
www.sdcounty.ca.gov/auditor/cafr.html.

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 \$4.41 billion at the close of fiscal year 2023, an increase of \$342.9 million or 8.4% over fiscal year 2022. This included a \$100.2 million increase in net investment in capital assets, (a 2.6% increase over fiscal year 2022), and an increase of approximately \$523.6 million in the County's restricted net position (a 40.9% increase over fiscal year 2022). Additionally, unrestricted net position decreased by \$280.9 million (a 25.6% decrease over fiscal year 2022). The previously mentioned increase of \$342.9 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 \$3.98 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 \$1.81 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 \$(1.38) 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.

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.

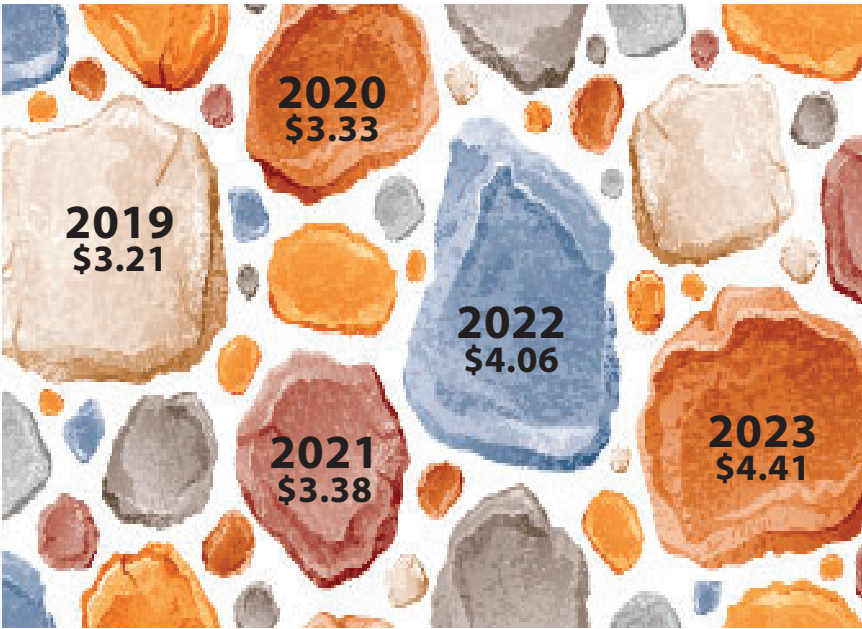
Other liabilities: Includes such items as payables, payroll, accrued interest and unearned revenue.

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 2019 - 2023
(In billions)



Government-wide Statement of Changes in Net Position

For the Years Ended
June 30, 2023 and 2022
(In thousands)

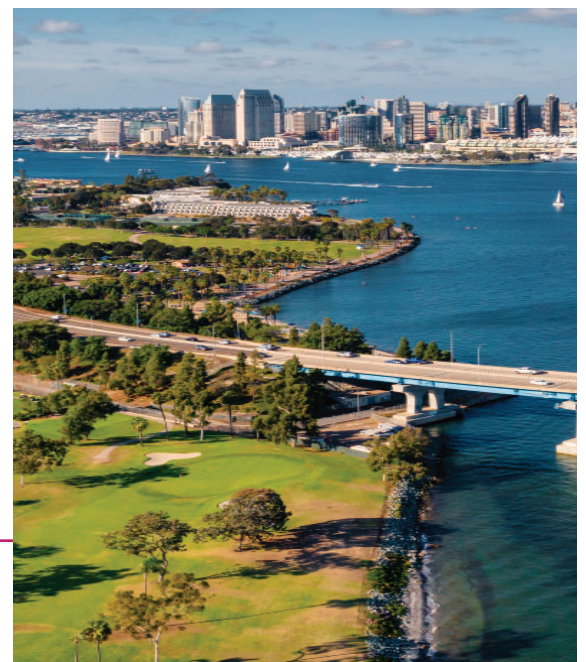
	Total Primary Government	
	2023	2022
Revenues:		
Program Revenues		
Charges for services	\$ 671,975	677,961
Operating grants and contributions	3,814,018	3,737,998
Capital grants and contributions	34,099	109,343
General Revenues		
Property taxes	1,014,193	928,022
Transient occupancy tax	7,472	7,225
Real property transfer tax	28,653	43,635
Miscellaneous taxes	5	5
Property taxes in lieu of vehicle license fees	521,678	481,289
Sales and use taxes	56,626	43,268
Investment earnings	88,534	(95,680)
Other	302,776	94,166
Total revenues	6,540,029	6,027,232
Expenses:		
Governmental Activities:		
General government	549,078	414,187
Public protection	2,075,386	1,586,324
Public ways and facilities	175,511	164,262
Health and sanitation	1,314,789	1,167,816
Public assistance	1,838,733	1,785,733
Education	64,249	55,787
Recreation and cultural	74,036	60,611
Interest	50,694	53,971
Business-type Activities:		
Airport	17,183	15,545
Jail Stores Commissary	3,409	3,010
San Diego County Sanitation District	23,591	25,035
Sanitation District - Other	10,452	8,712
Total expenses	6,197,111	5,340,993
Changes in net position before transfers	342,918	686,239
Transfers		
Change in net position	342,918	686,239
Net position at beginning of year	4,065,268	3,379,029
Net position at end of year	\$ 4,408,186	4,065,268

Source: 2023 ACFR Management's Discussion and Analysis Table 2.

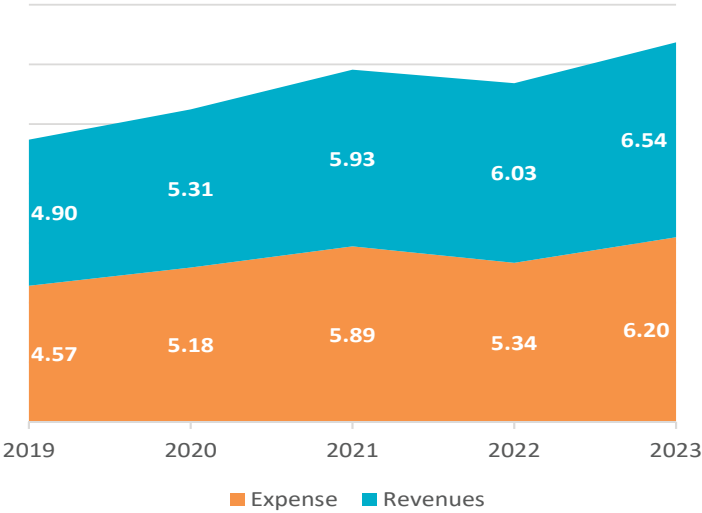
Program revenues are those that derive directly from the program itself or from other parties, not the taxpayers; while general revenues are those not required to be reported as program revenues. All expenses are reported under a specific function - a group of related activities aimed at accomplishing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

Notable changes in revenues between fiscal years 2022 and 2023 are attributable in part to a \$15 million decrease in real property transfer taxes; a \$14 million decrease in revenue tied to one-time election state funding, a \$12.3 million decrease in revenue tied to the American Rescue Plan Act for hazardous pay claims; offset by increases of \$181.8 million due to a settlement payment the County received for its share of civil penalties and post-judgment interest pursuant to a trial court judgment; \$179.4 million in investment earnings; \$86.2 million in property taxes; \$40.4 million in property taxes in lieu of vehicle license fees; \$10.1 million in aid for the new Youth Development Academy program; and, \$9.4 million in Proposition 172 revenues.

Notable changes in expenses between fiscal years 2022 and 2023 include increases of \$627.7 million in net pension related expenses; \$192 million in overall salaries and benefit costs; \$27.7 million for medical and mental health services for incarcerated persons; off set by a \$111.9 million decrease in the County's T3 Strategy of Test, Trace, and Treat to Support COVID-19 emergency response efforts.



County Revenues & Expenses
Fiscal Years 2019-2023
(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 33.5%
Public assistance 29.7%
Health and sanitation 21.2%
General government 8.9%
Public ways and facilities 2.8%
Other 3.9%
[Business-type activities 0.9%
Education 1.0%
Interest 0.8%
Recreation and cultural 1.2%]

Where does the money come from?

Operating grants and contributions 58.3%
Property taxes 15.5%
Charges for services 10.3%
Property taxes in lieu of vehicle license fees 8.0%
Other 7.9%
[Capital grants and contributions 0.5%
Investment earnings 1.4%
Transient occupancy tax 0.1%
Real property transfer tax 0.4%
Sales and use taxes 0.9%
Other 4.6%]

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 AAAf/S1 by Fitch. The 'AAAf' rating indicates the highest level of protection against losses from credit defaults, whereas the 'S1' volatility rating indicates that the Pool possesses low sensitivity to changing market conditions.

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

Pooled Investments (In thousands)		
Investment	Fair Value	Fitch Rating
U.S. Federal Agencies	\$ 3,150,786	AAA
U.S. Treasury Notes	1,349,779	AAA
Pass-through Securities	815,820	AAA
Supranationals	900,394	AAA
Commercial Paper	3,237,962	F-1 to F-1+
Local Agency Investment Fund	2	NR
Local Government Investment Pools	535,392	AAA _m
Money Market Mutual Funds	79,500	AAA
Municipal Bonds	509,722	AA- to AAA
Negotiable Certificates of Deposit	4,226,976	F-1+
Medium-Term Notes	398,668	AA- to AA
Total investments	\$ 15,205,001	
Note: Data presented in this chart excludes investments with fiscal agents.		
Source: 2023 ACFR Notes to the Financial Statements Table 7.		

The 2023 ACFR is available at:
www.sdcounty.ca.gov/auditor/cafr.html

KEY FINANCIAL DATA

Capital Assets

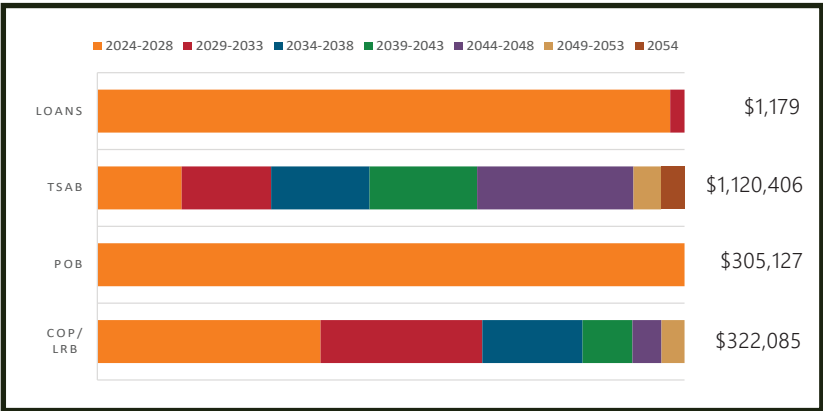
The chart below depicts the outstanding capital assets, net of depreciation/ amortization, as of June 30, 2023 for both Business-type and Governmental funds.

At June 30, 2023, the County's capital assets, net of depreciation/ amortization totaled \$4.54 billion. Capital assets are used to provide services to county residents. Some of the significant capital asset activity in fiscal year 2023 was as follows:

- \$69.9 million towards construction and improvements of County maintained roads, bridges, and other road-related infrastructure.
- \$53.2 million towards construction of Youth Transition Campus.
- \$42.3 million towards acquisition of equipment.
- \$37.3 million towards construction of Southeast San Diego Live Well Center.
- \$23.1 million towards improvement of various capital projects.
- \$22.4 million towards development of various software applications.
- \$19.6 million towards County Administration Center renovations.
- \$16.6 million towards George Bailey Detention Facility renovations.
- \$14.7 million in infrastructure donated by developers.
- \$10.6 million towards construction of East Otay Mesa Fire Station #38.
- \$7.9 million towards construction of Lakeside Equestrian Facility.
- \$1.8 million towards improvements to Los Coches Sewer System.
- \$1.4 million towards construction of Gillespie Field Vehicle Service Road.



County Debt Service
Requirements to Maturity
(In thousands)



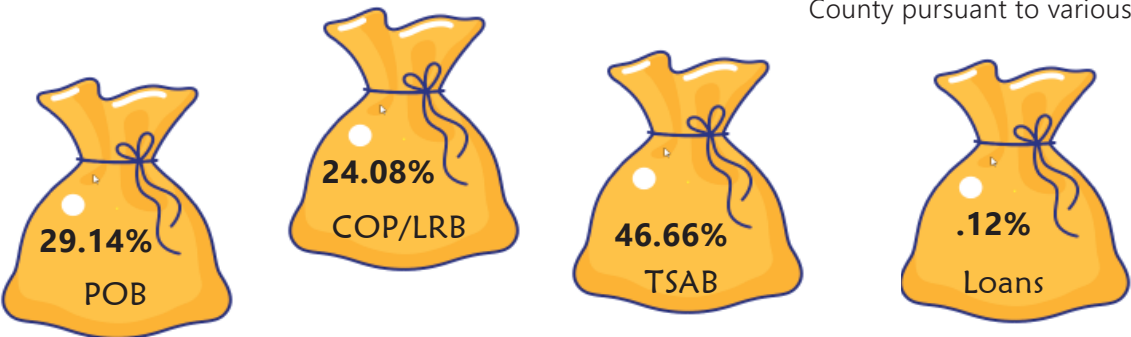
Note: This chart includes debt principal, unaccrued appreciation and interest.

County Board of Supervisors Policy Manual, Section B, Policy B-65, “Long-Term Financial Obligation Management Policy” (<https://www.sandiegocounty.gov/cob/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 for recurring needs.

County Principal Debt Outstanding



Note: This chart includes debt principal only

Long-Term Liabilities

At June 30, 2023 the County’s long-term liabilities totaled \$1.832 billion: \$954 million in long-term debt principal of certificates of participation, bonds, and loans; and \$878 million of other long-term liabilities including financed purchases, claims and judgments, compensated absences, landfill postclosure, leases, subscriptions, 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; and for the purchase of one acre of property located in the Borrego Springs area to support the County’s Regional Communications System (RCS).

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

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

Taxable Pension Obligation Bonds (POB)

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

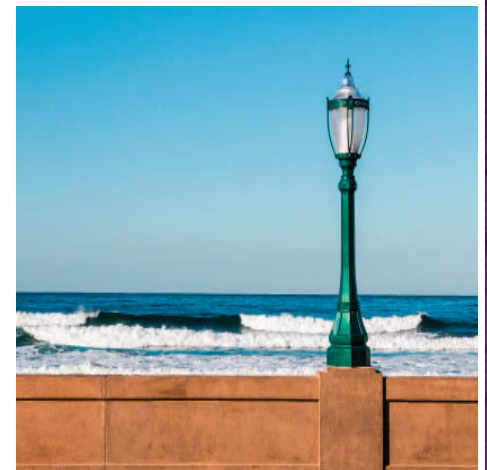
Tobacco Settlement Asset-Backed Bonds (TSAB)

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

KEY FINANCIAL DATA

Credit Ratings			
As of June 30, 2023	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	Aaa	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) Senior CIB	not rated	BBB-	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2019B-2 (Class 2) Senior CAB	not rated	not rated	not rated
San Diego County Redevelopment Agency Bonds	not rated	not rated	not rated

Source: 2023 ACFR Management's Discussion and Analysis Table 3.



Credit Rating Scale

Moody's



Standard & Poor's



Fitch

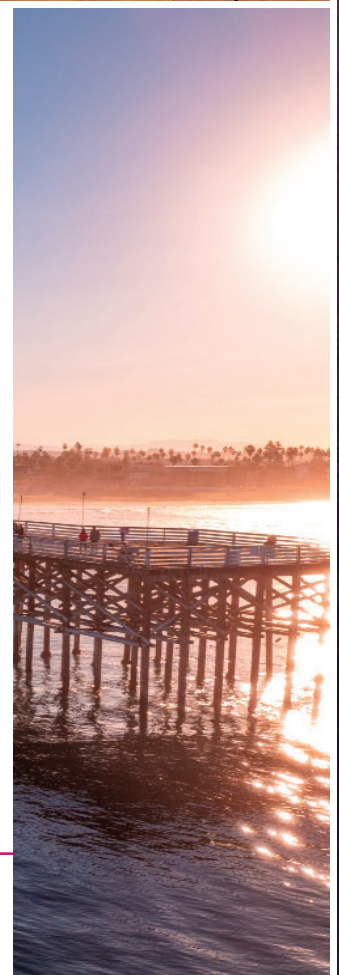


Note: Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa to Caa where 1 indicates ranking at the higher end, 2 is mid-range and 3 ranks at the lower end of its category. S&P uses a plus (+) or minus (-) to show relative standing within its major rating categories. Fitch uses a plus (+) or minus (-) for "AA" through "CCC" levels indicating relative differences of probability of default or recovery for issues.

Sources:
<https://ratings.moody's.com/rating-definitions>

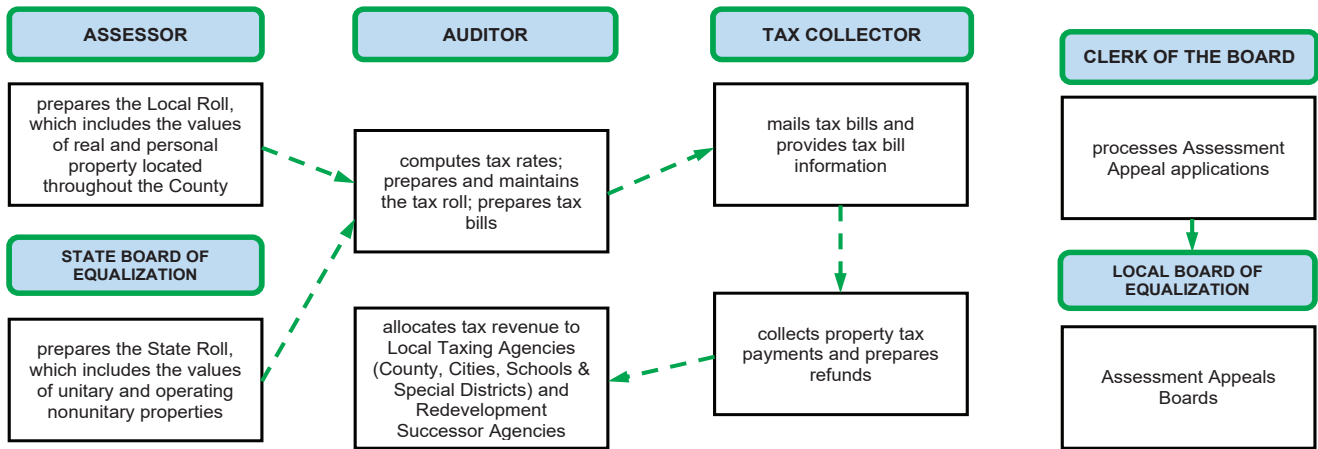
<https://www.spglobal.com/ratings/division-assets/pdfs/guide-to-credit-rating-essentials-digital.pdf>

<https://www.fitchratings.com/products/rating-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 \$6.64 billion of the 1% property tax (including Unitary tax) as of June 30, 2023. This graphic shows the Fiscal Year 2023 Property Tax Collection Allocation.

- COUNTY GENERAL **13%**
- COUNTY IN LIEU OF VLF (1) **8%**
- COUNTY LIBRARY **1%**
- CITIES **13%**
- CITIES IN LIEU OF VLF (1) **5%**
- SCHOOLS (1)(2) **45%**
- SPECIAL DISTRICTS (3) **3%**
- REDEVELOPMENT SUCCESSOR AGENCIES' RPTTF (4) **12%**



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: 2023 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

Sheriff: Implementation of a plan for conversion of fleet to hybrid/electric vehicles has been in progress for 27% conversion to hybrid vehicles by Fiscal Year 2026-27, which totals 365 vehicles. The department currently has 61 Hybrid/Patrol Hybrid Electric Vehicle (PHEV) in its fleet. The department is awaiting delivery of additional 67 vehicles purchased for Fiscal Year 2022-23, which includes 36 PHEVs.

County Library: Approximately 7,000 take-home Tech Connect kits (Chromebook and MiFi hotspots) were checked out from our Library system. These kits increased access for unserved, underserved, and rural communities to internet-enabled devices and connected to the internet for free.

Probation: Ensured the 96% (331 of 345) of clients on Juvenile Supervision completed their probation without new sustained law violations. Ensured that 87% (3,818 of 4,388) of clients on Adult Supervision, 93% (259 of 278) of clients on Mandatory Supervision, and 70% (676 of 966) of clients on Post Release Community Supervision completed their probation without being convicted of new crimes.

Aging & Independence Services: Completed 93% (17,010 of 18,290) of In-Home Support Services (IHSS) initial eligibility determinations for home-based caregiver services within 45 days, so individuals remain safely in their own homes.

Serving the Public

Registrar of Voters: Partnered with local hospitals to participate in emergency mail ballot application program to enable registered voters confined to hospital facilities to vote in the November 8, 2022 Gubernatorial General Election.

Housing and Community Development Services: Offered and awarded two excess properties to developers to create affordable housing. Continue to procure affordable housing development partners for four excess County properties, three were declared surplus in April 2023.

Assessor/Recorder/County Clerk (ARCC): Partnered and communicated with Logan Heights Community Development Center (CDC) by conducting Fictitious Business Name workshops in San Diego County to promote the economic growth of small businesses in traditionally underserved communities.

San Diego County Fire: Supported the dissolution of the Borrego Springs Fire Protection District and annexation of territory into the San Diego County Fire Protection District, providing rural residents equitable access to structural fire protection and emergency services that save lives and protect property.

Operational Excellence

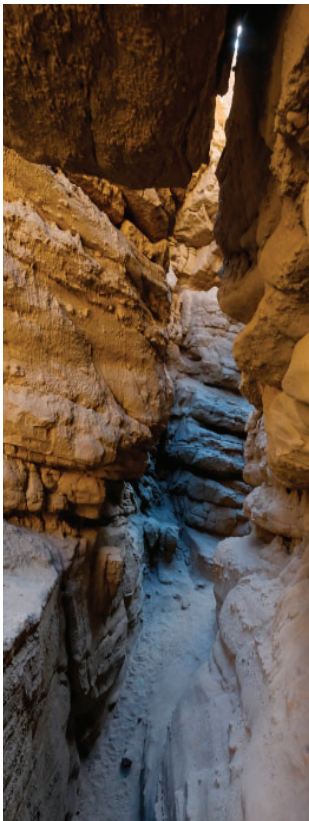
Treasurer-Tax Collector: Upgraded the remittance payment processing environment to a hosted software platform with new equipment that rapidly opens, extracts and scans mail payments and performs automated batching functions, which will streamline the timeline, process and visibility of incoming mail payments, making property tax revenue more readily available to support County programs and residents.

Public Works: The American Public Works Association Honor Award in the Sustainable/Green Category was awarded to Public Works for its Countywide Slurry Treatments Project which consists in general of pavement seal road resurfacing, localized pavement repair, roadway preparation, traffic striping, and delineation in unincorporated areas of the County of San Diego.

Communications Office: The County Communications Office won first place in Overall Excellence in the SCAN National Association of Telecommunications Officers and Advisors Star Awards. It also won first place for the "County Child Welfare Services Hosts Adoption Party" video in the human interest category; for "Live Well San Diego Intergenerational 5K and Kids 1-Mile Fun Run" promotional video, for "Time for COVID-19 Boosters for 5-11 Year Olds" video in the Public Health category, the "Library High School Graduation" video in the Promotion over 400k category, and for an Animal Services video "Find a Best Friend with Clear the Shelters." The STAR Awards recognize excellence in government programming in California and Nevada.

Medical Care Services: Ensured a 4.7 or higher (on a scale of 0-5) overall satisfaction with the Public Health Nurse Residency and Essentials of Nursing onboarding programs. Ensuring high-quality training is essential for maintaining a highly skilled nursing workforce that staffs the County's Public Health Centers, responds to public health emergencies, provides in-home visitation services, and many other essential programs serving clients.

Note: Other Awards and Recognitions are listed in the 2023 ACFR Letter of Transmittal and Adopted Operational Plan Fiscal Years 2023-24 & 2024-25.



BRANDING: The County of San Diego's logo reflects who we are and what we value. Created through community input, it was selected from more than 100 options by hundreds of people representing more than 150 diverse sectors including education, healthcare, private business, our own employees and many others. They told us clearly what they valued and what images, colors and ideas spoke to them most: collaboration, connection, community, diversity, sunshine, beaches and mountains. The input supports the values at the Center of the County of San Diego's reimagined General Management System: Access - Belonging - Equity - Excellence - Integrity - Sustainability. The values at the center of the County of San Diego's reimagined General Management System. Combine these themes with our drive to create the type of meaningful two-way communication that results in the best policies and programs, and it is easy to see why we knew our logo should reflect these values and priorities.

LOGO DESIGN: The iconic downtown San Diego County Administration Center is featured surrounded by elements of San Diego's renowned natural environment, with sea, sand, mountains, and green spaces. The building represents the foundation for the myriad of programs provided to those who seek County services while the surrounding elements and colors are a nod to the County's rich natural and welcoming environment. A mix of blue, greens, greys and orange come together rich in symbolism and together representing new energy. The blue colors of the sky and curved ocean waves represent open spaces, peace, and tranquility, but also symbolize trust and responsibility. The orange color of the shoreline wraps around the building to symbolize security, optimism, and new energy. The green colored arches represent 5 Supervisorial Districts, and also symbolize agriculture, growth, self-sufficiency, economic vitality, sustainability, and equality across the region. The grey color and soaring seagull represent freedom and fearlessness, as a nod to the County's quest for innovation and resourcefulness. The peach color represents foundation, programs and services provided to San Diegans.



Photo Credits

Source: Shutterstock.com **Cover page:** San Diego Seascape Series, turquoise-colored seawater and white silky seafoam splashing to the cliff at Sunset Cliffs in Cabrillo National Monument, Southern California, USA, long exposure photography/NayaDadara; **Page 2:** After a storm, a beautiful sunset at Torrey Pines State Natural Reserve in San Diego, California. The foreground flower is sand verbena, a spring flower unique to the coastal sand strips./Xiu Yu Photography; Vast mountain landscape lake hedges nature plants/Kharzey; **Page 3:** Sunrise over Downtown San Diego's Seaport Village/Brian Solis; **Page 4:** Vibrant Sunset over Kumeyaay Lake, San Diego/Joe Duval; Lake Poway San Diego, Ca/NHANNGUYEN91; California Palm Trees and City of San Diego, California USA/Dancestrokes; **Page 5:** Point Loma San Diego/BipPix; USA, California, La Jolla. Paragliders float toward La Jolla Shores/Danita Delimont; **Page 6:** Del Mar, California / USA - May 31st : Summer view of Dog Beach in Del Mar, CA/Marcel Fuentes; A bunch of dogs running around at dog beach in San Diego, California./Trevor Fairbank; Balboa park cultural center in San Diego California./Artazum; **Page 7:** Del Mar, California / USA - May 31st : Summer

view of Dog Beach in Del Mar, CA/ Marcel Fuentes; Young women sporty hiker climbing on the Black Mountain in San Diego, California, USA. Women hikers going up of the mountain during blue sunny day. 01/22/2019/Unwind; polar bear at san diego zoo/Kristian brasel; San Diego, California - February 25, 2016: Plaza de Panama in Balboa Park at night./Sean Pavone; **Page 8:** San Diego's Balboa Park at twilight in San Diego California USA/f1photo; Birds at Cuyamaca Lake, California/James-Paul Jacob; **Page 9:** Sunny midday view from Mount Helix in La Mesa, California near San Diego, looking south/Apokastasis; **Page 10:** Panorama of Coronado Bridge with San Diego skyline./Manuela Durson; **Page 11:** Beautiful sunset on the beach with a concrete pier/Natalie Tsuleva; Two surfers on the beach in San Diego/Anja Ivanovic; **Page 12:** Anza-Borrego Desert State Park, California/Joseph Sohm; **Page 13:** Mountain Landscape in Lakeside California/Euvonea; Monserate Mountain views in Fallbrook California. The view off of Monserate mountain where you can see the freeway and three cities/ Jason Finn; Seagull Taking flight on rocks near the San Diego convention center/ Kelly vanDellen; Sunset panorama and

lights reflection of the Escondido pier with palms and vegetation/Hernando Sorzano; Sunrise over Downtown San Diego's Seaport Village/Brian Solis; **Page 14:** Downtown views of Gas-lamp District long exposure/Jason Finn; San Diego, California cityscape at the Gaslamp Quarter./Sean Pavone; Walkway and modern skyscrapers seen at the Children's Park in San Diego, California./ESB Professional; **Page 16:** Sunset at Mission Bay in San Diego, Southern California, USA/Travel Stock; Lamppost on the Mission Beach boardwalk in San Diego, California with ocean waves in the background./Sherry V Smith; Pier at Mission Beach in San Diego in the Early Morning/CloudVisual; **Page 17 (all 5 images):** Coronado California dawn. Dawn arrives at Coronado Island revealing the bay, golf course, village and coronado bridge./emerge; **Page 19:** Sea lion on the edge of the cliff in Pacific ocean waves. Blue ocean with wild life. Lonely wild life./Irina Lev; Slot Canyons at Anza Borrego Desert near San Diego, California, USA/Jimmy W; **Page 19:** Fencing on the Iron Mountain trail in Poway, California, located in San Diego County./ Sherry V Smith **Back Cover:** a yellow lotus flower in the pond at the botanical gardens in san diego, ca/speedphoto.



County of San Diego

County Operations Center

5530 Overland Avenue, Suite 410, San Diego CA 92123

www.sdcountry.ca.gov