County of San Diego

Annual Filing of Continuing Disclosure
Fiscal Year 2019-20

Relating to

Original Principal Amount of $343,515,000
County of San Diego Taxable Pension Obligation Bonds
Series 2008A

and

Original Principal Amount of $454,112,915.70
County of San Diego Taxable Pension Obligation Bonds
Series 2004A (Current Interest Bonds), Series 2004B (Auction Rate Securities),
Series 2004C (Capital Appreciation Bonds)

Prepared by

County of San Diego
Finance and General Government Group
1600 Pacific Highway, Room 166 • San Diego, California 92101
(619) 531-5413

CUSIPs

Listed below are the CUSIPs for each outstanding maturity of the Bonds referenced in this report.

$343,515,000 County of San Diego Taxable Pension Obligation Bonds, Series 2008A

Maturity Date August 15	Series 2008A CUSIP Number
2026	797398EJ9

$454,112,915.70 County of San Diego Taxable Pension Obligation Bonds Series 2004A (Current Interest Bonds)

Maturity Date August 15	Series 2004A CUSIP Number
2021	797398DK7
2022	797398DL5

Series 2004B (Auction Rate Securities)

Maturity Date August 15	Series 2004B CUSIP Number
2024 (B-1)	797398DU5
2024 (B-2)	797398DV3

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ANNUAL REPORT CERTIFICATION

Annual Report Certification of the County of San Diego

Relating to

Original Principal Amount of $343,515,000
County of San Diego Taxable Pension Obligation Bonds
Series 2008A

and

Original Principal Amount of $454,112,915.70
County of San Diego Taxable Pension Obligation Bonds
Series 2004A (Current Interest Bonds), Series 2004B (Auction Rate Securities),
Series 2004C (Capital Appreciation Bonds)

For the fiscal year ended June 30, 2020

The attached information is being provided by the County of San Diego (the "County") pursuant to Sections 3 (Provision of Annual Reports) and 4 (Content of Annual Report) of the Continuing Disclosure Agreement of the above issues.

The annual report is being submitted as separate documents comprising a single package. A matrix has been included to reference the location of the required information to be provided in the "Content of Annual Report," as per Sections 3 and 4 of the Continuing Disclosure Agreement.

Any subsequent statements regarding the above named issues, other than a statement made by Digital Assurance Certification, L.L.C. ("DAC") or the County of San Diego in an official release or subsequent notice or annual report, published in a financial newspaper or general circulation and/or filed with the Municipal Securities Rulemaking Board, are not authorized by the County. Neither the County nor DAC shall be responsible for the accuracy, completeness or fairness of any such unauthorized statement.

THIS REPORT IS BEING FILED PURSUANT TO THE CONTINUING DISCLOSURE AGREEMENT AND DOES NOT PURPORT TO CONTAIN ALL MATERIAL INFORMATION WITH RESPECT TO THE HEREIN REFERENCED CERTIFICATE AND BONDS, OR THE FINANCIAL CONDITION OF THE COUNTY. NEITHER THE COUNTY NOR THE TRUSTEE HAS ANY OBLIGATION TO UPDATE THIS REPORT OTHER THAN AS EXPRESSLY PROVIDED IN THE CONTINUING DISCLOSURE AGREEMENT.

DATED: December 16, 2020

COUNTY OF SAN DIEGO

By: _____ 12/16/2020

EBONY N. SHELTON
Deputy Chief Administrative Officer / Chief Financial Officer

Section II:

COUNTY OF SAN DIEGO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

County of San Diego, California

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2020

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Title page

Cabbage White Butterfly (Pieris rapae) near Lake Kumeyaay. Mission Trails Regional Park, San Diego County - Craig Chaddock - Shutterstock.com

County of San Diego, California

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2020

Board of Supervisors

Greg Cox	- District 1
Dianne Jacob	- District 2
Kristin Gaspar	- District 3
Nathan Fletcher	- District 4
Jim Desmond	- District 5

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

Donald F. Steuer
Assistant CAO/
Chief Operating Officer

Compiled under the direction of:
Tracy Drager
Auditor & Controller

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Introductory Section

County of San Diego

TRACY DRAGER
AUDITOR AND CONTROLLER
(858) 694-2176
FAX: (858) 694-2296

AUDITOR AND CONTROLLER
5530 OVERLAND AVE, SUITE 410, SAN DIEGO, CA 92123-1261

November 16, 2020

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

The Comprehensive Annual Financial Report (CAFR) of the County of San Diego (County) for the fiscal year ended June 30, 2020, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California.

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

Macias Gini & O'Connell LLP, has issued an unmodified ("clean") opinion on the County of San Diego's financial statements for the year ended June 30, 2020. The independent auditor's report is located at the front of the financial section of this report.

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

County Profile

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

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

According to the State of California Department of Finance (DOF) as of May 2019, the County's population estimate for January 1, 2019 was 3.35 million, which grew 0.6 percent from 3.34 million as of the January 1, 2018 estimate. San Diego is the second largest county by population in California according to the DOF, and the fifth largest county by population in the nation, as measured by the U.S. Census Bureau based on 2018 population estimates. There are 18 incorporated cities in the County; the City of San Diego being the largest, with a population of approximately 1.42 million; and

the City of Del Mar the smallest, at approximately 4,322 people, according to DOF population estimates as of January 1, 2018.

The racial and ethnic composition of the County is as diverse as its geography. The San Diego Association of Governments (SANDAG) projects that in 2035, the San Diego region's population will continue to grow in its diversity with: 36.3 percent White; 41.4 percent Hispanic; 13.9 percent Asian and Pacific Islander; 4.0 percent African American; and 4.4 percent all other groups including American Indian. Significant growth in the region's Hispanic population is seen in this projection.

County Government, Economy and Outlook

County Government

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

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

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

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

Economy and Outlook

U.S. Economy

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

According to the U.S. Department of Commerce Bureau of Economic Analysis (BEA), calendar year 2019 saw an increase in real GDP, closing the year with a 2.3 percent annual growth over the previous year, compared to an increase of 2.9 percent seen in 2018 (GDP Increases In Fourth Quarter, February 27, 2020, <https://www.bea.gov/system/files/2020-02/gdp4q19_2nd_0.pdf>, accessed on March 25, 2020). According to the BEA, "The increase in real GDP in the fourth quarter reflected positive contributions from personal consumption expenditures (PCE), federal government spending, exports, residential fixed investment, and state and local government spending that were partly offset by negative contributions from private inventory investment and nonresidential fixed investment." (ibid).

However, the national economy was significantly impacted by response to the global COVID-19 pandemic beginning in March of 2020. In the first quarter of 2020, real GDP was estimated by the BEA to have decreased at an annual rate of 5.0 percent (May 28, 2020, <https://www.bea.gov/sites/default/files/

2020-05/gdp1q20_2nd_0.pdf>, accessed on June 11, 2020). According to the BEA, "The decline in first quarter GDP reflected the response to the spread of COVID-19, as governments issued "stay-at-home" orders in March. This led to rapid changes in demand, as businesses and schools switched to remote work or canceled operations and consumers canceled, restricted, or redirected their spending." (ibid).

Commenting on the economic impact of the COVID-19 pandemic, the UCLA Anderson March Economic Outlook notes, "real GDP is now on track to decline in the second quarter of 2020 by 7.5% from the previous quarter and an additional 1.25% in the third quarter. (UCLA Anderson March Economic Outlook, April 10, 2020, https://www.anderson.ucla.edu/centers/ucla-anderson-forecast/march-2020-economic-outlook>). In an earlier report, UCLA Anderson announced the beginning of a recession, which they projected to last through September, 2020 (<https://www.anderson.ucla.edu/news-and-events/press-releases/ucla-anderson-forecast-announces-the-arrival-of-the-2020-recession>) UCLA adds, "this contraction will drive the official unemployment rate to a peak of around 13% in the fourth quarter, and total job loss to approximately 17 million" (ibid).

In 2019, the national unemployment rate was historically strong and had dropped to 3.7 percent from 3.9 percent in 2018. However, the impact of the COVID-19 pandemic in 2020 produced dramatic increases in unemployment across the country. According to the Bureau of Labor Statistics (BLS), "total nonfarm payroll employment fell by 1.4 million and 20.7 million, respectively in March and April", but announced in June that, "Total nonfarm payroll employment increased by 2.5 million in May, and the unemployment rate declined to 13.3 percent (from 14.7 percent in April) . . . reflecting a limited resumption of economic activity that had been curtailed due to the coronavirus pandemic and efforts to contain it" (BLS News Release, The Employment Situation - May 2020 <https://www.bls.gov/news.release/pdf/empsit.pdf>.

Increased unemployment and slowing economic activity led to low interest rates. Commenting on the impact of the pandemic, the Federal Open Market Committee (FOMC) stated, "The ongoing public health crisis will weigh heavily on economic activity, employment, and inflation in the near term, and poses considerable risks to the economic outlook over the medium term. In light of these developments, the FOMC decided to maintain the target range for the federal funds rate at 0 to 1/4 percent. The Committee expects to maintain this target range until it is confident that the economy has weathered recent events and is on track to achieve its maximum employment and price stability goals (Federal Reserve Press Release, June 20, 2020 <https://www.federalreserve.gov/monetarypolicy/files/monetary20200610a1.pdf>).

In the May 2020 monthly update of Housing Market Indicators, the U.S. Department of Housing and Urban Development (HUD) stated that activity in the housing markets declined overall. From a year over year basis, housing price increases remained fairly stable with annual gains ranging from 4 to 6 percent; new home construction decreased to its slowest pace since 2015 at 29.7 percent lower than a year earlier; and mortgage rates for a 30-year fixed rates reached an all-time low of 3.31 percent compared to 3.99 percent a year ago. (HUD, Housing Market Indicators Monthly Update, May 2020, p.1) In the housing sector, UCLA Anderson estimated housing starts above 1.35 million units a year, below annual averages of 1.4 - 1.5 million units/year. (The UCLA Anderson Forecast for the Nation and California: March 2020 Report, p. 18) Going forward UCLA Anderson indicates that, "In spite of the weaker economy, the continued robust demand for housing coupled with lower interest rates leads to little change in the forecast for homebuilding" (ibid., p. 61).

The economic impacts of the COVID-19 pandemic prompted federal fiscal stimulus efforts, which will provide substantial support to economic activity in 2020. Federal fiscal policy measures enacted in response to the pandemic have provided income support for households and businesses; increased grants-in-aid to state and local governments including the County of San Diego; and facilitated loans to businesses, households, states, and localities (Federal Reserve System, Monetary Policy Report, June 12, 2020, pg. 19).

What remains uncertain is the duration of the public health emergency and pace of any subsequent

economic recovery once the pandemic eases.

California Economy

California's economy is large and diverse, with global leadership in innovation-based industries including information technology, aerospace, entertainment and biosciences. A global destination for millions of visitors, California supports a robust tourism industry, and its farmers and ranchers provide for the world. California accounts for more than 14 percent of the nation's GDP in current dollars which is, by far, the largest of any state according to the BEA (Gross Domestic Product by State: Fourth Quarter and Annual 2019, April 7, 2020, https://www.bea.gov/system/files/2020-04/qgdpstate0420.pdf, accessed on June 17, 2020).

In 2019, California's economy was forecast to grow at a rate of nearly 3.0 percent. According to the LAEDC, "Growth in the California economy has slackened substantially over the previous years, with real GDP growth only achieving about 2.6 percent in 2019, down from 4.3 percent in 2018 (LAEDC, "The 2020 LAEDC Economic Forecast", February 19, 2020, https://laedc.org/2020/02/19/2020-economic-forecast/, p. 14, accessed on June 17, 2020). Slowing in Statewide growth expectations are forecast to include "... real GDP growth of 2.0 percent for 2020 and 1.6 percent the following year" continued the LAEDC (ibid). These projections for Statewide economic slowing include, "employment growth of roughly 283,000 jobs in 2020 and 275,000 in 2021 with associated increases in unemployment to 4.0% and 3.9% in the respective forecast years. These job gains are estimated to occur across all sectors with the largest gains in manufacturing, utilities, business services, education, health and tourism," (LAEDC, p. 30). California's lost sales tax revenue from decreased consumer spending during the COVID-19 pandemic were covered by State budget reserve fund balances. Plans to rebuild State budget reserves identified in 2019-20 will continue to be implemented. ("California Budget Perspective 2020-21," March 2020, https://calbudgetcenter.org/wp-content/uploads/2020/03/CA_Budget_Center_Budget-Perspective-2020-21-Chartbook.pdf, accessed on June 17, 2020, p. 10).

Prior to the COVID-19 pandemic, UCLA Anderson projected California's total employment growth rate to "... be at 0.9% and 1.3%..." for 2020 and 2021. (UCLA Anderson, "Financial Outlook for 2020", news release, https://www.anderson.ucla.edu/news-and-events/press-releases/ucla-anderson-forecast-upgrades-outlook-for-the-nation-as-financial-conditions-improve, December 4, 2019, accessed June 17, 2020). However, the mandated shelter-in-place response to the COVID-19 pandemic delivered a swift and harsh blow to California businesses and labor force. As of May 2020, the state unemployment rate was at 15.9 percent which was 12.3 percent higher than May 2020 (3.6) ("Local Area Unemployment Statistics", Bureau of Labor Statistics, <https://www.bls.gov/lau/>, accessed on June 29, 2020). The employment sector can be expected to slowly rebound as consumer spending restarts and taxable sales restore sales tax revenue, once the pandemic eases later in the year. Many uncertainties remain about when that will occur, and if consumer spending will return to pre-pandemic patterns.

As the State progresses through the reopening process, job growth and wage gains may be realized by some Californians. "The reopening of bars, wineries, and gyms, even at a reduced capacity, is expected to increase consumer spending and bring additional jobs back to the economy just as the labor force recovery began to stagnate" (California Economic Forecast, "A Surge of Re-Employment This Month: California Bars and Gyms are Now Open", https://californiaforecast.com/covid-19-economic-analysis/, June 15, 2020, accessed on June 17, 2020). Paycheck Protection Program (PPP) loans and federal or other assistance will further support business sectors and residents with financial recovery. At the national level, the first round of PPP loans will see some business sectors using the funds "...to rehire workers that had been laid off. Other companies will use them to prevent layoffs in the future. Some organizations have undoubtedly applied for loans when they had no intention of laying anyone off at all. And other firms will allocate the funding to finance both payrolls and other perhaps larger expenses such as rent, equipment, materials, and utilities" (California Economic Forecast, "PPP Loans Could Fund 39 Million Jobs", https://californiaforecast.com/covid-19-economic-analysis/, April 24, 2020, accessed June 17,

2020).

In terms of housing, "The demand..., especially in coastal California, is also predicted to continue to motivate additional supply gains, with an over 8,000 year-over-year increase in permits in both 2019 and 2020. Despite these additions, home values are also expected to rise through 2020 to an average state value of over $593,000 by the end of 2020" (LAEDC, p. 7). Despite these gains, experts continue to see weakness in California's ability to meet its housing demand. "Estimates vary regarding total housing stock shortfall; however, all estimates agree on the need for a significant acceleration of construction over the average of 100,000 units added per year between 2014 and 2018," comments the LAEDC (ibid). UCLA Anderson concludes, "even though there is a concerted effort to increase home construction in the State, in the near term it is likely to fail, and as a consequence our forecast for the California economy is weaker for 2019 and 2020..." (UCLA Anderson, p. 57). In fact, UCLA Anderson projects, "weaker housing markets into 2020," with, "housing starts in 2019 and 2020... revised downward... with a recovery in building beginning in 2021" (ibid, p. 61).

Housing affordability continues to challenge the State's growth. "Governor maintains increased funding for housing production included in the 2019-20 budget, but proposes no significant new housing investments" (California Budget & Policy Center, p. 18). Spending related to the planning and production of housing included in the 2019-20 State budget will occur in 2020. "In 2018, the median home in California was 7.3 times the median household income, in contrast to the median home in the United States, which was only 3.7 times the median household income" (LAEDC, p. 16). The LAEDC cautions "the fact that the median Californian household must pay more than seven times its income to afford a home should be grounds for grave concern regarding sustainable economic growth" (ibid). In fact, "more than half of California's renters and over a third of homeowners with mortgages have high housing costs," defined as shelter costs that exceed 30 percent of household income, according to the California Budget & Policy Center (California Budget & Policy Center, p. 20).

Continued lack of affordable housing presents near-term and longer-range constraints on the State's economy. The LAEDC comments, "While there are any number of reasons why people choose to leave the state, or to put off having children, the dominant story is one of a housing markets so overheated that it is becoming increasingly less practical for those who do not already own a home to buy one" (LAEDC, p. 16).

San Diego Economy

As of 2019, the San Diego region was home to more than 3.3 million residents, the second largest county in California and fifth largest in the nation in terms of population according to the U.S. Census Bureau ("ACS Demographic and Housing Estimates by All Counties in the United States", US Census Bureau, https://data.census/gov, accessed on June 12, 2020). In 2018 the San Diego metropolitan region accounted for more than $219.4 billion, or 8.1 percent of California's GDP, based on data from the BEA and 8.5 percent of the State's population, based on U.S. Census Bureau data.

The San Diego region includes the largest concentration of U.S. military in the world, making the military presence an important driver of the region's economy. In addition, San Diego is a thriving hub for the life sciences/biomedical and technology-oriented industries and a popular travel destination. The region's quality of life attracts a well-educated, talented workforce and well-off retirees which contribute to local consumer spending.

In January 2020, the San Diego Business Journal hosted its annual economic forecast and all the panelists gave mostly positive reviews for the local outlook. Some cautioned the economy could slow; others indicated housing and cost of living would continue to be key challenges; but no one predicted a recession let alone the global pandemic which would shut down the local economy. Initially, the economic impact of the shutdown and quarantine was underestimated. Economist Tara Sinclair from George Washington University said, "The key is to watch big macro numbers rather than obsessively watching things tied to virus and supply chains. If people aren't getting haircuts anymore, that's a bad sign" ("Will the Coronavirus Cause a Recession? Keep Your Eye on the

Barbershops," The New York Times, accessed on March 3, 2020). No one could anticipate that hair salons and barbershops, along with countless other businesses would be closed in San Diego County beginning in March 2020.

According to the California Employment Development Department, San Diego County went from adding jobs in the month of February to losing jobs by tens, then by hundreds of thousands. Unemployment rose sharply from pre-COVID-19 levels of 3.2 percent to 15.0% at the end of May ("Local Area Unemployment Statistics," State of California Employment Development Department, <https://data.edd.ca.gov/Labor-Force-and-Unemployment-Rates/Local-Area-Unemployment-Statistics-LAUS-/e6gwgvii/data> accessed on June 21, 2020). In addition, SANDAG estimated taxable sales declined 44 percent during the stay at home orders from pre-COVID-19 levels of $5.3 billion to April 2020 estimates of $3.0 billion ("COVID-19 Impact on the San Diego Regional Economy - Consumer Spending", SANDAG, pg. 2, as of May 28, 2020).

Beacon Economics assessed that job losses in the San Diego region were concentrated in a few key sectors, including leisure & hospitality, retail, and education & health services; by combining the losses in these sectors with those in professional services, one can account for about 78 percent of job losses in the County ("San Diego Regional Outlook, Summer 2020," Beacon Economics, <https://beaconecon.com/publications/regional-outlook/regional-outlook-san-diego/> accessed on June 16, 2020). The analysis from Beacon Economics went on to estimate the number of essential vs. non-essential workers in San Diego County for purposes of determining the keys to recovery. Their examination found roughly half of the essential and non-essential workers in San Diego will not be able to work from home because their type of job requires them to interact directly with customers (ibid). This makes this group of workers not only a higher risk of having their health compromised, but it makes them one of the keys to local economic recovery (ibid). The question is posed to consumers: will you visit a business that requires you to interact with workers who regularly work with other customers? Consumers' answers could either speed or slow the local economic recovery.

Based on a recessionary environment combined with the impact of the COVID-19 pandemic, overall sales tax dollars are expected to be less in 2020 than the same period in 2019. Deepest declines are anticipated in the Food, Auto, and General retail sectors, along with their suppliers. Some individual businesses may not recover and have already begun to permanently close. Job losses are expected to reduce purchases of new cars and other high-cost items. Losses in the high-tech innovation industries may be more modest. And there may be increases in the Food and Drug, and online retail sectors. Looking toward the future, there is much uncertainty about how long consumers may take to fully return to their previous income and spending patterns, if they do at all.

With fewer consumer purchases, less sales tax is collected by San Diego County. As of the Third Quarter report to the Board of Supervisors in mid-May, the County was projected to realize a shortfall in anticipated Sales Tax-based General Purpose Revenue of $3.7 million in Fiscal Year 2019-20 and $4.4 million in Fiscal Year 2020-21. The State is also offering many businesses payment plans and extensions, effectively pushing the collection of current revenue out to the end of the fiscal year, and into Fiscal Year 2020-21. While not a revenue loss, these actions impact the County's cash flows.

Since the Great Recession, the County's reliance on sales tax revenue has increased. Due to changes in funding and service delivery models by the State, sales tax revenue has become critical to supporting essential program areas in Public Safety, and Health and Human Services through dedicated revenue sources including Prop 172 and Health and Public Safety Realignment. As of Third Quarter, the County had expected lower than previously projected levels in these Sales Tax-based program revenues of $82.7 million in Fiscal Year 2019-20 and $161.7 million in Fiscal Year 2020-21. Consumer activity also supports the County's program revenue for Behavioral Health through the Mental Health Services Act and road repair activities through the State Gas Tax. Due to the slowdown in economic activity following the pandemic, these revenue sources combined are expected lower than previously projected levels by $19.6 million in Fiscal Year 2019-20

and $44.0 million in Fiscal Year 2020-21.

Pre-COVID-19, the visitor industry was the region's second largest export industry and, employed "199,800 residents in fields directly related to the hospitality industry, including lodging, food service, attractions, and transportation," according to the San Diego Tourism Authority ("San Diego County 2020 Visitor Industry General Facts," San Diego Tourism Authority, pg. 1). San Diego welcomed 35.1 million visitors annually who spent more than $11.6 billion at local businesses (ibid). Before the pandemic, the San Diego Travel Forecast indicated moderate 2 percent growth in visits in 2020 before declining in 2021-2024. Post-COVID-19, the leisure and hospitality sector shut down. According to the San Diego Regional EDC, this sector alone accounted for 96,200 or about 50 percent of job losses in April 2020 ("San Diego's Economic Pulse: May 2020", San Diego Regional EDC <https://www.sandiegobusiness.org/blog/san-diegos-economic-pulse-may-2020/> accessed June 16, 2020). Declining tourism resulting from COVID-19 impacts the County's revenue from Transient Occupancy Tax, the County's hotel room tax collected in the unincorporated area. As of Third Quarter, this revenue source was projected to realize a shortfall of $1.8 million in Fiscal Year 2019-20 and $2.8 million in Fiscal Year 2020-21.

In terms of jobs and employment, the region's numbers look bleak, compared to pre-COVID-19 results. A study using 2019 data and reported by the Union-Tribune found that San Diego County had 23 percent of its workforce in either the retail or leisure & hospitality sectors; this setup left the region headed for a hard fall during the pandemic ("San Diego's reliance on tourism jobs could mean a bigger economic COVID-19 hit," The San Diego Union Tribune, April 21, 2020). According to California Employment Development Department data, the unemployment rate in San Diego County hovered around 3 percent from August through December 2019 and continued at that level through February 2020 ("Local Area Unemployment Statistics," State of California Employment Development Department, <https://data.edd.ca.gov/Labor-Force-and-Unemployment-Rates/Local-Area-Unemployment-Statistics-LAUS-/e6gw-gvii/data> accessed on June 21, 2020). This pre-COVID-19 unemployment rate remained until March when it ticked up slightly to 4.2 percent; in April, the unemployment rate more than tripled to 15 percent (ibid). The preliminary unemployment numbers for May (15 percent unemployment rate) show a potential flattening of job losses, but only time will tell if there will be additional job losses in the San Diego region. Growing unemployment constrains consumer spending and associated County revenues, while increasing the County's costs due to demand for the County's essential safety net services that residents rely upon in times of uncertainty and need.

When it comes to wages, San Diego County workers made about 12 percent more than the national average; that's the good news ("San Diego Business Journal Economic Trends 2020," San Diego Business Journal, February 10, 2020, pgs. 11-24). The bad news: it is about 43 percent more expensive to live in San Diego County than the national average which means a significant portion of the local population feels 30 percent underpaid (ibid). Much of the additional expense to live in San Diego can be attributed to housing and healthcare. Before the pandemic, business leaders confirmed a dilemma between the rising cost of housing and the slow (or lack of) growth in wages. Mark Cafferty, President and CEO of the San Diego Regional EDC said, "In San Diego...53 percent of the people we know are paying well over 30 percent of their overall income towards their rent and their mortgage...we've gotten to a point where our cost of living is on par with all of those [Bay Area] metros, and our wages, in many instances are not". The CFO of Kaiser added not only is housing consuming a larger portion of the household budget, but health care costs are increasing by about 6 percent per year too (ibid); it's unclear how COVID-19 may change those projections. The the median household income for San Diego County in 2018 was nearly $75,000, but diminishing factors including inflation and the real estate market can reduce that overall buying power.

Inflation can have a dampening effect on the region's wage gains; inflation occurs when prices rapidly increase and reduce buying power; economists consider high inflation bad for the economy although some inflation is healthy ("Deflation: Who Let the Air Out", Federal Reserve Bank of St. Louis, pg. 2).

Deflation exists when overall prices decrease, and this is also a concern for economists because it encourages consumers to save and wait for lower future prices, which can create a cyclical problem (ibid). Both inflation and deflation are measured by the Consumer Price Index (CPI). As of June 2020, the CPI for San Diego County was down 0.4 percent, indicating slight deflation for April and May ("Consumer Price Index, San Diego Area - May 2020," Bureau of Labor Statistics, pg. 1). While food prices increased 3.2 percent during this period, likely a result of more people eating at home as well as other COVID-19-related food-supply issues, energy prices fell 10.8 percent due primarily to lower gas prices and apparel prices fell 5% due to the economic shut down (ibid). As mentioned earlier, the behavior of consumers will shape the post-COVID-19 recovery for the San Diego region. If consumers save, deflation will snowball and the pace of any economic recovery will slow; if consumers spend, prices will stabilize, and economic recovery will surge.

Increasing unemployment exacerbates the pressure of high housing costs. San Diego housing is among the least affordable. The median price of a home in the region reached $670,000 in the first quarter of 2020, up 8 percent from the prior year and keeping San Diego's housing market as the second most expensive in the nation according to the San Diego Regional EDC ("Economic Snapshot," San Diego Regional EDC, <https://www.sandiegobusiness.org/research/economic-snapshot/> accessed on June 17, 2020). The EDC concludes San Diego has an affordability crisis and housing is at the epicenter. "The cost of housing is the primary driver of the region's high cost of living… if left unaddressed, the region's cost of living pressures will erode its economic competitiveness" ("Addressing San Diego's Affordability Crisis," San Diego Regional EDC, <http://affordability.inclusivesd.org/> accessed on June 17, 2020)."

Prior to COVID-19, economists predicted the local housing market would continue to appreciate at an annual 5 percent rate, similar to prior years ("San Diego Business Journal Economic Trends 2020," San Diego Business Journal, February 10, 2020, pgs. 11-24). Economists anticipated some recessionary activity and predicted the real estate market would slow to 0 percent or flat appreciation (ibid). While the market did slow, appreciation continued; March realized 8 percent year over year growth in sales price, April saw 4 percent growth, and May reached 1 percent gains ("Monthly Indicators," San Diego Association of Realtors, pg.7). In general, buyers of local real estate have been quick to buy listed properties due to historically low interest rates, but sellers have been reluctant to list their properties during the pandemic (ibid). In short, the decreased supply due to COVID-19 slowed market activity but low interest rates increased buyer appetite; combined, these slowed real estate market activity and drove up prices. Continued appreciation in the real estate market is anticipated to continue generating a slow increase in property tax revenue for the County. However, there are some revenue losses associated with the COVID-19 property tax delinquencies. In May 2020, the Governor of California instructed counties to stop the collection of late fees for delinquent property tax payments, which impacted the County of San Diego's Teeter Program revenue and increased anticipated delinquencies of total property taxes in the coming fiscal year. In total, as of the third quarter, the County was projected to realize a shortfall in anticipated Property Tax-based General Purpose Revenue of $34.1 million in Fiscal Year 2019-20 and $34.3 million in Fiscal Year 2020-21, compared to projections earlier in the fiscal year.

While a boon to consumers looking to purchase real estate, low interest rates impact the County's earnings from interest in various funds. As of Third Quarter, the County was projected to realize a shortfall in anticipated revenue from interest earnings of $4.2 million in Fiscal Year 2019-20 and $21.9 million in Fiscal Year 2020-21.

Looking to construction as an indicator of future activity in the residential real estate market, the San Diego Regional EDC reports that in the first quarter of 2020, "Housing permits increased year-over-year in San Diego by 82 percent, largely due to multi-family housing increasing by 181 percent" ("Economic Snapshot," San Diego Regional EDC, <https://www.sandiegobusiness.org/research/economic-snapshot/> accessed on June 17, 2020). Michael Pugliese, an economist for Wells Fargo said before the pandemic that San Diego is still growing but in many ways its growth is limited by affordability, which is

anchored to the high cost of housing; he went on to explain this accounts for some net migration out of San Diego - people can't afford to live in the County ("San Diego Business Journal Economic Trends 2020," San Diego Business Journal, February 10, 2020, pgs. 11-24). He continued, San Diego is "still not back to where we were in terms of single family and even multifamily building permits...you have this kind of strange challenge of a local economy is booming, strong wage growth, strong labor market growth and employment growth. But these affordability challenges - high rent growth, high home price growth, maybe not as much building as we'd like to see - and that's creating some real challenges" (ibid).

Outside of the single-family home sector and pre-COVID-19, according to the San Diego Business Journal, "The asking rent per square foot has been driven up just because this is such an in-demand class, especially kind of the upper end, the class A" ("San Diego Business Journal Economic Trends 2020," San Diego Business Journal, February 10, 2020, pgs. 11-24). However, with more employees potentially working from home permanently and added social distancing requirements for every business, government and non-profit, the market demand will certainly change post-COVID-19.

Real estate tracker CoStar predicted a 10 percent drop in rents across San Diego County by the end of the year due to COVID-19 ("Forecast: San Diego rents to drop by 10 percent" The San Diego Union Tribune, May 29, 2020). Falling rental income could increase pressure on property owners to eventually default on their property. Another measure of the housing market is the rate of foreclosures, as well as the companion indices of notices of loan default and deeds recorded (changes in ownership). According to the Assessor/Recorder/County Clerk, foreclosures compared to total deeds recorded averaged 0.3 percent over the three-year period of 2003 through 2005, then rose significantly reaching 16.9 percent in 2008 and has declined to 0.6 percent in 2018. Total deeds recorded in 2019 were 118,342, an increase of 6.2 percent from the previous year. Notices from lenders to property owners that they were in default on their mortgage loans peaked at 38,308 in 2009, and foreclosures reached a high of 19,577 in 2008. In comparison, San Diego County saw 2,976 Notices of Default in 2019, down 8.1 percent from the 2018 level. The percentage of properties with delinquent mortgage loans that went into foreclosure averaged at approximately 11.6 percent from 2003 through 2005. During the recession, this indicator peaked at 57.5 percent in 2008 but since has declined to 19.3 percent in 2019, a decrease of 1.8 percent from 2018.

Coronavirus Disease 2019 (COVID-19) and Economic Conditions

As discussed, the County was heavily impacted by the Coronavirus Disease 2019 (COVID-19) global pandemic and its resulting business closures and "stay home" orders beginning in March 2020. Under the responsibilities of the region's Public Health Officer, the County was directly responsible for safeguarding health in response to the COVID-19 pandemic through various Public Health Orders and actions under the Local Health Emergency issued in February 2020. Additionally, the County itself underwent significant changes in how core government services were delivered, along with employers across the nation, as businesses shuttered, and the majority of employees and the public remained at home for months. Resulting job losses pushed the County's caseloads higher in many essential public assistance programs residents rely upon in times of uncertainty and need.

Further, many County services were interrupted, prohibited or otherwise impacted by the response to the COVID-19 pandemic's effect on businesses, residents and government. As discussed previously, in many cases the County's revenues from various sources, including for essential public safety and health programs supported by sales tax-related revenues, declined significantly from earlier projections. Intergovernmental revenues were impacted due to the pandemic's widespread impact to the State and federal governments. And a changing operating environment has cut into fee-for-service revenue, among impacts to other revenue sources. Financial market volatility also impacted short-term revenues and long-term costs associated with projected losses in the San Diego County Employee's Retirement Association's retirement fund. At the same time, the County benefited from some unanticipated federal revenue to offset costs of the County's direct COVID-19 response through the

Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act).

County's Economic Base

The County's economic stability is based on significant manufacturing presence and innovation clusters (e.g. energy storage, cyber-security, and clean tech), a large tourist industry attracted by the favorable climate of the region, a considerable defense-related presence from federal spending, and a thriving hub of biotech and telecommunications industries. Highlights of seasonally unadjusted County employment as of August 2020 data from the California Employment Development Department Labor Market Information Division are listed below:

- Non-farm industry employment totals 1.37 million jobs. This represents a loss of more than 135,000 jobs from August 2019. Agriculture includes 9,600 jobs, or 0.7 percent of all industries in the region.
- Goods-producing industries make up 14.0 percent of non-farm employment or 192,000 jobs. The most significant sectors include manufacturing, which accounted for 7.9 percent of non-farm employment or 108,800 jobs; and construction, which accounted for 6.0 percent of total non-farm employment or 82,800 jobs.
- Private (non-government) services industries constitute the largest share of employment in the region and accounted for 69.6 percent of total non-farm employment, with 955,000 employed.
- Of these, professional and business services make up the largest non-government sector, comprising 18.9 percent of total non-farm employment, totaling 259,200 jobs. Other large non-government sectors in the private services industry category include: trade, transportation and utilities (206,600 jobs); educational and health services (202,700 jobs); and leisure and hospitality (148,000 jobs).
- Government accounted for 16.4 percent of total non-farm employment, or 224,300 jobs. San Diego's local governments, including education, contribute significantly to this sector.

County revenues that are affected by the state of the local economy include property taxes, sales taxes, and charges for services. Key factors impacting these revenues include real estate activity and consumer spending which are in turn greatly influenced by interest rates and employment levels. Short-term and long-term interest rates remain low by historical standards.

General Management System

The General Management System (GMS) is the County of San Diego's ("County") foundation that guides operations and service delivery to residents, businesses and visitors. The GMS outlines the County's strategic intent, prioritizes its goals and use of resources, describes how it monitors progress on performance, ensures collaboration and recognizes accomplishments in a structured, coordinated way. By communicating and adhering to this business model, the County of San Diego is able to maintain an organizational culture that values transparency, accountability, innovation, and fiscal discipline and that provides focused, meaningful public services.

At the heart of the GMS are five overlapping components which ensure that the County asks and answers crucial questions, as well as completes required deliverables:

- Strategic Planning
- Operational Planning
- Monitoring and Control
- Functional Threading
- Motivation, Rewards and Recognition

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/.

Context for Strategic and Operational Planning

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

Vision:

A region that is Building Better Health, Living Safely and Thriving - Live Well San Diego

Mission:

To efficiently provide public services that build strong

and sustainable communities

Values:

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

- Integrity - Character First:
  - We maintain the public's trust through honest and fair behavior
  - We exhibit the courage to do the right thing for the right reason
  - We are dedicated to the highest ethical standards
- Stewardship - Service Before Self:
  - We are accountable to each other and the public for providing service and value
  - We uphold the law and effectively manage the County's public facilities, resources and natural environment
  - We accept personal responsibility for our conduct and obligations
  - We will ensure responsible stewardship of all that is entrusted to us
- Commitment - Excellence in all that we do:
  - We work with professionalism and purpose
  - We make a positive difference in the lives of the residents we serve
  - We support a diverse workforce and inclusive culture by embracing our differences
  - We practice civility by fostering an environment of courteous and appropriate treatment of all employees and the residents we serve
  - We promote innovation and open communication

Strategic and Operational Planning (Budgetary) Process

The County ensures operations are strategically aligned across the organization by developing a five year Strategic Plan that sets forth priorities the County will accomplish with public resources. The Strategic Plan is developed by the Chief Administrative Officer (CAO) and the County Executive Team, based on the policies and initiatives set by the Board of Supervisors, an enterprise review of the issues, risks and opportunities facing the region and reflects the changing environment, economy and community needs. All County programs support at least one of these four Strategic Initiatives through Audacious Visions, Enterprise-Wide Goals and departmental objectives that make achievement of the initiatives possible. The Strategic Initiatives include:

- Building Better Health
- Living Safely
- Sustainable Environments/Thriving
- Operational Excellence

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

State law permits modifications to the adopted budget during the year with approval by the Board of Supervisors, or in certain instances, by the Auditor and Controller. The Chief Administrative Officer reviews the status of the County's performance against the budget, and requests adjustments as needed, in a quarterly status report to the Board of Supervisors.

Financial (Budgetary) Policies

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

County Charter Section 703 establishes the Chief Administrative Officer as responsible for all Groups/ Agencies and their departments (except departments with elected officials as department heads), for supervising the expenditures of all departments and for reporting to the Board of Supervisors whether specific expenditures are necessary.

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

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

The County has the following financial policies that serve as guidelines for the budget process:

Board of Supervisors Policies

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

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

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

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

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

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

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

E-14 Expenditure of Tobacco Settlement Revenue in San Diego County: Establishes that revenue received from the Tobacco Master Settlement Agreement (1998) shall be allocated to support a comprehensive tobacco control strategy, to increase funding for health care-based programs, and to supplement, but not replace, existing health care revenue.

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

Administrative Manual

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

0030-06 State Mandated Cost Recovery: Establishes

guidelines to attempt full recovery of all State-mandated costs resulting from chaptered legislation and executive orders.

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

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

0030-18 Establishing Funds and Transfer of Excess Cash Balances to the General Fund: Establishes the procedure for approval and establishment of funds and a policy to transfer cash balances into the General Fund, as authorized by California Government Code Section 25252.

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

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

Strategic Initiatives and Achievements

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

The five-year Strategic Plan is developed by the Chief Administrative Officer, the Assistant CAO, the five General Managers and the Strategic Planning Support Team based on the policies and initiatives set by the Board of Supervisors and a countywide review of the risks and opportunities facing the region.

The four strategic initiatives are:

- **Building Better Health** - ensure every resident has the opportunity to make positive healthy choices, that San Diego County has fully optimized its health and social service delivery system and makes health, safety and thriving a focus of all policies and programs.
- **Living Safely** - make San Diego the safest and most resilient community in the nation, where youth are protected and the criminal justice system is balanced between accountability and rehabilitation.
- **Sustainable Environments/Thriving** - strengthen the local economy through planning, development and infrastructure, protect San Diego's natural and agricultural resources and promote opportunities for residents to engage in community life and civic activities.
- **Operational Excellence** - promote continuous improvement in the organization through problem solving, teamwork and leadership, focus on customers' needs and keep employees positive and empowered.

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

Within the structure of the two-year operational planning process, the County plans for and attains interim progress toward achievement of the Strategic Initiatives. Some of the highlights over the last year include:

Building Better Health

- The County increased opportunities for the public to recreate by constructing 11 new park and park improvement projects, including: Sweetwater Bike Park, Fallbrook Community Center Electrical Upgrades, Morrison Pond Interpretive Loop, Estrella Park, Pine Valley Pavilion, San Diego Botanic Garden Buildings, Rainbow Park Americans with Disabilities Act (ADA) Improvements, Flinn Springs Bridge Replacements, Sweetwater

Community Garden, and Patriot Park Water Conservation upgrades, and Woodhaven Well and Fitness Trails.

- HHSA integrated the Access Customer Service Center, Aging and Independence Services, and Child Welfare Services into a new single call center - a cloud-based, omnichannel routing, AI embedded, customer experience platform. The software will expand opportunities for staff to work from home and will provide a streamlined and consistent experience for customers.
- HHSA launched the Test, Trace, Treat (T3) strategy to help address the unprecedented challenge of COVID-19, through a large-scale effort to protect the public's health and ensure continuity of such protection throughout all stages of the county's reopening. Woven throughout all three elements is a health equity lens to ensure services address those disproportionally effected by COVID-19. The three elements are providing accessible COVID-19 testing (now available at 30 sites); culturally competent contact tracing (tracers of various backgrounds and languages are among the nearly 1,000 total case investigation and contact tracing staff); and treat by providing assistance with safe isolation and individualized services (including over 1,700 hotel rooms secured so that individuals who do not have a safe place to isolate and quarantine have a temporary place to stay and be connected to resources and support).

Living Safely

- The Office of the District Attorney implemented a community partnership and problem solving model dedicating prosecutors to each region of the county to work with local government, schools, law enforcement and the community in addressing the underlying causes of crime and solutions to enhance and maintain public safety. This partnership included the development of Power League youth mentorship program in each region to encourage student participation in school and healthy lifestyles.
- The Sheriff's Department created the Homeless Assistance Resource Team (HART). The deputies were tasked with conducting homeless outreach operations in the unincorporated areas of the San Diego County. These operations were used to identify the population of the homeless, conduct environmental cleanups, and work with service providers to offer resources to assist homeless individuals with a path to permanent housing. Deputies worked in partnership with several agencies and service providers during these operations.
- The Probation Department implemented the CHOICE Program and opened Achievement Centers to support youth success in exiting the justice system through community-based case management, mentoring, and vocational and educational support.
- HHSA Child Welfare Services: Collaborated with the Child and Family Strengthening Advisory Board to enhance our child welfare system and ensure the appropriate level of intervention needed for families through the development of a Child Abuse Hotline multidisciplinary response team. On December 10, 2019, the Board approved the Family Strengthening and Prevention initiative and the program Review, Assess, and Direct (RAD) was launched as a pilot on January 15, 2020 in North Central Region to improve screening, decision making and connect families to prevention services. This exciting partnership between CWS and 2-1-1 San Diego provides families who do not meet criteria for investigations, with a 2-1-1 navigator to provide enhanced outreach that includes additional resources, such as housing, food, and utilities.
- HHSA Live Well Mobile: Launched Live Well on Wheels, a mobile office that allows for health and community services to be delivered directly to residents in their neighborhoods. The vehicle is equipped with the latest technology and tools required to provide a variety of services in the field, such as: disaster response, public assistance benefits, immunizations, veterans' services, public health services, behavioral health services, homeless services, and much more. Live Well on Wheels makes it possible for the County and community partners to deliver indispensable services in a coordinated and integrated manner, in full alignment with the Live Well San Diego vision for healthy, safe and thriving communities. Since its inception, Live Well on Wheels has met the needs of residents by providing support to nurses providing mobile COVID-19 testing for more than 3,500 individuals.

Sustainable Environments/Thriving

- A Climate Action Plan approved by the Board of Supervisors on February 14, 2018 lays out how the County will reduce greenhouse gas emissions for the unincorporated areas of the region. The plan encourages installing solar photovoltaic panels on existing homes and on County facilities; increasing renewable energy overall; diverting more trash away from landfills; and installing electric vehicle charging stations throughout the region. As part of a $2 million tree-planting program, the County planted more than 6,518 trees on public lands. County inspectors inspected 9,579 detection traps for invasive pests last year that could have damaged our $1.77 billion agriculture industry. South county beach water monitoring was increased from four to nine water-sampling locations to monitor health standards at the region's beaches and increased the frequency of testing in all south county locations to twice weekly. In addition, County programs are in place to remove high-polluting vehicles and engines from service throughout the region. During the implementation of the Climate Action Plan (CAP) measures to reduce greenhouse gas (GHG) emissions by 132,000 metric tons by 2020 to meet State targets, the County prepared its first CAP Annual Progress Report to describe progress on implementing the CAP; developed a CAP website to communicate with residents about programs and progress towards implementation; supported Countywide efforts to explore renewable energy program options; developed an Electric Vehicle Roadmap, that included strategies to increase electric vehicle ownership and use and to install electric vehicle charging infrastructure in the unincorporated community and at County facilities, which was adopted by the Board of Supervisors in September 2019, and developed a Landscaping Ordinance to reduce water usage for consideration by the Board of Supervisors in June 2020.
- HHSA Aging and Independent Services: Launched Great Plates Delivered: Home Meals for Seniors and provided over 176,000 home-delivered meals to adults 65+ and those 60-64 with certain health conditions during the COVID-19 pandemic, with over 36,000 meals provided weekly as of the end of Fiscal Year 2019-2020. Initiated by Governor Gavin Newsom, and supported by FEMA, State, and local funds, this program pairs older adults with local restaurants to provide 3 meals per day so recipients can stay safely at home.

Operational Excellence

- The Department of Purchasing & Contracting received the Achievement of Excellence in Procurement from the National Procurement Institute (NPI) for the 20th consecutive year. The NPI recognizes organizations that are leaders in the public procurement sector. A total of 40 counties hold this designation in 2020.
- HHSA Behavioral Health Services: Established a process to improve access for clients seeking substance use disorder treatment using the Third Next Available Appointment (TNAA) data. TNAA is an industry standard that most closely reflects a program's true access time as the first and second next available appointments might be due to client cancelation or another event that is not predictable or reliable.
- The County of San Diego's new Assessor/Recorder/County Clerk's (ARCC) Office & Archive building was awarded the 2020 Orchid award for outstanding architecture by the San Diego Architectural Foundation. The foundation honors the best in local architecture, historic preservation, interior design, urban planning and landscape architecture. The East County Office and Archives opened to the public in February 2020. It is a zero net energy, LEED gold-certified, state-of-the-art facility that offers ARCC and TTC services for the east county region.
- The County Communications Office won nine Government Programming Awards including second place in overall excellence at the National Association of Telecommunications Officers and Advisors (NATOA) conference in Tampa, Florida in September. NATOA awards recognize excellence in broadcast, cable, multimedia and electronic programming produced by local government agencies.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of

Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Other Awards and Recognitions

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

The County earned 54 Achievement Awards from the National Association of Counties (NACo) for its innovative programs. Some of the award-winning programs include:

- The Planning & Development Services CEQA Training for Community Members and Stakeholders program: The department developed a training program that explains how CEQA, a technical and complex process, works in a simplified way. One of the primary goals of CEQA is to disclose to the public the significant environmental effects of a proposed project and to avoid or mitigate those impacts if feasible. The goal of the program is to give the public the tools to participate in County-initiated planning efforts and discretionary permit applications, provide meaningful, impactful input in the process and to engage in their community planning process.
- Best in Category, Criminal Justice and Public Safety: The Office of the Public Defender's Fresh Start Criminal Record Relief Program. Fresh Start is the Office of the Public Defender's Comprehensive Criminal Record Relief Program designed to educate and advocate for community members in all areas of conviction relief. The goal of the program is to remove barriers to successful community reintegration, improve individuals' access to employment, housing, education, and other forms of civic engagement and thus reduce recidivism and improve community safety.
- Better Outreach and Education: Disabled Veterans' Property Tax Exemption. Through intergovernmental coordination and private industry support, the Assessor/Recorder/County Clerk's (ARCC) improved outreach and education to qualify more 100% Service-Connected Disabled Veterans or their surviving spouses for the Disabled Veterans' Property Tax Exemption. ARCC increased the number of qualified disabled veterans by 75% (4,183) in 2019 which saves veterans and surviving spouses over $5,850,000 in property taxes annually. ARCC's Taxpayer Advocate collaborated with the Office of Military and Veterans Affairs (OMVA) to enrich public understanding of the tax exemption; ARCC trained their staff on the tax break, and promoted it using their resources. ARCC also created a referral pipeline for taxpayers to benefit from both offices. Through an innovative public-private partnership with real estate agents, ARCC provided the agents education on the exemption break for their clients and gained media to promote the tax break on Veterans Day and Memorial Day.
- The Probation Department's Resilience is Strength and Empowerment (RISE) Collaborative Court. The commercial sexual exploitation of children is one of the fastest growing epidemics in the United States, and in San Diego County. A significant number of children in the juvenile justice system are, or are at risk of, becoming victims of commercial sexual exploitation. The trauma-informed court uses a multidisciplinary approach to address the needs of youth who may have a history of, or may be at risk for, commercial sexual exploitation.
- The Encinitas Branch of San Diego County Library partnered with the City of Encinitas to provide Service and Celebrating a City - Art Night Encinitas, a year-long art and culture series. The series sought to connect residents with galleries up and down the San Diego coastline through bi-monthly events that utilized the library and selected galleries as a jumping off point. Art lovers could meet at the library to view

special art exhibits that were guided by docents, enjoy live performances and purchase books from the Friends of the Library. Visitors could then board County-sponsored transportation to visit other art destinations, which resulted in over 1,000 attendees per event.

- The County of San Diego has developed Green Streets Guidance for developers of public and private projects for the design, construction, and maintenance of Green Infrastructure (GI) Strategies that can be implemented into the road right of way. GI Strategies are designed to mimic the natural water cycle within the built environment through innovative use of vegetation, mulch, and engineered soils. These strategies reduce pollution and the amount of runoff that reaches our rivers and ocean. This helps developers comply with strict stormwater rules and by making GI Strategies easier to implement, their use will become more widespread and water quality in the region will improve. The County is the only agency in the region, and one of the few in the nation, to develop Green Streets Guidance.
- The County of San Diego Department of Environmental Health Vector Control Program staff developed and implemented a new Simultaneous Dengue Virus 1-4 Testing method in 2016 that could analyze invasive Aedes aegypti mosquito samples for all four dengue types in one test. Using control standards provided by the Centers for Disease Control and Prevention, the new DENV1-4 test was proven to perform as well as the single individual virus tests. This process improvement saved staff time and overall costs, obtained results faster, and enhanced the ability of the Vector Control to protect public health through early detection.
- Best in Category, Information Technology: The Department of the Medical Examiner's Open Data Portal. The Department of the Medical Examiner's primary mission is to work with the medical and law enforcement community to understand each person's story of death, to seek justice, and to bring closure to families. Each story contributes to an important bigger picture that is the health and well-being of our community. Understanding the value in these stories and the data collected, the San Diego Medical Examiner released more than 22 years of death record information onto San Diego County's searchable public internet portal in March 2019.
- The County of San Diego's Department of Agriculture, Weights and Measures Software Development for Water Submeter Test Bench program will allow for cost savings and increased efficiency in testing time for water submeter inspections and will significantly improve service to customers. The department inspects water submeters that measure the amount of water used by certain businesses and multi-unit residences. Inaccurate operation of these submeters could potentially overcharge users. The new innovative software is easy to use and is programmed to perform on many different platforms and operating systems.
- Department of Child Support Services Super Saturday Program. The San Diego Department of Child Support Services' Super Saturday Program offers services on Saturdays where all members of the community, not only individuals with a child support case, can visit the Child Support offices to apply for services, as well as meet with various community partners. Launched in late January 2019, the events are set up as resource fairs where attendees can interact with a variety of other social service providers, potential employers, and child support staff to address their needs. Attendees can meet with the Family Law Facilitator's office, Public Defender, and the YMCA as well as potential employers.
- HHSA earned 15 Achievement Awards from the National Association of Counties (NACo) for its innovative programs spanning multiple service areas, including but not limited to an Alzheimer's Response Team to provide specialized response to those living with dementia and their caregivers, and a Family Visit Coaching program in Child Welfare Services to help parents develop skills so that they can reunify more quickly.

- HHSA Received 2019-20 CSAC Merit Award for launching a dynamic multifaceted Affordable Housing Program, leveraging local resources to provide stable living situations for thousands of low-income residents. The County anticipates an increase in affordable housing production by 55% over the next five years by infusing local resources with State and federal funding.

Acknowledgments

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

Respectfully,

TRACY M. SANDOVAL
Deputy CAO/
Chief Financial Officer

TRACY DRAGER
Auditor and Controller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

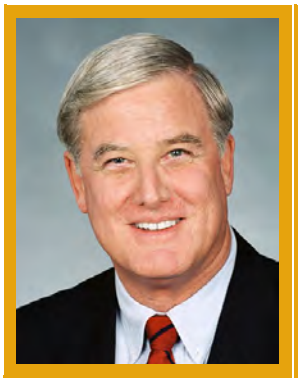
County of San Diego
California

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO



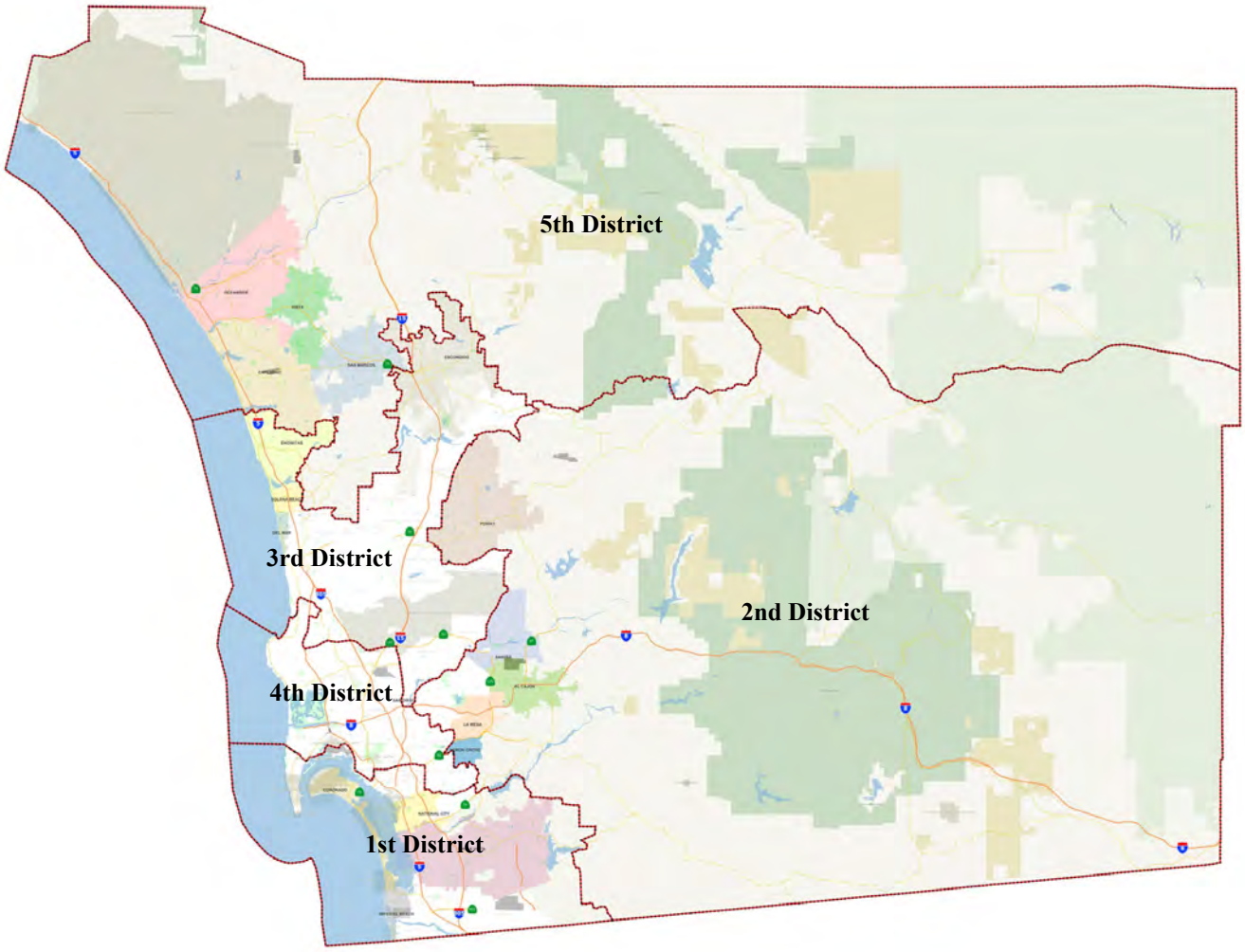
Greg Cox
District 1
Chair

Dianne Jacob
District 2

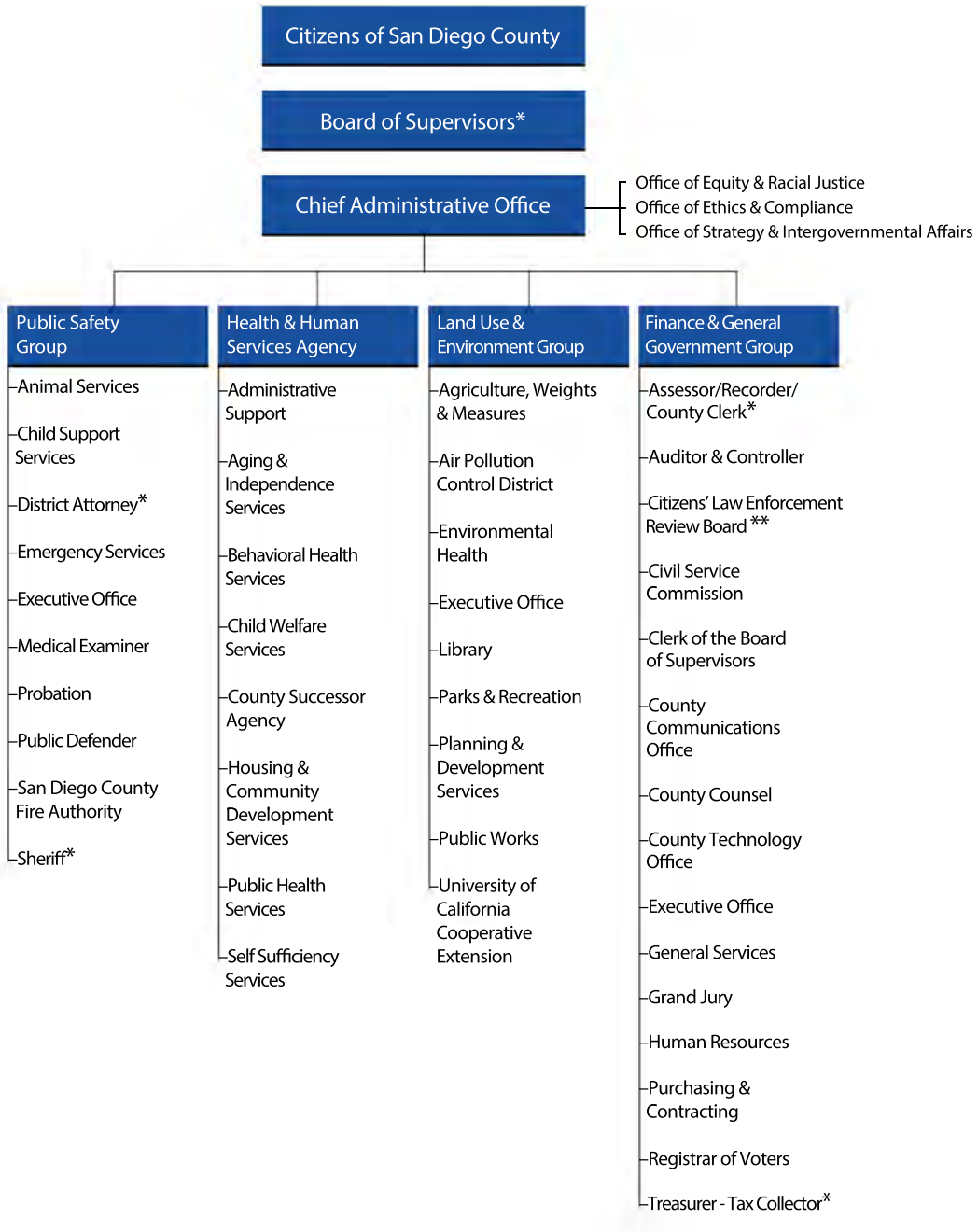
Kristin Gaspar
District 3

Nathan Fletcher
District 4

Jim Desmond
District 5
Vice Chair



County of San Diego Organizational Chart



* Elected Officials

** Transferred to Finance & General Government Group Effective July 1, 2020. Budget impacts to be reflected in subsequent document updates.

Rev. 9/20

Chief Administrative Office

Chief Administrative Officer	Helen N. Robbins-Meyer
Assistant Chief Administrative Officer/Chief Operating Officer	Donald F. Steuer

Elected Officials

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

General Managers/Deputy Chief Administrative Officers

Finance & General Government Group	Tracy Sandoval
Health & Human Services Agency	Dean Arabatzis
Land Use & Environment Group	Sarah Aghassi
Public Safety Group	Holly Porter
T3 Strategy Director	Nick Macchione

Department Heads

Agriculture, Weights & Measures	Ha Dang
Air Pollution Control District	Rob Reider
Animal Services	Kelly Campbell
Auditor & Controller	Tracy Drager
Behavioral Health Services	Luke Bergmann
Chief of Staff/CAO	Andrew Strong
Child Support Services	Jeff Grissom
Child Welfare Services	Kimberly Giardina
Civil Service Commission	Todd Adams
Clerk of the Board of Supervisors	Andrew Potter
County Communications Office	Michael Workman
County Counsel	Tom Montgomery
County Technology Office	Mikel D. Haas
Emergency Services	Jeff Toney
Environmental Health	Amy Harbert
Ethics & Compliance	Claudia Silva
General Services	Marko Medved
Health & Human Services Agency (HHSA) Operations	Andy Pease
HHSA - Aging & Independent Services	Kimberly Gallo
HHSA - Central & South Regions/ACCESS	Barbara Jimenez
HHSA - East & North Central Regions	Jennifer Bransford-Koons
HHSA - Housing & Community Development Services	David Estrella
HHSA - Integrative Services	Omar Passons
HHSA - North Inland & North Coastal Regions	Chuck Matthews
HHSA - Public Health Services	Wilma Wooten, M.D.
HHSA - Strategy & Innovation	Carey N. Riccitelli
Human Resources	Susan Brazeau
Library	Migell Acosta
Medical Examiner	Glenn Wagner
Parks & Recreation	Brian Albright
Planning & Development Services	Mark Wardlaw
Probation	Adolfo Gonzales
Public Administrator/Guardian/Conservator	LaShaunda Gaines
Public Defender	Randy Mize
Public Works	Jeff Moneda
Purchasing & Contracting	Jack Pellegrino
Registrar of Voters	Michael Vu
Strategy & Intergovernmental Affairs	Caroline Smith

Financial Section

mGO Certified Public Accountants

Independent Auditor's Report

To the Board of Supervisors
County of San Diego, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of San Diego, California (County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the First 5 Commission of San Diego (Commission), the discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Commission, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 26-43, the schedule of the County's proportionate share of the net pension liability and schedule of the County's contributions – net pension liability on pages 130-131, the schedule of the County's proportionate share of the net OPEB liability and schedule of the County's contributions – net OPEB liability on pages 131-132, and the schedules of revenues, expenditures, and changes in fund balance – budget and actual for the General Fund, Public Safety Fund, and Tobacco Endowment Fund on pages 133-137, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund information and other supplementary information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund information and other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund information and other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

San Diego, California
November 16, 2020

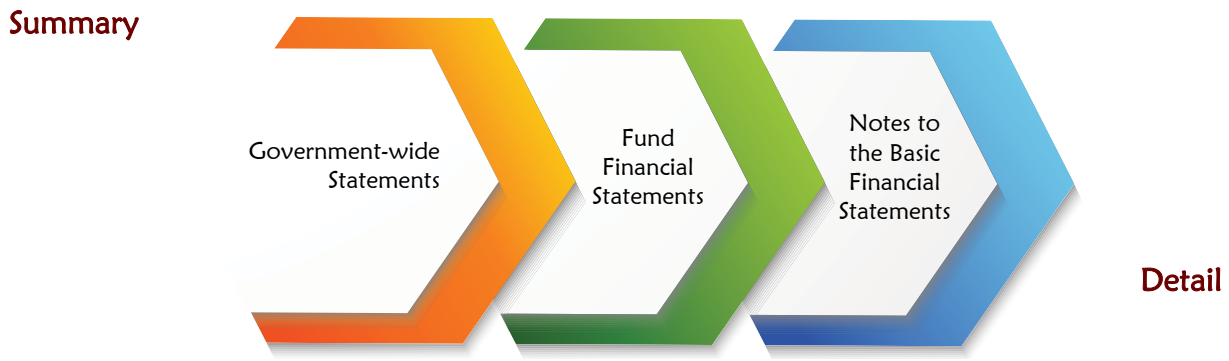
This section of the County of San Diego's (County) Comprehensive Annual Financial Report provides a narrative overview and analysis of the basic financial activities of the County as of and for the year ended June 30, 2020.

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

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources at the close of fiscal year 2020 by $3.33 billion (net position). Of this amount, $3.66 billion represents net investment in capital assets; $1.16 billion is restricted for specific purposes (restricted net position); and the remaining portion represents negative unrestricted net position of $(1.49) billion.
- Total net position increased by $129.1 million as follows:
  - Governmental activities net position increased by $115.5 million. The current and other assets, capital assets and deferred outflows of resources increases of $478.5 million, $117.9 million, and $247.4 million respectively; coupled with decreases in the net OPEB liability, other long-term liabilities, and deferred inflows of resources of $13.4 million, $69.1 million, and $87.1 respectively; all had the effect of increasing net position; while the decreases to net position included increases in the net pension liability and other liabilities of $590.3 and $307.6 million, respectively.
  - Business-type activities net position increased by approximately $13.6 million. The current and other assets, capital assets, and deferred outflows of resources increases of $5.5 million, $9.3 million and $800 thousand, respectively; coupled with a $300 thousand decrease in the deferred inflows of resources, all had the effect of increasing net position; while the increases in the net pension liability and other liabilities of $2.2 million and $100 thousand, respectively; had the effect of decreasing net position.
- Program revenues for governmental activities were approximately $3.68 billion. Of this amount, $3.09 billion or 84% was attributable to operating grants and contributions coupled with capital grants and contributions, while charges for services accounted for $590 million or 16%.
- General revenues for governmental activities were $1.56 billion. Of this amount, property taxes and property taxes in lieu of vehicle license fees accounted for approximately $1.29 billion or 83%; while transient occupancy tax, real property transfer tax, miscellaneous taxes, sales and use taxes, investment earnings and other general revenues accounted for $270 million or 17%.
- Total expenses for governmental activities were $5.12 billion. Public protection accounted for $1.85 billion or 36%, while public assistance accounted for $1.48 billion or 29% of this amount. Additionally, health and sanitation accounted for $1.02 billion or 20%.

The illustration below depicts the required components of the basic financial statements.



Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for airport operations, jail stores commissary operations, and sanitation services. These nonmajor enterprise funds are combined and aggregated. Individual fund data for each nonmajor enterprise fund is provided in the combining and individual fund information and other supplementary information section in this report.

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

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

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

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

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

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

Combining financial statements/schedules and supplementary information section of this report presents combining and individual fund statements and schedules referred to earlier that provide information for nonmajor governmental funds, enterprise funds, internal service funds, and fiduciary funds and are presented immediately following the required supplementary information section of this report.

Government-wide Financial Analysis

Table 1

Net Position
June 30, 2020 and 2019
(In Thousands)

		Governmental Activities		Business-type Activities		Total	
		2020	2019	2020	2019	2020	2019
ASSETS							
Current and other assets	$	4,877,281	4,398,800	81,355	75,912	4,958,636	4,474,712
Capital assets		3,754,820	3,636,858	183,553	174,226	3,938,373	3,811,084
Total assets		8,632,101	8,035,658	264,908	250,138	8,897,009	8,285,796
DEFERRED OUTFLOWS OF RESOURCES							
Total deferred outflow of resources		1,161,248	913,807	5,070	4,260	1,166,318	918,067
LIABILITIES							
Long-term liabilities		5,607,943	5,100,066	17,498	15,317	5,625,441	5,115,383
Other liabilities		943,397	635,773	1,702	1,599	945,099	637,372
Total liabilities		6,551,340	5,735,839	19,200	16,916	6,570,540	5,752,755
DEFERRED INFLOWS OF RESOURCES							
Total deferred inflows of resources		157,459	244,509	674	1,009	158,133	245,518
NET POSITION							
Net investment in capital assets		3,477,320	3,336,893	183,553	174,226	3,660,873	3,511,119
Restricted		1,158,944	1,012,829			1,158,944	1,012,829
Unrestricted		(1,551,714)	(1,380,605)	66,551	62,247	(1,485,163)	(1,318,358)
Total net position	$	3,084,550	2,969,117	250,104	236,473	3,334,654	3,205,590

Analysis of Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources by $3.33 billion at the close of fiscal year 2020, an increase of $129.1 million or 4.0% over fiscal year 2019. This included a $149.8 million increase in net investment in capital assets, (a 4.3% increase over fiscal year 2019), and an increase of approximately $146.1 million in the County's restricted net position (a 14.4% increase over fiscal year 2019). Additionally, unrestricted net position decreased by $166.8 million (an 12.7% decrease over fiscal year 2019).

The aforementioned increase of $129.1 million in net position was composed of the following changes in total assets, deferred outflows of resources, liabilities, and deferred inflows of resources:

- Total assets increased by $611.2 million. This included increases in current and other assets and capital assets of $483.9 million and $127.3 million, respectively. The net increase of $483.9 million in current and other assets was primarily attributable to an increase in cash and investments (including restricted and unrestricted

cash and investments with fiscal agents) of $327.1 million, a $123.6 million increase in receivables, net, a $34.4 million increase in property taxes receivables, net, all offset by a $1.2 million decrease in leases receivable; while the net increase in capital assets consisted primarily of a $73.4 million increase in land, easements and construction in progress, coupled with a $53.9 million increase in other capital assets, net of accumulated depreciation and amortization.

- Deferred outflows of resources increased by $248.2 million, principally attributable to a $16 million increase in unamortized loss on refunding of long-term debt; a net increase in pension related deferrals including increases in changes of assumptions or other inputs, difference between expected and actual experience in the total pension liability, net difference between projected and actual earnings on pension plan investments, and contributions to the pension plan subsequent to the measurement date of $85.5 million, $78.7 million, $42.8 million, and 34.4 million respectively, offset by a $8.8 million decrease in pension related changes in proportionate share and differences between employer's contributions and proportionate share of contributions; and a $400 thousand decrease in contributions to the OPEB plan subsequent to the measurement date.
- Total liabilities increased by approximately $817.7 million, mainly due to a $592.5 million increase in the net pension liability, increases in unearned revenue, accounts payable, and accrued payroll of $212.1 million, $82.9 million, and $14.6 million, respectively; offset by a decrease in non-net pension, non-net OPEB long-term liabilities of $69 million, coupled with a $13.5 million decrease in the net OPEB liability.
- Deferred inflows of resources decreased by $87.4 million chiefly attributable to an $88.2 million decrease in the difference between expected and actual experience in the total pension liability coupled with a $2.7 million decrease in property taxes received in advance; offset by a $3.3 million increase in changes in proportionate share and differences between employer's contributions and proportionate share of contributions.

The largest portion of the County's net position reflects its net investment in capital assets of $3.66 billion (land, easements, buildings and improvements, equipment, software and infrastructure; less any related outstanding debt used to acquire those assets). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

An additional portion of the County's net position (restricted net position), equaled $1.16 billion and represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, laws and/or regulations of other governments.

The remaining portion of the County's net position includes $(1.49) billion in net negative unrestricted net position. The majority of this balance represents the negative unrestricted net position attributable to the County's outstanding Net Pension Liability and Net OPEB Liability.

Table 2

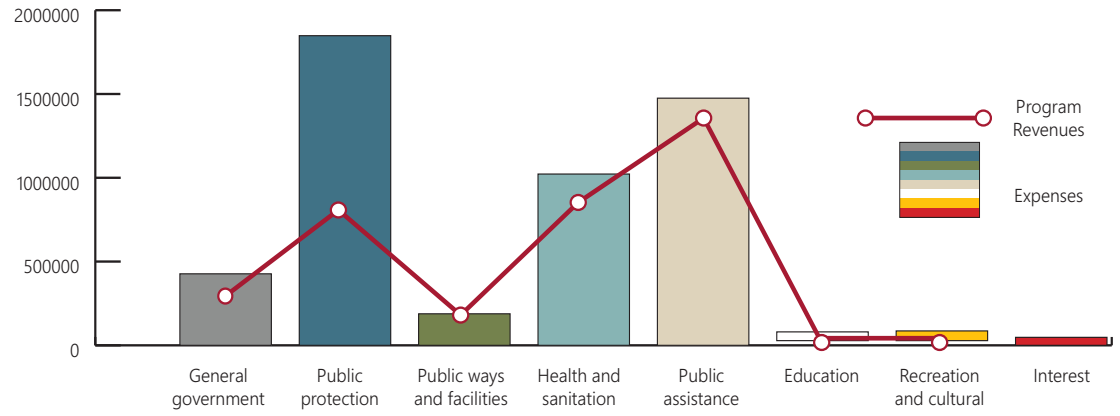
Changes in Net Position
For the years ended June 30, 2020 and 2019
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues						
Charges for services	$ 590,062	544,423	56,782	53,641	646,844	598,064
Operating grants and contributions	3,062,586	2,716,354	4,018	20	3,066,604	2,716,374
Capital grants and contributions	28,608	121,425	1,220		29,828	121,425
General Revenues						
Property taxes	851,473	797,838			851,473	797,838
Transient occupancy tax	4,173	5,785			4,173	5,785
Real property transfer tax	25,138	26,521			25,138	26,521
Miscellaneous taxes	3	6			3	6
Property taxes in lieu of vehicle license fees	441,609	417,601			441,609	417,601
Sales and use taxes	30,967	32,332			30,967	32,332
Investment earnings	102,116	84,335	2,565	2,013	104,681	86,348
Other	102,310	90,041	2,428	2,734	104,738	92,775
Total revenues	5,239,045	4,836,661	67,013	58,408	5,306,058	4,895,069
Expenses:						
Governmental Activities:						
General government	426,846	709,150			426,846	709,150
Public protection	1,848,040	1,479,542			1,848,040	1,479,542
Public ways and facilities	188,295	149,776			188,295	149,776
Health and sanitation	1,022,279	835,771			1,022,279	835,771
Public assistance	1,475,071	1,187,343			1,475,071	1,187,343
Education	52,225	40,020			52,225	40,020
Recreation and cultural	57,995	43,701			57,995	43,701
Interest	47,689	74,355			47,689	74,355
Business-type Activities:						
Airport			14,889	15,178	14,889	15,178
Jail Stores Commissary			5,776	5,836	5,776	5,836
San Diego County Sanitation District			28,385		28,385	
Sanitation District - Other			9,504		9,504	
Sanitation District				32,335		32,335
Total expenses	5,118,440	4,519,658	58,554	53,349	5,176,994	4,573,007
Changes in net position before transfers	120,605	317,003	8,459	5,059	129,064	322,062
Transfers	(5,172)	5,711	5,172	(5,711)		
Changes in net position	115,433	322,714	13,631	(652)	129,064	322,062
Net position at beginning of year	2,969,117	2,646,403	236,473	237,125	3,205,590	2,883,528
Net position at end of year	$ 3,084,550	2,969,117	250,104	236,473	3,334,654	3,205,590

Analysis of Changes in Net Position

At June 30, 2020, changes in net position equaled $129.1 million. Principal revenue sources contributing to the change in net position were operating grants and contributions of $3.10 billion and property taxes and property taxes in lieu of vehicle license fees totaling of $1.29 billion. These revenue categories accounted for approximately 83% of total revenues. Principal expenses were in the following areas: public protection, $1.85 billion; public assistance, $1.48 billion; and health and sanitation, $1.02 billion. These expense categories accounted for 84% of total expenses.

Chart 1
Expenses and Program Revenues – Governmental Activities
(In Thousands)



Governmental activities

At the end of fiscal year 2020, total revenues for the governmental activities were $5.24 billion, while total expenses were $5.12 billion. Governmental activities increased the County's net position by $115.5 million, while the business-type activities' change in net position equaled $13.6 million.

Expenses:

Total expenses for governmental activities were $5.12 billion, an increase of $600 million or 11.7% ($626 million increase in functional expenses and $26 million decrease in interest expense). Public protection (36%) and public assistance (29%) were the largest functional expenses, followed by health and sanitation (20%).

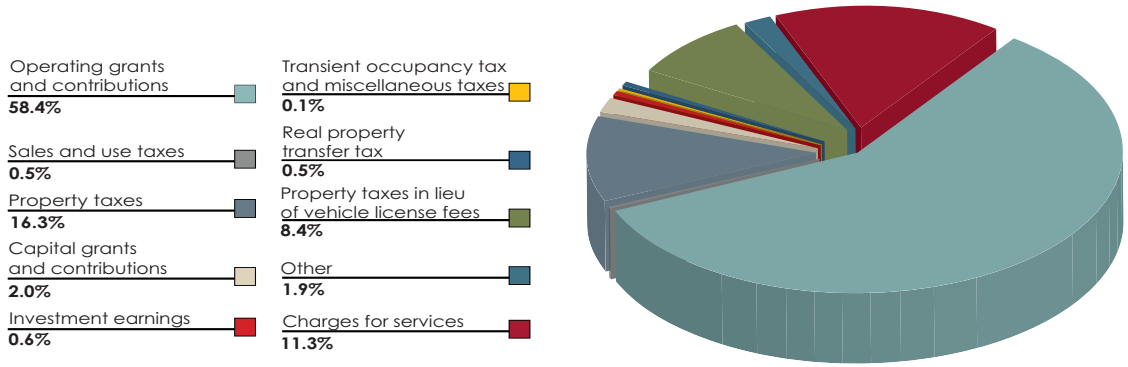
The $626 million net increase in functional expenses mainly consisted of the following:

- $253.2 million increase in net pension related expenses;
- $155.5 million increase in overall salaries and benefit costs;
- $66.7 million increase in the expansion of contracted community services for the Health and Human Services Agency programs;
- $54.8 million increase attributable to COVID-19 emergency response efforts;
- $23.6 million increase in federal CARES Act Coronavirus Relief Funds allocated to cities in the County of San Diego to use on eligible expenses;
- $17 million increase in contracted vendor services associated with the Harmony Grove Community Facilities District;
- $15.9 million increase in operating costs for behavioral health, mental health, and social services program expenses;
- $15.5 million increase in various information

technology related contracted services;

- $14 million increase in tenant assistance;
- $10.9 million decrease in claims and judgments;
- $9 million increase in contracted road services;
- $5.1 million increase in In Home Supportive Services (IHSS) service hours and increases in IHSS Maintenance of Effort costs;
- $4.6 million decrease in depreciation and amortization expense; and,
- $1.3 million decrease in utilities costs.

Chart 2
Revenues By Source - Governmental Activities
(As a Percent)



Revenues:

Total revenues for governmental activities were $5.24 billion, an increase of 7.7% or $402 million from the previous year. This increase consisted of an increase in program revenue of $299 million; coupled with an increase in general revenues of $103 million as follows:

The $299 million net increase in program revenue was primarily due to of the following:

- $92.8 million decrease in capital grants and contributions, predominantly due to a decrease in donated assets, such as land;
- $64 million increase in federal aid primarily tied to supplemental funding for the COVID-19 pandemic emergency;
- $61.3 million increase in Realignment revenues tied to dedicated statewide sales tax receipts and vehicle license fees for health and human services programs;
- $37.5 million increase in contributions from property owners associated with the Harmony Grove Community Facilities District;
- $26.7 million increase in State aid tied to expansion of behavioral health, mental health, and substance abuse programs;
- $23.6 million increase in federal aid CARES Act Coronavirus Relief Funds for allocation to cities in San Diego County for them to use on eligible expenses;
- $15.5 million increase in Section 8 choice vouchers revenue;
- $12.4 million increase in federal aid primarily tied to expansion of behavioral health, mental health, and substance abuse programs;
- $10.4 million increase in State aid primarily tied to In-Home Supportive Services programs;
- $10.3 million increase in State aid tied to year-over-year increase in eligible public assistance program expenditures;
- $9.6 million increase in State aid attributable to a claim filed with the State for a voting system replacement;
- $8.5 million increase in Senate Bill 90 cost reimbursements for the provision of State mandated programs;
- $8.5 million increase in highway user taxes;
- $7.6 million increase in aid from Redevelopment

Successor Agencies;

- $7.5 million increase in federal aid tied to year-over-year increase in eligible public assistance program expenditures;
- $7.5 million increase in TransNet one-half cent sales tax revenues;
- $5.5 million increase in federal aid primarily tied to In-Home Supportive Services programs;
- $5.1 million increase in State aid Air Quality Moyer Program revenues;
- $4.5 million increase in federal aid CARES Act revenues for the Sheriff's Department;
- $4.5 million increase in Title IV-E Foster Care revenues;
- $3 million increase in revenue due to increase in the administration cost to administer the additional housing assistance payment funding received;
- $3 million increase in rental assistance revenues;
- $2.4 million increase in State Aid social services administrative revenues tied to higher eligible expenditures and allocations;
- $2 million increase in federal aid for Child Support Services Title IV-D revenues;
- $2 million increase in federal aid Homeland Security grant revenues;
- $1.6 million increase in State aid primarily tied to supplemental funding for the COVID-19 pandemic emergency;
- $1.1 million increase in State aid Air Quality Farmer Program revenues; and,
- $1 million increase in aid for charges for youths on home supervision and charges for youths in detention.

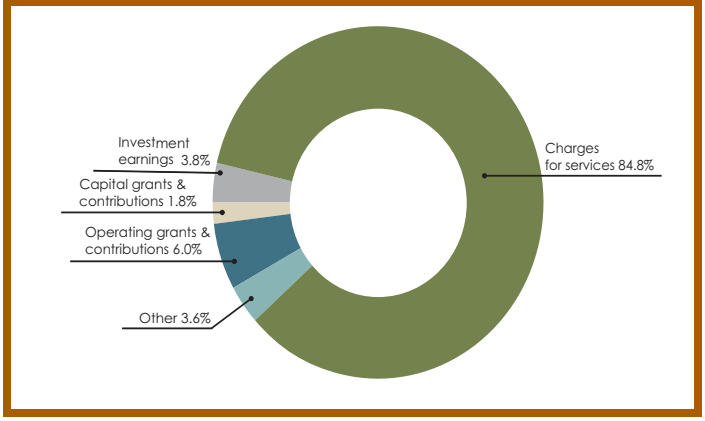
General revenues increased overall by approximately $103 million, principally due to increases of $54 million in property taxes and $24 million in property taxes in lieu of vehicle license fees, both attributable to the county-wide growth in assessed valuation; coupled with a net $18 million increase in investment earnings, of which $29 million is attributable to the increase in fair value of investments compared to book value; offset by an $11 million in decrease in other earnings.

The County's governmental activities rely on several sources of revenue to finance ongoing operations. As shown in Chart 2, operating grants and contributions of $3.06 billion accounted for 58.4%, the largest share of this revenue. These monies are received from parties outside the County and are generally restricted to one or more specific programs. Examples of operating grants and contributions include State and federal revenue for public assistance programs and health and sanitation programs.

Property taxes and property taxes in lieu of vehicle license fees are not shown by program, but are effectively used to support program activities county-wide. Combined, these general revenues equaled $1.29 billion and accounted for 24.7% of governmental activities. Additionally, charges for services were $590 million and accounted for 11.3% of revenues applicable to governmental activities.

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

Chart 3
Revenues By Source - Business-type Activities
(As a Percent)



Business-type Activities

Business-type activities, which are exclusively comprised of enterprise funds, are intended to recover all or a significant portion of their costs through user fees and charges. As shown in Chart 3, charges for services represent $56.8 million or 84.8% of total revenues.

Net position of business-type activities increased by approximately $13.6 million, or 5.8%. This net increase primarily included the following:

- $9 million increase in funding for upgrades to the sanitary sewer system in the San Diego County Sanitation Fund;
- $4 million increase in Airport Fund grants revenue for the Gillespie Field "Cajon Air Center" Development Runway Object Free Area/Runway Safety Area;
- $3 million increase in charges for current services - sewer service charges, in the San Diego County Sanitation Fund;
- $2 million decrease in contracted services in the San Diego County Sanitation Fund;
- $5 million net increase in sewage processing expenses in the San Diego County Sanitation Fund, due in part to an increase of $1.6 million in Metro sewer transportation charges from the City of San Diego, and a $2.6 million sewage processing credit provided in the prior fiscal year, not provided in fiscal year 2020;
- $700 thousand increase in repairs and maintenance in the San Diego County Sanitation Fund; and,
- $300 decrease in other revenue from inmate phone card purchases in the Jail Stores Commissary Fund.

Financial Analysis of Major Funds

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

General Fund:

The General Fund is the chief operating fund of the County. At the end of fiscal year 2020, its unassigned fund balance was $707.9 million, while total fund balance was $2.47 billion, an increase of approximately $44 million from fiscal year 2019.

This $44 million net increase in fund balance was significantly attributable to the following:

- $135 million net increase in salaries and benefit costs primarily attributable to negotiated labor agreements, and required retirement contributions;
- $64 million increase in federal aid primarily tied to supplemental funding for the COVID-19 pandemic emergency;
- $61.3 million increase in Realignment revenues tied to dedicated statewide sales tax receipts and vehicle license fees for health and human services programs;
- $54.7 million increase in expenditures attributable to COVID-19 emergency response efforts;
- $26.7 million increase in State aid tied to expansion of behavioral health, mental health, and substance abuse programs;
- $12.4 million increase in federal aid primarily tied to expansion of behavioral health, mental health, and substance abuse programs;
- $10.4 million increase in State aid primarily tied to In Home Supportive Services programs;
- $10.3 million increase in State aid tied to year-over-year increase in eligible public assistance program expenditures;
- $10.1 million increase in information technology and facilities costs;
- $10 million decrease in expenditures related to the new Joint Exercise Powers Agreement (JPA) that will manage the California Work Opportunity and Responsibility to Kids Information Network (CalWIN) consortium contracts, in preparation to implement the California Statewide-Automated Welfare System (CalSAWS), a new centralized statewide automated welfare system;
- $9.6 million increase in State aid attributable to a claim filed with the State for a voting system replacement;
- $8.5 million increase in Senate Bill 90 cost reimbursements for the provision of State mandated programs;
- $8 million increase in expenditures for the Registrar of Voters purchase of minor equipment related to a new voting system;
- $7.6 million increase in aid from Redevelopment Successor Agencies;
- $7.5 million increase in federal aid tied to year-over-year increase in eligible public assistance program expenditures;

- $5.5 million increase in federal aid primarily tied to In-Home Supportive Services programs;
- $5.1 million increase in billing of In-Home Supportive Services (IHSS) service hours and increases in IHSS Maintenance of Effort costs;
- $4.5 million increase in federal aid CARES Act revenues for the Sheriff's Department;
- $4.5 million increase in Title IV-E Foster Care revenues;
- $3 million increase in revenue due to increase in the administration cost to administer the additional housing assistance payment funding received;
- $3 million in rental assistance revenues;
- $2 million increase in federal aid for Child Support Services Title IV-D revenues;
- $1.6 million increase in State aid primarily tied to supplemental funding for the COVID-19 pandemic emergency; and,
- $1 million increase in aid for charges for youths on home supervision and charges for youths in detention.

Public Safety Special Revenue Fund:

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

As of June 30, 2020, the total (restricted) fund balance in the Public Safety Special Revenue Fund was $59.6 million, an $8.1 million decrease from the previous fiscal year; mainly due to a $7.7 million decrease in Prop 172 revenues due to the coronavirus pandemic that resulted in reduced consumer spending and lower sales tax revenue.

Tobacco Endowment Special Revenue Fund:

This special revenue fund is used to account for the $411 million the County received from the Tobacco Asset Securitization Corporation (Corporation) related to the sale of 25 years of tobacco settlement revenue in fiscal year 2002; and an additional $123 million the County received from the Corporation resulting from the issuance of the San Diego County Tobacco Asset Securitization Corporation refunding bonds in fiscal year 2006. At the end of fiscal year 2020, fund balance was $305.3 million, an increase of approximately $5.5 million from fiscal year 2019, principally due to investment income of $11.7 million offset by $6 million in transfers out to the General Fund for the support of health related program expenditures, coupled with $200 thousand of administrative costs.

General Fund Budgetary Highlights

The County's final budget differs from the original budget (see Notes to required supplementary information) in that it contains supplemental appropriations approved during the fiscal year for various programs and projects, as well as transfers of appropriations, budget corrections, rebudgets, and account reclassifications. For the fiscal year ended June 30, 2020, net expenditure appropriations increased by $206.8 million and appropriations for transfers out increased by $60.4 million for an increase of $267.2 million.

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

- $40.4 million to meet the tax loss reserve requirement of the Teeter Tax Loss Reserve Fund
- $15.4 million for various capital and major maintenance projects
- $10.9 million for response to COVID-19
- $6.7 million to support businesses impacted by COVID-19

Actual revenues underperformed final budgeted amounts by $33.8 million, while actual expenditures were less than the final budgeted amount by $687.8 million. The combination of revenue and expenditure

shortfalls resulted in a revenue/expenditure operating variance of $654.1 million. Other financing sources and uses of funds resulted in a net sources versus uses variance from budget of $499.0 million. These combined amounts resulted in a variance in the net change in fund balance of $1.15 billion.

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

Salaries and Benefits:

The final budget over expenditure variance across all functions in this category was $35.9 million. Savings were realized in the Public Safety Group, Health and Human Services Agency, Land Use and Environment Group, and Finance and General Government Group from lower than budgeted salaries and employee benefits costs due to staff turnover and departments' management of vacancies.

Services and Supplies:

The final budget over expenditure variance across all County groups in this category was $508.3 million. Overall, this expenditure variance primarily resulted from savings in various services, various contract and project delays and lower costs than anticipated for various projects. This variance also includes appropriations for stabilization of anticipated pension costs in future years. Due to the voter-approved passage of Measure C in 2018, an amendment to the County Charter entitled *Protecting Good Government Through Sound Fiscal Practices*, unused amounts that were appropriated for pension stabilization are legally restricted for pension-related costs, and are included in the Restricted fund balance in the General Fund.

Delayed Expenditures:

Many County projects, such as maintenance and information technology, take place over more than one fiscal year. At inception they are budgeted at full expected cost, resulting in budgeted over expenditure variances that are rebudgeted in the subsequent fiscal year. For example, a positive expenditure variance of $2.0 million for the Sheriff's Department Record Management System, $0.9 million for various information technology projects in Planning & Development Services and $0.6 million for replacement of the Jail Information Management System.

Management and Contingency Appropriations:

The County annually sets up management reserves appropriations for a variety of one-time capital and operating expenditures as well as potential emergencies, based on available prior year's fund balance. Unexpended management reserves appropriations resulted in a final budget over actual variance of approximately $2.0 million. Note that the Management Reserves are included within various functional activities.

Capital Assets and Commitments

Capital Assets

At June 30, 2020, the County's capital assets for both governmental and business-type activities were $3.75 billion and $184 million, respectively, net of accumulated depreciation/amortization. Investment in capital assets includes land, construction in progress, buildings and improvements, infrastructure (including roads, bridges, flood channels, and traffic signals), equipment, software and easements. Significant increases to capital assets in fiscal year 2020 included:

Governmental Activities:

- $59.5 million towards construction and improvements of County maintained roads, bridges, and other road related infrastructure.
- $35.5 million towards acquisition of equipment.
- $27.1 million towards development of various software applications.
- $21.3 million towards County Administration Center renovations. Total project costs are estimated at $55.7 million.
- $20.1 million towards construction of Sheriff Technology and Information Center. Total project costs are estimated at $48.2 million.
- $19.8 million towards land acquisition for Emergency Vehicle Operations Course. Total project costs are estimated at $32.4 million.
- $18.3 million towards improvement of various capital projects.
- $12.1 million towards construction of San Diego Juvenile Justice Campus. Total project costs are

estimated at $130.0 million.

- $8.0 million towards construction of Assessor/ Recorder/County Clerk Branch Office. Total project costs are estimated at $22.5 million.
- $7.0 million towards construction of Regional Communication System. Total project costs are estimated at $35.9 million.
- $6.8 million towards land acquisition for Sheriff Quartermaster Training Facility. Total project costs are estimated at $7.0 million.
- $6.7 million in infrastructure donated by developers.
- $6.0 million towards construction of North County Regional Center Parking Lot. Total project costs are estimated at $6.8 million.
- $4.6 million towards various land acquisitions for the Multiple Species Conservation Program (MSCP).
- $4.1 million towards construction of Santa Ysabel Nature Center. Total project costs are estimated at $9.5 million.
- $3.9 million in structure donations.
- $3.3 million towards construction of Bonita Library. Total project costs are estimated at $4.4 million.
- $2.6 million towards construction of San Diego Botanic Garden. Total projects costs are estimated at $3.8 million.
- $2.1 million towards land acquisition for Bomb Arson. Total project costs are estimated at $2.2 million.
- $2.1 million towards Ohio Street Probation renovations. Total project costs are estimated at $19.3 million.
- $1.8 million towards land acquisition and construction of Southeast San Diego Live Well Center. Total project costs are estimated at $75.7 million.
- $1.4 million towards construction of Tijuana River Valley Regional Park Campground and Nature Education Center. Total project costs are estimated at $14.3 million.
- $1.3 million towards construction of Mills Building Garage Deterrent. Total project costs are estimated at $1.5 million.
- $1.4 million towards construction of South County Bicycle Skills Course. Total project costs are estimated at $2.0 million.
- $1.2 million towards construction of Fallbrook Local Park. Total project costs are estimated at $3.2 million.
- $1.2 million from land donations.

Business-type Activities:

- $6.0 million towards land and building acquisition of Palomar Airport.
- $3.9 million towards Gillespie Field Cajon Air Center Improvements.
- $2.2 million towards sewer improvements at various locations.

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

Capital Commitments

As of June 30, 2020, capital commitments included the following:

Governmental Activities:

$221.9 million for the construction of San Diego Juvenile Justice Campus, Lakeside Branch Library, Tijuana River Valley Regional Park Campground, Regional Communication System, Sheriff Technology and Information Center, and Tri-City Healthcare District Psychiatric Facility; procurement of three Bell 407 GXi helicopters; development of Integrated Property Tax System; renovation of the County Administration Center and Ohio Street Probation; land acquisition for Emergency Vehicle Operations Course; improvements at Lakeside Baseball Park and County Roads; and vehicle acquisitions.

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

Long-Term Liabilities

Governmental Activities:

At June 30, 2020, the County's governmental activities had outstanding long-term liabilities (without regard to the net pension liability or net OPEB liability) of $1.728 billion.

Of this amount, approximately $1.253 billion pertained to long-term debt outstanding. Principal debt issuances included: $473 million in Tobacco Settlement Asset-Backed Bonds; $456 million in taxable pension obligation bonds; $231 million in certificates of participation (COPs) and lease revenue bonds (LRBs); $90 million in unamortized issuance premiums and discounts; and $3 million in loans.

Other long-term liabilities included: $285 million in claims and judgments; $128 million in compensated absences; $39 million in capital leases; $20 million for landfill postclosure costs; and $3 million for pollution remediation.

During fiscal year 2020, the County's total COPs, LRBs, unamortized issuance premiums and discounts, and other bonds and loans for governmental activities decreased by $90.889 million.

The $90.889 million net decrease was due to the following increases and decreases:

Increases to debt were $501.387 million and included:

- $405.964 million of Tobacco Settlement Asset-Backed Refunding Bonds, Series 2019 Senior Bonds (San Diego County Tobacco Asset Securitization Corporation), issued by the Tobacco Securitization Authority of Southern California (Authority) to refund a portion of the Authority's Tobacco Settlement Asset-Backed Bonds (San Diego County Tobacco Asset Securitization Corporation), Series 2006;
- $19.450 million of fixed interest rate Certificates of Participation (COPs), Series 2019 (Justice Facilities Refunding) issued by the San Diego County Capital Asset Leasing Corporation to refund $31.805 million of outstanding San Diego County Capital Asset Leasing Corporation Series 2009 Justice Facilities Refunding COPs on a current refunding basis;
- $285 thousand of principal accreted (added) to the outstanding Tobacco Settlement Asset-Backed Bonds' Capital Appreciation Bonds principal;
- $261 thousand of principal from the issuance of a loan by the California Energy Commission to install energy efficiency measures at the Edgemoor Skilled Nursing Facility; and
- $75.427 million due to the effects of unamortized issuance premiums and unamortized issuance discounts.

Decreases to debt were $592.276 million and included:

- $114.787 million in principal debt service payments;
- $438.155 million to refund the outstanding Tobacco Settlement Asset-Backed Bonds (San Diego County Tobacco Asset Securitization Corporation), Series 2006 referred to above;
- $31.805 million to refund the outstanding San Diego County Capital Asset Leasing Corporation Series 2009 Justice Facilities Refunding COPs referred to above; and
- $7.529 million due to the effects of unamortized issuance premiums.

Business-type Activities:

Long-term liabilities (without regard to the net pension liability or net OPEB liability) for business-type activities consisted of $482 thousand for compensated absences.

During fiscal year 2020, long-term liabilities for business-type activities increased by $35 thousand due to a net increase in compensated absences.

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

Credit Ratings

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

Table 3

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

The County's issuer and credit ratings are assigned by three of the major rating agencies: Moody's Investors Service (Moody's), S&P Global Ratings (Standard & Poor's), and Fitch Ratings (Fitch). The County's existing triple A Issuer Ratings were affirmed in August 2019 by Moody's, Standard & Poor's and Fitch.

In August 2019 all three rating agencies reaffirmed the existing Aa2, AAA, and AA+ ratings on the County's outstanding Pension Obligation Bonds. The existing Aa1 and AA+ ratings on the County's outstanding lease-backed obligations were also reaffirmed. The one notch difference between the County's issuer and lease-backed rating reflects the standard legal structure for these abatement lease financings and leased assets.

In November 2019 Standard & Poor's confirmed its issue credit ratings for the Tobacco Settlement Asset-Backed Bonds Series 2006B, 2006C, and 2006D (Capital Appreciation Bonds) and assigned new credit ratings for the Series 2019 Tobacco Settlement Asset-Backed Bonds, Classes A and B-1 (Serial and Term Bonds, and Current Interest Bonds, respectively).

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

Economic Factors and Next Year's Budget and Rates

The state of the economy plays a significant role in the County's ability to provide core services and the mix of other services sought by the public. A number of risk factors are continuously monitored, including employment, the housing market, and the national economy as a whole.

The fundamental changes to economic conditions and the County's operating environment under the COVID-19 pandemic were significant considerations. Operational and service impacts of COVID-19 increased unanticipated costs and had a net negative impact on the County's actual revenues in Fiscal Year 2020 as compared to the projections from the first half of fiscal year. Unless previously approved by the Board of Supervisors, the core approach to building the fiscal year 2021 Operational Plan (budget) for non-essential County services assumed there would be no new

programs or expansion of existing programs, and no additional staffing. However, some exceptions were made for previously-approved staffing additions, or for increases necessary for emergency response.

The following economic factors were considered in developing the fiscal year 2021 Operational Plan:

- The fiscal year 2021 General Fund adopted budget contains total appropriations of $5.01 billion. This is an increase of $285.2 million, or 6.0%, from the fiscal year 2020 General Fund adopted budget. Program Revenue comprises 66.3% of General Fund financing sources in fiscal year 2021, and is derived primarily from State and federal subventions and grants, and from charges and fees earned by specific programs. This revenue source is dedicated to, and can be used only for, the specific programs with which it is associated.
- General purpose revenue (GPR) funds local discretionary services, as well as the County's share of costs for services that are provided in partnership with the State and federal governments. GPR comprises approximately 28.3% of the General Fund. In the fiscal year 2021 adopted budget, the County's GPR increased 0.79%; with budgeted GPR of $1,419.5 million in fiscal year 2021 compared to $1,408.4 million budgeted in fiscal year 2020.
- The largest source of GPR is property tax revenue, which represents 52.5% of total GPR in fiscal year 2021, and includes current secured, current supplemental, current unsecured and current unsecured supplemental property taxes. The term "current" refers to those taxes that are due and expected to be paid in the referenced budget year. For fiscal year 2021, property tax revenue is budgeted at $745.3 million, which is $4.3 million or 0.6% higher than the budget for fiscal year 2020. The budgeted property tax revenue takes into account current commercial and residential real estate conditions as evidenced by changes in the level of building permits; growing median price of homes; the relatively low level of foreclosures; and changes in the number of total deeds recorded. For fiscal years 2016, 2017, 2018, 2019 and 2020 the final growth rates were 5.7%, 5.6%, 6.35%, 6.13% and 5.72% respectively. For fiscal year 2021, an assumed rate of 3.75% was projected in overall assessed value of real property.
- Current secured property tax revenue ($717.2 million in fiscal year 2021) is expected to increase by $3.1 million in fiscal year 2021 from the adopted budget level for fiscal year 2020. This revenue is generated from the secured tax roll, that part of the roll containing real property, including residential and commercial property as well as State-assessed public utilities. The fiscal year 2021 revenue amount assumes an increase of 3.75% in the local secured assessed value. The budget also makes certain assumptions regarding the County's share of countywide property tax revenues, the delinquency rate, exemptions and the amount of tax roll corrections and refunds on prior year assessments. Fiscal year 2021 assumes a delinquent property tax payment of about 4.0% of total property taxes due, based on the economic effects of COVID-19 on property taxpayers.
- Current supplemental property tax revenue ($7.8 million in fiscal year 2021) is expected to decrease by $1.2 million in fiscal year 2021 from the adopted level for fiscal year 2020. This revenue is derived from net increases to the secured tax roll from either new construction or changes in ownership that occur subsequent to the January 1 lien date and are therefore more difficult to predict. These actions are captured on the supplemental tax roll. In many change of ownership transactions, a refund was due to the owner since the value of the property is lower than it was on the lien date instead of a bill for an additional amount of property tax because the property value is higher than the value as of the lien date.
- Current unsecured property tax revenue ($20.3 million in fiscal year 2021) is not based on a lien on real property. The unsecured tax roll is that part of the assessment roll consisting largely of business personal property owned by tenants. Based on trends and the most up-to-date information, there is no significant change in projection for the following fiscal year.
- Current unsecured supplemental property tax revenue ($0.1 million in fiscal year 2021) remains largely unchanged. It is derived from supplemental

bills that are transferred to the unsecured roll when a change of ownership occurs and a tax payment is due from the prior owner. Or, there may be a subsequent change in ownership following the initial change in ownership which occurs prior to the mailing of the initial supplemental tax bill.

- Property taxes in lieu of vehicle license fees (VLF) comprises 32.0%, or $453.8 million, of budgeted GPR in fiscal year 2021. This revenue source was established by the State in fiscal year 2005 to replace the previous distribution of VLF to local governments. The annual change in this revenue source is statutorily based on the growth/decline in the net taxable unsecured and local secured assessed value. With projected 3.75% increase in the combined taxable unsecured and local secured assessed value in fiscal year 2021, budgeted revenues are $16.0 million higher than fiscal year 2020. The increase is partially associated with the change in actual assessed value in fiscal year 2020 which increased by 5.72% compared to a budgeted increase of 5.00%.
- Teeter revenue represents approximately 1.2%, or $16.5 million, of budgeted GPR in fiscal year 2021. In fiscal year 1994, the County adopted the alternative method of secured property tax apportionment available under Chapter 3, Part 8, Division 1, of the California Revenue and Taxation Code (also known as the "Teeter Plan.") Under this plan, the County advances funds to participating taxing entities to cover unpaid (delinquent) taxes (the "Teetered Taxes.") The County's General Fund benefits from this plan by being entitled to future collections of penalties and interest that are due once the delinquent taxes are paid. A legal requirement of the Teeter Plan requires the County to maintain a tax loss reserve fund to cover losses that may occur if delinquent taxes are not paid and the property goes into default and is sold for less than the outstanding taxes and assessments. Throughout the year, all interest and penalties collected on Teetered secured and supplemental property taxes are first deposited into the Teeter Tax Loss Reserve Fund. Any excess amounts above 25% of the total delinquent secured taxes and assessments may be transferred to the General Fund pursuant to Revenue and Taxation Code Section 4703.2(c). For fiscal year 2021, Teeter revenue is budgeted to increase by $1.6 million from fiscal year 2020 primarily due to collection of a higher Teeter Receivable based on higher delinquent property taxes from the prior fiscal year due to the economic effects of COVID-19.
- Sales and use tax revenue is budgeted at $28.6 million in fiscal year 2021, representing approximately 2.0% of GPR. This revenue is derived from taxable sales by retailers who sell or rent tangible personal property in unincorporated areas of the county, or from use taxes from consumers who purchase tangible personal property from out of State. Use taxes are also imposed on the storage, use, lease or other consumption of tangible personal property at any time a sales tax has not been paid by the retailer. Sales and use tax revenue in fiscal year 2021 is estimated to be $2.5 million, or 7.9%, lower than the fiscal year 2020 adopted budget largely due to the economic effects of COVID-19, notably from lower consumer spending related to record high unemployment rates and from restaurants and small businesses shutting down. Changes in this funding source are generally impacted by population changes, retail business activity and consumer spending trends.
- Intergovernmental revenue is budgeted at $110.8 million in fiscal year 2021, an increase of $24.3 million or 28.1%, and is approximately 7.8% of total GPR. This increase is due to continuing growth in pass-through distributions, reduced debt service payments related to a refunding of a former redevelopment bond which increased the County's share of available tax increment, and higher residual revenue from a favorable result to redevelopment litigation brought forward against the County. The intergovernmental revenue source represents funding the County receives from various intergovernmental sources, including redevelopment successor agencies, the City of San Diego (pursuant to a memorandum of understanding related to the County's Central Jail), the federal government (payments in lieu of taxes for tax-exempt federal lands administered by the Bureau of Land Management, the National Park

Service, and the U.S. Fish and Wildlife Service), and the State of California (reimbursement to the County for the Homeowner's Property Tax Relief program). The largest portion of this funding is from redevelopment property tax revenues. In 2011 pursuant to ABX1 26, redevelopment agencies were dissolved by the California legislature. The California Supreme Court upheld the constitutionality of the dissolution on December 29, 2011. The Court extended the date of dissolution from October 1, 2011 to February 1, 2012. Based on Health and Safety Code Section 34183 (a)(1), the County auditor-controller shall remit from the Redevelopment Property Tax Trust Fund to each affected local taxing agency property tax revenues in an amount equal to that which would have been received under Health and Safety Code Sections 33401, 33492.140, 33607, 33607.5, 33607.7 or 33676. The residual balance (Health and Safety Code Section 34183(a)(4)), not allocated for specific purposes, will be distributed to local taxing agencies in accordance with Section 34188.

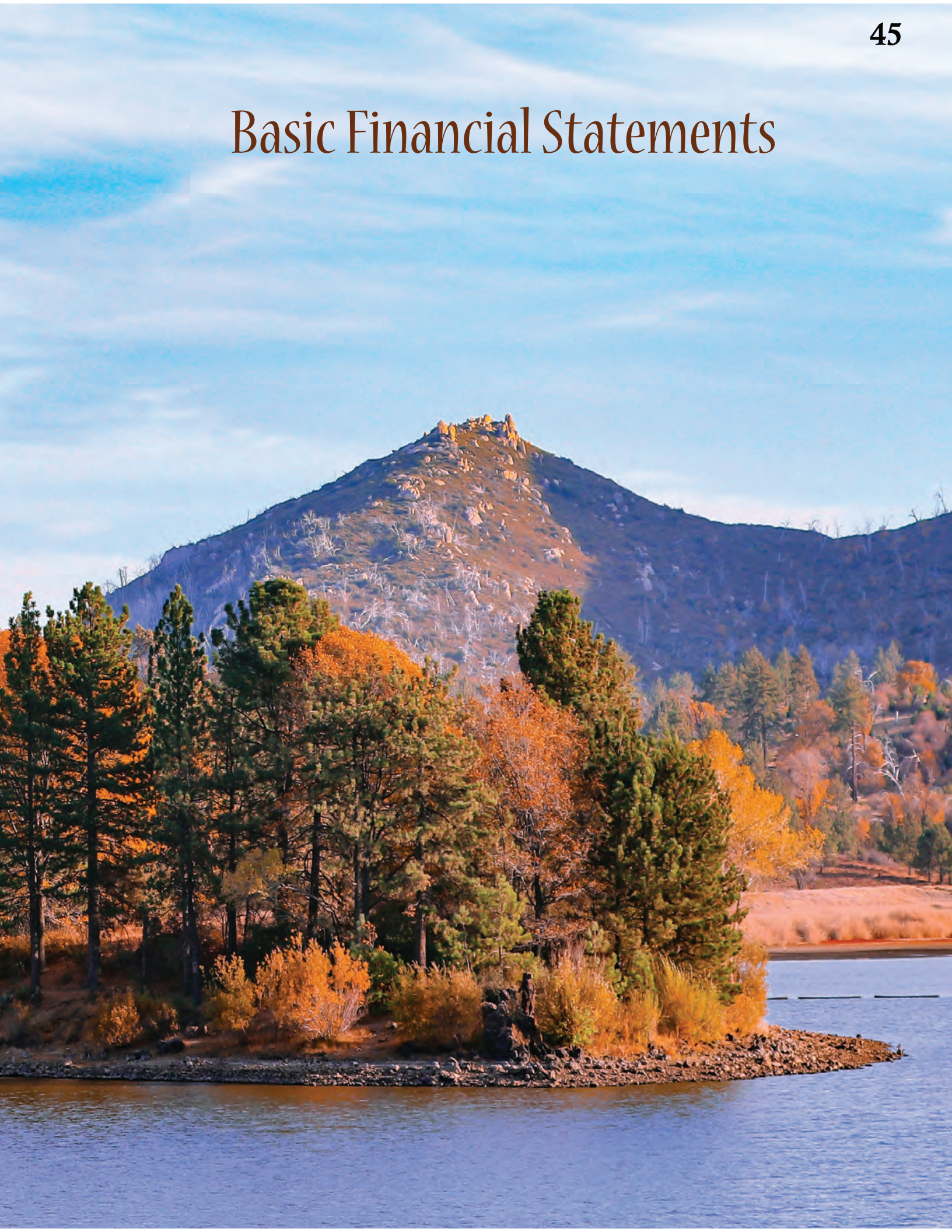
- Other revenues are budgeted at $64.5 million in fiscal year 2021 and are approximately 4.5% of the total GPR. Various revenue sources make up this category including: Real Property Transfer Tax (RPTT), interest on deposits and investments, fees, fines, forfeitures, prior year property taxes, penalties and cost on delinquency taxes, franchise fees, media licenses and other miscellaneous revenues. The fiscal year 2021 amount is an 33.6% or $32.6 million decrease from fiscal year 2020.

County management continuously evaluates and responds to the changing economic environment and its impact on the cost and the demand for County services. Specific actions are detailed in the fiscal year 2021 Adopted Operational Plan which can be accessed at http://www.sdcounty.ca.gov/auditor/opplan/adoptedlist.html.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's *accountability* for the money it receives. If you have questions about this report or need additional financial information, please contact the Auditor and Controller's Office, County of San Diego, located at 1600 Pacific Highway, San Diego, California 92101.

Basic Financial Statements



STATEMENT OF NET POSITION
June 30, 2020
(In Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
ASSETS				
Pooled cash and investments	$ 3,653,025	74,886	3,727,911	45,777
Cash with fiscal agents	8		8	
Investments with fiscal agents	293,130		293,130	
Receivables, net	719,730	6,655	726,385	4,888
Property taxes receivables, net	134,935		134,935	
Internal balances	371	(371)		
Due from component unit	76		76	
Inventories	20,578	184	20,762	
Deposits with others	8		8	
Prepaid items	449	1	450	2
Restricted assets:				
Cash with fiscal agents	607		607	
Investments with fiscal agents	54,364		54,364	
Capital assets:				
Land, easements and construction in progress	706,537	16,000	722,537	
Other capital assets, net of accumulated depreciation/ amortization	3,048,283	167,553	3,215,836	
Total assets	8,632,101	264,908	8,897,009	50,667
DEFERRED OUTFLOWS OF RESOURCES				
Non-Pension:				
Unamortized loss on refunding of long-term debt	30,298		30,298	
Pension:				
Contributions to the pension plan subsequent to the measurement date	531,671	2,214	533,885	
Charges in proportionate share and differences between employer's contributions and proportionate share of contributions	20,246	85	20,331	
Changes of assumptions or other inputs	425,386	1,964	427,350	
Net difference between projected and actual earnings on pension plan investments	54,787	397	55,184	
Difference between expected and actual experience in the total pension liability	80,297	317	80,614	
OPEB:				
Contributions to the OPEB plan subsequent to the measurement date	18,379	93	18,472	
Net difference between projected and actual earnings on OPEB plan investments	184		184	
Total deferred outflows of resources	1,161,248	5,070	1,166,318	

Continued on next page

STATEMENT OF NET POSITION
June 30, 2020
(In Thousands)

(Continued)	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
LIABILITIES				
Accounts payable	305,583	1,340	306,923	10,004
Accrued payroll	51,733	215	51,948	
Accrued interest	14,491		14,491	
Due to primary government				76
Unearned revenue	571,590	147	571,737	48
Noncurrent liabilities:				
Due within one year	196,767	193	196,960	64
Due in more than one year - other	1,531,725	289	1,532,014	25
Due in more than one year - net pension liability	3,773,937	16,497	3,790,434	
Due in more that one year - net OPEB liability	105,514	519	106,033	
Total Liabilities	6,551,340	19,200	6,570,540	10,217
DEFERRED INFLOWS OF RESOURCES				
Non-pension:				
Property taxes received in advance	9,232		9,232	
Gain on refunding of long-term debt	269		269	
Pension:				
Charges in proportionate share and differences between employer's contributions and proportionate share of contributions	5,464	22	5,486	
Differences between expected and actual experience in the total pension liability	142,464	652	143,116	
Changes of assumptions or other inputs	30		30	
Total deferred inflows of resources	157,459	674	158,133	

Continued on next page

STATEMENT OF NET POSITION

June 30, 2020
(In Thousands)

(Continued)	Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: First 5 Commission of San Diego
NET POSITION				
Net investment in capital assets	3,477,320	183,553	3,660,873	
Restricted for:				
Creditors - Capital projects	9,861		9,861	
Grantors - Housing assistance	91,841		91,841	
Donations	3,114		3,114	
Pension Stabilization	299,800		299,800	
Laws or regulations of other governments:				
Custody of non-violent, non-serious, non-sex offenders and supervision of post release offenders	35,518		35,518	
Future road improvements	170,197		170,197	
Construction, maintenance and other costs for justice, health, and social facilities and programs	43,898		43,898	
Road, park lighting maintenance, fire protection and ambulance service	35,724		35,724	
Air pollution activities	30,315		30,315	
Development of multifamily housing for persons with serious mental illness who are homeless, chronically homeless, or at-risk of becoming chronically homeless	33,810		33,810	
Defray administrative costs, other general restrictions	26,073		26,073	
Custody and care for youthful offenders	14,792		14,792	
Juvenile probation activities	22,096		22,096	
Teeter tax loss	18,086		18,086	
Vector control	9,108		9,108	
Improvement and maintenance of recorded document systems	16,700		16,700	
Flood Control future drainage improvements	27,123		27,123	
Public safety activities	61,328		61,328	
Expansion of behavioral health community provider capacity and to strengthen the regional continuum of care	25,363		25,363	
Other purposes	184,197		184,197	
First 5 Commission of San Diego				40,450
Unrestricted	(1,551,714)	66,551	(1,485,163)	
Total net position	$ 3,084,550	250,104	3,334,654	40,450

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020
(In Thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			Component Unit
Functions/Programs:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
Governmental Activities:								
General government	$ 426,846	116,282	203,538	7,651	(99,375)		(99,375)	
Public protection	1,848,040	247,887	576,517	14,204	(1,009,432)		(1,009,432)	
Public ways and facilities	188,295	64,197	121,235	6,690	3,827		3,827	
Health and sanitation	1,022,279	128,841	809,329	63	(84,046)		(84,046)	
Public assistance	1,475,071	20,332	1,342,780		(111,959)		(111,959)	
Education	52,225	1,078	8,223		(42,924)		(42,924)	
Recreation and cultural	57,995	11,445	964		(45,586)		(45,586)	
Interest	47,689				(47,689)		(47,689)	
Total governmental activities	5,118,440	590,062	3,062,586	28,608	(1,437,184)		(1,437,184)	
Business-type activities:								
Airport	14,889	13,903	4,004	1,220		4,238	4,238	
Jail Stores Commissary	5,776	7,019				1,243	1,243	
San Diego County Sanitation District	28,385	25,672				(2,713)	(2,713)	
Sanitation District - Other	9,504	10,188	14			698	698	
Total business-type activities	58,554	56,782	4,018	1,220		3,466	3,466	
Total primary government	5,176,994	646,844	3,066,604	29,828	(1,437,184)	3,466	(1,433,718)	
Component Unit:								
First 5 commission of San Diego	$ 37,590		30,561					(7,029)

Continued on next page

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020
(In Thousands)

(Continued)	Net (Expense) Revenue & Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
Changes in net position:				
Net (expense) revenue	$ (1,437,184)	3,466	(1,433,718)	(7,029)
Revenues:				
General Revenues				
Taxes:				
Property taxes	851,473		851,473	
Transient occupancy tax	4,173		4,173	
Real property transfer tax	25,138		25,138	
Miscellaneous taxes	3		3	
Property taxes in lieu of vehicle license fees	441,609		441,609	
Sales and use taxes	30,967		30,967	
Total general tax revenues	1,353,363		1,353,363	
Investment earnings	102,116	2,565	104,681	955
Other	102,310	2,428	104,738	
Total general revenues	1,557,789	4,993	1,562,782	955
Transfers	(5,172)	5,172		
Total general revenues and transfers	1,552,617	10,165	1,562,782	955
Change in net position	115,433	13,631	129,064	(6,074)
Net position at beginning of year	2,969,117	236,473	3,205,590	46,524
Net position at end of year	$ 3,084,550	250,104	3,334,654	40,450

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020
(In Thousands)

	General Fund	Public Safety Fund	Tobacco Endowment Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Pooled cash and investments	$ 2,649,196	21,638	14,054	555,262	3,240,150
Cash with fiscal agents	8				8
Investments with fiscal agents	2		293,128		293,130
Receivables, net	530,535	49,466	3,397	109,329	692,727
Property taxes receivables, net	134,284			651	134,935
Due from other funds	64,479	7,741		16,672	88,892
Inventories	18,161			1,424	19,585
Deposits with others				8	8
Prepaid items	7			442	449
Restricted assets:					
Cash with fiscal agents	203			404	607
Investments with fiscal agents				54,364	54,364
Total assets	3,396,875	78,845	310,579	738,556	4,524,855
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	207,582			30,259	237,841
Accrued payroll	48,331			2,144	50,475
Due to other funds	56,294	19,284	5,243	35,006	115,827
Unearned revenue	519,806			51,280	571,086
Total liabilities	832,013	19,284	5,243	118,689	975,229
DEFERRED INFLOWS OF RESOURCES					
Non-pension:					
Property taxes received in advance	8,737			495	9,232
Unavailable revenue	87,629			82,297	169,926
Total deferred inflows of resources	96,366			82,792	179,158

Continued on next page

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020
(In Thousands)

(Continued)	General Fund	Public Safety Fund	Tobacco Endowment Fund	Other Governmental Funds	Total Governmental Funds
FUND BALANCES					
Nonspendable:					
Not in spendable form:					
Loans, due from other funds and prepaids	$ 5,083			4,327	9,410
Inventories and deposits with others	18,161			1,432	19,593
Restricted for:					
Creditors - Debt service				49,988	49,988
Creditors - Capital projects				9,861	9,861
Grantors - Housing assistance	78,368			13,473	91,841
Donations	3,114				3,114
Pension Stabilization	299,800				299,800
Laws or regulations of other governments:					
Public safety activities	1,767	59,561			61,328
Custody of non-violent, non-serious, non-sex offenders and supervision of post release offenders	35,518				35,518
Improvement and maintenance of recorded document systems	16,700				16,700
Development of multifamily housing for persons with serious mental illness who are homeless, chronically homeless, or at-risk of becoming chronically homeless	33,810				33,810
Defray administrative costs, other general restrictions	26,073				26,073
Future road improvements				162,707	162,707
Construction, maintenance and other costs for justice, health, and social facilities and programs	43,898				43,898
Custody and care of youthful offenders	14,792				14,792
Juvenile probation activities	22,096				22,096
Expansion of behavioral health community provider capacity and to strengthen the regional continuum of care	25,363				25,363
Fund purpose				173,985	173,985
Other purposes	94,962			27,182	122,144
Committed to:					
Realignment health, mental health and social services	19,367				19,367
Roadway major maintenance and safety projects				28,000	28,000
Chula Vista Bayfront Project public infrastructure improvements	25,000				25,000
Landfill, postclosure and landfill maintenance				62,448	62,448
Capital projects' funding	506,770				506,770
Health			305,336		305,336
Evaluation, acquisition, construction, or rehabilitation of affordable housing for low-income residents	42,906				42,906
Other purposes	32,427				32,427
Assigned to:					
Subsequent one-time expenditures	169,782				169,782
Legislative and administrative services	84,862			3,672	88,534
Other purposes	160,006				160,006
Unassigned	707,871				707,871
Total fund balances	2,468,496	59,561	305,336	537,075	3,370,468
Total liabilities, deferred inflows of resources and fund balances	$ 3,396,875	78,845	310,579	738,556	4,524,855

Notes to the basic financial statements are an integral part of this statement

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION June 30, 2020 (In Thousands)		
Total fund balances - governmental funds	$	3,370,468
Capital assets used in governmental activities (excluding internal service funds) are not current financial resources and, therefore, are not reported in the balance sheet. This amount represents capital assets net of accumulated depreciation/ amortization.		3,680,506
Unamortized gain on refundings (to be amortized as interest expense).		(269)
Unamortized loss on refundings (to be amortized as interest expense).		30,298
Accrued interest on long-term debt.		(14,491)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds and recognized as revenue in the statement of activities.		169,926
Long-term interest receivable on housing loans.		21,641
Deferred outflows of resources - Contributions to the pension plan subsequent to the measurement date.		520,187
Deferred outflows of resources - Contributions to the OPEB plan subsequent to the measurement date.		17,877
Deferred outflows of resources - Changes in proportionate share and differences between employer's contributions and proportionate share of contributions - Pension.		19,801
Deferred outflows of resources - Changes of assumptions or other inputs - Pension.		415,472
Deferred outflows of resources - Net difference between projected and actual earnings on pension plan investments.		52,663
Deferred outflows of resources - Net difference between projected and actual earnings on OPEB plan investments.		184
Deferred outflows of resources - Differences between expected and actual experience in the total pension liability.		78,599
Deferred inflows of resources - Changes in proportionate share and differences between employer's contributions and proportionate share of contributions - Pension.		(5,343)
Deferred inflows of resources - Changes of assumptions or other inputs - Pension		(30)
Deferred inflows of resources - Differences between expected and actual experience in the total pension liability.		(139,412)
Long-term liabilities, such as bonds, notes, loans payable, capital leases, claims and judgments, compensated absences, landfill closure, pollution remediation, net pension liability, and net OPEB liability are not due and payable in the current period and, therefore, are not reported in the balance sheet. (See Note 2 to the financial statements; **Table 3**.)		(5,232,057)
Internal service funds are used by management to charge the costs of information technology, vehicle operations and maintenance, employee benefits, public liability, road and communications services, materials and supplies (purchasing), and facilities services to individual funds; and, to make loans for start-up services for new and existing county service districts. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. (See Note 2 to the financial statements; **Table 3**.)		98,530
Net position of governmental activities	$	3,084,550

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2020

(In Thousands)

	General Fund	Public Safety Fund	Tobacco Endowment Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 1,288,900			55,569	1,344,469
Licenses, permits and franchise fees	43,208			16,455	59,663
Fines, forfeitures and penalties	41,719			2,690	44,409
Revenue from use of money and property	62,791	56	11,658	23,362	97,867
Aid from other governmental agencies:					
State	1,455,841	286,042		124,398	1,866,281
Federal	867,672			161,670	1,029,342
Other	125,119			32,865	157,984
Charges for current services	383,503			79,215	462,718
Other	35,743			49,870	85,613
Total revenues	4,304,496	286,098	11,658	546,094	5,148,346
Expenditures:					
Current:					
General government	347,244		190	6,062	353,496
Public protection	1,641,541			11,317	1,652,858
Public ways and facilities	6,472			102,231	108,703
Health and sanitation	920,181			53,703	973,884
Public assistance	1,235,090			189,200	1,424,290
Education	1,322			45,249	46,571
Recreation and cultural	43,876			2,205	46,081
Capital outlay	67,904			204,620	272,524
Debt service:					
Principal	16,175			82,368	98,543
Interest	12,626			60,136	72,762
Bond issuance costs				3,415	3,415
Payment to refunded bond escrow agent	5,931			24,612	30,543
Total expenditures	4,298,362		190	785,118	5,083,670
Excess (deficiency) of revenues over (under) expenditures	6,134	286,098	11,468	(239,024)	64,676
Other financing sources (uses):					
Sale of capital assets	997			10,560	11,557
Issuance of capital lease:					
Face value of capital lease	217				217
Issuance of bonds and loans:					
Premium on issuance of refunding bonds				66,047	66,047
Refunding bonds issued				425,414	425,414
Payment to refunded bond escrow agent				(450,127)	(450,127)
Transfers in	307,214			271,289	578,503
Transfers out	(270,454)	(294,254)	(6,000)	(25,002)	(595,710)
Total other financing sources (uses)	37,974	(294,254)	(6,000)	298,181	35,901
Net change in fund balances	44,108	(8,156)	5,468	59,157	100,577
Fund balance at beginning of year	2,424,065	67,717	299,868	477,828	3,269,478
Increase (decrease) in nonspendable inventories	323			90	413
Fund balances at end of year	$ 2,468,496	59,561	305,336	537,075	3,370,468

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2020 (In Thousands)		
Net change in fund balances - total governmental funds	$	100,577
Governmental funds accrue property tax revenue which is deemed collectible within 60 days. However, for the statement of activities the total amount estimated to ultimately be collected is accrued.		8,894
Revenues that do not provide current financial resources are not reported as revenues in the funds (deferred inflows) but are recognized as revenue in the statement of activities.		12,794
Revenues earned on long-term housing loans.		1,979
Adjustment to nonspendable inventories.		413
Change in accounting estimate for postclosure costs - (public protection function) - San Marcos landfill.		(356)
Change in accounting estimate for pollution remediation - (general government function).		1,251
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. (See Note 2 to the financial statements; **Table 4**.)		114,558
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position. (See Note 2 to the financial statements; **Table 4**.)		7,922
Contributions to the pension plan subsequent to the measurement date.		520,623
Contributions to the OPEB plan subsequent to the measurement date.		17,940
The issuance of long-term debt (e.g. bonds, notes, loans and capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (See Note 2 to the financial statements; **Table 4**.)		107,933
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (See Note 2 to the financial statements; **Table 4**.)		(803,717)
Internal service funds are used by management to charge the costs of centralized services to individual funds. The net revenue (expense) of internal service funds is reported within governmental activities. (See Note 2 to the financial statements; **Table 4**.)		24,622
Change in net position - governmental activities.	$	115,433

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020
(In Thousands)

		Business-type Activities Enterprise Funds	Governmental Activities Internal Service Funds
ASSETS			
Current assets:			
Pooled cash and investments	$	74,886	412,875
Receivables, net		3,357	3,895
Due from other funds		174	36,398
Inventories		184	993
Prepaid items		1	
Total current assets		78,602	454,161
Noncurrent assets:			
Due from other funds		3,298	10
Capital assets:			
Land		13,853	
Construction in progress		2,147	1,330
Buildings and improvements		144,076	2,963
Equipment		6,943	174,410
Software		297	6,304
Road infrastructure		24,769	
Sewer infrastructure		110,295	
Accumulated depreciation/amortization		(118,827)	(110,693)
Total noncurrent assets		186,851	74,324
Total assets		265,453	528,485
DEFERRED OUTFLOWS OF RESOURCES			
Pension:			
Contributions to the pension plan subsequent to the measurement date		2,214	11,484
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions		85	445
Changes of assumptions or other inputs		1,964	9,914
Net difference between projected and actual earnings on pension plan investments		397	2,124
Difference between expected and actual experience in the total pension liability		317	1,698
OPEB:			
Contributions to the OPEB plan subsequent to the measurement date		93	502
Total deferred outflows of resources		5,070	26,167

Continued on next page

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020
(In Thousands)

(Continued)	Business-type Activities Enterprise Funds	Governmental Activities Internal Service Funds
LIABILITIES		
Current liabilities:		
Accounts payable	1,340	67,742
Accrued payroll	215	1,258
Due to other funds	1,360	6,744
Unearned revenue	147	504
Loans payable		323
Compensated absences	193	1,143
Claims and judgments		52,856
Total current liabilities	3,255	130,570
Noncurrent liabilities:		
Loans payable		794
Compensated absences	289	1,708
Claims and judgments		232,380
Net pension liability	16,497	84,052
Net OPEB liability	519	2,630
Total noncurrent liabilities	17,305	321,564
Total liabilities	20,560	452,134
DEFERRED INFLOWS OF RESOURCES		
Pension:		
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions	22	121
Differences between expected and actual experience in the total pension liability	652	3,052
Total deferred inflow of resources	674	3,173
NET POSITION		
Net investment in capital assets	183,553	74,314
Unrestricted net position	65,736	25,031
Total net position	$ 249,289	99,345

Reconciliation between net position - enterprise funds and net position of business-type activities as reported in the government-wide statement of net position		
Total net position	$	249,289
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		815
Net position of business-type activities	$	250,104

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2020
(In Thousands)

		Business-type Activities Enterprise Funds	Governmental Activities Internal Service Funds
Operating revenues:			
Charges for current services	$	56,782	473,852
Other		2,428	7,101
Total operating revenues		59,210	480,953
Operating expenses:			
Salaries and employee benefits		10,399	59,124
Repairs and maintenance		7,635	56,118
Equipment rental		1,471	68
Sewage processing		18,304	
Contracted services		7,788	256,138
Depreciation/amortization		6,269	18,189
Utilities		395	28,072
Cost of material		2,483	4,040
Claims and judgments			52,465
Fuel		65	10,244
Other		3,895	7,654
Total operating expenses		58,704	492,112
Operating income (loss)		506	(11,159)
Nonoperating revenues (expenses):			
Grants		4,018	6,756
Investment earnings		2,565	12,486
Interest expense			(2)
Gain (loss) on disposal of assets			2,093
Total nonoperating revenues (expenses)		6,583	21,333
Income (loss) before capital contributions and transfers		7,089	10,174
Capital contributions		1,220	2,563
Transfers in		9,359	14,586
Transfers out		(4,187)	(2,551)
Change in net position		13,481	24,772
Net position (deficits) at beginning of year		235,808	74,573
Net position (deficits) at end of year	$	249,289	99,345

Reconciliation between change in net position - enterprise funds and change in net position of business-type activities as reported in the government-wide statement of activities		
Change in net position	$	13,481
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		150
Change in net position of business-type activities	$	13,631

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2020
(In Thousands)

	Business-type Activities Enterprise Funds	Governmental Activities Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	$ 49,287	14,645
Cash received from other funds	10,019	460,317
Cash payments to suppliers	(37,952)	(307,374)
Cash payments to employees	(9,310)	(53,088)
Cash payment to other funds	(6,829)	(35,952)
Cash paid for claims and judgments		(37,399)
Other payments	(1)	
Net cash provided (used) by operating activities	5,214	41,149
Cash flows from noncapital financing activities:		
Operating grants	2,404	5,920
Transfers from other funds	9,359	14,586
Transfers to other funds	(4,187)	(2,551)
Principal paid on long-term debt		(355)
Interest paid on long-term debt		(2)
Proceeds from loans		261
Other noncapital increases	130	10
Net cash provided (used) by noncapital financing activities	7,706	17,869
Cash flows from capital and related financing activities:		
Capital contributions		2,563
Acquisition of capital assets	(13,901)	(13,423)
Proceeds from sale of assets		2,805
Net cash provided (used) by capital and related financing activities	(13,901)	(8,055)
Cash flows from investing activities:		
Investment earnings	3,055	14,373
Net increase (decrease) in cash and cash equivalents	2,074	65,336
Cash and cash equivalents - beginning of year	72,812	347,539
Cash and cash equivalents - end of year	74,886	412,875

Continued on next page

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2020
(In Thousands)

(Continued)	Business-type Activities Enterprise Funds	Governmental Activities Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	506	(11,159)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Decrease (increase) in accounts receivables	(136)	(704)
Decrease (increase) in due from other funds	230	(5,093)
Decrease (increase) in inventory	106	212
Increase (decrease) in accounts payable	(428)	20,563
Increase (decrease) in accrued payroll	54	359
Increase (decrease) in due to other funds	(2,425)	1,017
Increase (decrease) in unearned revenue	2	(332)
Increase (decrease) in compensated absences	35	269
Increase (decrease) in claims and judgments		12,361
Pension expense	1,058	5,785
OPEB expense	(57)	(318)
Depreciation / amortization	6,269	18,189
Total adjustments	4,708	52,308
Net cash provided (used) by operating activities	5,214	41,149
Non-cash investing and capital financing activities:		
Capital acquisitions included in accounts payable	475	959
Governmental contributions of capital assets	$ 1,220	

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2020
(In Thousands)

		Pooled Investments - Investment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund	Agency Funds
ASSETS				
Pooled cash and investments	$	6,117,090	2,100	459,259
Cash with fiscal agents				6,728
Investments with fiscal agents			1,120	7,096
Receivables:				
Accounts receivable				433
Investment earnings receivable		27,512	4	44,825
Taxes receivable		51,634		79,842
Other receivables		21,070		
Total assets		6,217,306	3,224	598,183
LIABILITIES				
Accounts payable		1,055		107,594
Warrants outstanding				215,487
Accrued interest			44	
Noncurrent liabilities:				
Due within one year			578	
Due in more than one year			8,306	
Due to other funds			4,841	
Due to other governments				275,102
Total liabilities		1,055	13,769	598,183
NET POSITION				
Held in trust for pool participants		6,216,251		
Held in trust for private purpose			(10,545)	
Total net position (deficit) held in trust	$	6,216,251	(10,545)	

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

For the Year Ended June 30, 2020

(In Thousands)

		Pooled Investments-Investment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund
ADDITIONS			
Contributions:			
Contributions to investments	$	9,760,882	
Total contributions		9,760,882	
Investment earnings:			
Investment earnings		207,786	67
Total investment earnings		207,786	67
Property taxes- Successor Agency Redevelopment Property Tax Trust Fund Distribution			2,304
Total additions		9,968,668	2,371
DEDUCTIONS			
Administrative expenses			5
Distributions from investments		10,136,289	
Contributions to other agencies			550
Interest			590
Total deductions		10,136,289	1,145
Change in net position		(167,621)	1,226
Net position (deficit) at beginning of year		6,383,872	(11,771)
Net position (deficit) at end of year	$	6,216,251	(10,545)

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NOTE 1
Summary of Significant Accounting Policies
The Reporting Entity

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

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

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

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

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

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

Blended Component Units

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

Air Pollution Control District (APCD) - The *APCD* was established to protect people and the environment from the harmful effects of air pollution. Air quality is continuously monitored throughout the San Diego Air Basin, and programs are developed to bring about the emission reductions necessary to achieve clean air. The *APCD* issues permits to limit air pollution, ensures that air pollution control laws are followed, and administers funding that is used to reduce regional mobile source emissions. *APCD* is reported as a *special revenue fund*.

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

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

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

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

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

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

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

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

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

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

San Diego Regional Building Authority (*SDRBA*) - The *SDRBA* was established under the Mark-Roos Local Bond Pooling Act of 1985 and authorized to issue bonds for the purpose of acquiring and constructing public capital improvements and to lease them to its members, the County and the San Diego Metropolitan Transit Development Board (MTDB). The services provided by the SDRBA to the MTDB are insignificant.

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

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

Separately issued financial reports for IHSSPA, SDCTASC, SDRBA, and TSJPA can be obtained from the County Auditor and Controller's Office located at 1600 Pacific Highway, Room 166, San Diego, California 92101.

Discrete Component Unit

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

The Commission is discretely presented because its Board is not substantively the same as the County's, and it does not provide services entirely or almost entirely to the County. A separately issued financial report can be obtained by writing to The First 5 Commission, 2750 Womble Road, Suite 201, (MS-A211), San Diego, CA 92106.

Financial Reporting Structure

Basic Financial Statements

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

Government-Wide Financial Statements

The government-wide financial statements (statement of net position and statement of activities) display information about the County as a whole and the change in aggregate financial position resulting from the activities of the fiscal period, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the County (including its blended component units) as well as its discretely presented component unit. In the statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reported using the economic resources measurement focus and the accrual basis of accounting, which incorporates capital assets as well as long-term debt and obligations.

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

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

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

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for and reports all financial resources of the County not accounted for and reported in another fund. Revenues are primarily derived from taxes; licenses, permits and franchise fees; fines, forfeitures and penalties; use of money and property; aid from other governmental agencies; charges for current services; and other revenues. Expenditures are expended for functions of general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and cultural activities. Expenditures also include capital outlay and debt service.

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

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

The County reports the following additional funds and fund types:

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

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

The following *fiduciary funds* account for resources that are held by the County as a trustee or agent for outside parties and cannot be used to support the County's programs.

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

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

Agency Funds are custodial in nature, and have no measurement focus, but do employ the accrual basis of accounting for purposes of asset and liability recognition. Agency funds account for assets held by the County as an agent for various local governments, organizations and individuals. Included are funds for child support payments; payroll taxes; public administrator and public guardian accounts; and apportioned taxes for other local governments.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

Cash and Investments

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

The Pool is available for use by all funds. Each fund type's portion of the Pool is displayed on the statements of net position/balance sheets as "pooled cash and investments." The share of each fund's

pooled cash and investments account is separately accounted for and interest earned, net of related expenses, is apportioned quarterly based on the fund's average daily cash balance in proportion to the total pooled cash and investments based on amortized cost. $4.507 million of interest earned by certain funds has been assigned to and reported as revenue of another fund. For fiscal year 2020, the General Fund was assigned $4.477 million and the Other Governmental Funds were assigned $30 thousand.

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

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

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

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

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

Receivables and Payables

The major receivables for governmental and business-type activities are taxes, due from other governmental agencies and loans. All property taxes and accounts receivable are shown net of an allowance for uncollectibles ($12.060 million and $9.084 million, respectively). Activities between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are disclosed in Note 8. All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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

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

Governmental funds' property tax revenues are recognized in the fiscal year for which they are levied, provided they are due within the fiscal year and collected within 60 days after the fiscal year end. Property tax revenues are also recognized for unsecured and supplemental property taxes that are due at year end, and are collected within 60 days after

the fiscal year end, but will not be apportioned until the next fiscal year due to the timing of the tax apportionment schedule.

County Leased Property

The County and its blended component units lease real property to the private sector and other governmental agencies. Revenue from noncancelable operating leases is reported in the applicable government-wide statement of activities - governmental activities, governmental funds statements of revenues, expenditures, and changes in fund balances and proprietary funds, statements of revenues, expenses, and changes in net position, as applicable.

Inventories and Prepaid Items

Inventories include consumable inventories valued at average cost. They are accounted for as expenditures at the time of purchase and reported in governmental funds as an asset with an offsetting nonspendable fund balance amount. Proprietary fund types are carried at average cost and are expended when consumed. Prepaid items reflect payments for costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements, with expenditures/expenses recorded when consumed. Inventories and prepaid items recorded in the governmental funds are not in spendable form and thus, an equivalent portion of fund balance is reported as nonspendable.

Capital Assets

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

Infrastructure assets include roads, bridges and sewers.

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

Table 1
Capitalization Thresholds

Land	$	0
Easements		50
Buildings and improvements		50
Equipment		5
Software		5-100
Infrastructure		25-50

Depreciation and amortization are charged over the capital assets' estimated useful lives using the straight-line method for proprietary and governmental fund types. Governmental fund type depreciation and amortization are only shown in the statement of activities. Proprietary fund type depreciation and amortization are shown both in the fund statements and the government-wide statement of activities. Estimated useful lives are shown in **Table 2**.

Table 2
Estimated Useful Lives

Buildings and improvements	10-50 years
Equipment	4-30 years
Software	2-10 years
Infrastructure	10-50 years

Unearned Revenue

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

Deferred Outflows and Inflows of Resources

The County reports deferred outflows and inflows of resources. A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. A deferred

inflow of resources represents an acquisition of net position by the government that is applicable to a future period.

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

Examples of deferred outflows and inflows of resources include property taxes received in advance, unavailable revenue, unamortized losses and gains on refunding of long-term debt (discussed below), and pension/OPEB related deferrals. Pension/OPEB related deferred outflows and inflows of resources include changes in proportionate share and differences between employer's contributions and proportionate share of contributions, changes in assumptions or other inputs, contributions to the pension/OPEB plan subsequent to the measurement date, differences between expected and actual experience in the total pension/OPEB liability and net difference between projected and actual earnings on pension/OPEB plan investments.

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

Lease Obligations

The County leases various assets under both operating and capital lease agreements. In the government-wide and proprietary funds financial statements, capital lease obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary funds statement of net position.

Long-Term Obligations

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

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

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

In the government-wide financial statements and proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

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

Pension

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

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

OPEB

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

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

Employees' Compensated Absences

The County's policy is to permit employees to accumulate *earned* but *unused* vacation, compensatory time, holiday and sick leave benefits. Each of these benefits is subject to certain limits based on employee class, except for sick leave and compensatory time that is subject to Fair Labor Standards Act (FLSA) rules or the California Labor Code. All vacation pay and a certain portion of compensatory and sick pay for specified employee classes is accrued in the government-wide and

proprietary funds financial statements. Except for specified employee classes, there is no liability for *unpaid accumulated* sick leave since the County does not cash out unused sick leave when employees separate from service with the County. However, employees eligible for retirement benefits that meet minimum balance requirements may apply unused sick leave toward determining their length of service for the purpose of calculating retirement benefits.

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

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

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

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

General Budget Policies

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

Fund Balance

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

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

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

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

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

***Unassigned* fund balance** - the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Net Position

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

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

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

Indirect Costs

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

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 2
Reconciliation of Government-Wide and Fund Financial Statements
Balance Sheet/Statement of Net Position

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

Table 3
Governmental Funds Balance Sheet / Government-Wide Statement of Net Position Reconciliation
At June 30, 2020

Long-term liabilities, such as bonds, notes, loans payable, capital leases, claims and judgments, compensated absences, landfill postclosure, pollution remediation, net pension liability, and net OPEB liability, are not due and payable in the current period and, therefore, are not reported in the funds. The details of this $5,232,057 difference are as follows:		
Bonds, notes and loans payable		
Certificates of participation and lease revenue bonds	$	231,350
Taxable pension obligation bonds		456,040
Tobacco settlement asset-backed bonds		472,660
Loans - non-internal service funds		2,084
Unamortized issuance premiums (to be amortized as interest expense)		90,322
Unamortized issuance discounts (to be amortized as interest expense)		(129)
Capital leases - non-internal service funds		39,300
Compensated absences non-internal service funds		124,677
Landfill postclosure - San Marcos landfill		20,145
Pollution remediation		2,839
Subtotal		1,439,288
Net pension liability - non-internal service funds		3,689,885
Net OPEB pension liability - non-internal service funds		102,884
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	$	5,232,057
Internal Service Funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position. The details of this $98,530 difference are as follows:		
Net position of the internal service funds	$	99,345
Less: Internal payable representing charges in excess of cost to business-type activities - prior years		(665)
Less: Internal payable representing costs in excess of charges to business-type activities - current year		(150)
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	$	98,530

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

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

Table 4
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities Reconciliation
For the Year Ended June 30, 2020

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. The details of this $114,558 difference are as follows:		
Capital outlay	$	272,524
Depreciation/amortization expense		(157,966)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities	$	114,558
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position. The details of this $7,922 difference are as follows:		
The proceeds from the sale of capital assets provide current financial resources but have no effect on net position	$	(11,557)
The gain on the disposal of capital assets does not affect current financial resources but increases net position		11,199
The loss on the disposal of capital assets does not affect current financial resources but decreases net position		(4,170)
Donations of assets to the County do not provide current financial resources but increase net position		12,450
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities	$	7,922
The issuance of long-term debt (e.g., bonds, notes, loans, and capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this $107,933 difference are as follows:		
Debt issued or incurred		
Refunding bonds issued	$	(425,414)
Plus: Premiums		(66,047)
Payment to refunded bond escrow agent		480,670
Face value of capital lease		(217)
Principal repayments		94,033
Capital lease payment		4,510
Accreted interest paid		20,398
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities	$	107,933

(Continued)

Table 4
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities Reconciliation
For the Year Ended June 30, 2020
(Continued)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The details of this $(803,717) difference are as follows:		
Change in net pension liability - pension expense	$	(788,803)
Change in net OPEB liability - OPEB expense		(5,204)
Compensated absences		(14,386)
Accrued interest		1,775
Accretion of capital appreciation bonds		(285)
Amortization of premiums		4,990
Amortization of discounts		(201)
Amortization of gain on refundings		71
Amortization of loss on refundings		(1,674)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities	$	(803,717)
Internal Service Funds. The net revenue (or expense) of certain activities of internal service funds is reported with governmental activities. The details of this $24,622 difference are as follows:		
Change in net position of the internal service funds	$	24,772
Less: Loss from charges to business activities		(150)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position - governmental activities	$	24,622

NOTE 3
Deposits and Investments

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

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

Pursuant to Sections 27130-27137 of the California Government Code, the Board of Supervisors has established the Treasury Oversight Committee (TOC) which monitors and reviews the Investment Policy. The TOC consists of members appointed from the districts or offices that they represent, and up to five members of the public, having expertise in, or an academic background in public finance. The TOC requires a financial audit to be conducted annually on a fiscal year basis, which includes limited tests of compliance with laws and regulations. The Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company. The Pool does not have any legally binding guarantees of share values.

A separately issued annual financial report for the Pool can be obtained from the Treasurer-Tax Collector at 1600 Pacific Highway, Room 152, San Diego, California, 92101 and can also be accessed at http://www.sdttc.com.

Total pooled cash and investments totaled $10.35 billion consisting of: $10.33 billion investments in the County pool; $15.196 million in deposits; $3.693 million of collections in transit; and, $512 thousand in imprest cash.

Deposits

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

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

Custodial Credit Risk - Deposits

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

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

California Government Code Section 53652 et. seq. requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. At June 30, 2020, the County's deposits were not exposed to custodial credit risk, as these deposits were either covered by FDIC insurance or collateralized with securities held by a named agent depository except as noted below:

a. Cash in banks is defined as short-term, highly liquid deposits with an original maturity of three months or less. Deposits consist of cash in banks. At year-end, the Pool maintained accounts in two banks. The carrying amount of the Pool's deposits was $15.196 million, and the bank balance at June 30, 2020 was $11.290 million. The difference between the carrying amount and the bank balance includes temporary reconciling items such as outstanding checks and deposits in transit. Of the bank balance, $500 thousand was covered by federal deposit insurance and $10.790 million was collateralized with securities held by a depository agent on behalf of the Pool as required by California Government Code Section 53656. The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Also, a financial institution may, in accordance with the California Government Code, secure local agency deposits using first trust deed mortgages; however, the fair value of the first trust deed mortgages collateral must be at least 150% of the total amount deposited.

b. The carrying amount of demand deposits with Fiscal Agents (outside of the Pool) was $7.343 million and the bank balance per various financial institutions was $8.392 million. Of the total bank balance, $525 thousand was covered by federal deposit insurance and $7.867 million was collateralized by a named agent depository.

Investments

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

Permissible types of investments and financial instruments include: U.S. treasuries, U.S. Federal agencies, local agency obligations, banker's acceptances, repurchase and reverse repurchase

agreements, collateralized certificates of deposit. commercial paper, corporate medium-term notes, negotiable certificates of deposit, pass-through mortgage securities, supranationals, and money market mutual funds.

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

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

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

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

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

Interest Rate Risk - Investments

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

To mitigate the effect of interest rate risk, the Pool maintains a laddered portfolio in compliance with the Investment Policy, which requires at least 15% of securities to mature within 90 days and at least 35% of securities to mature within one year. In addition, the Pool limits the maximum effective duration of the portfolio to two years. As of June 30, 2020, the Pool was in full compliance with all provisions of the Investment Policy and the California Government Code. Actual weighted average days to maturity by investment type is presented in **Table 7**.

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

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

Credit Risk - Investments

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

The Pool's Investment Policy, which is more restrictive than the Government Code, places a minimum standard on the ratings of investments held in the Pool. Investments in securities other than those guaranteed by the U.S. Treasury or Government Sponsored Enterprises must have a credit rating of no less than "A" for long-term or "F1" for short-term. Nonrated securities include sweep accounts and repurchase agreements. Sweep accounts and collateralized certificates of deposit must be FDIC insured and collateralized with securities held by a named agent of the depository. Repurchase agreements are collateralized by securities, authorized by California Government Code Section 53601, having

a market value of at least 102% of the amount of the repurchase agreement. The Pool did not have any repurchase agreements in its portfolio as of June 30, 2020.

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

Table 5
Fitch Investment Rating

	Investment Pool Rating at June 30, 2020	Minimum Pool Investment Policy Ratings at Time of Purchase
Overall credit rating	AAAf/S1	
Short-term		F1
Long-term		A

Concentration of Credit Risk - Investments

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

As disclosed in **Table 10**, the Treasury maintains investment policies that establish thresholds for holdings of individual securities. The Pool did not have any holdings meeting or exceeding the allowable threshold levels as of June 30, 2020.

The Pool's holdings of Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC) securities are issued by agencies that remain under conservatorship by the Director of the Federal Housing Agency. The U.S. government does not guarantee, directly or indirectly, the securities of the Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), FNMA or FHLMC. The Pool's investments in FFCB securities as of June 30, 2020 comprised 6.2% of the fair value of the County Pool's investments.

In addition, the following issuers also exceeded the 5 percent threshold: Bank of Nova Scotia (5.4%), Inter-American Development Bank (5.5%), JP Morgan (5.2%), and Toyota Motor Credit Corp (6.3%).

No general policies have been established to limit the amount of exposure to any one single issuer, however, moneys held by trustees on behalf of the County may generally only be invested in permitted investments specified in trustee or indenture agreements. Instruments in any one issuer that represent 5% or more of the County investments with fiscal agents by individual major fund or nonmajor funds in the aggregate at June 30, 2020 are shown in **Table 6**. Any investments explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from **Table 6**. Percentages by issuer for pooled investments are noted in **Table 7**.

Table 6
Concentration of Credit Risk - Investments With Fiscal Agents

Issuer	Tobacco Endowment Fund	Percent
State of Florida	$ 16,382	6%
State of Georgia	16,167	6%
State of Maryland	26,898	9%
State of Minnesota	29,365	10%
State of North Carolina	13,714	5%
State of Washington	14,232	5%

Custodial Credit Risk - Investments

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

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

Table 7
Pooled Investments
At June 30, 2020

		Fair Value	Book Value	Interest Rate Range	Maturity Range	Weighted Average Maturity (days)	Fitch Rating	% of Portfolio
U.S. Federal Agencies:								
Federal Farm Credit Bank (FFCB)	$	643,886	621,251	0.68% - 2.52%	6/22 - 9/24	1,194	AAA	6.23%
Federal Home Loan Bank (FHLB)		451,259	437,699	1.125% - 2.875%	2/21 - 2/25	918	AAA	4.37%
Federal Home Loan Mortgage Corporation (FHLMC)		457,171	454,913	0.63% - 2.75%	11/20 - 5/25	1,308	AAA	4.42%
Federal National Mortgage Association (FNMA)		353,932	345,607	0.75% - 2.875%	10/20 - 6/25	981	AAA	3.43%
U.S. treasury notes		519,792	502,805	0.375% 2.75%	1/21 - 4/25	1,049	AAA	5.03%
Municipal bonds		79,189	76,999	1.84% - 2.4%	2/21 - 2/24	950	AAA	0.77%
Local Government Investment Pool		250,292	250,292	0.1% - 0.51%	N/A	1	AAA	2.42%
Pass-through securities		841,701	828,653	0.267% -3.32%	4/21 - 10/24	1,033	F1+/ AAA	8.14%
Supranationals		1,101,661	1,063,261	0.625% - 3%	4/21 - 4/25	1,176	AAA	10.66%
Commercial paper		2,029,638	2,028,020	0.2% - 1.92%	7/20 - 11/20	45	F1+ / F1	19.64%
Money market mutual funds		352,925	352,925	0.05% - 0.11%	N/A	1	AAA	3.42%
Negotiable certificates of deposit		2,213,173	2,210,001	0.2% - 3.13%	7/20 - 6/21	92	F1+ / F1	21.42%
Corporate medium-term notes		1,038,249	1,018,412	1.65% - 4.5%	7/20 - 9/22	587	AA+ / A-	10.05%
Total investments	$	10,332,868	10,190,838			559		100%

Table 8
Investments with Fiscal Agents
At June 30, 2020

		Fair Value	Interest Rate Range	Maturity Range	Weighted Average Maturity (days)	S&P Rating	% of Portfolio
County investments with fiscal agents							
Unrestricted:							
Fixed income tax exempt bonds	$	3,340	5.00%	1/26	2025	A	0.96%
Fixed income tax exempt bonds		2,471	5.88%	8/40	7337	A-	0.71%
Fixed income tax exempt bonds		2,496	5.00%	9/27	2633	A+	0.72%
Fixed income tax exempt bonds		18,086	1.70% - 5%	12/23 - 11/30	2841	AA	5.20%
Fixed income tax exempt bonds		2,288	5.00%	8/23	1127	AA-	0.66%
Fixed income tax exempt bonds		43,416	5.00%	7/20 - 6/28	1171	AA+	12.49%
Fixed income tax exempt bonds		199,666	2% - 5%	8/20 - 1/35	2688	AAA	57.47%
Fixed income tax exempt bonds		13,367	4% - 5%	2/21 - 7/30	2651	NR	3.85%
Money market mutual funds		8,000	0.01%	7/20	6	AAAm	2.30%
Subtotal		293,130					
Restricted:							
Money market mutual funds		54,364	0.01% - 0.1%	8/20	39 - 45	AAAm	15.64%
Subtotal		54,364					
Total County investments with fiscal agents		347,494					100.00%
Private Purpose investments:							
Money market mutual funds		1,120	0.01%	8/20	44	AAAm	100.00%
Total Private Purpose investments		1,120					100.00%
Agency funds investments:							
Money market mutual funds		7,096	0.01%	8/20	45	AAAm	100.00%
Total Agency funds investments		7,096					100.00%
Total investments with fiscal agents	$	355,710					

Fair Value Measurements

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

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

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

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

Total pooled investments as of June 30, 2020, were valued at $10.333 billion. The fair value of pooled investments categorized according to GASB 72 fair value hierarchy totaled $9.729 billion, and are all classified as Level 2. Money market mutual funds totaling $353 million, are valued at net asset value - $1

per share (amortized cost) and local government investment pool funds are not subject to the fair value hierarchy.

Total investments with fiscal agents as of June 30, 2020, were valued at $355.7 million. The fair value of investments with fiscal agents according to the GASB 72 fair value hierarchy totaled $285.1 million, and are all classified as Level 2. Fixed income tax exempt bonds were valued using matrix pricing, which is consistent with the market approach. The matrix pricing technique is used to value some types of financial instruments, such as debt securities, without relying exclusively on quoted prices for the specific securities. Instead, matrix pricing relies on the securities' relationship to other benchmark quoted securities. The following investments have a remaining maturity at the time of purchase of one year or less, are held by fiscal agents outside of the County's Pool, and are measured at amortized cost: Money market mutual funds, $70.6 million.

Table 9 summarizes pooled investments' and investments with fiscal agents' recurring fair value measurements and the fair value hierarchy as of June 30, 2020.

Table 9
Pooled Investments and Investments With Fiscal Agents By Fair Value Level

			Fair Value Measurements Using		
		June 30, 2020	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Pooled investments by fair value level					
Pass-through securities	$	841,701		841,701	
Commercial paper		2,029,638		2,029,638	
Negotiable certificates of deposit		2,213,173		2,213,173	
Corporate medium-term notes		1,038,249		1,038,249	
Supranationals		1,101,661		1,101,661	
Municipal bonds		79,189		79,189	
U.S. government agencies		1,906,248		1,906,248	
U.S. treasury notes		519,792		519,792	
Total pooled investments and cash equivalents by fair value level		9,729,651		$ 9,729,651	
Pooled investments not subject to the fair value hierarchy					
Money market mutual funds		352,925			
Local Government Investment Pool		250,292			
Total pooled investments	$	10,332,868			
Investments with fiscal agents by fair value level					
Fixed income tax exempt bonds	$	285,130		285,130	
				$ 285,130	
Investments with fiscal agents not subject to the fair value hierarchy					
Money market mutual funds		70,580			
Total investments with fiscal agents not subject to the fair value hierarchy		70,580			
Total investments with fiscal agents	$	355,710			

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

	Maximum Maturity		Maximum % of Portfolio		Maximum % with One Issuer		Minimum Rating	
Investment Type	Gov. Code	Pool Policy	Gov. Code	Pool Policy	Gov. Code	Pool Policy	Gov. Code	Pool Policy
U.S. Treasury Obligations	5 years	5 years	None	None	None	None	None	None
U.S. Agency Obligations	5 years	5 years	None	None	None	35%	None	None
Local Agency Obligations	5 years	5 years	None	30%	None	10%	None	A
Bankers' Acceptances	180 days	180 days	40%	40%	30%	5%	None	A-1
Commercial paper (1)	270 days	270 days	40%	40%	10%	10%	A-1	A-1
Negotiable Certificates of Deposit	5 years	5 years	30%	30%	30%	10%	None	A
Repurchase Agreements	1 year	1 year	None	40%	None	Note(2)	None	None
Reverse Repurchase Agreements	92 days	92 days	20%	20%	20%	10%	None	None
Corporate Medium-Term Notes	5 years	5 years	30%	30%	30%	5%	A	A
Collateralized Certificates of Deposit	N/A	13 months	None	5%	None	5%	None	None
Money Market Mutual Funds	N/A	N/A	20%	20%	10%	10%	AAAm	AAAm
Local Government Investment Pool	N/A	N/A	None	5%	None	5%	None	AAAm
Pass-Through Mortgage Securities	5 years	5 years	20%	20%	20%	5%	AA	AA
Supranationals (3)	5 years	5 years	30%	30%	30%	10%	AA	AA

(1) Government Code Section 53635 (a)(1-2) specifies percentage limitations for this security type for county investment pools.

(2) Maximum exposure per issue - The maximum exposure to a single Repurchase Agreement (RP) issue shall be 10% of the portfolio value for RPs with maturities greater than 5 days, and 15% of the portfolio for RPs maturing 5 days or less. The maximum exposure to a single broker/dealer of Repurchase Agreements shall be 10% of the portfolio value for maturities greater than 5 days, and 15% of the portfolio value for maturities of 5 days or less.

(3) The following institutions are considered "Supranationals": International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), Inter-American Development Bank (IADB).

NOTE 4
Restricted Assets

Restricted assets include monies or other resources required to be set aside to repay principal and interest under debt covenants; and to comply with other legal or contractual requirements. For fiscal year 2020 restricted assets were as follows:

Table 11
Restricted Assets

Fund	Legal or Contractual Requirements	Debt Covenants
General Fund	$ 203	
Nonmajor Governmental Funds		
Harmony Grove Community Facilities District - Special Revenue Fund		9,786
Harmony Grove Community Facilities District - Capital Projects Fund		9,861
Housing Authority - Other Special Revenue Fund	404	
Tobacco Securitization Joint Special Revenue Fund		34,663
Pension Obligation Bonds Debt Service Fund		25
SANCAL Debt Service Fund		29

NOTE 5
Receivables

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

Due from Other Governmental Agencies - Governmental activities - $19.781 million:

This amount includes: $6.604 million in Senate Bill (SB) 90 cost reimbursements due the County for the provision of State mandated programs mostly for Absentee Ballots and Voter Identification Procedures. The State Constitution requires reimbursement for these costs and interest will accrue on the reimbursement claims until they are paid according to Government Code Section 17617; and, $13.177 million in amounts owed to the County from those external entities that financed their portion of the Regional Communications System (RCS) NextGen Project upgrade.

Loans - Governmental activities - $129.036 million:

This amount includes: $58.779 million in housing rehabilitation loan programs for low-income or special needs residents, and loans for low income housing down payments; $25.708 million in community development block grant loans; $13.831 million owed to the Housing Authority - Low and Moderate Income Housing Asset Fund for Affordable Housing Development and Single-Family Rehabilitation Loans; $21.641 million in interest receivable on housing long-term loans; $3.417 million in low income housing developer loans; $4.001 million in COVID-19 Small Business Loan Receivable; $1.075 million owed to the General Fund from the County of San Diego Successor Agency Private Purpose Trust Fund as a result of a loan to provide funding for project improvements for the Upper San Diego River Project; and $468 thousand owed to the County Low and Moderate Income Housing Asset Fund (CLMIHAF) from the County of San Diego Successor Agency Private Purpose Trust Fund as a result of the Airport Enterprise Fund transferring its twenty percent outstanding loan principal balance to the CLMIHAF mandated by California Health and Safety Code 34191.4. At the fund level, in the General Fund and the CLMIHAF, these loans are presented as "Due From Other Funds". See Note 8 to the financial statements, "Interfund Balances". The remaining balance represents various other loans totaling $116 thousand.

Loans- Business-type activities- $3.766 million:

This amount includes $468 thousand in Airport Enterprise Fund (AEF) loans to Airport lessees for the purchase of AEF reversionary interests in leasehold improvements existing at the expiration of previous leases; and $3.298 million owed to the AEF from the County of San Diego Successor Agency Private Purpose Trust Fund as a result of a loan to fund airport projects. In the Airport Enterprise Fund, this loan is presented as “Due From Other Funds”. See Note 8 to the financial statements, “Interfund Balances”.

Table 12
Receivables
Primary Government and Discretely Presented Component Unit
At June 30, 2020

	Accounts	Investment Earnings	Due From Other Government Agencies	Loans	Other	Total Receivables	Allowance For Doubtful Accounts	Receivables Net
Governmental activities:								
General Fund	$ 4,369	11,070	431,108	82,877	1,111	530,535		530,535
Public Safety Fund			49,466			49,466		49,466
Tobacco Endowment Fund		3,397				3,397		3,397
Other Governmental Funds	25,177	8,278	61,441	22,975	542	118,413	(9,084)	109,329
Internal Service Funds	57	1,438	2,381		19	3,895		3,895
Total governmental activities - fund level	$ 29,603	24,183	544,396	105,852	1,672	705,706	(9,084)	696,622
Add: loan receivable from the County of San Diego Successor Agency Private Purpose Trust Fund				1,543		1,543		1,543
Add: interest receivable on housing long-term loans				21,641		21,641		21,641
Less: Due from Component Unit					(76)	(76)		(76)
Total governmental activities - Statement of Net Position	$ 29,603	24,183	544,396	129,036	1,596	728,814	(9,084)	719,730
Business-type activities:								
Enterprise Funds	$ 882	308	1,699	468		3,357		3,357
Add: loan receivable from the County of San Diego Successor Agency Private Purpose Trust Fund				3,298		3,298		3,298
Total business-type activities - Statement of Net Position	$ 882	308	1,699	3,766	-	6,655		6,655
Component Unit:								
First 5 Commission of San Diego	$ 238	196	4,309		145	4,888		4,888

NOTE 6
County Property on Lease to Others

The County has noncancelable operating leases for certain properties which are not material to the County's governmental operations. Additionally, the Airport Enterprise Fund derives a substantial portion of its revenues from noncancelable operating leases with air carriers and concessionaires. The Airport Enterprise Fund's property under operating leases includes an estimated $3.20 million in land at June 30, 2020.

Lease revenue from noncancelable operating leases for the year ended June 30, 2020 was approximately $12.35 million. Future minimum lease payments to be received under noncancelable operating leases are noted in **Table 13**.

Table 13
Lease Revenue
County Property Leased To Others

Fiscal Year	Operating Leases
2021	$ 11,738
2022	11,263
2023	11,043
2024	10,874
2025	10,440
2026-2030	49,706
2031-2035	44,051
2036-2040	34,965
2041-2045	28,534
2046-2050	23,131
2051-2055	18,241
2056-2060	12,344
2061-2065	10,838
2066-2070	3,709
2071-2075	429
Total	$ 281,306

NOTE 7
Capital Assets
Changes in Capital Assets

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

Table 14
Capital Assets - Governmental Activities

	Beginning Balance at July 1, 2019	Increases	Decreases	Ending Balance at June 30, 2020
Capital assets, not being depreciated/ amortized:				
Land	$ 465,312	47,777	(128)	512,961
Easements	9,707	126		9,833
Construction in progress	161,304	175,455	(153,016)	183,743
Total capital assets, not being depreciated/ amortized	636,323	223,358	(153,144)	706,537
Capital assets, being depreciated/ amortized:				
Buildings and improvements	2,227,730	86,576	(2,665)	2,311,641
Equipment	366,438	36,179	(18,750)	383,867
Software	109,621	37,514	(6,534)	140,601
Road infrastructure	2,779,153	64,888	(207)	2,843,834
Bridge infrastructure	83,530	1,737		85,267
Total capital assets, being depreciated/ amortized	5,566,472	226,894	(28,156)	5,765,210
Less accumulated depreciation/ amortization for:				
Buildings and improvements	(622,587)	(56,288)	1,473	(677,402)
Equipment	(218,236)	(29,865)	17,311	(230,790)
Software	(73,314)	(15,578)	6,189	(82,703)
Road infrastructure	(1,624,240)	(72,757)	192	(1,696,805)
Bridge infrastructure	(27,560)	(1,667)		(29,227)
Total accumulated depreciation/ amortization	(2,565,937)	(176,155)	25,165	(2,716,927)
Total capital assets, being depreciated/ amortized, net	3,000,535	50,739	(2,991)	3,048,283
Governmental activities capital assets, net	$ 3,636,858	274,097	(156,135)	3,754,820

Table 15
Capital Assets - Business-type Activities

	Beginning Balance at July 1, 2019	Increases	Decreases	Ending Balance at June 30, 2020
Capital assets, not being depreciated/ amortized:				
Land	$ 11,593	2,260		13,853
Construction in progress	1,201	14,322	(13,376)	2,147
Total capital assets, not being depreciated/ amortized	12,794	16,582	(13,376)	16,000
Capital assets, being depreciated/ amortized:				
Buildings and improvements	139,068	5,008		144,076
Equipment	6,624	319		6,943
Software	297			297
Road infrastructure	20,400	4,369		24,769
Sewer infrastructure	107,601	2,694		110,295
Total capital assets, being depreciated/ amortized:	273,990	12,390		286,380
Less accumulated depreciation/ amortization for:				
Buildings and improvements	(57,880)	(3,000)		(60,880)
Equipment	(1,207)	(529)		(1,736)
Software	(63)	(59)		(122)
Road infrastructure	(2,801)	(563)		(3,364)
Sewer infrastructure	(50,607)	(2,118)		(52,725)
Total accumulated depreciation/ amortization	(112,558)	(6,269)		(118,827)
Total capital assets, being depreciated/ amortized, net	161,432	6,121		167,553
Business-type activities capital assets, net	$ 174,226	22,703	(13,376)	183,553

Depreciation/Amortization

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

Table 16
Depreciation/Amortization Expense - Governmental Activities

General government	$ 13,226
Public protection	40,708
Public ways and facilities	74,049
Health and sanitation	11,957
Public assistance	5,645
Education	2,778
Recreation and cultural	9,603
Internal Service Funds	18,189
Total	$ 176,155

Table 17
Depreciation Expense - Business-type Activities

Airport Fund	$ 3,424
Jail Store Commissary Fund	3
San Diego County Sanitation District Fund	2,781
Sanitation District - Other Fund	61
Total	$ 6,269

Capital and Other Commitments

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting is used in the governmental funds. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year or years. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed, or assigned are included within committed or assigned fund balance, as appropriate. At June 30, 2020, the County General Fund's outstanding encumbrances totaled $718.468 million; the Public Safety Fund's outstanding encumbrances totaled $8.452 million; and, Nonmajor governmental funds' outstanding encumbrances totaled $155.038 million.

At June 30, 2020, major contracts entered into for structures and improvements and other commitments within governmental activities are noted in **Table 18**.

Table 18
Capital Commitments
At June 30, 2020

		Remaining Commitments
Governmental Activities		
General Fund:		
Construction of San Diego Juvenile Justice Campus	$	100,853
Construction of Lakeside Branch Library		14,438
Development of Integrated Property Tax System		14,179
Ohio Street Probation Renovation		13,854
Procurement of Three Bell 407 GXi Helicopters		11,706
Construction of Tijuana River Valley Regional Park Campground		11,522
Construction of Regional Communication System		11,308
Land Acquisition for Emergency Vehicle Operations Course		9,228
Renovation of County Administration Center		4,930
Construction of Sheriff Technology and Information Center		4,363
Lakeside Baseball Park Turf Replacement and Energy Upgrades		1,414
Construction of Tri-City Healthcare District Psychiatric Facility		1,174
Subtotal		198,969
Nonmajor Governmental Funds:		
Improvements of County Roads		9,874
Subtotal		9,874
Internal Service Funds:		
Vehicle Acquisitions		13,074
Subtotal		13,074
Total	$	221,917

NOTE 8
Interfund Balances

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

Table 19
Interfund Balances
At June 30, 2020

		DUE FROM							
		General Fund	Public Safety	Tobacco Endowment	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	Private Purpose Trust Fund	Total
DUE TO	General Fund		19,202	5,243	32,889	411	5,659	1,075	64,479
	Public Safety	$ 7,741							7,741
	Nonmajor Governmental	14,736	82		572	755	59	468	16,672
	Nonmajor Enterprise	74				100		3,298	3,472
	Internal Service	33,743			1,545	94	1,026		36,408
	Total	$ 56,294	19,284	5,243	35,006	1,360	6,744	4,841	128,772

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

a) $1.075 million is due to the General Fund from the County of San Diego Successor Agency Private Purpose Trust Fund (Upper San Diego River Project) as a result of a loan to provide funding for Project improvements.

b) $3.298 million is due from the County of San Diego Successor Agency Private Purpose Trust Fund to the Airport Enterprise Fund as a result of a loan to fund airport projects.

c) $468 thousand is due from the County of San Diego Successor Agency Private Purpose Trust Fund to the County Low and Moderate Income Housing Asset Fund as a result of the Airport Enterprise Fund transferring its twenty percent outstanding loan principal balance to the County Low and Moderate Income Housing Asset Fund as mandated by California Health and Safety Code 34191.4.

For further discussion of the loans to the County of San Diego Successor Agency Private Purpose Trust Fund, refer to Note 32 to the financial statements, "County of San Diego Successor Agency Private Purpose Trust Fund for Assets of Former San Diego County Redevelopment Agency". Note that on the Statement of Net Position, the "Due from other funds" for the General Fund's $1.075 million Upper San Diego River Project loan and the "Due from other funds" for the County Low and Moderate Income Housing Asset fund's $468 thousand are included in the governmental activities' "Receivables, net". The "Due from other funds" for the $3.298 million Airport Enterprise Fund's airport projects loan, is included in the business-type activities' "Receivables, net". See Note 5 to the financial statements, "Receivables."

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

NOTE 9
Interfund Transfers

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

Table 20
Transfers In/Transfers Out
At June 30, 2020

		TRANSFERS OUT						
		General Fund	Public Safety	Tobacco Endowment	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	Total
TRANSFERS IN	General Fund		281,719	6,000	18,670	825		307,214
	Nonmajor Governmental	$ 246,600	12,535		6,282	3,321	2,551	271,289
	Nonmajor Enterprise	9,309			50			9,359
	Internal Service	14,545				41		14,586
	Total	$ 270,454	294,254	6,000	25,002	4,187	2,551	602,448

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

NOTE 10
Payables

The County's payables at fiscal year-end are shown below for the General Fund, other governmental funds, internal service funds, enterprise funds, and the discrete component unit:

Table 21
Payables
At June 30, 2020

	Vendors	Due to Other Government Agencies	Other	Total Payables
Governmental Activities:				
General Fund	$ 172,065	22,382	13,135	207,582
Other Governmental Funds	24,134	1,531	4,594	30,259
Internal Service Funds	64,931	125	2,686	67,742
Total governmental activities	$ 261,130	24,038	20,415	305,583
Business-type activities:				
Enterprise Funds	$ 1,067		273	1,340
Component Unit:				
First 5 Commission of San Diego	$ 4,744	5,260		10,004

NOTE 11
Deferred Inflows of Resources: Unavailable Revenue

Table 22
Deferred Inflows of Resources - Non-pension
At June 30, 2020

Unavailable Revenue	General Fund	Other Governmental Funds	Total
Property and miscellaneous local taxes	$ 52,256	651	52,907
Aid from other governmental agencies	19,652	46,513	66,165
Charges for services	170		170
Other	15,551	35,133	50,684
Total	$ 87,629	82,297	169,926

A large portion of the Unavailable revenue - aid from other governmental agencies consists primarily of $46.4 million of TransNet one-half cent sales tax revenue to be used for projects in the Road Fund, and $6.6 million of California Senate Bill 90 (SB 90) revenues. In 1972, SB90 established a requirement that the State reimburse local government agencies for the

costs of new programs or increased levels of service on programs mandated by the State. Additionally, there are $4.5 million in Drug Medi-Cal Administrative activity receivables, and $3 million in Mental Health Block Grant receivables. The remaining $5.7 million represents various other unavailable aid from other governmental agencies revenues.

Of the $50.7 million of Unavailable revenue - other, approximately $15.1 million are tobacco settlement receivables, $18.7 million are low and moderate income housing assistance receivables, $15 million is for the Sheriff Regional Communication System upgrade project, approximately $1.2 million is for interest receivable and $700 thousand represents various other unavailable revenues.

NOTE 12

Lease Obligations

Operating Leases

Real Property

The County has obligations under long-term operating lease agreements through fiscal year 2035 (**Table 23**). The County is the lessee under the terms of several noncancelable operating leases for real property used to house certain County operations. The total rental expense for all real property leases for the year ended June 30, 2020 was approximately $41 million, including $32 million for noncancelable leases.

The future minimum lease payments for these noncancelable leases are as follows:

Table 23
Lease Commitments - Real Property

Fiscal Year	Minimum Lease Payments
2021	$ 31,202
2022	29,126
2023	25,670
2024	23,117
2025	16,171
2026-2030	20,152
2031-2035	230
Total	$ 145,668

Personal Property

The County has also entered into operating leases for personal property, a large portion of which represents duplicating and heavy duty construction equipment. Many of these leases are subject to annual adjustment based upon negotiations. Management expects that in the normal course of business, leases that expire will be renewed or replaced by other leases. Total rental expense for these operating leases for the year ended June 30, 2020 was approximately $5.7 million.

Capital Leases

Minimum Lease Payments

On September 24, 2013, the County entered into a lease agreement with BACM 2006-5 Kearny Office Limited Partnership, a Delaware limited partnership, with a lease rent commencement date of January 31, 2014. The initial five-year lease term was scheduled to expire on November 30, 2019. On November 14, 2017, the County and Lessor, LLJ Office Ventures 5, LLC, a Delaware limited liability company (as successor-in-interest to BACM 2006-5 Kearny Office Limited Partnership), entered into a First Amendment to Lease Agreement which extends the lease term to November 30, 2024. Consequently, this building has been capitalized in the Government-wide Statement of Net Position at $3.718 million (fair value of $9.294 million less accumulated depreciation of $5.576 million), and the lease obligation is reflected as a liability in that statement. The term of the lease is 10 years 5 months, with an implicit interest rate of 7.56%.

On June 30, 2016, the County entered into an equipment lease-purchase agreement with Motorola Solutions Inc., with a first payment due date of July 15, 2017. This equipment is classified as construction in progress in the Government-wide Statement of Net Position and the lease obligation is reflected as a liability in that statement. The term of the lease is 10 years, with an interest rate of 2.79%, maturing in July 2026. Upon the occurrence of an event of default (as described in the equipment lease-purchase agreement) the lessor may exercise any one or more of the following remedies: (i) all amounts then due under the lease shall become immediately due and payable; (ii) the equipment shall be returned to the lessor; (iii) the equipment may be sold, leased or subleased, holding the lessee liable for all lease

payments and other amounts due prior to the effective date of such selling, leasing or subleasing and for the difference between the purchase price, rental and other amounts; and (iv) exercise any other right, remedy or privilege which may be available under the applicable laws of the state of the equipment location. Furthermore, the lease may be terminated in the event the funds appropriated by the lessee's governing body (or otherwise available) are insufficient. In the event of such termination, the lessee agrees to peaceably surrender possession of the equipment to the lessor.

On September 14, 2016, the County entered into a capital lease agreement for a building with Sunroad Office Partners Limited Partnership, a California limited partnership, with a lease rent commencement date of July 11, 2017. This building has been capitalized in the Government-wide Statement of Net Position at $10.625 million (fair value of $15 million less accumulated depreciation of $4.375 million), and the lease obligation is reflected as a liability in that statement. The term of the lease is 10 years, with an implicit interest rate of 6.80%, maturing in July 2027.

On October 21, 2016, the County entered into a capital lease agreement for a building with Robert Bienenfeld, Trustee of the Trust for the benefit of Robert Bienenfeld under the will of Jonas Bienenfeld and Robert Premiere, a California limited partnership. This building has been capitalized in the Government-wide Statement of Net Position at $4.285 million (fair value of $6.122 million less accumulated depreciation of $1.837 million), and the lease obligation is reflected as a liability in that statement. The term of the lease is 10 years, with an implicit interest rate of 6.13%, maturing in June 2027.

On February 24, 2004 the County entered into a lease agreement with Imperial Valley Emergency Communications Authority (IVECA) to rent sufficient space in the rental space, that certain real property located at the Brawley (Wise) Radio Communication Facility, and on the Lessor's tower to accommodate the Sheriff Department's 800 MHz Regional Communications System (RCS) radio equipment and associated microwave radio equipment. The initial three-year lease term included four (4) three-year extension options. On October 30, 2019 the County and IVECA entered into a First Amendment to Lease Agreement which extends the lease term to June 30, 2039. Consequently, this leased structure has been capitalized in the Government-wide Statement of Net Position at $207 thousand (fair value of $217 thousand less accumulated depreciation of $10 thousand), and the lease obligation is reflected as a liability in that statement. The term of the lease is 20 years, with an implicit interest rate of 9.4537%, maturing June 2039.

Future minimum lease payments under the aforementioned capital leases are shown in **Table 24**.

Table 24
Capital Lease - Future Minimum Lease Payments

Fiscal Year		Building	Equipment
2021	$	4,249	2,671
2022		4,377	2,671
2023		4,508	2,671
2024		4,643	2,671
2025		3,859	2,671
2026-2030		7,026	5,340
2031-2035		149	
2036-2039		133	
Total minimum lease payments		28,944	18,695
Less: Amount representing interest		(6,415)	(1,924)
Net lease payments	$	22,529	16,771

Book Value

The book values of the building and equipment capital leases are as follows:

Table 25
Capital Lease - Book Value
At June 30, 2020

Capital Lease Property		Original Cost	Accumulated Amortization	Net Book Value
Building	$	30,632	11,798	18,834
Construction in Progress	$	19,274		19,274

NOTE 13
Long-Term Debt

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

Certificates of Participation (COPs) and Lease Revenue Bonds (LRBs) provide funds for the acquisition and construction of major capital facilities and equipment.

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

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

COPs and LRBs evidence a pro rata share in a specific pledged revenue stream of lease payments, and investors in the certificates or bonds are entitled to receive a share in these lease payments from a particular project. Lease payments are passed through the lessor to the investors. The lessor assigns the lease and lease payments to a trustee, which distributes the lease payments to the investors.

In September 2019, $19.450 million of Certificates of Participation titled "County of San Diego Certificates of Participation, Series 2019 (Justice Facilities Refunding)" (the Series 2019 Certificates) were executed and delivered pursuant to a Trust Agreement by and among a Trustee bank, the County, and the San Diego County Capital Asset Leasing Corporation (SANCAL). The Series 2019 Certificates were issued at a fixed interest rate of 5.0%, with maturity dates ranging from October 1, 2020 to October 1, 2025.

The Series 2019 Certificates were issued with a premium of $2.555 million. Proceeds of $22.005 million along with $11.464 million of funds held by the San Diego County Capital Asset Leasing Corporation (SANCAL) County of San Diego Certificates of Participation (Justice Facilities Refunding) (Series 2009 Certificates) Trustee (Trustee) were distributed as follows: 1) approximately $32.558 million (consisting of new 2019 COP proceeds and funds on hand with Trustee) was transferred to an escrow agent to refund the entire $31.805 million of Outstanding Series 2009 Certificates on a current refunding basis; 2) $543 thousand was used to fund the Base Rental Payment Fund; and, 3) approximately $.368 million was set aside to pay certain costs of issuance.

The $32.558 million transfer referred to above was placed into an irrevocable trust with an escrow agent to provide for the payment of the remaining principal and interest due on the Series 2009 Certificates. As a result, the Series 2009 Certificates are considered legally defeased and the liability for those certificates has been removed from the government-wide statement of net position governmental activities' liabilities due within one year and due in more than one year. This refunding will result in reducing the County's principal and interest payments by $8.305 million over the next 6 years to obtain an economic gain of $3.100 million (i.e. the difference between the present value of the debt service payments on the refunded debt and the refunding debt).

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

Details of the COPs and LRBs outstanding at June 30, 2020 are as follows:

Table 26
Certificates of Participation (COP) and Lease Revenue Bonds (LRB)

Issuance	Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2020
2011 CAC Waterfront Park Project COP	$ 32,665	3.00 - 5.125%	2042	27,545
2012 Cedar-Kettner Development Project COP	29,335	2.00 - 5.00%	2042	24,860
2014 Edgemoor and RCS Refunding COP Series 2014A (Edgemoor)	91,675	2.00 - 5.00%	2030	67,505
2016 County Operations Center Refunding LRB	105,330	3.00 - 5.00%	2036	91,990
2019 Justice Facilities Refunding of 1997 Central Jail COP	15,635	5.00%	2026	15,635
2019 Justice Facilities Refunding of 1998 Courthouse COP	3,815	5.00%	2023	3,815
Total	$ 278,455			231,350

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

Table 27
Certificates of Participation and Lease Revenue Bonds - Debt Service Requirements to Maturity

Fiscal Year	Principal	Interest	Total
2021	$ 14,580	10,599	25,179
2022	15,240	9,940	25,180
2023	15,625	9,205	24,830
2024	15,230	8,448	23,678
2025	15,985	7,678	23,663
2026-2030	77,095	27,286	104,381
2031-2035	47,315	12,625	59,940
2036-2040	23,245	3,515	26,760
2041-2042	7,035	347	7,382
Subtotal	$ 231,350	89,643	$ 320,993
Add:			
Unamortized issuance premium	29,131		
Less:			
Unamortized discount	(129)		
Total	$ 260,352		

Taxable Pension Obligation Bonds (POBs)

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

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

Details of POBs outstanding at June 30, 2020 are as follows:

Table 28
Taxable Pension Obligation Bonds

Issuance	Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2020
2004 Series A	$ 241,360	3.28 - 5.86%	2023	87,255
2004 Series B1-2	147,825	5.91%	2025	147,825
2008 Series A	343,515	3.33 - 6.03%	2027	220,960
Total	$ 732,700			456,040

Annual debt service requirements to maturity for POBs are shown below in **Table 29**.

Table 29
Taxable Pension Obligation Bonds - Debt Service Requirements to Maturity

Fiscal Year	Principal	Interest	Total
2021	$ 55,915	24,265	80,180
2022	59,300	20,798	80,098
2023	62,835	17,098	79,933
2024	66,765	13,163	79,928
2025	70,855	8,988	79,843
2026-2027	140,370	4,986	145,356
Total	$ 456,040	89,298	545,338

Tobacco Settlement Asset-Backed Bonds (TSAB)

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

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

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

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

In November 2019 the Tobacco Securitization Authority of Southern California (Authority) issued $405.964 million Tobacco Settlement Asset-Backed Refunding Bonds, Series 2019 Senior Bonds as follows: 1) $252.345 million Series 2019A Class 1 Senior Current Interest Bonds (Serial Bonds and Term Bonds) that carry a fixed coupon rate of 5.00% along with projected yield rates ranging from 1.20% to 2.97% and maturity dates ranging from June 2020 through June 2048; 2) $120.000 million Series 2019B-1 Class 2 Senior Current Interest Bonds (Turbo Term Bonds) that carry a fixed coupon minimum rate of 2.25% and a maximum coupon rate of 5.00% along with projected yield rates ranging from 2.25% to 3.375% and final maturity dates ranging from June 2029 through June 2048; and, 3) Series 2019B-2 Class 2 Senior Capital Appreciation Bonds (Turbo Term Bonds) issued at the initial principal amount of $33.619 million with a projected yield rate of 5.625% that mature in June 1, 2054 with a maturity value of $228.795 million.

The bonds noted above were issued with a premium of $63.492 million. This premium, along with bond proceeds of $405.964 million and $45.067 million from funds held by the 2006 Indenture trustee accounts (trustee) were distributed as follows: 1) $448.112 million (consisting of $405.964 million of new bond proceeds, $22.527 million of bond premium, plus $19.621 million of funds held by the trustee) was transferred to the escrow agent to refund, on a current basis, the outstanding $438.155 million 2006A Tobacco Settlement Asset-Backed Bonds plus related interest; 2) $37.837 million from bond premium funded the purchase and cancellation of a portion of the Series 2006D CABs; 3) $25.446 million of funds held by the trustee were used to fund the Class 1 and Class 2 Senior Liquidity Reserve accounts; 4) $3.128 million from bond premium to fund a cost of issuance account to pay cost of issuance incurred in connection with the Series 2019 Tobacco bonds consisting of $2.093 Underwriter's Discount and $1.035 Cost of Issuance.

The proceeds of $448.112 million referred to above were deposited into an irrevocable escrow trust fund established under the Escrow Agreement dated November 1, 2019 between the Authority and the 2019 Indenture Trustee. The funds deposited in the irrevocable escrow fund are expected to generate sufficient cash flow to pay the principal and interest on the bonds as they become due. As a result, the Series 2006 bonds are considered to be legally defeased and the liability for those bonds has been removed from the statement of net assets governmental activities current and non-current.

This refunding will result in decreasing the County's principal and interest payments by $1.682 million over the expected life of the bonds resulting in an economic gain of $113.392 million (i.e. the difference between the present value of the debt service payments on the refunded debt and the refunding debt). The 2006 Bonds and 2019 Bonds (together now known as the "Bonds") are limited obligations of the Authority.

Upon the occurrence of an event of default (as described in the Tobacco Securitization Authority Indenture), bond payments shall be applied in full to each order of bonds until bonds are no longer outstanding in the following manner: (1) Class 1 Senior Bonds: First, the accrued unpaid interest on the Class 1 Senior Bonds (Senior Bonds), and Second, the Bond Obligation (principal and accreted value) on all outstanding Class 1 Senior Bonds; (2) Class 2 Senior Bonds: First, the accrued and unpaid interest on the Class 2 Senior Bonds and, then Second, the Bond Obligation on all Class 2 Senior Bonds; (3) Series 2006B CABs (Series 2006 First Subordinate Bonds) principal and interest or accreted value; (4) Series 2006C CABs (Series 2006 Second Subordinate Bonds) principal and interest or accreted value; (5) Series 2006D CABs (Series 2006 Third Subordinate Bonds) principal and interest or accreted value; and (6) Additional Subordinate Bonds, (if authorized and issued), principal and interest or accreted value. The value of any Capital Appreciation Bonds (CABs) that are Series 2019B-2 Senior Bonds, Series 2006 First Subordinate Bonds, Series 2006 Second Subordinate Bonds or Series 2006 Third Subordinate Bonds shall continue to accrete at the default rate (including accretion on any unpaid accreted value), to the extent legally permissible.

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

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

forecasted levels, reduction in investment earnings due to unforeseen market conditions, and other future adjustments to the calculation of the TSRs.

No assurance can be given that actual cigarette consumption in the United States during the term of the Bonds will be as assumed in the Base Case, or that the other assumptions underlying these Base Case assumptions, including that certain adjustments and offsets will not apply to payments due under the MSA, will be consistent with future events. If actual events deviate from one or more of the assumptions underlying the Base Case, the amount of TSRs available to make payments, including Turbo Redemption Payments will be affected. No assurance can be given that these structuring assumptions, upon which the projections of the Bond payments and Turbo Redemptions are based, will be realized.

Details of the Bonds outstanding at June 30, 2020 are as follows:

Table 30
Tobacco Settlement Asset-Backed Bonds

Issuance	Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2020
Series 2006B CABs	$ 19,770	6.25%	2046	231,820
2006B unaccreted appreciation CABs				(184,776)
Series 2006C CABs	8,686	6.40%	2046	107,950
2006C unaccreted appreciation CABs				(86,853)
Series 2006D CABs	3,126	7.10%	2046	50,940
2006D unaccreted appreciation CABs				(42,587)
2019A (Class 1) Senior Current Interest Bonds	252,345	5.00%	2048	245,930
2019B-1 (Class 2) Turbo Current Interest Bonds	11,000	2.25%	2029	6,375
2019B-1 (Class 2) Turbo Current Interest Bonds	109,000	5.00%	2048	109,000
2019B-2 (Class 2) Turbo CABs	33,619	5.625%	2054	228,795
2019B-2 (Class 2) Turbo unaccreted appreciation CABs				(193,934)
Total	$ 437,546			472,660

Annual debt service requirements to maturity for the 2019 Bonds are as follows:

As shown in **Table 31**, the unpaid accreted appreciation of the Bonds as of June 30, 2020 was $46,155 which will continue to accrue and will be paid upon redemption.

Table 31
Tobacco Settlement Asset-Backed Bonds - Debt Service Requirements to Maturity

Fiscal Year	Principal	Unaccreted Appreciation	Interest	Total
2021	$ 7,635	6,950	17,858	32,443
2022	7,290	7,385	17,478	32,153
2023	7,480	7,850	17,113	32,443
2024	7,395	8,342	16,739	32,476
2025	7,630	8,865	16,368	32,863
2026-2030	48,580	53,406	75,623	177,609
2031-2035	43,445	72,441	64,339	180,225
2036-2040	41,850	98,297	52,658	192,805
2041-2045	-	133,439	40,563	174,002
2046-2050	221,581	66,504	18,483	306,568
2051-2054	33,619	44,671	-	78,290
Subtotal	426,505	$ 508,150	$ 337,222	$ 1,271,877
Add:				
Accreted appreciation through June 30, 2020	46,155			
Subtotal	472,660			
Add:				
Unamortized Issuance Premium	61,191			
Total	$ 533,851			

Pledged revenue related to the Bonds for the year ended June 30, 2020 was as follows:

Table 32
Tobacco Settlement Asset-Backed Bonds - Pledged Revenues

Debt Pledged	Final Maturity Date	Pledged Revenue To Maturity	Fiscal Year 2020 Debt Principal & Interest Paid	Fiscal Year 2020 Pledged Revenue Received
Series 2006 & 2019 Tobacco Settlement Asset-Backed Bonds	2054	$ 1,318,032	$ 59,306	$ 30,241

Loans - Governmental Activities

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

In November 2011, the County Board of Supervisors authorized the use of the previously mentioned SDG&E OBF program loans to fund energy efficiency and demand response projects. This program finances installations, modifications and upgrades, such as lighting retrofits and controls and mechanical system upgrades, with the goal of reducing utility costs. The financing is a zero percent interest loan which is repaid from energy savings generated by each SDG&E meter. The County received its first OBF loan in 2013. As of June 30, 2020, fifteen OBF loans were outstanding, with remaining balances totaling $0.921 million.

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

Details of loans outstanding at June 30, 2020 for governmental activities are as follows:

Table 33
Loans - Governmental Activities

Issuance	Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2020
Loans - non internal service funds (ISF)				
Firebird Manor	$ 4,486	1.00%	2028	1,232
California Energy Comm Loan (Street Light & Maint Dist)	1,422	1.00%	2025	814
Sheriff RCS Land Purchase	68	6.78%	2026	38
Total loans - non-ISF	5,976			2,084
Loans - ISF				
San Diego Gas and Electric On Bill Financing (Facilities ISF)	3,732	0.00%	2029	921
California Energy Comm Loan (Edgemoor Skilled Nursing)	261	1.00%	2023	196
Total loans - ISF	3,993			1,117
Total	$ 9,969			3,201

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

Table 34
Loans - Governmental Activities
Debt Service Requirements to Maturity

Fiscal Year	Principal	Interest	Total
2021	$ 641	20	661
2022	538	17	555
2023	516	14	530
2024	431	11	442
2025	422	7	429
2026-2029	653	9	662
Total	$ 3,201	78	3,279

Arbitrage

In compliance with the Tax Reform Act of 1986 and subsequent U.S. Treasury Regulations, the County performed arbitrage rebate calculations via a third party to determine probable amounts due to the Federal government. At June 30, 2020, the probable arbitrage rebate was zero.

NOTE 14
Changes in Long-Term Liabilities

Long-term liability activities for the year ended June 30, 2020 were as follows:

Table 35
Changes in Long-Term Liabilities

	Beginning Balance at July 1, 2019	Additions	Reductions	Accreted Interest	Ending Balance at June 30, 2020	Amounts Due Within One Year
Governmental Activities:						
COPs, bonds & loans						
Certificates of participation and lease revenue bonds	$ 256,220	19,450	(44,320)		231,350	14,580
Taxable pension obligation bonds	508,765		(52,725)		456,040	55,915
Tobacco settlement asset-backed bonds	553,443	405,964	(487,032)	285	472,660	7,635
Loans - non-internal service funds (ISF)	2,399		(315)		2,084	318
Loans - internal service funds	1,211	261	(355)		1,117	323
Unamortized issuance premiums	31,804	66,047	(7,529)		90,322	6,071
Unamortized issuance discounts	(9,509)		9,380		(129)	(5)
Total COPs, bonds & loans	$ 1,344,333	491,722	(582,896)	285	1,253,444	84,837
Other long-term liabilities:						
Capital Leases - non-ISF	$ 43,593	217	(4,510)		39,300	4,910
Claims and judgments - ISF	272,875	52,465	(40,104)		285,236	52,856
Compensated absences - non-ISF	110,291	86,837	(72,451)		124,677	52,131
Compensated absences - ISF	2,582	2,110	(1,841)		2,851	1,143
Landfill postclosure	19,789	356			20,145	672
Pollution remediation	4,090	108	(1,359)		2,839	218
Total Other long-term liabilities	$ 453,220	142,093	(120,265)		475,048	111,930
Total Governmental Activities	$ 1,797,553	633,815	(703,161)	285	1,728,492	196,767
Business-type activities:						
Compensated absences	447	322	(287)		482	193
Total Business-type Activities	$ 447	322	(287)		482	193

NOTE 15
Funds Used to Liquidate Liabilities

The following funds presented in **Table 36** below have typically been used to liquidate other long-term obligations in prior years:

Table 36
Liquidated Liabilities

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

NOTE 16
Landfill Site Postclosure Care Costs

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

The projected landfill postclosure care liability at June 30, 2020 for the San Marcos Landfill was $20.145 million. This estimated amount is based on what it would cost to perform all postclosure maintenance over a 30 year period in calendar year 2020 dollars and is subject to change as a result of such factors including but not limited to: inflation; deflation; advancements in technology; and amendments to laws and regulations.

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

Beginning July 1, 2011, CalRecycle, in accordance with Title 27, Division 2, Subdivision 1, Chapter 6 of the California Code of Regulations, requires owners and

operators of all disposal facilities operating after July 1, 1991 to provide additional financial assurance for corrective action based on the highest amount of either a water release corrective action or a non-water release corrective action, on or before the date of the first permit review.

The County determined that a non-water release corrective action would have the highest cost impact to the landfill and on January 27, 2016 the Board of Supervisors approved Minute Order No. 4 "Adopt a Resolution for Financial Assurance for Corrective Actions of the San Marcos Landfill and Authorize Submission of a Pledge of Revenue for Corrective Action Program at San Marcos Landfill." Pursuant to Resolution No. 16-011, adopted under Minute Order No. 4, the County entered into a pledge of revenue agreement to assure that adequate funds are available to carry out the Corrective Action Program 95-112 of the San Marcos Landfill. The pledge of revenue for corrective action costs is $1.153 million per year for the 30-year period and may increase or decrease to match any adjustment to the identified cost estimate mutually agreed to by the County and CalRecycle (adjusted to $1.249 million in fiscal year 2020). This pledged revenue will remain in the Environmental Trust Fund as a contingency until such time that corrective action costs are incurred.

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

NOTE 17
Pollution Remediation

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

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

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

As of June 30, 2020, the County's estimated pollution remediation obligations totaled $2.839 million. These obligations were all associated with the County's government-wide governmental activities. The estimated liabilities were determined by project managers and/or consultants, based on historical cost information for projects of the same type, size and complexity and measured at their current value or current quotes from outside service providers. In subsequent periods, the County will adjust estimated obligations when new information indicates that such changes are required, including technology and changes in applicable laws or regulations.

The County owns a 70-acre parcel at Gillespie Field Airport that consisted of vacant, mowed land, and a temporary asphalt parking lot, and in 2012 approved a project to redevelop the site to aviation uses in four phases. Historical agricultural and industrial uses of the site have left pollutant remnants detected at various concentrations in the soil, including organochlorine, pesticide chlordane, metals, hydrocarbons, and toluene. This year's project is Phase II and required construction site dewatering, and measures were taken to avoid construction worker contact with contaminated groundwater as a result of an offsite spill on private property which has been conveyed through groundwater to County owned land. The County is not liable for the spill/ contamination, but has assumed responsibility for remediation during construction. The remediation costs for dewatering and removing contaminated soils were $108 thousand. Engineering design of redevelopment and infrastructure of the site is still in progress, and therefore, the range of the pollution remediation obligation is not reasonably estimable. Upon finalization of the construction plans, a soil and sediment management plan will be implemented to manage above ground debris; including the following: hydrocarbon and toluene impacted sediment; metals within stained soil; and, abandonment or protection of the onsite irrigation and groundwater monitoring wells.

At this time, the County has determined there are no estimated recoveries reducing the obligations.

NOTE 18
Conduit Debt Obligations

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

Conduit debt consisted of the following: a) three Certificates of Participation (COPs) for the acquisition, construction, capital improvement and equipping of various facilities and b) one Mortgage Revenue Bond for the construction and permanent financing of a multi-family residential rental project located in the County to be partially occupied by persons of low or moderate incomes. Conduit debt is secured by the property that is financed and is payable from the respective COPs' base rentals and underlying payments on mortgage loans. Upon repayment of the debt, ownership of the acquired facilities transfers to the private-sector entity served by the debt issuance.

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

As of June 30, 2020, the aggregate conduit debt principal amount outstanding was $57.254 million.

NOTE 19
Special Tax Bonds

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

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

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

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

In January 2020 the Community Facilities District No. 2008-01 (Harmony Grove Village) of the County of San Diego, Improvement Area No. 1 Special Tax Bonds, Series 2020A (the "Series 2020A Area No. 1 Bonds"), were issued totaling $13.505 million. Proceeds of the Series 2020A Area No. 1 Bonds were used to pay the

costs of the acquisition of certain public facilities necessary for the development of that portion of the District designated as Improvement Area No. 1, to increase the reserve for the Bonds and to pay the costs of issuing the bonds. The Series 2020A Area No. 1 Bonds are payable solely from net special tax revenues derived from the levy of the special taxes on real property located within the boundaries of Improvement Area No. 1 and are secured by a pledge of all the net special tax revenues and moneys deposited in certain fiduciary funds established under the Series 2020A Indenture.

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

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

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

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

NOTE 20
Fund Balance Policy - General Fund

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

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

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

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

- An unanticipated revenue shortfall or expenditure increase where total expenditures exceeds total revenues.
- A legally declared emergency as defined in Government Code Section 29127.
- To absorb unforeseen changes in pension liability, including changes in the assumed rate of return, market losses, to maintain or reduce the unfunded pension liability, or other related changes as recommended by the Chief Administrative Officer (CAO).
- To help mitigate risk due to maintaining aging infrastructure including capital improvements, new construction, or other recommendations made by the CAO.

- To the extent reserves are available, a recommendation made by the CAO to promote the long-term fiscal health and stability of the County.

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

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

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

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

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

NOTE 21
Fund Balances Restricted for Laws or Regulations of Other Governments: Fund Purpose

At June 30, 2020, the fund balances restricted for laws or regulations of other governments: fund purpose are presented in **Table 37** as follows:

Table 37
Fund Balances Restricted for Laws or Regulations of Other Governments: Fund Purpose
At June 30, 2020

Fund Type:	Purpose	Amount
Nonmajor Funds		
Special Revenue Funds		
Air Pollution Fund	Air pollution activities	$ 30,315
Asset Forfeiture Program Fund	Law enforcement	10,454
Community Facilities District Funds - Other	Fire protection and suppression, emergency response, operation and maintenance of facilities, and flood control services	2,394
County Library Fund	Library services	13,303
County Low and Moderate Income Housing Asset Fund	County housing activities	315
County Service District Funds	Road, park lighting maintenance, fire protection and ambulance services	35,724
Edgemoor Development Fund	Edgemoor development	21,805
Harmony Grove Community Facilities District Fund	Maintenance and operation of parks and recreation services, fire protection services, emergency response, street improvements, street lighting, and flood control services	10,586
Housing Authority Low and Moderate income Housing Asset Fund	Housing Authority housing activities	31
In Home Supportive Services Public Authority Fund	In home supportive services	102
Inmate Welfare Program Fund	Benefit, education, and welfare of jail inmates	14,790
Lighting Maintenance District Fund	Street and road lighting maintenance	4,769
Other Special Revenue Funds	Retracement or remonument surveys, improvements for grazing lands, wildlife propagation and aviation purposes capital improvements and repairs, contracts administration, data collection, analysis and reporting, and responding to complaints regarding trash and trash haulers in unincorporated areas	5,004
Park Land Dedication Fund	Developing new or rehabilitating existing neighborhood or community park or recreational facilities	24,393
Total Nonmajor Funds (Special Revenue Funds)		$ 173,985

NOTE 22

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

At June 30, 2020, the fund balances restricted for laws or regulations of other governments: other purposes are presented in **Table 38** as follows:

Table 38
Fund Balances Restricted for Laws or Regulations of Other Governments: Other Purposes
At June 30, 2020

Major Fund		
General Fund		
Teeter tax loss	$	18,086
Juvenile justice crime prevention		14,816
Parole revocation hearings		9,335
Vector control		9,108
Fingerprinting equipment purchase and operation		6,728
Probation Department activities		5,630
Juvenile probation camp		5,205
Emergency medical services, various construction costs		3,993
Real estate fraud prosecution		3,881
Public Defender defense of indigent cases		2,977
Probation community transition unit activities		2,763
Projects, programs and services that benefit Crest - Dehesa - Harbison Canyon - Granite Hills sub-region		2,221
Parks and Recreation land acquisition, improvements, stewardship and other activities		1,971
Vehicle abatement activities		1,774
Sheriff automated warrant system		1,376
Improvement, maintenance and operation of the Waterfront Park		1,350
Sheriff law enforcement		1,234
Sheriff vehicle maintenance and replacement		1,187
Administration, operation and conservation of trails, paths or other facilities for off-highway motor vehicles		541
Domestic violence and child abuse prevention		402
Offset costs incurred to locate and notify victims to whom restitution is owed		222
Acquisition, rehabilitation, construction and financing of courtrooms, courtroom buildings or court facilities		94
Social services child safety education		38
Equipment replacement/system enhancement Caller ID Remote Access Network		21
Lease or purchase of California state approved voting systems, or components of voting systems		8
Sheriff's correction training		1
Total General Fund	$	94,962
Nonmajor Funds		
Special Revenue Funds		
Flood Control District Fund		
Flood control future drainage improvements	$	27,123
Housing Authority - Other Fund		
Disaster related administration		44
Housing repairs and improvements		15
Total Nonmajor Special Revenue Funds	$	27,182
Total Nonmajor Funds	$	27,182
Total Fund Balances Restricted for Laws or Regulations of Other Governments: Other Purposes	$	122,144

NOTE 23
Fund Balances Committed to Other Purposes

At June 30, 2020, the fund balances committed to other purposes are presented in **Table 39** as follows:

Table 39
Fund Balances Committed To Other Purposes
At June 30, 2020

Major Fund		
General Fund		
Regional communication system infrastructure enhancements	$	13,794
Department of Environmental Health services		5,676
Department of Planning and Development Services activities		3,774
Parks expansion and improvements		3,276
Health based programs reducing adult/youth smoking		1,673
Parks and Recreation land acquisition		1,601
San Diego Fire Authority equipment replacement		1,433
Management of conduit financing programs		540
South County Shelter capital improvements		271
Future purchase of agricultural conservation easements		252
Parks and Recreation turf replacement Sweetwater Valley		110
Capital projects or major maintenance projects		27
Total General Fund	$	32,427

NOTE 24
Fund Balances Assigned to Other Purposes

At June 30, 2020 the fund balances assigned to other purposes are presented in **Table 40** as follows:

Table 40
Fund Balances Assigned to Other Purposes
At June 30, 2020

Major Fund		
General Fund		
Health, mental health and social services	$	62,752
Planning, land use, agriculture, watershed and other public services		55,158
Law enforcement, detention, legal and other protection services		19,045
Park and Recreation services		11,342
Maintenance		3,812
Assessor/Recorder/County Clerk services		3,247
Hall of Justice future lease payments		2,400
Fire protection		1,461
Treasurer-Tax Collector services		600
Registrar of Voters services		169
Animal Services		20
Total General Fund	$	160,006

NOTE 25
Net Position Restricted for Laws or Regulations of Other Governments: Other Purposes

At June 30, 2020, the net position restricted for laws or regulations of other governments: other purposes is presented in **Table 41** as follows:

Table 41
Net Position Restricted for Laws or Regulations of Other Governments: Other Purposes
At June 30, 2020

Developing new or rehabilitating existing neighborhood or community park or recreational facilities	$	24,393
Edgemoor development		21,805
Juvenile justice crime prevention		14,816
Benefit, education, and welfare of jail inmates		14,790
Library services		13,303
Maintenance and operation of parks and recreation services, fire protection services, emergency response, street improvements, street lighting, and flood control services		10,586
Law enforcement		10,454
Parole revocation hearings		9,335
Health and Human Services Agency programs		8,424
Fingerprinting equipment purchase and operation		6,728
Probation Department activities		5,630
Juvenile probation camp		5,205
Retracement or remonument surveys, improvements for grazing lands, wildlife propagation and aviation purposes capital improvements and repairs, contracts administration, data collection, analysis and reporting, and responding to complaints regarding trash and trash haulers in unincorporated areas		5,004
Street and road lighting maintenance		4,769
Emergency medical services, various construction costs		3,993
Real estate fraud prosecution		3,881
Public Defender defense of indigent cases		2,977
Probation community transition unit activities		2,763
Fire protection and suppression, emergency response, and the operation and maintenance of facilities		2,394
Projects, programs and services that benefit Crest - Dehesa - Harbison Canyon - Granite Hills sub-region		2,221
Parks and Recreation land acquisition, improvements, stewardship and other activities		1,971
Vehicle abatement activities		1,774
Sheriff automated warrant system		1,376
Improvement, maintenance and operation of the Waterfront Park		1,350
Sheriff law enforcement		1,234
Sheriff vehicle maintenance and replacement		1,187
Administration, operation and conservation of trails, paths or other facilities for off-highway motor vehicles		541
Domestic violence and child abuse prevention		402
Housing activities		315
Offset costs incurred to locate and notify victims to whom restitution is owed		222
In home supportive services		102
Acquisition, rehabilitation, construction and financing of courtrooms, courtroom buildings or court facilities		94
Disaster related administration		44
Social services child safety education		38
Housing Authority housing activities		31
Equipment replacement/system enhancement Caller ID Remote Access Network		21
Housing repairs and improvements		15
Lease or purchase of California state approved voting systems, or components of voting systems		8
Sheriff's correctional training		1
Total Net Position Restricted for Laws or Regulations of Other Governments: Other Purposes	$	184,197

NOTE 26
Risk Management

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

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

At June 30, 2020, these liabilities discounted for anticipated investment return (public liability of 1% and workers' compensation of 2.5%), totaled $285.2 million, including $94.1 million in public liability and $191.1 million in workers' compensation. Changes in the balances of claim liabilities for fiscal years 2020 and 2019 are shown in **Table 42**.

Table 42
Risk Management - Changes in Claim Liabilities

		2020	2019
Employee Benefits Fund			
Unpaid claims, July 1	$	185,781	180,838
Incurred claims		35,561	31,121
Claim payments		(30,256)	(26,178)
Unpaid claims, June 30	$	191,086	185,781
Public Liability Insurance Fund			
Unpaid claims, July 1	$	87,094	65,109
Incurred claims		16,904	32,218
Claim payments		(9,848)	(10,233)
Unpaid claims, June 30	$	94,150	87,094

NOTE 27
Contingencies

Litigation

As of June 30, 2020 the County has no potential liability that could result if unfavorable final decisions are rendered in numerous lawsuits to which the County is a named defendant.

Unrecorded Leave Benefits

County employees have unrecorded accumulated benefits of approximately $234 million in sick leave, holiday and compensatory time. With the exception of sick leave for eligible employees, these benefits are not payable to employees upon termination and are normally liquidated at year-end or as employees elect to use their benefits per Civil Service rules and regulations. Accumulated vacation, sick leave, and compensatory time-off for which employees are eligible for payment upon separation have been recorded as liabilities in the appropriate proprietary funds and the government-wide statement of net position.

Federal and State Programs

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

NOTE 28
Joint Ventures

The San Diego Geographic Information Source (SanGIS) was created in July 1997 as a joint powers agreement between the City of San Diego and the County of San Diego. SanGIS objectives are to create and maintain a geographic information system; marketing and licensing compiled digital geographic data and software; providing technical services; and publishing geographic and land related information for the City and the County, other public agencies, and the private sector. It is governed by a Board of Directors consisting of one voting member from the City of San Diego and one from the County of San Diego. SanGIS relies mostly on an annual budget of $1.5 million contributed primarily by the City and the County to supplement its operating revenues. In its latest report, SanGIS reported an increase in net position of $162 thousand and ending net position of $488 thousand for the fiscal year ended June 30, 2019. The financial report may be obtained by writing to SanGIS at 5510 Overland Ave., Suite 230, San Diego CA 92123 or by calling (858) 874-7000 or by E-mail at webmaster@sangis.org.

The County is a participant with 18 incorporated cities to operate the Unified San Diego County Emergency Services Organization for the purpose of providing regional planning and mutual assistance in the event of an emergency or disaster in the region. The organization is governed by the Unified Disaster Council (UDC) with the San Diego County Board of Supervisors, who serves as Chair of the Council, and a representative from each of the 18 incorporated cities. The County of San Diego Office of Emergency Services (OES) serves as staff to the UDC. OES is a liaison between the incorporated cities, the California Governor's Office of Emergency Services, the Federal Emergency Management Agency, as well as non-governmental agencies such as the American Red Cross. A contractual agreement requires that the cities and the County provide the total required funding each year; one half from the cities and the other half from the County. In its latest report, the organization reported an increase in net position of $16 thousand and ending net position of $150 thousand for the year ended June 30, 2019. Separate financial statements may be obtained from the Office of Emergency Services, 5580 Overland Ave., Suite 100, San Diego CA 92123 or by calling (858) 565-3490 or by E-mail at oes@sdcounty.ca.gov.

The San Diego Workforce Partnership (Partnership) funds and delivers job training programs that empower job seekers to meet the current and future workforce needs of employers in San Diego County. Two boards provide oversight: The Consortium Policy Board and the Workforce Development Board (WDB). As the Workforce Partnership is a joint authority, the Consortium Policy Board is a community partnership of the City and County of San Diego. Members include two County Board of Supervisors, two San Diego City Council members, and a community representative (currently the United Way of San Diego). The Consortium Policy Board appoints members to, and receives recommendations from, the WDB. The two boards collaborate on funding decisions and programmatic priority. For the year ended June 30, 2019, the Partnership reported a decrease in net position of $64 thousand and ending net position of $525 thousand. Complete financial reports may be obtained by writing to the San Diego Workforce Partnership, 9246 Lightwave Ave., Suite 210, San Diego, CA 92123 or by calling (619) 228-2900.

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

agencies along with revenue generated from class offerings. In its latest report, Heartland Fire Training Authority reported an increase in net position of $74 thousand and ending net position of $1.4 million for the year ended June 30, 2019. The financial report may be obtained by writing to Heartland Fire Training Authority at 1301 North Marshall Ave., El Cajon CA 92020 or by calling (619) 441-1683.

NOTE 29

Pension Plans

Plan Description

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

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

Plan Membership

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

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

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

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

Benefits Provided

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

Table 43
SDCERA - PP Tiers and Basic Provisions

Tier Name	Governing Code	Membership Effective Date	Basic Provisions	Final Average Salary Period
General Tier I	§31676.12	Before March 8, 2002 (1)	2.62% at 62; maximum 3% COLA	Highest 1 - year
General Tier A	§31676.17	March 8, 2002 to August 27, 2009	3.0% at 60; maximum 3% COLA	Highest 1 - year
General Tier B	§31676.12	August 28, 2009 to December 31, 2012	2.62% at 62; maximum 2% COLA	Highest 3 - year
General Tier C	§7522.20(a)	January 1, 2013 to June 30, 2018	2.5% at 67; maximum 2% COLA	Highest 3 - year (2)
General Tier D	§31676.01	July 1, 2018	1.62% at 65; maximum 2% COLA	Highest 3 - year (2)
Safety Tier A	§31664.1	Before August 28, 2009	3.0% at 50; maximum 3% COLA	Highest 1 - year
Safety Tier B	§31664.2	August 28, 2009 to December 31, 2012	3.0% at 55; maximum 2% COLA	Highest 3 - year
Safety Tier C	§7522.25(d)	January 1, 2013	2.7% at 57; maximum 2% COLA	Highest 3 - year (2)
Safety Tier D	§7522.25(c)	July 1, 2020	2.5% at 57; maximum 2% COLA	Highest 3 - year (2)

(1) All general members with membership dates before March 8, 2002 who made a specific and irrevocable election to opt out of General Tier A. This also included those General Members in deferred status on March 8, 2002.

(2) PEPRA limits the amount of compensation that can be used to calculate retirement benefit for Tier C and Tier D to 100% of the 2013 Social Security taxable wage base limit for General members and 120% for Safety members. These amounts were adjusted with price inflation starting in 2014.

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

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

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

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

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

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

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

Contributions

SDCERA-PP is a contributory plan, meaning both the member and the employer pay contributions into the system; membership and contributions are mandatory. All members are required to make contributions to SDCERA regardless of the retirement plan or tier in which they are included. The average member contribution rate for fiscal year 2020 was 11.08% of compensation, (not adjusted for employer pick-up of employee contributions).

The County of San Diego and the other participating agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from SDCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate for fiscal year 2020 was 42.11 % (not adjusted for pick-up) of compensation.

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

Contributions to the Plan from the County were $533,885 for the year ended June 30, 2020.

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

Table 44
Employer/Employee Contribution Rates and Active Members by Tier

	Employer Contribution Rates	Employee Contribution Rates	Active Members
General Tier I	39.95%	7.95 - 15.48%	20
General Tier A	39.95%	9.55 - 17.08%	6,968
General Tier B	39.95%	6.75 - 13.44%	1,465
General Tier C	33.52%	8.31%	4,865
General Tier D	31.27%	6.02%	1,324
Safety Tier A	56.82%	13.85 - 20.38%	1,913
Safety Tier B	56.82%	10.74 - 15.99%	455
Safety Tier C	48.96%	14.88%	1,163

SDCERA issues a publicly available financial report that includes financial statements and required supplementary information for the SDCERA-PP. The financial report may be obtained by writing to San Diego County Employees Retirement Association, 2275 Rio Bonito Way, Suite 100, San Diego, California 92108-1685 or by calling (619) 515-6800.

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

At June 30, 2020, the County reported a liability of $3,790,434 for its proportionate share of the collective Net Pension Liability (NPL). The NPL was measured as of June 30, 2019 and was determined by rolling forward the Total Pension Liability (TPL) as of the June 30, 2018 actuarial valuation date. The NPL is equal to the difference between the TPL and the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is equal to the fair value of Plan assets (excluding the Health Insurance Allowance Reserve).

Pension amounts, including the County's proportionate share of the NPL, are determined separately for the General and Safety membership

classes based on their benefit provisions, actuarial experience, receipts and expenses. The total pension liability for each membership class was calculated based on the participants in and benefits provided for the respective membership class, and the SDCERA-PP fiduciary net position was determined in proportion to the valuation value of assets for each membership class. San Diego County is the sole active employer in the Safety membership class that made contributions in fiscal year 2019; therefore 100% of the NPL for the Safety membership class is allocated to San Diego County.

For the County's General membership class, actual or statutorily required contributions for the fiscal year ended June 30, 2019 were used as the basis for determining the proportion of pension amounts, including the NPL. The ratio of the County's General member contributions to the total SDCERA-PP General member contributions for all participating employers is multiplied by the SDCERA-PP total General member NPL to determine the County's proportionate share of the General membership class NPL. The County's total proportionate share is the combination of the County's Safety and General member class proportions.

At June 30, 2019, the County's proportionate share of employer contributions was approximately 93.750%, (General 91.146%, Safety 100%), which was a decrease of approximately 0.369% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of $810,691.

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Table 45
Pension Deferred Outflows/Inflows

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions to the pension plan subsequent to the measurement date	$ 533,885	
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions	20,331	5,486
Changes of assumptions or other inputs	427,350	$ 30
Net difference between projected and actual earnings on pension plan investments	55,184	
Differences between expected and actual experience in the total pension liability	80,614	143,116
	$ 1,117,364	148,632

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

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

Changes in proportionate share and differences between employer's contributions and proportionate share of contributions, changes of assumptions and other inputs, and differences between expected and actual experience in the total pension liability, are amortized over the average of the expected remaining service lives (service lives) of all employees that are provided with pensions through the SDCERA-PP and are recorded as a component of pension expense, beginning with the period in which they are incurred. $533,885 reported as deferred outflows of resources related to pensions resulting from County

contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

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

Table 46
Pension Expense

Year Ending June 30	Amount
2021	$ 233,104
2022	(23,553)
2023	104,138
2024	121,158
Total	$ 434,847

Actuarial Assumptions

Total Pension Liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of employee service. The significant actuarial assumptions used to measure the total pension liability as of June 30, 2019 (the measurement date) are shown in the following table:

Table 47
Actuarial Assumptions

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

Changes in assumptions were made from the prior measurement period and included a decrease to the discount rate, a decrease to the inflation rate, salary increases, a different date of the experience study, and mortality rates. For the prior measurement period, the discount rate was 7.25%, net of pension plan investment expense including inflation; the inflation rate was 3.00%; salary increases for General were 4.25% to 10.25% and Safety 4.50% to 12%, vary by service, including inflation; the date of the experience study was July 1, 2012 through June 30, 2015; and the mortality rates were RP-2014.

Mortality rates for General members and beneficiaries are based on the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) times 100% for males and 105% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018. Mortality rates for Safety members are based on the Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) times 105% for males and 95% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018. Mortality rates for General members with a disability retirement are based on Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) times 75% for males and 75% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018. Mortality rates for Safety members with a disability retirement are based on Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) times 100% for males and 100% for females, projected generationally with the two-dimensional mortality improvement scale MP-2018.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, are shown

in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the June 30, 2018 actuarial valuation and rolled forward to the June 30, 2019 measurement period:

Table 48
Target Allocation and Projected Arithmetic Real Rates of Return for each Asset Class

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed SDCERA-PP member contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current SDCERA-PP members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future SDCERA-PP members and their beneficiaries, as well as projected contributions from future SDCERA-PP members, are not included. Based on those assumptions, the SDCERA-PP's net position was projected to be available to make all projected future benefit payments for current SDCERA-PP members. Therefore, the long-term expected rate of return on SDCERA-PP investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2019.

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

The following table presents the County's proportionate share of the Net Pension Liability as of June 30, 2019, calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

Table 49
County's Share of Net Pension Liability Discount Rate Sensitivity

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension plan liability	$ 6,010,762	$ 3,790,434	$ 1,975,190

SDCERA-PP Fiduciary Net Position

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

NOTE 30
Other Postemployment Benefits
Retiree Health Plan
Plan Description

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

Supervisors. The Retirement Act assigns the authority to establish and amend Health Insurance Allowance (HIA) benefits to the SDCERA Board of Retirement.

SDCERA issues a publicly available financial report that includes financial statements and required supplementary information for the SDCERA-RHP. The financial report may be obtained by writing to San Diego County Employees Retirement Association, 2275 Rio Bonito Way, Suite 100, San Diego, California 92108-1685 or by calling (619) 515-6800.

Benefits Provided

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

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

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

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

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

Table 50
Benefit Amount for Non-Disabled Retirees

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

* Members who retired on or before September 30, 1991 may be eligible for the maximum allowance.

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

Contributions

The SDCERA-RHP is funded by employer contributions that are based on a biennial actuarial valuation, actuarially determined 20-year level dollar amortization schedule. The Actuarial Valuation of Other Postemployment Benefits (OPEB) as of June 30, 2017, established the fiscal year 2020 employer contribution rate of 1.59 percent of covered payroll which amounted to $18.472 million in required contributions made by the County. The Internal Revenue Code limits employer contributions to a

401(h) account to a maximum of 25 percent of the employer's normal cost contributions to the pension plan.

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

At June 30, 2020, the County reported a liability of $106,033 for its proportionate share of the collective Net Other Postemployment Benefits Liability (NOL). The NOL was measured as of June 30, 2019 (measurement date), and determined based upon the results of the actuarial valuation as of June 30, 2019. The Plan's Fiduciary Net Position (plan assets) and the Total OPEB Liability (TOL) were also valued as of the measurement date. The NOL is equal to the difference between the TOL and the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is equal to the fair value of assets.

The County's proportion of the NOL, as well as its proportion of the other OPEB related deferred outflows of resources and deferred inflows of resources is determined using the employer contributions from each employer category from July 1, 2018 through June 30, 2019 as provided to the SDCERA Actuary from SDCERA. The ratio of the County's contributions to the total employer contributions is multiplied by the SDCERA-RHP total NOL to determine the County's proportionate share of the NOL. The same calculation is performed for the other OPEB related deferred outflows of resources and deferred inflows of resources.

At June 30, 2019 the County's proportionate share of the NOL was approximately 93.396%, which was an increase of approximately 0.169% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized OPEB expense of $5.438.

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Table 51
OPEB Deferred Outflows/Inflows

	Deferred Outflows of Resources
Contributions to the OPEB plan subsequent to the measurement date	18,472
Net difference between projected and actual earnings on OPEB plan investments	184
	$ 18,656

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

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

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

$18,472 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the NOL in the year ending June 30, 2021.

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

Table 52
OPEB Expense

Year Ending June 30		Amount
2021	$	78
2022		78
2023		(4)
2024		32
Total	$	184

Actuarial Assumptions

The TOL in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, as shown in the table below:

Table 53
Actuarial Assumptions

Inflation	2.75%
Salary increases	General: 4.15% to 10.50%, including inflation
Discount rate	7.00%, net of investment expenses
Health care trend	Non-Medicare: 6.75% graded to ultimate 4.50% over 9 years; Medicare: 6.25% graded to ultimate 4.50% over 7 years.
Health insurance allowance subsidy increases	0.00%

Changes in assumptions were made from the prior measurement period and included a decrease to the inflation rate, decrease to the discount rate, changes in salary increases, and changes in the healthcare trend. The inflation rate and discount rate were 3.00% and 7.25%, respectively, for the prior measurement period. Salary increases for the prior measurement period for General were 4.25% to 10.25% including inflation. The non-Medicare healthcare trend for the prior measurement period was 7.0% graded to ultimate 4.50% over 10 years. The Medicare healthcare trend rate for the prior measurement period was 6.50% grated to ultimate 4.50% over 8 years.

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

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

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

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

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an experience study for the period from July 1, 2015 through June 30, 2018. They are the same as the assumptions used in the June 30, 2019 funding actuarial valuation for SDCERA-RHP.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption as of June 30, 2019 is summarized in the following table:

Table 54
Target Allocation and Projected Arithmetic Real Rates of Return for each Asset Class

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

Discount Rate

The discount rate used to measure the TOL was 7.00% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current SDCERA-RHP members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs (if any) for future SDCERA-RHP members and their beneficiaries, as well as projected contributions (if any) from future SDCERA-RHP members, are not included. Based on those assumptions, the SDCERA-RHP's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current SDCERA-RHP members. Therefore, the long-term expected rate of return on SDCERA-RHP investments was applied to all periods of projected benefit payments to determine the TOL as of June 30, 2019.

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

The following table presents the County's proportionate share of the Net OPEB Liability (NOL) as of June 30, 2019, calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate; and presents the County's proportionate share of the NOL as of June 30, 2019 and what it would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Table 55
County's Share of Net OPEB Liability

Discount Rate Sensitivity		1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the OPEB plan liability	$	115,113	106,033	98,080

Healthcare Cost Trend Rate Sensitivity		1% Decrease *	Current Trend Rates*	1% Increase *
County's proportionate share of the net OPEB plan liability	$	105,650	106,033	106,396

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

SDCERA-RHP Fiduciary Net Position

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

NOTE 31
Fund Deficits

Table 56
Fund Deficits
At June 30, 2020

Internal Service Fund:		
Facilities Management Fund	$	(26,959)
Public Liability Insurance Fund		(4,668)
Purchasing Fund		(1,418)

The Facilities Management and Purchasing Fund deficits of $27 million and $1.4 respectively, resulted from adjustments attributed to reporting the County's proportionate shares of the SDCERA-PP net pension liability and the SDCERA-RHP net OPEB liability.

The Public Liability Insurance Fund deficit of $4.7 million resulted mainly from the accrual of the estimated liability based on an actuarial determination that overall losses had developed significantly higher than expected. The liability increased to $94.1 million from the prior year's estimate of $87 million. The County intends to reduce the deficit through increased rate charges to County Departments in fiscal year 2020-21, primarily based on the 5 year history of actual expenditures by department.

NOTE 32
County of San Diego Successor Agency Private Purpose Trust Fund for Assets of Former San Diego County Redevelopment Agency

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

The Bill provided that upon dissolution of a redevelopment agency, either the County or another unit of local government would agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 24, 2012, via Minute Order 14, the County Board of Supervisors designated the County as the successor agency to the SDCRA; in accordance with the Bill.

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

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

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

After the date of dissolution, as allowed in the Bill, the County elected to retain the housing assets and functions previously performed by the former SDCRA. These assets and activities are accounted for in the

County Low and Moderate Income Housing Asset Fund and are reported in the County's governmental fund financial statements. The remaining assets, liabilities, and activities of the dissolved SDCRA are reported in the County of San Diego Successor Agency Private Purpose Trust Fund (fiduciary fund) financial statements of the County.

Due To Other Funds

The County of San Diego Successor Agency Private Purpose Trust Fund's "Due To Other Funds" consists of outstanding loans owed to the General Fund for the Upper San Diego River Project ($1.075 million), to the Airport Enterprise Fund (AEF) for the Airport Projects ($3.298 million) and to the County Low and Moderate Income Housing Asset Fund (CLMIHAF) ($468 thousand). The loans were originally made from the General Fund and AEF to the former San Diego County Redevelopment Agency (SDCRA) but were transferred to the County of San Diego Successor Agency Private Purpose Trust Fund upon dissolution of the SDCRA on February 1, 2012. Additionally, in fiscal year 2016, twenty percent of the then outstanding amount owed to the AEF was transferred from the AEF to the CLMIHAF, as mandated by California Health and Safety Code 34191.4. As of June 30, 2020, the interest earned on the General Fund loan accrues on the average quarterly outstanding balance, at a rate equal to the average County earned investment rate as determined by the County Treasurer. Interest earned on the AEF and CLMIHAF loans accrue at the rate mandated by Health and Safety Code 34191.4. Under California Assembly Bills ABx1 26 and AB 1484, it is expected that the County Successor Agency will pay principal and interest on the loans outstanding when funds are available for this purpose. The timing and total amount of any repayment is subject to applicable law.

NOTE 33

San Diego County Redevelopment Agency (SDCRA) Revenue Refunding Bonds

In December 2005, the San Diego County Redevelopment Agency (SDCRA) issued $16 million Revenue Refunding Bonds Series 2005A that were to mature in fiscal year 2033 but will now mature in 2032 due to the effect of making turbo payments. The SDCRA has pledged property tax increment revenues generated within the Gillespie Field Project Area to pay for the bonds. Gillespie Field Airport revenues may also be used to fund debt service payments if there are insufficient property tax increment revenues to cover a particular fiscal year's debt service requirement. Bonds are also payable from funds held under the indenture, including earnings on such funds. Pursuant to California Assembly Bill ABx1 26, the responsibility for the payment of this debt was transferred to the County of San Diego Successor Agency Private Purpose Trust Fund. The Series 2005A Bonds are not a debt of the County and are not payable out of any funds or properties other than those of the SDCRA.

Upon the occurrence of an event of default (as described in the financing documents) the principal of all of the Bonds then outstanding and the interest accrued thereon shall be immediately due and payable.

SDCRA revenue refunding bonds outstanding at June 30, 2020 were the following:

Table 57
SDCRA Revenue Refunding Bonds

Issuance	Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2020
Revenue Refunding Bonds Series 2005A	$ 16,000	3.65 - 5.75%	2032	8,905
Total	$ 16,000			8,905

Annual debt service requirements to maturity for SDCRA bonds are as follows:

Table 58
SDCRA Revenue Refunding Bonds - Debt Service Requirements to Maturity

Fiscal Year	Principal	Interest	Total
2021	$ 580	481	1,061
2022	610	449	1,059
2023	645	416	1,061
2024	680	380	1,060
2025	715	342	1,057
2026-2030	4,230	1,030	5,260
2031-2032	1,445	60	1,505
Total	8,905	$ 3,158	$ 12,063
Less:			
Unamortized issuance discount	(21)		
Total	$ 8,884		

SDCRA pledged revenue for the year ended June 30, 2020 was as follows:

Table 59
SDCRA Revenue Refunding Bonds - Pledged Revenues

			Fiscal Year 2020	
Debt Pledged	Final Maturity Date	Pledged Revenue To Maturity	Debt Principal & Interest Paid	Pledged Revenue Received
Revenue Refunding Bonds Series 2005A	2032	$ 12,063	$ 1,449	$ 1,474

Changes in Long-Term Liabilities

Long-term liability activities for the year ended June 30, 2020 were as follows:

Table 60
SDCRA Changes in Long-Term Liabilities

	Beginning Balance at July 1, 2019	Additions	Reductions	Ending Balance at June 30, 2020	Amounts Due Within One Year
Revenue Refunding Bonds Series 2005A	$ 9,830		(925)	8,905	580
Unamortized issuance discounts	(23)		2	(21)	(2)
Total	$ 9,807		(923)	8,884	578

NOTE 34

New Governmental Accounting Standards

Implementation Status

In January 2020, the GASB issued *Statement 92, Omnibus 2020.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

In Fiscal Year 2020, the County determined that the portions of this statement pertaining to the current fiscal year do not affect the financial reporting for the County, and consequently are not currently applicable. The remaining requirements of this statement are effective for reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued *Statement 95, Postponement of the Effective Dates of Certain Authoritative Guidance.* The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The requirements of this Statement were effective upon issuance.

Under Analysis

The County is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

In January 2017, the GASB issued *Statement No. 84, Fiduciary Activities.* This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In June 2017, the GASB issued *Statement No. 87, Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a

single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued *Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period.* This Statement establishes accounting requirements for interest cost incurred before the end of a construction period and requires that it be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. It also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

In August 2018, the GASB issued *Statement No. 90 Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61.* This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In May 2019, the GASB issued *Statement No. 91 Conduit Debt Obligations.* This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures.

This Statement also addresses arrangements-often characterized as leases that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In March 2020, the GASB issued *Statement 93, Replacement of Interbank Offered Rates.* The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an InterBank Offered Rate.

The requirements of this Statement for the removal of the London Interbank Offering Rate as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this statement are effective for reporting periods beginning after June 15, 2021, and all reporting periods thereafter.

In March 2020, the GASB issued *Statement 94, Public-Private Partnerships and Availability Payment Arrangements.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership

arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In May 2020, the GASB issued *Statement 96, Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In June 2020, the GASB issued *Statement 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.* This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. It also requires that the financial burden criterion in paragraph 7 of Statement No. 84, Fiduciary Activities, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, Financial Reporting for Pension Plans, or paragraph 3 of Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, respectively. This Statement requires (1) that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. This Statement supersedes the remaining provisions of *Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, as amended,* regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be measured as of the end of the plan's reporting period in all circumstances.

The requirements of this Statement relative to limiting the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans was effective upon the date of issuance of this Statement. The effects on the County will be assessed during the implementation of GASB Statement 84. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

Required Supplementary Information

Pension Plan

The schedule (in thousands) of the County's proportionate share of the San Diego County Employees Retirement Association pension plan collective Net Pension Liability is shown in the table below:

Table 1
Schedule of the County's Proportionate Share of the Net Pension Liability

		Fiscal Year 2020*	Fiscal Year 2019*	Fiscal Year 2018*	Fiscal Year 2017*	Fiscal Year 2016*	Fiscal Year 2015*
County's proportion of the net pension liability		93.750%	94.119%	93.136%	92.898%	92.827%	92.292%
County's proportionate share of the net pension liability	$	3,790,434	3,197,900	3,433,950	3,992,748	2,593,395	1,958,456
County's covered payroll	$	1,190,184	1,145,764	1,091,617	1,058,895	1,036,987	988,858
County's proportionate share of the net pension liability as a percentage of its covered payroll		318.480%	279.106%	314.575%	377.067%	250.089%	198.052%
Plan fiduciary net position as a percentage of the total pension liability		76.08%	78.32%	75.56%	70.48%	78.63%	82.65%

*Amounts presented above were based on the measurement periods ending June 30, 2019, June 30, 2018, June 30, 2017, June 30, 2016, June 30, 2015, and June 30, 2014, respectively.

Note: This Schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

The schedule (in thousands) of County contributions to the San Diego County Employees Retirement Association pension plan is shown in the table below:

Table 2
Schedule of the County's Contributions - Net Pension Liability

		Fiscal Year 2020*	Fiscal Year 2019*	Fiscal Year 2018*	Fiscal Year 2017*	Fiscal Year 2016*	Fiscal Year 2015*
Actuarial determined contributions	$	523,865	485,619	465,339	386,971	354,524	356,732
Contributions in relation to the actuarially determined contribution		533,885	499,451	487,841	386,971	354,524	356,732
Contribution deficiency (excess)**		(10,020)	(13,832)	(22,502)	-	-	-
County's covered payroll	$	1,267,790	1,190,184	1,145,764	1,091,617	1,058,595	1,036,987
Contributions as a percentage of covered payroll		41.32%	41.96%	42.58%	35.45%	33.49%	34.40%

*Amounts presented above were based on the fiscal years ended June 30, 2020, June 30, 2019, June 30, 2018, June 30, 2017, June 30, 2016, and June 30, 2015, respectively.

**Based on one-time use of over-realized general purpose revenue generated by greater-than-anticipated assessed value growth as per County Code of Administrative Ordinances Article VII, Section 113.5(b)

Note: This Schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

See note to the required supplementary information

Changes in Assumptions

The following assumptions used to determine the Total Pension Liability have changed:

Table 3
Actuarial Assumptions

	Reporting Period: June 30, 2015	Reporting Period: June 30,2016
Inflation	3.25%	3.00%
Salary increases	General: 4.75% to 10% and Safety: 5.00% to 12% vary by service, including inflation.	General: 4.50% to 9.75% and Safety: 4.75% to 11.75% vary by service, including inflation.
Discount rate	7.75%, net pension plan investment expense, including inflation.	7.50%, net pension plan investment expense, including inflation.

	Reporting Period: June 30, 2016	Reporting Period: June 30,2017
Salary increases	General: 4.50% to 9.75% and Safety: 4.75% to 11.75% vary by service, including inflation.	General: 4.25% to 10.25% and Safety: 4.50% to 12.00% vary by service, including inflation.
Discount rate	7.50%, net pension plan investment expense, including inflation.	7.25%, net of pension plan investment expense, including inflation.
Date of last experience study	July 1, 2009 through June 30, 2012	July 1, 2012 through June 30, 2015
Mortality rates	RP-2000	RP-2014

	Reporting Period: June 30, 2019	Reporting Period: June 30, 2020
Inflation	3.00%	2.75%
Salary increases	General: 4.25% to 10.25% and Safety: 4.50% to 12.00% vary by service, including inflation.	General 4.15% to 10.50% and Safety: 4.25% to 12.00% vary by service, including inflation.
Discount rate	7.25%, net of pension plan investment expense, including inflation.	7.00%, net of pension plan investment expense, including inflation.
Date of last experience study	July 1, 2012 through June 30, 2015	July 1, 2015 through June 30, 2018
Mortality rates	RP-2014	Pub-2010

OPEB Plan

The schedule (in thousands) of the County's proportionate share of the San Diego County Employees Retirement Association Retiree Health Plan collective Net OPEB Liability is shown in the table below:

Table 4
Schedule of the County's Proportionate Share of the Net OPEB Liability

		Fiscal Year 2020*	Fiscal Year 2019*	Fiscal Year 2018*
County's proportion of the net OPEB liability		93.396%	93.227%	92.594%
County's proportionate share of the net OPEB liability	$	106,033	119,483	132,163
County's covered payroll	$	1,190,184	1,145,764	1,091,617
County's proportionate share of the net OPEB liability as a percentage of its covered payroll		8.909%	10.428%	10.107%
Plan fiduciary net position as a percentage of the total OPEB liability		14.73%	10.12%	6.92%

*Amounts presented above were based on the measurement period ending June 30, 2019, June 30, 2018 and June 30, 2017.

Note: This Schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

See note to the required supplementary information

The schedule (in thousands) of County contributions to the San Diego County Employees Retirement Association Retiree Health Plan is shown in the table below:

Table 5
Schedule of the County's Contributions - Net OPEB Liability

		Fiscal Year 2020*	Fiscal Year 2019*	Fiscal Year 2018*
Actuarial determined contributions	$	18,472	18,892	18,229
Contributions in relation to the actuarially determined contributions		18,472	18,892	18,229
Contribution deficiency (excess)		-	-	-
County's covered payroll	$	1,267,790	1,190,184	1,145,764
Contributions as a percentage of covered payroll		1.46%	1.59%	1.59%

*Amounts presented above were based on the fiscal years ended June 30, 2020, June 30, 2019 and June 30, 2018.

Note: This Schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Changes in Assumptions

The following assumptions used to determine the Total OPEB Liability have changed:

Table 6
Actuarial Assumptions

	Reporting Period: June 30, 2018	Reporting Period: June 30, 2019
Salary increases	General: 4.50% to 9.75% including inflation.	General: 4.25% to 10.25% including inflation.
Healthcare trend	6.50% graded to ultimate 4.50% over 8 years.	Non-Medicare: 7.00% graded to ultimate 4.50% over 10 years; Medicare: 6.50% graded to ultimate 4.50% over 8 years.

	Reporting Period: June 30, 2019	Reporting Period: June 30, 2020
Inflation	3.00%	2.75%
Salary increases	General: 4.25% to 10.25% including inflation.	General 4.15% to 10.50% including inflation.
Discount rate	7.25%	7.00%
Healthcare trend	Non-Medicare: 7.00% graded to ultimate 4.50% over 10 years; Medicare: 6.50% graded to ultimate 4.50% over 8 years.	Non-Medicare: 6.75% graded to ultimate 4.50% over 9 years; Medicare: 6.25% graded to ultimate 4.50% over 7 years.

See note to the required supplementary information

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2020
(In Thousands)

	Original Budget	Final Budget	Actual
Revenues:			
Taxes	$ 1,265,801	1,272,914	1,288,900
Licenses, permits and franchise fees	45,810	45,811	43,208
Fines, forfeitures and penalties	45,765	45,765	41,719
Revenue from use of money and property	36,666	36,666	62,791
Aid from other governmental agencies:			
State	1,403,432	1,425,396	1,455,841
Federal	853,244	922,503	867,672
Other	99,461	99,461	125,119
Charges for current services	410,269	413,248	383,503
Other	53,625	76,528	35,743
Total revenues	4,214,073	4,338,292	4,304,496
Expenditures:			
Current:			
General government:			
Assessor/recorder/county clerk - finance	51,680	51,154	46,465
Auditor and controller	27,102	25,471	25,506
Auditor and controller - information technology management services	12,819	14,447	9,027
Board of supervisors district #1	1,656	1,856	1,607
Board of supervisors district #2	1,814	1,932	1,728
Board of supervisors district #3	1,517	1,717	1,468
Board of supervisors district #4	1,814	2,014	1,829
Board of supervisors district #5	1,906	2,030	1,902
Board of supervisors general office	1,276	1,276	1,268
Chief administrative office - legislative and administrative	5,956	5,955	5,517
Civil service commission	565	565	538
Clerk of the board of supervisors - legislative and administrative	4,362	4,346	4,068
Community enhancement	5,706	5,706	5,683
Community projects	10,844	10,970	9,345
County communications office	3,535	3,543	3,061
County counsel	30,466	30,466	28,418
County technology office	11,077	11,077	6,487
Countywide general expense	110,585	237,340	77,682
Finance and general government - legislative and administrative	11,850	10,603	3,665
Finance and general government - other general	25,426	25,595	4,512
Finance and general government group - CAC major maintenance	8,761	8,919	6,915
Finance and general government group - finance	5,726	5,726	3,465
Health and human services - legislative and administrative	174	174	154
Human resources - other general government	6,605	6,605	5,236
Human resources - personnel	24,112	24,113	21,365
Land use and environment - legislative and administrative	8,761	8,761	4,129
Lease payments - bonds	550	550	11
Public safety - legislative and administrative	22,009	21,222	10,109
Registrar of voters	22,409	35,351	36,303
Treasurer - tax collector	23,069	23,069	19,781
Total general government	444,132	582,553	347,244

Continued on next page

See note to the required supplementary information

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2020
(In Thousands)
(Continued)

	Original Budget	Final Budget	Actual
Public protection:			
Agriculture, weights and measures	21,979	22,412	17,909
Agriculture, weights and measures - sealer	5,140	4,844	4,869
Assessor/recorder/county clerk - other protection	23,438	23,436	17,872
Child support	47,590	47,495	42,266
Citizens law enforcement review board	984	984	933
Contributions for trial courts	67,275	67,275	66,914
Department of animal services	8,800	8,703	8,156
District attorney - judicial	204,592	204,959	200,078
Fire protection, Office of emergency services	49,712	47,306	42,423
Grand jury	803	803	559
Local agency formation commission administration	487	487	487
Medical examiner	11,311	11,321	11,269
Office of emergency services	8,501	9,361	7,817
Penalty Assessment	3,129	3,129	
Planning and development services	70,667	71,414	44,825
Probation - detention and correction	164,503	164,312	151,180
Probation - juvenile detention	47,198	46,669	45,432
Public defender	94,305	92,642	89,378
Public works, flood control, soil and water, general	46,885	44,603	18,928
Sheriff - adult detention	315,697	314,950	315,653
Sheriff - detention and correction	5,764	5,757	5,238
Sheriff - other protection	3,505	3,509	2,851
Sheriff - police protection	589,054	605,458	546,504
Total public protection	1,791,319	1,801,829	1,641,541
Public ways and facilities:			
Public works, dept of gen	308	55	23
Public works, general - public ways	6,213	9,525	6,449
Total public ways and facilities	6,521	9,580	6,472
Health and sanitation:			
Environmental health	53,368	54,448	42,727
Health and human services agency - drug and alcohol abuse services	186,849	166,073	145,396
Health and human services agency - health	221,235	235,751	201,248
Health and human services agency - health administration	1,399	1,399	1,084
Health and human services agency - medical care	59,295	63,442	56,820
Health and human services agency - mental health	484,145	502,149	472,748
Public works, general - sanitation	200	199	158
Total health and sanitation	1,006,491	1,023,461	920,181

Continued on next page

See note to the required supplementary information

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2020

(In Thousands)

(Continued)	Original Budget	Final Budget	Actual
Public assistance:			
Health and human services agency - medical services	7,494	7,494	6,741
Health and human services agency - other assistance	411,131	443,822	338,729
Health and human services agency - social administration	879,397	885,457	865,452
Health and human services agency - veterans' services	3,801	3,801	3,626
Probation - care of court wards	19,014	19,015	20,542
Total public assistance	1,320,837	1,359,589	1,235,090
Education:			
Agriculture, weights and measures	1,381	1,381	1,322
Total education	1,381	1,381	1,322
Recreation and cultural:			
Parks and recreation	59,594	59,582	43,876
Total recreation and cultural	59,594	59,582	43,876
Capital outlay	115,739	113,455	67,904
Debt service:			
Principal	16,217	16,230	16,175
Interest	11,284	12,660	12,626
Payment to refunded bond escrow agent	5,931	5,931	5,931
Total expenditures	4,779,446	4,986,251	4,298,362
Excess (deficiency) of revenues over (under) expenditures	(565,373)	(647,959)	6,134
Other financing sources (uses):			
Sale of capital assets			997
Issuance of capital lease:			
Face value of capital leases			217
Transfers in	357,340	357,339	307,214
Transfers out	(758,031)	(818,408)	(270,454)
Total other financing sources (uses)	(400,691)	(461,069)	37,974
Net change in fund balances	(966,064)	(1,109,028)	44,108
Fund balances at the beginning of year	2,424,065	2,424,065	2,424,065
Increase (decrease) in nonspendable inventories		323	323
Fund balances at end of year	$ 1,458,001	1,315,360	2,468,496

See note to the required supplementary information

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

PUBLIC SAFETY FUND

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property				56
Aid from other governmental agencies:				
State	$	291,130	291,130	286,042
Total revenues		291,130	291,130	286,098
Excess (deficiency) of revenues over (under) expenditures		291,130	291,130	286,098
Other financing sources (uses):				
Transfers out		(325,528)	(326,468)	(294,254)
Total other financing sources (uses)		(325,528)	(326,468)	(294,254)
Net change in fund balances		(34,398)	(35,338)	(8,156)
Fund balances at beginning of year		67,717	67,717	67,717
Fund balances at end of year	$	33,319	32,379	59,561

See note to the required supplementary information

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

TOBACCO ENDOWMENT FUND

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	1,900	1,900	11,658
Total revenues		1,900	1,900	11,658
Expenditures:				
Current:				
General government:				
Tobacco settlement		200	200	190
Total general government		200	200	190
Total expenditures		200	200	190
Excess (deficiency) of revenues over (under) expenditures		1,700	1,700	11,468
Other financing sources (uses):				
Transfers out		(6,000)	(6,000)	(6,000)
Total other financing sources (uses)		(6,000)	(6,000)	(6,000)
Net change in fund balances		(4,300)	(4,300)	5,468
Fund balances at beginning of year		299,868	299,868	299,868
Fund balances at end of year	$	295,568	295,568	305,336

See note to the required supplementary information

Budgetary Information

General Budget Policies

An operating budget is adopted each fiscal year by the Board of Supervisors for the governmental funds. The annual resolution adopts the budget at the object level of expenditures within departments. Annual budgets are not required to be adopted for the Tobacco Securitization Joint Special Revenue Fund; and the Debt Service and Capital Projects Funds (other governmental funds). Certain annual appropriations are budgeted on a project or program basis. If such projects or programs are not completed at the end of the fiscal year, unexpended appropriations, including encumbered funds, are carried forward to the following year with the approval of the Board of Supervisors.

Appropriations may also be adjusted during the year with the approval of the Board of Supervisors. Additionally, the County Budget Act authorizes the Chief Administrative Officer (CAO) and/or Auditor and Controller to approve transfers within a department as long as overall appropriations of the department are not increased. Such adjustments are reflected in the final budgetary data. Accordingly, the legal level of budgetary control by the Board of Supervisors is the department level.

The schedule of revenues, expenditures, and changes in fund balance - budget and actual for the General Fund, Public Safety Fund and the Tobacco Endowment Fund that is presented as Required Supplementary Information was prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

The Original Budget consists of the adopted budget plus the budget carried forward from the prior fiscal year. Accordingly, encumbrances that are subject to automatic re-appropriation are included as part of the original budget. The County adopts its budget by June 30 of the prior fiscal year. The final budget includes the original budget plus amended budget changes occurring during the fiscal year.

The Actual column represents the actual amounts of revenue, expenditures, and other financing sources and uses reported on a GAAP basis which is the same basis that is used to present the aforementioned original and final budget.

Combining and Individual Fund Information and Other Supplementary Information

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Air Pollution Fund

This fund was established to provide for control of air pollution from motor vehicles and other sources in order to attain health based air quality standards. Revenue sources include license and permit fees, fines, state and federal funds, charges to property owners and vehicle registration fees. This fund is restricted for air pollution activities.

Asset Forfeiture Program Fund

This fund was established to account for the proceeds of assets that were seized and forfeited by federal and state agencies participating in asset forfeiture programs. These programs are law enforcement initiatives that recover assets used in criminal activities and redirects such assets and the investment income derived therefrom to the support of crime victims and local law enforcement initiatives. This fund is restricted for law enforcement.

Community Facilities District Funds - Other

These funds were established to provide services such as fire protection and suppression, emergency response, operation and maintenance of the facilities, and flood control to citizens residing within that specific district. CFDs are funded by special taxes levied on citizens residing within the district. These funds are restricted for fire protection and suppression, emergency response, operation and maintenance of facilities, and flood control.

County Library Fund

This fund was established to provide library services for the unincorporated area as well as 11 of the incorporated cities within the county. Property taxes provide most of the fund's revenues; aid from other governmental agencies, grants and revenues from library services provide the remaining principal revenues. This fund is restricted for library services.

County Low and Moderate Income Housing Asset Fund

Pursuant to Health and Safety Code 34176, the County elected to assume the housing functions of the housing assets of the former San Diego County Redevelopment Agency, along with the related rights, powers, liabilities, duties and obligations. As a result, this fund was created on February 1, 2012, and the use of this fund is restricted for housing activities.

County Service District Funds

These special district funds were established to provide authorized services such as road, park, lighting maintenance, fire protection or ambulance service to specific areas in the county. They are financed by ad valorem property taxes in the area benefited or by special assessments levied on specific properties. They also derive revenue from cities and from services provided to property owners. This fund is restricted for road, park lighting maintenance, fire protection and ambulance services.

Edgemoor Development Fund

This fund was established pursuant to Board Policy F-38, which provides guidelines for the use, development and disposition of the County's 326 acres of property located in the City of Santee, known as the Edgemoor Property. Revenues are derived from the sale or lease of land within the Edgemoor property, and these revenues are to be used for the reconstruction of the Edgemoor Skilled Nursing Facility. A portion of these reconstruction costs include an annual transfer to reimburse the General Fund for annual lease payments associated with the 2014 Edgemoor Refunding COPs which refunded the 2005 and 2006 Edgemoor COPs. Those COPs were used to fund the redevelopment of the Edgemoor Skilled Nursing Facility, which was completed in 2009. The federal reimbursements with the SB 1128 program are also deposited into this fund. This fund is restricted for Edgemoor development.

Flood Control District Fund

This fund was established to account for revenues and expenditures related to providing flood control in the county. It is financed primarily by ad valorem property taxes. This fund is restricted for flood control future drainage improvements.

Harmony Grove Community Facilities District Fund

This fund was established to account for services provided such as fire protection, emergency response, street improvements, flood control, street lighting, and the maintenance and operation of parks for the citizens of Harmony Grove Village. It is financed by special taxes levied on the citizens residing within the district. This fund is restricted for the maintenance and operation of parks and recreation services, fire protection services, emergency response, street improvements, street lighting, and flood control service.

Housing Authority - Low and Moderate Income Housing Asset Fund

Pursuant to Health and Safety Code (HSC) 34176 (b) and (b)(2), the City of Santee elected to transfer the housing functions of the Successor Agency to the Community Development Commission of the City of Santee, to the County of San Diego Housing Authority (Housing Authority). This fund was created in fiscal year 2013-14 and the use of this fund is restricted for housing activities.

Housing Authority - Other Fund

This fund was established to account for revenues and expenditures of programs administered by the Housing Authority. These programs assist individuals and families to reside in decent, safe, and sanitary housing. The U.S. Department of Housing and Urban Development (HUD) provides the majority of the funding for the Housing Authority's program expenditures.

In Home Supportive Services Public Authority Fund (IHSSPA)

This authority was established for the administration of the IHSSPA registry, investigation of the qualifications and background of potential registry personnel, referral of registry personnel to IHSSPA recipients and the provision for training of providers and recipients. The authority is funded by the State's social services realignment fund, federal and state programs. The monies are initially deposited into the County's General Fund, and transferred to the IHSSPA fund. This fund is restricted for in home supportive services.

Inactive Wastesites Fund

This fund was established to receive one-time homeowner association deposits and residual funds from the sale of the County's Solid Waste System. Expenditures include repairs, maintenance and care for the County's inactive landfill sites in accordance with all applicable governmental regulations, laws and guidelines. This fund is committed to landfill postclosure and inactive landfill maintenance.

Inmate Welfare Program Fund

This fund was established to receive telephone and other vending commissions and profits from stores operated in connection with the County jails. Fund expenditures, by law, must be solely for the benefit, education and welfare of confined inmates. This fund is restricted for the benefit, education, and welfare of jail inmates.

Lighting Maintenance District Fund

This fund was established to provide street and road lighting services to specified areas of the county. Revenue sources include ad valorem taxes, benefit fees, state funding and charges to property owners. This fund is restricted for street and road lighting maintenance.

Other Special Revenue Funds

These funds were established to receive user fees, land lease revenues and fines. The activities (expenditures) of this fund are restricted for retracement or remonument surveys, improvements for grazing lands, wildlife propagation and aviation purposes capital improvements and repairs, contracts administration, data collection, analysis and reporting, and responding to complaints regarding trash and trash haulers in unincorporated areas.

Park Land Dedication Fund

This fund was established to receive and expend special park land dedication fees from developers of land as a condition for approval of any development. The fees may be used for the purchase of land and the development of land for active park or recreational facilities. These facilities serve the future residents of such developments and the greater county at large. In lieu of the payment of these fees, the developer may dedicate land for active park or recreational facilities.

This fund is restricted, as per the Park Land Dedication Ordinance, to developing new or rehabilitating existing neighborhood or community park or recreational facilities.

Road Fund

This fund was established to provide for maintenance and construction of roadways and for specialized engineering services to other governmental units and the public. Revenues consist primarily of the County's share of state highway user taxes and are supplemented by federal funds, vehicle code fines, and fees and reimbursements for engineering services provided. This fund is restricted for future road improvements.

Tobacco Securitization Joint Special Revenue Fund

The Tobacco Securitization Joint Special Revenue Fund accounts for the transactions of the San Diego County Tobacco Asset Securitization Corporation and Tobacco Securitization Authority of Southern California, two component units, that are blended into the County's financial statements. This fund is funded by restricted tobacco settlement revenues.

DEBT SERVICE FUNDS

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated.

Pension Obligation Bonds Fund

This fund receives payments from the County and other agencies for payment of principal and interest due on taxable pension obligation bonds. The debt issue was used to satisfy the County's requirement to amortize the unfunded actuarial accrued liability with respect to retirement benefits accruing to members of the San Diego County Employees Retirement Association. This fund is restricted for debt service.

San Diego Regional Building Authority Fund

This fund receives interest on monies invested in permissible investments as directed by each San Diego Regional Building Authority (SDRBA) financing's Trust indenture. Debt service payments made in this fund also include payments not accounted for in the County's General Fund related to SDRBA debt issuances; and are secured by interest earnings on the aforementioned permissible investments. This fund is restricted for debt service.

SANCAL Fund

This fund receives interest on monies invested in permissible investments as directed by each San Diego County Capital Asset Leasing Corporation (SANCAL) financing's Trust indenture. Debt service payments made in this fund are secured by the aforementioned interest earnings and represent payments not accounted for in the County's General Fund related to SANCAL debt issuances. This fund is restricted for debt service.

CAPITAL PROJECTS FUND

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Capital Outlay Fund

This fund is used exclusively to finance the acquisition, construction and completion of permanent public improvements, including public buildings; and for the costs of acquiring land and permanent improvements. Revenues are obtained from grants; and contributions from other funds when approved by the Board of Supervisors. This fund is committed to capital projects.

Harmony Grove Community Facilities District Fund

This fund is used to account for expenditures of the Harmony Grove Village Special Tax A revenues and the proceeds from the sale of special tax bonds of the Harmony Grove Community Facilities District No. 2008-01. The monies are used to reimburse the developer for the construction of facilities in the Harmony Grove Community Facilities District Improvement Areas 1 and 2. The fund is restricted for capital projects per the debt covenant.

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020
(In Thousands)

		Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS					
Pooled cash and investments	$	521,363	15,047	18,852	555,262
Receivables, net		106,699	70	2,560	109,329
Property taxes receivables, net		651			651
Due from other funds		2,141		14,531	16,672
Inventories		1,424			1,424
Deposits with others		8			8
Prepaid items		442			442
Restricted assets:					
Cash with fiscal agents		404			404
Investments with fiscal agents		44,449	54	9,861	54,364
Total assets		677,581	15,171	45,804	738,556
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable		15,503		14,756	30,259
Accrued payroll		2,144			2,144
Due to other funds		14,116	53	20,837	35,006
Unearned revenue		50,930		350	51,280
Total liabilities		82,693	53	35,943	118,689
DEFERRED INFLOW OF RESOURCES					
Non-pension:					
Property taxes received in advance		495			495
Unavailable revenue		82,297			82,297
Total deferred inflows of resources		82,792			82,792
FUND BALANCES					
Nonspendable:					
Not in spendable form:					
Loans, due from other funds and prepaids		4,327			4,327
Inventories and deposits with others		1,432			1,432
Restricted for:					
Creditors - Debt service		34,870	15,118		49,988
Creditors - Capital projects				9,861	9,861
Grantors - Housing assistance		13,473			13,473
Laws or regulations of other governments:					
Future road improvements		162,707			162,707
Fund purpose		173,985			173,985
Other purposes		27,182			27,182
Committed to:					
Roadway major maintenance and safety projects		28,000			28,000
Landfill closure, postclosure and landfill maintenance		62,448			62,448
Assigned to:					
Legislative and administrative services		3,672			3,672
Total fund balances		512,096	15,118	9,861	537,075
Total liabilities, deferred inflows of resources and fund balances	$	677,581	15,171	45,804	738,556

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2020
(In Thousands)

	Air Pollution Fund	Asset Forfeiture Program Fund	Community Facilities District Funds - Other	County Library Fund	County Low and Moderate Income Housing Asset Fund
ASSETS					
Pooled cash and investments	$ 71,024	10,586	3,138	19,264	315
Receivables, net	3,629	43	15	281	4,618
Property taxes receivables, net			17	490	
Due from other funds	1			609	468
Inventories	284	70		3	
Deposits with others					
Prepaid items					3
Restricted assets:					
Cash with fiscal agents					
Investments with fiscal agents					
Total assets	74,938	10,699	3,170	20,647	5,404
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	363	109	12	904	
Accrued payroll	455			620	
Due to other funds	595	52	2	1,054	
Unearned revenue	42,926	14	746	204	
Total liabilities	44,339	175	760	2,782	
DEFERRED INFLOWS OF RESOURCES					
Non-pension:					
Property taxes received in advance				374	
Unavailable revenue			16	513	1,201
Total deferred inflows of resources			16	887	1,201
FUND BALANCES					
Nonspendable:					
Not in spendable form:					
Loans, due from other funds and prepaids					3,888
Inventories and deposits with others	284	70		3	
Restricted for:					
Creditors - Debt service					
Grantors - Housing assistance					
Laws or regulations of other governments:					
Future road improvements					
Fund purpose	30,315	10,454	2,394	13,303	315
Other purposes					
Committed to:					
Roadway major maintenance and safety projects					
Landfill postclosure and landfill maintenance					
Assigned to:					
Legislative and administrative services				3,672	
Total fund balances	30,599	10,524	2,394	16,978	4,203
Total liabilities, deferred inflows of resources and fund balances	$ 74,938	10,699	3,170	20,647	5,404

Continued on next page

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2020
(In Thousands)

(Continued)		County Service District Funds	Edgemoor Development Fund	Flood Control District Fund	Harmony Grove Community Facilities District Fund	Housing Authority - Low and Moderate Income Housing Asset Fund
ASSETS						
Pooled cash and investments	$	37,916	28,873	27,091	797	588
Receivables, net		519	1,497	327	3	18,750
Property taxes receivables, net		69		60		
Due from other funds		15				
Inventories		86		28		
Deposits with others						
Prepaid items						
Restricted assets:						
Cash with fiscal agents						
Investments with fiscal agents					9,786	
Total assets		38,605	30,370	27,506	10,586	19,338
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable		2,225		85		
Accrued payroll						
Due to other funds		318	8,565	168		
Unearned revenue						560
Total liabilities		2,543	8,565	253		560
DEFERRED INFLOWS OF RESOURCES						
Non-pension:						
Property taxes received in advance		56		52		
Unavailable revenue		196		50		18,747
Total deferred inflows of resources		252		102		18,747
FUND BALANCES						
Nonspendable:						
Not in spendable form:						
Loans, due from other funds and prepaids						
Inventories and deposits with others		86		28		
Restricted for:						
Creditors - Debt service						
Grantors - Housing assistance						
Laws or regulations of other governments:						
Future road improvements						
Fund purpose		35,724	21,805		10,586	31
Other purposes				27,123		
Committed to:						
Roadway major maintenance and safety projects						
Landfill postclosure and landfill maintenance						
Assigned to:						
Legislative and administrative services						
Total fund balances		35,810	21,805	27,151	10,586	31
Total liabilities, deferred inflows of resources and fund balances	$	38,605	30,370	27,506	10,586	19,338

Continued on next page

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2020
(In Thousands)

(Continued)		Housing Authority - Other Fund	In Home Supportive Services Public Authority Fund	Inactive Wastesites Fund	Inmate Welfare Program Fund	Lighting Maintenance District Fund
ASSETS						
Pooled cash and investments	$	8,348	1,101	62,512	15,383	4,862
Receivables, net		6,483	16	331	63	18
Property taxes receivables, net						15
Due from other funds		30	195	2	640	
Inventories					255	76
Deposits with others		8				
Prepaid items		1				
Restricted assets:						
Cash with fiscal agents		404				
Investments with fiscal agents						
Total assets		15,274	1,312	62,845	16,341	4,971
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable		466	180	318	400	89
Accrued payroll				41		
Due to other funds		903	1,030	38	896	11
Unearned revenue		147				
Total liabilities		1,516	1,210	397	1,296	100
DEFERRED INFLOWS OF RESOURCES						
Non-pension:						
Property taxes received in advance						13
Unavailable revenue						13
Total deferred inflows of resources						26
FUND BALANCES						
Nonspendable:						
Not in spendable form:						
Loans, due from other funds and prepaids		1				
Inventories and deposits with others		8			255	76
Restricted for:						
Creditors - Debt service		217				
Grantors - Housing assistance		13,473				
Laws or regulations of other governments:						
Future road improvements						
Fund purpose			102		14,790	4,769
Other purposes		59				
Committed to:						
Roadway major maintenance and safety projects						
Landfill postclosure and landfill maintenance				62,448		
Assigned to:						
Legislative and administrative services						
Total fund balances		13,758	102	62,448	15,045	4,845
Total liabilities, deferred inflows of resources and fund balances	$	15,274	1,312	62,845	16,341	4,971

Continued on next page

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2020
(In Thousands)

(Continued)		Other Special Revenue Funds	Park Land Dedication Fund	Road Fund	Tobacco Securitization Joint Special Revenue Fund	Total Special Revenue Funds
ASSETS						
Pooled cash and investments	$	4,898	24,374	200,293		521,363
Receivables, net		543	97	54,395	15,071	106,699
Property taxes receivables, net						651
Due from other funds		9		172		2,141
Inventories				622		1,424
Deposits with others						8
Prepaid items				438		442
Restricted assets:						
Cash with fiscal agents						404
Investments with fiscal agents					34,663	44,449
Total assets		5,450	24,471	255,920	49,734	677,581
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable		132		10,208	12	15,503
Accrued payroll		18		1,010		2,144
Due to other funds		51	78	355		14,116
Unearned revenue		245		6,088		50,930
Total liabilities		446	78	17,661	12	82,693
DEFERRED INFLOWS OF RESOURCES						
Non-pension:						
Property taxes received in advance						495
Unavailable revenue				46,492	15,069	82,297
Total deferred inflows of resources				46,492	15,069	82,792
FUND BALANCES						
Nonspendable:						
Not in spendable form:						
Loans, due from other funds and prepaids				438		4,327
Inventories and deposits with others				622		1,432
Restricted for:						
Creditors - Debt service					34,653	34,870
Grantors - Housing assistance						13,473
Laws or regulations of other governments:						
Future road improvements				162,707		162,707
Fund purpose		5,004	24,393			173,985
Other purposes						27,182
Committed to:						
Roadway major maintenance and safety projects				28,000		28,000
Landfill postclosure and landfill maintenance						62,448
Assigned to:						
Legislative and administrative services						3,672
Total fund balances		5,004	24,393	191,767	34,653	512,096
Total liabilities, deferred inflows of resources and fund balances	$	5,450	24,471	255,920	49,734	677,581

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DEBT SERVICE FUNDS
June 30, 2020
(In Thousands)

		Pension Obligation Bonds Fund	San Diego Regional Building Authority Fund	SANCAL Fund	Total Debt Service Funds
ASSETS					
Pooled cash and investments	$	1,367	4,642	9,038	15,047
Receivables, net		6	26	38	70
Restricted assets:					
Investments with fiscal agents		25		29	54
Total assets		1,398	4,668	9,105	15,171
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Due to other funds		53			53
Total liabilities		53			53
FUND BALANCES					
Restricted for:					
Creditors - Debt service		1,345	4,668	9,105	15,118
Total Fund Balance		1,345	4,668	9,105	15,118
Total liabilities, deferred inflows of resources and fund balances	$	1,398	4,668	9,105	15,171

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
June 30, 2020
(In Thousands)

	Capital Outlay Fund	Harmony Grove Community Facilities District Fund	Total Capital Projects Funds
ASSETS			
Pooled cash and investments	$ 18,852		18,852
Receivables, net	2,560		2,560
Due from other funds	14,531		14,531
Restricted assets:			
Investment with fiscal agents		9,861	9,861
Total assets	35,943	9,861	45,804
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	14,756		14,756
Due to other funds	20,837		20,837
Unearned revenue	350		350
Total liabilities	35,943		35,943
FUND BALANCES			
Restricted for:			
Creditors - Capital projects		9,861	9,861
Total fund balances		9,861	9,861
Total liabilities, deferred inflows of resources and fund balances	$ 35,943	9,861	45,804

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2020

(In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	$ 55,569			55,569
Licenses, permits and franchise fees	16,455			16,455
Fines, forfeitures and penalties	2,690			2,690
Revenue from use of money and property	21,188	2,174		23,362
Aid from other governmental agencies:				
State	122,579		1,819	124,398
Federal	159,896		1,774	161,670
Other	22,863		10,002	32,865
Charges for current services	68,615		10,600	79,215
Other	38,014	5,215	6,641	49,870
Total revenues	507,869	7,389	30,836	546,094
Expenditures:				
Current:				
General government	573	2,287	3,202	6,062
Public protection	11,317			11,317
Public ways and facilities	102,231			102,231
Health and sanitation	53,703			53,703
Public assistance	189,200			189,200
Education	45,249			45,249
Recreation and cultural	2,205			2,205
Capital outlay	60,412		144,208	204,620
Debt service:				
Principal	28,788	53,580		82,368
Interest	30,849	29,287		60,136
Bond issuance costs	3,075	340		3,415
Payment to refunded bond escrow agent	19,622	4,990		24,612
Total expenditures	547,224	90,484	147,410	785,118
Excess (deficiency) of revenues over (under) expenditures	(39,355)	(83,095)	(116,574)	(239,024)
Other financing sources (uses):				
Sale of capital assets	10,560			10,560
Issuance of bonds and loans:				
Premium on issuance of refunding bonds	63,492	2,555		66,047
Refunding bonds issued	405,964	19,450		425,414
Payment to refunded bond escrow agent	(428,490)	(21,637)		(450,127)
Transfers in	69,169	75,685	126,435	271,289
Transfers out	(25,002)			(25,002)
Total other financing sources (uses)	95,693	76,053	126,435	298,181
Net change in fund balances	56,338	(7,042)	9,861	59,157
Fund balances at beginning of year	455,668	22,160		477,828
Increase (decrease) in nonspendable inventories	90			90
Fund balances at end of year	$ 512,096	15,118	9,861	537,075

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2020
(In Thousands)

	Air Pollution Fund	Asset Forfeiture Program Fund	Community Facilities District Funds Other	County Library Fund	County Low and Moderate Income Housing Asset Fund
Revenues:					
Taxes			1,407	39,678	
Licenses, permits and franchise fees	$ 7,118				
Fines, forfeitures and penalties	1,441	1,142	2		
Revenue from use of money and property	2,086	391	106	549	20
Aid from other governmental agencies:					
State	10,528			520	
Federal	2,519	1,569		611	
Other	11,376			7,092	
Charges for current services	969		241	1,073	
Other	145		55	833	7
Total revenues	36,182	3,102	1,811	50,356	27
Expenditures:					
Current:					
General government					
Public protection		216	900		
Public ways and facilities					
Health and sanitation	32,600				
Public assistance					11
Education				45,249	
Recreation and cultural			33		
Capital outlay	1,079	107		175	
Debt service:					
Principal					
Interest					
Bond issuance costs					
Payment to refunded bond escrow agent					
Total expenditures	33,679	323	933	45,424	11
Excess (deficiency) of revenues over (under) expenditures	2,503	2,779	878	4,932	16
Other financing sources (uses):					
Sale of capital assets	13	2			
Issuance of bonds and loans:					
Premium on issuance of refunding bonds					
Refunding bonds issued					
Payment to refunded bond escrow agent					
Transfers in				390	
Transfers out	(765)	(3,920)	(41)	(2,997)	
Total other financing sources (uses)	(752)	(3,918)	(41)	(2,607)	
Net change in fund balances	1,751	(1,139)	837	2,325	16
Fund balances at beginning of year	28,764	11,692	1,557	14,660	4,187
Increase (decrease) in nonspendable inventories	84	(29)		(7)	
Fund balances at end of year	$ 30,599	10,524	2,394	16,978	4,203

Continued on next page

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2020
(In Thousands)

(Continued)	County Service District Funds	Edgemoor Development Fund	Flood Control District Fund	Harmony Grove Community Facilities District Fund	Housing Authority - Low and Moderate Income Housing Asset Fund
Revenues:					
Taxes	$ 7,072		5,443	636	
Licenses, permits and franchise fees					
Fines, forfeitures and penalties					
Revenue from use of money and property	1,341	1,256	704	82	19
Aid from other governmental agencies:					
State	351		34		
Federal	254	1,378			
Other	4,259		134		
Charges for current services	9,263		1,453	27,627	
Other	2,300		1		
Total revenues	24,840	2,634	7,769	28,345	19
Expenditures:					
Current:					
General government	281	90			
Public protection	2,789		4,504		
Public ways and facilities	1,387			18,270	
Health and sanitation	13,831				
Public assistance					
Education					
Recreation and cultural	2,065				
Capital outlay			484		
Debt service:					
Principal					
Interest					
Bond issuance costs					
Payment to refunded bond escrow agent					
Total expenditures	20,353	90	4,988	18,270	
Excess (deficiency) of revenues over (under) expenditures	4,487	2,544	2,781	10,075	19
Other financing sources (uses):					
Sale of capital assets		10,545			
Issuance of bonds and loans:					
Premium on issuance of refunding bonds					
Refunding bonds issued					
Payment to refunded bond escrow agent					
Transfers in	12		105		
Transfers out	(2,151)	(8,565)			
Total other financing sources (uses)	(2,139)	1,980	105		
Net change in fund balances	2,348	4,524	2,886	10,075	19
Fund balances at beginning of year	33,466	17,281	24,267	511	12
Increase (decrease) in nonspendable inventories	(4)		(2)		
Fund balances at end of year	$ 35,810	21,805	27,151	10,586	31

Continued on next page

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2020
(In Thousands)

(Continued)	Housing Authority - Other Fund	In Home Supportive Services Public Authority Fund	Inactive Wastesites Fund	Inmate Welfare Program Fund	Lighting Maintenance District Fund
Revenues:					
Taxes					1,333
Licenses, permits and franchise fees					
Fines, forfeitures and penalties					
Revenue from use of money and property	$ 1,363	97	2,410	3,292	148
Aid from other governmental agencies:					
State					8
Federal	151,064				
Other					2
Charges for current services	2,930	1,569	229	1	1,624
Other	580			110	
Total revenues	155,937	1,666	2,639	3,403	3,115
Expenditures:					
Current:					
General government					
Public protection				2,893	
Public ways and facilities					1,396
Health and sanitation			5,311		
Public assistance	158,358	30,831			
Education					
Recreation and cultural					
Capital outlay				85	294
Debt service:					
Principal	151				158
Interest	13				9
Bond issuance costs					
Payment to refunded bond escrow agent					
Total expenditures	158,522	30,831	5,311	2,978	1,857
Excess (deficiency) of revenues over (under) expenditures	(2,585)	(29,165)	(2,672)	425	1,258
Other financing sources (uses):					
Sale of capital assets					
Issuance of bonds and loans:					
Premium on issuance of refunding bonds					
Refunding bonds issued					
Payment to refunded bond escrow agent					
Transfers in		29,180		3,010	
Transfers out	(645)		(462)	(3,235)	
Total other financing sources (uses)	(645)	29,180	(462)	(225)	
Net change in fund balances	(3,230)	15	(3,134)	200	1,258
Fund balances at beginning of year	16,988	87	65,582	14,841	3,535
Increase (decrease) in nonspendable inventories				4	52
Fund balances at end of year	$ 13,758	102	62,448	15,045	4,845

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COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2020
(In Thousands)

(Continued)	Other Special Revenue Funds	Park Land Dedication Fund	Road Fund	Tobacco Securitization Joint Special Revenue Fund	Total Special Revenue Funds
Revenues:					
Taxes					55,569
Licenses, permits and franchise fees		3,323	6,014		16,455
Fines, forfeitures and penalties	$ 105				2,690
Revenue from use of money and property	68	794	6,000	462	21,188
Aid from other governmental agencies:					
State	242		110,896		122,579
Federal	3		2,498		159,896
Other					22,863
Charges for current services	3,149		18,487		68,615
Other			3,540	30,443	38,014
Total revenues	3,567	4,117	147,435	30,905	507,869
Expenditures:					
Current:					
General government				202	573
Public protection	15				11,317
Public ways and facilities			81,178		102,231
Health and sanitation	1,961				53,703
Public assistance					189,200
Education					45,249
Recreation and cultural		107			2,205
Capital outlay			58,188		60,412
Debt service:					
Principal				28,479	28,788
Interest				30,827	30,849
Bond issuance costs				3,075	3,075
Payment to refunded bond escrow agent				19,622	19,622
Total expenditures	1,976	107	139,366	82,205	547,224
Excess (deficiency) of revenues over (under) expenditures	1,591	4,010	8,069	(51,300)	(39,355)
Other financing sources (uses):					
Sale of capital assets					10,560
Issuance of bonds and loans:					
Premium on issuance of refunding bonds				63,492	63,492
Refunding bonds issued				405,964	405,964
Payment to refunded bond escrow agent				(428,490)	(428,490)
Transfers in			36,472		69,169
Transfers out	(70)	(276)	(1,875)		(25,002)
Total other financing sources (uses)	(70)	(276)	34,597	40,966	95,693
Net change in fund balances	1,521	3,734	42,666	(10,334)	56,338
Fund balances at beginning of year	3,483	20,659	149,109	44,987	455,668
Increase (decrease) in nonspendable inventories			(8)		90
Fund balances at end of year	$ 5,004	24,393	191,767	34,653	512,096

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
DEBT SERVICE FUNDS
For the Year Ended June 30, 2020
(In Thousands)

		Pension Obligation Bonds Fund	San Diego Regional Building Authority Fund	SANCAL Fund	Total Debt Service Funds
Revenues:					
Revenue from use of money and property	$	393	1,138	643	2,174
Other		5,215			5,215
Total revenues		5,608	1,138	643	7,389
Expenditures:					
Current:					
General government			2,233	54	2,287
Debt service:					
Principal		52,725	855		53,580
Interest		28,729	211	347	29,287
Bond issuance costs				340	340
Payment to refunded bond escrow agent				4,990	4,990
Total expenditures		81,454	3,299	5,731	90,484
Excess (deficiency) of revenues over (under) expenditures		(75,846)	(2,161)	(5,088)	(83,095)
Other financing sources (uses):					
Issuance of bonds and loans:					
Premium on issuance of refunding bonds				2,555	2,555
Refunding bonds issued				19,450	19,450
Payment to refunded bond escrow agent				(21,637)	(21,637)
Transfers in		75,665	10	10	75,685
Total other financing sources (uses)		75,665	10	378	76,053
Net change in fund balances		(181)	(2,151)	(4,710)	(7,042)
Fund balances at beginning of year		1,526	6,819	13,815	22,160
Fund balances at end of year	$	1,345	4,668	9,105	15,118

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2020
(In Thousands)

	Capital Outlay Fund	Harmony Grove Community Facilities District Fund	Total Capital Projects Funds
Revenues:			
Aid from other governmental agencies:			
State	$ 1,819		1,819
Federal	1,774		1,774
Other	10,002		10,002
Charges for current services		10,600	10,600
Other	6,641		6,641
Total revenues	20,236	10,600	30,836
Expenditures:			
Current:			
General government	3,202		3,202
Capital outlay	143,469	739	144,208
Total expenditures	146,671	739	147,410
Excess (deficiency) of revenues over (under) expenditures	(126,435)	9,861	(116,574)
Other financing sources (uses):			
Transfers in	126,435		126,435
Total other financing sources (uses)	126,435		126,435
Net change in fund balances		9,861	9,861
Fund balances at end of year	$	9,861	9,861

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

AIR POLLUTION FUND

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Licenses, permits and franchise fees	$	8,580	8,580	7,118
Fines, forfeitures and penalties		1,030	1,030	1,441
Revenue from use of money and property		220	220	2,086
Aid from other governmental agencies:				
State		49,613	50,320	10,528
Federal		2,831	2,831	2,519
Other		11,305	11,305	11,376
Charges for current services		857	857	969
Other		30	30	145
Total revenues		74,466	75,173	36,182
Expenditures:				
Current:				
Health and sanitation:				
Air pollution control, air quality Farmer program		2,356	2,356	1,102
Air pollution control, air quality Proposition 1B GMER program		11,841	11,841	900
Air pollution control, air quality State AQIP program		1,445	1,483	1,426
Air pollution control, improvement trust		14,714	14,714	523
Air pollution control, moyer program		12,610	13,282	6,155
Air pollution control, operations		44,798	44,895	22,494
Total health and sanitation		87,764	88,571	32,600
Capital outlay		3,116	3,172	1,079
Total expenditures		90,880	91,743	33,679
Excess (deficiency) of revenues over (under) expenditures		(16,414)	(16,570)	2,503
Other financing sources (uses):				
Sale of capital assets				13
Transfers in		945	984	
Transfers out		(2,673)	(2,560)	(765)
Total other financing sources (uses)		(1,728)	(1,576)	(752)
Net change in fund balances		(18,142)	(18,146)	1,751
Fund balances at beginning of year		28,764	28,764	28,764
Increase (decrease) in nonspendable inventories			84	84
Fund balances at end of year	$	10,622	10,702	30,599

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ASSET FORFEITURE PROGRAM FUND

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Fines, forfeitures and penalties				1,142
Revenue from use of money and property				391
Aid from other governmental agencies:				
Federal				1,569
Total revenues				3,102
Expenditures:				
Current:				
Public protection:				
District attorney asset forfeiture program - federal	$	500	390	46
District attorney asset forfeiture program - state		100	100	44
District attorney asset forfeiture program - US Treasury		50	50	
Probation asset forfeiture program		103	103	69
Sheriff's asset forfeiture program		766	275	33
Sheriff's asset forfeiture State		80	80	24
Total public protection		1,599	998	216
Capital outlay		87	688	107
Total expenditures		1,686	1,686	323
Excess (deficiency) of revenues over (under) expenditures		(1,686)	(1,686)	2,779
Other financing sources (uses):				
Sale of capital assets				2
Transfers out		(6,315)	(6,315)	(3,920)
Total other financing sources (uses)		(6,315)	(6,315)	(3,918)
Net change in fund balances		(8,001)	(8,001)	(1,139)
Fund balances at beginning of year		11,692	11,692	11,692
Increase (decrease) in nonspendable inventories			(29)	(29)
Fund balances at end of year	$	3,691	3,662	10,524

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COMMUNITY FACILITIES DISTRICT FUNDS - OTHER

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	386	386	1,407
Fines, forfeitures and penalties				2
Revenue from use of money and property		1	1	106
Charges for current services		897	897	241
Other		304	304	55
Total revenues		1,588	1,588	1,811
Expenditures:				
Current:				
Public protection:				
CSA 135 CFD 04-1 Special Tax A		8	8	
CSA 135 E Otay Mesa CFD 09-1 Special Tax A		130	130	80
CSA 135 E Otay Mesa CFD 09-1 Special Tax B		760	760	750
Horse Creek Ridge CFD 13-01 Special Tax C		162	162	70
Total public protection		1,060	1,060	900
Recreation and cultural:				
Horse Creek Ridge CFD 13-01 Interim		132	132	33
Horse Creek Ridge CFD 13-01 Special Tax A		224	224	
Total recreation and cultural		356	356	33
Total expenditures		1,416	1,416	933
Excess (deficiency) of revenues over (under) expenditures		172	172	878
Other financing sources (uses):				
Transfers out		(180)	(180)	(41)
Total other financing sources (uses)		(180)	(180)	(41)
Net change in fund balances		(8)	(8)	837
Fund balances at the beginning of the year		1,557	1,557	1,557
Fund balances at end of the year	$	1,549	1,549	2,394

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COUNTY LIBRARY FUND

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	37,730	37,730	39,678
Revenue from use of money and property		105	105	549
Aid from other governmental agencies:				
State		267	851	520
Federal				611
Other		3,207	3,243	7,092
Charges for current services		1,138	1,138	1,073
Other		554	554	833
Total revenues		43,001	43,621	50,356
Expenditures:				
Current:				
Education:				
County library		50,186	50,092	45,249
Total education		50,186	50,092	45,249
Capital outlay		2,009	2,009	175
Total expenditures		52,195	52,101	45,424
Excess (deficiency) of revenues over (under) expenditures		(9,194)	(8,480)	4,932
Other financing sources (uses):				
Transfer In			390	390
Transfers out		(3,736)	(4,840)	(2,997)
Total other financing sources (uses)		(3,736)	(4,450)	(2,607)
Net change in fund balances		(12,930)	(12,930)	2,325
Fund balances at beginning of year		14,660	14,660	14,660
Increase (decrease) in nonspendable inventories			(7)	(7)
Fund balances at end of year	$	1,730	1,723	16,978

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COUNTY LOW AND MODERATE INCOME HOUSING ASSET FUND

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	5	5	20
Other		7	7	7
Total revenues		12	12	27
Expenditures:				
Current:				
Public assistance:				
CSHAF Gillespie housing		10	10	10
CSHAF USDRIP housing		4	4	1
Total public assistance		14	14	11
Total expenditures		14	14	11
Excess (deficiency) of revenues over (under) expenditures		(2)	(2)	16
Net change in fund balances		(2)	(2)	16
Fund balances at beginning of year		4,187	4,187	4,187
Fund balances at end of year	$	4,185	4,185	4,203

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COUNTY SERVICE DISTRICT FUNDS

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	5,816	5,815	7,072
Revenue from use of money and property		476	474	1,341
Aid from other governmental agencies:				
State		18	18	351
Federal		900	900	254
Other		4,292	4,292	4,259
Charges for current services		9,799	9,822	9,263
Other		297	297	2,300
Total revenues		21,598	21,618	24,840
Expenditures:				
Current:				
General government:				
CSA 135 Zone B Del Mar Regional Communication System		53	53	50
CSA 135 Zone F Poway Regional Communication System		169	169	158
CSA 135 Zone G San Marcos Regional Communication System			2	2
CSA 135 Zone H Solana Beach Regional Communication System		64	64	63
CSA 135 Zone K Borrego Springs Regional Communication System		8	8	8
Total general government		294	296	281
Public protection:				
CSA 135 EMS fire protection		2,556	2,556	2,279
CSA 135 Mt Laguna fire med service zone		17	17	10
CSA 135 Palomar Mt fire med service zone		60	60	39
CSA 135 San Pasqual fire med service zone		43	43	
CSA 135 Descanso fire med service zone		54	54	36
CSA 135 Dulzura fire med service zone		12	12	13
CSA 135 Tecate fire med service zone		12	12	12
CSA 135 Potrero fire med service zone		16	16	15
CSA 135 Jacumba fire med service zone		17	17	16
CSA 135 Rural West fire med service zone		370	370	369
Total public protection		3,157	3,157	2,789
Public ways and facilities:				
PRD 6 Pauma Valley		235	235	69
PRD 8 Magee RD-PALA		233	233	17
PRD 9 B Santa Fe		102	102	3
PRD 10 Davis Dr		11	11	3
PRD 11 A Bernardo RD		82	82	64
PRD 11 C Bernardo RD		4	4	1
PRD 11 D Bernardo RD		42	41	27
PRD 12 Lomair		107	107	13
PRD 13 A Pala Mesa		160	160	53
PRD 13 B Stewart Canyon		22	22	9
PRD 16 Wynola		120	120	8
PRD 18 Harrison Park		255	255	56
PRD 20 Daily Road	$	213	213	152

Continued on next page

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COUNTY SERVICE DISTRICT FUNDS

For the Year Ended June 30, 2020
(In Thousands)
(Continued)

	Original Budget	Final Budget	Actual
PRD 21 Pauma Heights	$ 574	574	27
PRD 22 W Dougherty St	6	6	4
PRD 23 Rock Terrace RD	24	24	3
PRD 24 MT Whitney RD	53	53	3
PRD 30 Royal Oaks-Carroll	38	38	3
PRD 38 Gay Rio Terrace	33	33	4
PRD 45 Rincon Springs	22	22	4
PRD 46 Rocoso Road	18	18	8
PRD 49 Sunset Knolls Road	48	48	4
PRD 50 Knoll Park Lane	60	60	3
PRD 53 Knoll Park Lane EX	181	181	6
PRD 54 Mt Helix	154	154	9
PRD 55 Rainbow Crest	382	382	23
PRD 60 River Drive	99	99	7
PRD 61 Green Meadow Way	156	156	4
PRD 63 Hillview Road	293	293	4
PRD 70 El Camino Corto	18	18	2
PRD 75 A Gay Rio Drive	213	213	7
PRD 75 B Gay Rio Drive	304	304	8
PRD 76 Kingford Ct	66	66	5
PRD 77 Montiel Truck Trail	144	144	22
PRD 78 Gardena Way	63	63	2
PRD 80 Harris Truck Trail	179	179	7
PRD 88 East Fifth St	21	21	2
PRD 90 South Cordoba	50	50	42
PRD 94 Roble Grande Road	469	469	56
PRD 95 Valle Del Sol	189	189	5
PRD 99 Via Allondra Del Corvo	27	27	5
PRD 100 Viejas Lane View	30	30	
PRD 101 A Hi Ridge Rd	10	10	5
PRD 101 Johnson Lake	47	36	2
PRD 102 Mtn Meadow	209	209	141
PRD 103 Alto Drive	213	213	9
PRD 104 Artesian Rd	114	114	7
PRD 105 A Alta Loma Dr	85	85	4
PRD 105 Alta Loma Dr	63	63	4
PRD 106 Garrison Way ET AL	20	20	2
PRD 117 Legend Rock	445	445	283
PRD 123 Mizpah Lane	58	58	6
PRD 125 Wrightwood Road	30	30	22
PRD 126 Sandhurst Way	9	9	2
PRD 127 Singing Trails Dr	41	53	6
PRD 130 Wilkes Road	222	222	14
PRD 133 Ranch Creek Road	86	86	75
PRD 134 Kenora Lane	$ 72	72	4

Continued on next page

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COUNTY SERVICE DISTRICT FUNDS

For the Year Ended June 30, 2020
(In Thousands)
(Continued)

	Original Budget	Final Budget	Actual
PRD 1003 Alamo Way	$ 17	17	3
PRD 1005 Eden Valley Lane	81	81	3
PRD 1008 Canter	32	32	6
PRD 1009 Golf Drive	1	1	1
PRD 1010 Alpine Highlands	337	337	6
PRD 1011 La Cuesta	82	82	5
PRD 1012 Millar	62	62	4
PRD 1013 Singing Trails	34	44	6
PRD 1014 Lavender Pt Lane	55	55	5
PRD 1015 Landavo Drive ET AL	48	48	4
PRD 1016 El Sereno Way	64	64	4
Total public ways and facilities	8,037	8,047	1,387
Health and sanitation:			
CSA 17 San Dieguito Ambulance	5,884	6,384	5,993
CSA 69 Heartland Paramedics	7,884	8,084	7,824
PRD 122 Otay Mesa East	7	7	
PRD 136 Sundance Detention Basin	25	25	14
Total health and sanitation	13,800	14,500	13,831
Recreation and cultural:			
CSA 26 LMD Zone 2 Julian	48	49	44
CSA 26 Rancho San Diego	87	176	93
CSA 26 San Diego landscape maintenance	136	136	133
CSA 81 Fallbrook Park	249	249	236
CSA 83 San Dieguito Local Park	517	606	280
CSA 128 San Miguel Park	459	508	502
CSA 83A 4S Ranch Park	516	516	480
PRD 26 A Cottonwood Village	197	197	168
PRD 26 B Monte Vista	316	316	129
Total recreation and cultural	2,525	2,753	2,065
Total expenditures	27,813	28,753	20,353
Excess (deficiency) of revenues over (under) expenditures	(6,215)	(7,135)	4,487
Other financing sources (uses):			
Transfer In	13	13	12
Transfers out	(2,343)	(2,279)	(2,151)
Total other financing sources (uses)	(2,330)	(2,266)	(2,139)
Net change in fund balances	(8,545)	(9,401)	2,348
Fund balances at beginning of year	33,466	33,466	33,466
Increase (decrease) in nonspendable inventories		(4)	(4)
Fund balances at end of year	$ 24,921	24,061	35,810

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

EGEMOOR DEVELOPMENT FUND

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	330	330	1,256
Aid from other governmental agencies:				
Federal		1,913	1,913	1,378
Total revenues		2,243	2,243	2,634
Expenditures:				
Current:				
General government:				
Edgemoor development fund		553	553	90
Total general government		553	553	90
Total expenditures		553	553	90
Excess (deficiency) of revenues over (under) expenditures		1,690	1,690	2,544
Other financing sources (uses):				
Sale of capital assets				10,545
Transfers out		(8,565)	(8,565)	(8,565)
Total other financing sources (uses)		(8,565)	(8,565)	1,980
Net change in fund balances		(6,875)	(6,875)	4,524
Fund balances at beginning of year		17,281	17,281	17,281
Fund balances at end of year	$	10,406	10,406	21,805

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FLOOD CONTROL DISTRICT FUND

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	4,817	4,817	5,443
Revenue from use of money and property		51	51	704
Aid from other governmental agencies:				
State				34
Other		198	198	134
Charges for current services		262	261	1,453
Other				1
Total revenues		5,328	5,327	7,769
Expenditures:				
Current:				
Public protection:				
Flood control district		12,739	13,940	4,422
Stormwater maintenance, Blackwolf		12	12	4
Stormwater maintenance, Lake Rancho Viejo		94	93	78
Stormwater maintenance, Ponderosa Estates		13	13	
Total public protection		12,858	14,058	4,504
Capital outlay		466	484	484
Total expenditures		13,324	14,542	4,988
Excess (deficiency) of revenues over (under) expenditures		(7,996)	(9,215)	2,781
Other financing sources (uses):				
Transfer In		105	105	105
Total other financing sources (uses)		105	105	105
Net change in fund balances		(7,891)	(9,110)	2,886
Fund balances at beginning of year		24,267	24,267	24,267
Increase (decrease) in nonspendable inventories			(2)	(2)
Fund balances at end of year	$	16,376	15,155	27,151

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

HARMONY GROVE COMMUNITY FACILITIES DISTRICT FUND

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	593	593	636
Revenue from use of money and property				82
Charges for current services		38	28,240	27,627
Total revenues		631	28,833	28,345
Expenditures:				
Current:				
Public protection:				
Harmony Grove CFD 08-01 flood control spec tax B		100	100	
Total public protection		100	100	
Public ways and facilities:				
Harmony Grove CFD 08-01 oth svcs spec tax B		439	439	26
Harmony Grove CFD 08-01 fire protection		308	308	306
Harmony Grove CFD 08-01 improvement		37	28,239	17,938
Total public ways and facilities		784	28,986	18,270
Total expenditures		884	29,086	18,270
Excess (deficiency) of revenues over (under) expenditures		(253)	(253)	10,075
Net change in fund balances		(253)	(253)	10,075
Fund balance at beginning of year		511	511	511
Fund balances at end of year	$	258	258	10,586

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

HOUSING AUTHORITY - LOW AND MODERATE INCOME HOUSING ASSET FUND

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	14	14	19
Aid from other governmental agencies:				
Other		11	11	
Total revenues		25	25	19
Expenditures:				
Current:				
Public assistance:				
Other assistance - other budgetary entity		25	25	
Total public assistance		25	25	
Total expenditures		25	25	
Excess (deficiency) of revenues over (under) expenditures				19
Net change in fund balances				19
Fund balances at beginning of year		12	12	12
Fund balances at end of year	$	12	12	31

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

HOUSING AUTHORITY - OTHER FUND

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	1,298	1,298	1,363
Aid from other governmental agencies:				
Federal		148,933	148,933	151,064
Other		5,189	5,189	
Charges for current services		4,156	4,156	2,930
Other		2,477	2,477	580
Total revenues		162,053	162,053	155,937
Expenditures:				
Current:				
Public assistance:				
Other assistance - other budgetary entity		163,174	162,173	158,358
Total public assistance		163,174	162,173	158,358
Debt service:				
Principal		151	151	151
Interest		13	13	13
Total expenditures		163,338	162,337	158,522
Excess (deficiency) of revenues over (under) expenditures		(1,285)	(284)	(2,585)
Other financing sources (uses):				
Transfers out			(1,001)	(645)
Total other financing sources (uses)			(1,001)	(645)
Net change in fund balances		(1,285)	(1,285)	(3,230)
Fund balances at beginning of year		16,988	16,988	16,988
Fund balances at end of year	$	15,703	15,703	13,758

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

In HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY FUND

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property				97
Charges for current services	$	1,122	1,122	1,569
Total revenues		1,122	1,122	1,666
Expenditures:				
Current:				
Public assistance:				
IHSS public authority		31,293	31,293	30,831
Total public assistance		31,293	31,293	30,831
Total expenditures		31,293	31,293	30,831
Excess (deficiency) of revenues over (under) expenditures		(30,171)	(30,171)	(29,165)
Other financing sources (uses):				
Transfer In		30,171	30,171	29,180
Total other financing sources (uses)		30,171	30,171	29,180
Net change in fund balances				15
Fund balances at beginning of year		87	87	87
Fund balances at end of year	$	87	87	102

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

INACTIVE WASTESITES FUND

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	253	253	2,410
Aid from other governmental agencies:				
State		700	700	
Charges for current services		5,900	6,304	229
Total revenues		6,853	7,257	2,639
Expenditures:				
Current:				
Health and sanitation:				
Hillsborough maintenance		3	3	3
Duck pond landfill cleanup		15	15	
Inactive waste site management		6,925	6,924	5,308
Total health and sanitation		6,943	6,942	5,311
Total expenditures		6,943	6,942	5,311
Excess (deficiency) of revenues over (under) expenditures		(90)	315	(2,672)
Other financing sources (uses):				
Transfers out		(67)	(472)	(462)
Total other financing sources (uses)		(67)	(472)	(462)
Net change in fund balances		(157)	(157)	(3,134)
Fund balances at beginning of year		65,582	65,582	65,582
Fund balances at end of year	$	65,425	65,425	62,448

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

INMATE WELFARE PROGRAM FUND

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	2,899	2,899	3,292
Charges for current services				1
Other		110	110	110
Total revenues		3,009	3,009	3,403
Expenditures:				
Current:				
Public protection:				
Probation inmate welfare		107	107	81
Sheriff's inmate welfare - adult detention		7,818	8,134	2,812
Sheriff's inmate welfare - police protection		15	15	
Total public protection		7,940	8,256	2,893
Capital outlay		131	131	85
Total expenditures		8,071	8,387	2,978
Excess (deficiency) of revenues over (under) expenditures		(5,062)	(5,378)	425
Other financing sources (uses):				
Transfer In		3,813	4,129	3,010
Transfers out		(4,889)	(4,889)	(3,235)
Total other financing sources (uses)		(1,076)	(760)	(225)
Net change in fund balances		(6,138)	(6,138)	200
Fund balances at beginning of year		14,841	14,841	14,841
Increase (decrease) in nonspendable inventories			4	4
Fund balances at end of year	$	8,703	8,707	15,045

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

LIGHTING MAINTENANCE DISTRICT FUND

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	1,147	1,147	1,333
Revenue from use of money and property		30	30	148
Aid from other governmental agencies:				
State		8	8	8
Other		2	2	2
Charges for current services		1,604	1,604	1,624
Total revenues		2,791	2,791	3,115
Expenditures:				
Current:				
Public ways and facilities:				
San Diego lighting maintenance		2,584	2,584	1,396
Total public ways and facilities		2,584	2,584	1,396
Capital outlay		294	294	294
Debt service:				
Principal		158	158	158
Interest		9	9	9
Total expenditures		3,045	3,045	1,857
Excess (deficiency) of revenues over (under) expenditures		(254)	(254)	1,258
Net change in fund balances		(254)	(254)	1,258
Fund balances at beginning of year		3,535	3,535	3,535
Increase (decrease) in nonspendable inventories			52	52
Fund balances at end of year	$	3,281	3,333	4,845

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

OTHER SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Fines, forfeitures and penalties	$	16	16	105
Revenue from use of money and property				68
Aid from other governmental agencies:				
State		312	312	242
Federal				3
Charges for current services		3,016	3,016	3,149
Total revenues		3,344	3,344	3,567
Expenditures:				
Current:				
Public protection:				
Agriculture, weights and measures - fish and game		18	18	15
Grazing advisory board		9	9	
Public works, survey		350	350	
Total public protection		377	377	15
Health and sanitation:				
Sanitation - waste planning and recycling		3,961	3,961	1,961
Total health and sanitation		3,961	3,961	1,961
Total expenditures		4,338	4,338	1,976
Excess (deficiency) of revenues over (under) expenditures		(994)	(994)	1,591
Other financing sources (uses):				
Transfers out		(70)	(70)	(70)
Total other financing sources (uses)		(70)	(70)	(70)
Net change in fund balances		(1,064)	(1,064)	1,521
Fund balances at beginning of year		3,483	3,483	3,483
Fund balances at end of year	$	2,419	2,419	5,004

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PARK LAND DEDICATION FUND

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Licenses, permits and franchise fees	$	10	10	3,323
Revenue from use of money and property		22	22	794
Total revenues		32	32	4,117
Expenditures:				
Current:				
Recreation and cultural:				
PLD administrative fee		11	11	10
Local Park Planning Area 4 Lincoln Acres		1	1	
Local Park Planning Area 15 Sweetwater		2	2	1
Local Park Planning Area 19 Jamul		51	51	1
Local Park Planning Area 20 Spring Valley		4	4	1
Local Park Planning Area 25 Lakeside		5	5	1
Local Park Planning Area 26 Crest		1	1	
Local Park Planning Area 27 Alpine		4	4	
Local Park Planning Area 28 Ramona		605	605	45
Local Park Planning Area 29 Escondido		1	1	
Local Park Planning Area 30 San Marcos		1	1	1
Local Park Planning Area 31 San Dieguito		5	5	2
Local Park Planning Area 35 Fallbrook		32	41	31
Local Park Planning Area 36 Bonsall		254	254	3
Local Park Planning Area 37 Vista		1	1	1
Local Park Planning Area 38 Valley Center		23	343	2
Local Park Planning Area 39 Pauma		1	1	
Local Park Planning Area 40 Palomar-Julian		252	252	2
Local Park Planning Area 41 Mount Empire		112	112	
Local Park Planning Area 42 Anza-Borrego		5	5	4
Local Park Planning Area 43 Central Mountain		2	2	
Local Park Planning Area 45 Valle de Oro		4	4	2
Total recreation and cultural		1,377	1,706	107
Total expenditures		1,377	1,706	107
Excess (deficiency) of revenues over (under) expenditures		(1,345)	(1,674)	4,010
Other financing sources (uses):				
Transfers out		(7,115)	(7,219)	(276)
Total other financing sources (uses)		(7,115)	(7,219)	(276)
Net change in fund balances		(8,460)	(8,893)	3,734
Fund balances at beginning of year		20,659	20,659	20,659
Fund balances at end of year	$	12,199	11,766	24,393

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ROAD FUND

For the Year Ended June 30, 2020
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Licenses, permits and franchise fees	$	5,557	5,557	6,014
Revenue from use of money and property		525	526	6,000
Aid from other governmental agencies:				
State		121,121	121,494	110,896
Federal		13,993	14,166	2,498
Charges for current services		14,658	14,658	18,487
Other		4,247	4,247	3,540
Total revenues		160,101	160,648	147,435
Expenditures:				
Current:				
Public ways and facilities:				
Public works, road		202,035	232,285	81,178
Total public ways and facilities		202,035	232,285	81,178
Capital outlay		58,235	58,235	58,188
Total expenditures		260,270	290,520	139,366
Excess (deficiency) of revenues over (under) expenditures		(100,169)	(129,872)	8,069
Other financing sources (uses):				
Transfer In		6,674	36,473	36,472
Transfers out		(1,626)	(1,972)	(1,875)
Total other financing sources (uses)		5,048	34,501	34,597
Net change in fund balances		(95,121)	(95,371)	42,666
Fund Balances at the beginning of year		149,109	149,109	149,109
Increase (decrease) in nonspendable inventories			(8)	(8)
Fund balances at end of year	$	53,988	53,730	191,767

ENTERPRISE FUNDS

Airport Fund

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

Jail Stores Commissary Fund

This fund was established to provide for the financing of a Sheriff's commissary store allowing persons incarcerated at various County detention facilities to purchase a variety of goods, including food, snacks, stationery, personal care items and telephone time.

San Diego County Sanitation District Fund

This fund was established to provide sewer service to customers in the unincorporated county. The County Board of Supervisors serves as the District's Board of Directors for governance matters.

Sanitation District - Other Fund

This fund was established to provide water and sewer service, maintenance, and repairs of water and wastewater infrastructure to customers in the unincorporated county. The County Board of Supervisors serves as the District's Board of Directors for governance matters.

COMBINING STATEMENT OF NET POSITION
ENTERPRISE FUNDS
June 30, 2020
(In Thousands)

	Airport Fund	Jail Stores Commissary Fund	San Diego County Sanitation District Fund	Sanitation District - Other Fund	Total Enterprise Funds
ASSETS					
Current assets:					
Pooled cash and investments	$ 17,796	776	48,593	7,721	74,886
Receivables, net	2,694	396	204	63	3,357
Due from other funds	10	1		163	174
Inventories	1	182		1	184
Prepaid Items	1				1
Total current assets	20,502	1,355	48,797	7,948	78,602
Noncurrent assets:					
Due from other funds	3,298				3,298
Capital assets:					
Land	12,764		1,069	20	13,853
Construction in progress	980		1,167		2,147
Buildings and improvements	124,828		18,527	721	144,076
Equipment	2,371	155	3,746	671	6,943
Software	297				297
Road infrastructure	24,769				24,769
Sewer infrastructure			110,295		110,295
Accumulated depreciation/amortization	(61,983)	(155)	(55,984)	(705)	(118,827)
Total noncurrent assets	107,324		78,820	707	186,851
Total assets	127,826	1,355	127,617	8,655	265,453
DEFERRED OUTFLOWS OF RESOURCES					
Pension:					
Contributions to the pension plan subsequent to the measurement date	975			1,239	2,214
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions	43			42	85
Changes of assumptions or other inputs	940			1,024	1,964
Net difference between projected and actual earnings on pension plan investments	191			206	397
Difference between expected and actual experience in the total pension liability	129			188	317
OPEB:					
Contributions to OPEB subsequent to the measurement date	38			55	93
Total deferred outflows of resources	2,316			2,754	5,070

Continued on next page

COMBINING STATEMENT OF NET POSITION
ENTERPRISE FUNDS
June 30, 2020
(In Thousands)

(Continued)	Airport Fund	Jail Stores Commissary Fund	San Diego County Sanitation District Fund	Sanitation District - Other Fund	Total Enterprise Funds
LIABILITIES					
Current liabilities:					
Accounts payable	742	381	208	9	1,340
Accrued payroll	82			133	215
Due to other funds	248	832	280		1,360
Unearned revenue	147				147
Compensated absences	71			122	193
Total current liabilities	1,290	1,213	488	264	3,255
Noncurrent liabilities:					
Compensated absences	105			184	289
Net pension liability	7,758			8,739	16,497
Net OPEB liability	234			285	519
Total noncurrent liabilities	8,097			9,208	17,305
Total liabilities	9,387	1,213	488	9,472	20,560
DEFERRED INFLOWS OF RESOURCES					
Pension:					
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions	11			11	22
Differences between expected and actual experience in the total pension liability	337			315	652
Total deferred inflows of resources	348			326	674
NET POSITION					
Net investment in capital assets	104,026		78,820	707	183,553
Unrestricted net position	16,381	142	48,309	904	65,736
Total net position	$ 120,407	142	127,129	1,611	249,289

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
For the Year Ended June 30, 2020
(In Thousands)

		Airport Fund	Jail Stores Commissary Fund	San Diego County Sanitation District Fund	Sanitation District - Other Fund	Total Enterprise Funds
Operating revenues:						
Charges for current services	$	13,903	7,019	25,672	10,188	56,782
Other		47	2,380		1	2,428
Total operating revenues		13,950	9,399	25,672	10,189	59,210
Operating expenses:						
Salaries and employee benefits		4,036			6,363	10,399
Repairs and maintenance		2,073	17	5,023	522	7,635
Equipment rental		396	21		1,054	1,471
Sewage processing				18,304		18,304
Contracted services		3,691	3,063		1,034	7,788
Depreciation/amortization		3,424	3	2,781	61	6,269
Utilities		336			59	395
Cost of material			2,483			2,483
Fuel		57	8			65
Other		882	173	2,367	473	3,895
Total operating expenses		14,895	5,768	28,475	9,566	58,704
Operating income (loss)		(945)	3,631	(2,803)	623	506
Nonoperating revenues (expenses):						
Grants		4,004			14	4,018
Investment earnings		726	27	1,571	241	2,565
Total nonoperating revenues (expenses)		4,730	27	1,571	255	6,583
Income (loss) before capital contributions and transfers		3,785	3,658	(1,232)	878	7,089
Capital contributions		1,220				1,220
Transfers in		50		9,077	232	9,359
Transfers out		(123)	(3,835)		(229)	(4,187)
Change in net position		4,932	(177)	7,845	881	13,481
Net position (deficits) at beginning of year		115,475	319	119,284	730	235,808
Net position (deficits) at end of year	$	120,407	142	127,129	1,611	249,289

COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For the Year Ended June 30, 2020
(In Thousands)

	Airport Fund	Jail Stores Commissary Fund	San Diego County Sanitation District Fund	Sanitation District - Other Funds	Total Enterprise Funds
Cash flows from operating activities:					
Cash received from customers	$ 13,822	9,363	25,672	430	49,287
Cash received from other funds	20	330	(144)	9,813	10,019
Cash payments to suppliers	(5,191)	(5,714)	(25,075)	(1,972)	(37,952)
Cash payments to employees	(3,631)			(5,679)	(9,310)
Cash payments to other funds	(2,336)	(2,481)	(618)	(1,394)	(6,829)
Other payments	(1)				(1)
Net cash provided (used) by operating activities	2,683	1,498	(165)	1,198	5,214
Cash flows from noncapital financing activities:					
Operating grants	2,358		32	14	2,404
Transfers from other funds	50		9,077	232	9,359
Transfers to other funds	(123)	(3,835)		(229)	(4,187)
Other noncapital increases	130				130
Net cash provided (used) by noncapital financing activities	2,415	(3,835)	9,109	17	7,706
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(10,013)		(3,880)	(8)	(13,901)
Net cash provided (used) by capital and related financing activities	(10,013)		(3,880)	(8)	(13,901)
Cash flows from investing activities:					
Investment earnings	896	55	1,826	278	3,055
Net increase (decrease) in cash and cash equivalents	(4,019)	(2,282)	6,890	1,485	2,074
Cash and cash equivalents - beginning of year	21,815	3,058	41,703	6,236	72,812
Cash and cash equivalents - end of year	17,796	776	48,593	7,721	74,886
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(945)	3,631	(2,803)	623	506
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Decrease (increase) in accounts receivable	(100)	(36)			(136)
Decrease (increase) in due from other funds	(10)	330	(144)	54	230
Decrease (increase) in inventory		106			106
Increase (decrease) in accounts payable	(64)	(100)	(234)	(30)	(428)
Increase (decrease) in accrued payroll	16			38	54
Increase (decrease) in due to other funds	(29)	(2,436)	235	(195)	(2,425)
Increase (decrease) in unearned revenue	2				2
Increase (decrease) in compensated absences	(15)			50	35
Pension expense	428			630	1,058
OPEB expense	(24)			(33)	(57)
Depreciation / amortization	3,424	3	2,781	61	6,269
Total adjustments	3,628	(2,133)	2,638	575	4,708
Net cash provided (used) by operating activities	2,683	1,498	(165)	1,198	5,214
Non-cash investing and capital financing activities:					
Capital acquisitions included in accounts payable	302		173		475
Governmental contributions of capital assets	$ 1,220				1,220

INTERNAL SERVICE FUNDS

Internal service funds are established to account for services furnished to other County departments and are financed primarily by these service charges. Because they are exempt from budgetary control, they are free to employ commercial accounting techniques, and are often used in situations where a more accurate determination of operating results is desired.

Employee Benefits Fund

This fund was established to account for workers' compensation and unemployment insurance. Specifically, for workers' compensation the fund includes: claims payment, the actuarial liability, insurance costs and contributions by various departments.

Facilities Management Fund

This fund was established to account for the financing of facilities maintenance, public service utilities, property management, project management, architectural and engineering services, real estate acquisition and leasing, and mail services provided to County departments on a cost reimbursement basis.

Fleet Services Fund

This fund was established to account for the maintenance, repair, fuel, and financing of Fleet vehicles provided to County departments on a cost reimbursement basis.

Information Technology Fund

This fund was established to account for telecommunications services provided to County departments on a cost reimbursement basis.

Public Liability Insurance Fund

This fund was established to account for all of the County's public liability claims and related expenses in compliance with the applicable provisions of the law.

Purchasing Fund

This fund was established to account for the procurement of services, materials, and supplies provided to County departments and provides record storage services; all on a cost reimbursement basis.

Road and Communication Equipment Fund

This fund was established to account for the financing of Public Works' road and communication equipment provided to the following funds: Road, Airport, and Inactive Wastesites; on a cost reimbursement basis.

Special District Loans Fund

This fund was established to provide financing for start up services for new and existing County Service Districts on a cost reimbursement basis.

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2020
(In Thousands)

	Employee Benefits Fund	Facilities Management Fund	Fleet Services Fund	Information Technology Fund	Public Liability Insurance Fund
ASSETS					
Current assets:					
Pooled cash and investments	$ 198,058	18,356	40,470	39,231	91,345
Receivables, net	1,610	1,573	214	22	376
Due from other funds	2,194	9,738	3,119	19,635	6
Inventories		34	953		
Total current assets	201,862	29,701	44,756	58,888	91,727
Noncurrent assets:					
Due from other funds					
Capital assets:					
Construction in progress					
Buildings and improvements			2,963		
Equipment		6,729	123,064		
Software		448	213	3,690	
Accumulated depreciation/amortization		(3,554)	(80,272)	(2,357)	
Total noncurrent assets		3,623	45,968	1,333	
Total assets	201,862	33,324	90,724	60,221	91,727
DEFERRED OUTFLOW OF RESOURCES					
Pension:					
Contributions to the pension plan subsequent to the measurement date		8,075	1,454		
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions		321	61		
Changes of assumptions or other inputs		6,901	1,416		
Net difference between projected and actual earnings on pension plan investments		1,392	368		
Difference between expected and actual experience in the total pension liability		1,194	210		
OPEB:					
Contributions to OPEB subsequent to the measurement date		353	63		
Total deferred outflow of resources		18,236	3,572		

Continued on next page

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2020
(In Thousands)

(Continued)	Employee Benefits Fund	Facilities Management Fund	Fleet Services Fund	Information Technology Fund	Public Liability Insurance Fund
LIABILITIES					
Current liabilities:					
Accounts payable	8,396	9,652	2,090	47,504	58
Accrued payroll		896	144		
Due to other funds	1,092	964	1,390	447	2,187
Unearned revenue		503	1		
Loans payable		323			
Compensated absences		771	106		
Claims and judgments	25,046				27,810
Total current liabilities	34,534	13,109	3,731	47,951	30,055
Noncurrent liabilities:					
Loans payable		794			
Compensated absences		1,152	158		
Claims and judgments	166,040				66,340
Net pension liability		59,344	11,381		
Net OPEB liability		1,853	354		
Total noncurrent liabilities	166,040	63,143	11,893		66,340
Total liabilities	200,574	76,252	15,624	47,951	96,395
DEFERRED INFLOWS OF RESOURCES					
Pension:					
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions		84	17		
Differences between expected and actual experience in the total pension liability		2,183	437		
Total deferred inflows of resources		2,267	454		
NET POSITION					
Net investment in capital assets		3,623	45,968	1,333	
Unrestricted net position	1,288	(30,582)	32,250	10,937	(4,668)
Total net position (deficits)	$ 1,288	(26,959)	78,218	12,270	(4,668)

Continued on next page

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2020
(In Thousands)

(Continued)	Purchasing Fund	Road and Communication Equipment Fund	Special District Loans Fund	Total Internal Service Funds
ASSETS				
Current assets:				
Pooled cash and investments	$ 5,025	19,903	487	412,875
Receivables, net	20	80		3,895
Due from other funds	1,696		10	36,398
Inventories	6			993
Total current assets	6,747	19,983	497	454,161
Noncurrent assets:				
Due from other funds			10	10
Capital assets:				
Construction in progress	1,330			1,330
Buildings and improvements				2,963
Equipment	220	44,397		174,410
Software	1,939	14		6,304
Accumulated depreciation/amortization	(616)	(23,894)		(110,693)
Total noncurrent assets	2,873	20,517	10	74,324
Total assets	9,620	40,500	507	528,485
DEFERRED OUTFLOW OF RESOURCES				
Pension:				
Contributions to the pension plan subsequent to the measurement date	1,955			11,484
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions	63			445
Changes of assumptions or other inputs	1,597			9,914
Net difference between projected and actual earnings on pension plan investments	364			2,124
Difference between expected and actual experience in the total pension liability	294			1,698
OPEB:				
Contributions to OPEB subsequent to the measurement date	86			502
Total deferred outflow of resources	4,359			26,167

Continued on next page

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2020
(In Thousands)

(Continued)	Purchasing Fund	Road and Communication Equipment Fund	Special District Loans Fund	Total Internal Service Funds
LIABILITIES				
Current liabilities:				
Accounts payable	16	26		67,742
Accrued payroll	218			1,258
Due to other funds	297	367		6,744
Unearned revenue				504
Loans payable				323
Compensated absences	266			1,143
Claims and judgments				52,856
Total current liabilities	797	393		130,570
Noncurrent liabilities:				
Loans payable				794
Compensated absences	398			1,708
Claims and judgments				232,380
Net pension liability	13,327			84,052
Net OPEB liability	423			2,630
Total noncurrent liabilities	14,148			321,564
Total liabilities	14,945	393		452,134
DEFERRED INFLOWS OF RESOURCES				
Pension:				
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions	20			121
Differences between expected and actual experience in the total pension liability	432			3,052
Total deferred inflows of resources	452			3,173
NET POSITION				
Net investment in capital assets	2,873	20,517		74,314
Unrestricted net position	(4,291)	19,590	507	25,031
Total net position (deficits)	$ (1,418)	40,107	507	99,345

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2020
(In Thousands)

	Employee Benefits Fund	Facilities Management Fund	Fleet Services Fund	Information Technology Fund	Public Liability Insurance Fund
Operating revenues:					
Charges for current services	$ 48,301	143,576	42,797	189,927	32,202
Other	202	1,262	555		3,710
Total operating revenues	48,503	144,838	43,352	189,927	35,912
Operating expenses:					
Salaries and employee benefits		41,981	7,327		
Repairs and maintenance		43,302	9,611		
Equipment rental		46	2		
Contracted services	13,594	34,105	1,854	194,040	11,733
Depreciation/amortization		311	13,183	1,293	
Utilities		27,554	445		
Cost of material		3,813	166		
Claims and judgments	35,561				16,904
Fuel		315	8,621		
Other		3,572	1,890		
Total operating expenses	49,155	154,999	43,099	195,333	28,637
Operating income (loss)	(652)	(10,161)	253	(5,406)	7,275
Nonoperating revenues (expenses):					
Grants	799	4,995	23		
Investment earnings	6,618	263	1,199	562	2,966
Interest expense		(2)			
Gain (loss) on disposal of assets			2,024		
Total nonoperating revenues (expenses)	7,417	5,256	3,246	562	2,966
Income (loss) before capital contributions and transfers	6,765	(4,905)	3,499	(4,844)	10,241
Capital contributions			2,563		
Transfers in	107	6,056	1,191	6,047	
Transfers out		(1,438)	(213)		
Change in net position	6,872	(287)	7,040	1,203	10,241
Net position (deficits) at beginning of year	(5,584)	(26,672)	71,178	11,067	(14,909)
Net position (deficits) at end of year	$ 1,288	(26,959)	78,218	12,270	(4,668)

Continued on next page

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2020
(In Thousands)

(Continued)		Purchasing Fund	Road and Communication Equipment Fund	Special District Loans Fund	Total Internal Service Funds
Operating revenues:					
Charges for current services	$	8,107	8,942		473,852
Other		1,372			7,101
Total operating revenues		9,479	8,942		480,953
Operating expenses:					
Salaries and employee benefits		9,816			59,124
Repairs and maintenance		5	3,200		56,118
Equipment rental		20			68
Contracted services		372	440		256,138
Depreciation/amortization		1	3,401		18,189
Utilities		73			28,072
Cost of material		61			4,040
Claims and judgments					52,465
Fuel			1,308		10,244
Other		2,192			7,654
Total operating expenses		12,540	8,349		492,112
Operating income (loss)		(3,061)	593		(11,159)
Nonoperating revenues (expenses):					
Grants		939			6,756
Investment earnings		206	665	7	12,486
Interest expense					(2)
Gain (loss) on disposal of assets			69		2,093
Total nonoperating revenues (expenses)		1,145	734	7	21,333
Income (loss) before capital contributions and transfers		(1,916)	1,327	7	10,174
Capital contributions					2,563
Transfers in		854	331		14,586
Transfers out		(900)			(2,551)
Change in net position		(1,962)	1,658	7	24,772
Net position (deficits) at beginning of year		544	38,449	500	74,573
Net position (deficits) at end of year	$	(1,418)	40,107	507	99,345

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2020
(In Thousands)

	Employee Benefits Fund	Facilities Management Fund	Fleet Services Fund	Information Technology Fund	Public Liability Insurance Fund
Cash flows from operating activities:					
Cash received from customers	$ 202	7,523	1,744	38	3,710
Cash received from other funds	47,792	136,600	42,281	185,230	32,196
Cash payments to suppliers	(1,788)	(106,138)	(19,138)	(176,344)	(3,015)
Cash payments to employees		(37,841)	(6,611)		
Cash payments to other funds	(12,123)	(4,627)	(4,417)		(7,955)
Cash paid for claims and judgments	(27,551)				(9,848)
Net cash provided (used) by operating activities	6,532	(4,483)	13,859	8,924	15,088
Cash flows from noncapital financing activities:					
Operating grants		4,958	23		
Transfers from other funds	107	6,056	1,191	6,047	
Transfer to other funds		(1,438)	(213)		
Principal paid on long-term debt		(355)			
Interest paid on long-term debt		(2)			
Proceeds from loans		261			
Other noncapital increases					
Net cash provided (used) by noncapital financing activities	107	9,480	1,001	6,047	
Cash flows from capital and related financing activities:					
Capital contributions			2,563		
Acquisition of capital assets		(38)	(6,585)	(207)	
Proceeds from sale of assets			2,415		
Net cash provided (used) by capital and related financing activities		(38)	(1,607)	(207)	
Cash flows from investing activities:					
Investment earnings	7,788	261	1,314	562	3,368
Net increase (decrease) in cash and cash equivalents	14,427	5,220	14,567	15,326	18,456
Cash and cash equivalents - beginning of year	183,631	13,136	25,903	23,905	72,889
Cash and cash equivalents - end of year	198,058	18,356	40,470	39,231	91,345
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(652)	(10,161)	253	(5,406)	7,275
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Decrease (increase) in accounts receivable		(957)	250	4	(1)
Decrease (increase) in due from other funds	(509)	574	423	(4,801)	(5)
Decrease (increase) in inventory		(1)	213		
Increase (decrease) in accounts payable	2,705	2,099	(1,729)	17,607	13
Increase (decrease) in accrued payroll		253	28		
Increase (decrease) in due to other funds	(317)	(205)	550	227	750
Increase (decrease) in unearned revenue		(332)			
Increase (decrease) in compensated absences		92	15		
Increase (decrease) in claims and judgments	5,305				7,056
Pension expense		4,068	713		
OPEB expense		(224)	(40)		
Depreciation / amortization		311	13,183	1,293	
Total adjustments	7,184	5,678	13,606	14,330	7,813
Net cash provided (used) by operating activities	6,532	(4,483)	13,859	8,924	15,088
Non-cash investing and capital financing activities:					
Capital acquisitions included in accounts payable	$		932		

Continued on next page

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2020
(In Thousands)

(Continued)	Purchasing Fund	Road and Communication Equipment Fund	Special District Loans Funds	Total Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	$ 1,428			14,645
Cash received from other funds	7,276	8,942		460,317
Cash payments to suppliers	(837)	(114)		(307,374)
Cash payments to employees	(8,636)			(53,088)
Cash payments to other funds	(1,859)	(4,971)		(35,952)
Cash paid for claims and judgments				(37,399)
Net cash provided (used) by operating activities	(2,628)	3,857		41,149
Cash flows from noncapital financing activities:				
Operating grants	939			5,920
Transfers from other funds	854	331		14,586
Transfer to other funds	(900)			(2,551)
Principal paid on long-term debt				(355)
Interest paid on long-term debt				(2)
Proceeds from loans				261
Other noncapital increases			10	10
Net cash provided (used) by noncapital financing activities	893	331	10	17,869
Cash flows from capital and related financing activities:				
Capital contributions				2,563
Acquisition of capital assets	(1,583)	(5,010)		(13,423)
Proceeds from sale of assets		390		2,805
Net cash provided (used) by capital and related financing activities	(1,583)	(4,620)		(8,055)
Cash flows from investing activities:				
Investment earnings	272	801	7	14,373
Net increase (decrease) in cash and cash equivalents	(3,046)	369	17	65,336
Cash and cash equivalents - beginning of year	8,071	19,534	470	347,539
Cash and cash equivalents - end of year	5,025	19,903	487	412,875
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(3,061)	593		(11,159)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Decrease (increase) in accounts receivable				(704)
Decrease (increase) in due from other funds	(775)			(5,093)
Decrease (increase) in inventory				212
Increase (decrease) in accounts payable	(46)	(86)		20,563
Increase (decrease) in accrued payroll	78			359
Increase (decrease) in due to other funds	63	(51)		1,017
Increase (decrease) in unearned revenue				(332)
Increase (decrease) in compensated absences	162			269
Increase (decrease) in claims and judgments				12,361
Pension expense	1,004			5,785
OPEB expense	(54)			(318)
Depreciation / amortization	1	3,401		18,189
Total adjustments	433	3,264		52,308
Net cash provided (used) by operating activities	(2,628)	3,857		41,149
Non-cash investing and capital financing activities:				
Capital acquisitions included in accounts payable		27		959

AGENCY FUNDS

Agency funds are used to account for situations where the County's role is purely custodial, such as the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Accordingly, assets reported in the agency funds are offset by a liability to the party on whose behalf they are held.

Property Tax Collection Funds

These funds are used for recording the collection and distribution of property taxes.

Other Agency Funds

These funds maintain assets held in an agent capacity for other governments, organizations and individuals. These assets do not support the County's programs or services.

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2020
(In Thousands)

		Beginning Balance	Additions	Deductions	Ending Balance
PROPERTY TAX COLLECTION FUNDS					
ASSETS					
Pooled cash and investments	$	85,795	22,768,515	22,751,347	102,963
Receivables:					
Investment earnings receivable		6,606	24,899	28,436	3,069
Taxes receivable		70,553	7,740,140	7,730,851	79,842
Total assets		162,954	30,533,554	30,510,634	185,874
LIABILITIES					
Accounts payable		18,459	1,885,777	1,883,183	21,053
Due to other governments		144,495	30,444,162	30,423,836	164,821
Total liabilities		162,954	32,329,939	32,307,019	185,874
OTHER AGENCY FUNDS					
ASSETS					
Pooled cash and investments		385,031	25,032,157	25,060,892	356,296
Cash with fiscal agents		1,160	33,261	27,693	6,728
Investments with fiscal agents		1,235	7,130	1,269	7,096
Receivables:					
Accounts receivable		1,319	434	1,320	433
Investment earnings receivable		51,251	153,615	163,110	41,756
Total assets		439,996	25,226,597	25,254,284	412,309
LIABILITIES					
Accounts payable		140,534	2,823,041	2,877,034	86,541
Warrants outstanding		225,123	12,193,806	12,203,442	215,487
Due to other governments		74,339	3,164,665	3,128,723	110,281
Total liabilities		439,996	18,181,512	18,209,199	412,309
TOTAL AGENCY FUNDS					
ASSETS					
Pooled cash and investments		470,826	47,800,672	47,812,239	459,259
Cash with fiscal agents		1,160	33,261	27,693	6,728
Investments with fiscal agents		1,235	7,130	1,269	7,096
Receivables:					
Accounts receivable		1,319	434	1,320	433
Investment earnings receivable		57,857	178,514	191,546	44,825
Taxes receivable		70,553	7,740,140	7,730,851	79,842
Total assets		602,950	55,760,151	55,764,918	598,183
LIABILITIES					
Accounts payable		158,993	4,708,818	4,760,217	107,594
Warrants outstanding		225,123	12,193,806	12,203,442	215,487
Due to other governments		218,834	33,608,827	33,552,559	275,102
Total liabilities	$	602,950	50,511,451	50,516,218	598,183

Statistical Section

Introduction

Government Accounting Standards Board (GASB) Statement No. 44, *Economic Condition Reporting: The Statistical Section (an amendment of NCGA Statement 1)* requires that certain detailed statistical information be presented in this section, typically in ten-year trends, to assist users in utilizing the basic financial statements, notes to the financial statements, and required supplementary information in order to assess the economic condition of the County. Provisions of this Statement require that governments preparing this statistical section are encouraged but not required, to report all years of information retroactively.

In this regard, when available, ten year trend information has been provided. When accounting data or other information is unavailable, statistical tables are footnoted to indicate as such. Generally, information was unavailable because non-accounting trend data called for by Statement No. 44 which was significantly different than data reported in previous fiscal years' statistical tables was either not available from external sources in the format required or was not available in internal archived data.

Financial Trends 196

These Tables contain information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity 206

These Tables contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity 210

These Tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information 214

These Tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information 216

These Tables contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in the following tables is derived from the comprehensive annual financial reports for the relevant year.

Table 1
County of San Diego
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)

	Fiscal Year				
	2011	2012	2013	2014	2015
Net position					
Governmental activities					
Net investment in capital assets	$ 2,675,240	2,770,556	2,861,061	3,015,405	3,042,782
Restricted	529,808	553,249	619,855	669,832	619,565
Unrestricted	365,165	454,565	514,015	655,954	(1,268,029)
Total governmental activities net position	3,570,213	3,778,370	3,994,931	4,341,191	2,394,318
Business-type activities					
Net investment in capital assets	163,268	162,874	167,430	171,911	167,453
Restricted					
Unrestricted	89,602	87,348	81,185	78,547	67,948
Total business-type activities net position	252,870	250,222	248,615	250,458	235,401
Primary government					
Net investment in capital assets	2,838,508	2,933,430	3,028,491	3,187,316	3,210,235
Restricted	529,808	553,249	619,855	669,832	619,565
Unrestricted	454,767	541,913	595,200	734,501	(1,200,081)
Total primary government net position	$ 3,823,083	4,028,592	4,243,546	4,591,649	2,629,719

	Fiscal Year				
	2016	2017	2018	2019	2020
Net position					
Governmental activities					
Net investment in capital assets	$ 3,124,804	3,130,429	3,229,874	3,336,893	3,477,320
Restricted	604,917	596,862	666,597	1,012,829	1,158,944
Unrestricted (1)	(1,090,381)	(1,151,817)	(1,250,068)	(1,380,605)	(1,551,714)
Total governmental activities net position	2,639,340	2,575,474	2,646,403	2,969,117	3,084,550
Business-type activities					
Net investment in capital assets	167,282	174,044	176,909	174,226	183,553
Restricted					
Unrestricted (1)	68,586	71,119	60,216	62,247	66,551
Total business-type activities net position	235,868	245,163	237,125	236,473	250,104
Primary government					
Net investment in capital assets	3,292,086	3,304,473	3,406,783	3,511,119	3,660,873
Restricted	604,917	596,862	666,597	1,012,829	1,158,944
Unrestricted (1)	(1,021,795)	(1,080,698)	(1,189,852)	(1,318,358)	(1,485,163)
Total primary government net position	$ 2,875,208	2,820,637	2,883,528	3,205,590	3,334,654

(1) Beginning in 2015, these amounts reflect the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*. Beginning in 2018, these amounts reflect the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

Table 2
County of San Diego
Changes in Net Position
For the Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)

	Fiscal Year				
	2011	2012	2013	2014	2015
Expenses					
Governmental activities					
General government	$ 229,767	271,485	240,409	249,066	258,169
Public protection	1,128,967	1,179,815	1,236,708	1,312,074	1,309,087
Public ways and facilities	130,239	132,166	135,432	148,209	161,341
Health and sanitation	721,939	790,907	851,246	631,543	640,020
Public assistance	1,191,559	1,175,678	1,183,923	1,418,703	1,327,664
Education	35,734	34,669	34,104	35,647	37,686
Recreation and cultural	36,699	36,128	34,204	38,903	42,748
Interest on long-term debt	106,381	102,338	95,801	92,709	86,816
Total governmental activities expenses	3,581,285	3,723,186	3,811,827	3,926,854	3,863,531
Business-type activities					
Airport	12,876	12,736	14,107	14,118	14,664
Wastewater management	5,806	5,980	22,936		
Sanitation district	21,699	22,335	5,754	28,291	30,745
Jail Stores Commissary				4,816	4,506
Total business-type activities expenses	40,381	41,051	42,797	47,225	49,915
Total primary government expenses	3,621,666	3,764,237	3,854,624	3,974,079	3,913,446
Program revenues					
Governmental activities					
Charges for services:					
General government	92,085	99,872	98,205	100,328	92,109
Public protection	235,913	237,632	244,612	240,850	250,054
Other activities	160,067	168,851	153,958	169,274	162,578
Operating grants and contributions	2,211,946	2,317,522	2,467,966	2,519,619	2,467,817
Capital grants and contributions	25,329	11,005	32,728	114,310	39,224
Total governmental activities program revenues	2,725,340	2,834,882	2,997,469	3,144,381	3,011,782
Business-type activities					
Charges for services:					
Airport	11,301	11,568	11,077	12,647	11,984
Wastewater management	6,509	6,502	6,561		
Sanitation district	20,431	18,406	18,564	25,037	26,831
Jail Stores Commissary				5,659	4,538
Operating grants and contributions	1,544	539	4,933	3,793	702
Capital grants and contributions					
Total business-type program revenues	39,785	37,015	41,135	47,136	44,055
Total primary government program revenues	2,765,125	2,871,897	3,038,604	3,191,517	3,055,837
Net (Expense) Revenue					
Governmental activities	(855,945)	(888,304)	(814,358)	(782,473)	(851,749)
Business-type activities	(596)	(4,036)	(1,662)	(89)	(5,860)
Total primary government net (expense) revenue	$ (856,541)	(892,340)	(816,020)	(782,562)	(857,609)

Continued on next page

Table 2
County of San Diego
Changes in Net Position
For the Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)

(Continued)

	Fiscal Year				
	2016	2017	2018	2019	2020
Expenses					
Governmental activities					
General government	$ 257,887	637,532	621,987	709,150	426,846
Public protection	1,359,423	1,455,462	1,435,847	1,479,542	1,848,040
Public ways and facilities	140,245	140,366	160,615	149,776	188,295
Health and sanitation	675,077	723,508	777,383	835,771	1,022,279
Public assistance	1,421,851	1,179,180	1,158,563	1,187,343	1,475,071
Education	41,086	38,477	39,107	40,020	52,225
Recreation and cultural	44,883	37,727	38,081	43,701	57,995
Interest on long-term debt	81,665	79,152	78,217	74,355	47,689
Total governmental activities expenses	4,022,117	4,291,404	4,309,800	4,519,658	5,118,440
Business-type activities					
Airport	14,439	14,518	18,399	15,178	14,889
Wastewater management					
Sanitation district	28,693	25,185	32,660	32,335	
San Diego County Sanitation District					28,385
Sanitation District - Other					9,504
Jail Stores Commissary	5,362	6,007	6,050	5,836	5,776
Total business-type activities expenses	48,494	45,710	57,109	53,349	58,554
Total primary government expenses	4,070,611	4,337,114	4,366,909	4,573,007	5,176,994
Program revenues					
Governmental activities					
Charges for services:					
General government	99,531	111,389	105,676	108,724	116,282
Public protection	252,303	270,345	257,797	252,906	247,887
Other activities	164,721	165,846	189,520	182,793	225,893
Operating grants and contributions	2,543,749	2,407,522	2,589,141	2,716,354	3,062,586
Capital grants and contributions	12,947	16,296	9,360	121,425	28,608
Total governmental activities program revenues	3,073,251	2,971,398	3,151,494	3,382,202	3,681,256
Business-type activities					
Charges for services:					
Airport	12,044	14,302	13,783	14,281	13,903
Wastewater management					
Sanitation district	26,719	29,063	28,475	32,382	
San Diego County Sanitation District					25,672
Sanitation district - Other					10,188
Jail Stores Commissary		7,141	7,426	6,978	7,019
Operating grants and contributions	3,513	5,659	329	20	4,018
Capital grants and contributions					1,220
Total business-type program revenues	42,276	56,165	50,013	53,661	62,020
Total primary government program revenues	3,115,527	3,027,563	3,201,507	3,435,863	3,743,276
Net (Expense) Revenue					
Governmental activities	(948,866)	(1,320,006)	(1,158,306)	(1,137,456)	(1,437,184)
Business-type activities	(6,218)	10,455	(7,096)	312	3,466
Total primary government net (expense) revenue	$ (955,084)	(1,309,551)	(1,165,402)	(1,137,144)	(1,433,718)

Continued on next page

Table 2
County of San Diego
Changes in Net Position
For the Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)

(Continued)

	Fiscal Year				
	2011	2012	2013	2014	2015
General revenues and other changes in net position					
Governmental activities					
Taxes:					
Property taxes	$ 580,570	616,183	587,145	627,709	648,974
Other taxes	16,207	17,200	20,912		
Transient occupancy tax				3,404	4,166
Real property transfer tax				20,074	21,049
Miscellaneous taxes				14	15
Intergovernmental unrestricted:					
Property taxes in lieu of VLF	303,625	304,614	303,646	313,844	332,928
Sales and use taxes	22,457	25,055	24,809	24,871	27,847
Investment earnings	22,024	12,338	3,504	16,635	12,250
Other general revenues	104,260	110,676	90,789	132,612	93,889
Total governmental general revenues	1,049,143	1,086,066	1,030,805	1,139,163	1,141,118
Transfers	(778)	(28)	114	7,086	2,693
Extraordinary gain		10,423			
Total governmental activities	1,048,365	1,096,461	1,030,919	1,146,249	1,143,811
Business-type activities					
Investment earnings	582	1,151	46	502	336
Other general revenues	7	209	123	2,565	3,055
Total business-type general revenues	589	1,360	169	3,067	3,391
Transfers	778	28	(114)	(7,086)	(2,693)
Total business-type activities	1,367	1,388	55	(4,019)	698
Total primary government	1,049,732	1,097,849	1,030,974	1,142,230	1,144,509
Change in net position					
Governmental activities	192,420	208,157	216,561	363,776	292,062
Business-type activities	771	(2,648)	(1,607)	(4,108)	(5,162)
Total change in net position	$ 193,191	205,509	214,954	359,668	286,900

Continued on next page

Table 2
County of San Diego
Changes in Net Position
For the Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)

(Continued)

	Fiscal Year				
	2016	2017	2018	2019	2020
General revenues and other changes in net position					
Governmental activities					
Taxes:					
Property taxes	$ 680,434	720,645	758,427	797,838	851,473
Other taxes					
Transient occupancy tax	4,128	4,889	5,105	5,785	4,173
Real property transfer tax	24,589	23,960	25,910	26,521	25,138
Miscellaneous taxes	38	10	6	6	3
Intergovernmental unrestricted:					
Property taxes in lieu of VLF	351,524	371,105	393,824	417,601	441,609
Sales and use taxes	28,898	27,779	30,744	32,332	30,967
Investment earnings	17,818	15,315	38,057	84,335	102,116
Other general revenues	82,745	88,038	93,604	90,041	102,310
Total governmental general revenues	1,190,174	1,251,741	1,345,677	1,454,459	1,557,789
Transfers	3,714	4,399	4,421	5,711	(5,172)
Extraordinary gain					
Total governmental activities	1,193,888	1,256,140	1,350,098	1,460,170	1,552,617
Business-type activities					
Investment earnings	1,622	523	1,159	2,013	2,565
Other general revenues	8,777	2,716	2,892	2,734	2,428
Total business-type general revenues	10,399	3,239	4,051	4,747	4,993
Transfers	(3,714)	(4,399)	(4,421)	(5,711)	5,172
Total business-type activities	6,685	(1,160)	(370)	(964)	10,165
Total primary government	1,200,573	1,254,980	1,349,728	1,459,206	1,562,782
Change in net position					
Governmental activities	245,022	(63,866)	191,792	322,714	115,433
Business-type activities	467	9,295	(7,466)	(652)	13,631
Total change in net position	$ 245,489	(54,571)	184,326	322,062	129,064

Table 3
County of San Diego
Fund Balances Governmental Funds
Last Ten Fiscal Years
(In Thousands)

	Fiscal Year				
	2011	2012	2013	2014	2015
General Fund					
Nonspendable	$ 11,257	12,443	12,347	12,276	13,379
Restricted	214,956	245,713	295,264	296,548	269,294
Committed	514,739	515,234	464,831	492,175	478,980
Assigned	40,614	51,325	184,526	217,628	328,588
Unassigned	612,814	663,132	644,454	713,045	798,135
Total general fund	1,394,380	1,487,847	1,601,422	1,731,672	1,888,376
All Other Governmental Funds					
Nonspendable	5,148	5,281	5,600	4,884	5,149
Restricted	372,730	424,512	433,952	459,579	427,703
Committed	467,950	440,767	413,796	395,291	379,711
Assigned					228
Total other governmental funds	$ 845,828	870,560	853,348	859,754	812,791

	Fiscal Year				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable	$ 13,489	19,894	22,747	47,019	23,244
Restricted	272,500	266,904	319,782	608,729	696,261
Committed	591,941	677,058	796,086	637,450	626,470
Assigned	381,202	483,464	480,063	418,718	414,650
Unassigned	747,277	697,293	688,449	712,149	707,871
Total general fund	2,006,409	2,144,613	2,307,127	2,424,065	2,468,496
All Other Governmental Funds					
Nonspendable	5,981	6,062	5,993	5,634	5,759
Restricted	398,385	396,063	413,626	471,464	496,757
Committed	371,622	376,179	367,515	365,450	395,784
Assigned	917	1,478	2,066	2,865	3,672
Total other governmental funds	$ 776,905	779,782	789,200	845,413	901,972

Table 4
County of San Diego
Changes in Fund Balances Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(In Thousands)

	Fiscal Year				
	2011	2012	2013	2014	2015
Revenues:					
Taxes	$ 934,737	966,512	941,644	987,061	1,038,552
Licenses, permits and franchise fees	51,144	51,823	52,746	55,819	54,181
Fines, forfeitures and penalties	54,267	53,818	50,070	47,125	49,200
Revenue from use of money and property	39,545	29,765	21,918	34,855	23,033
Aid from other governmental agencies:					
State	1,192,401	1,276,289	1,374,266	1,513,606	1,490,603
Federal	945,168	969,818	946,356	919,151	917,901
Other	72,071	82,292	138,575	169,724	106,691
Charges for current services	359,239	369,586	366,442	389,224	387,788
Other	90,486	104,647	78,455	61,409	91,903
Total revenues	3,739,058	3,904,550	3,970,472	4,177,974	4,159,852
Expenditures:					
General government	223,290	210,375	226,648	231,370	237,875
Public protection	1,088,377	1,149,575	1,187,848	1,277,698	1,353,710
Public ways and facilities	61,967	64,922	66,514	75,565	73,991
Health and sanitation	714,022	782,504	840,735	620,319	644,865
Public assistance	1,184,632	1,171,662	1,178,112	1,410,925	1,346,078
Education	34,599	32,210	32,034	33,431	37,095
Recreation and cultural	33,054	33,302	31,092	31,604	36,838
Total Governmental functions	3,339,941	3,444,550	3,562,983	3,680,912	3,730,452
Capital outlay	186,342	212,304	165,737	264,015	160,474
Debt service:					
Principal	64,016	61,241	75,687	59,535	67,542
Interest	97,290	94,320	93,678	93,232	85,673
Bond issuance costs	349	374	393		583
Payment to refunded bond escrow agent	3,437				8,461
Total expenditures	3,691,375	3,812,789	3,898,478	4,097,694	4,053,185
Excess (deficiency) of revenues over (under) expenditures	47,683	91,761	71,994	80,280	106,667

Continued on next page

Table 4
County of San Diego
Changes in Fund Balances Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(In Thousands)

(Continued)

	Fiscal Year				
	2011	2012	2013	2014	2015
Other financing sources (uses)					
Sale of capital assets	2,673	740	5,997	58,420	984
Issuance of bonds, loans and capital lease:					
Face value of bonds issued		32,665	29,335		732
Face value of loans issued					
Face value of capital lease					
Discount on issuance of bonds		(182)			
Premium on issuance of bonds	1,237		574		15,070
Refunding bonds issued:	19,260				93,750
Payment to refunded bond escrow agent	(18,774)				(103,771)
Transfers in	426,611	460,192	460,931	478,533	434,541
Transfers (out)	(430,527)	(465,106)	(472,183)	(480,236)	(439,657)
Total other financing sources (uses)	480	28,309	24,654	56,717	1,649
Extraordinary loss		(3,126)			
Net change in fund balances	$ 48,163	116,944	96,648	136,997	108,316
Debt service as a percentage of noncapital expenditures	4.60%	4.32%	4.54%	3.98%	3.94%

Continued on next page

Table 4
County of San Diego
Changes in Fund Balances Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(In Thousands)

(Continued)

	Fiscal Year				
	2016	2017	2018	2019	2020
Revenues:					
Taxes	$ 1,090,722	1,148,655	1,214,066	1,276,584	1,344,469
Licenses, permits and franchise fees	57,375	57,066	62,189	62,951	59,663
Fines, forfeitures and penalties	46,295	44,146	42,417	43,589	44,409
Revenue from use of money and property	28,396	23,079	43,407	87,604	97,867
Aid from other governmental agencies:					
State	1,487,655	1,482,536	1,644,254	1,631,528	1,866,281
Federal	959,399	796,594	828,693	909,211	1,029,342
Other	110,816	122,767	132,652	142,822	157,984
Charges for current services	398,705	411,488	433,325	424,365	462,718
Other	75,264	77,429	79,977	78,501	85,613
Total revenues	4,254,627	4,163,760	4,480,980	4,657,155	5,148,346
Expenditures:					
General government	233,180	260,005	270,469	282,021	353,496
Public protection	1,343,281	1,434,323	1,486,679	1,569,507	1,652,858
Public ways and facilities	70,946	75,901	100,322	89,184	108,703
Health and sanitation	670,871	731,034	801,370	875,337	973,884
Public assistance	1,426,134	1,184,697	1,195,090	1,263,184	1,424,290
Education	39,592	39,687	41,238	45,707	46,571
Recreation and cultural	37,800	39,325	39,668	42,856	46,081
Total Governmental functions	3,821,804	3,764,972	3,934,836	4,167,796	4,605,883
Capital outlay	185,065	120,509	267,685	183,654	272,524
Debt service:					
Principal	65,929	66,284	76,181	82,766	98,543
Interest	88,502	75,153	73,637	69,381	72,762
Bond issuance costs	761				3,415
Payment to refunded bond escrow agent	12,481				30,543
Total expenditures	4,174,542	4,026,918	4,352,339	4,503,597	5,083,670
Excess (deficiency) of revenues over (under) expenditures	80,085	136,842	128,641	153,558	64,676

Continued on next page

Table 4
County of San Diego
Changes in Fund Balances Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(In Thousands)
(Continued)

	Fiscal Year				
	2016	2017	2018	2019	2020
Other financing sources (uses)					
Sale of capital assets	2,319	240	126	25,213	11,557
Issuance of bonds, loans and capital lease:					
Face value of bonds issued					
Face value of loans issued	690				
Face value of capital lease		6,122	45,495		217
Discount on issuance of bonds					
Premium on issuance of bonds	22,163				66,047
Refunding bonds issued	105,330				425,414
Payment to refunded bond escrow agent	(122,533)				(450,127)
Transfers in	470,175	474,286	527,620	527,914	578,503
Transfers (out)	(476,484)	(478,540)	(532,605)	(533,891)	(595,710)
Total other financing sources (uses)	1,660	2,108	40,636	19,236	35,901
Extraordinary loss					
Net change in fund balances	$ 81,745	138,950	169,277	172,794	100,577
Debt service as a percentage of noncapital expenditures	3.87%	3.62%	3.67%	3.52%	3.56%

Table 5
County of San Diego
Assessed Value of Taxable Property
Last Ten Fiscal Years (1)
(In Thousands)

	Real Property		Personal Property		Less: Tax Exempt			
Fiscal Year	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Total Taxable Assessed Value	Total Direct Tax Rate
2011	$ 384,566,788	$ 3,361,476	$ 3,642,380	$ 10,997,174	$ 10,332,112	$ 1,458,658	$ 390,777,048	1.00000
2012	387,715,176	3,326,188	3,604,459	10,878,963	10,959,285	1,578,206	392,987,295	1.00000
2013	388,067,793	3,362,102	3,785,463	10,908,493	11,532,649	1,632,359	392,958,843	1.00000
2014	401,174,212	3,471,163	3,857,452	11,337,598	12,195,985	1,660,818	405,983,622	1.00000
2015	424,400,547	3,837,190	3,708,390	11,638,652	12,531,830	1,812,206	429,240,743	1.00000
2016	449,303,851	3,695,989	3,567,927	11,923,467	13,374,474	1,801,251	453,315,509	1.00000
2017	473,696,673	3,733,123	3,527,495	12,797,155	14,227,380	1,875,970	477,651,096	1.00000
2018	502,995,352	3,839,661	3,954,578	12,853,406	14,954,254	1,862,561	506,826,182	1.00000
2019	533,571,034	3,970,087	4,073,291	13,691,328	16,390,213	2,026,718	536,888,809	1.00000
2020	563,905,066	4,408,141	3,978,117	14,496,090	17,360,610	2,231,365	567,195,439	1.00000

(1) Due to the passage of Proposition 13 (Prop 13) in 1978, the County does not track the estimated actual value of real and personal properties; therefore, assessed value as a percentage of actual value is not applicable. Under Prop 13, property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the CPI on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value.

Source: County of San Diego, Auditor and Controller, Property Tax Services Division

Table 6
County of San Diego
Property Tax Rates - Direct and Overlapping Governments
(Per $100 of Assessed Value)
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Direct Rates (1)										
County of San Diego	0.140	0.140	0.140	0.139	0.140	0.139	0.139	0.139	0.138	0.138
Cities (3)	0.232	0.231	0.232	0.233	0.233	0.235	0.238	0.238	0.242	0.242
Schools (4)	0.594	0.595	0.594	0.594	0.593	0.592	0.590	0.590	0.587	0.587
Special Districts	0.034	0.034	0.034	0.034	0.034	0.034	0.033	0.033	0.033	0.033
Total Direct Rates	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Overlapping Rates (2)										
Cities (3)	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004
Schools	0.066	0.073	0.073	0.103	0.102	0.105	0.103	0.109	0.110	0.140
Special Districts	0.008	0.009	0.009	0.009	0.009	0.009	0.009	0.009	0.009	0.011
Total Overlapping Rates	0.078	0.086	0.086	0.116	0.115	0.118	0.116	0.122	0.123	0.155
Total Direct and Overlapping Rates	1.078	1.086	1.086	1.116	1.115	1.118	1.116	1.122	1.123	1.155

(1) The $1.00 per $100 of Assessed Value (Proposition 13) tax rate beginning in Fiscal Year 1978-79 is distributed according to State Law on a percentage basis to each of the eligible taxing agencies in the County.

(2) Overlapping rates for cities, schools and special districts are chargeable to property owners within their respective tax rate areas (TRA). Overlapping rates do not apply to all property owners (e.g. the rates for special districts apply only to property owners whose property is located within the geographic boundary (TRA) of the special district.)

(3) Includes property tax revenue that is distributed in the Redevelopment Property Tax Trust Fund (RPTTF) starting fiscal year 2012 (Redevelopment Agencies' dissolution was February 1, 2012) to present. Prior to dissolution, property tax revenue was distributed to the redevelopment agencies.

(4) Includes property tax revenue that is distributed in the Educational Revenue Augmentation Fund (ERAF).

Source: County of San Diego, Auditor and Controller, Property Tax Services Division

Table 7
County of San Diego
Principal Property Taxpayers
Current Year and Nine Years Ago
(In Thousands)

	2020			2011		
Taxpayer	Secured Taxable Assessed Value	Rank	Percentage of Total Secured Taxable Assessed Value	Secured Taxable Assessed Value	Rank	Percentage of Total Secured Taxable Assessed Value
San Diego Gas & Electric Company	$ 9,197,133	1	1.67%	$ 4,909,449	1	1.30%
Qualcomm Inc	2,080,774	2	0.38%	1,201,871	6	0.32%
Irvine Company	1,158,848	3	0.21%	1,567,992	3	0.41%
Kilroy Realty L P	906,834	4	0.16%	1,436,577	4	0.38%
UTC Venture LLC	849,498	5	0.15%			
Host Hotels and Resorts	815,500	6	0.15%			
B S K Del Partners LLC	721,690	7	0.13%			
Sorrento West Properties INC	607,467	8	0.11%			
Carlsbad Energy Center, LLC	592,400	9	0.11%			
Pacific Bell Telephone	567,777	10	0.10%	744,525	9	0.20%
San Diego Family Housing LLC				1,349,732	5	0.36%
Southern California Edison Co.				2,217,581	2	0.59%
Camp Pendleton & Quantico Housing LLC				1,099,420	7	0.29%
Arden Realty LLP				785,373	8	0.21%
O C/S D Holdings LLC				602,274	10	0.16%
Totals	$ 17,497,921		3.17%	$ 15,914,794		4.22%

Source: County of San Diego, Auditor and Controller, Property Tax Services Division

Table 8
County of San Diego
Property Tax Levies and Collections
Last Ten Fiscal Years
(In Thousands)

		Collections within the Fiscal Year of the Levy (1)			Total Collections to Date	
Fiscal Year	Total Tax Levy for Fiscal Year (1)	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2011	$ 3,907,770	$ 3,795,900	97.14%	$ 60,006	$ 3,855,906	98.67%
2012	3,929,873	3,819,892	97.20%	49,892	3,869,784	98.47%
2013	3,929,588	3,871,591	98.52%	35,154	3,906,745	99.42%
2014	4,059,836	4,011,889	98.82%	31,844	4,043,733	99.60%
2015	4,292,407	4,241,271	98.81%	32,085	4,273,356	99.56%
2016	4,533,155	4,489,098	99.03%	28,665	4,517,763	99.66%
2017	4,776,510	4,738,515	99.20%	29,775	4,768,290	99.83%
2018	5,068,261	5,019,394	99.04%	28,891	5,048,285	99.61%
2019	5,368,888	5,318,210	99.06%	28,030	5,346,240	99.58%
2020	5,671,954	5,590,625	98.57%	N/A	5,590,625	98.57%

(1) Includes secured, unsecured and unitary tax levy for the County and school districts, cities and special districts under the supervision of independent governing boards.

Source: County of San Diego, Auditor and Controller, Property Tax Services Division

Table 9
County of San Diego
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(In Thousands, Except Per Capita Amount)

	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental Activities:					
Certificates of Participation & Lease Revenue Bonds	$ 402,396	410,126	413,992	396,173	376,955
San Diego County Redevelopment Agency Revenue Refunding Bonds (2)	14,243				
Tobacco Settlement Asset-Backed Bonds	556,039	562,391	551,350	551,442	542,883
Pension Obligation Bonds	839,652	805,272	769,068	732,330	692,338
Capital and Retrofit loans	7,162	6,167	5,169	5,124	5,188
Capitalized Leases	212	185	152	119	84
Business-type Activities:					
Capital Loans	1,566	1,313	1,046	766	475
Total Primary Government	$ 1,821,270	1,785,454	1,740,777	1,685,954	1,617,923
Percentage of Personal Income (1)	1.20%	1.15%	1.11%	0.99%	0.90%
Per Capita (1)	$ 585	571	553	528	501

	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental Activities:					
Certificates of Participation & Lease Revenue Bonds	$ 351,179	330,956	309,388	287,889	260,352
Tobacco Settlement Asset-Backed Bonds	546,110	548,832	546,113	544,069	533,851
Pension Obligation Bonds	649,860	605,520	558,525	508,765	456,040
Capital and Retrofit loans	6,020	5,249	4,282	3,610	3,201
Capitalized Leases	51	6,084	47,691	43,593	39,300
Business-type Activities:					
Capital Loans	171				
Total Primary Government	$ 1,553,391	1,496,641	1,465,999	1,387,926	1,292,744
Percentage of Personal Income (1)	0.83%	0.78%	0.75%	0.72%	0.75%
Per Capita (1)	$ 472	451	439	414	387

(1) See Table 13 Demographic and Economic Statistics

(2) Pursuant to California Assembly Bill ABx1 26, in 2012 the responsibility for the payment of this debt was transferred to the County of San Diego Successor Agency Private Purpose Trust Fund

Table 10
County of San Diego
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(In Thousands, Except Per Capita Amount)

	Fiscal Year				
	2011	2012	2013	2014	2015
Certificates of Participation & Lease Revenue Bonds	$ 402,396	410,126	413,992	396,173	376,955
Less: Amounts Available in Debt Service Fund	26,867	26,860	28,140	27,728	28,798
Net Certificates of Participation & Lease Revenue Bonds	375,529	383,266	385,852	368,445	348,157
Pension Obligation Bonds	839,652	805,272	769,068	732,330	692,338
Less: Amounts Available in Debt Service Fund	2,117	629	161	423	877
Net Pension Obligation Bonds	837,535	804,643	768,907	731,907	691,461
Total Net Bonded Debt	$ 1,213,064	1,187,909	1,154,759	1,100,352	1,039,618
Percentage of Actual Taxable Value of Property (1)	0.31%	0.30%	0.29%	0.27%	0.24%
Per Capita (2)	$ 389	380	367	344	322

	Fiscal Year				
	2016	2017	2018	2019	2020
Certificates of Participation & Lease Revenue Bonds	$ 351,179	330,956	309,388	287,889	260,352
Less: Amounts Available in Debt Service Fund	20,107	19,992	20,455	20,634	13,773
Net Certificates of Participation & Lease Revenue Bonds	331,072	310,964	288,933	267,255	246,579
Pension Obligation Bonds	649,860	605,520	558,525	508,765	456,040
Less: Amounts Available in Debt Service Fund	375	574	993	1,526	1,345
Net Pension Obligation Bonds	649,485	604,946	557,532	507,239	454,695
Total Net Bonded Debt	$ 980,557	915,910	846,465	774,494	701,274
Percentage of Actual Taxable Value of Property (1)	0.22%	0.19%	0.17%	0.14%	0.12%
Per Capita (2)	$ 298	276	254	231	210

(1) See Table 5 Assessed Value of Taxable Property - Total Assessed Value
(2) See Table 13 Demographic and Economic Statistics - Population Data

Table 11
County of San Diego
Legal Debt Margin Information
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit (1)	Legal Debt Margin	Legal Debt Margin/ Debt Limit
2011	$ 4,884,713		4,884,713	100%
2012	4,912,341		4,912,341	100%
2013	4,911,986		4,911,986	100%
2014	5,074,795		5,074,795	100%
2015	5,365,509		5,365,509	100%
2016	5,666,444		5,666,444	100%
2017	5,970,639		5,970,639	100%
2018	6,335,327		6,335,327	100%
2019	6,711,110		6,711,110	100%
2020	7,089,943		7,089,943	100%

Legal Debt Margin Calculation for Fiscal Year 2020	
Assessed value	$ 567,195,439
Debt limit (1.25% of total assessed value) (2)	7,089,943
Debt applicable to limit:	
General obligation bonds	
Less: Amount set aside for repayment of general obligation debt	
Total net debt applicable to limit	
Legal debt margin	$ 7,089,943

(1) For the fiscal years presented, the County had no debt that qualified as indebtedness subject to the bonded debt limit under the California Constitution.

(2) Under California State law, the total amount of bonded indebtedness shall not at any time exceed 1.25% of the taxable property of the County as shown by the last equalized assessment roll.

Table 12
County of San Diego
Pledged-Revenue Coverage
Last Ten Fiscal Years
(In Thousands)

	Tobacco Settlement Asset-Backed Bonds					
Fiscal Year	Tobacco Settlement Revenues	Less: Operating Expenses (1)	Net Available Revenue	Principal (2)	Interest	Coverage
2011	$ 26,976	$ 158	$ 26,818	$ 2,995	$ 25,584	0.94
2012	27,509	165	27,344	3,755	25,442	0.94
2013	41,460	111	41,349	17,035	25,263	0.98
2014	27,256	195	27,061	5,750	24,453	0.90
2015	26,982	190	26,792	14,760	24,181	0.69
2016	26,680	130	26,550	3,355	23,480	0.99
2017	27,440	120	27,320	4,265	23,321	0.99
2018	32,759	232	32,527	10,145	23,118	0.98
2019	31,754	171	31,583	9,930	22,636	0.97
2020	30,444	203	30,241	28,479	30,827	.51

(1) Operating expenses do not include interest.
(2) Tobacco Principal Debt Service requirements include Turbo Principal payments.

Table 13
County of San Diego
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (in dollars)	School Enrollment (3)	Unemployment Rate (4)
2011	3,115,810	$ 151,539,000	$ 48,636	498,243	10.7
2012	3,128,734	155,500,000	49,701	498,263	9.5
2013	3,150,178	156,600,000	49,711	499,850	8.1
2014	3,194,362	170,300,000	53,313	503,096	6.5
2015	3,227,496	179,800,000	55,709	503,848	5.3
2016	3,288,612	186,900,000	56,832	504,561	4.9
2017	3,316,192	192,107,000	57,930	505,310	4.2
2018	3,337,456	194,633,000	58,318	508,169	3.7
2019	3,351,786	191,558,000	57,151	506,260	3.3
2020	3,343,355	173,279,000	51,828	502,785	13.8

Sources:

Primary

(1) California Department of Finance

(2) Los Angeles County Economic Development Corporation

(3) California Department of Education

(4) U.S. Department of Labor, Bureau of Labor Statistics

Secondary

(1) U.S. Department of Commerce, Bureau of Economic Analysis

Table 14
County of San Diego
Principal Employers
Current Year and Nine Years Ago

	2020			2011		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment (1)**	**Employees**	**Rank**	**Percentage of Total County Employment (2)**
Federal Government (includes Department of Defense)	48,500 (3)	1	3.55%	46,300 (3)	1	3.30%
State of California	45,200 (3)	2	3.31%	45,500 (3)	2	3.24%
University of California (includes UC Health)	35,802 (5)	3	2.62%	27,393 (4)	3	1.95%
Sharp Healthcare	18,770 (4)	4	1.37%	14,969 (4)	5	1.07%
County of San Diego	18,025 (6)	5	1.32%	15,842 (6)	4	1.13%
Scripps Health	15,334 (4)	6	1.12%	13,830 (4)	6	0.99%
San Diego Unified School District	13,559 (7)	7	0.99%	13,730 (4)	7	0.98%
Qualcomm, Inc.	13,000 (8)	8	0.95%	10,509 (4)	8	0.75%
City of San Diego	11,820 (9)	9	0.87%	10,211 (4)	9	0.73%
Kaiser Permanente	9,630 (4)	10	0.71%	8,200 (4)	10	0.58%
Total	229,640		16.81%	206,484		14.72%

Sources:
(1) California Labor MarketInfo (Labormarketinfo.edd.ca.gov)
Percentage is calculated by dividing employees by total employment of 1,365,100 as of June 2020
(2) California Labor MarketInfo (Labormarketinfo.edd.ca.gov)
Percentage is calculated by dividing employees by total employment of 1,402,900 as of June 2011
(3) California Labor MarketInfo (Labormarketinfo.edd.ca.gov)
(4) San Diego Business Journal
(5) University of California Website (universityofcalifornia.edu/infocenter/uc-employee-headcount)
(6) County of San Diego FY19-20 Adopted Operational Plan (FTE basis)
(7) San Diego Unified School District Website (www.sandiegounified.org/about/overview_history/about_us)
(8) Times of San Diego
(9) City of San Diego FY20-21 Adopted Budget (FTE basis)

Table 15
County of San Diego
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

	Fiscal Year				
Function	**2011**	**2012**	**2013**	**2014**	**2015**
General government	1,477	1,451	1,485	1,479	1,485
Public protection	7,362	7,430	7,638	7,859	7,923
Public ways and facilities	374	367	369	366	356
Health and sanitation	2,088	2,045	2,068	2,029	1,994
Public assistance	3,321	3,440	3,728	4,160	4,368
Education	277	256	251	246	259
Recreation and cultural	169	171	162	172	166
Total	15,068	15,160	15,701	16,311	16,551

	Fiscal Year				
Function	**2016**	**2017**	**2018**	**2019**	**2020**
General government	1,529	1,515	1,531	1,552	1,553
Public protection	7,882	7,942	7,899	7,917	7,883
Public ways and facilities	370	388	385	391	374
Health and sanitation	1,987	2,059	2,092	2,194	2,311
Public assistance	4,462	4,552	4,583	4,660	4,817
Education	267	269	271	268	262
Recreation and cultural	171	172	177	190	224
Total	16,668	16,897	16,938	17,172	17,424

Source: County of San Diego Auditor and Controller, Central Payroll Administration

Table 16
County of San Diego
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year				
Function	**2011**	**2012**	**2013**	**2014**	**2015**
General government					
Registrar of Voters: Percent of total mail ballots tallied by the Monday after Election Day	94.00%	98.00%	74.30%	99.00%	98.00%
Assessor/Recorder/County Clerk: Percent of mandated assessments completed by close of annual tax roll	100.00%	99.00%	99.00%	100.00%	100.00%
Treasurer-Tax Collector: Secured taxes collected (% of total)	98.00%	97.00%	98.00%	99.10%	99.10%
Public protection					
Child Support Services: Percent of current support collected (federal performance measure #3)	59.00%	64.00%	67.00%	68.00%	71.00%
Sheriff: Number of jail "A" (or unduplicated) bookings	136,451	130,044	126,836	89,936	82,702
Sheriff: Daily average – number of inmates	4,622	4,846	5,274	5,706	5,226
District Attorney: Felony defendants received (2)	26,619	25,983	27,745	27,424	22,302
District Attorney: Misdemeanor defendants received (2)	28,926	26,800	25,080	27,441	31,242
Planning and Development Services: Percent of building inspections completed next day	100.00%	100.00%	100.00%	98.00%	98.00%
Planning and Development Services: Average permit center counter wait time (in minutes)	(1)	(1)	(1)	31	25
Animal Services: Percent of euthanized animals that were treatable	26.40%	25.30%	28.00%	20.00%	12.80%
Public ways and facilities					
Public Works: Protect water quality through Department of Public Works roads/drainage waste debris removal (cubic yards removed)	27,680	25,404	25,000	60,045	27,010
Health and sanitation					
Regional Operations: Children age 0-4 years receive age-appropriate vaccines	99.00%	99.00%	99.50%	(1)	(1)
Regional Operations: Children age 11-18 years receive age-appropriate vaccines	97.00%	99.00%	99.40%	(1)	(1)
Regional Operations: Children age 0-18 years receive age-appropriate vaccines	(1)	(1)	(1)	99.00%	99.00%
Behavioral Health Services: Wait time for children's mental health outpatient treatment	5 days	5 days	4 days	3.5 days	(1)
Public assistance					
Aging & Independence Services: Face-to-face adult protective services investigations within 10 days	96.00%	96.00%	97.00%	95.00%	97.00%
Child Welfare Services: Foster children in 12th grade who achieve high school completion (diploma, certificate or equivalent)	82.00%	79.00%	83.00%	79.00%	(1)
Child Welfare Services: Family participation in joint case planning and meetings quarterly	(1)	(1)	(1)	(1)	(1)
Self-Sufficiency Services: CalWORKs applications processed timely to help eligible families become more self-sufficient	(1)	(1)	(1)	(1)	(1)
Education					
County Library: Annual average circulation per item	9.95	7.98	7.52	6.84	7.47
Recreation and cultural					
Parks and Recreation: Number of parkland acres owned and effectively managed	45,187	45,661	47,270	47,907	48,098
Parks and Recreation: Number of miles of trails managed in the County trails program	326	329	330	336	359

(1) Trend data not available

(2) The number of cases reviewed may not reflect the number of cases received by the District Attorney in that year.

Source: Various County departments

Continued on next page

Table 16
County of San Diego
Operating Indicators by Function
Last Ten Fiscal Years
(Continued)

Function	Fiscal Year 2016	2017	2018	2019	2020
General government					
Registrar of Voters: Percent of total mail ballots tallied by the Monday after Election Day	75.00%	59.00%	93.00%	71.00%	97.00%
Assessor/Recorder/County Clerk: Percent of mandated assessments completed by close of annual tax roll	100.00%	100.00%	100.00%	100.00%	100.00%
Treasurer-Tax Collector: Secured taxes collected (% of total)	99.30%	99.20%	98.50%	99.20%	98.70%
Public protection					
Child Support Services: Percent of current support collected (federal performance measure #3)	72.00%	73.00%	72.00%	71.00%	71.00%
Sheriff: Number of jail "A" (or unduplicated) bookings	81,975	80,177	81,412	80,257	63,728
Sheriff: Daily average – number of inmates	5,152	(1)	(1)	(1)	(1)
District Attorney: Felony defendants received (2)	21,281	21,656	20,676	21,308	19,193
District Attorney: Misdemeanor defendants received (2)	31,684	30,101	32,383	33,220	27,120
Planning and Development Services: Percent of building inspections completed next day	(1)	(1)	(1)	(1)	(1)
Planning and Development Services: Average permit center counter wait time (in minutes)	25	23	23	21	22
Animal Services: Percent of euthanized animals that were treatable	0.00%	0.00%	0.00%	0.00%	0.00%
Public ways and facilities					
Public Works: Protect water quality through Department of Public Works roads/drainage waste debris removal (cubic yards removed)	22,152	20,586	19,290	24,636	22,150
Health and sanitation					
Regional Operations: Children age 0-4 years receive age-appropriate vaccines	(1)	(1)	(1)	(1)	(1)
Regional Operations: Children age 11-18 years receive age-appropriate vaccines	(1)	(1)	(1)	(1)	(1)
Regional Operations: Children age 0-18 years receive age-appropriate vaccines	100.00%	100.00%	99.00%	100.00%	100.00%
Behavioral Health Services: Wait time for children's mental health outpatient treatment	(1)	(1)	(1)	(1)	(1)
Public assistance					
Aging & Independence Services: Face-to-face adult protective services investigations within 10 days	96.00%	96.00%	97.00%	98.00%	97.00%
Child Welfare Services: Foster children in 12th grade who achieve high school completion (diploma, certificate or equivalent)	(1)	(1)	(1)	(1)	(1)
Child Welfare Services: Family participation in joint case planning and meetings quarterly	77.00%	76.00%	79.00%	80.00%	(1)
Self-Sufficiency Services: CalWORKs applications processed timely to help eligible families become more self-sufficient	97.00%	97.00%	97.00%	98.00%	97.00%
Education					
County Library: Annual average circulation per item	7.82	7.82	7.51	7.74	8.10
Recreation and cultural					
Parks and Recreation: Number of parkland acres owned and effectively managed	48,565	48,836	49,800	51,721	53,475
Parks and Recreation: Number of miles of trails managed in the County trails program	363	363	364	368	375

(1) Trend data not available

(2) The number of cases reviewed may not reflect the number of cases received by the District Attorney in that year.

Source: Various County departments

Table 17
County of San Diego
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
Function	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
General government										
Fleet vehicles	1,664	1,872	1,762	1,762	1,825	1,814	1,801	2,010	1,919	1,758
Buildings	1,096	1,085	1,126	1,136	1,114	1,123	1,153	1,092	1,069	1,092
Land	1,042	1,073	1,090	1,124	1,136	1,146	1,177	1,290	1,330	1,362
Public protection										
Building - sub stations	12	12	12	15	16	16	16	16	17	16
Patrol units	1,404	1,310	1,402	1,473	1,448	1,520	1,511	1,604	1,837	1,620
Detention facilities	10	10	9	10	10	10	11	9	9	9
Public ways and facilities										
Road miles	1,932.05	1,932.83	1,938.63	1,938.71	1,940.48	1,953.71	1,941.91	1,942.98	1,942.59	1,944.25
Bridges	178	196	200	200	201	201	204	208	208	208
Airports	7	7	7	7	7	7	7	7	7	7
Road stations	14	14	13	13	13	13	13	13	13	13
Health and sanitation										
Inactive landfills	23	23	23	23	23	23	23	23	23	23
Sewer lines miles	432.00	432.00	432.00	432.00	432.00	432.00	432.00	432.00	432.00	432.00
Water pollution control facilities	5	5	5	6	1	1	1	1	1	1
Wastewater treatment plants (1)		3	3	3	3	3	3	3	3	3
Wastewater pump stations (1)		8	8	8	8	8	8	8	8	8
Public assistance										
Administration building	1	0	1	1	1	1	1	1	1	1
Housing facilities	6	6	6	6	6	5	5	5	5	5
Education										
Libraries	20	20	20	20	20	20	21	21	22	22
Recreation and cultural										
Parks/open space area	91	91	91	91	109	109	109	118	125	130
Campgrounds	8	8	8	8	8	8	8	8	8	8

(1) Trend data not available for 2011

Source: Various County departments

SAN DIEGO

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Pg IV
Small white boat is docked at the small pier in Lake San Marcos, San Diego north county. Nice reflection on the lake with a hill background. - EditheVideo - Shutterstock.com

Pg 44-45
Lake Cuyamaca View - Colorful Moments - Shutterstock.com

Pg 129
Aerial view of man kayaking on Lake Hodges, famous lake for water activity in Rancho Bernardo East San Diego County, California, USA. July 18th, 2020 - bonandbon - Shutterstock.com

Pg 139
Aerial view of Del Mar North Beach, California coastal cliffs and House with blue Pacific ocean. San Diego County, California, USA - bonandbon- Shutterstock.com

Pg 182
A lone tree with boulders at its base at Ramona Grasslands Preserve in San Diego, California. - Sherry V Smith - Shutterstock.com

Pg 192
A fence-lined trail curves through a wooded area at Ramona Grasslands Preserve in San Diego, California. - Sherry V Smith - Shutterstock.com

Pg 220
The letters SAN DIEGO written in sand on beautiful San Diego beach in La Jolla, California- Chad Zuber- Shutterstock.com

Back Cover
Driftwood beached on Silverstrand beach, San Diego County - aliciamariemassie - Shutterstock.com

County of San Diego, California

County Administration Center
1600 Pacific Highway, San Diego CA 92101
www.sdcounty.ca.gov

Section III:

UPDATES ON CERTAIN INFORMATION PURSUANT TO THE CONTINUING DISCLOSURE AGREEMENTS

Contents of Section III

Section IIIA Continuing Disclosure Requirement Matrix

Section IIIB Select pages of the County of San Diego Adopted Operational Plan for Fiscal Year 2020-21 & Fiscal Year 2021-22

Section IIIC Updates Pursuant to the Continuing Disclosure Agreements

- Summary: Assessed Valuation
- Tables:
  1. Assessment Appeals
  2. Assessed Valuation of Property Subject to Ad Valorem Taxation
  3. Ten Largest Taxpayers
  4. Secured Tax Roll Statistics
  5. General Fund Balance Sheet
  6. General Fund Statement of Revenues, Expenditures and Changes in Fund Balance
  7. Adopted (and Amended) General Fund Budget
  8. Historical Funding Status and Employer Contributions
  9. Transfers of Investment Earnings to Non-Valuation Reserves
  10. Payments for Post-Retirement Health Care Benefits
  11. Total County Employees
  12. Summary of Long-Term Obligations Payable from the General Fund
  13. San Diego County Investment Pool Update

Section IIIA

County of San Diego S.E.C. Rule 15c2-12 Continuing Disclosure Requirements - MATRIX					
			-------- Source --------		
Annual Report to contain:	**2004** **POBs**	**2008** **POBs**	**Section II** CAFR	**Section IIIB** Op Plan	**Section IIIC** Required Updates
Update last paragraph under heading:					
"Assessed Valuation"	x				p. 2
Update of following tables of Official Statement:					
Assessment Appeals		x			p.2
Assessed Valuation of Property Subject to Ad Valorem Taxation	x	x	p. 206		p. 3
Ten Largest Taxpayers	x	x			p. 4
Secured Tax Roll Statistics	x	x			p. 5
General Fund Combined Balance Sheet	x	x	p. 51 - 52		p. 6 - 7
General Fund comparison of Revenues, Expenditures and Fund Balances	x	x	p. 54		p. 8 - 9
Adopted (and Amended) General Fund Budget	x	x		Appendix C	p. 10 - 11
Historical Funding Status and Employer Contributions	x	x			p. 12
Transfers of Investment Earnings to Non-Valuation Reserves	x	x			p. 13
Payments to Post-Retirement Healthcare Benefits	x	x			p. 14
Total County Employees	x	x			p. 15
Summary of General Long-Term Obligations from General Fund	x	x			p. 16
Update of financial and operating data relating solely to the County under:					
"San Diego County Investment Pool"	x	x			p. 17 - 20

Section IIIB

Select pages of the County of San Diego Adopted Operational Plan for Fiscal Year 2020-21 & Fiscal Year 2021-22

To view the County of San Diego Adopted Operational Plan for Fiscal Year 2020-21 & Fiscal Year 2021-22 in its entirety, go to:
http://www.sandiegocounty.ca.gov/content/sdc/auditor/opplan/adoptedlist.html

COUNTY OF SAN DIEGO

ADOPTED OPERATIONAL PLAN

FISCAL YEARS 2020-21 & 2021-22

Helen N. Robbins-Meyer
Chief Administrative Officer

Tracy M. Sandoval
Assistant Chief Administrative Officer

BOARD OF SUPERVISORS

Greg Cox, District 1
Dianne Jacob, District 2
Kristin Gaspar, District 3
Nathan Fletcher, District 4
Jim Desmond, District 5

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

San Diego County

California

For the Fiscal Year Beginning

July 2019

Christopher P. Morrill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **San Diego County, California** for its annual budget for the fiscal year beginning **July 2019**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

This award is valid for a period of one year only. The County believes that the current budget continues to conform to program requirements, and will submit it to GFOA to determine its eligibility for another award.

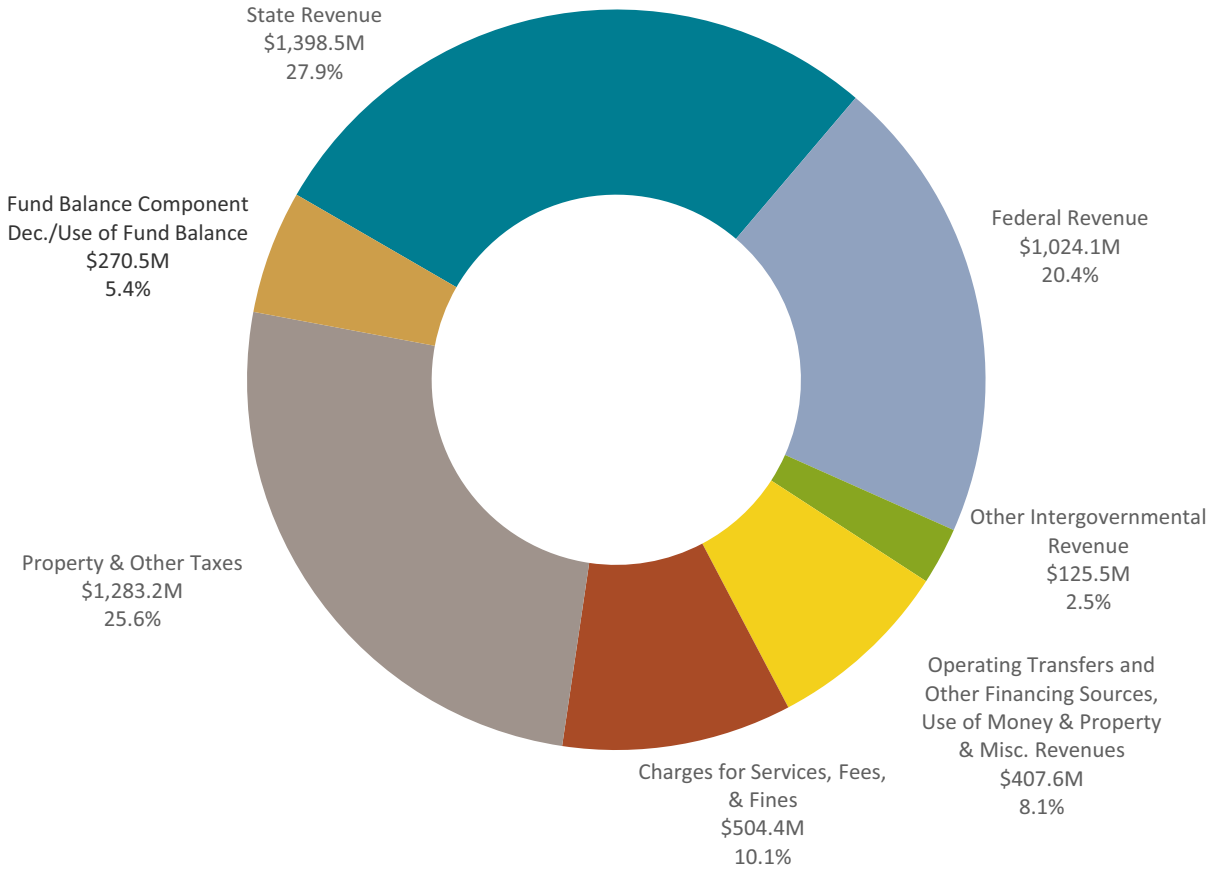
Published October 2020
Office of Financial Planning
Brian Hagerty, Director

General Fund

Overview of General Fund Financing Sources

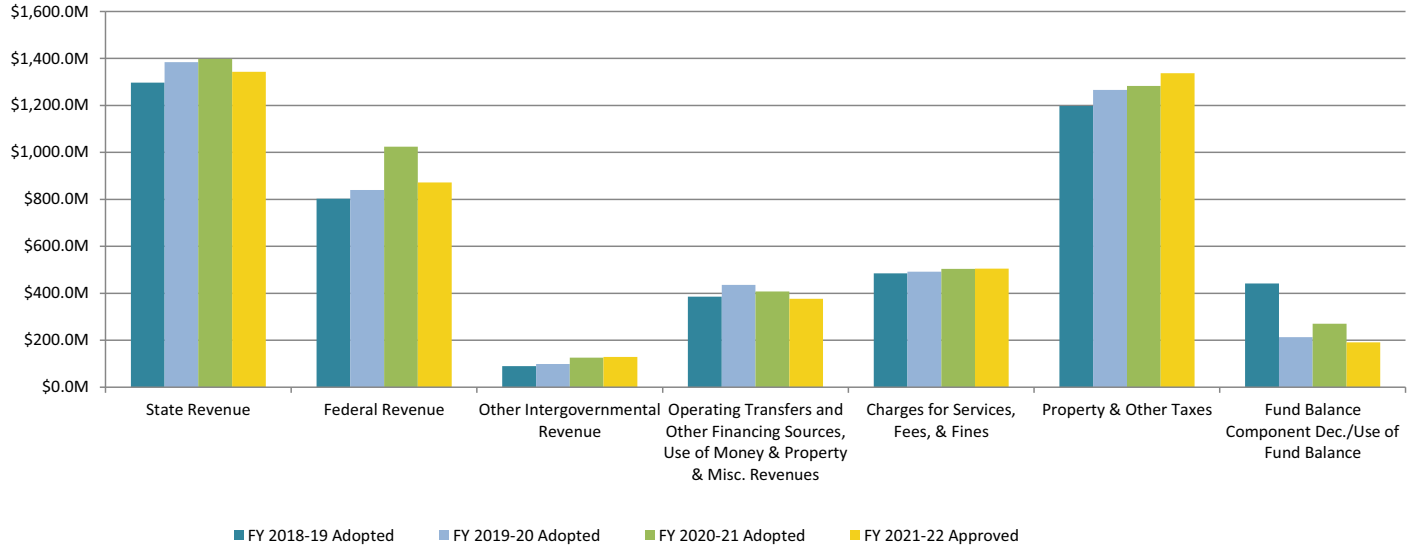
The General Fund is the County's largest single and primary operating fund. It is used to account for all financial resources of the County except those required to be accounted for in other funds. In this Adopted Operational Plan, General Fund Financing Sources **total $5.01 billion for Fiscal Year 2020-21, a $285.2 million or 6.0% increase** from the Fiscal Year 2019-20 Adopted Budget. In comparison, the ten-year average annual growth rate through Fiscal Year 2019-20 was 2.3%. General Fund Financing Sources decrease by $259.9 million or 5.2% in Fiscal Year 2021-22 primarily due to reduction in the use of one-time resources.

General Fund Financing Sources
Fiscal Year 2020–21: $5.01 billion



General Fund Financing by Sources

Fiscal Years 2018-19 through 2021-22



General Fund Financing Sources (in millions)

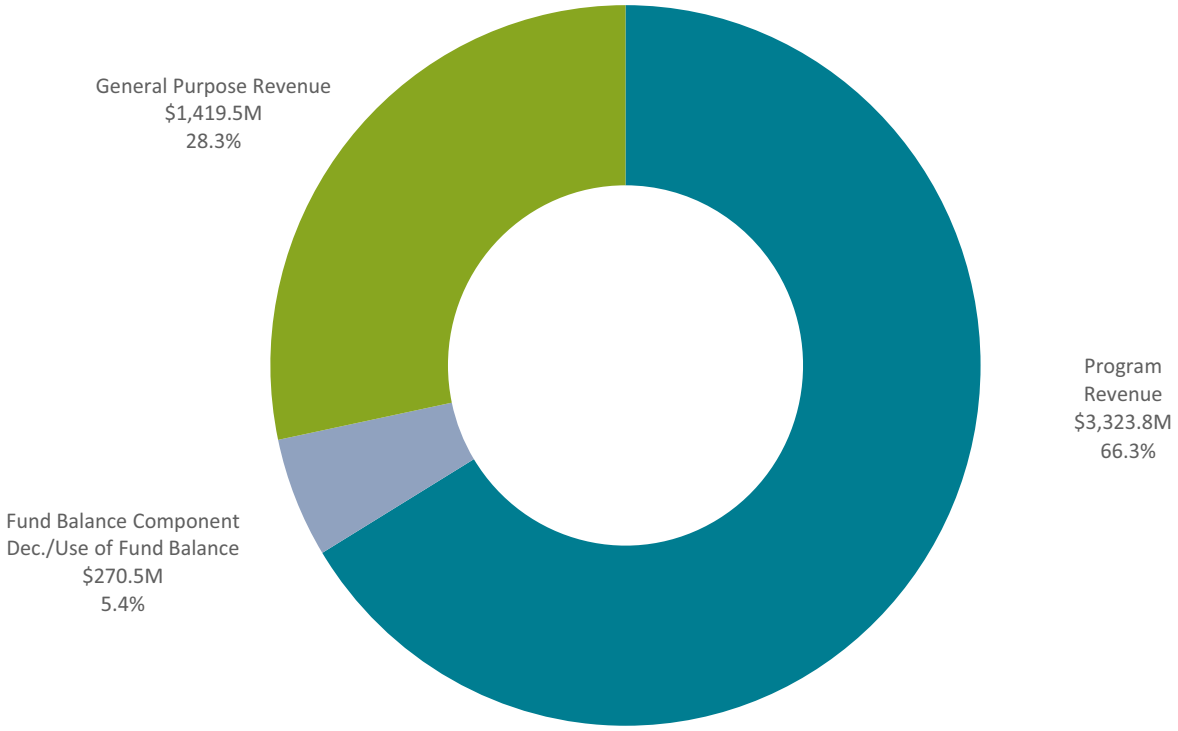
	Fiscal Year 2018–19 Adopted Budget	Fiscal Year 2019–20 Adopted Budget	Fiscal Year 2020–21 Adopted Budget	% Change	Fiscal Year 2021–22 Approved Budget
State Revenue	$ 1,296.9	$ 1,384.0	$ 1,398.5	1.0	$ 1,343.1
Federal Revenue	802.9	839.8	1,024.1	21.9	872.3
Other Intergovernmental Revenue	90.1	99.2	125.5	26.5	128.5
Operating Transfers and Other Financing Sources, Use of Money & Property & Misc. Revenues	385.7	435.4	407.6	(6.4)	376.6
Charges for Services, Fees, & Fines	484.6	491.8	504.4	2.6	504.8
Property & Other Taxes	1,197.7	1,265.8	1,283.2	1.4	1,337.4
Fund Balance Component Decreases	95.6	63.2	76.9	21.7	52.8
Use of Fund Balance	346.0	149.5	193.6	29.5	138.5
Total	**$ 4,699.5**	**$ 4,728.7**	**$ 5,013.8**	**6.0**	**$ 4,754.0**

General Fund Financing Sources by Category

The preceding section presented General Fund financing sources by account type. This section looks at General Fund financing sources according to how they are generated. From that perspective, these financing sources can be categorized as one of three funding types: Program Revenue, General Purpose Revenue and Use of Fund Balance (including Fund Balance Component Decreases).

In Fiscal Year 2020-21, Program Revenue increased by $216.2 million or 7.0%, while General Purpose Revenue (GPR) increased by $11.1 million or 0.8% and the Fund Balance Component Decreases/Use of Fund Balance increased by $57.9 million or 27.2% from the Fiscal Year 2019-20 Adopted Budget.

General Fund Financing Sources by Category
Fiscal Year 2020-21: $5.01 billion



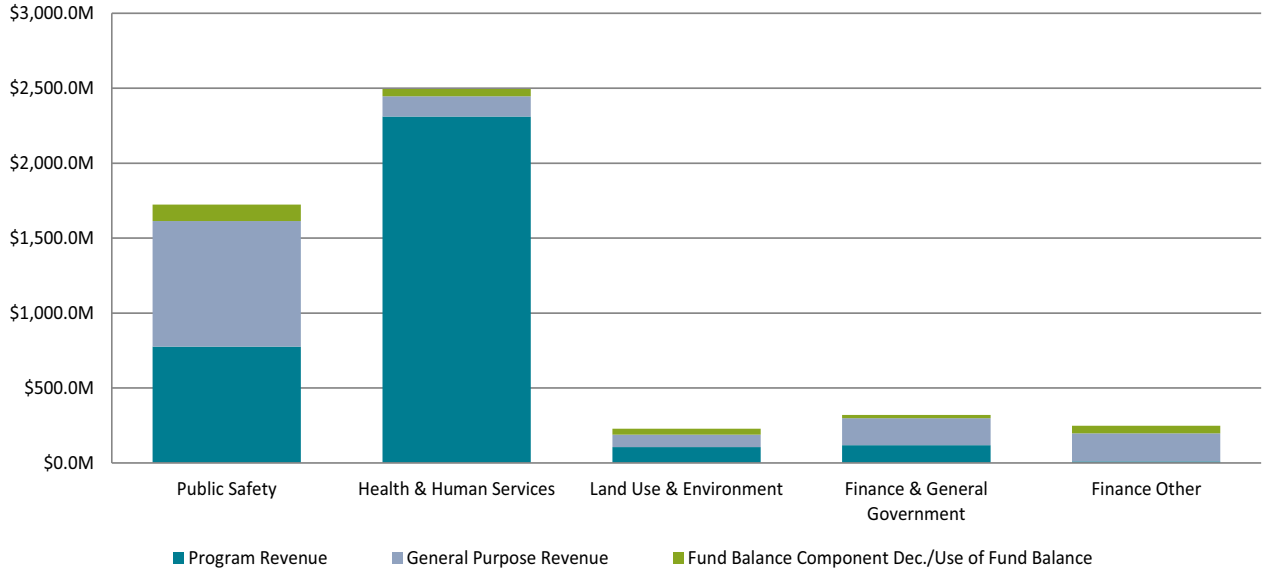
General Fund Financing Sources by Category (in millions)

	Fiscal Year 2018–19 Adopted Budget	Fiscal Year 2019–20 Adopted Budget	Fiscal Year 2020–21 Adopted Budget	% Change	Fiscal Year 2021–22 Approved Budget
Program Revenue	$ 2,938.3	$ 3,107.6	$ 3,323.98	7.0	$ 3,079.0
Use of Fund Balance/Fund Balance Component Decreases	441.7	212.7	270.5	27.2	191.3
General Purpose Revenue	1,319.6	1,408.4	1,419.5	0.8	1,483.7
Total	**$ 4,699.5**	**$ 4,728.7**	**$ 5,013.8**	**(32.1)**	**$ 4,754.0**

In Fiscal Year 2021-22, GPR increased by 4.5% ($64.2 million), Program Revenue decreased by 7.4% ($244.9 million) and the planned Use of Fund Balance declined by 29.3% ($79.2 million). Uses of fund balance in Fiscal Year 2021-22 are tentative and subject to revision during the next Operational Plan development cycle.

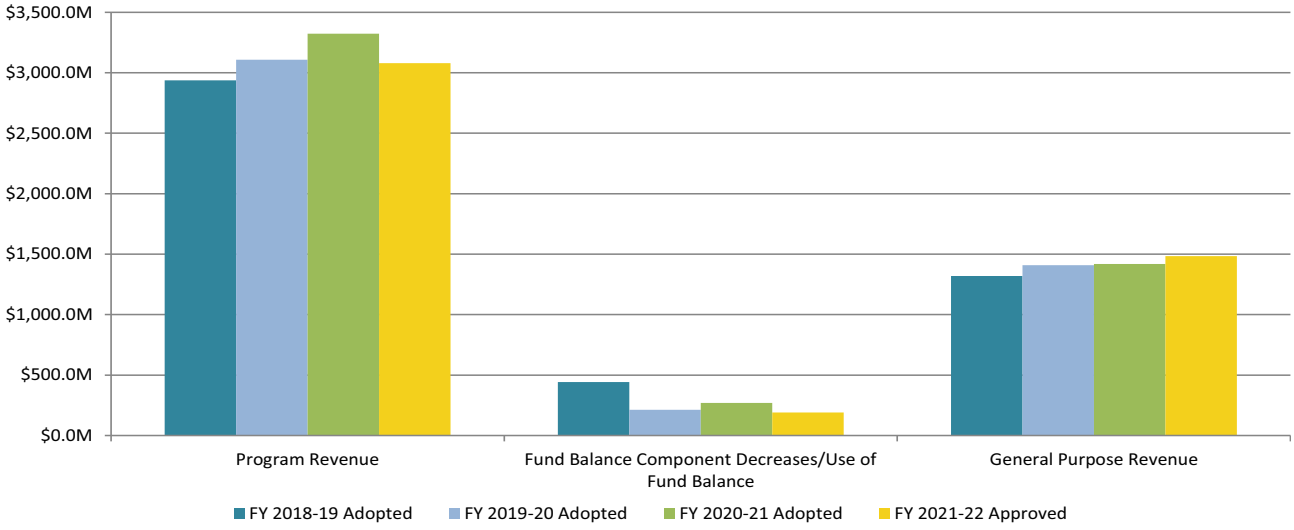
General Fund Financing by Group and Category

Fiscal Year 2020-21: $5.01 billion



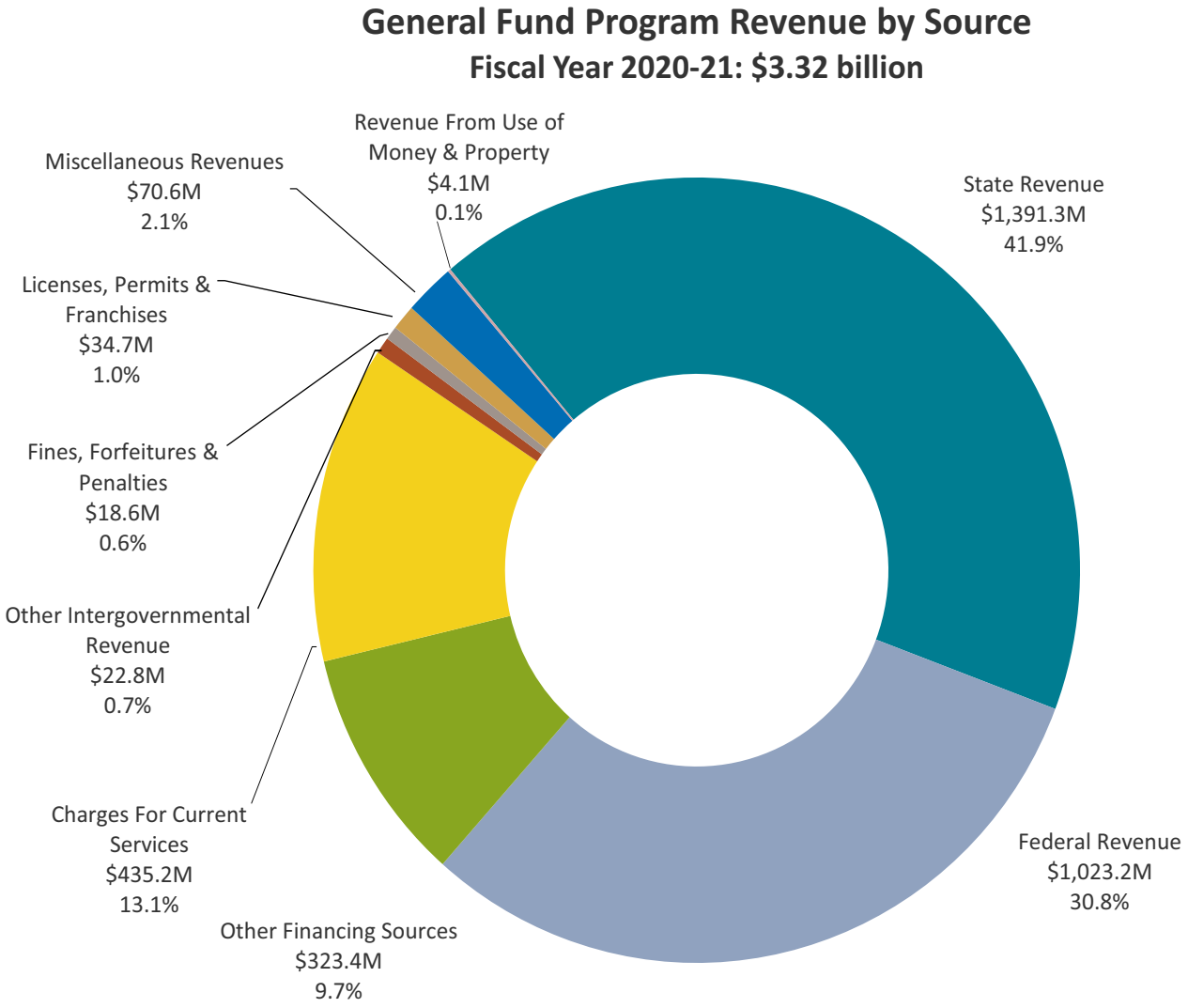
General Fund Financing Sources by Category

Fiscal Years 2018-19 through 2021-22



General Fund Program Revenue

Program Revenue, as the name implies, is dedicated to and can be used only for the specific programs with which it is associated. This revenue makes up 66.3% of General Fund financing sources in Fiscal Year 2020-21, and is derived primarily from State and federal subventions, grants, and fees charged by specific programs. Of the County's Program Revenue, the Health and Human Services Agency manages 69.5%, the Public Safety Group manages 23.4% and the balance is managed across the County's other business groups. Program Revenue is expected to increase by 7.0% ($216.2 million) from the Fiscal Year 2019-20 Adopted Budget compared to an average annual growth for the last ten years of 2.3%.



General Fund Program Revenue by Source (in millions)	Fiscal Year 2018–19 Adopted Budget	Fiscal Year 2019–20 Adopted Budget	Fiscal Year 2020–21 Adopted Budget	% Change	Fiscal Year 2021–22 Approved Budget
State Revenue	$ 1,289.7	$ 1,376.9	$ 1,391.3	1.1	$ 1,335.9
Federal Revenue	802.0	838.9	1,023.2	22.0	871.3
Other Financing Sources	328.6	350.5	323.4	(7.8)	332.7
Charges For Current Services	401.2	405.0	435.2	7.5	422.3
Other Intergovernmental Revenue	20.6	20.8	22.8	9.6	22.8
Fines, Forfeitures & Penalties	21.5	22.5	18.6	(17.7)	18.4
Licenses, Permits & Franchises	38.2	40.7	34.7	(14.8)	40.6
Miscellaneous Revenues	32.1	48.1	70.6	46.8	30.0
Revenue From Use of Money & Property	4.4	4.1	4.1	(1.1)	4.1
Total	**$ 2,938.3**	**$ 3,107.6**	**$ 3,323.9**	**7.0**	**$ 3,079.0**

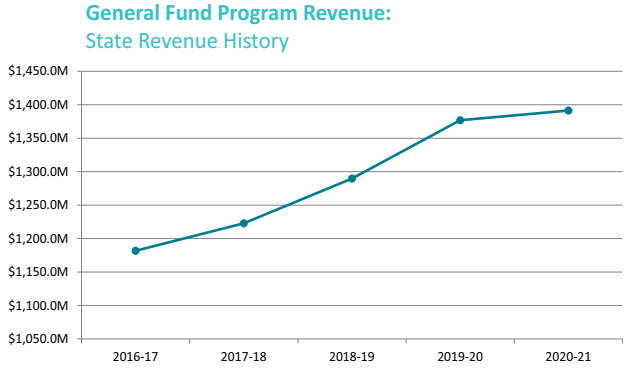
General Fund Change in Program Revenue

The $216.2 million increase in Program Revenue in the Fiscal Year 2020-21 Adopted Budget is the result of increases and decreases in various funding sources, as indicated in the General Fund Program Revenue by Source table. These changes are highlighted below.

General Fund Change in Program Revenue by Source

State Revenue

State Revenue **increases by $14.4 million or 1.1%.**



Due to the COVID-19 pandemic, the County began the year expecting to receive net decreased State revenue as a result of decreased State sales tax revenues. These impacted the Health & Human Services Agency (HHSA) and Public Safety Group (PSG) Realignment revenues in particular. However, the State General Fund partially offset some of those revenue losses in public safety and public health as noted below.

There is an overall net decrease of $5.3 million in the Health & Human Services Agency (HHSA) primarily in revenues associated with anticipated growth in CalWORKs, CalFresh and Medi-Cal, funds supporting efforts to address homelessness, various public health programs and Older Americans Act revenues tied to anticipated allocation and grant funding partially offset by decrease in Realignment revenues based on projected decline in statewide sales tax receipts dedicated to Health and Human Services programs.

An overall net increase of $0.6 million in Public Safety Group (PSG) is primarily in Sheriff's Department from the Department of State Hospitals to reimburse costs of providing a jail-based competency treatment program offset by decrease in the Probation Department as a result of the COVID-19 pandemic economic impact to sales tax and vehicle license fees including the Community Correction Subaccount, in the Law Enforcement Activities Subaccount Fund for juvenile activities, in other Realignment revenues and the Youth Offender Block Grant.

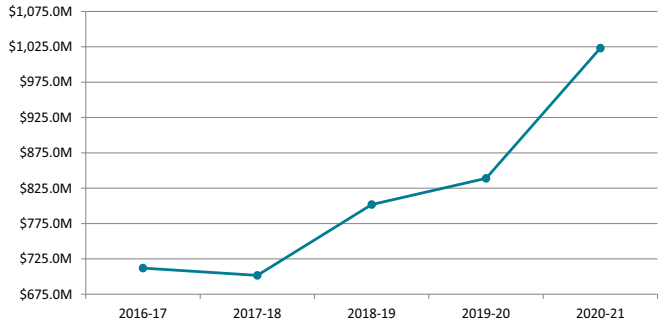
There is an overall net increase of $7.8 million in Finance and General Government Group (FGG) primarily in Registrar of Voters in Help America Vote Act (HAVA) funding for the purchase of minor equipment and several envelope extractors and other reimbursable costs tied to the November 2020 Presidential General election.

An overall net increase of $0.7 million in Land Use and Environmental Group (LUEG) is primarily in the Department of Parks and Recreation in State grant revenue for the Tijuana River Valley Invasive Species Removal and Restoration Plan and the Habitat Conservation Fund Nature Explore.

Federal Revenue

Federal Revenue **increases by a net of $184.3 million, or 22.0%**.

General Fund Program Revenue:
Federal Revenue History



The net increase of $187.2 million in HHSA is primarily in Coronavirus Aid, Relief, and Economic Security (CARES) Act revenue to support COVID-19 response efforts including costs for the Testing, Tracing, and Treatment Strategy (T3), funds supporting efforts to address homelessness, revenue associated with anticipated growth in CalWORKs, CalFresh and Medi-Cal, temporary increase in the Federal Medical Assistance Percentage (FMAP) provided under the Families First Coronavirus Response Act, one-time federal revenue to help transition from the Title IV-E California Well-Being Project to Family First Prevention Services Act (FFPSA), various public health programs and Older Americans Act revenues tied to anticipated allocation and grant funding, and in revenues dedicated for the In-Home Supportive Services program partially offset by a loss of federal revenue tied to the end of the Title IV-E California Well-Being Project.

The net increase in LUEG of $0.8 million is primarily in Environmental Health related to Homeland Security Grant Program funding.

A net decrease in PSG of $3.7 million is in Probation due to the loss of federal revenue resulting from the end of the Title IV-E California Well-Being Project, in Child Support Services to align with anticipated reduction in reimbursements based on the revised allocation provided by the California Department of Child Support Services, and in the Sheriff's Department mainly for the Urban Areas Security Initiative Grant, Homeland Security Grant Program and the Operation Stonegarden Grant Program, offset by increases in the District Attorney's office in Crime Victim Assistance to support the Victim Assistance Program and in the San Diego Fire Authority due to anticipated grant funds from Assistance to Fire Fighter and Community Development Block Grant.

Other Financing Sources

Other Financing Sources (including Operating Transfers from Other Funds) **decreases by a net of $27.2 million or 7.8%**.

The net decrease of $35.3 million in PSG includes a decrease of $24.2 million primarily in the Proposition (Prop) 172 Fund, *the Local Public Safety Protection and Improvement Act of 1993*, resulting from anticipated decline in sales tax receipts due to the economic impacts of the COVID-19 pandemic. Prop 172 supports regional law enforcement and detention services. Decreases are in Sheriff ($26.0 million) and Probation ($2.2 million) offset by an increase in District Attorney ($4.0 million). More information about Proposition 172 funding appears in the following section. Outside of Prop 172, other decreases include $11.1 million in Sheriff's Department due to the prior year one-time use of fund balance available in the Criminal Justice Facility Construction Fund for renovation of various Sheriff's facilities, a decrease in funds to be transferred from the Sheriff's Jail Commissary Enterprise Fund to the Inmate Welfare Fund and decrease in funds to be transferred from the Inmate Welfare Fund to the General Fund associated with a reduction in positions and positions that will be held vacant offset by increases to replace the CAD System and to partially offset security upgrades and renovation of the Rock Mountain Detention Facility.

The net decrease of $1.3 million in Finance Other as a result of decreases in the annual lease payment for the 2011 MTS Tower Refunding Certificates of Participation (COPs), refunding of the 2009 Justice Facilities Refunding (COP), and additional interest revenue earned which is used to offset annual payments.

The net increase of $9.1 million in HHSA is primarily due to Securitized Tobacco Settlement for health-related services in Public Health Services ($5.1 million) and Behavioral Health Services ($4.0 million).

A net increase of $0.3 million in LUEG primarily in the Department of Parks and Recreation is due to increased support for County Service Areas (CSA) and Community Facility District (CFD) parks including one additional staff year.

Charges For Current Services

Charges For Current Services **increases by a net of $30.2 million or 7.5%**. Revenues increase by $31.1 million in HHSA, and $7.0 million in FGG, offset by decreases of $7.2 million in PSG and $0.7 million in LUEG.

- In HHSA the net increase of $31.1 million is primarily tied to an increase of $25.2 million in available Intergovernmental Transfer (IGT) revenue helping to offset decreased revenue from the economic impacts of the COVID-19 public health emergency, an increase of $2.8 million for revenue in the Edgemoor Distinct Part Skilled Nursing Facility to align with increases in the Medi-Cal daily bed rate, $2.5 million in IGT revenue tied to efforts advancing the Behavioral Health Con-

tinuum of Care and an increase of $1.3 million for revenue tied to higher utilization of forensic evaluation services provided to the Superior Court.

- In FGG, the net increase of $7.0 million includes an increase of $7.0 million in the Assessor/Recorder/County Clerk primarily in trust fund revenues due to restoration/preservation of old books & recorder microfilm, redaction of records prior to 1980, archive collection management system, recorder/county clerk integrated system and major maintenance projects for tenant improvements and replacement of the roof and HVAC at the Chula Vista branch and in Recording Document revenues due to increased recordings and increased fee as a result of the Recorder fee study; and an increase of $1.0 million in County Counsel due to an anticipated increase in legal services relating to constitutional claims, and contracts, real estate and road liability matters. These are offset by decreases of $0.5 million in FGG Executive Office in cost allocation plan revenues for reimbursement of administrative services provided to other County departments and $0.5 million in Treasurer-Tax Collector primarily due to realignment of Banking Services Pooled Money revenue tied to expenditures.
- In PSG, the net decrease of $7.2 million includes a $5.2 million decrease in PSG Executive Office in Contribution to Trial Courts to align to anticipated revenues impacted by delays in processing cases and assessing fees and the projected reduction of total actions to be brought before the court due to the COVID-19 pandemic; $2.6 million decrease in the San Diego County Fire Authority due to decreased revenues from the Jamul Indian Village, Fire Protection Districts agreements and building inspection and plan review services; $2.0 million decrease in Probation due to the reduction in fee collection related to Work Projects based on anticipated actuals and the Board of Supervisors action to cease collection of fees for the care of minors in the facilities; and $0.3 million in Child Support Services due to decrease in anticipated levels of child support collections. These are offset by an increase of $2.9 million in the Sheriff's Department primarily to recover negotiated salaries and benefit costs and service adjustments for contracted law enforcement services to nine contract cities, transit entities, a community college district, the State of California 22nd District Agricultural Association and tribes and in Jail Bed Leasing revenue from the City of San Diego due to increased reimbursement rates for housing misdemeanor inmates and to align the budget with actuals.
- In LUEG, the net decrease of $0.7 million includes a decrease of $2.7 million in Planning & Development Services due to the impact of current economic conditions on fee-based revenue. This is offset by increases of $1.7 million in Environmental Health primarily due to increase in settlement funds to offset decreased fee revenue in the Certified Unified Program Agency (CUPA) program and $0.3 million increase in Public Works primarily due to the sewer service charges in the Sanitation District.

Other Intergovernmental Revenue

Other Intergovernmental Revenue **increases by a net of $2.0 million or 9.6%**. A net increase of $1.6 million in LUEG is primarily in Public Works in Aid From Other Government Agencies in the Watershed Protection Program for the San Diego River Investigative Order as required by the San Diego Regional Water Quality Control Board and in Planning & Development Services from SANDAG grants for Valley Center and Alpine Community Plan updates and for the Casa de Oro Specific Plan. And an increase of $0.4 million in HHSA primarily in the Housing and Community Development Services tied to the HEAP grant to provide immediate emergency assistance to people experiencing homelessness or who are at imminent risk of homelessness.

Fines, Forfeitures & Penalties

Fines, Forfeitures & Penalties **decreases by a net of $4.0 million or 17.7%**, primarily in the PSG Executive Office ($3.3 million) due to the continuing decline in fine and fee revenues accelerated by the current economic downturn resulting from the COVID-19 pandemic, along with the delays in processing cases and assessing fees and the projected reduction of total actions to be brought before the court due to the COVID-19 pandemic. And a decrease in LUEG in the Sheriff's Department ($0.3 million) is due to decrease in planned expenditures for the Cal-ID program and in Sheriff's Warrant Automation Trust Fund revenue as a result of low reimbursement for overtime costs.

Licenses, Permits & Franchises

Licenses, Permits & Franchises **decreases by $6.0 million or 14.8%.** A net decrease of $5.3 million in LUEG primarily in Environmental Health ($2.7 million), Planning & Development Services ($2.1 million) and Agriculture Weights and Measures ($0.5 million) due to the impacts of current economic conditions on fee-based revenues. A net decrease of $0.4 million in FGG in the County Communication Office ($0.3 million) from Public Educational Governmental (PEG) Access Fee revenue primarily due to the non-recurrence of one-time capital expenditures for CNC TV production equipment and in the Assessor/Recorder/County Clerk ($0.1 million) due to reduced number of marriage licenses issued. And a net decrease of $0.3 million in PSG in the Department of Animal Services ($0.2 million) is due to projected

decrease in collections and in the Sheriff's Department ($0.1 million) due to decrease in anticipated permit and license fees to align the budget with actuals.

Miscellaneous Revenues

Miscellaneous Revenues **increases by a net of $22.5 million or 46.8%**.

The net increase of $25.6 million in HHSA includes an increase of $26.3 million in Behavioral Health Services primarily due to an increase from the Behavioral Health Impact Fund established by the Board of Supervisors to fund capital projects for mental health and substance abuse service providers, $0.6 million in Housing & Community Development Services to align with anticipated loan repayments for HOME Investment Partnership (HOME) and Community Development Block Grant (CDBG) programs, and $0.5 million in Self-Sufficiency Services in recoupment of payments for the General Relief program; offset by a decrease of $1.8 million in Child Welfare Services primarily based on an adjustment to transfer grant funding to Intergovernmental Revenue.

The net increase of $0.5 million in FGG is in the Department of Human Resources due to the reimbursement from the Employee Benefits Internal Service Fund for its portions of the Employee Benefits and Workers' Compensation divisions.

The net decrease of $3.6 million in PSG includes a decrease of $2.9 million in the Sheriff's Department primarily due to the completion of one-time NextGen RCS site improvement, relocation, and acquisition projects in Fiscal Year 2019-20 reimbursed from the RCS Trust Fund, $2.3 million in the San Diego County Fire Authority due to one-time revenue from Firestorm 2007 Trust Fund and $0.1 million in Child Support Services to align with remaining funding for a digital marketing project funded by the State. These are offset by increases of $1.1 million in Public Defender from the Indigent Defense fund to support operations and %0.6 million in the District Attorney in recovered expenditures for Consumer Fraud Prevention and Prosecution activities.

Revenue from Use of Money & Property

Revenue from Use of Money & Property **decreases by $0.05 million or 1.1%**. The primary source of the decrease is in PSG in the Sheriff's Department for Interest On Deposits & Investments to align the budget with actuals.

Select General Fund Program Revenues

Following are some of the largest and most closely watched program revenues. Please see the individual Group and department sections for more specific information on the various other program revenues.

1991 and 2011 Health and Human Services Realignment Revenues

1991 and 2011 Health and Human Services Realignment Revenues **decreases by a net of $97.4 million of 14.3%**, with $585.0 million in Fiscal Year 2020-21 and $603.8 million in Fiscal Year 2021-22 projected to be received from the State to support health and social services programs.

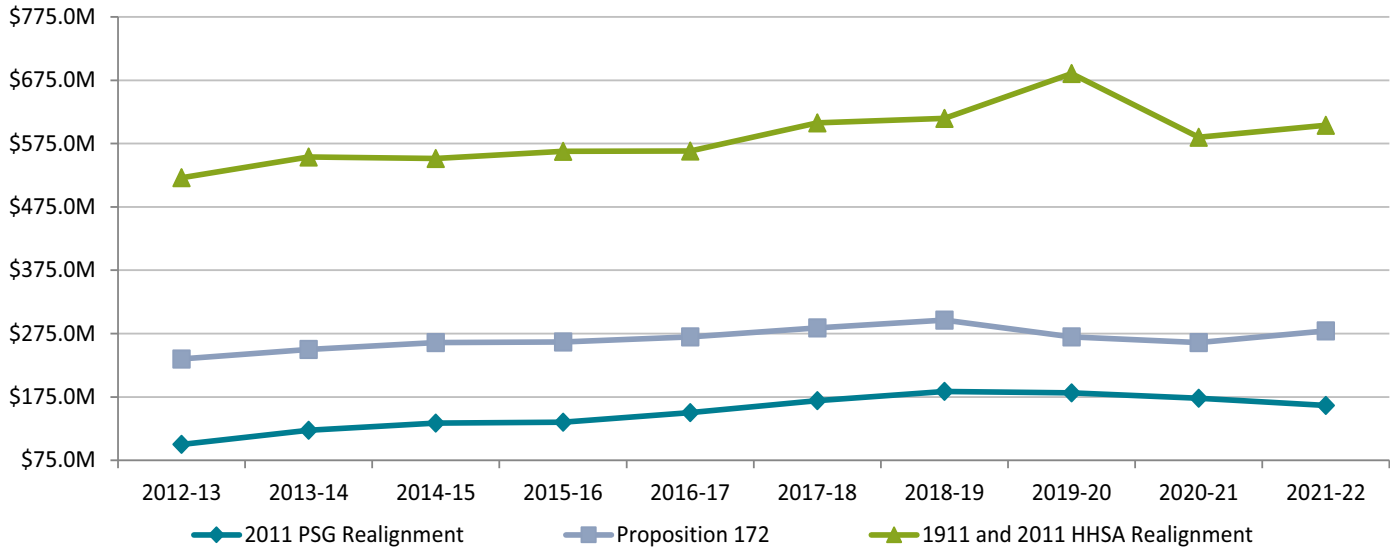
The term "1991 Realignment" refers to the transfer in 1991 of responsibility from the State to counties for certain health, mental health and social services programs, along with the provision of dedicated sales tax and vehicle license fee (VLF) revenues to pay for these services. In Fiscal Year 2011-12 the State further realigned an additional amount of social services and behavioral health services over a two-year period (some additional mental health programs were realigned in Fiscal Year 2012-13) and as in 1991, the State dedicated additional sales tax revenues to support them.

For Fiscal Year 2020-21, it is projected that 23.1% of the HHSA's General Fund budget is funded with Realignment Revenues as compared to only 13.6% in Fiscal Year 2010-11, the last year prior to the implementation of 2011 Realignment. The decline in sales tax revenue and vehicle license fees is due to the economic downturn resulting from the COVID-19 pandemic and based on formulaic assumptions provided by the State of California and assumes an underlying statewide sales tax decline rate of 1.8% for Fiscal Year 2020-21 following a decline of 8.2% in Fiscal Year 2019-20. It is anticipated that these revenues will have a slight growth in Fiscal Year 2021-22 as the economy slowly recovers from the economic downturn resulting from the COVID-19 pandemic.

The following chart shows the realized and projected revenues for 1991 and 2011 Health and Social Services Realignment, Proposition 172, and 2011 PSG Realignment.

Proposition 172, 1991 and 2011 Realignment Sales Tax Revenue

Fiscal Year 2012-13 to Fiscal Year 2021-22



Note: Fiscal Year 2012–13 to 2019–20 figures represent actual revenues. Fiscal Year 2020–21 through Fiscal Year 2021–22 figures represent projected revenue as included in the Fiscal Years 2020–22 Adopted Operational Plan. Starting in 2011, the 1991 Realignment was adjusted to exclude funding for Mental Health support that was transferred to the 2011 Realignment. Also beginning in 2011, CalWORKs funding was incorporated into the 1991 Realignment.

2011 Public Safety Realignment Revenues

2011 Public Safety Realignment Revenues (**$173.2 million in Fiscal Year 2020–21 and $161.7 million in Fiscal Year 2021–22**) are projected to be received from the State to support criminal justice programs. The revenue source is a dedicated portion of State sales tax and State and local VLF. The revenues provided for realignment are deposited into the Local Revenue Fund 2011 and allocated to specific accounts and subaccounts by statute. Funds allocated to the Community Corrections Subaccount will support services required to address the transfer of responsibility for certain offenders from the State to the counties pursuant to Assembly Bill (AB) 109, Public Safety Realignment (2011), which includes supervision of offenders, costs associated with the custody of offenders (food, medical costs and equipment) and resources for services including mental health treatment, substance abuse treatment, and vocational and behavioral services. These revenues are projected to decrease in Fiscal Year 2020–21 by 8.74% ($16.6 million) compared to Fiscal Year 2019–20. The Fiscal Year 2020–21 revenue assumes the use of fund balance to support essential services provided by Public Safety Group departments. The decline in sales tax revenue and vehicle license fee is due to the economic downturn resulting from the COVID-19 pandemic and based on formulaic assumptions provided by the State of California and assumes an underlying statewide sales tax decline rate of 1.8% for Fiscal Year 2020–21 following an 8.2% decline in Fiscal Year 2019–20. A slow economic recovery is expected with no significant increases in Fiscal Year 2021–22.

2011 Realignment for Public Safety includes the following subaccounts: Enhancing Law Enforcement Activities (various programs), Trial Court Security, Community Corrections (AB 109), District Attorney and Public Defender Revocation Hearings (AB 109) and Juvenile Justice (Youthful Offender Block Grant and Juvenile Reentry).

Proposition 172, Public Safety Sales Tax Revenues

Proposition 172, Public Safety Sales Tax Revenues (**$261.0 million in Fiscal Year 2020–21 and $279.2 million in Fiscal Year 2021–22**) support regional public safety services provided by three Public Safety Group departments: Sheriff, District Attorney and Probation. The revenue source is a dedicated one-half cent of the Statewide sales tax that was approved by voters in 1993 and is distributed to counties based on the relative levels of taxable sales in each county to the total taxable sales in all qualified counties. In turn, counties distribute a portion of the Proposition 172 receipts to local cities according to ratios established pursuant to the Government Code.

For Fiscal Year 2020–21, these revenues are projected to decrease by 10.34% ($30.1 million) from Fiscal Year 2019–20 budgeted amount. This assumes an underlying statewide sales

tax decrease rate of 1.8% for Fiscal Year 2020–21 following a decline of 8.2% in Fiscal Year 2019–20. It is anticipated that these revenues will have a slight growth in Fiscal Year 2021–22 as the economy slowly recovers from the economic downturn resulting from the COVID-19 pandemic. The previous chart shows the realized revenues for Proposition 172 for Fiscal Years 2012–13 through 2019–20 and projected levels for Fiscal Years 2020–21 through 2021–22.

Tobacco Settlement Revenues

Tobacco Settlement Revenues (**$16.6 million in Fiscal Year 2020–21 and $15.1 million in Fiscal Year 2021–22**) are dedicated to healthcare-based programs pursuant to Board of Supervisors Policy E-14, Expenditure of Tobacco Settlement Revenue in San Diego County. These revenues are the result of the Master Settlement Agreement in 1998 between the California Attorney General and other states and the four major tobacco manufacturers at that time. The agreement provided more than $206.0 billion in Tobacco Settlement Payments over 25 years in exchange for the release of all past, present and future claims related to the use of tobacco products. California agreed to distribute its share of the settlement to counties based on population.

To reduce the risk of volatility or non-receipt of the Tobacco Settlement Payments, some counties and states opted to securitize these payments. Securitization is a process whereby the owner of the receivable sells the right to that income stream to a third party in exchange for an up-front payment. The County of San Diego securitized its share of the Tobacco Settlement Payments, and deposited the net proceeds of $412.0 million into the Tobacco Securitization Endowment Fund based on a securitization of $466.8 million in January 2002. These funds are spent pursuant to the Board of Supervisors Policy.

In May 2006, the County restructured its 2001 securitization and securitized additional anticipated receipts, adding $123.5 million to the endowment fund. These proceeds were intended to enable the County to fund health care programs annually through approximately year 2034.

The $16.6 million budgeted in Fiscal Year 2020–21 reflects $1.5 million in non-securitized Tobacco Settlement funds to fund the Whole Person Wellness (WPW) pilot project and $15.1 million in Securitized Tobacco funds for Operating Transfers to fund various Health and Social Services programs. This is a net increase of $8.6 million to reflect an increase of $9.1 million in Securitized Tobacco Settlement to support various Health and Social Services programs offset by a $0.5 million decrease in non-securitized Tobacco Settlement funds to align with funding needs in the WPW pilot project.

General Fund General Purpose Revenue

General Purpose Revenue (GPR) makes up 28.3% of the General Fund Financing Sources. Please see the separate discussion of GPR in the following section.

General Fund Use of Fund Balance/ Fund Balance Component Decreases (previously Designations)

Use of Fund Balance, including Fund Balance Component Decreases, (**$270.5 million in Fiscal Year 2020–21 and $191.3 million in Fiscal Year 2021–22**), represents 5.4% of General Fund Financing Sources in Fiscal Year 2020–21. Fund Balance is the result of careful management of resources Countywide in past years. It is both a resource that can be used for one-time expenses and one that serves as a mitigation for unexpected events or requirements. By its nature, fund balance is not suitable for the support of ongoing operations.

The Fund Balance Component Decrease of $76.9 million in Fiscal Year 2020–21 consists of:

- $42.8 million from fund balance restricted for Pension Obligation Bonds (POB) to serve as an alternative funding source for a portion of existing POB costs that have been supported by GPR.
- $19.3 million from committed realignment to support one-time IT projects to modernize electronic health records and data sharing, to support one-time negotiated labor agreements, to assist with reducing the disproportionality of African American children and immigrant/refugee children involved with Child Welfare Services (CWS), for contracted services under the Foster Parent Recruitment, Retention and Support program, which supports licensed foster family homes, approved resource families, and relative caregivers to remove barriers to placing children in family settings, for the San Pasqual Academy evaluation contract and for the North Coastal Live Well Health Center Improvements.
- $8.3 million from fund balance committed for Chula Vista Bayfront project.
- $2.0 million from fund balance committed to Planning & Development Services (PDS) Building Reserves to perform mandated building inspections for permits paid in a previous fiscal year, to offset decreased revenue.

- $1.9 million from fund balance committed for Department of Environmental Health to fund for one-time information technology projects, space improvements and offset of fee-based revenue for mandated inspections of regulated facilities in the Food and Housing Division.
- $1.0 million from fund balance committed for San Diego County Fire Authority Equipment Replacement to replace fire equipment apparatus and medical services minor equipment.
- $0.8 million from fund balance committed for Parks Expansion and Improvement to fund capital projects for South Lane Park and Four Gee Park.
- $0.8 million from fund balance Assigned to Hall of Justice Lease Payments for the 2009 Justice Facilities Refunding.

The following list details the one-time operational activities of General Fund Use of Fund Balance budgeted for Fiscal Year 2020–21 ($142.4 million):

- Labor costs due to negotiated salary and benefit payments.
- Provisional and temporary Help.
- Overtime/Backfill for Tabletop Exercise.
- Forensic Pathology Fellow.
- Various projects related to the Climate Action Plan (CAP).
- Various projects related to TMDL Implementation.
- Consultant services and overtime to work on Codes backlog cases.
- Housing Affordability - Resource Protection Ordinance Biological Mitigation Ordinance Future Update and Housing Affordability - Comprehensive Land Development Code Update - Phase 3.
- Rental Assistance/Disadvantaged Community Needs.
- Printing costs for 2-card ballot.
- 5 satellite locations for the November 2020 Presidential General election.
- Increase in precincts related to upcoming election.
- PC 3051 Cases - cost for youth offenders' parole hearings.
- Bridge Funding-Juvenile Fees.
- State Mandated Payments - Maintenance of Effort & Court Facilities Payment.
- General prosecution and investigation services.
- Neighborhood Reinvestment Program.
- Community Enhancement Program.
- Staffing costs to connect clients to treatment and services.
- staffing costs due to increased case responsibilities and activities associated with legislative requirements.
- Staffing costs for increased investigations.
- Emergency Rental Assistance Program.
- Support for landlord/tenant services.
- Residential Internet access.
- Income Replacement Stipend.
- Sedimentation, trash capture & flood control improvements for Smuggler's Gulch and Monument Road.
- Valley Center park start up costs.
- Green Streets master plan for public and private infrastructure.
- Valley Center Road traffic signal.
- Rancho Santa Fe roundabouts.
- South Santa Fe/Buena Creek intersection improvement.
- South County beach water quality monitoring program.
- Clean Energy Permit Fee Waiver.
- Loan/grant program for the weatherization of existing homes.
- Residential air quality monitoring, air purifiers and data analysis.
- Support for translation services
- Various information technology (IT) projects, including:
  - Case Management System in the Cloud.
  - AEM Platform - upgrade, enhancements, one time efforts.
  - Oracle EBS Financials: 12C DB Upgrade.
  - Upgrade of PeopleSoft PeopleTools and PUM Images.
- Various facilities, maintenance and upgrades which include:
  - Public housing maintenance.
  - Annual dredging of Smugglers Gulch drainage channel in the Tijuana River Valley.
  - ADA Accessibility Improvements - Year 5.
  - Energy Efficiency Program Continuation for County facilities.
  - MMIP Shared Projects.
  - PSG Major Maintenance needs.
  - Public Defender Tenant Improvements and Facility Improvements.
  - Rock Mountain Detention Facility Renovation and Improvement.
  - HHSA Major Maintenance.
  - Unincorporated Homeless Strategy Efforts.
  - East Mesa Juvenile detention Facility Outdoor Field.
  - Julian Library Community Room.
  - Lakeside Equestrian Facility.
  - Valley Center Park improvements.
- Various equipment purchase/replacement including:
  - Next Generation Radio Replacement.
  - Refrigerated trailer to store mobile morgue tent.
  - Radio Upgrades - Replace all non-Phase II capable radios by Sheriff's Wireless.
  - HART Deputies Vehicles and Equipment.
  - Live Oak Springs Water System - Vehicle and Equipment.
  - Repairs and improvements to the Live Oaks Water System.
  - NCRC Generator Replacement.
- Various rebudget items including:
  - Tarquinio TF for Sr. Volunteers.
  - STIC Next Gen equip & migration costs.

- JIMS Replacement.
- AB885 Onsite Wastewater Treatment.
- Tribal Liaison.
- Fire Victim Fee Waiver.
- Litigation Support.
- Urban Agriculture Incentive Zone Fee Waiver program.
- Various IT Projects.
- Purchase of program vehicles for new staff.
- Pesticide disposal collection event.
- Fire and Emergency Medical Service expenses.
- Fee Subsidies for County-wide expenses (DEH).
- Record Management System.
- Start up costs related to Rock Mountain.

The following list details the various General Fund Use of Unassigned Fund Balance budgeted to mitigate the economic impacts of COVID-19 pandemic on various departments for Fiscal Year 2020–21 ($51.2 million):

- $0.2 million in Animal Services to mitigate revenue loss from fees for operations of animal care.
- $6.6 million in Fire Authority to support fire and emergency services for Jamul Indian Village, to support Fire Marshall services provided to Fire Protection Districts, and for building inspection and plan review services
- $0.4 million in Emergency Services for cost related to ongoing emergency operational activities such as temporary staff to provide administrative support, Emergency Operations Center audio-visual break fix/upgrade, and various public outreach projects
- $7.4 million in Probation to support for one year of behavioral health treatment services previously funded by the Local Revenue Fund 2011, Community Corrections Subaccount and to fund essential positions related to adult supervision, youth supervision and youth detention.
- $8.3 million in PSG Executive Office – Contribution to Trial Courts to support the statutorily required county facility payments.
- $24.4 million in Sheriff to mitigate decreases in Proposition 172 fund to sustain core services in law enforcement, detention, courtroom security and weapons screening to the Superior Court; for services and activities required by counties due to Public Safety Realignment 2011 and certain individuals being sentenced to local custody rather than prison; and in transfers from Penalty Assessment to partially support facility costs.
- $0.7 million in Agriculture, Weights and Measures for one-time departmental expenditures for mandated inspections of agricultural operations, pesticide use and retail price scanning systems to offset decreased permit fee revenue.
- $1.6 million in Environmental Health for one-time departmental expenditure to maintain response times for complaints, food borne illness investigations and permit reviews for septic and wells to offset decreased revenue.
- $0.3 million in Parks & Recreation for operational needs related to Otay Lakes, Lincoln Acres Park, and Tijuana River Valley Regional Park Campground.
- $0.5 million in Planning & Development Services for operational needs in discretionary project reviews for land development projects.
- $0.8 million for the semiannual payments of principal and interest for the Certificates of Participation named the 2019 Justice Facilities Refunding.

Appendix C: General Fund Budget Summary

Appropriations by Group and Fund

Public Safety Group

	Fiscal Year 2018-19 Actuals	Fiscal Year 2019-20 Adopted Budget	Fiscal Year 2019-20 Amended Budget	Fiscal Year 2019-20 Actuals	Fiscal Year 2020-21 Adopted Budget	Fiscal Year 2021-22 Approved Budget
Public Safety Executive Office	$ 77,826,711	$ 87,314,101	$ 91,719,071	$ 77,683,233	$ 78,408,597	$ 78,734,291
San Diego County Fire Authority	38,648,839	46,676,767	55,893,475	44,879,442	50,003,438	49,278,179
District Attorney	191,752,971	208,786,130	211,140,752	206,095,743	231,099,809	235,388,076
Sheriff	852,484,377	944,607,646	1,028,836,362	911,748,932	956,433,537	959,497,779
Child Support Services	44,245,217	51,229,266	51,471,263	45,916,017	47,422,231	50,796,263
Office of Emergency Services	7,676,523	7,741,836	9,478,568	7,904,804	7,973,335	7,481,471
Medical Examiner	12,071,961	11,668,771	11,957,583	11,525,125	12,144,343	12,416,809
Probation	223,847,252	233,560,671	236,981,002	223,386,599	233,275,278	236,983,097
Public Defender	87,266,993	92,976,849	98,606,518	94,010,701	97,462,788	100,014,971
Animal Services	8,762,703	9,120,023	9,157,719	8,401,280	9,172,105	9,283,359
Total	**$ 1,544,583,547**	**$ 1,693,682,060**	**$ 1,805,242,313**	**$ 1,631,551,875**	**$ 1,723,395,461**	**$ 1,739,874,295**

Health and Human Services Agency

	Fiscal Year 2018-19 Actuals	Fiscal Year 2019-20 Adopted Budget	Fiscal Year 2019-20 Amended Budget	Fiscal Year 2019-20 Actuals	Fiscal Year 2020-21 Adopted Budget	Fiscal Year 2021-22 Approved Budget
Self-Sufficiency Services	$ 478,339,263	$ 527,258,244	$ 534,871,857	$ 520,792,754	$ 550,805,344	$ 559,566,301
Regional Operations	44,892	—	—	45,856	—	—
Strategic Planning & Operational Support	—	—	—	147	—	—
Aging & Independence Services	164,687,147	183,094,858	183,727,934	183,141,667	192,318,978	197,985,696
Behavioral Health Services	600,700,719	712,886,993	719,578,067	668,853,730	778,464,308	718,923,804
Administrative Support	168,058,095	209,630,339	319,328,878	229,981,734	297,006,489	182,117,160
Child Welfare Services	359,579,630	387,095,386	390,126,046	380,256,214	400,362,189	406,455,514
Public Health Services	130,047,211	148,282,093	163,012,354	148,354,500	167,870,201	158,659,112
Public Administrator / Public Guardian	464	—	—	32	—	—
Housing & Community Development Services	23,659,139	66,978,000	76,470,341	29,294,039	108,712,029	60,642,396
Total	**$ 1,925,116,560**	**$ 2,235,225,913**	**$ 2,387,115,479**	**$ 2,160,720,672**	**$ 2,495,539,538**	**$ 2,284,349,983**

Land Use and Environment Group

	Fiscal Year 2018-19 Actuals	Fiscal Year 2019-20 Adopted Budget	Fiscal Year 2019-20 Amended Budget	Fiscal Year 2019-20 Actuals	Fiscal Year 2020-21 Adopted Budget	Fiscal Year 2021-22 Approved Budget
Land Use and Environment Executive Office	$ 3,787,567	$ 6,670,899	$ 9,868,800	$ 5,237,003	$ **6,015,662**	$ **5,465,050**
Agriculture, Weights and Measures	21,341,658	25,689,211	28,189,166	23,601,276	26,032,998	26,348,029
Environmental Health	44,826,616	53,228,971	58,105,595	46,086,937	55,717,387	56,467,152
University of California Cooperative Extension	1,346,496	1,381,370	1,381,370	1,321,441	1,029,971	869,971
Parks and Recreation	41,440,802	48,651,430	62,620,993	45,386,660	48,835,859	46,316,893
Planning and Development Services	40,907,378	57,537,410	72,535,398	45,812,754	47,703,184	45,282,030
Public Works	39,701,538	49,795,331	72,882,646	44,059,939	42,650,042	20,447,158
Total	**$ 193,352,055**	**$ 242,954,622**	**$ 305,583,969**	**$ 211,506,010**	**$ 227,985,103**	**$ 201,196,283**

Finance and General Government Group

	Fiscal Year 2018-19 Actuals	Fiscal Year 2019-20 Adopted Budget	Fiscal Year 2019-20 Amended Budget	Fiscal Year 2019-20 Actuals	Fiscal Year 2020-21 Adopted Budget	Fiscal Year 2021-22 Approved Budget
Citizens' Law Enforcement Review Board	$ 828,311	$ 986,564	$ 1,003,869	$ 958,509	$ 1,501,491	$ 1,519,303
General Services	5,951,253	3,475,000	8,747,615	5,151,679	5,170,000	3,195,000
Purchasing and Contracting	722,350	854,350	854,350	854,350	594,000	594,000
Registrar of Voters	27,616,472	26,655,234	41,815,352	39,936,032	38,749,652	27,257,253
Finance & General Government Executive Office	21,583,140	28,197,805	51,994,620	19,727,776	24,992,141	25,350,004
Board of Supervisors	9,359,632	10,134,043	11,103,953	10,106,610	10,983,982	10,983,982
Assessor / Recorder / County Clerk	65,296,847	71,674,938	78,892,889	68,112,023	80,941,722	72,739,078
Treasurer - Tax Collector	20,653,760	23,339,921	23,740,934	20,442,801	23,385,913	23,927,866

Finance and General Government Group

	Fiscal Year 2018-19 Actuals	Fiscal Year 2019-20 Adopted Budget	Fiscal Year 2019-20 Amended Budget	Fiscal Year 2019-20 Actuals	Fiscal Year 2020-21 Adopted Budget	Fiscal Year 2021-22 Approved Budget
Chief Administrative Office	4,728,850	5,921,870	6,065,603	5,642,605	10,817,050	5,915,630
Auditor and Controller	37,367,098	37,925,850	43,181,340	37,763,176	39,035,848	40,278,904
County Technology Office	15,304,839	12,461,370	21,530,802	16,944,367	11,196,509	9,782,841
Civil Service Commission	440,145	574,328	575,166	549,678	579,058	593,402
Clerk of the Board of Supervisors	3,854,695	4,281,744	4,479,201	4,194,263	4,174,085	4,441,764
County Counsel	28,175,708	31,459,375	31,485,123	29,422,307	32,794,259	33,843,297
Grand Jury	678,234	799,215	802,223	558,202	760,186	762,910
Human Resources	25,860,478	28,875,561	31,485,443	27,717,703	29,961,429	30,739,937
County Communications Office	3,458,355	4,380,851	4,485,658	3,198,470	3,951,184	3,778,455
Total	**$ 271,880,168**	**$ 291,998,019**	**$ 362,244,140**	**$ 291,280,552**	**$ 319,588,509**	**$ 295,703,626**

Finance Other

	Fiscal Year 2018-19 Actuals	Fiscal Year 2019-20 Adopted Budget	Fiscal Year 2019-20 Amended Budget	Fiscal Year 2019-20 Actuals	Fiscal Year 2020-21 Adopted Budget	Fiscal Year 2021-22 Approved Budget
Community Enhancement	$ 6,251,138	$ 5,698,747	$ 5,705,747	$ 5,683,747	$ 5,943,432	$ 3,873,163
Neighborhood Reinvestment Program	12,666,864	10,000,000	10,969,524	9,345,213	10,000,000	10,000,000
Contributions to County Library	13,500	—	1,390,000	431,160	—	—
Lease Payments-Bonds	30,053,605	28,531,551	28,531,551	28,012,790	24,571,641	25,377,301
Contributions to Capital Program	98,371,789	78,225,000	553,663,527	103,251,651	81,900,554	—
Countywide General Expense	98,950,180	141,862,270	596,397,503	432,215,476	124,433,782	193,097,443
Local Agency Formation Commission Administration	475,684	487,062	487,062	486,771	483,914	498,431
Total	**$ 246,782,761**	**$ 264,804,630**	**$ 1,197,144,914**	**$ 579,426,809**	**$ 247,333,323**	**$ 232,846,338**

Total - Group/Agency	Fiscal Year 2018-19 Actuals	Fiscal Year 2019-20 Adopted Budget	Fiscal Year 2019-20 Amended Budget	Fiscal Year 2019-20 Actuals	Fiscal Year 2020-21 Adopted Budget	Fiscal Year 2021-22 Approved Budget
Total	**$ 4,181,715,091**	**$ 4,728,665,244**	**$ 6,057,330,814**	**$ 4,874,485,918**	**$ 5,013,841,934**	**$ 4,753,970,525**

Financing Sources

Financing Sources by Category	Fiscal Year 2018-19 Actuals	Fiscal Year 2019-20 Adopted Budget	Fiscal Year 2019-20 Amended Budget	Fiscal Year 2019-20 Actuals	Fiscal Year 2020-21 Adopted Budget	Fiscal Year 2021-22 Approved Budget
Taxes Current Property	$ 715,771,449	$ 741,010,130	$ 745,429,044	$ 749,722,093	$ 745,325,342	$ 764,723,019
Taxes Other Than Current Secured	506,950,030	524,791,174	527,485,184	529,335,961	537,852,185	572,656,994
Licenses Permits & Franchises	46,815,737	45,718,067	45,810,326	43,319,484	39,622,719	45,475,363
Fines, Forfeitures & Penalties	40,141,823	39,398,356	39,887,788	40,106,027	27,926,751	35,480,601
Revenue From Use of Money & Property	48,714,058	36,269,015	36,269,015	40,019,982	13,161,605	12,709,621
Intergovernmental Revenues	2,149,762,388	2,323,055,969	2,447,349,754	2,372,158,614	2,548,168,773	2,343,871,534
Charges For Current Services	393,226,954	406,647,723	412,997,179	386,637,598	436,834,449	423,872,050
Miscellaneous Revenues	31,232,720	48,561,269	76,526,551	44,054,670	71,059,609	31,130,710
Other Financing Sources	313,812,828	350,548,448	358,740,377	310,565,945	323,367,312	332,725,680
Total Revenues	**$ 4,246,427,987**	**$ 4,516,000,151**	**$ 4,690,495,219**	**$ 4,515,920,374**	**$ 4,743,318,745**	**$ 4,562,645,572**
Fund Balance Component Decreases	$ 99,997,065	$ 63,188,482	$ 275,062,103	$ 275,062,103	$ 76,891,087	$ 52,819,213
Use of Fund Balance	(164,709,961)	149,476,611	1,091,773,492	83,503,441	193,632,102	138,505,740
Total Financing Sources	**$ 4,181,715,091**	**$ 4,728,665,244**	**$ 6,057,330,814**	**$ 4,874,485,918**	**$ 5,013,841,934**	**$ 4,753,970,525**

Section IIIC

Updates Pursuant to the Continuing Disclosure Agreements

This document is provided for the purpose of updating the specific information required to be updated pursuant to the Continuing Disclosure Agreements

Assessed Valuation

The County Assessor determines and enrolls a value for each parcel of taxable real property in the County every year in accordance with Proposition 13, excepting public utility properties which are assessed by the State Board of Equalization. Generally, property can only be reappraised to market value only upon a change in ownership or completion of new construction. The assessed value of property that has not incurred a change of ownership or new construction must be adjusted annually to reflect inflation at a rate not to exceed 2% per year as shown in the California Consumer Price Index ("CCPI"). Annually, pursuant to Proposition 8, property owners may apply for a temporary reduction in their assessed value when the market value of the real property, as of January 1 of the applicable tax year, falls below the assessed value. Once reduced, the County Assessor must annually review the value of the property and adjust it accordingly, until the indexed Proposition 13 value is fully restored (adjusted with the annual CCPI, not to exceed 2% per year). Additionally, property owners may formally appeal the assessed value of their property. Table 1 below sets forth the number of appeals received by the County Assessor and the number of affected parcels since Fiscal Year 2010-11.

TABLE 1
ASSESSMENT APPEALS
Fiscal Years 2010-11 through 2019-20

Fiscal Year	Appeals[1]	Parcels
2010-11	15,748	19,589
2011-12	19,215	27,916
2012-13	14,627	16,376
2013-14	7,119	8,776
2014-15	7,210	9,264
2015-16	4,814	5,808
2016-17	4,412	6,257
2017-18	3,708	5,282
2018-19	3,552	4,858
2019-20	5,303	6,307[2]

Source: County of San Diego Assessor/Recorder/County Clerk.
(1) Appeal may relate to the reassessment for one or more parcels.
(2) Data as of October 31 of the indicated year.

Ad Valorem Property Taxation

Table 2 below sets forth the assessed valuation of property within the County subject to taxation for Fiscal Years 2010-11 through 2019-20:

TABLE 2
ASSESSED VALUATION OF PROPERTY
SUBJECT TO AD VALOREM TAXATION
Fiscal Years 2010-11 through 2019-20
($ In Thousands)

Fiscal Year	Land	Improvements	Personal Property	Gross Assessed Valuation	Exemption[1]	Net Assessed Valuation for Tax Purposes[2]
2010-11	$173,642,233	$214,286,031	$14,639,554	$402,567,818	$11,790,769	$390,777,049
2011-12	174,658,242	216,383,122	14,483,422	405,524,786	12,537,490	392,987,296
2012-13	173,840,948	217,588,947	14,693,957	406,123,852	13,165,008	392,958,844
2013-14	179,943,404	224,701,971	15,195,049	419,840,424	13,856,802	405,983,622
2014-15	192,003,349	236,234,389	15,347,042	443,584,780	14,344,037	429,240,743
2015-16	203,701,281	249,298,560	15,491,395	468,491,236	15,175,726	453,315,510
2016-17	215,835,633	261,594,164	16,324,650	493,754,447	16,103,351	477,651,096
2017-18	230,572,975	276,262,039	16,807,985	523,642,999	16,816,816	506,826,183
2018-19	246,455,471	291,085,650	17,764,620	555,305,741	18,416,932	536,888,809
2019-20	261,664,752	306,648,456	18,474,208	586,787,416	19,591,977	567,195,439

Source: County of San Diego Auditor and Controller.

(1) Exemption figures include veterans, church, welfare, religious, college and cemetery exemptions.

(2) Net Assessed Valuation for Tax Purposes figures include local secured, unsecured manufactured home and possessory interest, state unitary and redevelopment valuation, if any.

Table 3 below sets forth the approximate tax levied against the ten largest property taxpayers in the County for Fiscal Year 2019-20. These tax payments represent approximately 3.63% of the total secured property tax levied by the County for Fiscal Year 2019-20, which amounts to $6,882,480,190.

TABLE 3
TEN LARGEST TAXPAYERS
Fiscal Year 2019-20

Property Owners	Business Area	Approximate Tax[1]
San Diego Gas & Electric Company	Gas and Electric Utility	$148,307,133
Qualcomm Inc.	Telecommunication	25,654,992
Irvine Co L L C	Real Estate	14,405,994
U T C Venture L L C	Real Estate	10,320,586
Host Hotels and Resorts LP	Real Estate	10,046,879
Kilroy Realty L P	Real Estate	9,997,978
Pacific Bell Telephone	Telecommunication	9,254,201
BSK Del Partners LLC	Real Estate	7,861,336
Sorrento West Properties Inc	Real Estate	6,965,747
Fashion Valley Mall L L C	Real Estate	6,817,667

Source: County of San Diego Auditor and Controller.
(1) Approximate Tax includes local secured and state unitary 1% tax, debt service tax and special assessments.

Secured Tax Rolls Statistics

Table 4 below sets forth information relating to the County's secured tax roll and assessed value of property for Fiscal Years 2010-11 through 2019-20.

TABLE 4
SECURED TAX ROLL STATISTICS
Fiscal Years 2010-11 through 2019-20

Fiscal Year	Total Bills	Total Gross Assessed Value[1]	Total Tax Amount[2]	Delinquent Tax Bills	Delinquent Tax Amount[3]	Delinquent Tax Amount as Percent of Total Tax Amount
2010-11	979,128	$388,209,168,091	$4,474,096,680	33,228	$80,367,474	1.80%
2011-12	979,386	391,319,634,514	4,537,672,296	30,565	65,585,438	1.45
2012-13	981,161	391,853,256,766	4,559,744,934	25,092	48,369,874	1.06
2013-14	982,322	405,031,663,348	4,815,864,485	24,701	41,901,860	0.87
2014-15	985,078	428,108,938,032	5,070,000,884	25,661	41,142,387	0.81
2015-16	987,346	452,871,779,096	5,366,152,320	23,846	38,142,396	0.71
2016-17	989,573	477,224,168,641	5,660,485,279	25,552	43,693,299	0.77
2017-18	994,304	506,949,930,756	6,043,654,297	24,894	45,819,497	0.76
2018-19	998,777	537,644,325,452	6,406,559,049	24,203	50,228,155	0.78
2019-20	1,001,506	567,883,184,150	6,882,480,190	30,258	88,230,522	1.28

Source: County of San Diego Auditor and Controller.

(1) Total Gross Assessed Value figures include local secured and state unitary valuation.

(2) Total Tax Amount includes local secured and state unitary 1% tax, debt service tax and special assessments.

(3) Delinquent Tax Amount represents the dollar value of tax due for delinquencies in the year shown that had not been collected as of June 30 of that year.

Financial Statements

Table 5 below sets forth the audited General Fund Balance Sheet for Fiscal Years 2017-18 through 2019-20. Table 6 sets forth the audited General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for Fiscal Years 2015-16 through 2019-20.

TABLE 5
COUNTY OF SAN DIEGO
GENERAL FUND BALANCE SHEET
For Fiscal Years 2017-18 through 2019-20
($ In Thousands)

	Audited 2018[2]	Audited 2019[2]	Audited 2020[2]
ASSETS			
Pooled Cash and Investments	$ 2,403,906	$ 2,458,447	$ 2,649,196
Cash with Fiscal Agents	8	8	8
Investments with Fiscal Agents	2	2	2
Receivables, net	403,529	412,057	530,535
Property Taxes Receivables, net	91,806	99,870	134,284
Due from Other Funds[1]	57,425	90,322	64,479
Inventories	17,107	17,838	18,161
Prepaid Items	4,590	117	7
Restricted Assets – Cash with Fiscal Agents	204	202	203
Restricted Assets – Lease Receivable	1,116	372	0
TOTAL ASSETS	$ 2,979,693	$ 3,079,235	$ 3,396,875
LIABILITIES			
Accounts Payable	$ 138,839	$ 145,086	$ 207,582
Accrued Payroll	32,517	34,629	48,331
Due to Other Funds[1]	50,617	67,500	56,294
Unearned Revenue	367,279	324,127	519,806
TOTAL LIABILITIES	$ 589,252	$ 571,342	$ 832,013
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Received in Advance	$ 10,501	$ 11,301	$ 8,737
Unavailable Revenue[3]	72,813	72,527	87,629
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 83,314	$ 83,828	$ 96,366
FUND BALANCES			
Nonspendable:			
Not in Spendable Form:			
Loans, Due from Other Funds and Prepaids	$ 5,640	$ 29,181	$ 5,083
Inventories and Deposits with Others	17,107	17,838	18,161
Restricted for:			
Grantors – Housing Assistance	$ 65,728	$ 69,699	$ 78,368
Donations	3,718	4,256	3,114
Pension Stabilization	0	303,047	299,800
Laws or Regulations of Other Governments:			
Public Safety Activities	1,023	1,436	1,767
Custody of Non-Violent, Non-Serious, Non-Sex Offenders and Supervision of Post Release Offenders	46,208	41,825	35,518

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	Audited 2018[2]	Audited 2019[2]	Audited 2020[2]
Improvement and Maintenance of Recorded Document Systems	26,328	19,768	16,700
Development of multifamily housing for persons with serious mental illness who are homeless, chronically homeless, or at-risk of becoming chronically homeless	0	0	33,810
Defray Administrative Costs, Other General Restrictions	23,381	27,248	26,073
Construction, Maintenance and Other Costs for Justice, Health, and Social Facilities and Programs	40,410	42,483	43,898
Custody and Care of Youthful Offenders	15,800	4,149	14,792
Juvenile Probation Activities	15,747	8,497	22,096
Expansion of behavioral health community provider capacity and to strengthen the regional continuum of care	0	0	25,363
Other Purposes	81,439	86,321	94,962
Committed to:			
Realignment Health, Mental Health and Social Services	$ 63,097	$ 51,611	$ 19,367
Chula Vista Bayfront Project public infrastructure Improvements	0	0	25,000
Capital Projects' Funding	375,221	513,913	506,770
Pension obligation bonds	253,408		
Evaluation, Acquisition, Construction, or Rehabilitation of Affordable Housing for Low-Income Residents	24,987	23,672	42,906
Future Road Improvement	28,000	0	0
Other Purposes	51,373	48,254	32,427
Assigned to:			
Subsequent One-Time Expenditures[4]	$ 271,003	$ 145,327	$ 169,782
Legislative and Administrative Services	101,333	127,802	84,862
Other Purposes	107,727	145,589	160,006
Unassigned	$ 688,449	$ 712,149	$ 707,871
TOTAL FUND BALANCES	$ 2,307,127	$ 2,424,065	$ 2,468,496
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,979,693	$ 3,079,235	$ 3,396,875

Source: County of San Diego Auditor and Controller.

(1) Amounts are receivables and payables between General Fund and other County funds based on actual or estimated claims outstanding.

(2) To conform with Governmental Accounting Standards Board (GASB) Statements 33 and 34, activities from various Internal Agency Funds are included in the General Fund.

(3) Formerly classified and referred to as "Deferred Revenues".

(4) The General Fund's fund balance classification of Assigned to Subsequent One-time Expenditures represents a GASB Statement 54 recommended classification of fund balance in circumstances in which a portion of existing fund balance is included as a budgetary resource in the subsequent year's budget to eliminate a projected excess of expected expenditures over expected revenues. For the County of San Diego, this amount represents Board of Supervisors approved one-time uses of fund balance.

TABLE 6
COUNTY OF SAN DIEGO
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For Fiscal Years 2015-16 through 2019-20
($ In Thousands)

	Audited 2015-16	Audited 2016-17	Audited 2017-18	Audited 2018-19	Audited 2019-20
Revenues:					
Taxes	$ 1,047,808	$ 1,102,090	$ 1,164,508	$ 1,223,597	$ 1,288,900
Licenses, Permits and Franchise Fees	41,072	41,557	45,846	46,778	43,208
Fines, Forfeitures and Penalties	44,029	42,268	40,923	42,453	41,719
Revenue From Use of Money and Property	16,149	13,904	29,986	63,090	62,791
Aid From Other Governmental Agencies:					
State	1,144,554	1,141,518	1,275,047	1,224,649	1,455,841
Federal	831,653	660,513	682,809	766,244	867,672
Other	82,995	101,315	106,104	117,631	125,119
Charges for Current Services	362,071	380,948	386,593	384,631	383,503
Other	29,700	39,076	27,920	28,333	35,743
Total Revenues	$ 3,600,031	$ 3,523,189	$ 3,759,736	$ 3,897,406	$ 4,304,496
Expenditures:					
Current:					
General Government	$ 229,961	$ 258,675	$ 268,751	$ 277,935	$ 347,244
Public Protection	1,333,070	1,424,638	1,478,273	1,557,750	1,641,541
Public Ways and Facilities	3,948	4,545	5,575	4,857	6,472
Health and Sanitation	628,599	687,702	759,784	829,446	920,181
Public Assistance	1,289,318	1,033,532	1,034,675	1,092,266	1,235,090
Education	853	1,027	1,029	1,346	1,322
Recreation and Cultural	35,718	36,538	37,492	40,489	43,876
Capital Outlay	43,839	31,598	113,224	30,034	67,904
Debt service:					
Principal[1]	28,959	16,654	17,964	21,959	16,175
Interest	12,948	14,414	15,699	14,585	12,626
Payment to Refunded Bond Escrow Agent[2]	0	0	0	0	5,931
Total Expenditures	$ 3,607,213	$ 3,509,323	$ 3,732,466	$ 3,870,667	$ 4,298,362
Excess (Deficiency) of Revenues over (under) Expenditures	$ (7,182)	$ 13,866	$ 27,270	$ 26,739	$ 6,134
Other Financing Sources (Uses):					
Sale of Capital Assets	$ 162	$ 218	$ 88	$ 6,222	$ 997
Issuance of capital lease:					
Face value of capital lease	0	6,122	45,495	0	217
Transfers In[3]	296,690	294,788	306,478	305,547	307,214
Transfers Out[4]	(171,752)	(178,754)	(219,588)	(222,301)	(270,454)
Total Other Financing Sources (Uses)	$ 125,100	$ 122,374	$ 132,473	$ 89,468	$ 37,974
Net Change in Fund Balance	$ 117,918	$ 136,240	$ 159,743	$ 116,207	$ 44,108
Fund Balances at Beginning of Year	1,888,376	2,006,409	2,144,613	2,307,127	2,424,065
Increase (Decrease) in Nonspendable Inventories	115	1,964	2,771	731	323
Fund Balances at End of Year	$ 2,006,409	$ 2,144,613	$ 2,307,127	$ 2,424,065	$ 2,468,496

(Table continued on subsequent page.)

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Source: Comprehensive Annual Financial Reports of the County.

(1) Represents various base rental payments made to the San Diego County Capital Asset Leasing Corporation ("SANCAL") and the San Diego Regional Building Authority ("SDRBA") treated as debt service payments in the General Fund as SANCAL and the SDRBA are blended component units of the County.

(2) In Fiscal Year 2019-20, $19.450 million of fixed interest rate certificates of participation (County of San Diego Certificates of Participation (Justice Facilities Refunding Series 2019, the "Series 2019 COPs"), were issued by the San Diego County Capital Asset Leasing Corporation. The Series 2019 COPs' proceeds, along with funds on hand with the Trustee, were used to refund $31.805 million of outstanding County of San Diego Certificates of Participation (Series 2009 Justice Facilities Refunding). This is the amount reported in the General Fund. The transaction is further described in Note 13 "Long-Term Debt" in the Notes to the Financial Statements of the County's Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020.

(3) Revenues from the Public Safety Augmentation Sales Tax (Proposition 172) and the tobacco securitization proceeds are recognized in the Special Revenue funds and treated as operating transfers when moved to the General Fund to reimburse expenditures incurred.

(4) For all fiscal years presented, "Transfers Out" generally represents contributions to the Pension Obligation Bond fund; contributions to capital funds for General Fund projects; and, County contributions to the Library fund and the In-Home Supportive Services ("IHSS") Public Authority fund.

Table 7 on the following page sets forth the County's Adopted and final Amended Budgets for Fiscal Year 2018-19 and Fiscal Year 2019-20. The table also sets forth the Adopted Budget for Fiscal Year 2020-21, the Amended Budget as of September 30, 2020, the projected expenditures and revenues and other financing sources as reported in the First Quarter Report, and the variance between the projected actual amounts and those contained in the Fiscal Year 2020-21 Amended Budget. The full report may be viewed on the County's website at http://www.sandiegocounty.gov/auditor/qfbr.html. The information on such website is not incorporated herein by reference.

TABLE 7
GENERAL FUND
ADOPTED AND AMENDED BUDGET FOR FISCAL YEAR 2018-19,
ADOPTED AND AMENDED BUDGET FOR FISCAL YEAR 2019-20
AND ADOPTED AND AMENDED BUDGET AND PROJECTED RESULTS FOR FISCAL YEAR 2020-21
($ In Thousands)

	2018-19 Adopted Budget[7]	2018-19 Amended Budget[1] [7]	2019-20 Adopted Budget[7]	2019-20 Amended Budget[2] [7]	2020-21 Adopted Budget	2020-21 Amended Budget[3]	Projected Year-End Results[4]	Variance from Amended Budget[5][6]
APPROPRIATIONS								
Public Safety	$1,590,276	$1,710,155	$1,693,682	$1,805,242	$1,723,395	$1,837,749	$1,811,613	$26,136
Health and Human Services	2,085,995	2,153,537	2,235,226	2,387,115	2,495,540	2,675,174	2,711,991	(36,816)
Land Use and Environment	222,206	266,262	242,955	303,768	227,985	308,153	302,039	6,113
Finance and General Government and Other	725,064	1,103,991	556,803	1,264,123	566,922	1,076,553	1,039,967	36,586
Contingency Reserve and Increases in Fund Balance Commitments	76,000	80,531	0	295,266	0	0	0	0
Total Appropriations	$4,699,542	$5,314,476	$4,728,665	$6,057,331	$5,013,842	$5,897,629	$5,865,610	$32,019
BUDGETED REVENUES								
Current Property Taxes	$702,197	$710,745	$741,010	$745,429	$745,325	$745,325	$786,167	$40,842
Taxes Other Than Current Property Taxes	495,517	500,801	524,791	527,485	537,852	537,852	554,237	16,385
Licenses, Permits and Franchises	43,656	44,703	45,718	45,810	39,623	39,623	40,388	766
Fines, Forfeitures and Penalties	39,749	40,061	39,398	39,888	27,927	28,858	38,091	9,233
Use of Money and Property	24,517	27,070	36,269	36,269	13,162	13,162	13,147	(14)
Aid from Other Government Agencies	2,189,843	2,251,434	2,323,056	2,447,350	2,548,169	2,666,366	2,730,526	64,160
Charges for Current Services	401,217	408,149	406,648	412,997	436,834	438,139	442,032	3,893
Miscellaneous Revenues and Other Financing Sources	361,195	377,408	399,110	435,267	394,427	425,760	424,257	(1,502)
Total Budgeted Revenues	$4,257,891	$4,360,372	$4,516,000	$4,690,495	$4,743,319	$4,895,085	$5,028,847	$133,762

(Table continued on subsequent page.)

(Continued from previous page)

	2018-19 Adopted Budget[7]	2018-19 Amended Budget[1] [7]	2019-20 Adopted Budget[7]	2019-20 Amended Budget[2] [7]	2020-21 Adopted Budget	2020-21 Amended Budget[3]	Projected Year-End Results[4]	Variance from Amended Budget[5][6]
Estimated Use of Committed Fund Balance	95,647	99,997	63,188	275,062	76,891	76,891	76,891	0
Estimated Use of Unassigned Fund Balance	346,003	344,998	149,477	149,477	193,632	193,632	193,632	0
Estimated Use of Fund Balance for Encumbrances	0	509,108	0	942,297	0	732,020	732,020	0
Total Resources Utilized[5]	$4,699,542	$5,314,476	$4,728,665	$6,057,331	$5,013,842	$5,897,629	$6,031,390	$133,762
Net savings from the Fiscal Year 2020-21 Amended Budget								$165,780

Source: County of San Diego Office of Financial Planning.

(1) Reflects appropriations, budgeted revenues and other financing sources included in the 2018-19 Adopted Budget as amended and adjusted to include all budgeted appropriations and revenues as of June 30, 2019.

(2) Reflects appropriations, budgeted revenues and other financing sources included in the 2019-20 Adopted Budget as amended and adjusted to include all budgeted appropriations and revenues as of June 30, 2020.

(3) Reflects appropriations, budgeted revenues and other financing sources included in the 2020-21 Adopted Budget as amended and adjusted to include all budgeted appropriations and revenues as of September 30, 2020, including carry over appropriations from the prior fiscal year.

(4) Reflects projections of the expenditures and revenues for Fiscal Year 2020-21 as of September 30, 2020.

(5) Reflects the difference between the budgeted expenditures, revenues and other financing sources in the Fiscal Year 2020-21 Amended Budget as of September 30, 2020 and the projected expenditures, revenues and other financing sources for Fiscal Year 2020-21 as of September 30, 2020.

(6) Amounts without parentheses indicate a variance favorable to the County's General Fund. Amounts within parentheses indicate a variance unfavorable to the County's General Fund.

(7) Due to the dissolution of Community Services Group ("CSG"), the budget data has been restated from prior years to include the transferred CSG Departments.

Historical Funding Status. Table 8 below sets forth for each of the ten years ended June 30, 2020 the amount of the total Employer Contributions and Employer Offsets made by the County and the other Employers to the San Diego County Employees Retirement Association ("SDCERA"). The contribution amounts are equal to the employer normal cost payment and a payment on the Unfunded Actuarial Accrued Liability ("UAAL").

TABLE 8
HISTORICAL FUNDING STATUS AND EMPLOYER CONTRIBUTIONS
Valuation Years Ended June 30, 2011 through 2020 and
Fiscal Years Ended June 30, 2013 through 2022
($ In Millions)

Valuation Date (June 30)	Net Market Value of Assets[(1)(4)]	Valuation Value of Assets[(3)]	Actuarial Accrued Liability[(3)]	UAAL[(3)]	Funded Ratio[(3)]	Fiscal Year	Employer Contribution[(2) (5)]	Employer Offsets[(1) (5)]
2011	$8,182.9	$8,542.3	$10,482.7	$1,940.4	81.5%	2013	$312.3[(6)]	$45.6
2012	8,436.9	8,607.5	10,943.2	2,335.7	78.7	2014	353.8	40.9
2013	9,008.1	9,186.0	11,631.2	2,445.2	79.0	2015	386.0	28.7
2014	10,109.9	9,824.4	12,141.1	2,316.7	80.9	2016	382.4	22.9
2015	10,285.9	10,535.3	13,080.0	2,544.7	80.5	2017	417.9	23.1
2016	10,253.2	11,030.6	14,349.1	3,318.5	76.9	2018	520.7[(7)]	4.1
2017	11,395.3	11,566.9	14,937.9	3,370.9	77.4	2019	532.4[(8)]	0.0
2018	12,274.5	12,365.7	15,763.2	3,397.6	78.4	2020	554.7[(9)]	0.0
2019	12,862.5	12,932.2	16,955.1	4,022.9	76.3	2021	627.5[(10)]	0.0
2020	12,909.0	13,715.9	17,741.2	4,025.3	77.3	2022	655.7[(11)]	0.00

(1) Source: Segal Consulting: Actuarial Valuation Report for the corresponding year.
(2) Source: Segal Consulting: Governmental Accounting Standards Board ("GAS") 67 Actuarial Valuation and Review.
(3) Source: San Diego County Employees Retirement Association Comprehensive Annual Financial Report.
(4) Reported on a valuation value of assets basis.
(5) The Employer Contribution and Employer Offsets amounts reflect the aggregate contribution amount of all Employers and not only that of the County. In each year the amounts indicated in the Employer Contribution column are as reported in the SDCERA Actuarial Valuation and Review dated as of the end of the second preceding year ended June 30, plus any discretionary contributions made by the County. All Employer Offsets were eliminated for Fiscal Year 2019.
(6) Includes $298.1 million of required contributions plus an additional discretionary contribution of $14.2 million by County of San Diego.
(7) Includes $498.2 million of required contributions plus an additional discretionary contribution of $22.5 million by the County of San Diego.
(8) Includes $518.6 million of required contributions plus an additional discretionary contribution of $13.8 million by County of San Diego.
(9) Includes the $558.69 of required contributions plus an additional discretionary contribution of $10.0 miilion by the County of San Diego.
(10) Includes the recommended required contributions as reported in the San Diego County Employees Retirement Association Actuarial Valuation and Review as of June 30, 2019.
(11) Includes the recommended required contributions as reported in the San Diego County Employees Retirement Association Actuarial Valuation and Review as of June 30, 2020.

Historical Transfers of Excess Earnings. Table 9 below sets forth the amount of the Association's investment earnings that the Retirement Board has transferred from the Undistributed Reserve into reserves that are separate from valuation assets since Fiscal Year 2012. There have been no such transfers since Fiscal Year 2009.

TABLE 9
TRANSFERS OF INVESTMENT EARNINGS
TO NON-VALUATION ASSETS/RESERVES
Since Fiscal Year Ended June 30, 2012
($ In Millions)

Fiscal Year	Post-Retirement Healthcare	STAR COLA	Contingency Reserve	Total
2012	$0.0	$0.0	$0.0	$0.0
2013	0.0	0.0	0.0	0.0
2014	0.0	0.0	0.0	0.0
2015	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.0	0.0
Total	$0.0	$0.0	$0.0	$0.0

Source: San Diego County Employees Retirement Association

Historical Payments. Table 10 below sets forth the amounts for each of the ten years ended June 30, 2020 that the Association has paid to its members for post-retirement healthcare benefits.

TABLE 10
PAYMENTS FOR POST-RETIREMENT HEALTHCARE BENEFITS
Years Ended June 30, 2011 through 2020

Fiscal Year Ended June 30	Payments for Retiree Healthcare Benefits ($ In Millions) [1]
2011	$21.8
2012	21.5
2013	20.4
2014	20.0
2015	19.3
2016	18.5
2017	18.4
2018	16.8
2019	16.2
2020	16.0

Source: San Diego County Employees Retirement Association.

(1) The indicated payments may include amounts allocated to the administrative expenses related to the provision of the post-retirement healthcare benefits.

General. Table 11 below sets forth the number of County employees for Fiscal Years 2011-12 through 2020-21:

TABLE 11
TOTAL COUNTY EMPLOYEES[(1)]

Year	Total Employees
2011-12	15,174
2012-13	15,609
2013-14	16,328
2014-15	16,544
2015-16	16,549
2016-17	16,763
2017-18	16,891
2018-19	16,958
2019-20	17,344
2020-21	17,237[(2)]

Source: County of San Diego Department of Human Resources.
(1) Excludes temporary employees of the County. Data as of June 30 of the indicated year.
(2) Data as of October 31 of the indicated year.

General. Table 12 below sets forth the summary of Long-Term Obligations payable from the General Fund as of October 31, 2020.

COUNTY OF SAN DIEGO
Summary of Long-term Obligations
Payable from the General Fund
as of October 31, 2020
(in thousands)

	Outstanding Interest Rates	Final Maturity Dates	Original Principal Amount	Principal Amount Outstanding
Certificates of Participation & Lease Revenue Bonds:				
San Diego County Capital Asset Leasing Corporation (SANCAL):				
2011 CAC Waterfront Park, issued August 2011	3.00-5.13%	2042	32,665	27,545
2012 Cedar and Kettner Development Project, issued October 2012	2.00-5.00%	2042	29,335	24,860
2014 Edgemoor and RCS Refunding, issued September 2014	0.42-5.00%	2030	93,750	62,075
2019 Justice Facilities Refunding, Issued September 2019	5.00%	2025	19,450	15,645
Total SANCAL			**175,200**	**130,125**
San Diego Regional Building Authority (SDRBA):				
2016A COC Refunding Bonds	3.00-5.00%	2035	105,330	88,140
Total SDRBA			**105,330**	**88,140**
Total Certificates of Participation & Lease Revenue Bonds			$ 280,530	$ 218,265
Taxable Pension Obligation Bonds:				
County of San Diego Pension Obligation Bonds, issued June 2004				
Series A	5.37-5.87%	2022	241,360	49,700
Series B1, B2	5.91%	2024	147,825	147,825
Series C	5.48-5.76%	2015	64,928	-
Less Unaccreted Value				-
County of San Diego Pension Obligation Bonds, issued August 2008				
Series A	5.18-6.03%	2027	343,515	202,600
Total Pension Obligation Bonds			$ 797,628	$ 400,125
Total General Fund Long Term Obligations			**$ 1,078,158**	**$ 618,390**

San Diego County Investment Pool

The following information concerning the Treasury Pool of San Diego County (the "Treasury Pool") has been provided by the Treasurer. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date.

The County is required to invest funds in accordance with California Government Code ("Government Code") Sections 53635 et seq. In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code.

All investments in the Treasurer's investment portfolio conform to the statutory requirements of Government Code Section 53635 et seq., authorities delegated by the County Board of Supervisors and the Treasurer's investment policy.

General

Pursuant to a resolution adopted July 8, 1958, the Board of Supervisors delegated to the County Treasurer the authority to invest and reinvest funds of the County. Applicable law limits this delegation of authority to a one-year period and must be renewed annually by action of the Board of Supervisors. In addition to funds of the County, funds of certain local agencies within the County, including school districts in the County, are required under state law to be deposited into County Treasury ("Involuntary Depositors"). In addition, certain agencies, such as cities and special districts, invest certain of their funds in the County Treasury on a voluntary basis ("Voluntary Depositors" and together with the Involuntary Depositors, the "Depositors"). Deposits made by the County and the various local agencies are commingled in a pooled investment fund (the "Treasury Pool" or the "Pool"). No particular deposits are segregated for separate investment.

Under State law, Depositors in the Pool are permitted to withdraw funds which they have deposited on 30 days' notice. The County does not expect that the Pool will encounter liquidity shortfalls based on its current portfolio and investment guidelines or realize any losses that may be required to be allocated among all Depositors in the Pool.

The County has established an Oversight Committee pursuant to State law. The members of the Oversight Committee include the County Treasurer, the County Auditor–Controller, the County Superintendent of Schools or designee, a representative from the special districts, a representative from the school districts and community college districts in the County, and members of the public. On December 10, 2019, the Board of Supervisors changed the composition of the Oversight Committee from eleven members to nine. The role of the Oversight Committee is to review and approve the Investment Policy that is prepared by the County Treasurer.

Treasury Pool's Portfolio

As of October 31, 2020, the securities in the Treasury Pool had a market value of $10,280,461,837 and a book value of $10,172,368,737 for a net unrealized gain of $108,093,100 of the book value of the Treasury Pool.

The effective duration for the Treasury Pool was 1.24 years as of October 31, 2020. "Duration" is a measure of the price volatility of the portfolio and reflects an estimate of the projected increase or decrease in the value of the portfolio based upon a decrease or increase in interest rates. A duration of 1.24 means that for every one percent increase in interest rates the market value of the portfolio would decrease by 1.24% .

As of October 31, 2020, approximately 8.19% of the total funds in the Pool were deposited by Voluntary Depositors, such as cities and fire districts, 9.01% by community colleges, 33.75% by the County, 1.14% by the Non-County and 47.91% by K-12 school districts.

Fitch Ratings maintains ratings of "AAAf" (highest underlying credit quality) and "S1" (very low sensitivity to market risk) on the Pool. The ratings reflect only the view of the rating agency and any explanation of the significance of such ratings may be obtained from such rating agency as follows: Fitch Ratings, Inc., 33 Whitehall Street, New York, New York 10004.

Investments of the Treasury Pool

Authorized Investments. Investments of the Pool are placed in those securities authorized by various sections of the California Government Code, which include obligations of the United States Treasury, Agencies of the United States Government, local and State bond issues, bankers acceptances, commercial paper of prime quality, certificates of deposit (both collateralized and negotiable), repurchase and reverse repurchase agreements, medium term corporate notes, shares of beneficial interest in diversified management companies (mutual funds), asset backed (including mortgage related) pass-through securities, and specific Supranational debt securities.

Legislation which would modify the currently authorized investments and place restrictions on the ability of municipalities to invest in various securities is considered from time to time by the California State Legislature. Monies in the Pool will be invested in compliance with California Government Code and the County's Investment Policy (the "Investment Policy").

The Investment Policy. On December 10, 2019, the Board of Supervisors adopted an amended Investment Policy which became effective January 1, 2020. The Investment Policy currently states the primary goals of the County Treasurer when investing public funds to be as follows: the primary objective is to safeguard the principal of the funds under the County Treasurer's control, the secondary objective is to meet the liquidity needs of the Pool Participants, and the third objective is to achieve an investment return on the funds under the control of the County Treasurer within the parameters of prudent risk management. The Investment Policy contains a requirement that at least 35% of the Pool should be invested in securities maturing in one year or less, with the remainder of the portfolio being invested in debt securities with maturities spread over more than one year to five years. Furthermore, at least 15% of the securities must mature within 90 days. The maximum effective duration for the Pool shall be 2.0 years.

Certain Information Relating to Pool

The following table reflects information with respect to the Pool as of the close of business October 31, 2020. As described above, a wide range of investments are authorized by state law. Therefore, there can be no assurances that the investments in the Pool will not vary significantly from the investments described below. In addition, the value of the various investments in the Pool will fluctuate

on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Therefore, there can be no assurance that the values of the various investments in the Pool will not vary significantly from the values described below. In addition, the values specified in the following table were based upon estimates of market values provided to the County by a third party. Accordingly, there can be no assurance that if these securities had been sold on October 31, 2020, the Pool necessarily would have received the values specified.

General. Table 13 below sets forth the summary of portfolio statistics of the County of San Diego Pooled Money Fund as of October 31, 2020.

Summary Portfolio Statistics
County of San Diego Pooled Money Fund
As of October 31, 2020

Investment Type	Par Value	Book Value	Market Value	% of Portfolio	Market Price	WAM Days	YTM	Accrued Interest	Unrealized Gain/Loss
Asset Backed Securities	730,768,193	733,548,836	740,805,686	7.21	101.374	1004	1.99	1,006,259	7,256,850
Commercial Paper	1,080,000,000	1,079,583,251	1,079,666,050	10.61	99.969	69	0.21	-	82,799
Federal Agency Securities	2,738,753,000	2,743,617,451	2,781,997,587	26.97	101.579	1155	1.20	8,845,100	38,380,136
Medium-Term Notes	977,391,000	982,473,464	998,257,331	9.66	102.135	504	2.05	4,616,234	15,783,867
Municipal Bonds	211,790,000	212,217,642	214,000,294	2.09	101.044	1259	1.04	371,853	1,782,652
Negotiable CDs	2,360,000,000	2,360,000,000	2,360,746,950	23.20	100.032	172	1.28	3,003,218	746,950
Supranational Securities	1,007,415,000	1,014,010,808	1,043,511,677	9.97	103.583	1044	1.97	4,004,524	29,500,869
U.S. Treasuries	500,000,000	502,628,584	517,187,560	4.94	103.459	926	1.50	2,207,001	14,558,976
Money Market / LGIPs	254,335,325	254,335,325	254,335,325	2.50	100.000	1	0.16	34,630	-
Bank Deposit	289,953,376	289,953,376	289,953,376	2.85	100.000	1	0.15	49,364	-
Totals for October 2020	10,150,405,894	10,172,368,737	10,280,461,837	100.00	98.441	656	1.06	24,138,183	108,093,100
Totals for September 2020	10,194,955,604	10,217,535,955	10,338,345,638	100.00	101.418	650	1.08	23,469,763	120,809,682
Change from Prior Month	(44,549,710)	(45,167,218)	(57,883,801)		(2.976)	6	-0.02	668,420	(12,716,582)

Portfolio Effective Duration 1.24 years

Return Information	Monthly Return	Annualized	Fiscal Year To Date Return	Annualized	Calendar Year To Date Return	Annualized
Book Value	0.093%	1.090%	0.447%	1.328%	1.386%	1.659%

Notes
Yield to maturity (YTM) is the estimated rate of return on a bond given its purchase price, assuming all coupon payments are made on a timely basis and reinvested at this same rate of return to the maturity date.
Weighted Average Maturity (WAM) is average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio.
Yields for the portfolio are aggregated based on the book value of each security.
Monthly Investment Returns are reported gross of fees. Administration fees since fiscal year 17-18 have averaged approximately 7 basis points per annum.

**All Investments held during the month of October 2020 were in compliance with the Investment Policy dated January 1, 2020.

Section IV:

REPORTING OF ENUMERATED EVENTS

Pursuant to the provisions of Section 5 of the Continuing Disclosure Agreement the County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Obligations:

1. Principal and interest payment delinquencies;
   None

2. Non-payment related defaults, if material;
   None

3. Unscheduled draws on debt service reserves reflecting financial difficulties;
   None

4. Unscheduled draws on credit enhancements relating to the Obligations reflecting financial difficulties;
   None

5. Substitution of credit or liquidity providers, or their failure to perform;
   None

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed determinations of taxability, Notices of Proposed Issue or other material notices or determinations with respect to tax status of the Obligations, or other material events affecting the tax status of the Obligations;
   None

7. Modifications to rights of owners of the Obligations, if material;
   None

8. Optional, contingent or unscheduled Certificate or Bond calls;
   None

9. Defeasances;
   None

10. Release, substitution, or sale of property securing repayment of the Obligations, if material;
    None

11. Rating changes;
    See filings on EMMA for Fiscal Year 2019-20.

12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
    None

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

    None

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

    None