County of San Diego

Annual Filing of Continuing Disclosure
Fiscal Year 2022-23

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 (Fixed Rate Securities),
Series 2004C (Capital Appreciation Bonds)

Prepared by

County of San Diego
Finance and General Government Group
Office of Financial Planning
1600 Pacific Highway, Room 352 • San Diego, California 92101
(619) 531-5177

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 2004B (Fixed Rate Securities)

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

Table of Contents

Section I Annual Report Certification

Section II County of San Diego Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023

Section IIIA Continuing Disclosure Requirement Matrix

Section IIIB Select pages of the County of San Diego Adopted Operational Plan for Fiscal Year 2023-24 & Fiscal Year 2024-25

Section IIIC Updates Pursuant to the Continuing Disclosure Agreements

1. Paragraph titled “Assessed Valuation”

Tables:

2. Assessment Appeals
3. Assessed Valuation of Property Subject to Ad Valorem Taxation
4. Ten Largest Taxpayers
5. Secured Tax Roll Statistics
6. General Fund Balance Sheet
7. General Fund Statement of Revenues, Expenditures and Changes in Fund Balance
8. Adopted (and Amended) General Fund Budget
9. Historical Funding Status and Employer Contributions
10. Transfers of Investment Earnings to Non-Valuation Assets/Reserves
11. Payments for Post-Retirement Health Care Benefits
12. Total County Employees
13. Summary of Long-Term Obligations Payable from the General Fund
14. San Diego County Investment Pool Update

Section IV Reporting of Enumerated Events

Section I:

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 (Fixed Rate Securities),
Series 2004C (Capital Appreciation Bonds)

For the fiscal year ended June 30, 2023

The attached information is being provided by the County of San Diego (the "County") pursuant to the Provision of Annual Reports, Content of Annual Report, and Reporting of Noticed Events 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 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.

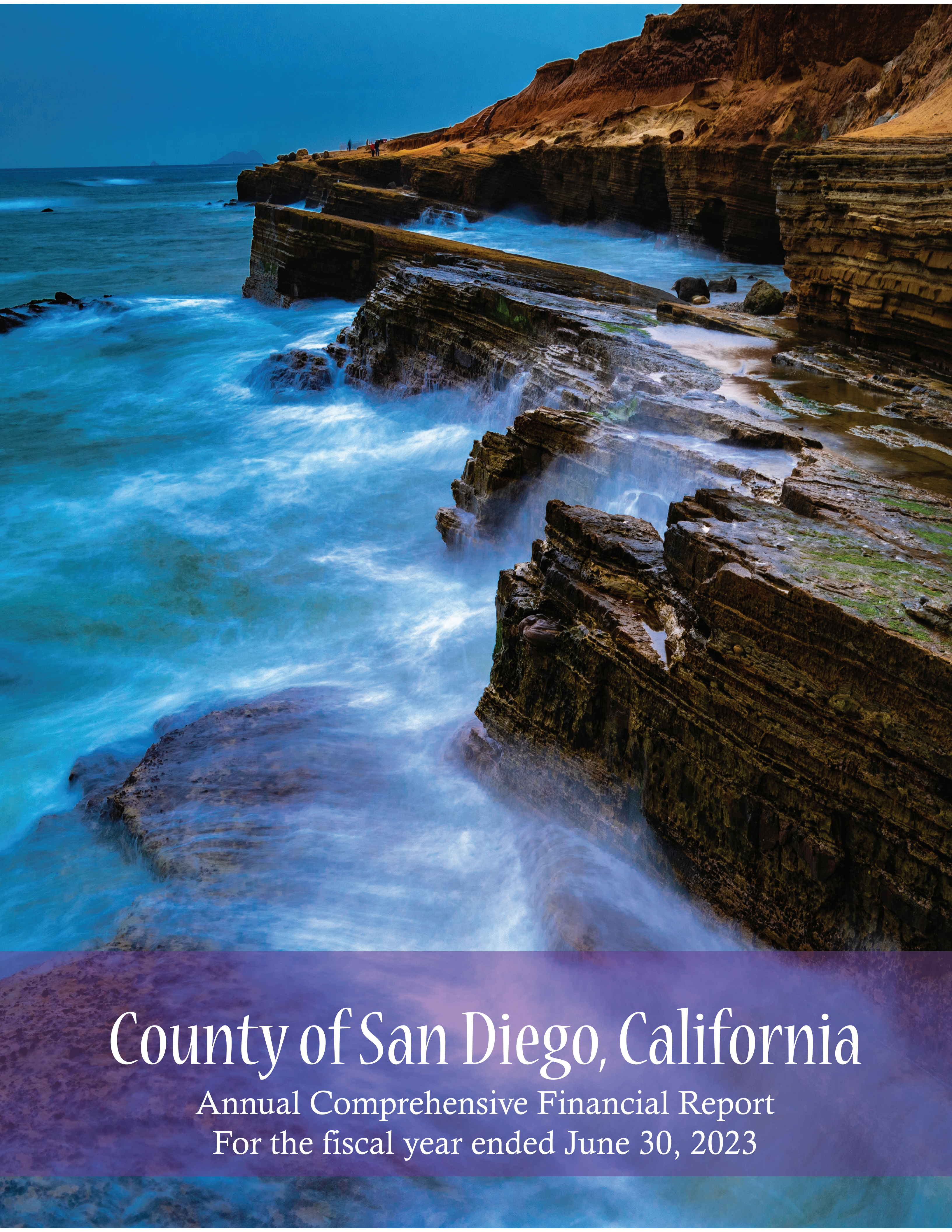
DATED: December 12, 2023

COUNTY OF SAN DIEGO

By: ______________________
JOAN BRACCI, CHIEF OPERATIONS OFFICER

Section II:

COUNTY OF SAN DIEGO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023



County of San Diego, California

Annual Comprehensive Financial Report
For the fiscal year ended June 30, 2023

Cover & title page photo credits:

Cover page

San Diego Seascape Series, turquoise-colored seawater and white silky seafoam splashing to the cliff at Sunset Cliffs in Cabrillo National Monument, Southern California, USA, long exposure photography/NayaDadara, Shutterstock.com.

Title page:

A yellow lotus flower in the pond at the botanical gardens in san diego, ca. /speedphoto, Shutterstock.com.

County of San Diego, California

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2023

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

Ebony N. Shelton
Deputy CAO/
Chief Financial Officer

Compiled under the direction of:
Tracy Drager
Auditor & Controller

*Interim

Introductory Section

Letter of Transmittal 1
GFOA Certificate of Achievement 21
Board of Supervisors 22
Organizational Chart 23
Other Elected and Appointed Officials 24

Financial Section

Independent Auditor's Report 25
Management's Discussion and Analysis 29
Basic Financial Statements 47
Government-wide Financial Statements:
Statement of Net Position 48
Statement of Activities 51
Fund Financial Statements:
Balance Sheet - Governmental Funds 53
Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position 56
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 57
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities 58
Statement of Net Position - Proprietary Funds 59
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds 62
Statement of Cash Flows - Proprietary Funds 63
Statement of Fiduciary Net Position - Fiduciary Funds 65
Statement of Changes in Fiduciary Net Position - Fiduciary Funds 66
Contents - Notes to the Basic Financial Statements 69
Notes to the Basic Financial Statements 73
Required Supplementary Information 151
Pension Plan 152
OPEB Plan 153
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:
General Fund 155
Public Safety Fund 158
Tobacco Endowment Fund 159
Note to the Required Supplementary Information – Budgetary Information 160
Combining and Individual Fund Information and Other Supplementary Information 161
Combining Balance Sheet:
Nonmajor Governmental Funds 166
Special Revenue Funds 167
Debt Service Funds 171
Capital Projects Funds 172
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances:
Nonmajor Governmental Funds 173
Special Revenue Funds 174
Debt Service Funds 178
Capital Projects Funds 179
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:
Asset Forfeiture Program Fund 180
Community Facilities District Funds - Other 181
County Library Fund 182
County Low and Moderate Income Housing Asset Fund 183
County Service District Funds 184
Edgemoor Development Fund 188
Flood Control District Fund 189

Harmony Grove Community Facilities District Fund ... 190
Housing Authority - Low and Moderate Income Housing Asset Fund ... 191
Housing Authority - Other Fund ... 192
In Home Supportive Services Public Authority Fund ... 193
Inactive Wastesites Fund ... 194
Incarcerated Peoples and Ward Welfare Program Fund ... 195
Lighting Maintenance District Fund ... 196
Other Special Revenue Funds ... 197
Park Land Dedication Fund ... 198
Road Fund ... 199
Combining Financial Statements – Nonmajor Enterprise Funds ... 201
Combining Statement of Net Position ... 202
Combining Statement of Revenues, Expenses, and Changes in Net Position ... 204
Combining Statement of Cash Flows ... 205
Combining Financial Statements – Internal Service Funds ... 207
Combining Statement of Net Position ... 208
Combining Statement of Revenues, Expenses, and Changes in Net Position ... 212
Combining Statement of Cash Flows ... 214
Combining Financial Statements – Fiduciary Funds ... 219
Combining Statement of Fiduciary Net Position - Pension and Other Postemployment Benefits Trust Funds ... 220
Combining Statement of Changes in Fiduciary Net Position - Pension and Other Postemployment Benefits Trust Funds ... 221
Combining Statement of Fiduciary Net Position - Custodial Funds ... 223
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds ... 224

Statistical Section

Introduction ... 225
Net Position by Component ... 226
Changes in Net Position ... 227
Fund Balances - Governmental Funds ... 233
Changes in Fund Balances - Governmental Funds ... 234
Assessed Value of Taxable Property ... 238
Property Tax Rates - Direct and Overlapping Governments ... 239
Principal Property Taxpayers ... 240
Property Tax Levies and Collections ... 241
Ratios of Outstanding Debt by Type ... 242
Ratios of General Bonded Debt Outstanding ... 243
Legal Debt Margin Information ... 244
Pledged-Revenue Coverage ... 245
Demographic and Economic Statistics ... 246
Principal Employers ... 247
Full-time Equivalent County Government Employees by Function ... 248
Operating Indicators by Function ... 249
Capital Asset Statistics by Function ... 253

Introductory Section

TRACY DRAGER
AUDITOR AND CONTROLLER

AUDITOR AND CONTROLLER
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November 21, 2023

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

The Annual Comprehensive Financial Report of the County of San Diego (County) for the fiscal year ended June 30, 2023, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California.

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

Macias Gini & O'Connell LLP, has issued an unmodified ("clean") opinion on the County of San Diego's basic financial statements for the year ended June 30, 2023. 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 4,207 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 totals roughly 10 inches on the coast and more than 33 inches in the inland mountains.

According to the State of California Department of Finance (DOF) as of May 2022, the County's population estimate for January 1, 2022 was 3.29 million, which declined 0.85 percent or roughly 28,000 from the January 1, 2021 estimate as of May 2021. 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 2021 population estimates.

There are 18 incorporated cities in the County; the City of San Diego being the largest, with a population of approximately 1.37 million; and the City of Del Mar the smallest, at approximately 3,929 people, according to DOF population estimates as of May 2022.

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

County Government, Economy and Outlook

County Government

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

The Board of Supervisors (Board) 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 factors, including personal consumption expenditures, gross private domestic investment, net exports of goods and services and government consumption expenditures and gross investment.

According to the U.S. Department of Commerce Bureau of Economic Analysis (BEA), real GDP increased 2.1 percent in 2022, compared with an increase of 5.9 percent in 2021. The increase in real GDP in 2022 primarily reflected increases in consumer spending, exports, inventory investment that were partly offset by a decrease in housing investment. (Bureau of Economic Analysis [BEA]. Gross Domestic Product, Fourth Quarter and Year 2022 [Second Estimate]. February 2023). Quarter over quarter, the percent change in GDP was negative during the first and second quarters of 2022; some economic commentators argued the U.S. was in a recession, however it never materialized. That said, the Federal Reserve is aggressively taking actions to slow the U.S. economy in order to tame inflation and if the Fed continues to raise rates until something snaps in the lending markets, it could cause a recession. If they moderate, then the economy will likely ride out the bumps being caused by inflation and asset price declines and achieve a 'soft landing' (The Beacon

Outlook, United States Winter 2023).

Given the uncertainty on how much further the Federal Reserve will need to raise the rates to control inflation and the length of time it will be necessary to hold policy at a restrictive level, the UCLA Anderson Forecast presented two scenarios based on different probabilities. The first scenario is the no recession scenario where the Federal Reserve eases its approach to monetary policy tightening and raises the rate between 5.5 to 5.75 percent. The Federal Reserve will then stop tightening once this rate has been reached and begin to cut rates after the second quarter of 2024. This is assuming economic growth slows but remains positive, inflation ebbs mostly on its own because of easing supply constraint or consumer satiation, and labor markets slacken mildly just enough to quell wage inflation. The second scenario is where the Federal Reserve forces a mild recession and accepts an economic contraction and higher unemployment to combat inflation. In this scenario, the Federal Reserve continues to increase its rates up to 6.0 to 6.25 percent by the end of 2023, then begins to cut rates in the first quarter of 2024 in response to higher unemployment and as inflation slows (UCLA Anderson Forecast. June 2023 Economic Outlook). If the country does not go into a recession, GDP is forecasted to grow at 1.8 percent in 2023 and at 1.2 percent in 2024. The quarterly GDP would grow at a seasonally adjusted annual rate (SAAR) of 2.6 percent in the second quarter and would continue to grow throughout 2023 and into 2024, but the pace of that growth would be moderate. UCLA Anderson Forecast does not expect quarterly GDP growth to dip too far below a 1.0 percent SAAR. If there is a recession, GDP is forecasted to grow at 1.1 percent in 2023 and contract at -0.3 percent in 2024. The quarterly GDP would grow in the second quarter of 2023 at a SAAR of 1.2 percent, and then for the economy to contract from the third quarter of 2023 through the first quarter of 2024 before beginning to grow again in the second quarter of 2024 (ibid).

According to the Federal Open Market Committee (FOMC), recent indicators suggest that economic activity has been expanding at a moderate pace. Job gains have been robust in the recent months, and unemployment rate has remained low. Inflation remains elevated (Federal Reserve Press Release, July 26, 2023). The Federal Reserve has hiked the Federal Funds rate since early last year and the Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. In support of these goals, the Committee decided to raise the target range for the federal funds rate to 5-1/4 to 5-1/2 percent. The Committee will continue to take a data-dependent approach in determining the extent of additional policy firming that may be appropriate in order to attain a stance of monetary policy that is sufficiently restrictive to return inflation to 2 percent over time (Federal Reserve System FOMC Press Conference, July 26, 2023). The Federal Reserve Board has projected the Federal funds rate to increase to 5.6 percent in 2023, 4.6 percent in 2024 and 3.4 percent in 2025 (Federal Reserve System. Summary of Economic Projections, June 14, 2023).

The Federal Government produces two major inflation measures for consumption goods and services, the Consumer Price Index (CPI) and the Personal Consumption of Expenditures (PCE). Positive changes in these indexes are recorded as inflation. The Consumer Price Index (CPI), produced by the Bureau of Labor Statistics (BLS), is the most widely used aggregate price index, as well as the major source of information. According to the BLS, the Consumer Price Index for All Urban Consumers (CPI-U) increased 6.4 percent for the 12 months ending January before seasonal adjustment, which is slightly lower than December at 6.5 percent (Bureau of Labor Statistics, CPI for All Urban Consumers Series ID CUUR0000SA0, accessed on March 2, 2023). The major drivers of measured inflation are transportation services, autos, shelter, energy, and food. Of these, autos and food are clearly related to supply constraints. Transportation services reflects robust consumer spending on flights, and shelter and energy are not very responsive to interest rate changes (UCLA Anderson Forecast. December 2022 Economic Outlook). UCLA Anderson forecast a CPI of 4.3 in 2023 and 3.0 in 2024 in their no recession scenario, and 4.7 in 2023 and 2.7 in 2024 in their recession scenario (UCLA Anderson Forecast. June 2023 Economic Outlook). The second major measurement of inflation, the Personal Consumption Expenditures index, is produced by the Bureau of Economic Analysis. According to the BEA, PCE price index for January increased 5.4 percent from one year ago, reflecting increases in both goods and services (Bureau of Economic Analysis [BEA]. Personal Income and Outlays. January 2023). The Federal Reserve forecast PCE at 3.2 percent in 2023, 2.5 percent in 2024, and 2.1 percent in 2025 (Federal Reserve System. Summary of Economic Projections, June 14, 2023).

With high gas prices seen throughout the country in 2022, the U.S Energy Information Administration (EIA) projects that gas prices will decline in the following years. Retail gasoline price is forecasted to decline nearly 60 cents to $3.39 in 2023 and will further decline to $3.10 in 2024 (U.S. Energy Information Administration, Short-Term Energy Outlook, February 2023). On a yearly basis, it is projected that nearly $471 billion will be spent on gasoline in the United States in 2023, down over $55 billion from the $526.2 billion spent in 2022. The drop comes as global oil production continues to recover from COVID lows, and fears of oil being cut off from the market. In addition, GasBuddy expects refining capacity improvements to lead to more supply, also keeping prices lower than in 2022. The forecast also assumes that a severe recession is unlikely, but some level of economic reset will limit oil demand, leading fuel prices to a gentler year ahead. If governments act too aggressively, there could be a major impact on fuel prices. A more severe economic slowdown could lead to lower fuel prices, while additional economic growth could lead to more consumption and could provide a strong upside to the forecast (GasBuddy. Fuel Price Outlook 2023). Actions taken by the Organization of the Petroleum Exporting Countries (OPEC) to limit the supply of oil could also have a detrimental effect on the price of fuel in 2023 and beyond.

In the Housing Market, the U.S. Department of Housing and Urban development (HUD) stated that the activity in housing was mixed overall. From a year over year basis, price appreciation continued to decelerate in December. The Federal Housing Finance Agency (FHFA) seasonally adjusted purchase-only house price index for December estimated that home values were down 0.1 percent month-over-month and rose 6.6 percent year-over-year, down from an annual gain of 8.3 percent in November (U.S. Department of Housing and Urban Development. Housing Market Indicators Monthly Update. February 2023). Purchases of single-family homes rose 7.2 percent in January for the second consecutive month but were 19.4 percent lower year-over-year. Existing home sales declined 37 percent year-over-year in January and fell for the twelfth consecutive month to their slowest pace since October 2010. Inventories of existing homes are still lean, constraining sales. Construction of single-family homes decreased 27.3 percent and multifamily housing declined at 8.4 percent year-over-year, adding to the longstanding inventory problem (ibid). If a recession were to occur, UCLA forecasts that housing construction will continue to fall through the third quarter of 2023 and accelerate sharply as the Federal Reserve begins cutting interest rates, and home prices will decline 6.3 percent. In the no recession scenario, housing construction will remain flat through the second quarter of 2023 and will pick up thereafter with home prices declining by 4.6 percent (UCLA Anderson Forecast. December 2022 Economic Outlook). Even with home prices starting to decline, mortgage financing has become more expensive.

The 30-year fixed rate mortgage reached an average weekly high in February of 6.50 percent for the week ending February 23, 2023, up from the average weekly high in January of 6.48 percent and the highest average weekly rate since last November (U.S. Department of Housing and Urban Development. Housing Market Indicators Monthly Update. February 2023). According to Joel Kan, Mortgage Bankers Association's (MBA) Vice President and Deputy Chief Economist, "After a brief revival in application activity in January when mortgage rates dropped to 6.2 percent, there has now been three straight weeks of declines in applications as mortgage rates have jumped 50 basis points over the past month. Data on inflation, employment, and economic activity have signaled that inflation may not be cooling as quickly as anticipated, which continues to put upward pressure on rates" (Mortgage Applications Decrease in Latest MBA Weekly Survey, March 23, 2023). The 30-year fixed rate mortgage interest rate for the first quarter of 2023 was at 6.4 percent, and MBA predicts that it will increase to 6.5 percent in the second quarter, 6.6 percent in third quarter, and decline to 5.9 percent in the fourth quarter of 2023 (MBA Mortgage Finance Forecast, July 20, 2023). While the economy has so far remained resilient to higher interest rates outside of some moderate softening in construction, that resiliency is what might lead to the recession scenario path.

As for unemployment, the national rate in 2022 dropped to 3.6 percent, similar to the rates prior to the pandemic. This also reflects a decrease of 4.5 percent from the high unemployment in 2020 due to the pandemic and a decrease of 1.7 percent from 2021. According to the Bureau of Labor Statistics, both the unemployment rate, at 3.4 percent, and the number of unemployed persons, at 5.7 million, changed little in January 2023. The unemployment rate has also shown little net movement since early 2022 (Bureau of Labor Statistics, U.S. Department of Labor, The Employment Situation - January 2023). The Federal Reserve Board has projected unemployment rate to increase to 4.1 percent in 2023 and to 4.5 percent in 2024 and 2025 (Federal Reserve System, Summary of Economic Projections, June 14, 2023).

Whether or not the U.S. economy experiences a recession in 2023 depends on inflation and the reaction of Federal Reserve policy through increases to the benchmark Federal Funds rate (UCLA Anderson Forecast. December 2022 Economic Outlook).

California Economy

California's economy is large and diverse, with global leadership in innovation-based industries including information technology, aerospace, entertainment and biosciences. A global destination for millions of visitors, California supports a robust tourism industry, and its farmers and ranchers provide for the world. California accounts for more than 14 percent of the nation's GDP which is, by far, the largest of any State according to the BEA (Gross Domestic Product by State, 3rd Quarter 2022, December 23, 2022, accessed on March 4, 2023). As with the nation, California is moving into a new economic paradigm: state policymakers are shifting their focus from overcoming the pandemic's economic impacts to addressing the effects of national monetary policy and global supply chain instability on the State. The aggressive tightening of monetary policy at the national level has stoked fears that continued action by the Federal Reserve in early 2023 might lead to a shallow recession for the nation, which would affect California's economic condition (Los Angeles Economic Development Corporation. LAEDC 2023 Economic Forecast. February 2023).

As California recovered from the pandemic induced shutdowns, the state's GDP grew by 7.8 percent in 2021 over the prior year. In 2022, the State's yearly GDP growth and personal income growth moderated compared to 2021, when most of the economic recovery occurred, and all stimulus payments ended. Economic growth is projected to continue through 2024, albeit at much lower rates, as the economy cools in response to the Federal Reserve's tightening monetary policy to fight inflation. California's real GDP in 2022 and 2023 is forecasted at 0.5 percent or less, followed by 1.5 percent growth in 2024 (ibid). According to UCLA, the Federal Reserve will reach that fork in the road between continued aggressive tightening and moderation, and it must decide which path to take. If the Federal Reserve raises the federal funds rate in moderation, California will grow, and in fact will continue to grow faster than the U.S. If the Federal Reserve takes the continued aggressive tightening of monetary policy, the California economy will decline, but by less than the U.S. (UCLA Anderson Forecast. December 2022 Economic Outlook).

In the job market, California's economy reached a milestone, having finally recovered all of the jobs that were lost during the outset of the COVID-19 pandemic. While the State reached this milestone more slowly than the national economy, and indeed more slowly than many other states, the primary reason is that California's labor market has been in the midst of a pronounced labor shortage. Employers in the State have struggled to hire workers and fill positions (Beacon Economics. The Beacon Outlook California. Winter 2023). Typically, there are more unemployed workers in the State than there are job openings, but since the outbreak of the pandemic, this status quo has been turned on its head. Since October 2021, there have been more job openings in California than there are workers to fill these positions, meaning that worker availability has been the primary constraint on job growth in the State (ibid). The household survey reports that the number of people employed in October 2022 was just 1.2 percent below the number in February 2020. The difference is in large part due to the 1.3 percent drop in the labor force from retirements, migration out-of-state, and individuals choosing to spend their time in non-market activities such as child raising (UCLA Anderson Forecast. December 2022 Economic Outlook). Also, many of the non-farm new jobs are in sectors different from those where job loss was the most acute. About 170,000 payroll jobs in the leisure and hospitality, and other services sectors have not returned. In the logistics, technology (professional, technical, and scientific services and information) and health care sectors, rapid job creation has numerically made up for more than the aforementioned sectoral job loss. This, in part, explains why California's GDP growth has been faster than the U.S. Tech and logistics, more rapidly growing sectors are on average high-income sectors while the slow-growth sectors are on average low-income sectors (ibid). The Leisure and Hospitality industry experienced the greatest job loss between 2019 and 2020. This industry continues to be negatively impacted by low levels of international tourism, continued use of virtual platforms instead of in-person events, and the adoption of long-term fully remote and hybrid work schedules, jeopardizing a return to the industrial employment level seen pre-pandemic (Los Angeles Economic Development Corporation. LAEDC 2023 Economic Forecast. February 2023). In 2023, job growth is expected to slow, with a forecasted non-farm job growth rate declining to 0.8 percent. Construction, Natural Resources and Mining, Manufacturing, Trade, Transportation, and Utilities, and Financial Activities sectors are all expected to see a contraction in the workforce in 2023, with most of those followed by further contractions in 2024. The sector where the most job growth is expected in the coming years is Educational and Health Services, forecasted to grow by 3.0 percent and 1.9 percent in 2023 and 2024, respectively (ibid).

As for unemployment, California's unemployment rate finally returned to pre-pandemic levels. Similar to the national experience, it took roughly 24 months for the State's unemployment rate to reach pre-pandemic levels. The State's unemployment rate dipped below its pre-pandemic level for the first time in the latter half of 2022, from July to December 2022, at or below 4.1 percent (ibid). In February 2023, the unemployment rate in California rose to 4.8 percent, higher than the national rate of 3.9 percent (California Employment Department. California Industry Employment & Labor Force, not seasonally adjusted. March 24, 2023). In June 2023, the preliminary unemployment rate in California rose slightly to 4.9 percent, still higher than the national rate which declined slightly to 3.8 percent (California Employment Department. California Industry Employment & Labor Force, not seasonally adjusted. July 21, 2023). The Los Angeles Economic Development (LAED) forecast that the State's unemployment rate is expected to rise slightly as the economy begins to cool, at 4.9 percent in 2023 and 5.5 percent in 2024 (Los Angeles Economic Development Corporation. LAEDC 2023 Economic Forecast. February 2023).

Today, the challenges facing California's economy are very much the same as they were prior to the pandemic. Since the Great Recession, the California housing market has deviated from the general trend of affordability observed for the nation at-large. Though California and the United States were similarly unaffordable ahead of the 2008 Global Financial Crisis, the nation is now far more affordable than the State, with more than twice the percentage of households able to purchase a single-family home. The pandemic has seen median home prices skyrocket and when the housing market was at its peak, prices were 25 percent higher than pre-pandemic levels in California. However, after increasing for the first six months of 2022, the housing market has begun cooling as interest rates rise and households have less cash. There is an element of seasonality, as home prices tend to fall in the latter half of the year; however, macroeconomic effects and a shifting economy give hope to a steady decline in median home prices to increase affordability in the California housing market (ibid). The combination of high home prices and borrowing costs due higher mortgage rates drives up the monthly mortgage cost of owning a median priced home in California, which has nearly doubled since August 2020 (Beacon Economics. The Beacon Outlook California. Winter 2023). Over the past five years, the only time when home sales were lower than they are today was during the depths of the pandemic, when the state's economy was effectively shut down. Currently, the number of homes sold in the state is at around half the level it was in 2021 and is approximately one-third lower than during the years immediately prior to the pandemic. To meaningfully lower the costs of home ownership in California, the supply of housing must increase, particularly in the state's largest metropolitan areas (ibid). In the first nine months of 2022, home construction volumes deteriorated. In the last three months the deterioration continued to gain momentum. Only California and Texas defied this trend to fewer homes being built, but even in these two states the rate of increase moved to a crawl. In California, the increase was in part due to the lagged effect of an easier building approval process for duplexes and ADUs. Even if a recession were to occur, UCLA expects for a milder hit to the 2023 residential construction in the State than in the U.S. (UCLA Anderson Forecast. December 2022 Economic Outlook).

California's average median home price for detached homes in 2021 grew drastically at 20 percent over the year. In 2022, the median home price grew another 4.7 percent from $786,275 in 2021 to $823,591 in 2022, hitting an all-time high of $900,170 in May before falling to $774,580 in December 2022. (San Diego Regional Chamber of Commerce. February 2022). To begin the year of 2023, January shows a median home price for existing detached homes of $751,330, a year-over-year increase of 7.3 percent. However, this also reflects a decline of 16.5 percent from the peak in May 2022 and a decline of 3.0 percent from December 2022 (ibid).

The affordability of rental units is also an important issue when it comes to housing, as 44.1 percent of occupied housing units in California are renter-occupied. The data show that renters are spending an overly large portion of their incomes on housing as 54.8 percent of units in California are considered cost burdened, defined as paying 30 percent or more of a household's income on rent by the Department of Housing and Urban Development (Los Angeles Economic Development Corporation. LAEDC 2023 Economic Forecast. February 2023).

The dual dynamic of limited housing supply, and consequently, relatively high prices are having increasingly worrisome consequences. People who have moved to California versus how many people have moved out by different levels of income and educational attainment. Since 2012, far more lower-income workers have left the State than have moved in. At the same time, workers with lower levels of educational attainment have been leaving California at a faster rate than they have been moving to the state. In short, California, given its high housing prices, is a net exporter of workers with lower levels of earnings and formal education, and a net importer of workers with higher levels of formal education. This represents a key policy challenge for the State as the economy produces (and needs) jobs that pay a range of wages (Beacon Economics. The Beacon Outlook California. Winter 2023).

Over the last few months of 2022, slight inflation improvements materialized in various industries, however real change has yet to take hold. Households remain nervous about the economy sliding into a recession. Nevertheless, customer spending remained strong through the holiday season (HDL Companies California Forecast Sales Tax Trends & Economic Drivers, 3rd Quarter of 2022 Data, January 2023). In Fiscal Year 2023-24, the forecast reflects a slowdown in taxable merchandise spending to about 0.4% as the higher cost of utilities, food, and other necessities limit dollars available for discretionary and non-essential items. Year over year, the forecast shows an increase of 2.0 percent in third quarter of 2023 and then starts to decline to 0.0 percent in the fourth quarter 2023. It continues to decline at 0.3 percent in the first quarter of 2024 and starts to pick up with an increase of 0.1 percent in the second quarter of 2024 (ibid).

Overall, the California economy is moving beyond the pandemic related recovery, but uncertainty abounds about the effect of the tightening of monetary policy at a national level and as to whether this might lead to a shallow recession in 2023 (Los Angeles Economic Development Corporation. LAEDC 2023 Economic Forecast. February 2023).

San Diego Economy

As of 2022, the San Diego region is home to more than 3.3 million residents, the second largest county in California and fifth largest in the nation in terms of population according to the U.S. Census Bureau (U.S. Census Bureau. County Population Totals: 2020-2021, accessed on March 20, 2022). In 2021, San Diego County accounted for more than $224.9 billion, or 7.8 percent of California's GDP, based on data from the BEA (Bureau of Economic Analysis. Real Gross Domestic Product by County, accessed on February 28,

2023) and 8.4 percent of the State's population, based on U.S. Census Bureau data (ibid).

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

In January 2023, the San Diego Business Journal brought together a panel of experts who summed up what they saw in San Diego's economy and gave opinions on where it is headed next. Each panelist offered a view through a different lens, said event moderator Mark Cafferty of the San Diego Regional Economic Development Corporation. Taken as a whole, the opinions of the Economic Trends panelists were remarkably positive (San Diego Business Journal Economic Trends 2023. January 2023). There are several key industry dynamics driving growth in San Diego. First, San Diego is not overly reliant on tourism-related industries, which are a drag on employment growth in places like Los Angeles. Second, San Diego is not overly reliant on technology jobs, which are increasingly remote and contributing to worker shortages in tech hubs such as San Francisco (Beacon Economics Regional Outlook San Diego, Winter 2023). In the San Diego Business Journal Outlook, Miguel Motta, San Diego head of Biocom, and Juli Moran, San Diego office managing partner at Deloitte, both spoke of strong federal funding as well as a robust talent pipeline in the life sciences industry in San Diego. Panelist Miguel Motta sees a continuous positive trend in life sciences from job creation, investment in the region, and number of patents created. San Diego has an amazing ecosystem, comparable to any in the world, that is comprised of academic institutions, research organizations, entrepreneurs, talent, and investment coming into the region. In terms of talent, Panelist Juli Moran said that the region graduates over 7,000 Science, Technology, Engineering and Math (STEM) professionals a year from all the universities and research institutes in San Diego (ibid). In tourism, according to the San Diego Tourism Authority (SDTA), San Diego is expected to close 2022 with 28.5 million visitors, about 81 percent of the pre-pandemic visitors in 2019. In 2023, total visitation to San Diego is expected to reach 91 percent of 2019 visitation with 31.8 million visitors. Some believe San Diego's travel sector has shown and will continue to show resilience in the face of a potential recession (San Diego Tourism Authority, Tourism Economics San Diego Travel Forecast, January 2023), however as noted below by Ray Major, Tourism along with Retail will likely be the sectors hit the hardest if the region does experience a recession.

The COVID-19 pandemic led to changes in consumer behavior. Tracking the consumer activity, Google Mobility, a source of aggregated, anonymous big data that analyzes the movement of a community based on map location, shows retail & recreation, grocery & pharmacy, parks, transit stations and workplaces visits in San Diego still below the baseline, while residential location continues to be above the baseline (Google COVID-19 Mobility Report. California Mobility Data. March 3, 2022). Even with the pandemic restrictions lifted, mobility data across San Diego shows people still spending more time at home (ibid). As of the third quarter of 2022, HDL reports an increase in the San Diego sales tax collection of 8.6 percent over the comparable time period (HDL Companies. San Diego County Sales Tax Update 3Q 2022. January 2023). The business and industry group continue to show excellent growth and as people slowly return back to their workplace and travel, services stations continue to see positive returns with gas prices remaining moderately high. Used car dealers also saw strong gains as consumers continue to purchase vehicles. Furthermore, interest in eating out has led to solid fast casual and quick-service restaurant results. However, the general consumer goods sales softened as customers felt the pinch from higher food and fuel prices. With the sustained price increases and interest rate hikes, this certainly has consumers contemplating where to spend their dollars. But with historically low statewide unemployment rates and the recovery of the national stock markets from declines earlier in 2022, HDL anticipates a modest optimism heading into 2023 (ibid).

When there is an increase in consumer purchases, more sales tax is collected by the County of San Diego. As of the Second Quarter Status Report to the Board of

Supervisors in mid-March, the County was projected to anticipate additional Sales & Use Tax revenue of $5.1 million in Fiscal Year 2022-23. Since the Great Recession, the County's reliance on sales tax revenue has increased. Due to changes in funding and service delivery models by the State, sales tax revenue has become critical to supporting essential program areas in Public Safety, and Health and Human Services through dedicated revenue sources including Proposition 172 and Health and Public Safety Realignment. As of the Second Quarter, the County Proposition 172, Health and Public Safety Realignment, and Sales & Use Taxes revenues are expected to be higher than the Fiscal Year 2022-23 budgeted levels by $23.9 million. Consumer activity also supports the County's program revenue for Behavioral Health through the Mental Health Services Act and road repair activities through the State Gas Tax. As of the Second Quarter, the County Mental Health Services Act and State Gas Tax program revenues are expected to be higher than the Fiscal Year 2022-23 budgeted levels by $4.8 million.

According to SDTA, hotel room demand in San Diego recovered to 94.0 percent of its 2019 level. The return of hotel room demand had positive effect on hotel occupancy which increased more than 10 percentage points from the prior year and averaged 72.6 percent in 2022 (San Diego Tourism Authority, Tourism Economics San Diego Travel Forecast, January 2023). As hotel demand recovers from the effects of the pandemic, so does the County's Transient Occupancy Tax (TOT), the County's hotel room tax collected in the unincorporated area. In Fiscal Year 2021-22, TOT revenue was budgeted at a lower amount assuming a decrease in air travel and overall tourism to the region. However, actual TOT revenue came in at 50.9 percent more than was budgeted due to recovery from the effects of the pandemic. In Fiscal Year 2022-23, the TOT revenue was budgeted at an increase of 12.2 percent and as of Second Quarter of Fiscal Year 2022-23, TOT revenue was expected to be $1.8 million higher than the budget based on prior year receipts and continued growth in the hotel industry and tourism as a whole.

Although San Diego tourism is showing significant recovery from its trough during the COVID-19 pandemic, it is not overly reliant on tourism-related industries which are a drag on employment growth in other places like Los Angeles. Beacon Economics expects total non-farm employment in San Diego to somewhat plateau during the next year. Additionally, the unemployment rate is expected to increase slightly due to a greater number of residents joining the labor market. In fact, recent labor market gains portend this trend. In November, San Diego's labor force grew by 3,600 (0.2 percent) according to San Diego Workforce Partnership (Beacon Economics Regional Outlook San Diego, Winter 2023). According to the U.S. Bureau of Labor Statistics, San Diego's preliminary employment is at about 1.54 million jobs in December 2022, showing an increase of jobs compared to even before the pandemic (U.S. Bureau of Labor Statistics Local Area Unemployment Statistics, accessed on March 5, 2023).

Unemployment rose sharply during the start of the pandemic from 3.2 percent in February 2020 to 16.1 percent in April 2020, and significantly declined to 3.0 percent in December 2022 (California Employment Development Department. San Diego-Carlsbad MSA Labor Force Data, March 2023). In February 2023, the local San Diego unemployment rate rose to 3.7 percent, slightly lower than the U.S. average of 3.9 percent and lower than the State's rate of 4.8 percent (ibid). By June 2023, the preliminary unemployment rate grew to 4.0 percent, higher than the U.S. average which slightly declined to 3.8 percent and lower than the State's rate of 4.9 percent (California Employment Development Department. San Diego-Carlsbad MSA Labor Force Data, July 2023) On an annual basis, San Diego continues to show recovery from the pandemic. Ray Major, Chief Economist of the San Diego Association of Governments (SANDAG), stated that about 74 percent of jobs in San Diego are in recession-resistant sectors such as the military, government, and innovation. The other 26 percent are in those sectors that are most likely to be impacted by a recession such as tourism and retail & wholesale sectors where most discretionary income are spent. Ray Major predicts that unemployment rate in San Diego will increase to the 4 percent to 4.5 percent range in the next year and a half (County of San Diego Board of Supervisors Meeting, Second Quarter Economic Update, March 14, 2023). Increase in unemployment constrains consumer spending and associated County revenues, while inversely increasing the County's costs due to demand for the County's essential safety net services that residents rely upon in times of uncertainty and need.

When it came to wages, middle wage San Diego County workers made more than the State average, however low wage on average and high earners made less than the State average in 2021 (California Employment Development Department. Occupational Employment Statistics. accessed March 5, 2023). According to the U.S. Census Bureau, the median household income for San Diego County in 2021 was $88,240 but diminishing factors including inflation and the real estate market can reduce that overall buying power.

Since the re-opening of the economy in 2021, the supply chain disruption and greater consumer demand for goods has caused higher inflation throughout the nation. In response to this, the Federal Reserve has and may continue to hike the federal fund rate to bring back inflation to the 2 percent trend. Prices in the San Diego area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), advanced 1.8 percent for the two months ending in January 2023 (Bureau of Labor Statistics. Consumer Price Index, San Diego Area. January 2022). Over the last 12 months, CPI-U rose 6.4 percent. Food prices rose 3.6 percent. Energy prices increased 12.6 largely due to the higher prices for natural gas service. The index for all items less food and energy rose 6.5 and components contributing to the increase included shelter, recreation, and medical care (ibid).

San Diego is one of the least affordable areas in the country with median home prices reaching around $1.0 million in spring of last year. According to the San Diego Regional EDC, the median home price in San Diego continued to drop in the fourth quarter of 2022, reaching a median price of $850,000 (San Diego Regional EDC. Economic Snapshot Q4 2022, accessed on March 31, 2022). In 2023, San Diego home prices started to rise again and by June 2023, the median price for single family homes rose to $1.0 million while the median price for existing attached homes reached $650,000 (San Diego Regional Chamber of Commerce, July 2023 Monthly Indicators).

The housing market is showing signs of weakness, driven by a slowdown in sales activity, which in turn is being led by higher long-term mortgage rates and rapidly rising short-term interest rates (Beacon Economics Regional Outlook San Diego, Winter 2023). According to the Greater San Diego Association of Realtors, home sales in 2022 are down 17.8 percent compared to 2021 (Greater San Diego Association of Realtors. Monthly Indicators. January 2023). And as sales slow, time on market increases, with the average home spending 26 days on market as of the last measure, according to the National Association of Realtors. Seller concessions have made a comeback, giving buyers more time, and negotiating power when shopping for a home (ibid). Inventories of homes on the market have increased relative to last year but remain low from a historical standpoint, which has kept housing prices afloat. (Beacon Economics Regional Outlook San Diego, Winter 2023). Beacon Economics' current forecast calls for the local median home price to scale back to about $792,000 by the third quarter of 2023, which is around the same price level as the second quarter of 2021. Nonetheless, given San Diego's limited housing supply and still-strong demand to live in the area, this correction represents a blip on the otherwise longterm upward trend in San Diego home prices. (ibid).

San Diego was on track to build more housing than it did last year, but housing analysts are skeptical the trend will continue. There were 8,053 homes constructed in San Diego County through the first nine months of 2022, said data from the Construction Industry Research Board, exceeding 7,646 at the same time in 2021. Normally, that would be good news for housing advocates, but experts are warning things have slowed considerably during the last few months of 2022 (The San Diego Union Tribune. San Diego on track to build more housing than past year, Can it last- November 11, 2022). In the first nine months, the majority of housing built - 5,143 units - has been in multifamily, mainly apartments but also some townhouses and condos. San Diego County has built more multifamily than single-family homes every year since 2011 and many of the biggest apartment projects are still in the process of construction. Nathan Moeder, principal with real estate analysts London Moeder Advisors, said that there was a major drop in residential building interest from August to September as borrowing rates rose and investor enthusiasm waned. Moeder further added that over the next 18 to 24 months, residential permits will be much lower (ibid). A regional housing study projected San Diego will need more than 13,500 new housing units every year to meet the demand of all income levels by the end of the decade. (Times of San Diego. San Diego Hires 2 Private Companies to Help Process Backlog of Building Permits. February 11, 2023).

In terms of rental homes, half of San Diego's housing supply are rental units and less than 1 percent are vacant, and according to a study from the Southern California Rental Housing Association, the lack of availability has driven up rents by 15 percent (ibid). According to the market rental rate data from Zillow, the average rent in San Diego is at $2,966 as of January 2023, higher by 50.6 percent compared to the national average (Zillow Research. Zillow Observed Rent Index, accessed on March 5, 2023). In January 2023, the San Diego rental rate went up 8.3 percent on a year-over-year basis, however, rental rates are showing a slow decline since October of 2022 (ibid). In San Diego, rent increases that take into effect August 1, 2022 through July 31, 2023 will be limited to no more 10.0 percent based on the state Assembly Bill (AB 1482) signed into Law in January 2020, although there are limited exemptions to the law including single-family homes and condominiums.

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 0.2 percent in 2022. Total deeds recorded in 2022 was 104,559, a decrease of 35.5 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 during the Great Recession. In comparison, San Diego County saw 2,010 Notices of Default in 2022, up 82.2 percent from the 2021 level. The percentage of properties with delinquent mortgage loans that went into foreclosure averaged at approximately 11.6 percent from 2003 through 2005. During the Great Recession, this indicator peaked at 57.5 percent in 2008 but since has declined to about 12.0 percent in 2022, a decrease of 3.2 percent and overall increase in terms of the number of foreclosures from 2021.

County's Economic Base

The County's economic stability is based on significant manufacturing presence and innovation clusters (e.g., energy storage, cyber-security, and clean tech), a large tourist industry attracted by the favorable climate of the region, a considerable defense-related presence from federal spending, and a thriving hub of biotech and telecommunications industries. Highlights of seasonally unadjusted County employment as of July 2023 revised data from the California Employment Development Department Labor Market Information Division are listed below:

- Non-farm industry employment totals 1.56 million jobs. This represents a gain of nearly 34,800 jobs from July 2022. Agriculture includes 9,900 jobs, or 0.6 percent of all industries in the region.
- Goods-producing industries make up 13.2 percent of non-farm employment or 206,300 jobs. The most significant sectors include manufacturing, which accounted for 7.6 percent of non-farm employment or 118,700 jobs; and construction, which accounted for 5.6 percent of total non-farm employment or 87,200 jobs.
- Private (non-government) services industries constitute the largest share of employment in the region and accounted for 71.7 percent of total non-farm employment, with 1,120,900 employed.
- Of these, professional and business services make up the largest non-government sector, comprising 18.2 percent of total non-farm employment, totaling 285,300 jobs. Other large non-government sectors in the private services industry category include trade, transportation, and utilities (223,600 jobs); educational and health services (239,600 jobs); and leisure and hospitality (211,700 jobs).
- Government accounted for 15.1 percent of total non-farm employment, or 236,900 jobs. San Diego's local governments, including education, contribute significantly to this sector.

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

General Management System

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

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

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

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

https://www.sandiegocounty.gov/cao/.

Context for Strategic and Operational Planning

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

Vision:

A just, sustainable, and resilient future for all

Mission:

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

Values:

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

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

Strategic and Operational Planning (Budgetary) Process

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

- Equity
- Sustainability
- Community
- Empower
- Justice

To ensure that the Strategic Plan incorporates a fiscal perspective, the CAO, Assistant CAO (ACAO) and General Managers annually assess the long-term fiscal health of the County and review a five year forecast of revenues and expenditures to which each County department contributes. This process leads to the development of preliminary short- and medium-term operational objectives and the resource allocations necessary to achieve them.

The Operational Plan provides the County's detailed financial recommendations for the next two fiscal years. However, pursuant to Government Code §29000 et seq., State law allows the Board of Supervisors to formally adopt only the first year of the Operational Plan as the County's budget. The Board approves the second year of the plan in principle for planning purposes. To demonstrate that resources are allocated to support the County's Strategic Plan, all program objectives in the Operational Plan and department performance measures are aligned with the Strategic Initiatives, Audacious Goals and/or Enterprisewide 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 CAO provides a quarterly budget status report to the Board of Supervisors that may also recommend changes to address unanticipated needs or make technical adjustments to the budget.

Financial (Budgetary) Policies

The following is an overview of various laws and policies that guide the County's budgetary decision-making process.

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 General Fund fund balance and the maintenance of General Fund 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 General Fund fund balance and reserves, and by ensuring that all one-time resources generated by the County are appropriated for one-time expenditures only.

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

Board of Supervisors Policies

A-81 Procurement of Contract Services: The County may employ an independent contractor if it is determined that the services can be provided more economically and efficiently by persons employed in the Classified Service.

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

A-136 Use of County of San Diego General Management System for Administration of County Operations: Establishes the General Management System (GMS) as the formal guide for the administration of County departments, programs and services, and ensures that all County departments and offices operate in compliance with the GMS. The GMS includes two-year Operational Planning, in which the County's revenues are budgeted.

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

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

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

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

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

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

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

G-16 Capital Facilities and Space Planning: Establishes a centralized, comprehensive, sustainable and equitable capital facilities planning program for the County of San Diego that establishes general objectives and standards for the location, size, design, and occupancy of County-owned or leased facilities.

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.

0030-23 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

The County ensures operations are strategically aligned across the organization by developing a five year Strategic Plan that sets forth the priorities it will accomplish with its resources. The Strategic Plan is developed by the Chief Administrative Officer (CAO), the Assistant CAO (ACAO), the General Managers and the Strategic Advisory, Guidance, and Evaluation Team based on the policies and initiatives set by the Board of Supervisors and an enterprise review of the issues, risks and opportunities facing the region and reflects the changing environment, economy and community needs.

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

The County began a new strategic planning process in the Summer of 2021, which included convening a Strategic Planning Team. The 2021 Strategic Planning Team consisted of staff experts from across the enterprise who possess unique subject matter expertise as well as an extensive operational knowledge and have served as integral members of teams that have been implementing the new programs brought forward by the Board of Supervisors this year.

The overall themes that came out of the robust discussions were the desire to be a government that listens to, partners with, and supports the community we serve, while sustainably planning for the future. This process also included a reimagining of the County's governance documents which includes the Vision Statement, Mission Statement, and Values. There are new Strategic Initiatives, and Audacious Goals that go along with each to guide the departments in outcome-based goal setting that aligns with the County's Vision. In the County's Strategic Framework, Groups and Departments support five Strategic Initiatives: Equity, Sustainability, Community, Empower, and Justice. Audacious Goals assist departments in aligning with and supporting the County's Vision and Mission. In addition, department objectives demonstrate how departments contribute to the larger Audacious Goals.

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

Equity

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

Sustainability

- Economy
  - Align the County's available resources with services to maintain fiscal stability and ensure long-term solvency.
  - Create policies to reduce and eliminate poverty, promoting economic sustainability for all.
- Climate
  - Actively combat climate change through innovative or proven policies, green jobs, sustainable facility construction or maintenance and hazard mitigation.
- Environment
  - Protect and promote our natural and agricultural resources, diverse habitats and sensitive species.
  - Cultivate a natural environment for residents, visitors and future generations to enjoy.
- Resiliency
  - Ensure the capability to respond and recover to immediate needs for individuals, families, and the region.

Community

- Engagement
  - Inspire civic engagement by providing information, programs, public forums or other avenues that increase access for individuals or communities to use their voice, their vote, and their experience to impact change.
- Safety
  - Support safety for all communities, including protection from crime, availability of emergency medical services and fire response, community preparedness and regional readiness to respond to a disaster.
- Quality of Life
  - Provide programs and services that enhance the community through increasing the wellbeing of our residents and our environments.
- Communications
  - Create proactive communication that is accessible and transparent.
  - Offer interpreters for community meetings or translations of information to ensure residents have every opportunity to make informed decisions while listening to, participating in or using County services or programs.
- Partnership
  - Facilitate meaningful conversations, shared programming, grant opportunities, or other opportunities to maximize resources through community partnerships to benefit the region.

Empower

- Workforce
  - Invest in our workforce and operations by providing support services and excellent customer service to ensure continuity of operations remains at its best.
- Transparency and Accountability
  - Maintain program and fiscal integrity through reports, disclosures, and audits.
- Innovation
  - Foster new ideas and the implementation of proven best practices to achieve organizational excellence.

Justice

- Safety
  - Ensure a fair and equitable justice system in the defense and prosecution of crimes, investigations of abuse and neglect, and support and services for victims.
  - Focus efforts to reduce disparities and disproportionality across the justice system.
- Restorative
  - Contribute to a system of restorative justice that strives to repair harm to victims and to the community at large, as well provide inclusive opportunities for justice involved individuals to contribute to the region.
- Environmental
  - Advance equal protection and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies with an urgent focus on communities of color and low-income

communities recognizing they historically lacked the same degree of protection from environmental and health hazards.
- Ensuring equal access to decision-making processes that create healthy environments in which to live, learn and work.

All County programs support at least one of these five Strategic Initiatives through Audacious Goals, Enterprise-wide Goals and Department Objectives that make achievement of the initiatives possible.

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:

Equity

- The Southeastern Live Well Center (SELWC) project is an example of how the County has incorporated community engagement and equity into a major construction contract from solicitation to implementation. This project has been innovative to specifically involve community members as part of the facility design process, selection of the contractor, and with the inclusion of a specific and measurable requirement for a local business and worker participation plan in the solicitation and contract. As of November 2022, the total value of local business participation was $8.2 million of this $60 million project. This local business participation amount is approximately 137% above the contractor's original local business participation contractual commitment of $6 million goal. Additionally, the contractor hired 9.7% of the project workforce from local project areas, which exceeded the local hiring contract commitment of 5%.
- Over the last fiscal year, the Health and Human Services Agency (HHSA) Housing and Community Development Services in partnership with the Department of General Services opened or broke ground on over 1,400 new units of affordable housing across the County. This was accomplished by several efforts including developing excess County property, leveraging state, federal and private funds, and investing local dollars like the Innovative Housing Trust Fund. Construction started for three of the four developments at the Mt. Etna campus, a County excess property that was once home to the County Crime Lab. When complete, the four developments will provide 404 apartment homes for more than 750 low-income families and seniors at initial occupancy. The County contributed $39 million to Mt. Etna, in land value and construction funding, its largest housing investment to date.
- The Land Use and Environment Group (LUEG) led a comprehensive regional study that identified 27 potential projects to address the environmental, public health, and safety concerns stemming from cross-border sewage flows. LUEG departments have been able to utilize this study to secure federal and State funding for three priority projects. The County has also been at the forefront of bringing national attention to this issue by passing a joint resolution recommending federal action to eliminate cross-border flows, declaring pollution in the Tijuana River Valley a public health crisis, and regularly coordinating with officials at the federal, State, and local levels to ensure the South County community receives adequate funding to address these longstanding issues. Through these efforts, the region has already seen dedicated federal and State funding, including $300 million in federal funds appropriated through the U.S. Environmental Protection Agency and $20 million in State funds appropriated through the California Environmental Protection Agency.
- The Probation Department provided interim housing to over 950 adult clients on supervision and used Housing and Resource Navigators with lived experience to provide peer-to-peer outreach to help clients transition to safe and secure housing while increasing self-sufficiency by removing barriers to housing stability through career development, social service enrollment and advocacy.

Sustainability

- Recognizing that climate change cannot be addressed in silos, LUEG has developed an Integrated Regional Decarbonization Framework (Framework), which is a science-based approach to collaboratively identify our region's opportunities for greater climate action. The Integrated Framework has been formed in partnership with academic experts in climate and energy, workforce experts, and stakeholders. It includes a technical analysis, workforce development study, and a guide of workable actions that can guide the region toward implementation. This visionary framework informs and serves as a resource for related County initiatives such as the Climate Action Plan Update and external efforts in other jurisdictions.

Community

- When the mpox health emergency was declared locally on August 2, 2022, HHSA Public Health Services (PHS) immediately reached out to the communities most impacted to get input on communication strategies, educational materials, and outreach opportunities. As vaccine became more available, PHS leveraged existing Public Health Centers, set up pop-up clinics with community-based organizations, and partnered with LGBTQ agencies to make vaccine access as convenient as possible. The County also trained homeless outreach teams and funded agencies that conduct HIV prevention to provide MPOX outreach as well. Between July 1, 2022 and the expiration of the emergency on November 10, 2022, nearly 14,000 people in San Diego County received at least one dose of the JYNNEOS vaccines.
- The County of San Diego implemented the Equity in Communication: Translation, Language & Culture Connection Program. The program is run by the Translation, Language and Culture Connection (TLCC) Workgroup which serves as a County-wide resource in providing guidance on developing culturally sensitive, accurately translated, trauma-informed, and accessible communications for multilingual, diverse San Diego communities. The group launched in July 2020 and is comprised of over 70 employees, representing departments across the enterprise and all four business groups (Public Safety, Land Use & Environment, Finance & General Government, and Health & Human Services) with varying expertise in linguistic translation, communications, cultural sensitivity, health equity, and community engagement.

Justice

- The Sheriff's Department implemented evidence-based, medication assisted treatment (MAT) for opioid use disorders and worked with Behavioral Health Services on effective care coordination for patients returning to the community. MAT was officially implemented on January 13, 2023. The full program is being delivered at Vista Detention Facility, with other facilities continuing components of sobriety and substance disorder treatments.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its annual comprehensive financial report for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Other Awards and Recognitions

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

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

- The Department of Animal Services was awarded for Preventing Pet Overpopulation through Accessible Spay/Neuter. Access to affordable spay/neuter services for dog and cat owners is critical for both pet health and community-wide homeless pet population management. With veterinary costs climbing and animal shelters filling up at rates the Department of Animal Services has not seen in 20+ years, providing spay/neuter services to pet owners who would otherwise not be able to afford or access them is a win-win for everyone: pet owners get the care they need for their companion dogs and cats, and animal shelters can help prevent the tide of intakes resulting from unplanned litters that would otherwise land on our doorsteps, occupying our kennels and further straining already limited shelter care resources.

- The Land Use & Environment Group (LUEG) received 22 national awards from the National association of Counties (NACo) for programs that address climate action, bridging the digital divide, protecting agriculture, recreational water quality, outdoor recreation, smart growth/land use planning, waste reduction/diversion, eco-friendly landscaping, preventing stormwater runoff and road safety.
- The Department of Child Support Services (DCSS) was awarded for its Justice Involved Parents & Children Program. The DCSS created the Justice Involved Parents and Children (JIPC) team. SD DCSS recognizes that justice-involved individuals face barriers due to their criminal records that may adversely impact them and their families. JIPC is a team dedicated to reducing barriers for justice-involved families by providing access and opportunity to resources that go beyond child support to reduce recidivism and ease the process of reentry to the community after serving a sentence in jail or prison.

- The California Department of Social Services (CDSS) recognized HHSA Self-Sufficiency Services for excellent CalFresh case reviews in the 2022 Federal Fiscal Year Management Evaluation. The United States Department of Agriculture, Food and Nutrition Service mandates an annual review of CalFresh operations focused on program access, timeliness of application processing, recertification process, and payment accuracy. Cases are randomly selected to determine the validity of the actions and compliance with processing standards and regulations. HHSA had minimal findings despite maintaining operations and delivering services to upwards of 500,000 individual CalFresh recipients.
- The County Communications Office won first place in Overall Excellence in the SCAN National Association of Telecommunications Officers and Advisors Star Awards. It also won first place for the "County Child Welfare Services Hosts Adoption Party" video in the human interest category, for "Live Well San Diego Intergenerational 5K and Kids 1-Mile Fun Run" promotional video, for "Time for COVID-19 Boosters for 5-11 Year Olds" video in the Public Health category, the "Library High School Graduation" video in the Promotion Over 400k category, and for an Animal Services video "Find a Best Friend with Clear the Shelters." The STAR Awards recognize excellence in government programming in California and Nevada. The awards are held annual at the spring conference.
- The Land Use and Environment Group’s creative work for the Let's Get There Playbook won 10 Graphis design awards, and three Paris Design Awards this year
- For the fourth year in a row, the Edgemoor Distinct Part Skilled Nursing Facility in Santee made Newsweek's America's Best Nursing Homes 2023 list for California, this year coming in at #2. Edgemoor is part of the Behavioral Health Services department, serving 192 of our most vulnerable residents, 24 hours a day with excellent care. The prestigious list highlights top nursing homes compared to others in the same state based on performance data, peer recommendations, the facility's handling of COVID-19 response and protocols.

Acknowledgments

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

Respectfully,

EBONY N. SHELTON
Deputy CAO/
Chief Financial Officer

TRACY DRAGER
Auditor and Controller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**County of San Diego
California**

For its Annual Comprehensive Financial Report
For the Fiscal Year Ended

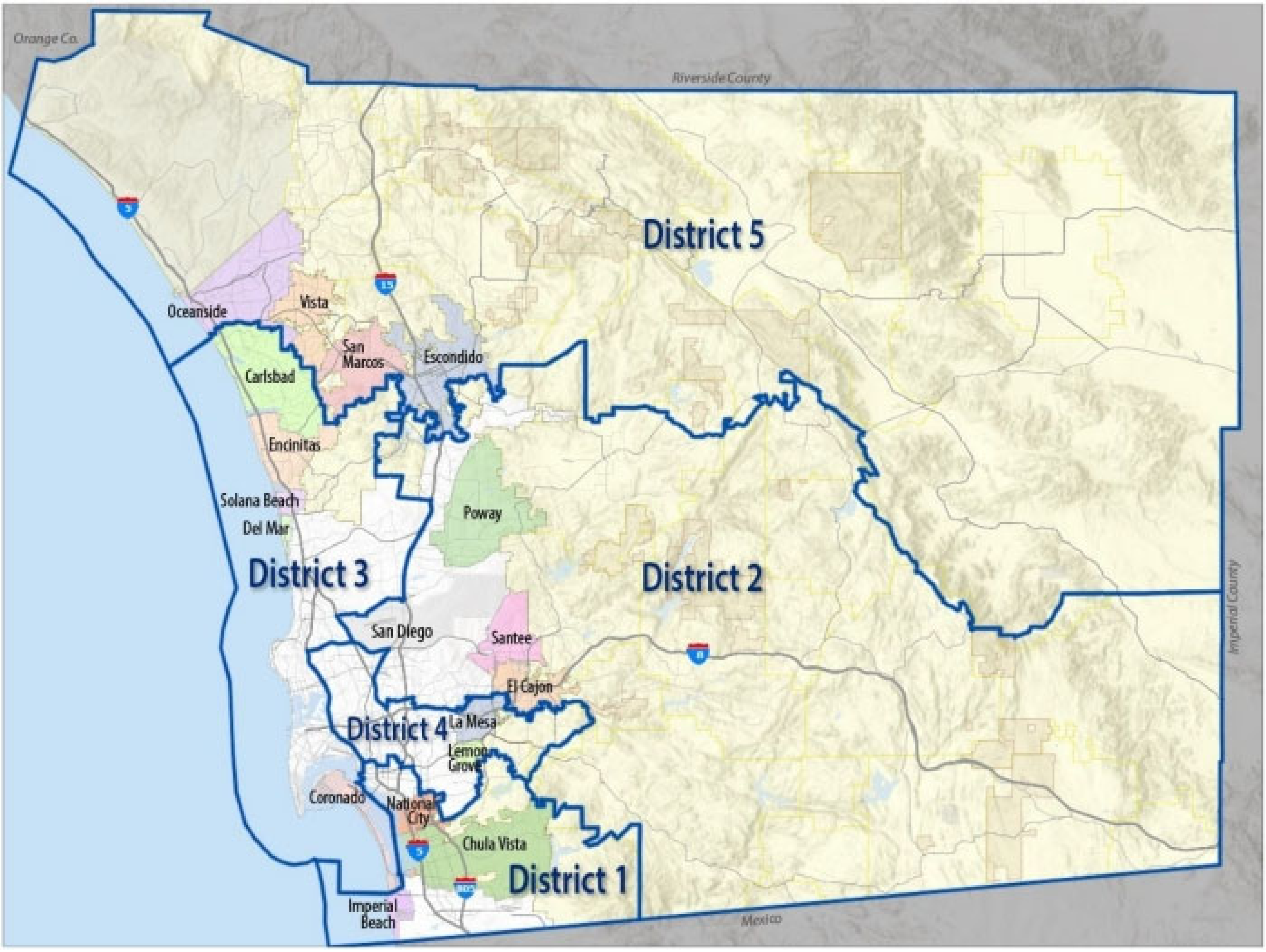
June 30, 2022

Christopher P. Morrill

Executive Director/CEO




Nora Vargas District 1 Chair	Joel Anderson District 2	Terra Lawson-Remer District 3 Vice-Chair	Vacant District 4	Jim Desmond District 5



County of San Diego
Organizational Chart

- Citizens of San Diego County
  - Board of Supervisors*
    - Chief Administrative Officer

Public Safety Group
- Animal Services
- Child Support Services
- District Attorney*
- Emergency Services
- Medical Examiner
- Probation**
- Public Defender
- San Diego County Fire
- Sheriff*

Land Use & Environment Group
- Agriculture, Weights & Measures
- County Library
- Environmental Health & Quality
- Office of Sustainability and Environmental Justice
- Parks & Recreation
- Planning & Development Services
- Public Works

Finance & General Government Group
- Assessor / Recorder / County Clerk*
- Auditor & Controller
- Chief Administrative Office
  - Office of Economic Development & Government Affairs
  - Office of Equity & Racial Justice
  - Office of Ethics, Compliance & Labor Standards
  - Office of Evaluation, Performance & Analytics
- Citizens' Law Enforcement Review Board
- Civil Service Commission
- Clerk of the Board of Supervisors**
- Communications Office
- County Counsel**
- General Services
- Grand Jury
- Human Resources
- Purchasing & Contracting
- Registrar of Voters
- Technology Office
- Treasurer-Tax Collector*

Health & Human Service Agency
- Aging & Independence Services
- Behavioral Health Services
- Child and Family Well-Being
- Self-Sufficiency Services
- Homeless Solutions & Equitable Communities
  - Office of Equitable Communities
  - Office of Homeless Solutions
  - Office of Immigrant & Refugee Affairs
- Housing & Community Development Services
- Medical Care Services
- Public Health Services

*Elected Officials

**Reports to the Board of Supervisors

Rev. 09/23

Chief Administrative Office

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

Elected Officials

Assessor/Recorder/County Clerk	Jordan Marks
District Attorney	Summer Stephan
Treasurer/Tax Collector	Dan McAllister
Sheriff	Kelly Martinez

General Managers/Deputy Chief Administrative Officers

Finance & General Government Group	Ebony Shelton
Health & Human Services Agency	Eric McDonald, M.D.*
Land Use & Environment Group	Sarah Aghassi
Public Safety Group	Holly Porter

Department Heads

Agriculture, Weights & Measures	Ha Dang
Animal Services	Kelly Campbell
Auditor & Controller	Tracy Drager
CAO/Chief of Staff	Natalia Bravo
Child Support Services	Jeff Grissom
Civil Service Commission	Todd Adams
Clerk of the Board of Supervisors	Andrew Potter
County Communications Office	Michael Workman
County Counsel	Claudia Silva
County Technology Office	David Smith
Economic Development & Government Affairs	Caroline Smith
Emergency Services	Jeff Toney
Environmental Health & Quality	Amy Harbert
Equity & Racial Justice	Andrew Strong
Ethics, Compliance & Labor Standards	Branden Butler
Evaluation, Performance & Analytics	Ricardo Basurto-Davila
FG3/Chief Operations Officer	Joan Bracci
General Services	Marko Medved
HHSA/Chief Operations Officer	Patty Kay Danon
HHSA - Aging & Independence Services/Public Administrator/Public Guardian	Naomi Chavez*
HHSA - Behavioral Health Services/Public Conservator	Luke Bergmann
HHSA - Child and Family Well-Being	Kimberly Giardina
HHSA - Homeless Solutions & Equitable Communities	Barbara Jimenez
HHSA - Housing & Community Development Services	David Estrella
HHSA - IHSS/Public Authority	Thomas Johnson
HHSA - Medical Care Services	Jaime Beam*
HHSA - Public Health Services Officer	Wilma Wooten, M.D.
HHAS - Public Health Services	Elizabeth Hernandez, Ph.D.
HHSA - Self Sufficiency Services	Rick Wanne
Human Resources	Susan Brazeau
Library	Migell Acosta
LUEG/Chief Operations Officer	Jennifer Lawson
Medical Examiner	Steven Campman
Parks & Recreation	Brian Albright
Planning & Development Services	Dahvia Lynch
Probation	Tamika Nelson
PSG/Chief Operations Officer	Kathleen Flannery
Public Defender	Katherine Braner
Public Works	Derek Gade
Purchasing & Contracting	Jack Pellegrino
Registrar of Voters	Cynthia Paes
San Diego County Fire Protection District	Jeff Collins

* Interim/Acting

Financial Section

MGO. Certified Public Accountants

Independent Auditor's Report

To the Board of Supervisors
County of San Diego, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of San Diego, California (County), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the First 5 Commission of San Diego (Commission), a discretely presented component unit, which represents 100% of the assets, net position, and revenues of the discretely presented component unit, and the San Diego County Employees Retirement Association (SDCERA), a fiduciary component unit, which represents 57% of assets, 57% of fund balances/net position, and 6% of revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Commission and SDCERA, are based solely on the reports of the other auditors.

Basis for Opinions

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

Emphasis of Matter

As discussed in Notes 7, 15, and 36 to the basic financial statements, effective July 1, 2022, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements.* Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2023, 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 21, 2023

This section of the County of San Diego's (County) Annual Comprehensive Financial Report provides a narrative overview and analysis of the basic financial activities of the County as of and for the year ended June 30, 2023.

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 2023 by $4.41 billion (net position). Of this amount, $3.98 billion represents net investment in capital assets; $1.81 billion is restricted for specific purposes (restricted net position); and the remaining portion represents negative unrestricted net position of $(1.38) billion.
- Total net position increased by $342.9 million as follows:
  - Governmental activities net position increased by $329.1 million. The current and other assets, and capital assets increases of $316.9 million, and $128.4 million, respectively; coupled with the $1.6451 billion increase in deferred outflows of resources; the $1.7 million decrease in the Net OPEB liability; the $36.4 million decrease in other long-term liabilities; the $65.9 million decrease in other liabilities; and the $1.1918 billion decrease in deferred inflows of resources all had the effect of increasing net position; while the decrease to net position included the Net Pension liability increase of $3.0571 billion.
  - Business-type activities net position increased by approximately $13.8 million. The current and other assets increase of $9.1 million, coupled with the $6 million increase in deferred outflows of resources, and decreases in other liabilities and deferred inflows of resources of $200 thousand, and $11.1 million, respectively; all had the effect of increasing net position; while the $1.2 million decrease in capital assets; coupled with the $11.1 million increase in the Net Pension Liability and the $300 thousand increase in long-term liabilities, had the effect of decreasing net position.
- Program revenues for governmental activities were approximately $4.46 billion. Of this amount, $3.85 billion or 86% was attributable to operating grants and contributions coupled with capital grants and contributions, while charges for services accounted for $610 million or 14%.
- General revenues for governmental activities were $2.01 billion. Of this amount, property taxes and property taxes in lieu of vehicle license fees accounted for approximately $1.53 billion or 76%; while transient occupancy tax, real property transfer tax, miscellaneous taxes, sales and use taxes, investment earnings and other general revenues accounted for $480 million or 24%.
- Total expenses for governmental activities were $6.14 billion. Public protection accounted for $2.08 billion or 34%, while health and sanitation accounted for $1.31 billion or 21%. Additionally, public assistance accounted for $1.84 billion or 30% of this amount.

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. The Airport Fund is considered to be a major fund. Data from the other enterprise funds are combined into a single, aggregated presentation. Individual fund data for each nonmajor enterprise fund is provided in the combining and individual fund information and other supplementary information section in this report.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Internal service funds are used to account for: the financing of public works and communications equipment; the financing of materials and supplies (purchasing); start up services for new and existing county service districts; the County's public liability and employee benefits activities; the financing of fleet services; facilities management activities; and, the financing of information technology services. Because all of these services predominantly benefit governmental rather than business-type functions, 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, 2023 and 2022
(In Thousands)

		Governmental Activities 2023	Governmental Activities 2022	Business-type Activities 2023	Business-type Activities 2022	Total 2023	Total 2022
ASSETS							
Current and other assets	$	5,999,025	5,682,063	338,138	329,005	6,337,163	6,011,068
Capital assets		4,353,158	4,224,781	186,322	187,537	4,539,480	4,412,318
Total assets		10,352,183	9,906,844	524,460	516,542	10,876,643	10,423,386
DEFERRED OUTFLOWS OF RESOURCES							
Total deferred outflow of resources		2,555,251	910,125	9,879	3,858	2,565,130	913,983
LIABILITIES							
Long-term liabilities		7,192,931	4,173,914	23,008	11,621	7,215,939	4,185,535
Other liabilities		1,426,067	1,491,936	2,545	2,676	1,428,612	1,494,612
Total liabilities		8,618,998	5,665,850	25,553	14,297	8,644,551	5,680,147
DEFERRED INFLOWS OF RESOURCES							
Total deferred inflows of resources		169,093	1,360,905	219,943	231,049	389,036	1,591,954
NET POSITION							
Net investment in capital assets		3,797,631	3,695,884	185,874	187,343	3,983,505	3,883,227
Restricted		1,804,905	1,281,257			1,804,905	1,281,257
Unrestricted		(1,483,193)	(1,186,927)	102,969	87,711	(1,380,224)	(1,099,216)
Total net position	$	4,119,343	3,790,214	288,843	275,054	4,408,186	4,065,268

Analysis of Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources by $4.41 billion at the close of fiscal year 2023, an increase of $342.9 million or 8.4% over fiscal year 2022. This included a $100.2 million increase in net investment in capital assets, (a 2.6% increase over fiscal year 2022), and an increase of approximately $523.6 million in the County's restricted net position (a 40.9% increase over fiscal year 2022). Additionally, unrestricted net position decreased by $280.9 million (a 25.6% decrease over fiscal year 2022).

The aforementioned increase of $342.9 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 $453.2 million. This included increases in current and other assets and capital assets of $326 million and $127.2 million, respectively. The net increase of $326 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 $147.9 million - due in part to the County's receipt of approximately $181.8 million for its share of civil penalties and post-judgement interest pursuant to a trial court judgment; a $145.4 million increase in receivables, net chiefly due to Health and Human Services Agency Public Health related accruals; coupled with a $26.8 million increase in property taxes receivables, net, a $6.4 million increase in inventories; and, a $5 million increase in prepaid assets; offset by a $5.5 million decrease in lease receivables; while the $127.2 million net increase in capital assets consisted primarily of a $136 million increase in other capital assets, net of accumulated depreciation and amortization; offset by an $8.8 million decrease in land, easements and construction in progress.

- Deferred outflows of resources increased by $1.6511 billion, principally attributable to a net increase in pension related deferrals due to a significant increase in the actuarially determined net pension liability, including increases in net difference between projected and actual earnings on pension plan investments, and pension related changes of assumptions or other inputs, of $948.5 million, and $717.8 million, respectively; coupled with a $36.1 million increase in contributions to the pension plan subsequent to the measurement date, a $3 million increase in net difference between projected and actual earnings on OPEB plan investments, and a $100 thousand increase in contributions to the OPEB plan subsequent to the measurement date; offset by a $40.8 million decrease in the difference between expected and actual experience in the total pension liability; an $11.6 million decrease in pension related changes in proportionate share and differences between employer's contributions and proportionate share of contributions; and, a $2.0 million decrease in unamortized loss on refunding of long-term debt.
- Total liabilities increased by approximately $2.9643 billion, mainly due to a $3.0682 billion increase in the actuarially determined net pension liability; coupled with a $16 million increase in accrued payroll; offset by a $41.8 million decrease in accounts payable, a $38.6 million decrease in unearned revenue, a $36.1 million net decrease in non-net pension, non-net OPEB long-term liabilities; a $1.7 million decrease to accrued interest; and, a $1.7 million decrease in the actuarially determined net OPEB liability
- Deferred inflows of resources decreased by $1.2029 billion chiefly attributable to a significant decrease in the actuarially determined pension and OPEB related deferred inflow of resources of $1.3045 billion for the net difference between projected and annual earnings on pension plan investments; coupled with a $2.6 million decrease in the net difference between projected and annual earnings on OPEB plan investments, and a $100 thousand decrease in the pension related change of assumptions or other inputs; offset by a $102.7 million increase in the difference between expected and actual experience in the total pension liability, and a $6.6 million increase in the pension related changes in proportionate share and differences between employer's contributions and proportionate share of contributions. Other non-pension/non OPEB related changes included a $7.7 million decrease in leases; coupled with a $100 thousand decrease in the gain on refunding of long-term debt; offset by a $2.8 million increase in property taxes received in advance.

The largest portion of the County's net position reflects its net investment in capital assets of $3.98 billion (land, easements, buildings and improvements, equipment, software, infrastructure, and right-to-use assets; less any related outstanding debt used to acquire those assets). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

An additional portion of the County's net position (restricted net position) equaled $1.81 billion and represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, laws and/or regulations of other governments.

The remaining portion of the County's net position includes $(1.38) billion in net negative unrestricted net position. The majority of this balance represents the negative unrestricted net position attributable to the County's outstanding Net Pension Liability and Net OPEB Liability.

Table 2

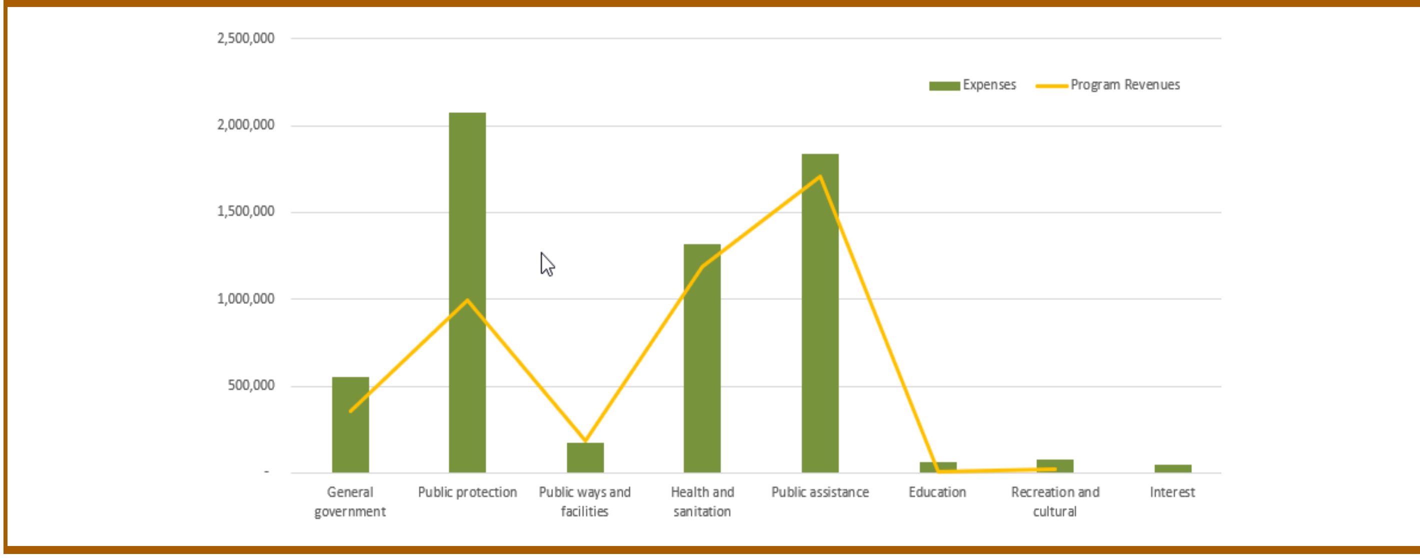
Changes in Net Position
For the years ended June 30, 2023 and 2022
(In Thousands)

		Governmental Activities 2023	Governmental Activities 2022	Business-type Activities 2023	Business-type Activities 2022	Total 2023	Total 2022
Revenues:							
Program Revenues							
Charges for services	$	611,269	619,799	60,706	58,162	671,975	677,961
Operating grants and contributions		3,812,579	3,736,703	1,439	1,295	3,814,018	3,737,998
Capital grants and contributions		33,948	109,343	151		34,099	109,343
General Revenues							
Property taxes		1,014,193	928,022			1,014,193	928,022
Transient occupancy tax		7,472	7,225			7,472	7,225
Real property transfer tax		28,653	43,635			28,653	43,635
Miscellaneous taxes		5	5			5	5
Property taxes in lieu of vehicle license fees		521,678	481,289			521,678	481,289
Sales and use taxes		56,626	43,268			56,626	43,268
Investment earnings		82,390	(96,987)	6,144	1,307	88,534	(95,680)
Other		302,605	94,015	171	151	302,776	94,166
Total revenues		6,471,418	5,966,317	68,611	60,915	6,540,029	6,027,232
Expenses:							
Governmental Activities:							
General government		549,078	414,187			549,078	414,187
Public protection		2,075,386	1,586,324			2,075,386	1,586,324
Public ways and facilities		175,511	164,262			175,511	164,262
Health and sanitation		1,314,789	1,167,816			1,314,789	1,167,816
Public assistance		1,838,733	1,785,733			1,838,733	1,785,733
Education		64,249	55,787			64,249	55,787
Recreation and cultural		74,036	60,611			74,036	60,611
Interest		50,694	53,971			50,694	53,971
Business-type Activities:							
Airport				17,183	15,545	17,183	15,545
Jail Stores Commissary				3,409	3,010	3,409	3,010
San Diego County Sanitation District				23,591	25,035	23,591	25,035
Sanitation District - Other				10,452	8,712	10,452	8,712
Total expenses		6,142,476	5,288,691	54,635	52,302	6,197,111	5,340,993
Changes in net position before transfers		328,942	677,626	13,976	8,613	342,918	686,239
Transfers		187	(10,981)	(187)	10,981		
Change in net position		329,129	666,645	13,789	19,594	342,918	686,239
Net position at beginning of year		3,790,214	3,123,569	275,054	255,460	4,065,268	3,379,029
Net position at end of year	$	4,119,343	3,790,214	288,843	275,054	4,408,186	4,065,268

Analysis of Changes in Net Position

At June 30, 2023, changes in net position equaled $342.9 million. Principal revenue sources contributing to the change in net position were operating grants and contributions of $3.81 billion and property taxes and property taxes in lieu of vehicle license fees totaling of $1.54 billion. These revenue categories accounted for approximately 81.8% of total revenues. Principal expenses were in the following areas: public protection, $2.08 billion, public assistance, $1.84 billion; and health and sanitation, $1.31 billion. These expense categories accounted for 84.4% of total expenses.

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



Governmental activities

At the end of fiscal year 2023, total revenues for the governmental activities were $6.47 billion, while total expenses were $6.14 billion. Governmental activities increased the County's net position by $329.1 million.

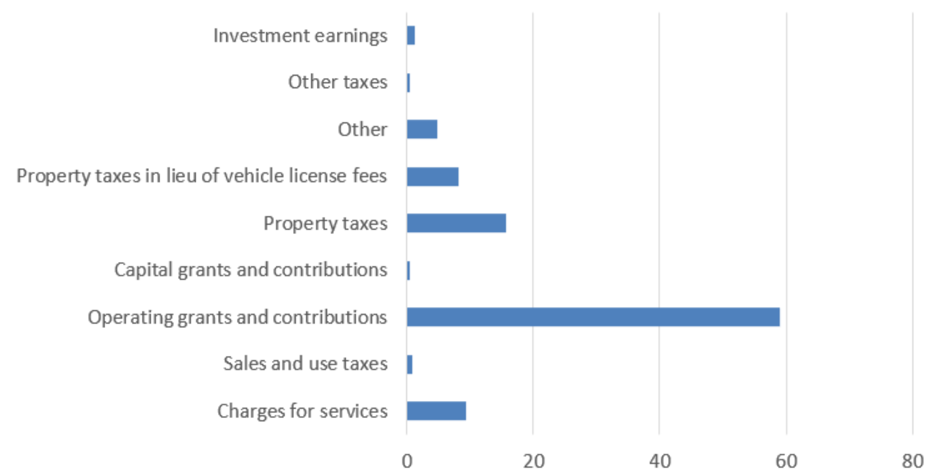
Expenses:

Total expenses for governmental activities were $6.14 billion, an increase of $854 million or 16.14% ($857 million increase in functional expenses offset by a $3 million decrease in interest expense). Public protection (34%) and public assistance (30%) were the largest functional expenses, followed by health and sanitation (21%).

The $857 million net increase in functional expenses mainly consisted of the following:

- $627.7 million increase in net pension related expenses;
- $192 million net increase in salaries and benefits costs is primarily due to negotiated labor agreements and increase in overtime cost due to high vacancies which required overtime to cover the mandatory shifts;
- $111.9 million decrease primarily tied to the County's T3 Strategy of Test, Trace, and Treat to Support COVID-19 emergency response efforts;
- $100.6 million increase in CalWORKS participant benefits;
- $32 million decrease due to the ending of the COVID-19 Positive Recovery Stipend program;
- $27.7 increase in expenses for medical and mental health services for incarcerated persons;
- $11.2 million increase primarily due to an increase in milestone payments for the Integrated Property Tax System implementation and the PeopleSoft and Oracle Upgrade projects; and,
- $4.5 million increase in the amount of interim housing and treatment services provided to adults on probation.

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



Revenues:

Total revenues for governmental activities were $6.47 billion, an increase of 8.5% or $505 million from the previous year. This increase consisted of an increase in general revenue of $513 million; offset by a decrease in program revenues of $8 million as follows:

The $8 million net decrease in program revenue was primarily due to of the following:

- $14 million decrease in revenue tied to one-time election state funding;
- $12.3 million decrease in revenue tied to the American Rescue Plan Act for hazardous pay claims;
- $10.1 million increase in aid for the new Youth Development Academy program;
- $9.4 million increase in Proposition 172 revenues;
- $1.8 million decrease in County Library federal revenues received to provide devices and broad-band internet access connectivity to students and library patrons; and,
- $700 thousand increase in various Public Health Services grants - primarily in HIV Care grant.

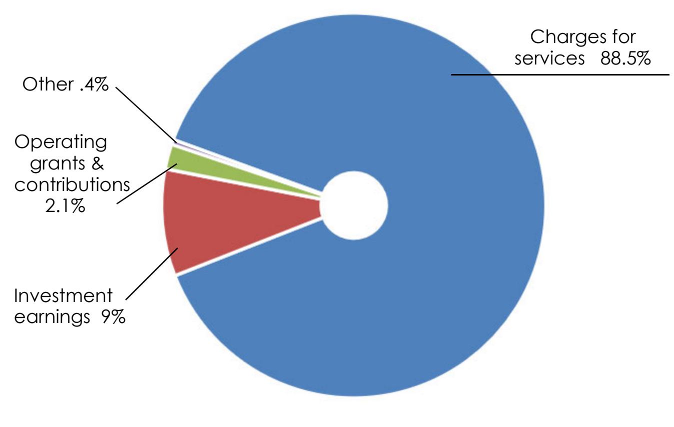
General revenues increased overall by approximately $513 million, principally due to a $181.8 million settlement payment the County received for its share of civil penalties and post-judgement interest pursuant to a trial court judgment; an increase of $179.4 million in investment earnings, attributable to an overall net increase in the fair value of investments, coupled with an increase in interest rates led by the Federal Reserve, which resulted in the Investment Pool's yield to increase by 225 basis points to 3.5% on June 30, 2023; $86.2 million increase in property taxes and $40.4 million increase in property taxes in lieu of vehicle license fees, both attributable to the county-wide growth in assessed valuation; and increases in sales and use taxes of $13.4 million; offset by a decrease in real property transfer taxes of $15 million.

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 $3.81 billion accounted for 58.9%, 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 $1.53 billion and accounted for 76% of governmental activities - general revenues. Additionally, charges for services were $610 million and accounted for 14% of revenues applicable to governmental activities - program revenues.

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 $60.7 million or 88.5% of total revenues.

Net position of business-type activities increased by approximately $13.8 million, or 5.0%. Key increases included the following:

- $5 million increase tied to investment earnings attributable in part to an overall net increase from the prior year's fair value of investments and an increase in interest earned on deposits and investments;
- $2 million decrease in sewage processing expenses in the San Diego County Sanitation District Fund;
- $1 million decrease in repairs and maintenance expense mainly attributable to a $200 thousand decrease in the Sanitation District - Other Fund, coupled with an $800 thousand decrease in the Airport Fund;
- $900 thousand increase in charges for services revenue attributable mainly to an increase in commissary sales in the Jail Stores Commissary Fund;
- $700 thousand increase in charges for services - service charges in the San Diego County Sanitation District Fund;
- $600 thousand increase in Airport Fund charges for current services - rents and concessions;
- $400 thousand increase in charges for services - service charges in the Sanitation District - Other Fund;
- $200 thousand increase in a COVID-19 related federal grant in the Airport Fund;
- $150 thousand increase in capital contributions to the Sanitation District - Other Fund; and,
- $100 thousand decrease in federal grant awards attributable to American Rescue Plan Act (ARPA) grants in the Sanitation District - Other 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 2023, its unassigned fund balance was $797.5 million, while total fund balance was $2.82 billion, an increase of approximately $468 million from fiscal year 2022.

This $468 million net increase in fund balance was significantly attributable to the following:

- $181.8 million increase tied to a settlement payment the County received for its share of civil penalties and post-judgment interest pursuant to a trial court judgment;
- $160.7 million net increase in salaries and benefits costs primarily due to negotiated labor agreements and increase in overtime cost due to high vacancies which required overtime to cover the mandatory shifts;
- $96.9 million increase in state aid for various public assistance programs that include mental and behavioral health programs, affordable housing

programs, public health programs, and programs for people in the Criminal Justice System;

- $96.7 million increase in property taxes ($56.3 million) and property taxes in lieu of vehicle license fees ($40.4 million), both attributable to the county-wide growth in assessed valuation; there was an 8.42% increase in assessed valuation;
- $90.5 million increase in HHSA realignment revenues, including available one-time funding based on statewide sales tax receipts and vehicle license fees that are dedicated for costs in health and human service programs;
- $50.8 million increase in revenue tied to federal and state aid for Social Services Administrative revenue;
- $45.1 million increase in interest revenue attributable to an increase in investment pool contributions and reinvestments, both earning a higher rate of return than the prior year;
- $41.3 million increase in federal aid for alcohol and drug treatment and mental health programs;
- $27.7 increase in expenditures for medical and mental health services for incarcerated persons;
- $16.6 million increase in aid from Redevelopment Successor Agencies;
- $15.6 million decrease in expenditures related to small business stimulus grants;
- $14 million decrease in revenue tied to one-time election state funding;
- $13.4 million increase sales and use taxes due to continued growth activities in the unincorporated area;
- $12.3 million decrease in revenue tied to the American Rescue Plan Act for hazardous pay claims;
- $10.1 million increase in aid for the new Youth Development Academy program;
- $9.4 million increase in expenditures for contracted services with California Department of Forestry and Fire Protection (CAL FIRE);
- $4.3 million increase in AB2890 Recovered Costs for Supplemental Reassessment - driven by re-assessable new construction and changes in ownership along with home prices; and
- $1.9 million decrease in expenditures for the youth probationers in foster care program.

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, 2023, the total (restricted) fund balance in the Public Safety Special Revenue Fund was $158.1 million, a $7.6 million increase from the previous fiscal year; mainly due to a $9.4 million increase in Prop 172 revenue due to higher sales tax revenue.

Tobacco Endowment Special Revenue Fund:

This special revenue fund is used to account for the $411 million the County received from the Tobacco Asset Securitization Corporation (Corporation) related to the sale of 25 years of tobacco settlement revenue in fiscal year 2002; and an additional $123 million the County received from the Corporation resulting from the issuance of the San Diego County Tobacco Asset Securitization Corporation refunding bonds in fiscal year 2006. At the end of fiscal year 2023, fund balance was $248.1 million, a decrease of approximately $9.8 million from fiscal year 2022, principally due to approximately $9.4 million in investment income, offset by a $4 million unrealized investment loss, coupled with a $15.1 million in transfers out to the General Fund for the support of health related program expenditures, along with $136 thousand of administrative costs.

Airport Fund:

The Airport 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 to enhance the value of public assets, generate new revenues, and catalyze aviation and business development. As of June 30, 2023, the total net position of the Airport Enterprise Fund was $134.6 million, a $3.1 million increase from the previous fiscal year. This net increase was principally due to a $1.41 million increase in Airport Fund investment earnings mainly attributable to a $1.15 million increase in investment earnings due in part to an overall $620 thousand net increase from the prior year's fair value of investments, a $540 thousand increase in interest earned on deposits and investments, and an increase of $250 thousand in lease interest revenue. Other increases consisted of a $600 thousand increase in Charges for current services - rents and concessions, a $200 thousand increase in a COVID-19 related federal grant, and, an $800 thousand decrease in repairs and maintenance expenses.

General Fund Budgetary Highlights

The County's final budget differs from the original budget (see Notes to Required Supplementary Information) in that it contains supplemental appropriations approved during the fiscal year for various programs and projects, as well as transfers of appropriations, budget corrections, rebudgets, and account reclassifications. For the fiscal year ended June 30, 2023, net expenditure appropriations increased by a net $21.4 million and appropriations for transfers out increased by $74.4 million.

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

- $40.0 million for assistance payments to low-income families
- $10.0 million for various efforts to address the opioid crisis
- $9.7 million for fire, emergency and medical needs
- $8.8 million for a one-time contribution to the San Diego County Employees Retirement Association pension fund
- $7.3 million for various capital and major maintenance projects
- $3.0 million for electric vehicle infrastructure
- $3.0 million for a refugee and immigrant cultural hub

Actual revenues underperformed final budgeted amounts by $228.3 million, while actual expenditures were less than the final budgeted amount by $1.2 billion. The combination of revenue and expenditure shortfalls resulted in a revenue/expenditure operating variance of $978.2 million. Other financing sources and uses of funds resulted in a net sources versus uses variance from budget of $480.4 million. These combined amounts resulted in a variance in the net change in fund balance of $1.5 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 $77.0 million. Savings were realized in the Public Safety Group, Health and Human Services Agency, Land Use and Environment Group, and Finance and General Government Group primarily from lower than budgeted salaries and employee benefits costs due to staff turnover and departments' management of vacancies.

Services and Supplies:

The final budget over expenditure variance across all County groups in this category was $958.6 million. Overall, this expenditure variance primarily resulted from savings in various contracted services, procurement delays, lower costs than anticipated for various programs, and multi-year 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, information technology, and various enterprise activities, take place over more than one fiscal year. At inception they are budgeted at full expected cost, resulting in budgeted over expenditure variances that are rebudgeted in the subsequent fiscal year. Examples include multi-year obligations for projects and programs associated with housing, the American Rescue Plan Act, COVID-19 emergency response efforts, addressing homelessness, and childcare.

Capital Assets and Commitments

Capital Assets

At June 30, 2023, the County's capital assets for both governmental and business-type activities were $4.35 billion and $186 million, respectively, net of accumulated depreciation/amortization. Investment in capital assets includes land, construction in progress, buildings and improvements, infrastructure (including roads, bridges, flood channels, and traffic signals), equipment, software, easements and right-to-use assets. Significant increases to capital assets in fiscal year 2023 included:

Governmental Activities:

- $69.9 million towards construction and improvements of County maintained roads, bridges, and other road-related infrastructure.
- $53.2 million towards construction of Youth Transition Campus. Total project costs are estimated at $210.6 million.
- $42.3 million towards acquisition of equipment.
- $37.3 million towards construction of Southeast San Diego Live Well Center. Total project costs are estimated at $76.0 million.
- $23.1 million towards improvement of various capital projects.
- $22.4 million towards development of various software applications.
- $19.6 million towards County Administration Center (CAC) renovations. Total project costs are estimated at $109.4 million.
- $16.6 million towards George Bailey Detention Facility (GBDF) renovations. Total project costs are estimated at $51.0 million.
- $14.7 million in infrastructure donated by developers.
- $10.6 million towards construction of East Otay Mesa Fire Station #38. Total project costs are estimated at $20.3 million.
- $7.9 million towards construction of Lakeside Equestrian Facility. Total project costs are estimated at $19.4 million.
- $6.1 million towards construction of Tri-City Healthcare District Psychiatric Facility. Total project costs are estimated at $27.6 million.
- $4.6 million towards major systems renovation of Hall of Justice (HOJ). Total project costs are estimated at $36.2 million.
- $3.9 million towards construction of County Public Health Laboratory. Total project costs are estimated at $17.3 million.
- $3.6 million towards construction of Lakeside Branch Library. Total project costs are estimated at $17.9 million.
- $3.0 million towards land acquisition and improvements for San Luis Rey Rio Prado Park. Total project costs are estimated at $5.0 million.
- $2.9 million towards land acquisition and construction of I-15 and SR-76 Sheriff Station. Total project costs are estimated at $3.2 million.
- $2.6 million towards improvements at Lindo Lake. Total project costs are estimated at $12.2 million.
- $2.3 million towards renovation of Sheriff Ridgehaven Headquarters. Total project costs are estimated at $31.6 million.
- $2.3 million towards various land acquisitions for the Multiple Species Conservation Program (MSCP).
- $1.9 million towards the deconstruction, transportation, and reconstruction of BSL-3 Modular Laboratory. Total project costs are estimated at $2.2 million.
- $1.9 million towards land acquisition and construction of Ramona Intergenerational Community Campus (RICC) HHSA Family Resource Live Well Center. Total project costs are estimated at $15.0 million.
- $1.5 million towards Rock Mountain Detention Facility renovations. Total project costs are estimated at $37.6 million.

- $1.4 million towards replacement of South Bay Regional Center (SBRC) Escalators and Elevators. Total estimated project costs are estimated at $3.5 million.
- $1.4 million towards construction of Julian Library Community Room. Total estimated project costs are estimated at $6.9 million.
- $1.2 million towards El Cajon City Hall 6th Floor renovations. Total project costs are estimated at $2.4 million.
- $1.1 million towards land acquisition for Emergency Vehicle Operations Course (EVOC). Total project costs are estimated at $33.3 million.
- $1.1 million in equipment received through donations.

Business-type Activities:

- $1.8 million towards improvements to Los Coches Sewer System.
- $1.4 million towards construction of Gillespie Field Vehicle Service Road.

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, 2023, capital commitments included the following:

Governmental Activities:

$227.4 million for the construction of Youth Transition Campus, Tri-City Healthcare District Psychiatric Facility, County Public Health Laboratory, East Otay Mesa Fire Station #38, Southeast San Diego Live Well Center, San Diego County Animal Shelter, Julian Library Community Room, Lakeside Equestrian Facility, and Edgemoor Psychiatric Unit; land acquisition and construction of RICC HHSA Family Resource Live Well Center; development of Integrated Property Tax System, Waterfront Park Active Recreation, and Four Gee Park; major maintenance improvements to San Diego Central Jail Security and Emergency Power Equipment; expansion of Sweetwater Summit Regional Park Campground; critical systems upgrade at Town Centre Manor; major systems renovation of Hall of Justice; renovation of the County Administration Center and George Bailey Detention Facility; replacement of East Mesa Juvenile Detention Facility Generator; improvements of County Roads and Bridges; procurement of two Live Well Mobile Office Vehicles; and vehicle acquisitions.

Business-type Activities:

$1.1 million for improvements to Live Oak Springs Water System.

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

Long-Term Liabilities

Governmental Activities:

At June 30, 2023, the County's governmental activities had outstanding long-term liabilities (without regard to the net pension liability or net OPEB liability) of $1.831 billion.

Of this amount, approximately $1.043 billion pertained to long-term debt outstanding. Principal debt issuances included: $445 million in Tobacco Settlement Asset-Backed Bonds; $278 million in taxable pension obligation bonds; $230 million in certificates of participation (COPs) and lease revenue bonds (LRBs); $89 million in unamortized issuance premiums; and $1 million in loans.

Other long-term liabilities included: $11 million in financed purchases; $341 million in claims and judgments; $153 million in compensated absences; $22 million for landfill postclosure costs; $244 million for leases; $16 million for subscriptions; and $1 million for pollution remediation.

During fiscal year 2023, the County's total COPs, LRBs, unamortized issuance premiums, and other bonds and loans for governmental activities decreased by $92.911 million.

The $92.911 million net decrease was due to the following increases and decreases:

The increase to debt was $7.850 million of principal accreted (added) to the outstanding Tobacco Settlement Asset-Backed Bonds' Capital Appreciation Bonds principal.

Decreases to debt were $100.761 million and included: $94.131 million in principal debt service payments; $6.630 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 $541 thousand for compensated absences, and $266 thousand in subscriptions.

During fiscal year 2023, long-term liabilities for business-type activities increased by $335 thousand due to a net increase of $69 thousand in compensated absences coupled with a $266 thousand net increase in subscriptions attributable to the implementation of Governmental Accounting Standards Board Statement Number 96, *Subscription-Based Information Technology Arrangements*.

(Please refer to Notes 12 through 18 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	Aaa	AAA	AA+
Tobacco Settlement Asset-Backed Bonds - Series 2006B CAB (First Subordinate)	not rated	CCC-	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2006C CAB (Second Subordinate)	not rated	CCC-	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2006D CAB (Third Subordinate)	not rated	CCC-	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2019A (Class 1) Serial Bonds	not rated	A, A-	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2019A (Class 1) Term Bonds	not rated	BBB+	not rated
Tobacco Settlement Asset-Backed Bonds Series 2019B-1 (Class 2) Senior CIB	not rated	BBB-	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2019B-2 (Class 2) Senior CAB	not rated	not rated	not rated
San Diego County Redevelopment Agency Bonds	not rated	not rated	not rated

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 November 2022 by Moody's and October 2021 by Standard & Poor's and Fitch.

In November 2022 Moody's reaffirmed the existing Aaa rating on the County's outstanding Pension Obligation Bonds. In FY 2023 Standard & Poor's and Fitch had no change to their AAA and AA+ ratings affirmed in October 2021.

The County's outstanding lease-backed obligations Aa1 rating from Moody's was reaffirmed November 2022. In FY 2023 Standard & Poor's and Fitch had no change to their AA+ rating affirmed in October 2021. The one notch difference between the County's issuer and lease-backed rating reflects the standard legal structure for these abatement lease financings and lease assets.

In FY 2023 the Tobacco Settlement Asset-Backed Bonds Series 2006B, 2006C, and 2006D (Capital Appreciation Bonds) maintained ratings reaffirmed by Standard and Poor's in September 2021. The ratings for the Series 2019 Tobacco Settlement Asset-Backed Bonds, Classes A and B-1 (Serial and Term Bonds, and Current Interest Bonds, respectively) also remained unchanged except for one rating change from A- to A for the 2019 Class A bonds maturing on June 1, 2032.

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

The following economic factors were considered in developing the fiscal year 2024 Operational Plan:

- The fiscal year 2024 General Fund adopted budget contains total appropriations of $6.21 billion. This is an increase of $557.5 million, or 9.9%, from the fiscal year 2023 General Fund adopted budget. Program Revenue comprises 70.0% of General Fund financing sources in fiscal year 2024, and is derived primarily from State and federal subventions and grants, and from charges and fees earned by specific programs. This revenue source is dedicated to, and can be used only for, the specific programs with which it is associated.
- General purpose revenue (GPR) funds local discretionary services, as well as the County's share of costs for services that are provided in partnership with the State and federal governments. GPR comprises approximately 29.2% of the General Fund. In the fiscal year 2024 adopted budget, the County's GPR increased 9.0%; with budgeted GPR of $1,814.8 million in fiscal year 2024 compared to $1,665.2 million budgeted in fiscal year 2023.
- The largest source of GPR is property tax revenue, which represents 50.1% of total GPR in fiscal year 2024, 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 2024, property tax revenue is budgeted at $909.8 million, which is $46.6 million or 5.4% higher than the budget for fiscal year 2023 and the increase is mainly due to the anticipated 5.0% Assessed Value (AV) growth. For fiscal years 2015, 2016, 2017, 2018, 2019, 2020., 2021 and 2022 the final growth rates were 5.7%, 5.6%, 6.35%, 6.13%, 5.72%, 5.33%, 4.02% and 7.96% respectively. For fiscal year 2024, an assumed rate of 5.00% is projected in overall assessed value of real property.
  - Current secured property tax revenue ($881.1 million in fiscal year 2024) is expected to increase by $49.3 million in fiscal year 2024 from the adopted budget level for fiscal year 2023. 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 2024 revenue amount assumes an increase of 5.00% in the local secured assessed value. The budget also makes certain assumptions regarding the County's share of countywide property tax revenues, the delinquency rate, exemptions and the amount of tax roll corrections and refunds on prior year assessments.
  - Current supplemental property tax revenue ($8.6 million in fiscal year 2024) is expected to slightly decrease by $0.1 million in fiscal year 2024 from the adopted level for fiscal year 2023. This revenue is derived from net increases to the secured tax roll from either new construction or changes in ownership that occur subsequent to the January 1 lien date and are therefore more difficult to predict. These actions are captured on the supplemental tax roll.

  - Current unsecured property tax revenue ($20.0 million in fiscal year 2024) is not based on a lien on real property and is expected to decrease by $2.7 million in fiscal year 2024 from the adopted level for fiscal year 2023. The unsecured tax roll is that part of the assessment roll consisting largely of business personal property owned by tenants.
  - Current unsecured supplemental property tax revenue ($0.1 million in fiscal year 2024) remains largely unchanged. It is derived from supplemental bills that are transferred to the unsecured roll when a change of ownership occurs, and a tax payment is due from the prior owner. Or there may be a subsequent change in ownership following the initial change in ownership which occurs prior to the mailing of the initial supplemental tax bill.
- Property taxes in lieu of vehicle license fees (VLF) comprises 30.1%, or $547.1 million, of budgeted GPR in fiscal year 2024. 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 5.00% increase in the combined taxable unsecured and local secured assessed value in fiscal year 2024, budgeted revenues are $40.9 million higher than fiscal year 2023. The increase is partially associated with the change in actual assessed value in fiscal year 2023 which increased by 7.96% compared to a budgeted increase of 3.00%.
- Teeter revenue represents approximately 1.0%, or $17.4 million, of budgeted GPR in fiscal year 2024. 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 2024, Teeter revenue is budgeted to increase by $1.0 million from fiscal year 2023 primarily due to projected higher collections from a higher prior year receivables.
- Sales and use tax revenue is budgeted at $45.1 million in fiscal year 2024, representing approximately 2.5% 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 2024 is estimated to be $5.6 million, or 14.0%, higher than the fiscal year 2023 adopted budget primarily due to the continued growth activities in the Unincorporated Area which increases the County's share of the Pool going forward.
- Intergovernmental revenue is budgeted at $176.1 million in fiscal year 2024, an increase of $11.4 million or 6.9% and is approximately 9.7% of total GPR. This increase is due to continuing growth in pass-through distributions and recognition of higher residual revenue from the distribution of former redevelopment funds. The intergovernmental revenue source represents funding the County receives from various intergovernmental 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 $119.2 million in fiscal year 2024 and are approximately 6.6% of the total GPR. Various revenue sources make up this category including: Documentary Transfer Tax (DTT), interest on deposits and investments, fees, fines, forfeitures, prior year property taxes, penalties and cost on delinquency taxes, franchise fees, and other miscellaneous revenues. The fiscal year 2024 amount is a 58.6% or $44.2 million increase from fiscal year 2023.

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 2024 Adopted Operational Plan which can be accessed at https://www.sandiegocounty.gov/content/dam/sdc/auditor/pdf/adoptedplan_23-25.pdf

Requests for Information

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

Basic Financial Statements

STATEMENT OF NET POSITION
June 30, 2023
(In Thousands)

		Primary Government			Component Unit
		Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
ASSETS					
Pooled cash and investments	$	4,127,249	105,455	4,232,704	41,428
Cash with fiscal agents		16		16	
Investments with fiscal agents		241,710		241,710	
Receivables, net		1,353,772	8,789	1,362,561	3,809
Lease receivables		16,362	223,325	239,687	
Property taxes receivables, net		161,340		161,340	
Internal balances		(277)	277		
Due from component unit		176		176	
Inventories		53,391	291	53,682	
Deposits with others		8		8	
Prepaid items		5,507	1	5,508	2
Restricted assets:					
Cash with fiscal agents		1,309		1,309	
Investments with fiscal agents		38,462		38,462	
Capital assets:					
Land, easements and construction in progress		944,591	21,670	966,261	
Other capital assets, net of accumulated depreciation/ amortization		3,408,567	164,652	3,573,219	2,149
Total assets		10,352,183	524,460	10,876,643	47,388
DEFERRED OUTFLOWS OF RESOURCES					
Non-Pension:					
Unamortized loss on refunding of long-term debt		26,029		26,029	
Pension:					
Contributions to the pension plan subsequent to the measurement date		622,972	2,440	625,412	
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions		16,309	71	16,380	
Changes of assumptions or other inputs		854,552	3,429	857,981	
Net difference between projected and actual earnings on pension plan investments		944,929	3,563	948,492	
Difference between expected and actual experience in the total pension liability		70,364	293	70,657	
OPEB:					
Contributions to the OPEB plan subsequent to the measurement date		17,033	83	17,116	
Net difference between projected and actual earnings on OPEB plan investments		3,063		3,063	
Total deferred outflows of resources		2,555,251	9,879	2,565,130	

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STATEMENT OF NET POSITION
June 30, 2023
(In Thousands)

(Continued)	Primary Government Governmental Activities	Primary Government Business-type Activities	Primary Government Total	Component Unit First 5 Commission of San Diego
LIABILITIES				
Accounts payable	408,206	1,992	410,198	9,715
Accrued payroll	85,793	335	86,128	
Accrued interest	9,906		9,906	
Due to primary government				176
Unearned revenue	922,162	218	922,380	
Noncurrent liabilities:				
Due within one year	272,532	279	272,811	83
Due in more than one year - other	1,558,270	528	1,558,798	2,281
Due in more than one year - net pension liability	5,293,065	21,848	5,314,913	
Due in more than one year - net OPEB liability	69,064	353	69,417	
Total Liabilities	8,618,998	25,553	8,644,551	12,255
DEFERRED INFLOWS OF RESOURCES				
Non-pension:				
Leases	16,164	219,346	235,510	
Property taxes received in advance	15,341		15,341	
Gain on refunding of long-term debt	51		51	
Pension:				
Charges in proportionate share and differences between employer's contributions and proportionate share of contributions	9,832	35	9,867	
Differences between expected and actual experience in the total pension liability	127,699	562	128,261	
Changes of assumptions or other inputs	6		6	
Total deferred inflows of resources	169,093	219,943	389,036	

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STATEMENT OF NET POSITION
June 30, 2023
(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		3,797,631	185,874	3,983,505	
Restricted for:					
Creditors - Capital projects		166		166	
Grantors - Housing assistance		124,493		124,493	
Donations		2,919		2,919	
Pension Stabilization		171,394		171,394	
Laws or regulations of other governments:					
Custody of non-violent, non-serious, non-sex offenders and supervision of post release offenders		89,842		89,842	
Future road improvements		318,373		318,373	
Enforcement of consumer protection laws		185,731		185,731	
Health and Human Services Agency programs		189,034		189,034	
Construction, maintenance and other costs for justice, health, and social facilities and programs		23,767		23,767	
Road, park lighting maintenance, fire protection and ambulance service		27,547		27,547	
Development of multifamily housing for persons with serious mental illness who are homeless, chronically homeless, or at-risk of becoming chronically homeless		79,952		79,952	
State Permanent Local Housing Allocation program to address unmet housing needs		2,058		2,058	
Down payment and closing costs assistance for first-time homebuyers		5,047		5,047	
Defray administrative costs, other general restrictions		26,849		26,849	
Implementation of the opioid settlement framework		18,832		18,832	
Custody and care for youthful offenders		17,091		17,091	
Juvenile probation activities		13,816		13,816	
Teeter tax loss		14,076		14,076	
Vector control		8,464		8,464	
Improvement and maintenance of recorded document systems		26,467		26,467	
Flood Control future drainage improvements		37,493		37,493	
Public safety activities		163,622		163,622	
Expansion of behavioral health community provider capacity and to strengthen the regional continuum of care		23,895		23,895	
Other purposes		233,977		233,977	
First 5 Commission of San Diego					35,133
Unrestricted		(1,483,193)	102,969	(1,380,224)	
Total net position	$	4,119,343	288,843	4,408,186	35,133

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023
(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 $	549,078	139,251	211,709	4,874	(193,244)		(193,244)	
Public protection	2,075,386	245,233	736,960	13,588	(1,079,605)		(1,079,605)	
Public ways and facilities	175,511	22,962	147,010	14,686	9,147		9,147	
Health and sanitation	1,314,789	171,161	1,013,589	800	(129,239)		(129,239)	
Public assistance	1,838,733	16,520	1,690,937		(131,276)		(131,276)	
Education	64,249	200	10,107		(53,942)		(53,942)	
Recreation and cultural	74,036	15,942	2,267		(55,827)		(55,827)	
Interest	50,694				(50,694)		(50,694)	
Total governmental activities	6,142,476	611,269	3,812,579	33,948	(1,684,680)		(1,684,680)	
Business-type activities:								
Airport	17,183	14,794	1,430			(959)	(959)	
Jail Stores Commissary	3,409	7,377				3,968	3,968	
San Diego County Sanitation District	23,591	30,046				6,455	6,455	
Sanitation District - Other	10,452	8,489	9	151		(1,803)	(1,803)	
Total business-type activities	54,635	60,706	1,439	151		7,661	7,661	
Total primary government	6,197,111	671,975	3,814,018	34,099	(1,684,680)	7,661	(1,677,019)	
Component Unit:								
First 5 Commission of San Diego $	34,379		28,141					(6,238)

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STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023
(In Thousands)

		Net (Expense) Revenue & Changes in Net Position			
		Primary Government			Component Unit
(Continued)		Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
Changes in net position:					
Net (expense) revenue	$	(1,684,680)	7,661	(1,677,019)	(6,238)
Revenues:					
General Revenues					
Taxes:					
Property taxes		1,014,193		1,014,193	
Transient occupancy tax		7,472		7,472	
Real property transfer tax		28,653		28,653	
Miscellaneous taxes		5		5	
Property taxes in lieu of vehicle license fees		521,678		521,678	
Sales and use taxes		56,626		56,626	
Total general tax revenues		1,628,627		1,628,627	
Investment earnings		82,390	6,144	88,534	1,099
Other		302,605	171	302,776	
Total general revenues		2,013,622	6,315	2,019,937	1,099
Transfers		187	(187)		
Total general revenues and transfers		2,013,809	6,128	2,019,937	1,099
Change in net position		329,129	13,789	342,918	(5,139)
Net position at beginning of year		3,790,214	275,054	4,065,268	40,272
Net position at end of year	$	4,119,343	288,843	4,408,186	35,133

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023
(In Thousands)

		General Fund	Public Safety Fund	Tobacco Endowment Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Pooled cash and investments	$	3,061,336	107,262	8,322	515,899	3,692,819
Cash with fiscal agents		16				16
Investments with fiscal agents		2		241,708		241,710
Receivables, net		1,098,203	67,090	3,105	152,599	1,320,997
Lease receivables		4,467			9,035	13,502
Property taxes receivables, net		160,037			1,303	161,340
Due from other funds		67,314	4,752		31,978	104,044
Inventories		49,589			1,440	51,029
Deposits with others					8	8
Prepaid items		5,080			427	5,507
Restricted assets:						
Cash with fiscal agents		229			1,080	1,309
Investments with fiscal agents					38,462	38,462
Total assets		4,446,273	179,104	253,135	752,231	5,630,743
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable		271,015			53,339	324,354
Accrued payroll		80,484			3,096	83,580
Due to other funds		68,865	21,051	5,069	36,330	131,315
Unearned revenue		911,463			9,585	921,048
Total liabilities		1,331,827	21,051	5,069	102,350	1,460,297
DEFERRED INFLOWS OF RESOURCES						
Non-pension:						
Leases		4,434			8,912	13,346
Property taxes received in advance		14,348			993	15,341
Unavailable revenue		277,749			119,200	396,949
Total deferred inflows of resources		296,531			129,105	425,636

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BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023
(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	10,250			4,207	14,457
Inventories and deposits with others	49,589			1,448	51,037
Restricted for:					
Creditors - Debt service				47,940	47,940
Creditors - Capital projects				166	166
Grantors - Housing assistance	114,144			10,349	124,493
Donations	2,919				2,919
Pension Stabilization	171,394				171,394
Laws or regulations of other governments:					
Enforcement of consumer protection laws	185,731				185,731
Public safety activities	5,569	158,053			163,622
Custody of non-violent, non-serious, non-sex offenders and supervision of post release offenders	89,842				89,842
Improvement and maintenance of recorded document systems	26,467				26,467
Development of multifamily housing for persons with serious mental illness who are homeless, chronically homeless, or at-risk of becoming chronically homeless	79,952				79,952
State Permanent Local Housing Allocation program to address unmet housing needs	2,058				2,058
Down payment and closing costs assistance for first-time homebuyers	5,047				5,047
Defray administrative costs, other general restrictions	26,849				26,849
Future road improvements				238,317	238,317
Construction, maintenance and other costs for justice, health, and social facilities and programs	23,767				23,767
Implementation of the opioid settlement framework	18,832				18,832
Custody and care of youthful offenders	17,091				17,091
Juvenile probation activities	13,816				13,816
Expansion of behavioral health community provider capacity and to strengthen the regional continuum of care	23,895				23,895
Fund purpose				129,066	129,066
Other purposes	121,084			37,494	158,578

Continued on next page

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023
(In Thousands)

(Continued)		General Fund	Public Safety Fund	Tobacco Endowment Fund	Other Governmental Funds	Total Governmental Funds
Committed to:						
Support, promote, and improve educational options for San Diego County K-12 youth		28,094				28,094
Realignment health, mental health and social services		39				39
Roadway major maintenance and safety projects					7,401	7,401
Landfill, postclosure and landfill maintenance					44,388	44,388
Capital projects' funding		500,299				500,299
Health				248,066		248,066
Evaluation, acquisition, construction, or rehabilitation of affordable housing for low-income residents		53,449				53,449
Other purposes		34,668				34,668
Assigned to:						
Legislative and administrative services		156,332				156,332
Other purposes		259,286				259,286
Unassigned		797,452				797,452
Total fund balances		2,817,915	158,053	248,066	520,776	3,744,810
Total liabilities, deferred inflows of resources and fund balances	$	4,446,273	179,104	253,135	752,231	5,630,743

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2023

(In Thousands)

Total fund balances - governmental funds	$	$3,744,810
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.		4,278,720
Unamortized gain on refundings (to be amortized as interest expense).		(51)
Unamortized loss on refundings (to be amortized as interest expense).		26,029
Accrued interest on long-term debt.		(9,906)
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.		396,949
Long-term interest receivable on housing loans.		26,961
Deferred outflows of resources - Contributions to the pension plan subsequent to the measurement date.		608,534
Deferred outflows of resources - Changes in proportionate share and differences between employer's contributions and proportionate share of contributions - Pension.		15,947
Deferred outflows of resources - Changes of assumptions or other inputs - Pension.		834,629
Deferred outflows of resources - Net difference between projected and actual earnings on pension plan investments.		922,221
Deferred outflows of resources - Differences between expected and actual experience in the total pension liability.		68,922
Deferred outflows of resources - Contributions to the OPEB plan subsequent to the measurement date.		16,535
Deferred outflows of resources - Net difference between projected and actual earnings on OPEB plan investments.		3,063
Deferred inflows of resources - Changes in proportionate share and differences between employer's contributions and proportionate share of contributions - Pension.		(9,625)
Deferred inflows of resources - Differences between expected and actual experience in the total pension liability.		(124,893)
Deferred inflows of resources - Changes of assumptions or other inputs - Pension.		(6)
Long-term liabilities, such as bonds, notes, loans payable, financed purchases, leases, subscriptions, claims and judgments, compensated absences, landfill postclosure, pollution remediation, net pension liability, and net OPEB liability are not due and payable in the current period and, therefore, are not reported in the funds. (See Note 2 to the financial statements; **Table 3**.)		(6,725,568)
Internal service funds are used by management to charge the costs of information technology, vehicle operations and maintenance, employee benefits, public liability, road and communications services, materials and supplies (purchasing), and facilities services to individual funds; and, to make loans for start-up services for new and existing county service districts. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in the governmental activities in the statement of net position. (See Note 2 to the financial statements; **Table 3**.)		46,072
Net position of governmental activities	$	$4,119,343

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023
(In Thousands)

		General Fund	Public Safety Fund	Tobacco Endowment Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	$	1,543,910			76,100	1,620,010
Licenses, permits and franchise fees		51,312			15,127	66,439
Fines, forfeitures and penalties		39,583			1,197	40,780
Revenue from use of money and property		54,783		5,379	23,294	83,456
Aid from other governmental agencies:						
State		1,715,230	376,995		134,734	2,226,959
Federal		1,205,320			224,443	1,429,763
Other		191,945			17,126	209,071
Charges for current services		446,770			42,840	489,610
Other		240,353			42,239	282,592
Total revenues		5,489,206	376,995	5,379	577,100	6,448,680
Expenditures:						
Current:						
General government		380,192		136	11,062	391,390
Public protection		1,860,424			25,261	1,885,685
Public ways and facilities		3,928			90,790	94,718
Health and sanitation		1,228,415			36,957	1,265,372
Public assistance		1,512,502			251,826	1,764,328
Education		836			56,945	57,781
Recreation and cultural		56,269			3,672	59,941
Capital outlay		53,830			276,163	329,993
Debt service:						
Principal		64,283			79,211	143,494
Interest		11,640			37,548	49,188
Total expenditures		5,172,319		136	869,435	6,041,890
Excess (deficiency) of revenues over (under) expenditures		316,887	376,995	5,243	(292,335)	406,790
Other financing sources (uses):						
Sale of capital assets		328			978	1,306
Issuance of leases:						
Leases		2,553				2,553
Issuance of subscriptions:						
Subscriptions		11,795			535	12,330
Transfers in		397,099			266,639	663,738
Transfers out		(267,161)	(369,366)	(15,113)	(23,576)	(675,216)
Total other financing sources (uses)		144,614	(369,366)	(15,113)	244,576	4,711
Net change in fund balances		461,501	7,629	(9,870)	(47,759)	411,501
Fund balance at beginning of year		2,350,009	150,424	257,936	568,161	3,326,530
Increase (decrease) in nonspendable inventories		6,405			374	6,779
Fund balances at end of year	$	2,817,915	158,053	248,066	520,776	3,744,810

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, 2023

(In Thousands)

Net change in fund balances - total governmental funds	$	411,501
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.		8,617
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.		(43,382)
Revenues earned on long-term housing loans.		1,659
Adjustment to nonspendable inventories.		6,779
Change in accounting estimate for postclosure costs - (public protection function) - San Marcos landfill.		(1,442)
Change in accounting estimate for pollution remediation - (general government function).		165
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. (See Note 2 to the financial statements; **Table 4**.)		105,218
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (See Note 2 to the financial statements; **Table 4**.)		(12,329)
Contributions to the pension plan subsequent to the measurement date.		608,970
Contributions to the OPEB plan subsequent to the measurement date.		16,598
The issuance of long-term debt (e.g. bonds, notes, loans, financed purchases, leases, and subscriptions) 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. (See Note 2 to the financial statements; **Table 4**.)		128,612
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.**)		(850,597)
Internal service funds are used by management to charge the costs of centralized services to individual funds. The net revenue (expense) of certain activities of internal service funds is reported within governmental activities. (See Note 2 to the financial statements; **Table 4.**)		(51,240)
Change in net position - governmental activities.	$	329,129

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023
(In Thousands)

		Business-type Activities		Governmental Activities
	Airport Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets:				
Pooled cash and investments	$ 27,522	77,933	105,455	434,430
Receivables, net	3,169	2,735	5,904	4,526
Lease receivables	7,358		7,358	518
Due from other funds	3	344	347	39,814
Inventories	1	290	291	2,362
Prepaid items	1		1	
Total current assets	38,054	81,302	119,356	481,650
Noncurrent assets:				
Lease receivables	215,967		215,967	2,342
Due from other funds	2,884		2,884	50
Capital assets:				
Land	12,536	1,240	13,776	
Construction in progress	2,481	5,413	7,894	489
Buildings and improvements	134,755	19,248	154,003	2,963
Equipment	2,502	4,559	7,061	194,432
Software	297		297	14,474
Road infrastructure	25,247		25,247	
Sewer infrastructure		115,852	115,852	
Subscription assets		342	342	
Accumulated depreciation/amortization	(72,610)	(65,540)	(138,150)	(137,920)
Total noncurrent assets	324,059	81,114	405,173	76,830
Total assets	362,113	162,416	524,529	558,480
DEFERRED OUTFLOWS OF RESOURCES				
Pension:				
Contributions to the pension plan subsequent to the measurement date	1,204	1,236	2,440	14,438
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions	36	35	71	362
Changes of assumptions or other inputs	1,668	1,761	3,429	19,923
Net difference between projected and actual earnings on pension plan investments	1,721	1,842	3,563	22,708
Difference between expected and actual experience in the total pension liability	112	181	293	1,442
OPEB:				
Contributions to the OPEB plan subsequent to the measurement date	38	45	83	498
Total deferred outflows of resources	4,779	5,100	9,879	59,371

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STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023
(In Thousands)

	Business-type Activities			Governmental Activities
(Continued)	Airport Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
LIABILITIES				
Current liabilities:				
Accounts payable	1,150	842	1,992	83,852
Accrued payroll	148	187	335	2,213
Due to other funds	277	839	1,116	10,360
Unearned revenue	218		218	1,114
Loans payable				97
Subscriptions payable		82	82	
Compensated absences	83	114	197	1,590
Claims and judgments				68,240
Total current liabilities	1,876	2,064	3,940	167,466
Noncurrent liabilities:				
Loans payable				268
Subscription payable		184	184	
Compensated absences	145	199	344	2,765
Claims and judgments				272,862
Net pension liability	10,432	11,416	21,848	119,845
Net OPEB liability	167	186	353	1,695
Total noncurrent liabilities	10,744	11,985	22,729	397,435
Total liabilities	12,620	14,049	26,669	564,901

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STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023
(In Thousands)

(Continued)		Business-type Activities Airport Fund	Business-type Activities Other Enterprise Funds	Business-type Activities Total Enterprise Funds	Governmental Activities Internal Service Funds
DEFERRED INFLOWS OF RESOURCES					
Non-pension:					
Leases		219,346		219,346	2,818
Pension:					
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions		17	18	35	207
Differences between expected and actual experience in the total pension liability		313	249	562	2,806
Total deferred inflow of resources		219,676	267	219,943	5,831
NET POSITION					
Net investment in capital assets		104,875	80,999	185,874	73,880
Unrestricted		29,721	72,201	101,922	(26,761)
Total net position	$	134,596	153,200	287,796	47,119

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	$	287,796
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		1,047
Net position of business-type activities	$	288,843

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2023
(In Thousands)

		Business-type Activities			Governmental Activities
		Airport Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating revenues:					
Charges for current services	$	14,794	45,912	60,706	557,938
Other		171		171	3,401
Total operating revenues		14,965	45,912	60,877	561,339
Operating expenses:					
Salaries and employee benefits		5,081	6,256	11,337	71,842
Repairs and maintenance		1,662	5,573	7,235	53,324
Equipment rental		583	1,931	2,514	58
Sewage processing			13,982	13,982	
Contracted services		4,435	1,431	5,866	303,129
Depreciation		3,701	2,906	6,607	20,771
Amortization			70	70	
Utilities		570	123	693	37,983
Cost of material			2,885	2,885	5,116
Claims and judgments					124,463
Fuel		248	13	261	15,324
Other		1,051	2,627	3,678	8,753
Total operating expenses		17,331	37,797	55,128	640,763
Operating income (loss)		(2,366)	8,115	5,749	(79,424)
Nonoperating revenues (expenses):					
Grants		1,430	9	1,439	4,873
Investment earnings		4,149	1,995	6,144	10,152
Gain (loss) on disposal of assets					1,820
Total nonoperating revenues (expenses)		5,579	2,004	7,583	16,845
Income (loss) before capital contributions and transfers		3,213	10,119	13,332	(62,579)
Capital contributions			151	151	167
Transfers in		50	2,709	2,759	13,802
Transfers out		(131)	(2,815)	(2,946)	(2,137)
Change in net position		3,132	10,164	13,296	(50,747)
Net position (deficits) at beginning of year		131,464	143,036	274,500	97,866
Net position (deficits) at end of year	$	134,596	153,200	287,796	47,119

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	$	13,296
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		493
Change in net position of business-type activities	$	13,789

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2023
(In Thousands)

	Business-type Activities			Governmental Activities
	Airport Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	$ 5,495	36,364	41,859	12,901
Cash received from other funds	109	8,000	8,109	544,563
Cash payments to suppliers	(6,625)	(27,036)	(33,661)	(385,583)
Cash payments to employees	(4,669)	(5,747)	(10,416)	(65,809)
Cash payment to other funds	(2,352)	(2,902)	(5,254)	(38,682)
Cash paid for claims and judgments				(84,718)
Other payments	(13)		(13)	(45)
Net cash provided (used) by operating activities	(8,055)	8,679	624	(17,373)
Cash flows from noncapital financing activities:				
Operating grants	817	9	826	4,019
Transfers from other funds	50	2,709	2,759	13,802
Transfers to other funds	(131)	(2,815)	(2,946)	(2,137)
Payments received on advances to other funds				13
Principal paid on long-term debt				(230)
Other noncapital increases	142		142	
Net cash provided (used) by noncapital financing activities	878	(97)	781	15,467
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(1,566)	(2,955)	(4,521)	(20,452)
Lease payments received	7,079		7,079	1,639
Principal paid on subscription		(76)	(76)	
Proceeds from sale of assets				2,385
Net cash provided (used) by capital and related financing activities	5,513	(3,031)	2,482	(16,428)
Cash flows from investing activities:				
Investment earnings	3,960	1,411	5,371	7,698
Net increase (decrease) in cash and cash equivalents	2,296	6,962	9,258	(10,636)
Cash and cash equivalents - beginning of year	25,226	70,971	96,197	445,066
Cash and cash equivalents - end of year	27,522	77,933	105,455	434,430

Continued on next page

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2023
(In Thousands)

		Business-type Activities			Governmental Activities
(Continued)		Airport Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$	(2,366)	8,115	5,749	(79,424)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Decrease (increase) in accounts receivables		(9,245)	(1,496)	(10,741)	(1,489)
Decrease (increase) in due from other funds		58	(52)	6	(2,658)
Decrease (increase) in inventory			(72)	(72)	369
Increase (decrease) in accounts payable		(439)	(26)	(465)	(4,384)
Increase (decrease) in accrued payroll		29	31	60	485
Increase (decrease) in due to other funds		(2)	(1,275)	(1,277)	3,320
Increase (decrease) in unearned revenue		(174)		(174)	272
Increase (decrease) in compensated absences		15	54	69	699
Increase (decrease) in claims and judgments					39,745
Pension expense		382	441	823	5,117
OPEB expense		(14)	(17)	(31)	(196)
Depreciation / amortization		3,701	2,976	6,677	20,771
Total adjustments		(5,689)	564	(5,125)	62,051
Net cash provided (used) by operating activities		(8,055)	8,679	624	(17,373)
Non-cash investing and capital financing activities:					
Capital acquisitions included in accounts payable		333	115	448	558
Governmental contributions of capital assets	$		151	151	167

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2023
(In Thousands)

		San Diego County Employees Retirement Association Pension (and Other Postemployment Benefits) Trust Funds	Pooled Investments - Investment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund	Custodial Funds
ASSETS					
Pooled cash and investments	$	1,281	10,588,484	2,139	388,225
Cash with fiscal agents		2,390,966	352,503		8,234
Investments with fiscal agents				1,017	6,390
Securities lending cash collateral		97,302			
Receivables:					
Contributions		8,989			
Accrued interest and dividends		43,887			
Settlement of investments sold		1,088,268			
Accounts receivable					3,762
Investment earnings receivable			91,807	9	151,508
Taxes receivable, net			69,952		99,565
Other receivables			29,612		813
Investments at fair value;					
Domestic equity securities		3,322,876			
International equity securities		723,864			
Fixed income securities		7,138,351			
Cash and securities for swaps		122,956			
Private Equity		476,203			
Private real estates		420,900			
Real Estate		1,395,512			
Capital assets, net		3,496			
Total assets		17,234,851	11,132,358	3,165	658,497
LIABILITIES					
Collateral payable for securities lending		97,324			
Settlement of investments purchased		1,259,744			
Professional services		12,873			
Death benefits		2,234			
Retirement benefits		1,526			
Refunds to members		2,086			
County advance contribution		26,272			
Accounts payable			208,306		209,709
Warrants outstanding					6,748
Accrued payroll					792
Accrued interest				32	
Deferred revenues			42		
Other liabilities		13,502			
Noncurrent liabilities:					
Due within one year				678	
Due in more than one year				4,856	
Due to other funds				4,348	
Due to other governments					170,199
Total liabilities		1,415,561	208,348	9,914	387,448
NET POSITION					
Restricted for:					
Pension		15,771,333			
OPEB		47,957			
Pool participants			10,924,010		
Private purpose				(6,749)	
Individuals, organizations and other governments					271,049
Total net position (deficit)	$	15,819,290	10,924,010	(6,749)	271,049

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2023
(In Thousands)

	San Diego County Employees Retirement Association Pension (and Other Postemployment Benefits) Trust Funds	Pooled Investments-Investment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund	Custodial Funds
ADDITIONS				
Contributions:				
Employer contributions	$ 687,085			
Plan member contributions	171,018			
Property taxes collected for other governments				14,435,005
Contributions to Investments		15,314,958		3,183,658
Total contributions	858,103	15,314,958		17,618,663
Investment Income:				
Net appreciation/(depreciation) in fair value of investments:				
Equity securities	640,923			
Fixed income	29,718			
Foreign currency	(16,923)			
Real estate & private equity	(120,848)			
Private real assets	15,791			
Futures	103,311			
Swaps	252,606			
Total net appreciation/(depreciation) in fair value of investments	904,578			
Interest income:				
Fixed income	323,891			
Cash	13,224			
Investment earnings		208,151	57	25,248
Total interest income	337,115	208,151	57	25,248
Other Additions:				
Dividends	67,537			
Real estate income	81,951			
Private equity income	7,034			
Private real assets income	42,459			
Total Other	198,981			
Less: Investment expenses	(31,991)	(888)		
Net investment income, before securities lending	1,408,683	207,263	57	25,248
Securities lending income and appreciation/ (depreciation)	4,196			
Securities lending rebates and bank charges	(2,393)			
Net securities lending	1,803			
Net investment income	1,410,486	207,263	57	25,248
Property taxes- Successor Agency Redevelopment Property Tax Trust Fund Distribution			2,268	
Total additions	2,268,589	15,522,221	2,325	17,643,911

Continued on next page

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2023
(In Thousands)

(Continued)		San Diego County Employees Retirement Association Pension (and Other Postemployment Benefits) Trust Funds	Pooled Investments-Investment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund	Custodial Funds
DEDUCTIONS					
Benefits					
Retirement benefits		950,682			
Death benefits		2,487			
Health benefits		10,097			
Total Benefits		963,266			
Member refunds		7,478			
Administrative expenses		18,892	6,474	5	
Distributions from investments			13,603,549		3,205,298
Property taxes distributed to other governments					14,412,449
Contributions to other agencies				550	
Interest				403	
Total deductions		989,636	13,610,023	958	17,617,747
Change in net position		1,278,953	1,912,198	1,367	26,164
Net position (deficit) at beginning of year		14,540,337	9,011,812	(8,116)	244,885
Net position (deficit) at end of year	$	15,819,290	10,924,010	(6,749)	271,049

NOTE 1

Summary of Significant Accounting Policies 73
The Reporting Entity 73
Blended Component Units 73
Discrete Component Unit....74
Fiduciary Component Unit....75
Financial Reporting Structure 75
Basic Financial Statements....75
Government-Wide Financial Statements 75
Fund Financial Statements....76
Measurement Focus, Basis of Accounting, and Financial Statement Presentation....77
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance....78
Cash and Investments....78
Receivables and Payables....78
County Leased Property....79
Inventories and Prepaid Items....79
Capital Assets....80
Unearned Revenue....80
Deferred Outflows and Inflows of Resources....80
Subscription-Based Information Technology Arrangements....81
Lease Obligations....81
Long-Term Obligations....82
Pension 82
OPEB....83
Employees' Compensated Absences 83
General Budget Policies 84
Fund Balance....84
Net Position 85
Indirect Costs 85
Use of Estimates....85

NOTE 2

Reconciliation of Government-Wide and Fund Financial Statements 86
Balance Sheet/Statement of Net Position 86
Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities 87

NOTE 3

Deposits and Investments....88
Deposits 88
Investments....89

NOTE 4

Restricted Assets....97

NOTE 5

Receivables....97

NOTE 6

County Property on Lease to Others....99

NOTE 7

Capital Assets 100
Changes in Capital Assets 100
Depreciation/Amortization....101
Capital and Other Commitments 102

NOTE 8

Interfund Balances 103

NOTE 9

Interfund Transfers 104

NOTE 10

Payables 104

NOTE 11

Deferred Inflows of Resources: Unavailable Revenue 105

NOTE 12

Lease Obligations 105
Real Property 105
Personal Property 105

NOTE 13

Subscription Obligations 106

NOTE 14

Long-Term Debt 106
Certificates of Participation (COPs) and Lease Revenue Bonds (LRBs) 106
Taxable Pension Obligation Bonds (POBs) 107
Tobacco Settlement Asset-Backed Bonds (TSAB) 108
Loans - Governmental Activities 110
Financed Purchases 111
Arbitrage 112

NOTE 15

Changes in Long-Term Liabilities 113

NOTE 16

Funds Used to Liquidate Liabilities 114

NOTE 17

Landfill Site Postclosure Care Costs 114

NOTE 18

Pollution Remediation 115

NOTE 19

Conduit Debt Obligations 116

NOTE 20

Special Tax Bonds 117
Harmony Grove Village Improvement Area No. 1 Special Tax Bonds, Series 2018A 117
Harmony Grove Village Improvement Area No. 1 Special Tax Bonds, Series 2020A 117
Harmony Grove Village Improvement Area No. 2 Special Tax Bonds, Series 2020A 117

NOTE 21

Fund Balance Policy - General Fund 117

NOTE 22

Fund Balances Restricted for Laws or Regulations of Other Governments: Fund Purpose 119

NOTE 23

Fund Balances Restricted for Laws or Regulations of Other Governments: Other Purposes 120

NOTE 24

Fund Balances Committed to Other Purposes 121

NOTE 25

Fund Balances Assigned to Other Purposes 121

NOTE 26

Net Position Restricted for Laws or Regulations of Other Governments: Other Purposes 122

NOTE 27

Risk Management 123

NOTE 28

Contingencies 123
Litigation 123
Unrecorded Leave Benefits 123
Federal and State Programs 124

NOTE 29

Service Concession Agreement 124

NOTE 30

Joint Ventures. 124

NOTE 31

Pension Plans 125

NOTE 32

Other Postemployment Benefits 131
Retiree Health Plan 131

NOTE 33

Fund Deficits 136

NOTE 34

County of San Diego Successor Agency Private Purpose Trust Fund for Assets of Former San Diego County Redevelopment Agency 136
Due To Other Funds 136

NOTE 35

San Diego County Redevelopment Agency (SDCRA) Revenue Refunding Bonds 137
Changes in Long-Term Liabilities 138

NOTE 36

New Governmental Accounting Standards 138
Implementation Status 138
Under Analysis 139

NOTE 37

San Diego County Employees Retirement Association (SDCERA) 139

NOTE 1

Summary of Significant Accounting Policies

The Reporting Entity

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

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

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

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

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

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

Blended Component Units

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

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

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

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

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

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

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

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

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

San Diego County Capital Asset Leasing Corporation (SANCAL) - *SANCAL* was established to finance the acquisition of County buildings and equipment. It is a nonprofit corporation governed by a five-member Board of Directors, which is appointed by the CoSD Board. *SANCAL* financial activities are reported in a Debt *Service Fund* and a *Capital Projects 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 5530 Overland Avenue, Suite 410, San Diego, California 92123.

Discrete Component Unit

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

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

Fiduciary Component Unit

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

Financial Reporting Structure

Basic Financial Statements

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

Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and 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 also reports the *Airport Fund* as a major Enterprise Fund. The Airport Fund is reported in a separate column in the fund financial statements using the economic resources measurement focus and the accrual basis of accounting. This fund is used to account for the maintenance, operations, and development of County airports. A major objective of the airport program is to develop airport property utilizing federal and state grants in order to enhance the value of public assets, generate new revenues and be a catalyst for aviation and business development.

The County reports the following additional funds and fund types:

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

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

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

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

Cash and Investments

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

The Pool is available for use by all funds. Each fund's portion of the Pool is displayed on the statements of net position/balance sheets as "pooled cash and investments." The share of each fund's pooled cash and investments account is separately accounted for and interest earned, net of related expenses, is apportioned quarterly based on the fund's average daily cash balance in proportion to the total pooled cash and investments based on amortized cost. $9.430 million of interest earned by certain funds has been assigned to and reported as revenue of another fund. For fiscal year 2023, the General Fund was assigned $8.736 million and the Other Governmental Funds were assigned $694 thousand.

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

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

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

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

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

Receivables and Payables

The major receivables for governmental and business-type activities are taxes, due from other governmental agencies, leases, and loans. All property taxes and accounts receivable are shown net of an allowance for uncollectibles, as applicable. Property taxes allowance for uncollectibles for governmental funds, pooled investment - investment trust funds, and Custodial Funds - Property Tax Collection Funds were $14.069 million, $8.012 million, and $5.120 million, respectively; while the accounts receivable allowance for uncollectibles for governmental funds were $5.792 million. Activities between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are disclosed in Note 8. All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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

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

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

County Leased Property

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

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

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

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

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

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

Inventories and Prepaid Items

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

(Amounts expressed in thousands unless otherwise noted)

Capital Assets

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

Infrastructure assets include roads, bridges and sewers.

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

Table 1
Capitalization Thresholds

Land	$	0
Easements		50
Buildings and improvements		50
Equipment		5
Software		5-100
Infrastructure		25-50
Right-to-use assets		250
Subscription assets		150

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

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

Table 2
Estimated Useful Lives

Buildings and improvements	10-50 years
Equipment	4-30 years
Software	2-10 years
Infrastructure	10-50 years
Right-to-use assets	Lease Term
Subscription assets	Subscription Term

Unearned Revenue

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

Deferred Outflows and Inflows of Resources

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

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

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

Subscription-Based Information Technology Arrangements

The County has entered into various subscription-based information technology arrangements (SBITAs). The County recognizes a subscription liability and a subscription asset in the government-wide financial statements, and in Enterprise Funds and Internal Service Funds, as applicable. The County recognizes subscription liabilities for SBITAs with an initial, individual value of $150 thousand or more.

At the commencement of a SBITA, the County initially measures the subscription liability at the present value of the subscription payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial measurement of the subscription liability, adjusted for payments made to the SBITA vendor at the commencement of the subscription term, plus capitalizable initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying information technology asset.

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

Future subscription payments should be discounted using the interest rate the SBITA vendor charges the County, which may be the interest rate implicit in the SBITA. However, if the implicit rate is not readily determinable then the incremental borrowing rate may be used. Therefore, the County uses the Incremental Borrowing Rate as its discount rate.

The subscription term includes the period during which the County has a noncancellable right-to-use the underlying information technology assets. Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, payments for penalties for terminating the SBITA, and any other payment to the SBITA vendor associated with the SBITA contract that are reasonably certain of being required based on assessments of all relevant factors.

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

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

Lease Obligations

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

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

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

Future lease payments should be discounted using the interest rate the lessor charges the lessee, which may be the interest rate implicit in the lease. However, if the implicit rate is not readily determinable then the incremental borrowing rate may be used. Therefore, the County uses the Incremental Borrowing Rate as its discount rate.

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

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

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

Long-Term Obligations

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

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

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

In the government-wide financial statements and proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life 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 75% 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, and lease capital assets shown in the statement of net position. Capital assets cannot readily be sold and converted to cash.

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

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

Indirect Costs

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

Use of Estimates

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

(Amounts expressed in thousands unless otherwise noted)

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, 2023

Long-term liabilities, such as bonds, notes, loans payable, financed purchases, leases, subscriptions, 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 $6,725,568 difference are as follows:		
Bonds, notes and loans payable:		
Certificates of participation and lease revenue bonds	$	229,680
Taxable pension obligation bonds		277,990
Tobacco settlement asset-backed bonds		445,045
Loans - non-internal service funds		789
Unamortized issuance premiums (to be amortized as interest expense)		88,887
Financed purchases - non-internal service funds		11,158
Compensated absences - non-internal service funds		148,528
Leases - non-internal service funds		243,958
Subscriptions - non-internal service funds		15,544
Landfill postclosure - San Marcos landfill		22,045
Pollution remediation		1,355
Subtotal	$	1,484,979
Net pension liability - non-internal service funds		5,173,220
Net OPEB liability - non-internal service funds		67,369
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	$	6,725,568
Internal Service Funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of internal service funds are included in governmental activities in the statement of net position. The details of this $46,072 difference are as follows:		
Net position of the internal service funds	$	47,119
Less: Internal payable representing charges in excess of cost to business-type activities - prior years		(554)
Less: Internal payable representing charges in excess of cost to business-type activities - current year		(493)
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	$	46,072

(Amounts expressed in thousands unless otherwise noted)

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

Explanations of certain differences between the governmental funds 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, 2023

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 $105,218 difference are as follows:		
Capital outlay	$	329,993
Depreciation/amortization expense		(224,775)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities	$	105,218
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. The details of this $(12,329) difference are as follows:		
The proceeds from the sale of capital assets provide current financial resources but have no effect on net position	$	(1,306)
The loss on the disposal of capital assets does not affect current financial resources but decreases net position		(31,497)
Donations of assets to the County do not provide current financial resources but increase net position		20,474
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities	$	(12,329)
The issuance of long-term debt (e.g., bonds, notes, loans, financed purchases, leases and subscriptions) 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 $128,612 difference are as follows:		
Debt issued or incurred:		
Leases	$	(2,553)
Subscriptions		(12,330)
Principal payments		93,901
Financed purchase payments		2,441
Lease payments		42,561
Subscription payments		4,592
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities	$	128,612
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 $(850,597) difference are as follows:		
Change in net pension liability, deferred inflows of resources and deferred outflows of resources	$	(826,027)
Change in net OPEB liability, deferred inflows of resources and deferred outflows of resources		(9,253)
Compensated absences		(13,812)
Accrued interest		1,671
Accretion of capital appreciation bonds		(7,850)
Amortization of premiums		6,630
Amortization of gain on refundings		39
Amortization of loss on refundings		(1,995)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities	$	(850,597)
Internal Service Funds. The net revenue (or expense) of certain activities of internal service funds is reported with governmental activities. The details of this $(51,240) difference are as follows:		
Change in net position of the internal service funds	$	(50,747)
Less: Loss from charges to business activities		(493)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net position - governmental activities	$	(51,240)

NOTE 3
Deposits and Investments

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

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

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

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

Total pooled cash and investments totaled $15.254 billion consisting of: $15.205 billion investments in the County pool; $35.332 million in deposits; $13.434 million of collections in transit; and, $504 thousand in imprest cash.

Deposits

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

Federal Deposit 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 limit 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, 2023, 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 JP Morgan Bank and US Bank. The carrying amount of the Pool's deposits was $35.332 million, and the bank balance at June 30, 2023 was $29.785 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 $29.285 million was collateralized with securities held by a depository agent on behalf of the Pool, or held in trust at US Bank, as required by California Government Code Section 53656. The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Also, a financial institution may, in accordance with the California Government Code, secure local agency deposits using first trust deed mortgages; however, the fair value of the first trust deed mortgages collateral must be at least 150% of the total amount deposited.

b. The carrying amount of demand deposits with Fiscal Agents (outside of the Pool), other than demand deposits of the San Diego County Employees Retirement Association, was $362.062 million and the bank balance per various financial institutions was $363.696 million. Of the total bank balance, $869 thousand was covered by federal deposit insurance; $362.334 million was collateralized by a named agent depository; and $493 thousand was uncollateralized.

Investments

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

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

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

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

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

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

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

(Amounts expressed in thousands unless otherwise noted)

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 of 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, 2023, 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, 2023.

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

Table 5
Fitch Investment Rating

	Investment Pool Rating at June 30, 2023	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, 2023.

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 Agricultural Mortgage Corporation (FAMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), FNMA, FHLMC, or the Tennessee Valley Authority.

(Amounts expressed in thousands unless otherwise noted)

The following issuers exceeded the 5 percent threshold of the total fair value of the County Pool's investments as of June 30, 2023: FHLB (5.95%); Bank of Nova Scotia Houston (6.39%); Bank of Montreal Chicago (5.68%); Natixis NY Branch (5.52%) and, Toronto Dominion Bank (6.61%).

No general policies have been established for investments with fiscal agents, to limit the amount of exposure to any one single issuer, however, moneys held by trustees on behalf of the County may generally only be invested in permitted investments specified in trustee or indenture agreements. Instruments in any one issuer that represent 5% or more of the County investments with fiscal agents by individual major fund or nonmajor funds in the aggregate at June 30, 2023 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	$	14,156	6%
State of Georgia		32,402	13%
State of Maryland		27,636	11%
State of Minnesota		25,967	11%
State of Washington		25,197	10%
Ohio Water Development Authority		12,386	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, The Northern Trust Company, in their trust department to mitigate custodial credit risk.

(Amounts expressed in thousands unless otherwise noted)

Table 7
Pooled Investments
At June 30, 2023

		Fair Value	Book Value	Interest Rate Range	Maturity Range	Weighted Average Maturity (in days)	NRSRO Rating	% of Portfolio
U.S. Government Agencies:								
Federal Agricultural Mortgage Corporation (FAMC)	$	221,033	225,000	3.77% - 5.13%	7/27 - 5/28	1573	AAA	1.45%
Federal Farm Credit Bank (FFCB)		730,860	771,746	0.20% - 3.88%	10/23 - 5/28	846	AAA	4.81%
Federal Home Loan Bank (FHLB)		905,701	984,931	0.38% - 3.64%	2/24 - 6/27	981	AAA	5.96%
Federal Home Loan Mortgage Corporation (FHLMC)		611,424	645,676	0.25% - 0.75%	8/23 - 12/25	445	AAA	4.02%
Federal National Mortgage Association (FNMA)		657,171	711,815	0.25% - 2.88%	9/23 - 12/25	688	AAA	4.32%
Tennessee Valley Authority (TVA)		24,597	24,807	3.88%	3/28	1720	AAA	0.16%
U.S. Treasury Notes		1,349,779	1,453,675	0.25% - 3.25%	7/23 - 6/27	785	AAA	8.88%
Pass-through Securities		815,820	836,383	0.27% - 5.39%	4/24 - 3/28	1300	AAA	5.37%
Supranationals		900,394	948,271	0.29% - 3.96%	9/23 - 6/27	568	AAA	5.92%
Commercial Paper		3,237,962	3,237,962	4.85% - 5.54%	7/23 - 1/24	117	F-1 to F-1+	21.30%
Local Agency Investment Fund		2	2	3.26%	N/A	0	NR	0.00%
Local Government Investment Pools		535,392	535,392	5.20%	N/A	0	AAAm	3.52%
Money Market Mutual Funds		79,500	79,500	5.00% - 5.02%	N/A	0	AAA	0.52%
Municipal Bonds		509,722	535,735	0.41% - 5.45%	8/23 - 5/28	780	AA- to AAA	3.35%
Negotiable Certificates of Deposit		4,226,976	4,231,000	3.94% - 6.00%	7/23 - 7/24	138	F-1+	27.80%
Medium-Term Notes		398,668	419,710	0.70% - 5.61%	4/24 - 11/25	560	AA- to AA	2.62%
Total investments	$	15,205,001	15,641,605			450		100%

(Amounts expressed in thousands unless otherwise noted)

Table 8
Investments with Fiscal Agents
At June 30, 2023

		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	$	2,126	5.00%	9/27	1538	A+	0.76%
Fixed income tax exempt bonds		11,299	5.00%	6/25 - 11/30	2290	AA	4.03%
Fixed income tax exempt bonds		7,032	5.00%	8/23 - 12/26	772	AA-	2.51%
Fixed income tax exempt bonds		41,517	1.85% - 5%	10/23 - 8/36	2433	AA+	14.82%
Fixed income tax exempt bonds		158,423	2% - 5%	6/24 - 8/35	2821	AAA	56.54%
Fixed income tax exempt bonds		2,313	5.00%	7/30	2558	NR	0.83%
Money market mutual funds		19,000	1.47%	7/23	5	AAAm	6.78%
Subtotal		241,710					
Restricted:							
Money market mutual funds		38,462	4.71% - 5%	7/23 - 8/23	8 - 34	AAAm	13.73%
Subtotal		38,462					
Total County investments with fiscal agents		280,172					100.00%
Private Purpose Trust Fund investments:							
Money market mutual funds		1,017	4.63% - 4.71%	7/23	8	AAAm	100.00%
Total Private Purpose Trust Fund investments		1,017					100.00%
Custodial Funds investments:							
Money market mutual funds		6,390	4.75%	7/23	22	AAAm	100.00%
Total Custodial Funds investments		6,390					100.00%
Total investments with fiscal agents	$	287,579					

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, 2023, were valued at $15.205 billion. The fair value of pooled investments categorized according to GASB 72 fair value hierarchy totaled $14.590 billion, and are all classified as Level 2. Money market mutual funds totaling $79.5 million, are valued at net asset value - $1 per share (amortized cost) and local government investment pool funds, together with the local agency investment fund - totaling $535.4 million, are not subject to the fair value hierarchy.

Total investments with fiscal agents as of June 30, 2023, were valued at $287.6 million. The fair value of investments with fiscal agents according to the GASB 72 fair value hierarchy totaled $222.7 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, $64.9 million.

(Amounts expressed in thousands unless otherwise noted)

Table 9 summarizes pooled investments' and investments with fiscal agents' recurring fair value measurements and the fair value hierarchy as of June 30, 2023.

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

	June 30, 2023	Fair Value Measurements Using: 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	$ 815,820		815,820	
Commercial Paper	3,237,962		3,237,962	
Negotiable Certificates of Deposit	4,226,976		4,226,976	
Municipal Bonds	509,722		509,722	
Medium-Term Notes	398,668		398,668	
Supranationals	900,394		900,394	
U.S. Government Agencies	3,150,786		3,150,786	
U.S. Treasury Notes	1,349,779		1,349,779	
Total pooled investments by fair value level	14,590,107		14,590,107	
Pooled investments not subject to the fair value hierarchy				
Money Market Mutual Funds	79,500			
Local Government Investment Pools	535,392			
Local Agency Investment Fund	2			
Total pooled investments	15,205,001			
Investments with fiscal agents by fair value level				
Fixed Income Tax Exempt Bonds	222,710		222,710	
Total investments with fiscal agents by fair value level			222,710	
Investments with fiscal agents not subject to the fair value hierarchy				
Money Market Mutual Funds	64,869			
Total investments with fiscal agents not subject to the fair value hierarchy	64,869			
Total investments with fiscal agents	$ 287,579			

(Amounts expressed in thousands unless otherwise noted)

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

(1) For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "-") by at least one Nationall Recognized Statistical Rating Organization (NRSRO). For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.

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

(3) Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the fund value, inclusive of any other non-Commercial Paper, Medium-Term Notes, or Negotiable CD Investments.

(4) Maximum Exposure Per Broker/Dealer – The maximum exposure to a single Repurchase Agreement (RP) broker/dealer shall be 10% of the portfolio value when the dollar-weighted average maturity is greater than five days or 15% of the portfolio when the dollar-weighted maturity is five days or less.

(5) Institutions at or above the highest short-term rating category (without regard to qualifications of such rating symbol such as "+" or "-") by at least one NRSRO may pledge mortgage-based collateral for County deposits.

(6) Money Market Mutual Fund ratings must be in the highest rating category by at least two NRSROs.

(7) Local Agency Investment Fund (LAIF) is an unrated fund.

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

(Amounts expressed in thousands unless otherwise noted)

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 2023 restricted assets were as follows:

Table 11
Restricted Assets

Fund	Legal or Contractual Requirements	Debt Covenants
General Fund	$ 229	
Nonmajor Governmental Funds:		
Harmony Grove Community Facilities District - Special Revenue Fund		2,447
Housing Authority - Other Special Revenue Fund	250	
Tobacco Securitization Joint Special Revenue Fund		35,900
Pension Obligation Bonds Debt Service Fund		32
San Diego Regional Building Authority Debt Service Fund		9
SANCAL Debt Service Fund		74
Capital Outlay Capital Projects Fund	830	

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 Government Agencies - Governmental activities - $19.266 million:

This amount includes: $12.469 million in Senate Bill (SB) 90 cost reimbursements due to the County for the provision of State mandated programs mostly for Absentee Ballots, Racial and Identity Profiling, and Sexually Violent Predators. The State Constitution requires reimbursement for these costs and interest will accrue on the reimbursement claims until they are paid according to Government Code Section 17617; and, $6.797 million is the balance owed to the County from participating agencies that financed their portion of the shared infrastructure costs for the Regional Communications System (RCS) NextGen Project upgrade.

Loans - Governmental activities - $223.280 million:

This amount includes: $146.997 million in housing rehabilitation loan programs for low-income or special needs residents, and loans for low income housing down payments; $26.483 million in community development block grant loans; $13.786 million owed to the Housing Authority - Low and Moderate Income Housing Asset Fund for Affordable Housing Development and Single-Family Rehabilitation Loans; $26.961 million in interest receivable on housing long term loans; $3.417 million in low income housing developer loans; $4.069 million in COVID-19 Small Business Loan Receivable; $1.101 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 $363 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 $103 thousand.

Loans- Business-type activities- $2.933 million:

This amount includes $49 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 $2.884 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”.

(Amounts expressed in thousands unless otherwise noted)

Table 12
Receivables
Primary Government and Discretely Presented Component Unit
At June 30, 2023

		Accounts	Investment Earnings	Due From Other Government Agencies	Loans	Other	Total Receivables	Allowance For Doubtful Accounts	Receivables Net
Governmental activities:									
General Fund	$	16,946	25,861	864,092	173,076	18,228	1,098,203		1,098,203
Public Safety Fund				67,090			67,090		67,090
Tobacco Endowment Fund			3,105				3,105		3,105
Other Governmental Funds		23,905	12,213	99,948	21,779	546	158,391	(5,792)	152,599
Internal Service Funds		8	3,338	1,166		14	4,526		4,526
Total governmental activities - fund level	$	40,859	44,517	1,032,296	194,855	18,788	1,331,315	(5,792)	1,325,523
Add: loan receivable from the County of San Diego Successor Agency Private Purpose Trust Fund					1,464		1,464		1,464
Add: interest receivable on housing long-term loans					26,961		26,961		26,961
Less: Due from Component Unit						(176)	(176)		(176)
Total governmental activities - Statement of Net Position	$	40,859	44,517	1,032,296	223,280	18,612	1,359,564	(5,792)	1,353,772
Business-type activities:									
Airport Fund		1,779	248	1,093	49		3,169		3,169
Other Enterprise Funds		958	747	1,030			2,735		2,735
Total Enterprise Funds	$	2,737	995	2,123	49		5,904		5,904
Add: loan receivable from the County of San Diego Successor Agency Private Purpose Trust Fund					2,884		2,884		2,884
Total business-type activities - Statement of Net Position	$	2,737	995	2,123	2,933		8,788		8,788
Component Unit:									
First 5 Commission of San Diego	$	238	367	2,962		241	3,808		3,808

(Amounts expressed in thousands unless otherwise noted)

NOTE 6

County Property on Lease to Others

As of June 30, 2023, the County's lease receivables totaled $239.7 million - consisting of $234.3 million in land and $5.4 million in buildings. The details are shown in the table below:

Table 13
County Property on Lease to Others

	Land Lease	Building Lease	Building Sublease	Total Building Lease	Total Land and Building	Original Lease Terms (In Years)	Remaining Lease Terms (In Years)	Interest Rate(s)
Governmental Activities	$ 11,994				11,994	54 to 83	24 to 41	1.57%
Governmental Activities		3,076		3,076	3,076	4 to 19	1 to 9	0.35% to 3.04%
Governmental Activities			1,292	1,292	1,292	4 to 14	1 to 7	0.99% to 2.22%
Subtotal	11,994			4,368	16,362			
Business-Type Activities	222,269				222,269	14 to 54	3 to 48	1.24% to 1.57%
Business-Type Activities		1,056		1,056	1,056	4 to 44	1 to 17	0.51% to 1.57%
Subtotal	222,269			1,056	223,325			
Total	$ 234,263			5,424	239,687			

Interest rates on all leases are calculated using the appropriate rate under the Bloomberg Valuation Service (BVAL) Municipal AAA curve. During fiscal year 2023, the County recognized $11.1 million in lease revenue, $3.7 million in interest revenue, and variable payments of $1.2 million.

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

Table 14
Leases to Maturity

Fiscal Year		Principal	Interest	Total
Governmental Activities:				
2024	$	1,839	225	2,064
2025		1,436	206	1,642
2026		890	191	1,081
2027		525	183	708
2028		508	177	685
2029-2033		2,028	788	2,816
2034-2038		1,605	659	2,264
2039-2043		1,736	528	2,264
2044-2048		1,878	386	2,264
2049-2053		1,850	238	2,088
2054-2058		1,726	89	1,815
2059-2063		306	14	320
2064-2068		35	1	36
Total		16,362	3,685	20,047
Business-Type Activities:				
2024		7,359	3,353	10,712
2025		7,272	3,242	10,514
2026		7,383	3,139	10,522
2027		7,422	3,034	10,456
2028		7,520	2,935	10,455
2029-2033		36,874	13,012	49,886
2034-2038		35,465	10,316	45,781
2039-2043		31,528	7,703	39,231
2044-2048		23,439	5,481	28,920
2049-2053		18,787	3,913	22,700
2054-2058		14,450	2,581	17,031
2059-2063		14,227	1,475	15,702
2064-2068		9,858	432	10,290
2069-2073		1,741	53	1,794
Total		223,325	60,669	283,994
Grand Total	$	239,687	64,354	304,041

(Amounts expressed in thousands unless otherwise noted)

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 15
Capital Assets - Governmental Activities

		Beginning Balance at July 1, 2022	Increases	Decreases	Ending Balance at June 30, 2023
Capital assets, not being depreciated/amortized:					
Land	$	538,347	10,654	(224)	548,777
Easements		9,833			9,833
Construction in progress		406,981	220,804	(241,804)	385,981
Total capital assets, not being depreciated/amortized		955,161	231,458	(242,028)	944,591
Capital assets, being depreciated/amortized:					
Buildings and improvements		2,382,177	232,944	(54,828)	2,560,293
Equipment		425,110	43,561	(20,732)	447,939
Software		183,306	4,294	(3,328)	184,272
Road infrastructure		2,959,634	80,129		3,039,763
Bridge infrastructure		93,198	4,430		97,628
Right-to-use Assets:					
Right-to-use land (2)		56,011		(86)	55,925
Right-to-use buildings and improvements (2)		241,095	30,620	(1,598)	270,117
Right-to-use equipment (2)		2,344	194		2,538
Subscription Assets (1)		7,806	12,330		20,136
Total capital assets, being depreciated/amortized		6,350,681	408,502	(80,572)	6,678,611
Less accumulated depreciation/amortization for:					
Buildings and improvements		(774,379)	(65,936)	24,944	(815,371)
Equipment		(254,500)	(32,706)	19,032	(268,174)
Software		(120,586)	(18,890)	3,325	(136,151)
Road infrastructure		(1,844,691)	(74,723)		(1,919,414)
Bridge infrastructure		(32,652)	(1,823)		(34,475)
Right-to-use Assets:					
Right-to-use land		(1,376)	(1,338)		(2,714)
Right-to-use buildings and improvements		(44,531)	(45,580)	1,456	(88,655)
Right-to-use equipment		(540)	(681)		(1,221)
Subscription Assets			(3,869)		(3,869)
Total accumulated depreciation/amortization		(3,073,255)	(245,546)	48,757	(3,270,044)
Total capital assets, being depreciated/amortized, net		3,277,426	162,956	(31,815)	3,408,567
Governmental activities capital assets, net	$	4,232,587	394,414	(273,843)	4,353,158

(1) Beginning balance restated to reflect implementation of GASB 96, *Subscription-Based Information Technology Arrangements*.
(2) These rows include lease modifications to right-to-use land (decrease), right-to use buildings and improvements (increase), and right-to-use equipment (increase).

(Amounts expressed in thousands unless otherwise noted)

Table 16
Capital Assets - Business-type Activities

		Beginning Balance at July 1,2022	Increases	Decreases	Ending Balance at June 30, 2023
Capital assets, not being depreciated/amortized:					
Land	$	13,625	151		13,776
Construction in progress		6,304	4,927	(3,337)	7,894
Total capital assets, not being depreciated/amortized		19,929	5,078	(3,337)	21,670
Capital assets, being depreciated/amortized:					
Buildings and improvements		153,998	5		154,003
Equipment		7,069	35	(43)	7,061
Software		297			297
Road infrastructure		25,245	2		25,247
Sewer infrastructure		112,515	3,337		115,852
Right-to-Use Assets:					
Subscription assets (1)		342			342
Total capital assets, being depreciated/amortized:		299,466	3,379	(43)	302,802
Less accumulated depreciation/amortization for:					
Buildings and improvements		(66,817)	(3,236)		(70,053)
Equipment		(2,780)	(515)	43	(3,252)
Software		(217)	(39)		(256)
Road infrastructure		(4,663)	(638)		(5,301)
Sewer infrastructure		(57,039)	(2,179)		(59,218)
Right-to-Use Assets					
Subscription assets			(70)		(70)
Total accumulated depreciation/amortization		(131,516)	(6,677)	43	(138,150)
Total capital assets, being depreciated/amortized, net		167,950	(3,298)	0	164,652
Business-type activities capital assets, net	$	187,879	1,780	(3,337)	186,322

(1)Beginning balance restated to reflect implementation of GASB 96, *Subscription-Based Information Technology Arrangements.*

Depreciation/Amortization

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

Table 17
Depreciation Expense - Governmental Activities

General government	$	16,492
Public protection		51,940
Public ways and facilities		76,082
Health and sanitation		9,798
Public assistance		4,115
Education		3,220
Recreation and cultural		11,660
Internal Service Funds		20,771
Total	$	194,078

Table 18
Amortization Expense - Governmental Activities

General Government	$	564
Public protection		15,203
Public ways and facilities		115
Health and sanitation		6,488
Public assistance		28,499
Education		599
Total	$	51,468

Table 19
Depreciation Expense - Business-type Activities

Airport Fund	$	3,701
San Diego County Sanitation District Fund		2,842
Sanitation District - Other Fund		64
Total	$	6,607

Table 20
Amortization Expense - Business-type Activities

Sanitation District - Other Fund	$	70
Total	$	70

(Amounts expressed in thousands unless otherwise noted)

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, 2023, the County General Fund's outstanding encumbrances totaled $927.893 million; the Public Safety Fund's outstanding encumbrances totaled $42.692 million; and, Nonmajor governmental funds' outstanding encumbrances totaled $151.102 million.

At June 30, 2023, major contracts entered into for structures and improvements and other commitments within governmental activities and business-type activities are noted in **Table 21**.

Table 21
Capital Commitments
At June 30, 2023

	Remaining Commitments
Governmental Activities	
General Fund:	
Renovation of George Bailey Detention Facility	$ 31,210
Construction of Youth Transition Campus	21,262
Construction of Tri-City Healthcare District Psychiatric Facility	16,334
Major Systems Renovation of Hall of Justice	16,275
Renovation of County Administration Center	13,387
Development of Integrated Property Tax System	12,303
Land Acquisition and Construction of Ramona Intergenerational Community Campus HHSA Family Resource Live Well Center	9,710
Construction of County Public Health Laboratory	6,339
Construction of East Otay Mesa Fire Station #38	5,244
Construction of Southeast San Diego Live Well Center	5,004
Replacement of East Mesa Juvenile Detention Facility Generator	4,657
Critical Systems Upgrade at Town Centre Manor	4,454
Construction of San Diego County Animal Shelter	4,340
Construction of Julian Library Community Room	3,767
Expansion of Sweetwater Summit Regional Park Campground	3,765
Development of Waterfront Park Active Recreation	2,518
Procurement of Two Live Well Mobile Office Vehicles	2,003
Construction of Lakeside Equestrian Facility	1,458
Development of Four Gee Park	1,396
Construction of Edgemoor Psychiatric Unit	1,299
Major Maintenance Improvements to San Diego Central Jail Security and Emergency Power Equipment	1,199
Subtotal	167,924
Nonmajor Governmental Funds:	
Improvement of County Roads and Bridges	31,526
Subtotal	31,526
Internal Service Funds:	
Vehicle Acquisitions	27,987
Subtotal	27,987
Governmental Activities Subtotal	227,437
Business-type Activities	
Other Enterprise Funds:	
Improvements to Live Oak Springs Water System	1,061
Business-Type Activities Subtotal	1,061
Total	$ 228,498

(Amounts expressed in thousands unless otherwise noted)

NOTE 8
Interfund Balances

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

Table 22
Interfund Balances
At June 30, 2023

DUE FROM		DUE TO: General Fund	Public Safety	Tobacco Endowment	Other Governmental	Airport Fund	Other Enterprise	Internal Service	Private Purpose Trust Fund	Total
General Fund			21,051	5,069	30,801	83	267	8,942	1,101	67,314
Public Safety	$	4,752								4,752
Other Governmental		28,421			2,977	85	114	18	363	31,978
Airport Fund								3	2,884	2,887
Other Enterprise Funds		39					305			344
Internal Service		35,653			2,552	109	153	1,397		39,864
Total	$	68,865	21,051	5,069	36,330	277	839	10,360	4,348	147,139

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

a) $1.101 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) $2.884 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) $363 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 34 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 $1.101 million Upper San Diego River Project loan and the "Due from other funds" for the County Low and Moderate Income Housing Asset fund's $363 thousand are included in the governmental activities' "Receivables, net". The "Due from other funds" for the $2.884 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.

(Amounts expressed in thousands unless otherwise noted)

NOTE 9
Interfund Transfers

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

Table 23
Transfers In/Transfers Out
At June 30, 2023

TRANSFERS IN	TRANSFERS OUT General Fund	Public Safety	Tobacco Endowment	Other Governmental	Airport Fund	Other Enterprise	Internal Service	Total
General Fund		366,186	15,113	15,139		661		397,099
Other Governmental	$ 251,440	3,180		7,597	131	2,154	2,137	266,639
Airport Fund				50				50
Other Enterprise	2,709							2,709
Internal Service	13,012			790				13,802
Total	$ 267,161	369,366	15,113	23,576	131	2,815	2,137	680,299

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

NOTE 10
Payables

Payables at fiscal year-end are shown below:

Table 24
Payables
At June 30, 2023

	Vendors	Aid to Other Individuals	Due to Other Government Agencies	Other	Total Payables
Governmental Activities:					
General Fund	$ 231,238	5,496	15,610	18,671	271,015
Other Governmental Funds	47,601	56	987	4,695	53,339
Internal Service Funds	81,444	41	136	2,231	83,852
Total governmental activities	360,283	5,593	16,733	25,597	408,206
Business-type activities:					
Airport Fund	1,065		6	79	1,150
Other Enterprise Funds	692	2		148	842
Total Business-Type activities	1,757	2	6	227	1,992
Component Unit:					
First 5 Commission of San Diego	9,715				9,715

(Amounts expressed in thousands unless otherwise noted)

NOTE 11
Deferred Inflows of Resources: Unavailable Revenue

Table 25
Deferred Inflows of Resources - Non-pension
At June 30, 2023

Unavailable Revenue		General Fund	Other Governmental Funds	Total
Property and miscellaneous local taxes	$	63,790	1,188	64,978
Aid from other governmental agencies		201,504	79,948	281,452
Charges for services		177	-	177
Other		12,278	38,064	50,342
Total	$	277,749	119,200	396,949

A large portion of the Unavailable Revenue – aid from other governmental agencies consists primarily of $182 million in Federal Emergency Management Act funds; $79.9 million of TransNet one-half cent sales tax to be used for projects in the Road Fund, and $12.5 million of California Senate Bill 90 (SB 90) funds. In 1972, SB90 established a requirement that the State reimburse local government agencies for the costs of the new programs or increased levels of service on programs mandated by the State. Additionally, there are $3.4 million in Drug Medi-Cal administrative activities receivables, and $2.9 million in Medi-Cal administrative activities for public health services. The remaining $800 thousand represents various other unavailable aid from other governmental agencies.

Of the $50 million of Unavailable Revenue – other, approximately $15.9 million are tobacco settlement receivables, $20.5 million are low and moderate income housing assistance receivables, $9.1 million is for the Sheriff Regional Communication System upgrade project, approximately $1.5 million is for interest receivable and the remaining $3 million represents housing and community development activities.

NOTE 12
Lease Obligations

As of June 30, 2023, the County's lease obligations totaled $244 million - consisting of $243 million in Real Property, ($54 million in land, and $189 million in buildings), and Personal Property - Equipment of $1 million. The details of these leases are shown below.

Real Property

The land leases had original lease terms ranging from 14 years to 99 years, with remaining lease terms ranging from 3 years to 64 years; with interest rates ranging from 1.24% to 1.57%. The building leases had original lease terms ranging from one year to 49 years, with remaining lease terms ranging from 1 month to 27 years; with interest rates ranging from 0.51% to 2.66%. Interest rates on all leases are calculated using the appropriate rate under the Bloomberg Valuation Service (BVAL) Municipal AAA curve.

The annual future lease payments are presented below.

Table 26
Real Property Leases
Requirements To Maturity

Fiscal Year		Principal	Interest	Total
2024	$	40,991	2,648	43,639
2025		34,702	2,669	37,371
2026		27,983	2,180	30,163
2027		19,702	1,912	21,614
2028		13,224	1,692	14,916
2029-2033		41,198	6,248	47,446
2034-2038		19,229	3,990	23,219
2039-2043		3,837	3,435	7,272
2044-2048		4,021	3,123	7,144
2049-2053		3,741	2,820	6,561
2054-2058		4,023	2,516	6,539
2059-2063		4,351	2,187	6,538
2064-2068		4,706	1,833	6,539
2069-2073		5,091	1,448	6,539
2074-2078		5,507	1,032	6,539
2079-2083		5,956	582	6,538
2084-2087		4,348	121	4,469
Total	$	242,610	40,436	283,046

Personal Property

The equipment leases had original lease terms ranging from 4 years to 5 years, with remaining lease terms ranging from 1 years to 3 years; with interest rates ranging from 0.39% to 0.55%. Interest rates on all leases are calculated using the appropriate rate under the BVAL Municipal AAA curve.

(Amounts expressed in thousands unless otherwise noted)

The annual future lease payments are presented below.

Table 27
Personal Property Leases
Requirements To Maturity

Fiscal Year		Principal	Interest	Total
2024	$	594	6	600
2025		376	4	380
2026		378	2	380
Total	$	1,348	12	1,360

NOTE 13
Subscription Obligations

As of June 30, 2023, the County's subscription-based information technology arrangements totaled $15.810 million - consisting of $15.544 million governmental subscriptions and $266 thousand business-type subscriptions. The details of these subscriptions are shown below.

The governmental subscription-based information technology arrangements had original terms ranging from 2 years to 11.5 years, with remaining lease terms ranging from 7 months to 7 years; with interest rates ranging from 0.39% to 3.13%. Interest rates on all subscriptions are calculated using the appropriate rate under the Bloomberg Valuation Service (BVAL) Municipal AAA curve.

The annual future subscription payments are presented below.

Table 28
Subscriptions - Governmental Activities
Debt Service Requiremets To Maturity

Fiscal Year		Principal	Interest	Total
2024	$	4,794	416	5,210
2025		3,598	289	3,887
2026		3,287	188	3,475
2027		3,006	94	3,100
2028		314	22	336
2029-2030		545	21	566
Total	$	15,544	1,030	16,574

The business-type subscription-based information technology arrangement had an original term of 5 years, with remaining lease term of 3 years; with an interest rate of 2.03%. Interest rates on all subscriptions are calculated using the appropriate rate under the Bloomberg Valuation Service (BVAL) Municipal AAA curve.

The annual future subscription payments are presented below.

Table 29
Subscriptions - Business-type Activities
Debt Service Requirements to Maturity

Fiscal Year		Principal	Interest	Total
2024	$	82	6	88
2025		89	4	93
2026		95	2	97
Total	$	266	12	278

NOTE 14
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 lease 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.

(Amounts expressed in thousands unless otherwise noted)

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 Lease Property regardless of whether or not the County has abandoned the Lease 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, 2023 are as follows:

Table 30
Certificates of Participation (COP) and Lease Revenue Bonds (LRB)

Issuance		Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2023
2014 Edgemoor and RCS Refunding COP Series 2014A (Edgemoor)	$	91,675	2.00 - 5.00%	2030	50,540
2016 County Operations Center Refunding LRB		105,330	3.00 - 5.00%	2036	79,845
2019 Justice Facilities Refunding of 1997 Central Jail COP		15,635	5.00%	2026	7,785
2020A Waterfront Park Refunding COP (Tax-Exempt)		21,910	2.00 - 5.00%	2042	20,585
2020B Cedar and Kettner Refunding COP (Taxable)		23,815	0.45% - 3.125%	2042	21,865
2021 Youth Transition Campus COP		49,060	5.00%	2052	49,060
Total	$	307,425			229,680

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

Table 31
Certificates of Participation and Lease Revenue Bonds - Debt Service Requirements to Maturity

Fiscal Year		Principal	Interest	Total
2024	$	15,990	10,023	26,013
2025		16,765	9,237	26,002
2026		16,300	8,459	24,759
2027		15,115	7,728	22,843
2028		15,845	6,983	22,828
2029-2033		64,020	24,638	88,658
2034-2038		42,435	12,631	55,066
2039-2043		19,980	7,384	27,364
2044-2048		11,610	4,269	15,879
2049-2052		11,620	1,053	12,673
Subtotal		229,680	92,405	322,085
Add:				
Unamortized issuance premium		38,049		
Total	$	267,729		

Taxable Pension Obligation Bonds (POBs)

Taxable Pension Obligation Bonds (POBs) were issued by the County to reduce its pension unfunded actuarial liability and to achieve interest rate savings by issuing bonds at interest rates which are less than the assumed rate of return earned on proceeds placed in the San Diego County Employees Retirement Association's (SDCERA) pension plan. POBs also have been issued to refund previously issued POB debt. Because current federal tax law restricts the investment of proceeds of tax-exempt bonds in higher-yielding taxable securities, POBs are issued on a taxable basis.

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

(Amounts expressed in thousands unless otherwise noted)

Details of POBs outstanding at June 30, 2023 are as follows:

Table 32
Taxable Pension Obligation Bonds

Issuance	Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2023
2004 Series B1-2	$ 147,825	5.91%	2025	109,000
2008 Series A	343,515	3.33 - 6.03%	2027	168,990
Total	$ 491,340			277,990

Annual debt service requirements to maturity for POBs are shown below.

Table 33
Taxable Pension Obligation Bonds - Debt Service Requirements to Maturity

Fiscal Year	Principal	Interest	Total
2024	$ 66,765	13,163	79,928
2025	70,855	8,988	79,843
2026	75,220	4,495	79,715
2027	65,150	491	65,641
Total	$ 277,990	27,137	305,127

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

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

(Amounts expressed in thousands unless otherwise noted)

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, 2023 are as follows:

Table 34
Tobacco Settlement Asset-Backed Bonds

Issuance	Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2023
Series 2006B CABs	$ 19,770	6.25%	2046	231,820
2006B unaccreted appreciation CABs				(175,237)
Series 2006C CABs	8,686	6.40%	2046	107,950
2006C unaccreted appreciation CABs				(82,465)
Series 2006D CABs	3,126	7.10%	2046	50,940
2006D unaccreted appreciation CABs				(40,642)
2019A (Class 1) Senior Current Interest Bonds	252,345	5.00%	2048	223,525
2019B-1 (Class 2) Senior Current Interest Bonds	109,000	5.00%	2048	87,980
2019B-2 (Class 2) Senior Capital Appreciation Bonds	33,619	5.625%	2054	228,795
2019B-2 (Class 2) Senior unaccreted appreciation CABs				(187,621)
Total	$ 426,546			445,045

(Amounts expressed in thousands unless otherwise noted)

Annual debt service requirements to maturity are as follows:

As shown in **Table 35**, the unpaid accreted appreciation of the Bonds as of June 30, 2023 was $68,340 which will continue to accrue and will be paid upon redemption.

Table 35
Tobacco Settlement Asset-Backed Bonds - Debt Service Requirements to Maturity

Fiscal Year	Principal	Unaccreted Appreciation	Interest	Total
2024	$ 7,395	8,342	15,544	31,281
2025	7,630	8,865	15,174	31,669
2026	8,015	9,420	14,791	32,226
2027	8,355	10,013	14,388	32,756
2028	8,510	10,642	13,970	33,122
2029-2033	42,980	64,123	63,386	170,489
2034-2038	48,330	86,995	52,379	187,704
2039-2043	47,310	118,076	39,913	205,299
2044-2048	164,561	105,481	28,191	298,233
2049-2053	-	52,675		52,675
2054	33,619	11,333		44,952
Subtotal	376,705	485,965	257,736	1,120,406
Add:				
Accreted appreciation through June 30, 2023	68,340			
Subtotal	445,045			
Add:				
Unamortized Issuance Premium	50,838			
Total	$ 495,883			

Pledged revenue related to the Bonds for the year ended June 30, 2023 was as follows:

Table 36
Tobacco Settlement Asset-Backed Bonds - Pledged Revenues

			Fiscal Year 2023	
Debt Pledged	Final Maturity Date	Pledged Revenue To Maturity	Debt Principal & Interest Paid	Pledged Revenue Received
Series 2006 & 2019 Tobacco Settlement Asset-Backed Bonds	2054	$ 1,188,746	$ 31,420	$ 31,953

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); 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, 2023, seven OBF loans were outstanding, with remaining balances totaling $365 thousand.

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

(Amounts expressed in thousands unless otherwise noted)

Details of loans outstanding at June 30, 2023 for governmental activities are as follows:

Table 37 Loans - Governmental Activities Issuance		Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2023
Loans - non internal service funds (ISF)					
Firebird Manor	$	4,486	1.00%	2028	769
Sheriff RCS Land Purchase		68	6.78%	2026	20
Total loans - non-ISF		4,554			789
Loans - ISF					
San Diego Gas and Electric On Bill Financing (Facilities ISF)		3,732	0.00%	2029	365
Total loans - ISF		3,732			365
Total	$	8,286			1,154

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

Table 38 Loans - Governmental Activities Debt Service Requirements to Maturity Fiscal Year		Principal	Interest	Total
2024	$	260	9	269
2025		250	7	257
2026		226	5	231
2027		210	3	213
2028		179	1	180
2029		29		29
Total	$	1,154	25	1,179

Financed Purchases

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

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

(Amounts expressed in thousands unless otherwise noted)

Table 39
Financed Purchases - Governmental Activities

Issuance	Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2023
Julian-Cuyamaca Fire Station	$ 1,331	3.85%	2036	$ 1,181
Sheriff NEXTGEN RCS	23,000	2.79%	2027	9,977
Total	$ 24,331			$ 11,158

Table 40
Financed Purchases - Governmental Activities
Debt Service Requirements to Maturity

Fiscal Year	Principal	Interest	Total
2024	$ 2,431	301	2,732
2025	2,540	255	2,795
2026	2,611	183	2,794
2027	2,685	109	2,794
2028	90	34	124
2029-2033	508	112	620
2034-2036	293	17	310
Subtotal	11,158	1,011	12,169
Total	$ 11,158		

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, 2023, the probable arbitrage rebate was zero.

(Amounts expressed in thousands unless otherwise noted)

NOTE 15
Changes in Long-Term Liabilities

Long-term liability activities for the year ended June 30, 2023 were as follows:

Table 41
Changes in Long-Term Liabilities

	Beginning Balance at July 1, 2022	Additions	Reductions	Accreted Interest	Ending Balance at June 30, 2023	Amounts Due Within One Year
Governmental Activities:						
COPs, bonds and loans						
Certificates of participation and lease revenue bonds	245,340		(15,660)		229,680	15,990
Taxable pension obligation bonds	340,825		(62,835)		277,990	66,765
Tobacco settlement asset-backed bonds	452,285		(15,090)	7,850	445,045	7,395
Loans - non-internal service funds (ISF)	1,105		(316)		789	163
Loans - internal service funds	595		(230)		365	97
Unamortized issuance premiums	95,517		(6,630)		88,887	6,603
Total COPs, bonds and loans	$ 1,135,667		(100,761)	7,850	1,042,756	97,013
Other long-term liabilities:						
Financed Purchases	13,599		(2,441)		11,158	2,431
Claims and judgments - ISF	301,357	124,463	(84,718)		341,102	68,240
Compensated absences - non-ISF	134,717	102,927	(89,115)		148,529	56,099
Compensated absences - ISF	3,656	2,680	(1,981)		4,355	1,590
Landfill postclosure	20,603	1,442			22,045	735
Leases - non-ISF (2)	256,124	30,480	(42,646)		243,958	41,585
Pollution remediation	1,520	147	(312)		1,355	45
Subscriptions - non-ISF (1)	7,806	12,330	(4,592)		15,544	4,794
Total Other long-term liabilities	$ 739,382	274,469	(225,805)		788,046	175,519
Total Governmental Activities	$ 1,875,049	274,469	(326,566)	7,850	1,830,802	272,532
Business-type activities:						
Compensated absences	472	403	(334)		541	197
Subscriptions (1)	342		(76)		266	82
Total Business-type Activities	$ 814	403	(410)		807	279

(1) Beginning balances restated to reflect implementation of GASB 96, *Subscription-Based Information Technology Arrangements*.

(2) Includes lease modifications to the following lease types: land (reduction); buildings and improvements (addition); and, equipment (addition).

(Amounts expressed in thousands unless otherwise noted)

NOTE 16
Funds Used to Liquidate Liabilities

The following funds presented in **Table 42** below have typically been used to liquidate other long-term obligations in prior years:

Table 42
Liquidated Liabilities

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

NOTE 17
Landfill Site Postclosure Care Costs

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

The projected landfill postclosure care liability at June 30, 2023 for the San Marcos Landfill was $22.045 million. This estimated amount is based on what it would cost to perform all postclosure maintenance over a 30 year period in calendar year 2023 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 $3.123 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 $3.342 million in fiscal year 2023). This pledged revenue will remain in the Inactive Wastesites Special Revenue Fund as a contingency until such time that corrective action costs are incurred.

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

NOTE 18
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, 2023, the County's estimated pollution remediation obligations totaled $1.355 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 consists of vacant, mowed land, and a temporary asphalt parking lot. Historical agricultural and industrial uses of and adjacent to the site have left pollutant remnants detected at various concentrations, including organochlorine, pesticide chlordane, metals, hydrocarbons, and toluene. During fiscal year 2022-23 there were no projects on the parcel, therefore the County did not incur any remediation costs associated with the onsite contamination. Engineering design of redevelopment and infrastructure of the site's future phase is on hold and, therefore, the range of pollution remediation obligation is not reasonably estimable at this time. Upon finalization of the construction plans, a soil and sediment management plan will be implemented, if necessary, to manage above ground debris, including the following: hydrocarbon and toluene impacted sediment; metals within stained soil; and abandonment or protection of the onsite irrigation and groundwater monitoring wells.

The County owns and manages a facility in Otay Mesa. Based on the findings from an inspection by the County of San Diego Department of Environmental Health and Quality (DEHQ) - Hazardous Material Division (HMD) performed in May of 2021, hazardous waste violations were issued on August 2, 2021, related to lead and brass contamination that conveyed to landscape in amounts that exceeded acceptable solid waste disposal levels. The HMD violations have been absolved through demonstration by the County's improved Best Management Practices (BMPs) and payment of $15 thousand in penalties. Correspondence is ongoing with DEHQ - Site Assessment Mitigation (SAM) to determine if past contamination discharged deeper into the soil or beyond the designed containment. In February of 2023, the County and SAM entered into a Consent Agreement for further investigation and implementation of any corrective actions. The County's consultant began the approved work plan in June 2023. The range of the pollution studies are not complete; therefore, the financial obligation for remediation is not reasonably estimable at this time.

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

NOTE 19
Conduit Debt Obligations

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

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

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

As of June 30, 2023, the aggregate conduit debt principal amount outstanding was $45.370 million.

NOTE 20
Special Tax Bonds

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

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

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. 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 custodial funds established under the Series 2020A Indenture.

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

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

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

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 21
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.

(Amounts expressed in thousands unless otherwise noted)

NOTE 22

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

At June 30, 2023, the fund balances restricted for laws or regulations of other governments: fund purpose are presented as follows:

Table 43
Fund Balances Restricted for Laws or Regulations of Other Governments: Fund Purpose
At June 30, 2023

Fund Type:	Purpose		Amount
Nonmajor Funds			
Special Revenue Funds			
Asset Forfeiture Program Fund	Law enforcement	$	12,260
Community Facilities District Funds - Other	Fire protection and suppression, emergency response, operation and maintenance of facilities, and flood control services		5,826
County Library Fund	Library services		12,740
County Low and Moderate Income Housing Asset Fund	County housing activities		427
County Service District Funds	Road, park lighting maintenance, fire protection and ambulance services		27,547
Edgemoor Development Fund	Edgemoor development		4,310
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		3,991
Housing Authority Low and Moderate income Housing Asset Fund	Housing Authority housing activities		81
In Home Supportive Services Public Authority Fund	In home supportive services		13
Incarcerated Peoples and Ward Welfare Program Fund	Benefit, education, and welfare of wards and incarcerated persons		14,948
Lighting Maintenance District Fund	Street and road lighting maintenance		5,012
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		8,317
Park Land Dedication Fund	Developing new or rehabilitating existing neighborhood or community park or recreational facilities		33,594
Total Nonmajor Funds (Special Revenue Funds)		$	129,066

(Amounts expressed in thousands unless otherwise noted)

NOTE 23

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

At June 30, 2023, the fund balances restricted for laws or regulations of other governments: other purposes are presented as follows:

Table 44
Fund Balances Restricted for Laws or Regulations of Other Governments: Other Purposes
At June 30, 2023

Major Fund		
General Fund		
Juvenile justice crime prevention	$	29,861
Parole revocation hearings		16,896
Teeter tax loss		14,076
Rehabilitative housing and supervision services for secure track youth population		9,373
Vector control		8,464
Fingerprinting equipment purchase and operation		6,019
Juvenile probation camp		4,347
Probation Department activities		3,903
Real estate fraud prosecution		3,545
Domestic violence and child abuse prevention		3,436
Emergency medical services, various construction costs		3,362
Reimburse District Attorney's Office for the reasonable costs of investigation and prosecution of cases related to fraud schemes targeting state dollars intended for K-12 education		3,127
Probation community transition unit activities		2,559
Projects, programs and services that benefit Crest - Dehesa - Harbison Canyon - Granite Hills sub-region		2,363
Parks and Recreation land acquisition, improvements, stewardship and other activities		1,916
Vehicle abatement activities		1,731
Sheriff law enforcement		1,385
Sheriff automated warrant system		1,002
Improvement, maintenance and operation of the Waterfront Park		888
Disarming prohibited persons program		868
Pre-trial felony mental health diversion program		789
Administration, operation and conservation of trails, paths or other facilities for off-highway motor vehicles		515
Sheriff vehicle maintenance and replacement		251
Acquisition, rehabilitation, construction and financing of courtrooms, courtroom buildings or court facilities		193
Offset costs incurred to locate and notify victims to whom restitution is owed		130
Public Defender defense of indigent cases		71
Lease or purchase of California state approved voting systems, or components of voting systems		8
Sheriff corrections training		6
Total General Fund	$	121,084
Nonmajor Funds		
Special Revenue Funds		
Flood Control District Fund		
Flood control future drainage improvements	$	37,493
Housing Authority - Other Fund		
Housing repairs and improvements		1
Total Nonmajor Special Revenue Funds	$	37,494
Total Nonmajor Funds	$	37,494
Total Fund Balances Restricted for Laws or Regulations of Other Governments: Other Purposes	$	158,578

(Amounts expressed in thousands unless otherwise noted)

NOTE 24
Fund Balances Committed to Other Purposes

At June 30, 2023, the fund balances committed to other purposes are presented as follows:

Table 45
Fund Balances Committed To Other Purposes
At June 30, 2023

Major Fund		
General Fund		
Regional communication system infrastructure enhancements	$	15,291
Department of Environmental Health and Quality services		7,920
Sheriff's Department helicopter replacement		4,952
Department of Planning and Development Services activities		2,774
Parks and Recreation land acquisition		1,613
Future purchase of agricultural conservation easements		944
San Diego Fire Authority equipment replacement		433
Management of conduit financing programs		174
Parks and Recreation turf replacement Sweetwater Valley		150
South County Shelter capital improvements		139
Parks expansion and improvements		132
Workplace Justice Fund		100
Capital projects or major maintenance projects		46
Total General Fund	$	34,668

NOTE 25
Fund Balances Assigned to Other Purposes

At June 30, 2023, the fund balances assigned to other purposes are presented as follows:

Table 46
Fund Balances Assigned to Other Purposes
At June 30, 2023

Major Fund		
General Fund		
Law enforcement, detention, legal and other protection services	$	108,378
Planning, land use, agriculture, watershed and other public services		62,666
Health, mental health and social services		49,586
Park and Recreation services		12,816
Assessor/Recorder/County Clerk services		6,297
Maintenance		4,376
Fire protection		3,995
Treasurer-Tax Collector services		1,650
Registrar of Voters services		430
Animal Services		26
One-time labor negotiation payments		8,102
Community Enhancement program		256
Neighborhood Reinvestment program		708
Total General Fund	$	259,286

(Amounts expressed in thousands unless otherwise noted)

NOTE 26
Net Position Restricted for Laws or Regulations of Other Governments: Other Purposes

At June 30, 2023, the net position restricted for laws or regulations of other governments: other purposes is presented as follows:

Table 47
Net Position Restricted for Laws or Regulations of Other Governments: Other Purposes
At June 30, 2023

Developing new or rehabilitating existing neighborhood or community park or recreational facilities	$	33,594
Juvenile justice crime prevention		29,861
Housing Authority housing activities		20,016
Parole revocation hearings		16,896
Benefit, education, and welfare of wards and incarcerated persons		14,948
Sheriff law enforcement		13,854
Library services		12,740
Law enforcement		12,260
Rehabilitative housing and supervision services for secure track youth population		9,373
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		8,317
Fingerprinting equipment purchase and operation		6,019
Fire protection and suppression, emergency response, operation and maintenance of facilities, and flood control services		5,826
Street and road lighting maintenance		5,012
Juvenile probation camp		4,347
Edgemoor development		4,310
Maintenance and operation of parks and recreation services, fire protection services, emergency response, street improvements, street lighting, and flood control services		3,991
Probation Department activities		3,903
Real estate fraud prosecution		3,545
Domestic violence and child abuse prevention		3,436
Emergency medical services, various construction costs		3,362
Reimburse District Attorney's Office for the reasonable costs of investigation and prosecution of cases related to fraud schemes targeting state dollars intended for K-12 education		3,127
Probation community transition unit activities		2,559
Projects, programs and services that benefit Crest - Dehesa - Harbison Canyon - Granite Hills sub-region		2,363
County housing activities		1,936
Parks and Recreation land acquisition, improvements, stewardship and other activities		1,916
Vehicle abatement activities		1,731
Sheriff automated warrant system		1,002
Improvement, maintenance and operation of the Waterfront Park		888
Disarming prohibited persons program		868
Pre-trial felony mental health diversion program		789
Administration, operation and conservation of trails, paths or other facilities for off-highway motor vehicles		515
Sheriff vehicle maintenance and replacement		251
Acquisition, rehabilitation, construction and financing of courtrooms, courtroom buildings or court facilities		193
Offset costs incurred to locate and notify victims to whom restitution is owed		130
Public Defender defense of indigent cases		71
In home supportive services		13
Lease or purchase of California state approved voting systems, or components of voting systems		8
Sheriff's corrections training		6
Housing repairs and improvements		1
Total Net Position Restricted for Laws or Regulations of Other Governments: Other Purposes	$	233,977

(Amounts expressed in thousands unless otherwise noted)

NOTE 27
Risk Management

The County operates a Risk Management Program, whereby it is partially self-insured for general liability (California Government Code Section 990), self-insured for 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 property losses, cyber liability, excess workers' compensation, excess general liability, 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, 2023, these liabilities discounted for anticipated investment return (public liability of 1% and workers' compensation of 2.5%), totaled $341.1 million, including $137.3 million in public liability and $203.8 million in workers' compensation. Changes in the balances of claim liabilities for fiscal years 2023 and 2022 are shown in **Table 48**.

Table 48
Risk Management - Changes in Claim Liabilities

		2023	2022
Employee Benefits Fund			
Unpaid claims, July 1	$	198,093	197,565
Incurred claims		38,495	31,176
Claim payments		(32,775)	(30,648)
Unpaid claims, June 30	$	203,813	198,093
Public Liability Insurance Fund			
Unpaid claims, July 1	$	103,264	92,552
Incurred claims		85,968	47,278
Claim payments		(51,943)	(36,566)
Unpaid claims, June 30	$	137,289	103,264

NOTE 28
Contingencies
Litigation

As of June 30, 2023 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 $268 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 29
Service Concession Agreement

The County has entered a Service Concession Arrangement (SCA) with Ace Parking III, LLC (Ace Parking) in which Ace Parking provides parking management services for two County owned parking structures, the County Administration Center underground parking garage and the Cedar/Kettner parking structure. Ace Parking is specially trained and possess certain skills, experience, education and competency to perform these services more economically and efficiently than the County. The County maintains ownership of the parking structures as well as the authority to determine what services Ace Parking is required to provide, to whom Ace Parking is required to provide the services, and the prices or rates that can be charged for the services. As of June 30, 2023, the County Administration Center underground parking garage's value was $12.080 million, net of accumulated depreciation and generated $239 thousand in revenues for the year ended June 30, 2023. The Cedar/Kettner parking structure's value was $31.376 million, net of accumulated depreciation and generated $881 thousand in revenues.

NOTE 30
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 $1.6 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 $3 thousand and ending net position of $727 thousand for the fiscal year ended June 30, 2022. 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 $41 thousand and ending net position of $275 thousand for the fiscal year ended June 30, 2022. Separate financial statements may be obtained from the Office of Emergency Services, 5580 Overland Ave., Suite 100, San Diego CA 92123 or by calling (858) 565-3490 or by E-mail at oes@sdcounty.ca.gov.

The San Diego Workforce Partnership (Partnership) funds job training programs to empower job seekers to meet the current and future workforce needs of employers in San Diego County. Two boards provide oversight: The Consortium Policy Board and the Workforce Development Board (WDB). As the Workforce Partnership is a joint powers authority, the Consortium Policy Board is a partnership of the City and County of San Diego. Members include two County Board of Supervisors, two San Diego City Council members, and a community representative (currently the United Way of San Diego). The Consortium Policy Board appoints members to, and receives recommendations from, the WDB. The two boards collaborate on a variety of funding decisions and priorities. For the fiscal year ended June 30, 2022, the Partnership reported an increase in net position of $1.2 million and ending net position of $2.2 million. 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 a decrease in net position of $81 thousand and ending net position of $1.3 million for the fiscal year ended June 30, 2022. 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 31

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; Air Pollution Control District, San Dieguito River Valley Joint Powers Authority; Local Agency Formation Commission; and, the San Diego County Office of Education.

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

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

The SDCERA-PP has five Tiers. Subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code Section 7522 et 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

(Amounts expressed in thousands unless otherwise noted)

General member and any new employee who will be hired on or after July 1, 2020 who becomes a Safety member, is placed into Tier D. Tier C and Tier D, are the current open plans for all new General and Safety employees; Tiers I, A, and B are generally closed to new entrants but have active members. On March 8, 2002, the Board of Supervisors eliminated Tier II and established Tier A for active General Members and all non-retired Safety Members who entered on or after March 8, 2002 and before August 28, 2009. All active General Members were converted to Tier A unless they elected to opt-out during a one-time opt-out period. All active and deferred Safety Members were converted to Tier A. All deferred General Tier II Members and active Members who elected to opt out of Tier A were converted to Tier I. Both Tier I and Tier II are closed to new members.

Benefits Provided

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

Table 49
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 to June 30, 2020	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% and 120% of the 2013 Social Security taxable wage base limit for General members and Safety members, respectively. These amounts will be adjusted with price inflation starting in 2014.

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

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

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

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

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

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

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

Contributions

SDCERA-PP is a contributory plan, meaning both the member and the employer pay contributions into the system; membership and contributions are mandatory. All members are required to make contributions to SDCERA regardless of the retirement plan or tier in which they are included. The average member contribution rate for fiscal year 2023 was 10.99% 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 2023 was 43.29% (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.

(Amounts expressed in thousands unless otherwise noted)

Contributions to the Plan from the County were $625,412 for the year ended June 30, 2023.

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

Table 50
Employer/Employee Contribution Rates and Active Members by Tier

	Employer Contribution Rates	Employee Contribution Rates	Active Members
General Tier I	44.21%	8.89 - 16.72%	13
General Tier A	44.21%	10.63 - 18.40%	5,205
General Tier B	44.21%	7.66 - 14.62%	1,294
General Tier C	37.64%	9.17%	4,072
General Tier D	34.96%	6.54%	4,435
Safety Tier A	63.43%	14.55 - 21.19%	1,290
Safety Tier B	63.43%	11.62 - 17.10%	414
Safety Tier C	55.07%	15.16%	1,107
Safety Tier D	54.45%	13.89%	308

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

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

At June 30, 2023, the County reported a liability of $5,314,913 for its proportionate share of the collective Net Pension Liability (NPL). The NPL was measured as of June 30, 2022 and was determined by rolling forward the Total Pension Liability (TPL) as of the June 30, 2021 actuarial valuation date. The NPL is equal to the difference between the TPL and the Plan's Fiduciary Net Position.

Pension amounts, including the County's proportionate share of the NPL, are determined separately for the General and Safety membership classes based on their benefit provisions, actuarial experience, receipts and expenses. The total pension liability for each membership class was calculated based on the participants in and benefits provided for the respective membership class, and the SDCERA-PP fiduciary net position was determined in proportion to the valuation value of assets for each membership class. San Diego County is the sole active employer in the Safety membership class that made contributions in fiscal year 2022; 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, 2022 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, 2022, the County's proportionate share of employer contributions was approximately 93.596%, (General 90.637%, Safety 100%), which was a decrease of approximately 0.204% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of $850,726.

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

(Amounts expressed in thousands unless otherwise noted)

Table 51
Pension Deferred Outflows/Inflows

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions to the pension plan subsequent to the measurement date	$ 625,412	
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions	16,380	9,867
Changes of assumptions or other inputs	857,981	6
Net difference between projected and actual earnings on pension plan investments	948,492	
Differences between expected and actual experience in the total pension liability	70,657	128,261
	$ 2,518,922	138,134

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. $625,412 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, 2024.

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 52
Pension Expense

Year Ending June 30	Amount
2024	$ 508,496
2025	386,227
2026	230,578
2027	630,075
Total	$ 1,755,376

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, 2022 (the measurement date) are shown in the following table:

Table 53
Actuarial Assumptions

Inflation	2.50%
Salary increases	General: 3.90% to 10.50% and Safety: 4.10% to 11.75%, vary by service, including inflation and real across-the-board salary increases
Discount rate	6.50%, net of pension plan investment expense, including inflation
Cost-of-living adjustment	Maximum of 3% for Tiers I and A Maximum 2% for Tiers B, C and D
Date of last experience study	July 1, 2018 through June 30, 2021

Changes in assumptions were made from the prior measurement period and included a decrease to the inflation rate, changes in salary increases, a decrease in the discount rate, and changes in the date of the last experience study. The inflation rate was 2.75% for the prior measurement period. Salary increases for the prior measurement period General were 4.15% to 10.50% including inflation, and Safety 4.25% to 12.00% vary by service, including inflation. The discount rate was 7.00% for the prior measurement period, and the last experience study was July 1, 2015 through June 30, 2018.

Mortality rates for General members and all beneficiaries not currently in pay status are based on the Pub-2010 General Healthy Retiree Amount-

(Amounts expressed in thousands unless otherwise noted)

Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021. Mortality rates for beneficiaries in pay status are based on the Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021. 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) with rates increased by 5% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021. 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) with rates decreased by 15%, projected generationally with the two-dimensional mortality improvement scale MP-2021. 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), projected generationally with the two-dimensional mortality improvement scale MP-2021.

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, 2021 actuarial valuation and rolled forward to the June 30, 2022 measurement period:

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	19.00%	5.40%
Small Cap Equity	3.00%	6.17%
Developed International Equity	15.00%	6.13%
Global Equity	11.50%	6.20%
Emerging Markets Equity	5.00%	8.17%
High Yield Bonds	6.40%	2.76%
Bank Loan	0.60%	2.02%
Real Estate	7.40%	4.59%
Private Equity	5.00%	10.83%
Private Credit	1.00%	5.93%
Timberland	0.80%	4.44%
Farmland - Row crops	0.70%	5.62%
Infrastructure	1.50%	6.02%
Real Estate (Non-Core)	2.60%	7.94%
Intermediate Duration Bonds - Gov't	10.30%	-0.24%
Intermediate Duration Bonds - Credit	10.20%	0.70%
Total	100%	4.80%

Discount Rate

The discount rate used to measure the total pension liability was 6.50% percent as of June 30, 2022. 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, 2022.

(Amounts expressed in thousands unless otherwise noted)

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, 2022, calculated using the discount rate of 6.50%, 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 (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

Table 55
County's Share of Net Pension Liability Discount Rate Sensitivity

	1% Decrease (5.50)	Current Discount Rate (6.50)	1% Increase (7.50)
County's proportionate share of the net pension plan liability	$ 7,994,983	$ 5,314,913	$ 3,129,831

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 32

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, Unit 100, San Diego, California 92108-1685, by calling (619) 515-6800, or via the following internet address https://www.sdcera.org/finance_Annual_Comprehensive_Financial_Reports.htm.

Benefits Provided

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

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

Currently, an HIA benefit is paid to retired General and Safety Tier I and Tier II Members with at least 10 years of SDCERA service credit. Reciprocal service credit and purchased service credit from work in a prior public agency do not count toward the total service credit used to determine the level of allowance. The allowance increases for each year of service credit, with a maximum allowance of $400 per month available for Members with 20 or more years of SDCERA service credit. When Members become eligible for Medicare, their HIA allowance is set at $300 per month, plus reimbursement of $93.50 per month for Medicare Part B premiums.

(Amounts expressed in thousands unless otherwise noted)

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 56

Benefit Amount for Non-Disabled Retires

Years of SDCERA Service Credit*	Monthly Allowance if Not Eligible for Medicare	Monthly Allowance if Eligible for Medicare
Less than 10	0	
10	$ 200	
11	220	300
12	240	
13	260	In addition to the allowance, $93.50 will be reimbursed to use toward the cost of the monthly Medicare Part B premium.
14	280	
15	300	
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 an actuarial valuation, actuarially determined 20-year level dollar amortization schedule. The Actuarial Valuation of Other Postemployment Benefits (OPEB) as of June 30, 2021, established the fiscal year 2023 employer contribution rate of 1.22 percent of covered payroll which amounted to $17,116 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, 2023, the County reported a liability of $69,417 for its proportionate share of the collective Net Other Postemployment Benefits Liability (NOL). The NOL was measured as of June 30, 2022 (measurement date), and determined based upon the results of the actuarial valuation as of June 30, 2022. The Plan's Fiduciary Net Position (plan assets) and the Total OPEB Liability (TOL) were also valued as of the measurement date. The NOL is equal to the difference between the TOL and the Plan's Fiduciary Net Position.

The County's proportion of the NOL, as well as its proportion of the other OPEB related deferred outflows of resources and deferred inflows of resources is determined using the employer contributions from each employer category from July 1, 2021 through June 30, 2022 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, 2022 the County's proportionate share of the NOL was approximately 92.913%, which was a decrease of approximately 0.344% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized OPEB expense of $9,614.

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

(Amounts expressed in thousands unless otherwise noted)

Table 57
OPEB Deferred Outflows/Inflows

		Deferred Outflows of Resources
Contributions to the OPEB plan subsequent to the measurement date	$	17,116
Net difference between projected and actual earnings on OPEB plan investments		3,063
	$	20,179

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.

$17,116 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, 2024.

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

Table 58
OPEB Expense

Year Ending June 30		Amount
2024	$	681
2025		649
2026		460
2027		1,273
Total	$	3,063

Actuarial Assumptions

The TOL in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, as shown in the table below:

Table 59
Actuarial Assumptions

Inflation	2.50%
Salary increases	General: 3.90% to 10.25%, including inflation and 0.50% across the board salary increases
Discount rate	6.50%
Health care trend	Non-Medicare: 7.25% graded to ultimate 4.50% over 11 years; Medicare: 6.50% graded to ultimate 4.50% over 8 years.
Health insurance allowance subsidy increases	0.00%

Changes in assumptions were made from the prior measurement period and included a decrease to the inflation rate, changes in salary increases, decrease in the discount rate, and changes in the healthcare trend. The inflation rate and discount rate were 2.75% and 7.00%, respectively, for the prior measurement period. Salary increases for the prior measurement period for General were 4.15% to 10.50% including inflation. The non-Medicare healthcare trend for the prior measurement period was 7.50% graded to ultimate 4.50% over 12 years. The Medicare healthcare trend did not change from the prior year.

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

(Amounts expressed in thousands unless otherwise noted)

Healthy Retirement. For General members mortality rates are based on Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021. 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-2021.

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 85% for males and 85% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021. For Safety members, mortality rates are based on Pub-2010 Safety Disabled Retiree Headcount-Weighted Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021.

Beneficiary. For beneficiaries, mortality rates are based on Pub-2010 General Contingent Survivor Headcount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021.

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), projected generationally with the two-dimensional mortality improvement scale MP-2021. For Safety members, mortality rates are based on Pub-2010 Safety Employee Headcount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an experience study for the period from July 1, 2018 through June 30, 2021. They are the same as the assumptions used in the June 30, 2022 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 measurement class, after deducting inflation, but before deducting investment expenses, are summarized in the following table:

Table 60

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	19.00%	5.40%
Small Cap Equity	3.00%	6.17%
Developed International Equity	15.00%	6.13%
Global Equity	11.50%	6.20%
Emerging Market Equity	5.00%	8.17%
High Yield Bonds	6.40%	2.76%
Bank Loan	0.60%	2.02%
Real Estate	7.40%	4.59%
Private Equity	5.00%	10.83%
Private Credit	1.00%	5.93%
Timberland	0.80%	4.44%
Farmland - Row Crops	0.70%	5.62%
Infrastructure	1.50%	6.02%
Real Estate (Non-Core)	2.60%	7.94%
Intermediate Duration Bonds - Gov't	10.30%	-0.24%
Intermediate Duration Bonds - Credit	10.20%	0.70%
Total	100%	4.80%

(Amounts expressed in thousands unless otherwise noted)

Discount Rate

The discount rate used to measure the TOL was 6.50% as of June 30, 2022. 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, 2022.

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, 2022, calculated using the discount rate of 6.50%, 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 (5.50%) or 1-percentage-point higher (7.50%) than the current rate; and presents the County's proportionate share of the NOL as of June 30, 2022 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 61
County's Share of Net OPEB Liability

Discount Rate Sensitivity		1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net OPEB plan liability	$	77,003	69,417	62,770

Healthcare Cost Trend Rate Sensitivity		1% Decrease *	Current Trend Rates*	1% Increase *
County's proportionate share of the net OPEB plan liability	$	68,813	69,417	69,972

* 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.

(Amounts expressed in thousands unless otherwise noted)

NOTE 33
Fund Deficits

Table 62 Fund Deficits At June 30, 2023		
Internal Service Funds:		
Facilities Management Fund	$	(33,968)
Public Liability Insurance Fund		(74,572)
Purchasing Fund		(2,412)

The Facilities Management and Purchasing Fund deficits of $34 million and $2.4 million 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 $74.6 million resulted mainly from the higher than anticipated settlement payments in fiscal year 2022-23 and the accrual of the estimated liability based on an actuarial determination that overall losses had developed significantly higher than expected. The liability increased to $137.3 million from the prior year's estimate of $103.3 million. The County intends to reduce the deficit through increased rate charges to County departments over a 10-year period starting in fiscal year 2023-24, primarily based on the 5 year history of actual expenses by department.

NOTE 34
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 ($1.101 million), to the Airport Enterprise Fund (AEF) for the Airport Projects ($2.884 million) and to the County Low and Moderate Income Housing Asset Fund (CLMIHAF) ($363 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

(Amounts expressed in thousands unless otherwise noted)

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, 2023, the interest earned on the General Fund loan accrues on the average quarterly outstanding balance, at a rate equal to the average County earned investment rate as determined by the County Treasurer. Interest earned on the AEF and CLMIHAF loans accrue at the rate mandated by Health and Safety Code 34191.4. Under California Assembly Bills ABx1 26 and AB 1484, it is expected that the County Successor Agency Private Purpose Trust Fund will pay principal and interest on the loans outstanding when funds are available for this purpose. The timing and total amount of any repayment is subject to applicable law.

NOTE 35
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 2032 but will now mature in 2030 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, 2023 were as follows:

Table 63
SDCRA Revenue Refunding Bonds

Issuance	Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2023
Revenue Refunding Bonds Series 2005A	$ 16,000	3.65 - 5.75%	2030	5,550
Total	$ 16,000			5,550

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

Table 64
SDCRA Revenue Refunding Bonds - Debt Service Requirements to Maturity

Fiscal Year	Principal	Interest	Total
2024	$ 680	292	972
2025	715	255	970
2026	755	213	968
2027	795	169	964
2028	845	122	967
2029-2030	1,760	92	1,852
Total	5,550	1,143	6,693
Less:			
Unamortized issuance discount	(16)		
Total	$ 5,534		

(Amounts expressed in thousands unless otherwise noted)

SDCRA pledged revenue for the year ended June 30, 2023 was as follows:

Table 65
SDCRA Revenue Refunding Bonds - Pledged Revenues

Debt Pledged	Final Maturity Date	Pledged Revenue To Maturity	Fiscal Year 2023 Debt Principal & Interest Paid	Fiscal Year 2023 Pledged Revenue Received
Revenue Refunding Bonds Series 2005A	2030	$ 6,693	$ 1,521	$ 1,537

Changes in Long-Term Liabilities

Long-term liability activities for the year ended June 30, 2023 were as follows:

Table 66
SDCRA Changes in Long-Term Liabilities

	Beginning Balance at July 1, 2022	Additions	Reductions	Ending Balance at June 30, 2023	Amounts Due Within One Year
Revenue Refunding Bonds Series 2005A	$ 6,725		(1,175)	5,550	680
Unamortized issuance discounts	(17)		1	(16)	(2)
Total	$ 6,708		(1,174)	5,534	678

NOTE 36

New Governmental Accounting Standards

Implementation Status

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 County has implemented this Statement for the current fiscal year.

In March 2020, the GASB issued *Statement No. 93, Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an InterBank Offered Rate.

In fiscal year 2023, the County determined that the requirements of this statement for the removal of the London Interbank Offering Rate as an appropriate benchmark interest rate - which is effective for reporting periods ending after December 31, 2022 - do not affect the financial reporting for the County. In fiscal year 2022, the County determined that all other requirements of this statement - which were effective for reporting periods beginning after June 15, 2021, and all reporting periods thereafter - also do not affect the financial reporting for the County.

In March 2020, the GASB issued *Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements.

The County has implemented this Statement for the current fiscal year.

In May 2020, the GASB issued *Statement No. 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 County has implemented this Statement for the current fiscal year.

In April 2022, the GASB issued *Statement No. 99, Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

In fiscal year 2023, the County determined that some of the requirements of this statement that were effective for fiscal year 2023 affected the County and therefore, were implemented for the current fiscal year. The remaining requirements of this statement are effective for fiscal years beginning after June 15, 2023.

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 April 2022, the GASB issued *Statement No. 99, Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

In fiscal year 2023, the County determined that some of the requirements of this statement that were effective for fiscal year 2023 affected the County and therefore, were implemented for the current fiscal year. The remaining requirements for fiscal year 2023 do not affect the financial reporting for the County. The remaining requirements of this statement are effective for fiscal years beginning after June 15, 2023.

In June 2022, the GASB issued *Statement No. 100, Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

In June 2022, the GASB issued *Statement No. 101, Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

NOTE 37
San Diego County Employees Retirement Association (SDCERA)

Investments

The California Constitution and the County Employees Retirement Law of 1937 (CERL) grant the Board of Retirement (Retirement Board) exclusive control over SDCERA's Trust Fund. The CERL permits the Board to invest, or delegate the authority to invest, Trust Fund assets through the purchase, holding or sale of any form or type of investment, financial instrument, or financial transaction. All purchases and sales of investments are accounted for on a trade-date basis, and dividends declared but not received are accrued on the ex-dividend date. Realized and unrealized gains or losses of securities are determined based on fair values.

Cash and Short-Term Investments

Cash and short-term investments are cash and assets readily convertible to cash. They include funds held in bank accounts, certificates of deposit, banker's acceptances, Treasury bills, commercial paper and other money market instruments with original maturities of 90 days or less.

Valuation of Investments

SDCERA's custodian bank provides daily valuation of portfolio assets using third-party vendors or specified alternative sources that are considered reliable. The custodian bank reviews the data received from these sources for valuation accuracy. Pricing methodologies vary by asset type and are summarized next.

Equity

Exchange-traded domestic and global equities and equity option values are based on the closing price reported by the primary exchange on which the asset trades or other agreed-upon exchange. Over-the-counter (OTC) equity investments not traded on an exchange and warrants are valued based on the last bid price.

Fixed Income

Domestic and global fixed income securities with an active market and Preferred stocks are valued based on bid prices.

Private Equity and Private Real Assets

The fair value of all private equity and private real asset investments are determined based on valuations provided in good faith by the General Partners or fund managers consistent with their valuation policies. Valuation assumptions are based upon the nature of the investments and underlying businesses, and valuation techniques vary based upon investment type and involve expert judgment. Private equity and private real assets funds are subject to annual independent audit.

Real Estate

Real estate directly owned by SDCERA is held in separate accounts. Limited Partner interests are valued based on the net asset value of the partnership, which is determined by the General Partners in accordance with the partnership's valuation policies. Properties are generally valued by an independent third-party appraisal performed on a rotational one-to-three-year basis consistent with the Uniform Standards of Professional Appraisal Practice. During the interim years, real estate values are adjusted for market conditions and cash flow activities. Real estate investments held in separate accounts and Limited Partner interests are subject to an annual independent audit.

Mortgage Loans

Table 67 presents SDCERA's mortgage loans payable associated with its real estate investments as of June 30, 2023. Principal includes amortization and terminal principal payments for the loan balance as of June 30, 2023, and interest includes interest payments on the forecasted loan balances, inclusive of additional draws after June 30, 2023.

Table 67
Mortgage Loans Payable
For the fiscal year ended June 30
(In Thousands)

Fiscal year payable		Principal (1)	Interest (2)	Total
2024	$	25,995	26,666	52,661
2025		137,562	22,058	159,620
2026		107,812	14,195	122,007
2027		48,580	9,583	58,163
2028		103,854	6,220	110,074
2029-2033		54,887	7,068	61,955
Total	$	478,690	85,790	564,480

(1) Principal includes amortization and terminal principal payments for the loan balances as of June 30, 2023.

(2) Interest includes interest payments on the forecasted loan balances, inclusive of additional draws after June 30, 2023.

Derivative Financial Instruments

Derivatives are used in investment portfolios to gain exposure to certain assets or markets, to protect against the risk of adverse moves in asset prices or to enhance returns. SDCERA permits its investment managers to use derivatives to implement their approved investment strategies within their portfolios provided such usage does not introduce market leverage to the total Trust Fund.

SDCERA reports the fair value of derivative instruments in the Statement of Fiduciary Net Position. **Table 68** presents SDCERA's derivative instruments as reported in the Statement of Fiduciary Net Position in the domestic equity, international equity, fixed income and private equity categories as of June 30, 2023.

Table 68
Derivative Instruments Summary
As of June 30, 2023
(In Thousands)

Derivative Type	Changes in Fair Value (1)	Fair Value	Notional Value
Swaps	$ 329,317	122,956	3,459,024
Options	25,855	(404)	
Forwards	(15,976)	9,177	511,504
Futures	35,621	22,089	581,079
Total	$ 374,817	153,818	4,551,607

(1) All changes in the fair value of these derivatives are reported as investment income in the Statement of Changes in Fiduciary Net Position.

Swaps

Swaps are contracts by which the parties agree to exchange cash flows and usually involve exchanging a fixed cash flow for a variable cash flow. For example, one party may agree to receive a fixed interest payment in exchange for the total return of an equity index. Swaps do not trade on exchanges. **Table 69** presents SDCERA's Swaps by Type as of June 30, 2023.

Table 69
Swaps by Type
As of June 30, 2023
(In Thousands)

Type	Description/ Counterparty	Notional Value	Fair Value
Cleared Interest Rate Swaps	Chicago Mercantile Exchange Inc		311
Cleared Interest Rate Swaps	LCH Ltd		(7,632)
Total Return Swaps	BNP Paribas SA	$ 58,434	4,172
Total Return Swaps	Citibank NA	416,298	10,926
Total Return Swaps	First Union National Bank/Charlotte NC	140,589	8,121
Total Return Swaps	HSBC Bank PLC	428,904	19,347
Total Return Swaps	JPMorgan Chase Bank NA	586,682	22,474
Total Return Swaps	Merrill Lynch & Co Inc	110,868	4,395
Total Return Swaps	Morgan Stanley & Co International PLC	517,726	(1,584)
Total Return Swaps	Royal Bank of Canada	636,856	36,320
Total Return Swaps	UBS AG/London	120,544	6,986
Total Return Swaps	Merrill Lynch International	147,917	5,434
Total Return Swaps	Wells Fargo Bank	294,206	13,686
Total		$ 3,459,024	122,956

Options

Options are contracts that give the buyer the right, but not the obligation, to buy or sell an asset at a pre-determined price by a specified date. While options may be privately negotiated, the majority of options are standardized contracts that trade on an exchange. **Table 70** presents SDCERA's Options by Type as of June 30, 2023.

Table 70
Options by Type
As of June 30, 2023
(In Thousands)

Type	Notional Value	Fair Value
Call	$	(2)
Put		(402)
Total	$	(404)

Forwards

Forwards are non-standardized, binding contracts between two parties to buy and sell an asset at a specified price at a certain future date; they do not trade on an exchange. Forwards settle at the end of the contract term. **Table 71** presents SDCERA's Forward Contracts by Type as of June 30, 2023.

Table 71
Forward Contracts by Type
As of June 30, 2023
(In Thousands)

Type		Notional Value	Fair Value
Foreign Currency Forwards	$	511,504	9,177
Total	$	511,504	9,177

Futures

Futures are standardized, binding contracts to buy and sell an asset at a specified price by a certain date. Futures are exchange-traded and settle daily. For SDCERA, net gains and losses for the daily settlements are included in the Statement of Changes in Fiduciary Net Position. **Table 72** presents a summary of SDCERA's Futures Contracts by Type as of June 30, 2023.

Table 72
Futures Contracts by Type
As of June 30, 2023
(In Thousands)

Type		Notional Value	Fair Value
Equity Futures	$	746,272	19,046
Fixed Income Futures		(165,193)	3,043
Total	$	581,079	22,089

Deposits And Investments

SDCERA retains investment managers who specialize in particular asset classes and are subject to the guidelines and controls established in SDCERA's Investment Policy Statement (IPS). SDCERA contracts with The Bank of New York Mellon (BNY Mellon) to custody Plan assets.

SDCERA's Investment Philosophy is contained in the Investment Policy Statement (IPS) and is based on Modern Portfolio Theory, which posits that a diversified portfolio with capitalization-weighted allocations to multiple asset classes will maximize Trust Fund returns and diversify against the risk of loss. Interest rate and credit risks are embedded in a capitalization-weighted portfolio, cannot be diversified away, and are observed in the expected and realized volatilities of the Trust Fund, its components, and the benchmarks. This is reviewed and reported to the Retirement Board monthly.

Any risks from deviations from the capitalization-weighted benchmarks are taken by active investment managers and these risks are captured by the expected and realized tracking error of each manager. These data are also reviewed by staff and are reported to the Retirement Board monthly at a summary level for the total Trust Fund. Chapters II.A (Investment Philosophy), III.E (Investment Manager Requirements), IV.F (Risk Measurement and Management) and G (Tracking Error), and VI.A (Asset Class Allocations, Ranges and Update Cycle) and B (Total Trust Fund Benchmarks) of the Investment Policy Statement are the formal policy statements that address these risks and overall risk management.

Highly Sensitive Investments

As of June 30, 2023, SDCERA's investments included collateralized mortgage obligations (CMO) and mortgage-backed securities totaling $176.6 million. These securities are highly sensitive to interest rate fluctuations and are subject to prepayment risk in a period of declining interest rates.

Annual Rate of Return

In FY 2023, the annual money-weighted rate of return for the Trust Fund, net of fees, was 9.5%. The money-weighted rate of return reflects investment performance, net of fees, adjusted for the timing of cash flows and the amounts invested. The money-weighted rate of return can be different than the time-weighted rate of return for the SDCERA-PP, which was 9.6%, net of fees for FY 2023.

Investment Risk

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, investment risk disclosure is required for interest rate risk, credit risk (including custodial credit risk and concentrations of credit risk) and foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that a change in interest rates will adversely impact the fair value of an investment. In general, an investment's maturity and coupon rate affect how much its price will change as a result of fluctuations in market interest rates. Interest rate risk is monitored and managed by SDCERA's investment managers in accordance with the interest rate risk parameters specified in each manager's investment guidelines.

Table 73 presents exposure to interest rate risk in terms of maturity as of June 30, 2023.

Table 73
Investment Maturities by Type
As of June 30, 2023
(In Thousands)

Investment Type		Investment Maturities (in years) Less than 1	1 - 5	6 - 10	More than 10	Totals
Agency CMO or Mortgage-Backed	$	25,912			70,374	96,286
Asset Backed		99,836	104,226	2,315	465	206,842
Commingled Funds		231,843	608,682	121,343	594,947	1,556,815
Convertibles		5,299	100,299		1,445	107,043
Corporates		152,742	775,270	42,031	30,494	1,000,537
Municipal		186				186
Non-Agency CMO or Mortgage-Backed			2,039		78,312	80,351
Private Placements		1,055,751	952,092	350,022	279,624	2,637,489
Sovereign Debt		606				606
US Government Debt		162,465	440,691	196,922	198,638	998,716
Totals	$	1,734,640	2,983,299	712,633	1,254,299	6,684,871

Credit Risk

Credit risk is the risk that a bond issuer or counterparty will fail to make timely interest and principal payments and thus default on its obligations. Credit risk is influenced by the issuers or counterparty's financial position and prior history of payments or defaults. Credit rating agencies evaluate borrowers' creditworthiness and issue ratings on debt issuances to designate the level of confidence that the borrower will honor its debt obligations as agreed. Credit rate risk is monitored and managed by SDCERA's investment managers in accordance with the credit rating parameters specified in each manager's investment guidelines.

Table 74 and **Table 75** present SDCERA's fixed income securities ratings by category as of June 30, 2023. Credit ratings were issued by Standard & Poor's (S&P) Global Ratings. The weighted average credit rating of Below Investment Grade assets was B.

Table 74
Credit Risk
As of June 30, 2023
(In Thousands)

Investment Type		AAA	AA	A	BBB	Below Investment Grade	Not Rated	Totals
Agency CMO or Mortgage-Backed	$	96,286						96,286
Asset Backed		95,163	5,109	1,858		12,681	92,031	206,842
Commingled Funds		1,031,992	74,943	155,187	135,316	95	159,282	1,556,815
Convertibles				2		4,690	102,351	107,043
Corporates			15,706	547,665		388,108	49,058	1,000,537
Municipal							186	186
Non-Agency CMO or Mortgage-Backed		13,234	1,164	7,884		8,446	49,623	80,351
Private Placements		716,952	21,683	237,681		895,232	765,941	2,637,489
Sovereign Debt						606		606
US Government Debt		998,716						998,716
Totals	$	2,952,343	118,605	950,277	135,316	1,309,858	1,218,472	6,684,871

Table 75
Credit Risk Percentage of Holdings
As of June 30, 2023

Investment Type	AAA	AA	A	BBB	Below Investment Grade	Not Rated
Agency CMO or Mortgage-Backed	3.3%					
Asset Backed	3.2%	4.3%	0.2%		1.0%	7.5%
Commingled Funds	34.9%	63.2%	16.3%	100.0%		13.1%
Convertibles					0.4%	8.4%
Corporates		13.2%	57.7%		29.6%	4.0%
Municipal						
Non-Agency CMO or Mortgage - Backed	0.5%	1.0%	0.8%		0.6%	4.1%
Private Placements	24.3%	18.3%	25.0%		68.3%	62.9%
Sovereign Debt					0.1%	
U.S. Government Debt	33.8%					
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Agency Collateralized Mortgage Obligations or Mortgage-Backed Securities

Agency collateralized mortgage obligations (CMOs) or mortgage-backed securities are securities issued by an agency that use mortgages as collateral.

Asset-Backed

Asset-backed securities are securities that are collateralized by a pool of assets such as loans, leases, credit card debt, royalties or receivables.

Commingled Funds

Commingled funds are professionally managed diversified investment portfolios comprised of assets from multiple investors and managed as a single portfolio. Commingled funds are not publicly traded and participation in them is typically limited to institutional investors.

Convertibles

Convertibles are securities that can be converted into other securities under specified conditions, such as convertible bonds or preferred stock that can be converted into shares of common stock.

Corporates

Corporates refer to debt securities issued by domestic or foreign corporations.

Municipal

Municipal bonds are debt securities issued by a state, county, city, redevelopment agency, special purpose district, school district or similar entity.

Non-Agency CMOs or Mortgage-Backed Securities

Non-Agency CMOs or mortgage-backed securities are domestic and foreign securities that use mortgages as collateral but are issued by an entity other than an agency.

Private Placements

Private placements are domestic and foreign stocks or bonds sold to pre-selected investors and institutions rather than in the open market.

Sovereign Debt

Sovereign debt refers to fixed income securities issued by the central governments of countries other than the U.S.

U.S. Government Debt

U.S. Government debt refers to fixed income securities issued by the United States of America, such as Treasury notes and bonds.

Derivative Credit Risk

Derivative instruments generally have a maturity of one year or less. **Table 76** presents counterparty credit ratings related to swaps and forward contracts in SDCERA's portfolio as of June 30, 2023. Credit ratings were issued by S&P Global Ratings.

Table 76
Credit Risk of Derivatives at Fair Value
As of June 30, 2023
(In Thousands)

Credit Rating	Swaps	Forwards
A+	$ 81,441	130
A		8,308
A-		(132)
AA-	28,688	871
Not Rated	12,827	
Total subject to credit risk	$ 122,956	9,177

Concentration of Credit Risk

Credit risk concentration refers to the risk of loss that could occur from a disproportionately large exposure to any single credit risk, such as investing a large proportion of a portfolio's assets in a single security or in the securities of a single issuer. As of June 30, 2023, in conformance with GASB Statements No. 40 and No. 67, no single issuer exceeded 5% of SDCERA's total investments or represented 5% or more of its total net position. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are exempt from GASB disclosure requirements.

Foreign Currency Risk

Foreign currency risk is the risk that a change in exchange rates will adversely impact the value of an investment. **Table 77** presents SDCERA's Net Exposure to Foreign Currency Risk. Foreign currency risk is monitored and managed by SDCERA's investment managers in accordance with the foreign currency exposure parameters specified in each manager's investment guidelines.

Table 77
Net Exposure to Foreign Currency Risk
As of June 30, 2023
(In Thousands)

Currency Name		Equity	Fixed Income	Foreign Exchange Contracts	Cash & Cash Equivalents	Commingled Funds	Total
Euro Currency Unit	$	58,796	283,889	(733)	6,926	234,854	583,732
Japanese Yen				(298)	139,580	167,396	306,678
Pound Sterling			47,466	29	1,399	103,462	152,356
Hong Kong Dollar					23	139,398	139,421
Taiwan Dollar				(3)		82,033	82,030
Indian Rupee						78,861	78,861
Canadian Dollar			16,670	(1)	7,368	51,359	75,396
Australian Dollar			9,470	118	2,151	57,293	69,032
Swiss Franc					895	67,068	67,963
South Korean Won						66,310	66,310
Brazilian Real		2			612	30,126	30,740
Chinese Yuan Renminbi						24,361	24,361
Swedish Krona					111	23,783	23,894
Saudi Riyal						21,297	21,297
Danish Krone				(1)	281	20,352	20,632
South African Rand					2	17,687	17,689
Mexican Peso					39	13,279	13,318
Thailand Baht						11,402	11,402
Indonesian Rupiah				(23)		11,176	11,153
Singapore Dollar					63	9,504	9,567
Malaysian Ringgit						7,382	7,382
Norwegian Krone					7	7,204	7,211
Uae Dirham						6,400	6,400
Chilean Peso						5,390	5,390
Qatar Rials						4,826	4,826
Polish Zloty					1	4,824	4,825
Israeli Shekel				(1)		4,782	4,781
Turkish Lira						3,659	3,659
Philippines Peso						3,199	3,199
New Zealand Dollar					383	1,795	2,178
Other (Less Than $2 Million Holdings)				(4)	12	2,867	2,875
Total	$	58,798	357,495	(917)	159,853	1,283,329	1,858,558

SDCERA also had indirect exposure to foreign currency through its investment in DFA Emerging Markets Value Portfolio (NASDAQ: DFEVX), an institutional mutual fund that invests primarily in shares of foreign equities. As of June 30, 2023, SDCERA's investment in this mutual fund totaled $97.3 million. Detailed information about the fund is available at: us.dimensional.com.

Custodial Credit Risk

Custodial credit risk is the risk of being unable to recover the value of investment or collateral securities in the possession of an outside party. Custodial credit risk is influenced by how the securities are insured and registered and where they are held. SDCERA's investments are insured, registered or held by the SDCERA-PP or its agent in the SDCERA-PP's name and therefore not exposed to custodial credit risk.

Securities Lending

SDCERA's IPS permits the SDCERA-PP to enter into securities lending transactions. SDCERA lends U.S. Government obligations, domestic and international bonds and equities to brokers with a simultaneous agreement to return collateral for the same securities plus a fee in the future. SDCERA's securities lending agent BNY Mellon manages the securities lending program and receives securities and/or cash as collateral. Cash and non-cash collateral are pledged at between 102% or 105% of the fair value of domestic securities and international securities on loan, respectively. There are no restrictions on the amount of securities that can be loaned at one time. The term to maturity of the loaned securities is generally not matched with the term to maturity of the investment of the cash collateral. BNY Mellon is required to indemnify SDCERA if the borrowers fail to return the borrowed securities.

As of June 30, 2023, the SDCERA-PP had $584.2 million in securities on loan and held cash and non-cash collateral of $637.3 million from borrowers.

Table 78 presents SDCERA's Securities Lending Transactions as of June 30, 2023.

Table 78
Securities Lending Transactions
As of June 30, 2023
(In Thousands)

		SDCERA Securities Lent	Cash and Non-Cash Collateral
Lent for cash collateral:			
Domestic corporate	$	84,884	87,058
Domestic equities		3,834	3,946
U.S. government debt		5,819	5,939
International equities		375	382
Lent for securities collateral:			
Domestic corporate		3,242	3,340
Domestic equities		12,639	13,657
U.S. government debt		461,915	510,234
International corporate		1,895	1,991
Exchange Traded		9,645	10,725
Total	$	584,248	637,272

BNY Mellon invests the cash collateral for securities lending in a separately managed, short-term investment account. As shown in **Table 79**, at June 30, 2023, the short-term investment account consisted of 100.1% overnight repurchase agreements and 0.2% asset-backed securities.

Table 79
Securities Lending Investments
As of June 30, 2023
(In Thousands)

		Fair value	% of Total
Repurchase agreements	$	97,411	100.1%
Asset-backed floating		170	0.2%
Other (cash)		(279)	(0.3%)
Total	$	97,302	100.0%

The time deposits and asset-backed securities were rated A by S&P Global Ratings. SDCERA does not have the ability to pledge or sell collateral securities without a borrower default. As of June 30, 2023, SDCERA had no credit risk exposure to borrowers.

Fair Value of Investments

SDCERA measures and records its investments using fair value measurement guidelines in accordance with generally accepted accounting principles. These guidelines recognize a three-level fair value hierarchy, as follows:

Level 1: Quoted prices for identical investments in active markets;

Level 2: Observable inputs other than quoted market prices; and,

Level 3: Unobservable inputs.

Table 80 presents a schedule of SDCERA's Fair Value Measurements as of June 30, 2023. Values are derived from BNY Mellon and are presented based on securities classification. Amounts per asset class, when aggregated, correspond to values presented in the Statement of Fiduciary Net Position.

Table 80
Fair Value Measurements
As of June 30, 2023
(In Thousands)

	Total as of 6/30/2023	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Equity Securities:				
Domestic Equity Securities	$ 3,299,849	103,284	1,154,613	2,041,952
International Equity Securities	717,781	(1,377)	277,486	441,672
Total Equity Securities	4,017,630	101,907	1,432,099	2,483,624
Fixed Income Securities	7,136,599	1,185,891	5,874,544	76,164
Private Equity	241,810			241,810
Private Real Assets	71,351			71,351
Real Estate	615,676			615,676
Total Investments by Fair Value Level	12,083,066	1,287,798	7,306,643	3,488,625
Investments measured at Net Asset Value (NAV):				
Private Equity	234,393			
Private Real Assets	349,549			
Real Estate	779,836			
Total Investments measured at NAV	1,363,778			
Investments Derivative Instruments:				
Forwards	9,177		9,177	
Futures	22,089	22,089		
Options	(404)		(404)	
Swaps	122,956		122,956	
Total Investments Derivative Instruments	153,818	22,089	131,729	
Total investments Measured at Fair Value	13,600,662			
Investments Securities Lending Collateral:				
Collateral payable for securities lending	97,324		97,324	
Total Collateral from securities lending	$ 97,324	-	97,324	

Values derived from custodian bank and presented based on securities classification. Amounts per asset class, when aggregated, correspond to values as presented in the Statement of Fiduciary Net Position.

Fixed income and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Securities classified as Level 2 are valued using matrix pricing, market corroborated pricing and inputs such as yield curves and indices. Securities classified as Level 3 are valued using investment manager pricing for private placements, private equities and real estate.

Investments valued using the net asset value (NAV) per share or its equivalent are considered “alternative investments” and, unlike more traditional investments, generally do not have readily- obtainable market values and take the form of limited partnerships. SDCERA invests in the following alternate investments:

Private Equity Funds. These funds generally invest in illiquid, non-publicly traded equity and debt securities and partnership interests. Investments in these Limited Partnership investments are stated at fair value in accordance with U.S. generally accepted accounting principles and Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*.

Private Real Assets Funds. These funds generally invest in agriculture, energy, infrastructure, metals and mining, and timber assets. The investments are typically illiquid and non-publicly traded.

Real Estate Funds. These funds invest both in U.S. and foreign commercial real estate. The fair values of the investments have been determined using the NAV per share or its equivalent of SDCERA-PP’s ownership interest in partners’ capital. Generally, these investments cannot be redeemed. Distributions from each fund are received when income is distributed or when the underlying investments in the funds are liquidated.

SDCERA values alternative investments based on the partnerships’ financial statements. If June 30 statements are available, those values are used. If partnerships have fiscal years ending dates other than June 30, the value is obtained from the most recently available valuation combined with subsequent calls and distributions.

Table 81 presents a schedule of the unfunded commitments, redemption frequency and redemption notice period for SDCERA's Alternative Investments Measured at Net Asset Value, as of June 30, 2023.

Table 81
Investments Measured at Net Assets Value (NAV)
As of June 30, 2023
(In Thousands)

	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity Funds	$ 234,393	134,132	Not Eligible	N/A
Private Real Assets Funds	349,549	85,770	Variable	Variable
Real Estate Funds	779,836	237,078	Variable	Variable
Total Investments measured at NAV	$ 1,363,778	456,980		

Commitments And Contingencies

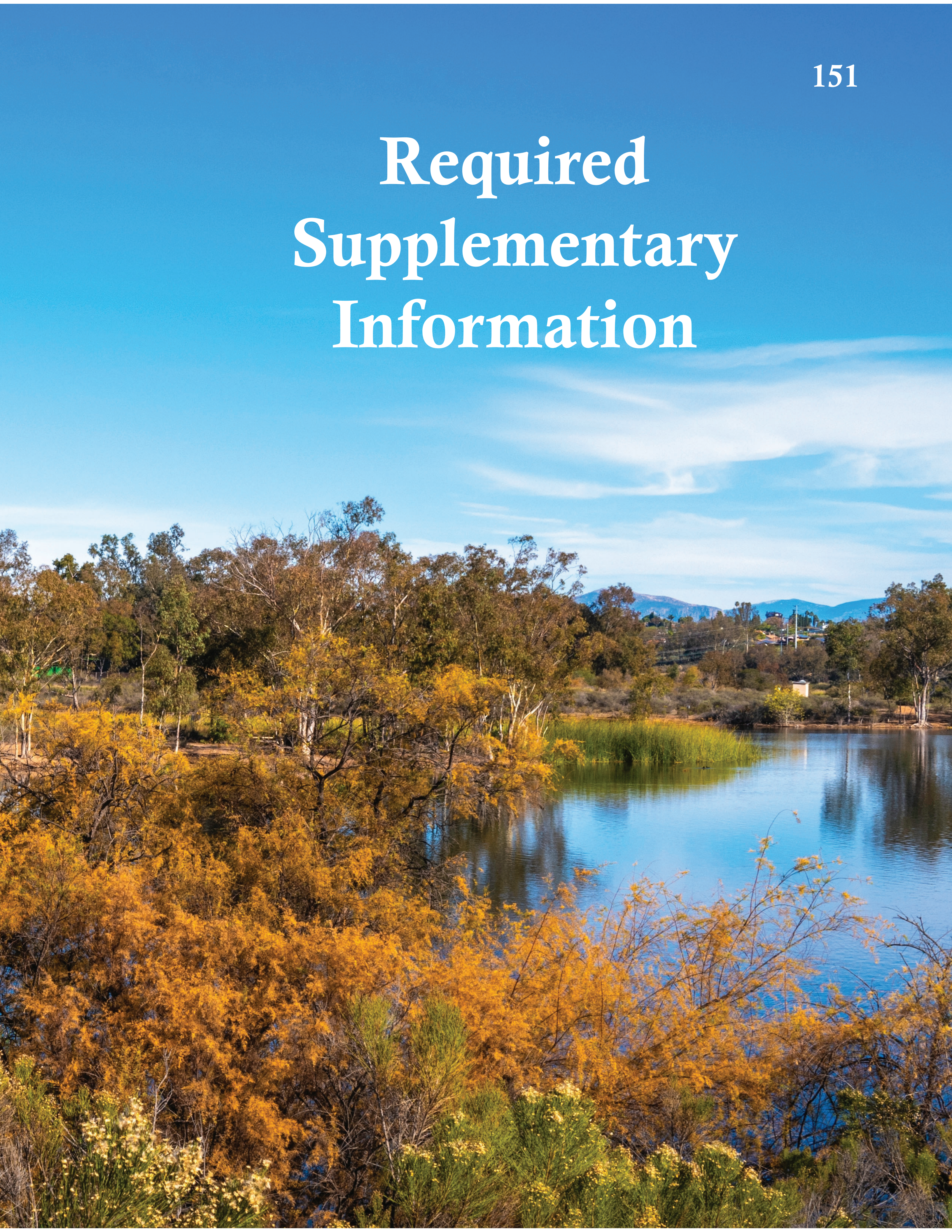
Derivative Instruments

Through certain investment managers, SDCERA is a party to derivative financial instruments. Derivative instruments include but are not limited to contracts for delayed delivery of securities, commodities or currencies in which the seller agrees to make delivery at a specified future date of a specified instrument at a specified price or yield. Risks arise from the possible inability of counterparties to meet the terms of their contract. The risk of loss from these financial instruments includes credit risk and market risk, which refers to the possibility that future changes in market prices may make such financial instruments less valuable.

Unfunded Commitments

The Statement of Fiduciary Net Position does not reflect unfunded commitments to invest in private equity funds in the amount of $134.1 million, real estate funds in the amount of $237.1 million and private real asset funds in the amount of $85.8 million. SDCERA funds these commitments from SDCERA-PP assets over multiple fiscal years.

Required Supplementary Information



Pension Plan

The schedule (in thousands) of the County's proportionate share of the San Diego County Employees Retirement Association (SDCERA) 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 2023*	Fiscal Year 2022*	Fiscal Year 2021*	Fiscal Year 2020*	Fiscal Year 2019*	Fiscal Year 2018*	Fiscal Year 2017*	Fiscal Year 2016*	Fiscal Year 2015*
County's proportion of the net pension liability	93.596%	93.800%	93.014%	93.750%	94.119%	93.136%	92.898%	92.827%	92.292%
County's proportionate share of the net pension liability	$ 5,314,913	2,246,673	4,478,532	3,790,434	3,197,900	3,433,950	3,992,748	2,593,395	1,958,456
County's covered payroll	$ 1,339,194	1,307,845	1,267,790	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	396.874%	171.784%	353.255%	318.480%	279.106%	314.575%	377.067%	250.089%	198.052%
Plan fiduciary net position as a percentage of the total pension liability	71.86%	87.07%	72.83%	76.08%	78.32%	75.56%	70.48%	78.63%	82.65%

*Amounts presented above were based on the measurement periods ending June 30, 2022, June 30, 2021, June 30, 2020, 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 SDCERA pension plan is shown in the table below:

Table 2
Schedule of the County's Contributions - Pension

	Fiscal Year 2023*	Fiscal Year 2022*	Fiscal Year 2021*	Fiscal Year 2020*	Fiscal Year 2019*	Fiscal Year 2018*	Fiscal Year 2017*	Fiscal Year 2016*	Fiscal Year 2015*
Actuarial determined contributions	$ 616,642	589,349	578,519	523,865	485,619	465,339	386,971	354,524	356,732
Contributions in relation to the actuarially determined contribution	625,412	589,349	578,519	533,885	499,451	487,841	386,971	354,524	356,732
Contribution deficiency (excess)**	(8,770)			(10,020)	(13,832)	(22,502)			
County's covered payroll	$ 1,444,698	1,339,194	1,307,845	1,267,790	1,190,184	1,145,764	1,091,617	1,058,895	1,036,987
Contributions as a percentage of covered payroll	43.29%	44.01%	44.23%	42.11%	41.96%	42.58%	35.45%	33.49%	34.40%

*Amounts presented above were based on the fiscal years ended June 30, 2023, June 30, 2022, June 30, 2021, 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.

The 10-year schedule of annual money-weighted rate of return on pension plan investments is included in the SDCERA financial report at https://www.sdcera.org/finance_Annual_Comprehensive_Financial_Reports.htm.

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 10.00% and Safety: 5.00% to 12.00% 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
	Reporting Period: June 30, 2022	**Reporting Period: June 30, 2023**
Inflation	2.75%	2.50%
Salary increases	General: 4.15% to 10.50% and Safety: 4.25% to 12.00% vary by service, including inflation.	General: 3.90% to 10.50% and Safety: 4.10% to 11.75% vary by service, including inflation and real across-the-board salary increases.
Discount rate	7.00%, net pension plan investment expense, including inflation.	6.50%, net pension plan investment expense, including inflation.
Date of last experience study	July 1, 2015 through June 30, 2018	July 1, 2018 through June 30, 2021

OPEB Plan

The schedule (in thousands) of the County's proportionate share of the SDCERA Retiree Health Plan (RHP) 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 2023*	Fiscal Year 2022*	Fiscal Year 2021*	Fiscal Year 2020*	Fiscal Year 2019*	Fiscal Year 2018*
County's proportion of the net OPEB liability		92.913%	93.257%	92.670%	93.396%	93.227%	92.594%
County's proportionate share of the net OPEB liability	$	69,417	71,147	92,006	106,033	119,483	132,163
County's covered payroll	$	1,339,194	1,307,845	1,267,790	1,190,184	1,145,764	1,091,617
County's proportionate share of the net OPEB liability as a percentage of its covered payroll		5.183%	5.440%	7.257%	8.909%	10.428%	12.107%
Plan fiduciary net position as a percentage of the total OPEB liability		32.73%	31.57%	19.70%	14.73%	10.12%	6.92%

*Amounts presented above were based on the measurement period ending June 30,2022, June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018, and June 30, 2017.

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

See note to the required supplementary information

The schedule (in thousands) of County contributions to the SDCERA RHP is shown in the table below:

Table 5
Schedule of the County's Contributions - OPEB

		Fiscal Year 2023*	Fiscal Year 2022*	Fiscal Year 2021*	Fiscal Year 2020*	Fiscal Year 2019*	Fiscal Year 2018*
Actuarial determined contributions	$	17,116	17,008	17,611	18,472	18,892	18,229
Contributions in relation to the actuarially determined contributions		17,116	17,008	17,611	18,472	18,892	18,229
Contribution deficiency (excess)							
County's covered payroll	$	1,444,698	1,339,194	1,307,845	1,267,790	1,190,184	1,145,764
Contributions as a percentage of covered payroll		1.18%	1.27%	1.35%	1.46%	1.59%	1.59%

*Amounts presented above were based on the fiscal years ended June 30, 2023, June 30, 2022, June 30, 2021, 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.

The 10-year schedule of annual money-weighted rate of return on RHP investments is included in the SDCERA financial report at https://www.sdcera.org/finance_Annual_Comprehensive_Financial_Reports.htm.

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.
	Reporting Period: June 30, 2021	**Reporting Period: June 30, 2022**
Healthcare trend	Non-Medicare: 6.75% graded to ultimate 4.50% over 9 years; Medicare: 6.25% graded to ultimate 4.50% over 7 years.	Non-Medicare: 7.50% graded to ultimate 4.50% over 12 years; Medicare: 6.50% graded to ultimate 4.50% over 8 years.
	Reporting Period: June 30, 2022	**Reporting Period: June 30, 2023**
Inflation	2.75%	2.50%
Salary increases	General: 4.15% to 10.50% including inflation.	General: 3.90% to 10.25% including inflation and 0.50% across-the-board salary increases.
Discount rate	7.00%	6.50%
Healthcare trend	Non-Medicare: 7.50% graded to ultimate 4.50% over 12 years; Medicare: 6.50% graded to ultimate 4.50% over 8 years.	Non-Medicare: 7.25% graded to ultimate 4.50% over 11 years; Medicare: 6.50% graded to ultimate 4.50% over 8 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, 2023
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	1,467,572	1,476,342	1,543,910
Licenses, permits and franchise fees		51,190	51,189	51,312
Fines, forfeitures and penalties		44,310	44,460	39,583
Revenue from use of money and property		12,110	12,110	54,783
Aid from other governmental agencies:				
State		1,674,885	1,745,722	1,715,230
Federal		1,630,386	1,618,884	1,205,320
Other		181,192	181,192	191,945
Charges for current services		466,042	466,241	446,770
Other		107,387	121,389	240,353
Total revenues		5,635,074	5,717,529	5,489,206
Expenditures:				
Current:				
General government:				
Assessor/recorder/county clerk - finance		57,059	59,482	48,414
Auditor and controller		32,142	30,827	29,055
Auditor and controller - information technology management services		13,150	14,463	6,438
Board of supervisors district #1		2,826	3,224	2,620
Board of supervisors district #2		2,889	3,339	3,070
Board of supervisors district #3		2,817	3,126	2,643
Board of supervisors district #4		2,903	3,292	2,606
Board of supervisors district #5		2,880	2,973	2,660
Board of supervisors general office		563	563	510
Chief administrative office - legislative and administrative		12,226	11,883	7,260
Civil service commission		605	605	579
Clerk of the board of supervisors - legislative and administrative		4,941	4,939	4,613
Community enhancement		10,209	11,347	8,374
Community projects		11,946	11,910	10,064
County communications office		5,488	5,487	3,879
County counsel		38,995	38,996	35,598
County technology office		11,800	11,798	9,174
Countywide general expense		354,796	324,207	59,288
Finance and general government - legislative and administrative		9,668	13,646	12,955
Finance and general government - other general		27,299	34,183	7,394
Finance and general government group - CAC major maintenance		8,086	9,459	7,879
Finance and general government group - finance		6,068	7,252	4,887
Human resources - other general government		7,403	7,453	5,701
Human resources - personnel		28,353	28,245	25,333
Land use and environment - legislative and administrative		15,483	14,682	10,368
Lease payments - bonds		51	51	
Office of evaluation, performance and analytics		4,744	4,744	2,165
Public safety - legislative and administrative		24,288	23,982	12,148
Public works, dept of gen			307	275
Registrar of voters		43,228	43,227	33,213
Treasurer - tax collector		23,422	23,424	21,029
Total general government		766,328	753,116	380,192

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SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2023
(In Thousands)

(Continued)	Original Budget	Final Budget	Actual
Public protection:			
Agriculture, weights and measures	28,855	28,558	20,379
Agriculture, weights and measures - sealer	5,863	6,223	5,827
Assessor/recorder/county clerk - other protection	27,795	25,397	18,969
Child support	46,141	43,773	42,486
Citizens law enforcement review board	1,761	1,761	1,610
Contributions for trial courts	65,327	67,522	67,015
Department of animal services	9,640	9,695	9,669
District attorney - judicial	252,210	247,411	220,730
Fire protection, Office of emergency services	71,046	70,127	62,012
Grand jury	607	605	454
Health and human services agency - public administrator/public guardian		5,561	3,601
Local agency formation commission administration	514	514	514
Medical examiner	15,507	16,126	15,788
Office of emergency services	11,669	11,668	9,307
Penalty Assessment	3,129	3,129	
Planning and development services	80,057	80,056	32,306
Probation - detention and correction	196,584	196,320	154,004
Probation - juvenile detention	59,088	55,943	60,621
Public defender	124,343	120,089	113,062
Public works, flood control, soil and water, general	27,783	27,866	21,494
Sheriff - adult detention	422,341	396,207	392,889
Sheriff - detention and correction	6,078	6,984	7,026
Sheriff - other protection	3,978	3,499	3,431
Sheriff - police protection	720,728	720,063	597,230
Total public protection	2,181,044	2,145,097	1,860,424
Public ways and facilities:			
Public works, general - public ways	6,860	6,762	3,928
Total public ways and facilities	6,860	6,762	3,928
Health and sanitation:			
Environmental health and quality	60,378	60,418	51,254
Health and human services agency - drug and alcohol abuse services	180,080	173,808	174,278
Health and human services agency - health	440,029	434,432	305,208
Health and human services agency - health administration	1,872	1,872	1,403
Health and human services agency - medical care	72,561	71,536	66,597
Health and human services agency - mental health	682,640	668,511	629,675
Total health and sanitation	1,437,560	1,410,577	1,228,415

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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, 2023
(In Thousands)

(Continued)		Original Budget	Final Budget	Actual
Public assistance:				
Health and human services agency - medical services		5,872	5,043	2,157
Health and human services agency - other assistance		654,306	683,121	435,556
Health and human services agency - social administration		994,462	1,077,812	1,052,897
Health and human services agency - veterans' services		14,901	15,361	13,563
Probation - care of court wards		16,707	10,181	8,329
Total public assistance		1,686,248	1,791,518	1,512,502
Education:				
Agriculture, weights and measures		926	870	836
Total education		926	870	836
Recreation and cultural:				
Parks and recreation		84,703	84,135	56,269
Total recreation and cultural		84,703	84,135	56,269
Capital outlay		114,211	100,174	53,830
Debt service:				
Principal		66,377	73,197	64,283
Interest		13,138	13,381	11,640
Total expenditures		6,357,395	6,378,827	5,172,319
Excess (deficiency) of revenues over (under) expenditures		(722,321)	(661,298)	316,887
Other financing sources (uses):				
Sale of capital assets				328
Issuance of leases:				
Leases		2,553	2,553	2,553
Issuance of subscriptions:				
Subscriptions		11,795	11,795	11,795
Transfers in		471,908	477,882	397,099
Transfers out		(753,687)	(828,048)	(267,161)
Total other financing sources (uses)		(267,431)	(335,818)	144,614
Net change in fund balances		(989,752)	(997,116)	461,501
Fund balances at beginning of year		2,350,009	2,350,009	2,350,009
Increase (decrease) in nonspendable inventories			6,405	6,405
Fund balances at end of year	$	1,360,257	1,359,298	2,817,915

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, 2023
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Aid from other governmental agencies:				
State	$	370,333	370,333	376,995
Total revenues		370,333	370,333	376,995
Excess (deficiency) of revenues over (under) expenditures		370,333	370,333	376,995
Other financing sources (uses):				
Transfers out		(442,773)	(442,773)	(369,366)
Total other financing sources (uses)		(442,773)	(442,773)	(369,366)
Net change in fund balances		(72,440)	(72,440)	7,629
Fund balances at beginning of year		150,424	150,424	150,424
Fund balances at end of year	$	77,984	77,984	158,053

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, 2023
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	1,900	1,900	5,379
Total revenues		1,900	1,900	5,379
Expenditures:				
Current:				
General government:				
Tobacco settlement		200	200	136
Total general government		200	200	136
Total expenditures		200	200	136
Excess (deficiency) of revenues over (under) expenditures		1,700	1,700	5,243
Other financing sources (uses):				
Transfers out		(15,113)	(15,113)	(15,113)
Total other financing sources (uses)		(15,113)	(15,113)	(15,113)
Net change in fund balances		(13,413)	(13,413)	(9,870)
Fund balances at beginning of year		257,936	257,936	257,936
Fund balances at end of year	$	244,523	244,523	248,066

See note to the required supplementary information

Budgetary Information

General Budget Policies

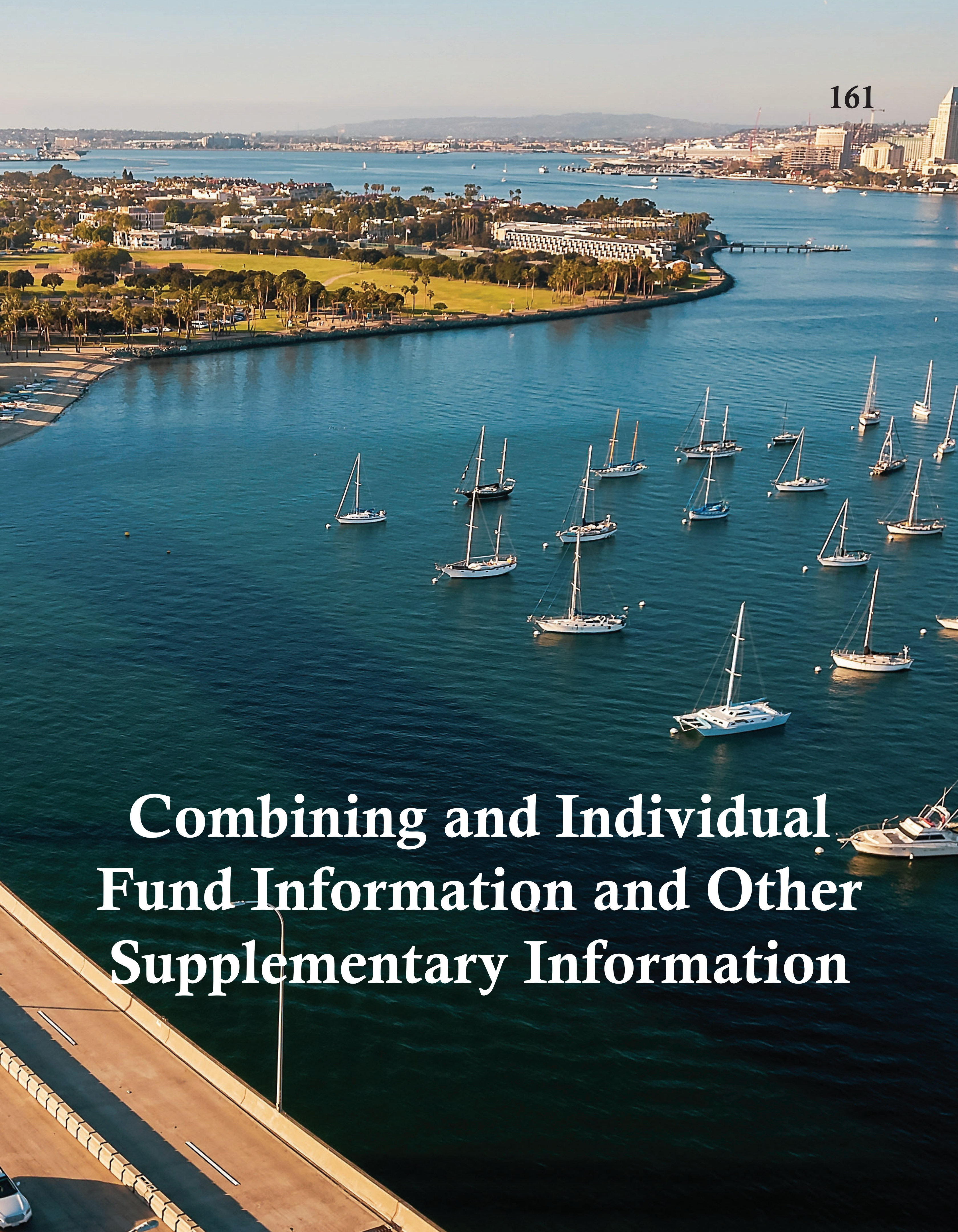
An operating budget is adopted each fiscal year by the Board of Supervisors for the governmental funds. The annual resolution adopts the budget at the object level of expenditures within departments. Annual budgets are not required to be adopted for the Tobacco Securitization Joint Special Revenue Fund; 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.

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 34176 (b) and (b)(2), the City of Santee elected to transfer the housing functions of the Successor Agency to the Community Development Commission of the City of Santee, to the County of San Diego Housing Authority (Housing Authority). This fund was created in fiscal year 2013-14 and the use of this fund is restricted for housing activities.

Housing Authority - Other Fund

This fund was established to account for revenues and expenditures of programs administered by the Housing Authority. These programs assist individuals and families to reside in decent, safe, and sanitary housing. The U.S. Department of Housing and Urban Development (HUD) provides the majority of the funding for the Housing Authority's program expenditures.

In Home Supportive Services Public Authority Fund (IHSSPA)

This authority was established for the administration of the IHSSPA registry, investigation of the qualifications and background of potential registry personnel, referral of registry personnel to IHSSPA recipients and the provision for training of providers and recipients. IHSSPA is funded by the State's social services realignment fund, federal and state programs. The monies are initially deposited into the County's General Fund, and transferred to the IHSSPA fund. This fund is restricted for in home supportive services.

Inactive Wastesites Fund

This fund was established to receive one-time homeowner association deposits and residual funds from the sale of the County’s Solid Waste System. Expenditures include repairs, maintenance and care for the County’s inactive landfill sites in accordance with all applicable governmental regulations, laws and guidelines. This fund is committed to landfill postclosure and inactive landfill maintenance.

Incarcerated Peoples and Ward Welfare Program Fund

This fund was established to receive telephone and other vending proceeds from stores operated in connection with the County jails and juvenile facilities. This fund is restricted by law, primarily for the benefit, education, and welfare of wards and incarcerated persons.

Lighting Maintenance District Fund

This fund was established to provide street and road lighting services to specified areas of the county. Revenue sources include ad valorem taxes, benefit fees, state funding and charges to property owners. This fund is restricted for street and road lighting maintenance.

Other Special Revenue Funds

These funds were established to receive user fees, land lease revenues and fines. The activities (expenditures) of these funds are restricted for retracement or remonument surveys, improvements for grazing lands, wildlife propagation and aviation purposes, capital improvements and repairs, contracts administration, data collection, analysis and reporting, and responding to complaints regarding trash and trash haulers in unincorporated areas.

Park Land Dedication Fund

This fund was established to receive and expend special park land dedication fees from developers of land as a condition for approval of any development. The fees may be used for the purchase of land and the development of land for active park or recreational facilities. These facilities serve the future residents of such developments and the greater county at large. In lieu of the payment of these fees, the developer may dedicate land for active park or recreational facilities. This fund is restricted, as per the Park Land Dedication Ordinance, to developing new or rehabilitating existing neighborhood or community park or recreational facilities.

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 FUNDS

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.

SANCAL Fund

This fund is used to account for the expenditures of the proceeds from the sale of certificates of participation of the San Diego Capital Asset Leasing Corporation (SANCAL) used to pay construction costs for the County's Youth Transition Campus. This fund is restricted for capital projects per various debt covenants.

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023
(In Thousands)

		Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS					
Pooled cash and investments	$	480,383	11,168	24,348	515,899
Receivables, net		145,625	199	6,775	152,599
Lease receivables		9,035			9,035
Property taxes receivables, net		1,303			1,303
Due from other funds		3,016	298	28,664	31,978
Inventories		1,440			1,440
Deposits with others		8			8
Prepaid items		427			427
Restricted assets:					
Cash with fiscal agents		250		830	1,080
Investments with fiscal agents		38,347	115		38,462
Total assets		679,834	11,780	60,617	752,231
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable		19,815		33,524	53,339
Accrued payroll		3,096			3,096
Due to other funds		9,720		26,610	36,330
Unearned revenue		9,268		317	9,585
Total liabilities		41,899		60,451	102,350
DEFERRED INFLOW OF RESOURCES					
Non-pension:					
Leases		8,912			8,912
Property taxes received in advance		993			993
Unavailable revenue		119,200			119,200
Total deferred inflows of resources		129,105			129,105
FUND BALANCES					
Nonspendable:					
Not in spendable form:					
Loans, due from other funds and prepaids		4,207			4,207
Inventories and deposits with others		1,448			1,448
Restricted for:					
Creditors - Debt service		36,160	11,780		47,940
Creditors - Capital projects				166	166
Grantors - Housing assistance		10,349			10,349
Laws or regulations of other governments:					
Future road improvements		238,317			238,317
Fund purpose		129,066			129,066
Other purposes		37,494			37,494
Committed to:					
Roadway major maintenance and safety projects		7,401			7,401
Landfill closure, postclosure and landfill maintenance		44,388			44,388
Total fund balances		508,830	11,780	166	520,776
Total liabilities, deferred inflows of resources and fund balances	$	679,834	11,780	60,617	752,231

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2023
(In Thousands)

		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	$	12,242	6,506	16,168	428
Receivables, net		103	73	1,493	4,926
Lease receivables					
Property taxes receivables, net				780	
Due from other funds		2			363
Inventories		159		65	
Deposits with others					
Prepaid items					3
Restricted assets:					
Cash with fiscal agents					
Investments with fiscal agents					
Total assets		12,506	6,579	18,506	5,720
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable		81	170	1,809	
Accrued payroll				1,051	
Due to other funds		6	11	1,267	1
Unearned revenue			572	153	
Total liabilities		87	753	4,280	1
DEFERRED INFLOWS OF RESOURCES					
Non-pension:					
Leases					
Property taxes received in advance				706	
Unavailable revenue				715	1,509
Total deferred inflows of resources				1,421	1,509
FUND BALANCES					
Nonspendable:					
Not in spendable form:					
Loans, due from other funds and prepaids					3,783
Inventories and deposits with others		159		65	
Restricted for:					
Creditors - Debt service					
Grantors - Housing assistance					
Laws or regulations of other governments:					
Future road improvements					
Fund purpose		12,260	5,826	12,740	427
Other purposes					
Committed to:					
Roadway major maintenance and safety projects					
Landfill postclosure and landfill maintenance					
Total fund balances		12,419	5,826	12,805	4,210
Total liabilities, deferred inflows of resources and fund balances	$	12,506	6,579	18,506	5,720

Continued on next page

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2023
(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	$	29,016	1,605	37,841	1,566	636
Receivables, net		1,471	852	407	16	19,939
Lease receivables			8,692			
Property taxes receivables, net		405		94		
Due from other funds		491	1,742			
Inventories		80		4		
Deposits with others						
Prepaid items						
Restricted assets:						
Cash with fiscal agents						
Investments with fiscal agents					2,447	
Total assets		31,463	12,891	38,346	4,029	20,575
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable		1,188		264		
Accrued payroll						
Due to other funds		2,109	2	272	38	
Unearned revenue				136		559
Total liabilities		3,297	2	672	38	559
DEFERRED INFLOWS OF RESOURCES						
Non-pension:						
Leases			8,579			
Property taxes received in advance		165		98		
Unavailable revenue		374		79		19,935
Total deferred inflows of resources		539	8,579	177		19,935
FUND BALANCES						
Nonspendable:						
Not in spendable form:						
Loans, due from other funds and prepaids						
Inventories and deposits with others		80		4		
Restricted for:						
Creditors - Debt service						
Grantors - Housing assistance						
Laws or regulations of other governments:						
Future road improvements						
Fund purpose		27,547	4,310		3,991	81
Other purposes				37,493		
Committed to:						
Roadway major maintenance and safety projects						
Landfill postclosure and landfill maintenance						
Total fund balances		27,627	4,310	37,497	3,991	81
Total liabilities, deferred inflows of resources and fund balances	$	31,463	12,891	38,346	4,029	20,575

Continued on next page

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2023
(In Thousands)

(Continued)		Housing Authority - Other Fund	In Home Supportive Services Public Authority Fund	Inactive Wastesites Fund	Incarcerated People's and Ward Welfare Program Fund	Lighting Maintenance District Fund
ASSETS						
Pooled cash and investments	$	6,993	2,836	45,361	16,029	5,169
Receivables, net		5,841	46	413	143	46
Lease receivables				343		
Property taxes receivables, net						24
Due from other funds		111	244	1	13	
Inventories					226	75
Deposits with others		8				
Prepaid items		2				
Restricted assets:						
Cash with fiscal agents		250				
Investments with fiscal agents						
Total assets		13,205	3,126	46,118	16,411	5,314
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable		864	78	1,157	776	154
Accrued payroll			214	52		
Due to other funds		273	2,821	188	461	29
Unearned revenue		1,009				
Total liabilities		2,146	3,113	1,397	1,237	183
DEFERRED INFLOWS OF RESOURCES						
Non-pension:						
Leases				333		
Property taxes received in advance						24
Unavailable revenue		583				20
Total deferred inflows of resources		583		333		44
FUND BALANCES						
Nonspendable:						
Not in spendable form:						
Loans, due from other funds and prepaids		2				
Inventories and deposits with others		8			226	75
Restricted for:						
Creditors - Debt service		116				
Grantors - Housing assistance		10,349				
Laws or regulations of other governments:						
Future road improvements						
Fund purpose			13		14,948	5,012
Other purposes		1				
Committed to:						
Roadway major maintenance and safety projects						
Landfill postclosure and landfill maintenance				44,388		
Total fund balances		10,476	13	44,388	15,174	5,087
Total liabilities, deferred inflows of resources and fund balances	$	13,205	3,126	46,118	16,411	5,314

Continued on next page

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2023
(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	$	7,721	34,029	256,237		480,383
Receivables, net		871	300	92,612	16,073	145,625
Lease receivables						9,035
Property taxes receivables, net						1,303
Due from other funds		21		28		3,016
Inventories				831		1,440
Deposits with others						8
Prepaid items				422		427
Restricted assets:						
Cash with fiscal agents						250
Investments with fiscal agents					35,900	38,347
Total assets		8,613	34,329	350,130	51,973	679,834
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable		186		13,088		19,815
Accrued payroll		55		1,724		3,096
Due to other funds		55	735	1,452		9,720
Unearned revenue				6,839		9,268
Total liabilities		296	735	23,103		41,899
DEFERRED INFLOWS OF RESOURCES						
Non-pension:						
Leases						8,912
Property taxes received in advance						993
Unavailable revenue				80,056	15,929	119,200
Total deferred inflows of resources				80,056	15,929	129,105
FUND BALANCES						
Nonspendable:						
Not in spendable form:						
Loans, due from other funds and prepaids				422		4,207
Inventories and deposits with others				831		1,448
Restricted for:						
Creditors - Debt service					36,044	36,160
Grantors - Housing assistance						10,349
Laws or regulations of other governments:						
Future road improvements				238,317		238,317
Fund purpose		8,317	33,594			129,066
Other purposes						37,494
Committed to:						
Roadway major maintenance and safety projects				7,401		7,401
Landfill postclosure and landfill maintenance						44,388
Total fund balances		8,317	33,594	246,971	36,044	508,830
Total liabilities, deferred inflows of resources and fund balances	$	8,613	34,329	350,130	51,973	679,834

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DEBT SERVICE FUNDS
June 30, 2023
(In Thousands)

		Pension Obligation Bonds Fund	San Diego Regional Building Authority Fund	SANCAL Fund	Total Debt Service Funds
ASSETS					
Pooled cash and investments	$	1,550	4,313	5,305	11,168
Receivables, net		14	41	144	199
Due from other funds		298			298
Restricted assets:					
Investments with fiscal agents		32	9	74	115
Total assets		1,894	4,363	5,523	11,780
FUND BALANCES					
Restricted for:					
Creditors - Debt service		1,894	4,363	5,523	11,780
Total Fund Balance		1,894	4,363	5,523	11,780
Total liabilities, deferred inflows of resources and fund balances	$	1,894	4,363	5,523	11,780

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
June 30, 2023
(In Thousands)

		Capital Outlay Fund	Harmony Grove Community Facilities District Fund	SANCAL Fund	Total Capital Projects Funds
ASSETS					
Pooled cash and investments	$	20,481	166	3,701	24,348
Receivables, net		6,775			6,775
Due from other funds		28,664			28,664
Restricted Assets					
Cash with fiscal agents		830			830
Total assets		56,750	166	3,701	60,617
DEFERRED OUTFLOWS OF RESOURCES					
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable		29,823		3,701	33,524
Due to other funds		26,610			26,610
Unearned revenue		317			317
Total liabilities		56,750		3,701	60,451
FUND BALANCES					
Restricted for:					
Creditors - Capital projects			166		166
Laws or regulations of other governments:					
Total fund balances			166		166
Total liabilities, deferred inflows of resources and fund balances	$	56,750	166	3,701	60,617

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023
(In Thousands)

		Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:					
Taxes	$	76,100			76,100
Licenses, permits and franchise fees		15,127			15,127
Fines, forfeitures and penalties		1,197			1,197
Revenue from use of money and property		14,325	7,462	1,507	23,294
Aid from other governmental agencies:					
State		132,882		1,852	134,734
Federal		220,603		3,840	224,443
Other		9,511		7,615	17,126
Charges for current services		39,254		3,586	42,840
Other		36,871	5,292	76	42,239
Total revenues		545,870	12,754	18,476	577,100
Expenditures:					
Current:					
General government		596	6,054	4,412	11,062
Public protection		25,261			25,261
Public ways and facilities		90,790			90,790
Health and sanitation		36,957			36,957
Public assistance		251,826			251,826
Education		56,945			56,945
Recreation and cultural		3,672			3,672
Capital outlay		61,610		214,553	276,163
Debt service:					
Principal		16,376	62,835		79,211
Interest		16,359	21,189		37,548
Total expenditures		560,392	90,078	218,965	869,435
Excess (deficiency) of revenues over (under) expenditures		(14,522)	(77,324)	(200,489)	(292,335)
Other financing sources (uses):					
Sale of capital assets		978			978
Issuance of subscriptions:					
Subscriptions		535			535
Transfers in		43,671	76,356	146,612	266,639
Transfers out		(21,834)		(1,742)	(23,576)
Total other financing sources (uses)		23,350	76,356	144,870	244,576
Net change in fund balances		8,828	(968)	(55,619)	(47,759)
Fund balances at beginning of year		499,628	12,748	55,785	568,161
Increase (decrease) in nonspendable inventories		374			374
Fund balances at end of year	$	508,830	11,780	166	520,776

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2023
(In thousands)

		Asset Forfeiture Program Fund	Community Facilities District Funds Other	County Library Fund	County Low and Moderate Income Housing Asset Fund
Revenues:					
Taxes			3,173	47,833	
Licenses, permits and franchise fees					
Fines, forfeitures and penalties	$	1,151			
Revenue from use of money and property		209	205	371	10
Aid from other governmental agencies:					
State				355	
Federal		2,393		1,179	
Other				8,573	
Charges for current services				196	
Other				153	16
Total revenues		3,753	3,378	58,660	26
Expenditures:					
Current:					
General government					
Public protection		829	3,316		
Public ways and facilities					
Health and sanitation					
Public assistance					6
Education				56,945	
Recreation and cultural			237		
Capital outlay		50		535	
Debt service:					
Principal				646	
Interest				3	
Total expenditures		879	3,553	58,129	6
Excess (deficiency) of revenues over (under) expenditures		2,874	(175)	531	20
Other financing sources (uses):					
Sale of capital assets		11			
Issuance of subscriptions:					
Subscriptions				535	
Transfers in					
Transfers out		(22)	(111)	(1,913)	
Total other financing sources (uses)		(11)	(111)	(1,378)	
Net change in fund balances		2,863	(286)	(847)	20
Fund balances at beginning of year		9,460	6,112	13,588	4,190
Increase (decrease) in nonspendable inventories		96		64	
Fund balances at end of year	$	12,419	5,826	12,805	4,210

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, 2023
(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	$	16,067		6,545	883	
Licenses, permits and franchise fees						
Fines, forfeitures and penalties						
Revenue from use of money and property		1,472	954	583	113	13
Aid from other governmental agencies:						
State		51		33		
Federal		4,871	813	44		
Other		61		42		
Charges for current services		12,112		1,097		
Other		1,100				
Total revenues		35,734	1,767	8,344	996	13
Expenditures:						
Current:						
General government		257	113			
Public protection		11,869		6,043		
Public ways and facilities		1,544			643	
Health and sanitation		23,728				
Public assistance						2
Education						
Recreation and cultural		3,025				
Capital outlay				438		
Debt service:						
Principal				35		
Interest				1		
Total expenditures		40,423	113	6,517	643	2
Excess (deficiency) of revenues over (under) expenditures		(4,689)	1,654	1,827	353	11
Other financing sources (uses):						
Sale of capital assets			967			
Issuance of subscriptions:						
Subscriptions						
Transfers in		11	1,742	1,926		
Transfers out		(6,585)	(8,479)	(88)		
Total other financing sources (uses)		(6,574)	(5,770)	1,838		
Net change in fund balances		(11,263)	(4,116)	3,665	353	11
Fund balances at beginning of year		38,891	8,426	33,831	3,638	70
Increase (decrease) in nonspendable inventories		(1)		1		
Fund balances at end of year	$	27,627	4,310	37,497	3,991	81

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, 2023
(In thousands)

(Continued)		Housing Authority - Other Fund	In Home Supportive Services Public Authority Fund	Inactive Wastesites Fund	Incarcerated Peoples and Ward Welfare Program Fund	Lighting Maintenance District Fund
Revenues:						
Taxes						1,599
Licenses, permits and franchise fees						
Fines, forfeitures and penalties	$					
Revenue from use of money and property		1,262	173	1,764	408	147
Aid from other governmental agencies:						
State						8
Federal		206,182				
Other		17				1
Charges for current services		4,305	2,043			276
Other		265		2,700	39	
Total revenues		212,031	2,216	4,464	447	2,031
Expenditures:						
Current:						
General government						
Public protection					3,161	
Public ways and facilities						2,121
Health and sanitation				10,211		
Public assistance		212,178	39,640			
Education						
Recreation and cultural						
Capital outlay				37	6	
Debt service:						
Principal		156	182			172
Interest		9	14			1
Total expenditures		212,343	39,836	10,248	3,167	2,294
Excess (deficiency) of revenues over (under) expenditures		(312)	(37,620)	(5,784)	(2,720)	(263)
Other financing sources (uses):						
Sale of capital assets						
Issuance of subscriptions:						
Subscriptions						
Transfers in			37,611		2,000	
Transfers out		(301)		(38)	(448)	
Total other financing sources (uses)		(301)	37,611	(38)	1,552	
Net change in fund balances		(613)	(9)	(5,822)	(1,168)	(263)
Fund balances at beginning of year		11,089	22	50,210	16,285	5,340
Increase (decrease) in nonspendable inventories					57	10
Fund balances at end of year	$	10,476	13	44,388	15,174	5,087

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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, 2023
(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						76,100
Licenses, permits and franchise fees			4,770	10,357		15,127
Fines, forfeitures and penalties	$	46				1,197
Revenue from use of money and property		(39)	771	4,655	1,254	14,325
Aid from other governmental agencies:						
State		1,001		131,434		132,882
Federal				5,121		220,603
Other				817		9,511
Charges for current services		3,491		15,734		39,254
Other				419	32,179	36,871
Total revenues		4,499	5,541	168,537	33,433	545,870
Expenditures:						
Current:						
General government					226	596
Public protection		43				25,261
Public ways and facilities				86,482		90,790
Health and sanitation		3,018				36,957
Public assistance						251,826
Education						56,945
Recreation and cultural			410			3,672
Capital outlay				60,544		61,610
Debt service:						
Principal				95	15,090	16,376
Interest				1	16,330	16,359
Total expenditures		3,061	410	147,122	31,646	560,392
Excess (deficiency) of revenues over (under) expenditures		1,438	5,131	21,415	1,787	(14,522)
Other financing sources (uses):						
Sale of capital assets						978
Issuance of subscriptions:						
Subscriptions						535
Transfers in				381		43,671
Transfers out		(103)	(1,599)	(2,147)		(21,834)
Total other financing sources (uses)		(103)	(1,599)	(1,766)		23,350
Net change in fund balances		1,335	3,532	19,649	1,787	8,828
Fund balances at beginning of year		6,982	30,062	227,175	34,257	499,628
Increase (decrease) in nonspendable inventories				147		374
Fund balances at end of year	$	8,317	33,594	246,971	36,044	508,830

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
DEBT SERVICE FUNDS
For the Year Ended June 30, 2023
(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	$	241	6,233	988	7,462
Other		5,292			5,292
Total revenues		5,533	6,233	988	12,754
Expenditures:					
Current:					
General government			6,054		6,054
Debt service:					
Principal		62,835			62,835
Interest		18,547	89	2,553	21,189
Total expenditures		81,382	6,143	2,553	90,078
Excess (deficiency) of revenues over (under) expenditures		(75,849)	90	(1,565)	(77,324)
Other financing sources (uses):					
Transfers in		76,346	10		76,356
Total other financing sources (uses)		76,346	10		76,356
Net change in fund balances		497	100	(1,565)	(968)
Fund balances at beginning of year		1,397	4,263	7,088	12,748
Fund balances at end of year	$	1,894	4,363	5,523	11,780

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2023
(In Thousands)

		Capital Outlay Fund	Harmony Grove Community Facilities District Fund	SANCAL	Total Capital Projects Funds
Revenues:					
Revenue from use of money and property			166	1,341	1,507
Aid from other governmental agencies:					
State	$	1,852			1,852
Federal		3,840			3,840
Other		7,615			7,615
Charges for current services		2,282	1,304		3,586
Other		76			76
Total revenues		15,665	1,470	1,341	18,476
Expenditures:					
Current:					
General government		4,412			4,412
Capital outlay		156,123	8,893	49,537	214,553
Total expenditures		160,535	8,893	49,537	218,965
Excess (deficiency) of revenues over (under) expenditures		(144,870)	(7,423)	(48,196)	(200,489)
Other financing sources (uses):					
Transfers in		146,612			146,612
Transfers out		(1,742)			(1,742)
Total other financing sources (uses)	$	144,870			144,870
Net change in fund balances			(7,423)	(48,196)	(55,619)
Fund balances at beginning of year			7,589	48,196	55,785
Fund balances at end of year			166		166

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ASSET FORFEITURE PROGRAM FUND
For the Year Ended June 30, 2023
(In Thousands)

	Original Budget	Final Budget	Actual
Revenues:			
Fines, forfeitures and penalties			1,151
Revenue from use of money and property			209
Aid from other governmental agencies:			
Federal			2,393
Total revenues			3,753
Expenditures:			
Current:			
Public protection:			
District attorney asset forfeiture program - federal	$ 806	786	235
District attorney asset forfeiture program - state	100	100	47
District attorney asset forfeiture program - US Treasury	50	50	
Probation asset forfeiture program	100	100	
Sheriff's asset forfeiture program	305	305	284
Sheriff's asset forfeiture State	100	100	
Sheriff's asset forfeiture US Treasury	1,450	1,450	263
Total public protection	2,911	2,891	829
Capital outlay	250	270	50
Total expenditures	3,161	3,161	879
Excess (deficiency) of revenues over (under) expenditures	(3,161)	(3,161)	2,874
Other financing sources (uses):			
Sale of capital assets			11
Transfers out	(150)	(150)	(22)
Total other financing sources (uses)	(150)	(150)	(11)
Net change in fund balances	(3,311)	(3,311)	2,863
Fund balances at beginning of year	9,460	9,460	9,460
Increase (decrease) in nonspendable inventories		96	96
Fund balances at end of year	$ 6,149	6,245	12,419

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY FACILITIES DISTRICT FUNDS - OTHER
For the Year Ended June 30, 2023
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	3,202	3,240	3,173
Fines, forfeitures and penalties		5	5	
Revenue from use of money and property		44	44	205
Other		424	424	
Total revenues		3,675	3,713	3,378
Expenditures:				
Current:				
Public protection:				
Horse Creek Ridge CFD 13-01 Special Tax C		344	344	310
SDCFPD CFD 04-01 SPECIAL TAX A		7	7	6
SDCFPD EOM CFD 09-01 SPECIAL TAX A		120	120	87
SDCFPD EOM CFD 09-01 SPECIAL TAX B		2,925	2,925	2,913
Total public protection		3,396	3,396	3,316
Recreation and cultural:				
Horse Creek Ridge CFD 13-01 Interim		571	571	214
Horse Creek Ridge CFD 13-01 Special Tax A		136	136	8
Sweetwater pl maint CFD 19-02 Special Tax		161	161	15
Piper Otay CFD 22-01 Tax A			38	
Total recreation and cultural		868	906	237
Total expenditures		4,264	4,302	3,553
Excess (deficiency) of revenues over (under) expenditures		(589)	(589)	(175)
Other financing sources (uses):				
Transfers out		(320)	(320)	(111)
Total other financing sources (uses)		(320)	(320)	(111)
Net change in fund balances		(909)	(909)	(286)
Fund balances at beginning of the year		6,112	6,112	6,112
Fund balances at end of the year	$	5,203	5,203	5,826

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY LIBRARY FUND
For the Year Ended June 30, 2023
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	44,501	44,501	47,833
Revenue from use of money and property		105	105	371
Aid from other governmental agencies:				
State		368	367	355
Federal		1,247	2,565	1,179
Other		5,645	5,645	8,573
Charges for current services		238	238	196
Other		294	294	153
Total revenues		52,398	53,715	58,660
Expenditures:				
Current:				
Education:				
County library		61,601	62,472	56,945
Total education		61,601	62,472	56,945
Capital outlay		1,069	1,069	535
Debt service:				
Principal		646	1,136	646
Interest		3	5	3
Total expenditures		63,319	64,682	58,129
Excess (deficiency) of revenues over (under) expenditures		(10,921)	(10,967)	531
Other financing sources (uses):				
Issuance of subscriptions:				
Subscriptions		535	535	535
Transfer In			3	
Transfers out		(3,420)	(3,403)	(1,913)
Total other financing sources (uses)		(2,885)	(2,865)	(1,378)
Net change in fund balances		(13,806)	(13,832)	(847)
Fund balances at beginning of year		13,588	13,588	13,588
Increase (decrease) in nonspendable inventories			64	64
Fund balances at end of year	$	(218)	(180)	12,805

**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, 2023
(In Thousands)**

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	5	5	10
Other		22	22	16
Total revenues		27	27	26
Expenditures:				
Current:				
Public assistance:				
CSHAF Gillespie housing		25	25	6
CSHAF USDRIP housing		4	4	
Total public assistance		29	29	6
Total expenditures		29	29	6
Excess (deficiency) of revenues over (under) expenditures		(2)	(2)	20
Net change in fund balances		(2)	(2)	20
Fund balances at beginning of year		4,190	4,190	4,190
Fund balances at end of year	$	4,188	4,188	4,210

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
COUNTY SERVICE DISTRICT FUNDS
For the Year Ended June 30, 2023
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	9,675	13,105	16,067
Revenue from use of money and property		575	575	1,472
Aid from other governmental agencies:				
State		19	19	51
Federal		4,962	4,962	4,871
Other		35	35	61
Charges for current services		10,552	12,022	12,112
Other		305	305	1,100
Total revenues		26,123	31,023	35,734
Expenditures:				
Current:				
General government:				
CSA 135 Zone B Del Mar Regional Communication System		44	44	34
CSA 135 Zone F Poway Regional Communication System		166	166	159
CSA 135 Zone H Solana Beach Regional Communication System		57	57	56
CSA 135 Zone K Borrego Springs Regional Communication System		9	9	8
Total general government		276	276	257
Public protection:				
CSA 135 Jacumba fire med service zone				4
San Diego County Fire Protection District		3,917	7,920	7,517
SDCFPD Mt Laguna		21	21	19
SDCFPD Palomar		68	68	59
SDCFPD Descanso		62	62	37
SDCFPD Dulzura		13	13	12
SDCFPD Tecate		13	13	13
SDCFPD Potrero		17	17	17
SDCFPD Jacumba		18	18	11
SDCFPD Ramona			2,500	2,500
SDCFPD Rural West		1,325	1,325	1,282
SDCFPD Yuima		150	150	150
SDCFPD Julian		260	260	248
Total public protection		5,864	12,367	11,869

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SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
COUNTY SERVICE DISTRICT FUNDS
For the Year Ended June 30, 2023
(In Thousands)

(Continued)	Original Budget	Final Budget	Actual
Public ways and facilities:			
PRD 6 Pauma Valley	347	348	45
PRD 8 Magee RD-PALA	371	371	14
PRD 9 B Santa Fe	194	194	4
PRD 10 Davis Dr	33	33	3
PRD 11 A Bernardo RD	74	74	7
PRD 11 C Bernardo RD	7	7	2
PRD 11 D Bernardo RD	37	37	4
PRD 12 Lomair	99	99	6
PRD 13 A Pala Mesa	393	393	160
PRD 13 B Stewart Canyon	81	81	9
PRD 16 Wynola	118	118	9
PRD 18 Harrison Park	95	95	70
PRD 20 Daily Road	216	216	39
PRD 21 Pauma Heights	859	859	120
PRD 22 W Dougherty St	5	5	2
PRD 23 Rock Terrace RD	45	45	3
PRD 24 MT Whitney RD	85	85	3
PRD 30 Royal Oaks-Carroll	49	49	3
PRD 38 Gay Rio Terrace	71	71	12
PRD 45 Rincon Springs	51	51	7
PRD 46 Rocoso Road	135	135	6
PRD 49 Sunset Knolls Road	62	62	4
PRD 50 Knoll Park Lane	42	42	2
PRD 53 Knoll Park Lane EX	166	166	2
PRD 54 Mt Helix	104	104	5
PRD 55 Rainbow Crest	285	285	11
PRD 60 River Drive	76	76	2
PRD 61 Green Meadow Way	221	221	9
PRD 63 Hillview Road	634	634	191
PRD 70 El Camino Corto	50	50	8
PRD 75 A Gay Rio Drive	71	71	5
PRD 75 B Gay Rio Drive	92	91	6
PRD 76 Kingford Ct	27	27	3
PRD 77 Montiel Truck Trail	193	193	6
PRD 78 Gardena Way	108	108	5
PRD 80 Harris Truck Trail	281	281	19
PRD 88 East Fifth St	35	35	2
PRD 90 South Cordoba	49	49	3

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, 2023
(In Thousands)**

(Continued)	Original Budget	Final Budget	Actual
PRD 94 Roble Grande Road	547	547	365
PRD 95 Valle Del Sol	354	354	5
PRD 99 Via Allondra Del Corvo	73	73	4
PRD 101 A Hi Ridge Rd	63	63	11
PRD 101 Johnson Lake	101	101	8
PRD 102 Mtn Meadow	223	223	38
PRD 103 Alto Drive	167	167	25
PRD 104 Artesian Rd	30	30	12
PRD 105 A Alta Loma Dr	96	96	6
PRD 105 Alta Loma Dr	90	90	7
PRD 106 Garrison Way ET AL	58	58	14
PRD 117 Legend Rock	486	486	14
PRD 123 Mizpah Lane	49	49	4
PRD 125 Wrightwood Road	35	35	4
PRD 126 Sandhurst Way	14	14	4
PRD 127 Singing Trails Dr	22	19	4
PRD 130 Wilkes Road	293	293	36
PRD 133 Ranch Creek Road	144	144	5
PRD 134 Kenora Lane	92	92	70
PRD 1003 Alamo Way	25	25	11
PRD 1005 Eden Valley Lane	101	101	4
PRD 1008 Canter	14	14	4
PRD 1010 Alpine Highlands	72	72	11
PRD 1011 La Cuesta	95	95	3
PRD 1012 Millar	88	88	7
PRD 1013 Singing Trails	67	67	8
PRD 1014 Lavender Pt Lane	34	34	3
PRD 1015 Landavo Drive ET AL	72	72	4
PRD 1016 El Sereno Way	93	93	10
PRD 1017 Kalbaugh-Haley-Toub St	29	38	32
Total public ways and facilities	9,488	9,494	1,544
Health and sanitation:			
CSA 17 San Dieguito Ambulance	5,872	6,872	6,445
CSA 69 Heartland Paramedics	9,352	20,352	17,272
PRD 122 Otay Mesa East	7	7	
PRD 136 Sundance Detention Basin	26	26	11
Total health and sanitation	15,257	27,257	23,728

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, 2023
(In Thousands)

(Continued)		Original Budget	Final Budget	Actual
Recreation and cultural:				
CSA 26 LMD Zone 2 Julian		52	102	54
CSA 26 Rancho San Diego		254	373	294
CSA 26 San Diego landscape maintenance		136	136	27
CSA 81 Fallbrook Park		258	343	332
CSA 83 San Dieguito Local Park		1,031	1,040	529
CSA 83A 4S Ranch Park		577	667	528
CSA 128 San Miguel Park		440	585	581
CSA 138 Valley Center Park		400	400	356
PRD 26 A Cottonwood Village		301	301	195
PRD 26 B Monte Vista		142	142	129
Total recreation and cultural		3,591	4,089	3,025
Debt service:				
Principal		13	13	
Interest			1	
Total expenditures		34,489	53,497	40,423
Excess (deficiency) of revenues over (under) expenditures		(8,366)	(22,474)	(4,689)
Other financing sources (uses):				
Transfer In		14	14	11
Transfers out		(3,892)	(9,349)	(6,585)
Total other financing sources (uses)		(3,878)	(9,335)	(6,574)
Net change in fund balances		(12,244)	(31,809)	(11,263)
Fund balances at beginning of year		38,891	38,891	38,891
Increase (decrease) in nonspendable inventories			(1)	(1)
Fund balances at end of year	$	26,647	7,081	27,627

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
EDGEMOOR DEVELOPMENT FUND
For the Year Ended June 30, 2023
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	538	538	954
Aid from other governmental agencies:				
Federal		997	998	813
Total revenues		1,535	1,536	1,767
Expenditures:				
Current:				
General government:				
Edgemoor development fund		323	323	113
Total general government		323	323	113
Total expenditures		323	323	113
Excess (deficiency) of revenues over (under) expenditures		1,212	1,213	1,654
Other financing sources (uses):				
Sale of capital assets		500	500	967
Transfer In			1,742	1,742
Transfers out		(8,489)	(8,489)	(8,479)
Total other financing sources (uses)		(7,989)	(6,247)	(5,770)
Net change in fund balances		(6,777)	(5,034)	(4,116)
Fund balances at beginning of year		8,426	8,426	8,426
Fund balances at end of year	$	1,649	3,392	4,310

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FLOOD CONTROL DISTRICT FUND
For the Year Ended June 30, 2023
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	5,152	5,152	6,545
Revenue from use of money and property		114	113	583
Aid from other governmental agencies:				
State				33
Federal				44
Other		160	160	42
Charges for current services		276	276	1,097
Total revenues		5,702	5,701	8,344
Expenditures:				
Current:				
Public protection:				
Flood control district		21,983	23,731	5,958
Stormwater maintenance, Blackwolf		13	13	
Stormwater maintenance, Lake Rancho Viejo		170	169	81
Stormwater maintenance, Ponderosa Estates		13	13	4
Total public protection		22,179	23,926	6,043
Capital outlay		438	438	438
Debt service:				
Principal		35	35	35
Interest		1	1	1
Total expenditures		22,653	24,400	6,517
Excess (deficiency) of revenues over (under) expenditures		(16,951)	(18,699)	1,827
Other financing sources (uses):				
Transfer In		3,392	5,228	1,926
Transfers out			(88)	(88)
Total other financing sources (uses)		3,392	5,140	1,838
Net change in fund balances		(13,559)	(13,559)	3,665
Fund balances at beginning of year		33,831	33,831	33,831
Increase (decrease) in nonspendable inventories			1	1
Fund balances at end of year	$	20,272	20,273	37,497

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
HARMONY GROVE COMMUNITY FACILITIES DISTRICT FUND
For the Year Ended June 30, 2023
(In Thousands)

	Original Budget	Final Budget	Actual
Revenues:			
Taxes	$ 889	889	883
Revenue from use of money and property	9	9	113
Total revenues	898	898	996
Expenditures:			
Current:			
Public protection:			
Harmony Grove CFD 08-01 flood control spec tax B	342	342	
Total public protection	342	342	
Public ways and facilities:			
Harmony Grove CFD 08-01 oth svcs spec tax B	367	367	186
Harmony Grove CFD 08-01 fire protection	466	466	457
Harmony Grove CFD 08-01 improvement	2,329	2,329	
Total public ways and facilities	3,162	3,162	643
Total expenditures	3,504	3,504	643
Excess (deficiency) of revenues over (under) expenditures	(2,606)	(2,606)	353
Net change in fund balances	(2,606)	(2,606)	353
Fund balances at beginning of year	3,638	3,638	3,638
Fund balances at end of year	$ 1,032	1,032	3,991

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, 2023
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	15	15	13
Aid from other governmental agencies:				
Other		11	11	
Total revenues		26	26	13
Expenditures:				
Current:				
Public assistance:				
Other assistance - other budgetary entity		26	6	2
Total public assistance		26	6	2
Total expenditures		26	6	2
Excess (deficiency) of revenues over (under) expenditures			20	11
Net change in fund balances			20	11
Fund balances at beginning of year		70	70	70
Fund balances at end of year	$	70	90	81

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
HOUSING AUTHORITY - OTHER FUND
For the Year Ended June 30, 2023
(In Thousands)**

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	1,274	1,274	1,262
Aid from other governmental agencies:				
Federal		188,274	197,574	206,182
Other		5,189	5,189	17
Charges for current services		5,520	5,520	4,305
Other		2,558	2,558	265
Total revenues		202,815	212,115	212,031
Expenditures:				
Current:				
Public assistance:				
Other assistance - other budgetary entity		203,517	212,548	212,178
Total public assistance		203,517	212,548	212,178
Debt service:				
Principal		165	158	156
Interest		16	9	9
Total expenditures		203,698	212,715	212,343
Excess (deficiency) of revenues over (under) expenditures		(883)	(600)	(312)
Other financing sources (uses):				
Transfers out		(4)	(308)	(301)
Total other financing sources (uses)		(4)	(308)	(301)
Net change in fund balances		(887)	(908)	(613)
Fund balances at beginning of year		11,089	11,089	11,089
Fund balances at end of year	$	10,202	10,181	10,476

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, 2023
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property				173
Charges for current services	$	1,711	1,711	2,043
Total revenues		1,711	1,711	2,216
Expenditures:				
Current:				
Public assistance:				
IHSS public authority		41,822	41,822	39,640
Total public assistance		41,822	41,822	39,640
Debt service:				
Principal		182	182	182
Interest		7	7	14
Total expenditures		42,011	42,011	39,836
Excess (deficiency) of revenues over (under) expenditures		(40,300)	(40,300)	(37,620)
Other financing sources (uses):				
Transfer In		40,300	40,300	37,611
Total other financing sources (uses)		40,300	40,300	37,611
Net change in fund balances				(9)
Fund balances at beginning of year		22	22	22
Fund balances at end of year	$	22	22	13

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
INACTIVE WASTESITES FUND
For the Year Ended June 30, 2023
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	266	266	1,764
Charges for current services		5,841	5,841	
Other				2,700
Total revenues		6,107	6,107	4,464
Expenditures:				
Current:				
Health and sanitation:				
Duck pond landfill cleanup		15	15	
Inactive waste site management		6,982	9,692	10,211
Total health and sanitation		6,997	9,707	10,211
Capital outlay			40	37
Total expenditures		6,997	9,747	10,248
Excess (deficiency) of revenues over (under) expenditures		(890)	(3,640)	(5,784)
Other financing sources (uses):				
Transfers out		(47)	(47)	(38)
Total other financing sources (uses)		(47)	(47)	(38)
Net change in fund balances		(937)	(3,687)	(5,822)
Fund balances at beginning of year		50,210	50,210	50,210
Fund balances at end of year	$	49,273	46,523	44,388

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
INCARCERATED PEOPLES AND WARD WELFARE PROGRAM FUND
For the Year Ended June 30, 2023
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	150	150	408
Other		20	20	39
Total revenues		170	170	447
Expenditures:				
Current:				
Public protection:				
Probation ward welfare		2	2	
Sheriff's incarcerated persons welfare - adult detention		4,377	4,371	3,161
Total public protection		4,379	4,373	3,161
Capital outlay			6	6
Total expenditures		4,379	4,379	3,167
Excess (deficiency) of revenues over (under) expenditures		(4,209)	(4,209)	(2,720)
Other financing sources (uses):				
Transfer In		2,000	2,000	2,000
Transfers out		(829)	(829)	(448)
Total other financing sources (uses)		1,171	1,171	1,552
Net change in fund balances		(3,038)	(3,038)	(1,168)
Fund balances at beginning of year		16,285	16,285	16,285
Increase (decrease) in nonspendable inventories			57	57
Fund balances at end of year	$	13,247	13,304	15,174

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
LIGHTING MAINTENANCE DISTRICT FUND
For the Year Ended June 30, 2023
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	1,330	1,330	1,599
Revenue from use of money and property		25	25	147
Aid from other governmental agencies:				
State		8	8	8
Other				1
Charges for current services		265	265	276
Total revenues		1,628	1,628	2,031
Expenditures:				
Current:				
Public ways and facilities:				
San Diego lighting maintenance		2,367	2,367	2,121
Total public ways and facilities		2,367	2,367	2,121
Debt service:				
Principal		178	178	172
Interest		5	5	1
Total expenditures		2,550	2,550	2,294
Excess (deficiency) of revenues over (under) expenditures		(922)	(922)	(263)
Net change in fund balances		(922)	(922)	(263)
Fund balances at beginning of year		5,340	5,340	5,340
Increase (decrease) in nonspendable inventories			10	10
Fund balances at end of year	$	4,418	4,428	5,087

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OTHER SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2023
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Fines, forfeitures and penalties	$	96	96	46
Revenue from use of money and property				(39)
Aid from other governmental agencies:				
State		232	232	1,001
Charges for current services		3,649	3,649	3,491
Total revenues		3,977	3,977	4,499
Expenditures:				
Current:				
Public protection:				
Agriculture, weights and measures - fish and game		18	33	30
Grazing advisory board		9		
Public works, survey		270	270	13
Total public protection		297	303	43
Health and sanitation:				
Sanitation - waste planning and recycling		4,306	4,307	3,018
Total health and sanitation		4,306	4,307	3,018
Total expenditures		4,603	4,610	3,061
Excess (deficiency) of revenues over (under) expenditures		(626)	(633)	1,438
Other financing sources (uses):				
Transfers out		(96)	(96)	(103)
Total other financing sources (uses)		(96)	(96)	(103)
Net change in fund balances		(722)	(729)	1,335
Fund balances at beginning of year		6,982	6,982	6,982
Fund balances at end of year	$	6,260	6,253	8,317

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARK LAND DEDICATION FUND
For the Year Ended June 30, 2023
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Licenses, permits and franchise fees	$	750	750	4,770
Revenue from use of money and property		37	36	771
Total revenues		787	786	5,541
Expenditures:				
Current:				
Recreation and cultural:				
PLD administrative fee		751	751	35
Local Park Planning Area 15 Sweetwater		2	2	1
Local Park Planning Area 20 Spring Valley		1	1	
Local Park Planning Area 25 Lakeside		5	5	
Local Park Planning Area 26 Crest		1	1	
Local Park Planning Area 27 Alpine		189	374	364
Local Park Planning Area 28 Ramona		12	12	1
Local Park Planning Area 29 Escondido		1	1	
Local Park Planning Area 30 San Marcos		2	2	
Local Park Planning Area 31 San Dieguito		2	2	1
Local Park Planning Area 32 Carlsbad		2	2	
Local Park Planning Area 35 Fallbrook		11	11	
Local Park Planning Area 36 Bonsall		4	4	4
Local Park Planning Area 37 Vista		1	1	
Local Park Planning Area 38 Valley Center		40	40	4
Local Park Planning Area 39 Pauma		1	1	
Local Park Planning Area 40 Palomar-Julian		332	332	
Local Park Planning Area 41 Mount Empire		1	1	
Local Park Planning Area 42 Anza-Borrego		1	1	
Local Park Planning Area 45 Valle de Oro		1	1	
Total recreation and cultural		1,360	1,545	410
Total expenditures		1,360	1,545	410
Excess (deficiency) of revenues over (under) expenditures		(573)	(759)	5,131
Other financing sources (uses):				
Transfers out		(6,262)	(14,903)	(1,599)
Total other financing sources (uses)		(6,262)	(14,903)	(1,599)
Net change in fund balances		(6,835)	(15,662)	3,532
Fund balances at beginning of year		30,062	30,062	30,062
Fund balances at end of year	$	23,227	14,400	33,594

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD FUND
For the Year Ended June 30, 2023
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Licenses, permits and franchise fees	$	6,000	6,000	10,357
Revenue from use of money and property		1,526	1,524	4,655
Aid from other governmental agencies:				
State		159,385	159,385	131,434
Federal		20,313	21,164	5,121
Other			111	817
Charges for current services		17,272	17,272	15,734
Other		801	801	419
Total revenues		205,297	206,257	168,537
Expenditures:				
Current:				
Public ways and facilities:				
Public works, road		277,911	279,427	86,482
Total public ways and facilities		277,911	279,427	86,482
Capital outlay		60,655	60,604	60,544
Debt Service:				
Principal		95	95	95
Interest		1	1	1
Total expenditures		338,662	340,127	147,122
Excess (deficiency) of revenues over (under) expenditures		(133,365)	(133,870)	21,415
Other financing sources (uses):				
Transfer In		4,252	4,252	381
Transfers out		(1,973)	(2,268)	(2,147)
Total other financing sources (uses)		2,279	1,984	(1,766)
Net change in fund balances		(131,086)	(131,886)	19,649
Fund Balances at the beginning of year		227,175	227,175	227,175
Increase (decrease) in nonspendable inventories			147	147
Fund balances at end of year	$	96,089	95,436	246,971

NONMAJOR ENTERPRISE FUNDS

Jail Stores Commissary Fund

This fund was established to provide for the financing of a Sheriff's commissary store allowing persons incarcerated at various County detention facilities to purchase a variety of goods, including food, snacks, stationery, personal care items and telephone time.

San Diego County Sanitation District Fund

This fund was established to provide sewer service to customers in the unincorporated county. The County Board of Supervisors serves as the District's Board of Directors for governance matters.

Sanitation District - Other Fund

This fund was established to provide water and sewer service, maintenance, and repairs of water and wastewater infrastructure to customers in the unincorporated county. The County Board of Supervisors serves as the District's Board of Directors for governance matters.

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2023
(In Thousands)

		Jail Stores Commissary Fund	San Diego County Sanitation District Fund	Sanitation District - Other Fund	Total Other Enterprise Funds
ASSETS					
Current assets:					
Pooled cash and investments	$	1,468	67,220	9,245	77,933
Receivables, net		453	2,169	113	2,735
Due from other funds			22	322	344
Inventories		289		1	290
Total current assets		2,210	69,411	9,681	81,302
Noncurrent assets:					
Capital assets:					
Land			1,069	171	1,240
Construction in progress			4,533	880	5,413
Buildings and improvements			18,527	721	19,248
Equipment		155	3,731	673	4,559
Sewer infrastructure			115,852		115,852
Subscription assets				342	342
Accumulated depreciation/amortization		(155)	(64,451)	(934)	(65,540)
Total noncurrent assets			79,261	1,853	81,114
Total assets		2,210	148,672	11,534	162,416
DEFERRED OUTFLOWS OF RESOURCES					
Pension:					
Contributions to the pension plan subsequent to the measurement date				1,236	1,236
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions				35	35
Changes of assumptions or other inputs				1,761	1,761
Net difference between projected and actual earnings on pension plan investments				1,842	1,842
Difference between expected and actual experience in the total pension liability				181	181
OPEB:					
Contributions to OPEB subsequent to the measurement date				45	45
Total deferred outflows of resources				5,100	5,100

Continued on next page

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2023
(In Thousands)

(Continued)		Jail Stores Commissary Fund	San Diego County Sanitation District Fund	Sanitation District - Other Fund	Total Other Enterprise Funds
LIABILITIES					
Current liabilities:					
Accounts payable		332	283	227	842
Accrued payroll				187	187
Due to other funds		211	349	279	839
Subscriptions payable				82	82
Compensated absences				114	114
Total current liabilities		543	632	889	2,064
Noncurrent liabilities:					
Subscriptions payable				184	184
Compensated absences				199	199
Net pension liability				11,416	11,416
Net OPEB liability				186	186
Total noncurrent liabilities				11,985	11,985
Total liabilities		543	632	12,874	14,049
DEFERRED INFLOWS OF RESOURCES					
Pension:					
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions				18	18
Differences between expected and actual experience in the total pension liability				249	249
Total deferred inflows of resources				267	267
NET POSITION					
Net investment in capital assets			79,146	1,853	80,999
Unrestricted		1,667	68,894	1,640	72,201
Total net position	$	1,667	148,040	3,493	153,200

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2023
(In Thousands)

		Jail Stores Commissary Fund	San Diego County Sanitation District Fund	Sanitation District - Other Fund	Total Other Enterprise Funds
Operating revenues:					
Charges for current services	$	7,377	30,046	8,489	45,912
Total operating revenues		7,377	30,046	8,489	45,912
Operating expenses:					
Salaries and employee benefits				6,256	6,256
Repairs and maintenance		12	4,917	644	5,573
Equipment rental		6		1,925	1,931
Sewage processing			13,982		13,982
Contracted services		321		1,110	1,431
Depreciation			2,842	64	2,906
Amortization				70	70
Utilities				123	123
Cost of material		2,885			2,885
Fuel		13			13
Other		168	1,737	722	2,627
Total operating expenses		3,405	23,478	10,914	37,797
Operating income (loss)		3,972	6,568	(2,425)	8,115
Nonoperating revenues (expenses):					
Grants				9	9
Investment earnings		19	1,617	359	1,995
Total nonoperating revenues (expenses)		19	1,617	368	2,004
Income (loss) before capital contributions and transfers		3,991	8,185	(2,057)	10,119
Capital contributions				151	151
Transfers in			77	2,632	2,709
Transfers out		(2,661)		(154)	(2,815)
Change in net position		1,330	8,262	572	10,164
Net position (deficits) at beginning of year		337	139,778	2,921	143,036
Net position (deficits) at end of year	$	1,667	148,040	3,493	153,200

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2023
(In Thousands)

	Jail Stores Commissary Fund	San Diego County Sanitation District Fund	Sanitation District - Other Fund	Total Other Enterprise Funds
Cash flows from operating activities:				
Cash received from customers	$ 7,351	28,575	438	36,364
Cash received from other funds			8,000	8,000
Cash payments to suppliers	(3,383)	(20,669)	(2,984)	(27,036)
Cash payments to employees			(5,747)	(5,747)
Cash payments to other funds	(1,201)	(103)	(1,598)	(2,902)
Net cash provided (used) by operating activities	2,767	7,803	(1,891)	8,679
Cash flows from noncapital financing activities:				
Operating grants			9	9
Transfers from other funds		77	2,632	2,709
Transfers to other funds	(2,661)		(154)	(2,815)
Net cash provided (used) by noncapital financing activities	(2,661)	77	2,487	(97)
Cash flows from capital and related financing activities:				
Acquisition of capital assets		(2,753)	(202)	(2,955)
Principal paid on subscription			(76)	(76)
Net cash provided (used) by capital and related financing activities		(2,753)	(278)	(3,031)
Cash flows from investing activities:				
Investment earnings	12	1,104	295	1,411
Net increase (decrease) in cash and cash equivalents	118	6,231	613	6,962
Cash and cash equivalents - beginning of year	1,350	60,989	8,632	70,971
Cash and cash equivalents - end of year	1,468	67,220	9,245	77,933
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	3,972	6,568	(2,425)	8,115
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Decrease (increase) in accounts receivable	(26)	(1,471)	1	(1,496)
Decrease (increase) in due from other funds			(52)	(52)
Decrease (increase) in inventory	(72)			(72)
Increase (decrease) in accounts payable	58	(192)	108	(26)
Increase (decrease) in accrued payroll			31	31
Increase (decrease) in due to other funds	(1,165)	56	(166)	(1,275)
Increase (decrease) in compensated absences			54	54
Pension expense			441	441
OPEB expense			(17)	(17)
Depreciation / amortization		2,842	134	2,976
Total adjustments	(1,205)	1,235	534	564
Net cash provided (used) by operating activities	$ 2,767	7,803	(1,891)	8,679
Non-cash investing and capital financing activities:				
Capital acquisitions included in accounts payable		115		115
Governmental contributions of capital assets			151	151

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, 2023
(In Thousands)

		Employee Benefits Fund	Facilities Management Fund	Fleet Services Fund	Information Technology Fund
ASSETS					
Current assets:					
Pooled cash and investments	$	216,533	19,395	54,263	41,190
Receivables, net		1,918	1,036	601	24
Lease receivables			518		
Due from other funds		1,991	10,802	3,739	21,312
Inventories			924	1,432	
Total current assets		220,442	32,675	60,035	62,526
Noncurrent assets:					
Lease receivables			2,342		
Due from other funds					
Capital assets:					
Construction in progress					
Buildings and improvements				2,963	
Equipment			6,641	140,180	
Software			448	213	9,626
Accumulated depreciation/amortization			(3,996)	(95,788)	(6,149)
Total noncurrent assets			5,435	47,568	3,477
Total assets		220,442	38,110	107,603	66,003
DEFERRED OUTFLOW OF RESOURCES					
Pension:					
Contributions to the pension plan subsequent to the measurement date			10,090	1,834	
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions			264	48	
Changes of assumptions or other inputs			13,857	2,721	
Net difference between projected and actual earnings on pension plan investments			15,428	3,345	
Difference between expected and actual experience in the total pension liability			1,018	172	
OPEB:					
Contributions to OPEB subsequent to the measurement date			350	63	
Total deferred outflow of resources			41,007	8,183	

Continued on next page

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023
(In Thousands)

(Continued)		Employee Benefits Fund	Facilities Management Fund	Fleet Services Fund	Information Technology Fund
LIABILITIES					
Current liabilities:					
Accounts payable		8,351	15,682	3,093	52,750
Accrued payroll			1,586	266	
Due to other funds		1,324	1,301	250	3,845
Unearned revenue			1,113	1	
Loans payable			97		
Compensated absences			1,098	147	
Claims and judgments		29,776			
Total current liabilities		39,451	20,877	3,757	56,595
Noncurrent liabilities:					
Loans payable			268		
Compensated absences			1,911	255	
Claims and judgments		174,037			
Net pension liability			83,989	16,338	
Net OPEB liability			1,188	248	
Total noncurrent liabilities		174,037	87,356	16,841	
Total liabilities		213,488	108,233	20,598	56,595
DEFERRED INFLOWS OF RESOURCES					
Leases			2,818		
Pension:					
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions			144	28	
Differences between expected and actual experience in the total pension liability			1,890	436	
Total deferred inflows of resources			4,852	464	
NET POSITION					
Net investment in capital assets			3,093	47,315	3,477
Unrestricted		6,954	(37,061)	47,409	5,931
Total net position (deficits)	$	6,954	(33,968)	94,724	9,408

Continued on next page

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023
(In Thousands)

(Continued)		Public Liability Insurance Fund	Purchasing Fund	Road and Communication Equipment Fund	Special District Loans Fund	Total Internal Service Funds
ASSETS						
Current assets:						
Pooled cash and investments	$	68,291	6,154	28,166	438	434,430
Receivables, net		654	57	236		4,526
Lease receivables						518
Due from other funds			1,047	923		39,814
Inventories			6			2,362
Total current assets		68,945	7,264	29,325	438	481,650
Noncurrent assets:						
Lease receivables						2,342
Due from other funds					50	50
Capital assets:						
Construction in progress			489			489
Buildings and improvements						2,963
Equipment			214	47,397		194,432
Software			4,173	14		14,474
Accumulated depreciation/ amortization			(2,654)	(29,333)		(137,920)
Total noncurrent assets			2,222	18,078	50	76,830
Total assets		68,945	9,486	47,403	488	558,480
DEFERRED OUTFLOW OF RESOURCES						
Pension:						
Contributions to the pension plan subsequent to the measurement date			2,514			14,438
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions			50			362
Changes of assumptions or other inputs			3,345			19,923
Net difference between projected and actual earnings on pension plan investments			3,935			22,708
Difference between expected and actual experience in the total pension liability			252			1,442
OPEB:						
Contributions to OPEB subsequent to the measurement date			85			498
Total deferred outflow of resources			10,181			59,371

Continued on next page

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023
(In Thousands)

(Continued)		Public Liability Insurance Fund	Purchasing Fund	Road and Communication Equipment Fund	Special District Loans Fund	Total Internal Service Funds
LIABILITIES						
Current liabilities:						
Accounts payable		3,436	121	419		83,852
Accrued payroll			361			2,213
Due to other funds		2,792	361	487		10,360
Unearned revenue						1,114
Loans payable						97
Compensated absences			345			1,590
Claims and judgments		38,464				68,240
Total current liabilities		44,692	1,188	906		167,466
Noncurrent liabilities:						
Loans payable						268
Compensated absences			599			2,765
Claims and judgments		98,825				272,862
Net pension liability			19,518			119,845
Net OPEB liability			259			1,695
Total noncurrent liabilities		98,825	20,376			397,435
Total liabilities		143,517	21,564	906		564,901
DEFERRED INFLOWS OF RESOURCES						
Leases						2,818
Pension:						
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions			35			207
Differences between expected and actual experience in the total pension liability			480			2,806
Total deferred inflows of resources			515			5,831
NET POSITION						
Net investment in capital assets			2,222	17,773		73,880
Unrestricted		(74,572)	(4,634)	28,724	488	(26,761)
Total net position (deficits)	$	(74,572)	(2,412)	46,497	488	47,119

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023
(In Thousands)

		Employee Benefits Fund	Facilities Management Fund	Fleet Services Fund	Information Technology Fund
Operating revenues:					
Charges for current services	$	51,087	183,840	49,810	204,809
Other		68	1,836	536	
Total operating revenues		51,155	185,676	50,346	204,809
Operating expenses:					
Salaries and employee benefits			51,375	8,765	
Repairs and maintenance			39,412	10,070	
Equipment rental			41	3	
Contracted services		16,335	56,394	2,741	208,149
Depreciation			229	12,769	3,342
Utilities			37,341	546	
Cost of material			4,885	231	
Claims and judgments		38,495			
Fuel			496	12,929	
Other			4,904	1,944	
Total operating expenses		54,830	195,077	49,998	211,491
Operating income (loss)		(3,675)	(9,401)	348	(6,682)
Nonoperating revenues (expenses):					
Grants			4,873		
Investment earnings		5,422	(212)	1,402	
Gain (loss) on disposal of assets			(3)	1,376	
Total nonoperating revenues (expenses)		5,422	4,658	2,778	
Income (loss) before capital contributions and transfers		1,747	(4,743)	3,126	(6,682)
Capital contributions			167		
Transfers in		50	4,845	1,602	6,603
Transfers out			(1,608)	(222)	
Change in net position		1,797	(1,339)	4,506	(79)
Net position (deficits) at beginning of year		5,157	(32,629)	90,218	9,487
Net position (deficits) at end of year	$	6,954	(33,968)	94,724	9,408

Continued on next page

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023
(In Thousands)

(Continued)		Public Liability Insurance Fund	Purchasing Fund	Road and Communication Equipment Fund	Special District Loans F und	Total Internal Service Funds
Operating revenues:						
Charges for current services	$	41,146	12,505	14,741		557,938
Other			961			3,401
Total operating revenues		41,146	13,466	14,741		561,339
Operating expenses:						
Salaries and employee benefits			11,702			71,842
Repairs and maintenance			3	3,839		53,324
Equipment rental			14			58
Contracted services		17,210	1,860	440		303,129
Depreciation			755	3,676		20,771
Utilities			96			37,983
Cost of material						5,116
Claims and judgments		85,968				124,463
Fuel				1,899		15,324
Other		5	1,900			8,753
Total operating expenses		103,183	16,330	9,854		640,763
Operating income (loss)		(62,037)	(2,864)	4,887		(79,424)
Nonoperating revenues (expenses):						
Grants						4,873
Investment earnings		2,873	215	453	(1)	10,152
Gain (loss) on disposal of assets				447		1,820
Total nonoperating revenues (expenses)		2,873	215	900	(1)	16,845
Income (loss) before capital contributions and transfers		(59,164)	(2,649)	5,787	(1)	(62,579)
Capital contributions						167
Transfers in				702		13,802
Transfers out			(307)			(2,137)
Change in net position		(59,164)	(2,956)	6,489	(1)	(50,747)
Net position (deficits) at beginning of year		(15,408)	544	40,008	489	97,866
Net position (deficits) at end of year	$	(74,572)	(2,412)	46,497	488	47,119

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023
(In Thousands)

		Employee Benefits Fund	Facilities Management Fund	Fleet Services Fund	Information Technology Fund
Cash flows from operating activities:					
Cash received from customers	$	314	7,726	2,143	1,742
Cash received from other funds		50,744	176,367	49,563	198,439
Cash payments to suppliers		(3,134)	(136,928)	(24,451)	(207,861)
Cash payments to employees			(47,113)	(7,960)	
Cash payments to other funds		(11,986)	(4,407)	(5,817)	3,582
Cash paid for claims and judgments		(32,775)			
Other payments			(30)	(15)	
Net cash provided (used) by operating activities		3,163	(4,385)	13,463	(4,098)
Cash flows from noncapital financing activities:					
Operating grants			4,019		
Transfers from other funds		50	4,845	1,602	6,603
Transfer to other funds			(1,608)	(222)	
Payments received on advances to other funds					
Principal paid on long-term debt			(230)		
Net cash provided (used) by noncapital financing activities		50	7,026	1,380	6,603
Cash flows from capital and related financing activities:					
Acquisition of capital assets				(17,092)	(438)
Lease payments received			1,639		
Proceeds from sale of assets				1,733	
Net cash provided (used) by capital and related financing activities			1,639	(15,359)	(438)
Cash flows from investing activities:					
Investment earnings		3,986	(212)	1,050	
Net increase (decrease) in cash and cash equivalents		7,199	4,068	534	2,067
Cash and cash equivalents - beginning of year		209,334	15,327	53,729	39,123
Cash and cash equivalents - end of year	$	216,533	19,395	54,263	41,190

Continued on next page

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023
(In Thousands)

(Continued)		Employee Benefits Fund	Facilities Management Fund	Fleet Services Fund	Information Technology Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$	(3,675)	(9,401)	348	(6,682)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Decrease (increase) in accounts receivable		58	(1,678)	123	8
Decrease (increase) in due from other funds		(155)	(177)	1,237	(4,636)
Decrease (increase) in inventory			94	275	
Increase (decrease) in accounts payable		1,297	1,719	(1,369)	211
Increase (decrease) in accrued payroll			345	76	
Increase (decrease) in due to other funds		(82)	241	(725)	3,659
Increase (decrease) in unearned revenue			272		
Increase (decrease) in compensated absences			536	116	
Increase (decrease) in claims and judgments		5,720			
Pension expense			3,574	637	
OPEB expense			(139)	(24)	
Depreciation / amortization			229	12,769	3,342
Total adjustments		6,838	5,016	13,115	2,584
Net cash provided (used) by operating activities	$	3,163	(4,385)	13,463	(4,098)
Non-cash investing and capital financing activities:					
Capital acquisitions included in accounts payable				253	
Governmental contributions capital assets	$		167		

Continued on next page

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023
(In Thousands)

(Continued)		Public Liability Insurance Fund	Purchasing Fund	Road and Communication Equipment Fund	Special District Loans Funds	Total Internal Service Funds
Cash flows from operating activities:						
Cash received from customers	$		976			12,901
Cash received from other funds		41,181	12,421	15,848		544,563
Cash payments to suppliers		(11,482)	(317)	(1,410)		(385,583)
Cash payments to employees			(10,736)			(65,809)
Cash payments to other funds		(10,288)	(3,534)	(6,232)		(38,682)
Cash paid for claims and judgments		(51,943)				(84,718)
Other payments						(45)
Net cash provided (used) by operating activities		(32,532)	(1,190)	8,206		(17,373)
Cash flows from noncapital financing activities:						
Operating grants						4,019
Transfers from other funds				702		13,802
Transfer to other funds			(307)			(2,137)
Payments received on advances to other funds					13	13
Principal paid on long-term debt						(230)
Net cash provided (used) by noncapital financing activities			(307)	702	13	15,467
Cash flows from capital and related financing activities:						
Acquisition of capital assets			(489)	(2,433)		(20,452)
Lease payments received						1,639
Proceeds from sale of assets				652		2,385
Net cash provided (used) by capital and related financing activities			(489)	(1,781)		(16,428)
Cash flows from investing activities:						
Investment earnings		2,433	177	265	(1)	7,698
Net increase (decrease) in cash and cash equivalents		(30,099)	(1,809)	7,392	12	(10,636)
Cash and cash equivalents - beginning of year		98,390	7,963	20,774	426	445,066
Cash and cash equivalents - end of year	$	68,291	6,154	28,166	438	434,430

Continued on next page

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023
(In Thousands)

(Continued)		Public Liability Insurance Fund	Purchasing Fund	Road and Communication Equipment Fund	Special District Loans Funds	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	$	(62,037)	(2,864)	4,887		(79,424)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Decrease (increase) in accounts receivable						(1,489)
Decrease (increase) in due from other funds		35	(69)	1,107		(2,658)
Decrease (increase) in inventory						369
Increase (decrease) in accounts payable		(4,841)	9	(1,410)		(4,384)
Increase (decrease) in accrued payroll			64			485
Increase (decrease) in due to other funds		286	(5)	(54)		3,320
Increase (decrease) in unearned revenue						272
Increase (decrease) in compensated absences			47			699
Increase (decrease) in claims and judgments		34,025				39,745
Pension expense			906			5,117
OPEB expense			(33)			(196)
Depreciation / amortization			755	3,676		20,771
Total adjustments		29,505	1,674	3,319		62,051
Net cash provided (used) by operating activities	$	(32,532)	(1,190)	8,206		(17,373)
Non-cash investing and capital financing activities:						
Capital acquisitions included in accounts payable				305		558
Governmental contributions capital assets	$					167

FIDUCIARY FUNDS

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

PENSION AND OTHER POSTEMPLOYENT BENEFITS TRUST FUNDS

San Diego County Employees Retirement Association (SDCERA) Pension Trust Fund

The Pension Trust Fund is used to account for financial activities of the Pension Plan administered by SDCERA.

San Diego County Employees Retirement Association (SDCERA) Other Postemployment Benefits (OPEB) Trust Fund

The SDCERA OPEB Trust Fund is used to account for the financial activities of the OPEB trust for the purpose of holding and investing assets to fund the Retiree Health Program administered by SDCERA.

CUSTODIAL FUNDS

Property Tax Collection Funds

These funds are used for recording the collection and distribution of property taxes.

Other Custodial Funds

The Other Custodial funds account for the receipt, temporary investment, and remittance to individuals, private organizations, or other governments.

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER POSTEMPLOYMENT BENEFITS TRUST FUNDS
June 30, 2023
(In Thousands)

		San Diego County Employees Retirement Association Pension Trust Fund	San Diego County Employees Retirement Association Other Postemployment Benefits Trust Fund	Total San Diego County Employees Retirement Association Pension (and Other Postemployment Benefits) Trust Funds
ASSETS				
Pooled cash and investments	$	1,281		1,281
Cash with fiscal agents		2,383,714	7,252	2,390,966
Securities lending cash collateral		97,007	295	97,302
Receivables:				
Contributions		8,989		8,989
Accrued interest and dividends		43,754	133	43,887
Settlement of investments sold		1,084,942	3,326	1,088,268
Investments at fair value:				
Domestic equity securities		3,312,802	10,074	3,322,876
International equity securities		721,670	2,194	723,864
Fixed income securities		7,116,710	21,641	7,138,351
Cash and securities for swaps		122,583	373	122,956
Private Equity		474,759	1,444	476,203
Private real assets		419,624	1,276	420,900
Real Estate		1,391,281	4,231	1,395,512
Capital assets, net		3,485	11	3,496
Total assets		17,182,601	52,250	17,234,851
LIABILITIES				
Collateral payable for securities lending		97,029	295	97,324
Settlement of investments purchased		1,255,924	3,820	1,259,744
Professional services		12,834	39	12,873
Death benefits		2,234		2,234
Retirement benefits		1,526		1,526
Refunds to members		2,086		2,086
County advance contribution		26,192	80	26,272
Other liabilities		13,443	59	13,502
Total liabilities		1,411,268	4,293	1,415,561
NET POSITION				
Restricted for:				
Pension		15,771,333		15,771,333
OPEB			47,957	47,957
Total net position	$	15,771,333	47,957	15,819,290

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER POSTEMPLOYMENT BENEFITS TRUST FUNDS
For the Year Ended June 30, 2023
(In Thousands)

		San Diego County Employees Retirement Association Pension Trust Fund	San Diego County Employees Retirement Association Other Postemployment Benefits Trust Fund	Total San Diego County Employees Retirement Association Pension (and Other Postemployment Benefits) Trust Funds
ADDITIONS				
Contributions:				
Employer contributions	$	669,031	18,054	687,085
Plan member contributions		171,018		171,018
Total contributions		840,049	18,054	858,103
Investment income:				
Net appreciation/(depreciation) in fair value of investments:				
Equity securities		639,160	1,763	640,923
Fixed income		29,636	82	29,718
Foreign currency		(16,876)	(47)	(16,923)
Real estate & private equity		(120,516)	(332)	(120,848)
Private real assets		15,748	43	15,791
Futures		103,027	284	103,311
Swaps		251,911	695	252,606
Total net appreciation/(depreciation) in fair value of investments		902,090	2,488	904,578
Interest Income:				
Fixed income		323,000	891	323,891
Cash		13,188	36	13,224
Total interest income		336,188	927	337,115
Other Additions:				
Dividends		67,351	186	67,537
Real estate income		81,726	225	81,951
Private equity income		7,015	19	7,034
Private real assets income		42,342	117	42,459
Total Other		198,434	547	198,981
Less: Investment expenses		(31,903)	(88)	(31,991)
Net investment income, before securities lending		1,404,809	3,874	1,408,683
Securities lending income and appreciation/(depreciation)		4,184	12	4,196
Securities lending rebates and bank charges		(2,386)	(7)	(2,393)
Net securities lending		1,798	5	1,803
Net investment income		1,406,607	3,879	1,410,486
Total additions		2,246,656	21,933	2,268,589

Continued on next page

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER POSTEMPLOYMENT BENEFITS TRUST FUNDS
For the Year Ended June 30, 2023
(In Thousands)

(Continued)		San Diego County Employees Retirement Association Pension Trust Fund	San Diego County Employees Retirement Association Other Postemployment Benefits Trust Fund	Total San Diego County Employees Retirement Association Pension (and Other Postemployment Benefits) Trust Funds
DEDUCTIONS				
Benefits				
Retirement benefits		950,682		950,682
Death benefits		2,487		2,487
Health benefits			10,097	10,097
Total Benefits		953,169	10,097	963,266
Member refunds		7,478		7,478
Administrative expenses		18,667	225	18,892
Total deductions		979,314	10,322	989,636
Change in net position		1,267,342	11,611	1,278,953
Net position at beginning of year		14,503,991	36,346	14,540,337
Net position (deficit) at end of year	$	15,771,333	47,957	15,819,290

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2023
(In Thousands)

		Property Tax Collection Funds	Other Custodial Funds	Total Custodial Funds
ASSETS				
Pooled cash and investments	$	152,683	235,542	388,225
Cash with fiscal agents			8,234	8,234
Investments with fiscal agents			6,390	6,390
Receivables:				
Accounts receivable			3,762	3,762
Investment earnings receivable		8,292	143,216	151,508
Taxes receivable, net		99,565		99,565
Other receivables			813	813
Total assets		260,540	397,957	658,497
LIABILITIES				
Accounts payable		36,352	173,357	209,709
Warrants outstanding			6,748	6,748
Accrued payroll			792	792
Noncurrent liabilities:				
Due to other governments		99,567	70,632	170,199
Total liabilities		135,919	251,529	387,448
NET POSITION				
Restricted for:				
Individuals, organizations and other governments		124,621	146,428	271,049
Total net position	$	124,621	146,428	271,049

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Year Ended June 30, 2023
(In Thousands)

		Property Tax Collection Funds	Other Custodial Funds	Total Custodial Funds
ADDITIONS				
Contributions:				
Property taxes collected for other governments	$	14,435,005		14,435,005
Contributions to Investments			3,183,658	3,183,658
Total contributions		14,435,005	3,183,658	17,618,663
Investment earnings:				
Investment earnings		19,582	5,666	25,248
Total additions		14,454,587	3,189,324	17,643,911
DEDUCTIONS				
Distributions from investments			3,205,298	3,205,298
Property taxes distributed to other governments		14,412,449		14,412,449
Total deductions		14,412,449	3,205,298	17,617,747
Change in net position		42,138	(15,974)	26,164
Net position at beginning of year		82,483	162,402	244,885
Net position (deficit) at end of year	$	124,621	146,428	271,049

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 226

These Tables contain information to help the reader understand how the County’s financial performance and well-being have changed over time.

Revenue Capacity 238

These Tables contain information to help the reader assess the County’s most significant local revenue source, the property tax.

Debt Capacity 242

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 246

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 248

These Tables contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.

Sources:

Unless otherwise noted, the information in the following tables is derived from the annual comprehensive financial reports for the relevant year.

Table 1
County of San Diego
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)

		Fiscal Year				
		2014	**2015**	**2016**	**2017**	**2018**
Net position						
Governmental activities						
Net investment in capital assets	$	3,015,405	3,042,782	3,124,804	3,130,429	3,229,874
Restricted		669,832	619,565	604,917	596,862	666,597
Unrestricted (1)		655,954	(1,268,029)	(1,090,381)	(1,151,817)	(1,250,068)
Total governmental activities net position		4,341,191	2,394,318	2,639,340	2,575,474	2,646,403
Business-type activities						
Net investment in capital assets		171,911	167,453	167,282	174,044	176,909
Restricted						
Unrestricted (1)		78,547	67,948	68,586	71,119	60,216
Total business-type activities net position		250,458	235,401	235,868	245,163	237,125
Primary government						
Net investment in capital assets		3,187,316	3,210,235	3,292,086	3,304,473	3,406,783
Restricted		669,832	619,565	604,917	596,862	666,597
Unrestricted (1)		734,501	(1,200,081)	(1,021,795)	(1,080,698)	(1,189,852)
Total primary government net position	$	4,591,649	2,629,719	2,875,208	2,820,637	2,883,528

		Fiscal Year				
		2019	**2020**	**2021**	**2022**	**2023**
Net position						
Governmental activities						
Net investment in capital assets	$	3,336,893	3,477,320	3,643,504	3,695,884	3,797,631
Restricted		1,012,829	1,158,944	1,404,546	1,281,257	1,804,905
Unrestricted (1)		(1,380,605)	(1,551,714)	(1,924,481)	(1,186,927)	(1,483,193)
Total governmental activities net position		2,969,117	3,084,550	3,123,569	3,790,214	4,119,343
Business-type activities						
Net investment in capital assets		174,226	183,553	188,831	187,343	185,874
Restricted						
Unrestricted (1)		62,247	66,551	66,629	87,711	102,969
Total business-type activities net position		236,473	250,104	255,460	275,054	288,843
Primary government						
Net investment in capital assets		3,511,119	3,660,873	3,832,335	3,883,227	3,983,505
Restricted		1,012,829	1,158,944	1,404,546	1,281,257	1,804,905
Unrestricted (1)		(1,318,358)	(1,485,163)	(1,857,852)	(1,099,216)	(1,380,224)
Total primary government net position	$	3,205,590	3,334,654	3,379,029	4,065,268	4,408,186

(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 Benefit 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				
		2014	**2015**	**2016**	**2017**	**2018**
Expenses						
Governmental activities						
General government	$	249,066	258,169	257,887	637,532	621,987
Public protection		1,312,074	1,309,087	1,359,423	1,455,462	1,435,847
Public ways and facilities		148,209	161,341	140,245	140,366	160,615
Health and sanitation		631,543	640,020	675,077	723,508	777,383
Public assistance		1,418,703	1,327,664	1,421,851	1,179,180	1,158,563
Education		35,647	37,686	41,086	38,477	39,107
Recreation and cultural		38,903	42,748	44,883	37,727	38,081
Interest		92,709	86,816	81,665	79,152	78,217
Total governmental activities expenses		3,926,854	3,863,531	4,022,117	4,291,404	4,309,800
Business-type activities						
Airport		14,118	14,664	14,439	14,518	18,399
Sanitation district		28,291	30,745	28,693	25,185	32,660
Sanitation district - other						
Jail Stores Commissary		4,816	4,506	5,362	6,007	6,050
Total business-type activities expenses		47,225	49,915	48,494	45,710	57,109
Total primary government expenses	$	3,974,079	3,913,446	4,070,611	4,337,114	4,366,909

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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				
		2014	**2015**	**2016**	**2017**	**2018**
Program revenues						
Governmental activities						
Charges for services:						
General government	$	100,328	92,109	99,531	111,389	105,676
Public protection		240,850	250,054	252,303	270,345	257,797
Other activities		169,274	162,578	164,721	165,846	189,520
Operating grants and contributions		2,519,619	2,467,817	2,543,749	2,407,522	2,589,141
Capital grants and contributions		114,310	39,224	12,947	16,296	9,360
Total governmental activities program revenues		3,144,381	3,011,782	3,073,251	2,971,398	3,151,494
Business-type activities						
Charges for services:						
Airport		12,647	11,984	12,044	14,302	13,783
Sanitation district		25,037	26,831	26,719	29,063	28,475
Sanitation district - other						
Jail Stores Commissary		5,659	4,538		7,141	7,426
Operating grants and contributions		3,793	702	3,513	5,659	329
Capital grants and contributions						
Total business-type program revenues		47,136	44,055	42,276	56,165	50,013
Total primary government program revenues		3,191,517	3,055,837	3,115,527	3,027,563	3,201,507
Net (Expense) Revenue						
Governmental activities		(782,473)	(851,749)	(948,866)	(1,320,006)	(1,158,306)
Business-type activities		(89)	(5,860)	(6,218)	10,455	(7,096)
Total primary government net (expense) revenue	$	(782,562)	(857,609)	(955,084)	(1,309,551)	(1,165,402)

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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				
		2019	**2020**	**2021**	**2022**	**2023**
Expenses						
Governmental activities						
General government	$	709,150	788,228	465,464	414,187	549,078
Public protection		1,479,542	1,677,645	1,823,535	1,586,324	2,075,386
Public ways and facilities		149,776	199,679	163,809	164,262	175,511
Health and sanitation		835,771	964,251	1,363,772	1,167,816	1,314,789
Public assistance		1,187,343	1,378,281	1,838,270	1,785,733	1,838,733
Education		40,020	41,124	56,272	55,787	64,249
Recreation and cultural		43,701	49,543	57,617	60,611	74,036
Interest		74,355	47,689	57,386	53,971	50,694
Total governmental activities expenses		4,519,658	5,146,440	5,826,125	5,288,691	6,142,476
Business-type activities						
Airport		15,178	14,889	15,586	15,545	17,183
Sanitation district		32,335	28,385	31,716	25,035	23,591
Sanitation district - other			9,504	10,923	8,712	10,452
Jail Stores Commissary		5,836	5,776	5,222	3,010	3,409
Total business-type activities expenses		53,349	58,554	63,447	52,302	54,635
Total primary government expenses	$	4,573,007	5,204,994	5,889,572	5,340,993	6,197,111

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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			
	2019	2020	2021	2022	2023
Program revenues					
Governmental activities					
Charges for services:					
General government	$ 108,724	116,282	119,713	128,540	139,251
Public protection	252,906	247,887	252,958	288,901	245,233
Other activities	182,793	225,893	201,777	202,358	226,785
Operating grants and contributions	2,716,354	3,062,586	3,751,844	3,736,703	3,812,579
Capital grants and contributions	121,425	28,608	21,142	109,343	33,948
Total governmental activities program revenues	3,382,202	3,681,256	4,347,434	4,465,845	4,457,796
Business-type activities					
Charges for services:					
Airport	14,281	13,903	14,243	14,200	14,794
Sanitation district	32,382	25,672	26,625	29,367	30,046
Sanitation district - other		10,188	10,089	8,119	8,489
Jail Stores Commissary	6,978	7,019	5,412	6,476	7,377
Operating grants and contributions	20	4,018	6,679	1,295	1,439
Capital grants and contributions		1,220	3,100		151
Total business-type program revenues	53,661	62,020	66,148	59,457	62,296
Total primary government program revenues	3,435,863	3,743,276	4,413,582	4,525,302	4,520,092
Net (Expense) Revenue					
Governmental activities	(1,137,456)	(1,465,184)	(1,478,691)	(822,846)	(1,684,680)
Business-type activities	312	3,466	2,701	7,155	7,661
Total primary government net (expense) revenue	$ (1,137,144)	(1,461,718)	(1,475,990)	(815,691)	(1,677,019)

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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				
		2014	**2015**	**2016**	**2017**	**2018**
General revenues and other changes in net position						
Governmental activities						
Taxes:						
Property taxes	$	627,709	$ 648,974	680,434	720,645	758,427
Transient occupancy tax		3,404	4,166	4,128	4,889	5,105
Real property transfer tax		20,074	21,049	24,589	23,960	25,910
Miscellaneous taxes		14	15	38	10	6
Property taxes in lieu of VLF		313,844	332,928	351,524	371,105	393,824
Sales and use taxes		24,871	27,847	28,898	27,779	30,744
Investment earnings		16,635	12,250	17,818	15,315	38,057
Other general revenues		132,612	93,889	82,745	88,038	93,604
Total governmental general revenues		1,139,163	1,141,118	1,190,174	1,251,741	1,345,677
Transfers		7,086	2,693	3,714	4,399	4,421
Total governmental activities		1,146,249	1,143,811	1,193,888	1,256,140	1,350,098
Business-type activities						
Investment earnings		502	336	1,622	523	1,159
Other general revenues		2,565	3,055	8,777	2,716	2,892
Total business-type general revenues		3,067	3,391	10,399	3,239	4,051
Transfers		(7,086)	(2,693)	(3,714)	(4,399)	(4,421)
Total business-type activities		(4,019)	698	6,685	(1,160)	(370)
Total primary government		1,142,230	1,144,509	1,200,573	1,254,980	1,349,728
Change in net position						
Governmental activities		363,776	292,062	245,022	(63,866)	191,792
Business-type activities		(4,108)	(5,162)	467	9,295	(7,466)
Total change in net position	$	359,668	286,900	245,489	(54,571)	184,326

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				
	2019	**2020**	**2021**	**2022**	**2023**
General revenues and other changes in net position					
Governmental activities					
Taxes:					
Property taxes	$ 797,838	851,473	881,605	928,022	1,014,193
Transient occupancy tax	5,785	4,173	5,386	7,225	7,472
Real property transfer tax	26,521	25,138	35,608	43,635	28,653
Miscellaneous taxes	6	3	8	5	5
Property taxes in lieu of VLF	417,601	441,609	465,076	481,289	521,678
Sales and use taxes	32,332	30,967	37,810	43,268	56,626
Investment earnings	84,335	102,116	(2,922)	(96,987)	82,390
Other general revenues	90,041	102,310	95,224	94,015	302,605
Total governmental general revenues	1,454,459	1,557,789	1,517,795	1,500,472	2,013,622
Transfers	5,711	(5,172)	(85)	(10,981)	187
Total governmental activities	1,460,170	1,552,617	1,517,710	1,489,491	2,013,809
Business-type activities					
Investment earnings	2,013	2,565	(76)	1,307	6,144
Other general revenues	2,734	2,428	2,646	151	171
Total business-type general revenues	4,747	4,993	2,570	1,458	6,315
Transfers	(5,711)	5,172	85	10,981	(187)
Total business-type activities	(964)	10,165	2,655	12,439	6,128
Total primary government	1,459,206	1,562,782	1,520,365	1,501,930	2,019,937
Change in net position					
Governmental activities	322,714	115,443	39,019	666,645	329,129
Business-type activities	(652)	13,631	5,356	19,594	13,789
Total change in net position	$ 322,062	129,074	44,375	686,239	342,918

Table 3
County of San Diego
Fund Balances Governmental Funds
Last Ten Fiscal Years
(In Thousands)

		Fiscal Year				
		2014	2015	2016	2017	2018
General Fund						
Nonspendable	$	12,276	13,379	13,489	19,894	22,747
Restricted		296,548	269,294	272,500	266,904	319,782
Committed		492,175	478,980	591,941	677,058	796,086
Assigned		217,628	328,588	381,202	483,464	480,063
Unassigned		713,045	798,135	747,277	697,293	688,449
Total general fund		1,731,672	1,888,376	2,006,409	2,144,613	2,307,127
All Other Governmental Funds						
Nonspendable		4,884	5,149	5,981	6,062	5,993
Restricted		459,579	427,703	398,385	396,063	413,626
Committed		395,291	379,711	371,622	376,179	367,515
Assigned			228	917	1,478	2,066
Total other governmental funds	$	859,754	812,791	776,905	779,782	789,200

		Fiscal Year				
		2019	2020	2021	2022	2023
General Fund						
Nonspendable	$	47,019	23,244	22,900	48,415	59,839
Restricted		608,729	696,261	692,270	674,465	928,457
Committed		637,450	626,470	500,256	617,159	616,549
Assigned		418,718	414,650	405,739	393,493	415,618
Unassigned		712,149	707,871	661,270	616,477	797,452
Total general fund		2,424,065	2,468,496	2,282,435	2,350,009	2,817,915
All Other Governmental Funds						
Nonspendable		5,634	5,759	5,513	1,500	5,655
Restricted		471,464	496,757	544,367	656,606	621,385
Committed		365,450	395,784	367,294	318,415	299,855
Assigned		2,865	3,672			
Total other governmental funds	$	845,413	901,972	917,174	976,521	926,895

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				
	2014	**2015**	**2016**	**2017**	**2018**
Revenues:					
Taxes	$ 987,061	1,038,552	1,090,722	1,148,655	1,214,066
Licenses, permits and franchise fees	55,819	54,181	57,375	57,066	62,189
Fines, forfeitures and penalties	47,125	49,200	46,295	44,146	42,417
Revenue from use of money and property	34,855	23,033	28,396	23,079	43,407
Aid from other governmental agencies:					
State	1,513,606	1,490,603	1,487,655	1,482,536	1,644,254
Federal	919,151	917,901	959,399	796,594	828,693
Other	169,724	106,691	110,816	122,767	132,652
Charges for current services	389,224	387,788	398,705	411,488	433,325
Other	61,409	91,903	75,264	77,429	79,977
Total revenues	$ 4,177,974	4,159,852	4,254,627	4,163,760	4,480,980

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				
	2014	**2015**	**2016**	**2017**	**2018**
Expenditures:					
General government	$ 231,370	237,875	233,180	260,005	270,469
Public protection	1,277,698	1,353,710	1,343,281	1,434,323	1,486,679
Public ways and facilities	75,565	73,991	70,946	75,901	100,322
Health and sanitation	620,319	644,865	670,871	731,034	801,370
Public assistance	1,410,925	1,346,078	1,426,134	1,184,697	1,195,090
Education	33,431	37,095	39,592	39,687	41,238
Recreation and cultural	31,604	36,838	37,800	39,325	39,668
Total governmental functions	3,680,912	3,730,452	3,821,804	3,764,972	3,934,836
Capital outlay	264,015	160,474	185,065	120,509	267,685
Debt service:					
Principal	59,535	67,542	65,929	66,284	76,181
Interest	93,232	85,673	88,502	75,153	73,637
Bond issuance costs		583	761		
Payment to refunded bond escrow agent		8,461	12,481		
Total expenditures	4,097,694	4,053,185	4,174,542	4,026,918	4,352,339
Excess (deficiency) of revenues over (under) expenditures	80,280	106,667	80,085	136,842	128,641
Other financing sources (uses)					
Sale of capital assets	58,420	984	2,319	240	126
Issuance of leases:					
Leases					
Issuance of bonds, loans, capital lease, and financed purchases:					
Face value of financed purchases					
Face value of bonds issued		732			
Face value of loans issued			690		
Face value of capital lease				6,122	45,495
Premium on issuance of bonds		15,070	22,163		
Refunding bonds issued:		93,750	105,330		
Payment to refunded bond escrow agent		(103,771)	(122,533)		
Transfers in	478,533	434,541	470,175	474,286	527,620
Transfers (out)	(480,236)	(439,657)	(476,484)	(478,540)	(532,605)
Total other financing sources (uses)	56,717	1,649	1,660	2,108	40,636
Net change in fund balances	$ 136,997	108,316	$ 81,745	138,950	$ 169,277
Debt service as a percentage of noncapital expenditures	3.98%	3.94%	3.87%	3.62%	3.67%

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				
		2019	**2020**	**2021**	**2022**	**2023**
Revenues:						
Taxes	$	1,276,584	1,344,469	1,427,167	1,498,315	1,620,010
Licenses, permits and franchise fees		62,951	59,663	58,792	54,977	66,439
Fines, forfeitures and penalties		43,589	44,409	40,248	80,033	40,780
Revenue from use of money and property		87,604	97,867	6,097	(77,354)	83,456
Aid from other governmental agencies:						
State		1,631,528	1,894,281	1,820,507	1,951,675	2,226,959
Federal		909,211	1,029,342	1,527,626	1,584,959	1,429,763
Other		142,822	157,984	188,112	182,046	209,071
Charges for current services		424,365	462,718	463,591	468,669	489,610
Other		78,501	85,613	79,189	78,164	282,592
Total revenues	$	4,657,155	5,176,346	5,611,329	5,821,484	6,448,680

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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				
		2019	**2020**	**2021**	**2022**	**2023**
Expenditures:						
General government	$	282,021	353,496	388,139	413,950	391,390
Public protection		1,569,507	1,652,858	1,633,731	1,730,017	1,885,685
Public ways and facilities		89,184	136,703	83,436	96,316	94,718
Health and sanitation		875,337	973,884	1,304,255	1,199,308	1,265,372
Public assistance		1,263,184	1,424,290	1,782,216	1,770,939	1,764,328
Education		45,707	46,571	50,551	56,464	57,781
Recreation and cultural		42,856	46,081	44,751	52,646	59,941
Total governmental functions		4,167,796	4,633,883	5,287,079	5,319,640	5,519,215
Capital outlay		183,654	272,524	387,163	253,330	329,993
Debt service:						
Principal		82,766	98,544	91,999	139,176	143,494
Interest		69,381	72,761	56,728	52,089	49,188
Bond issuance costs			3,415	807	588	
Payment to refunded bond escrow agent			30,543	6,036		
Total expenditures		4,503,597	5,111,670	5,829,812	5,764,823	6,041,890
Excess (deficiency) of revenues over (under) expenditures		153,558	64,676	(218,483)	56,661	406,790
Other financing sources (uses)						
Sale of capital assets		25,213	11,557	235	198	1,306
Issuance of leases:						
Leases					1,171	2,553
Issuance of subscriptions:						
Subscriptions					1,171	12,330
Issuance of bonds, loans, capital lease, and financed purchases:						
Face value of financed purchases					1,331	
Face value of bonds issued				57,554	49,060	
Face value of loans issued						
Face value of capital lease			217			
Premium on issuance of bonds			66,047	3,432	14,831	
Refunding bonds issued			425,414	45,725		
Payment to refunded bond escrow agent			(450,127)	(48,344)		
Transfers in		527,914	578,503	643,479	616,739	663,738
Transfers (out)		(533,891)	(595,710)	(654,122)	(638,354)	(675,216)
Total other financing sources (uses)		19,236	35,901	47,959	44,976	4,711
Net change in fund balances	$	172,794	100,577	(170,524)	101,637	411,501
Debt service as a percentage of noncapital expenditures		3.52%	3.54%	2.73%	3.47%	3.37%

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**
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
2021		594,177,079	4,983,017	4,284,537	14,654,279	17,856,045	1,987,395	598,255,472	1.00000
2022		618,617,563	4,515,314	3,989,147	13,315,174	19,654,928	2,235,803	618,546,467	1.00000
2023		666,724,585	5,930,234	4,471,825	16,015,491	20,645,815	2,256,612	670,239,708	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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Direct Rates (1)										
County of San Diego	0.139	0.140	0.139	0.139	0.139	0.138	0.138	0.138	0.138	0.138
Cities (3)	0.233	0.233	0.235	0.238	0.238	0.242	0.242	0.245	0.247	0.247
Schools (4)	0.594	0.593	0.592	0.590	0.590	0.587	0.587	0.585	0.583	0.583
Special Districts	0.034	0.034	0.034	0.033	0.033	0.033	0.033	0.032	0.032	0.032
Total Direct Rates	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Overlapping Rates (2)										
Cities (3)	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004
Schools	0.103	0.102	0.105	0.103	0.109	0.110	0.140	0.139	0.141	0.134
Special Districts	0.009	0.009	0.009	0.009	0.009	0.009	0.011	0.012	0.013	0.012
Total Overlapping Rates	0.116	0.115	0.118	0.116	0.122	0.123	0.155	0.155	0.158	0.150
Total Direct and Overlapping Rates	1.116	1.115	1.118	1.116	1.122	1.123	1.155	1.155	1.158	1.150

(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)

	2023			2014		
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	$ 11,414,491	1	1.75%	$ 6,547,890	1	1.67%
Qualcomm Inc	2,691,609	2	0.41%	1,568,842	4	0.40%
Kilroy Reality L P	1,465,817	3	0.23%	1,403,549	5	0.36%
Irvine Co L L C	908,606	4	0.14%	1,702,047	3	0.43%
U T C Venture L L C	892,928	5	0.14%			
Host Hotels and Resorts LP	846,436	6	0.13%	781,415	7	0.20%
B S K Del Partners LLC	815,200	7	0.13%	585,017	10	0.15%
Sorrento West Properties Inc	647,623	8	0.10%			
Fashion Valley Mall L L C	554,095	9	0.09%			
One Park Boulevard L L C	531,815	10	0.08%	612,551	9	0.16%
Southern California Edison Co.				2,688,053	2	0.68%
Pacific Bell Telephone Company				796,735	6	0.20%
O C/S D Holdings LLC				644,687	8	0.16%
Totals	$ 20,768,620		3.20%	$ 17,330,786		4.41%

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)

Fiscal Year		Total Tax Levy for Fiscal Year (1)	Collections within the Fiscal Year of the Levy: Amount	Collections within the Fiscal Year of the Levy: Percentage of Levy	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2014	$	4,059,836	4,011,889	98.82%	32,077	4,043,966	99.61%
2015		4,292,407	4,241,271	98.81%	32,702	4,273,973	99.57%
2016		4,533,155	4,489,098	99.03%	29,978	4,519,076	99.69%
2017		4,776,510	4,738,515	99.20%	32,260	4,770,775	99.88%
2018		5,068,261	5,019,394	99.04%	33,412	5,052,806	99.70%
2019		5,368,888	5,318,210	99.06%	37,167	5,355,377	99.75%
2020		5,671,954	5,590,625	98.57%	63,458	5,654,083	99.68%
2021		5,982,555	5,903,354	98.68%	44,614	5,947,968	99.42%
2022		6,185,465	6,118,910	98.92%	32,552	6,151,462	99.45%
2023		6,702,397	6,635,303	99.00%	NA	6,635,303	99.00%

(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				
		2014	2015	2016	2017	2018
Governmental Activities:						
Certificates of Participation & Lease Revenue Bonds	$	396,173	376,955	351,179	330,956	309,388
Tobacco Settlement Asset-Backed Bonds		551,442	542,883	546,110	548,832	546,113
Pension Obligation Bonds		732,330	692,338	649,860	605,520	558,525
Capital and Retrofit loans		5,124	5,188	6,020	5,249	4,282
Capitalized Leases		119	84	51	6,084	47,691
Leases (2)						
Financed Purchases (2)						
Business-type Activities:						
Capital Loans		766	475	171	0	
Total Primary Government	$	1,685,954	1,617,923	1,553,391	1,496,641	1,465,999
Percentage of Personal Income (1)		0.99%	0.90%	0.83%	0.78%	0.75%
Per Capita (1)		528	501	472	451	439

		Fiscal Year				
		2019	2020	2021	2022	2023
Governmental Activities:						
Certificates of Participation & Lease Revenue Bonds	$	287,889	260,352	241,030	286,568	267,729
Tobacco Settlement Asset-Backed Bonds		544,069	533,851	520,925	506,574	495,883
Pension Obligation Bonds		508,765	456,040	400,125	340,825	277,990
Capital and Retrofit loans		3,610	3,201	2,551	1,700	1,154
Capitalized Leases (2)		43,593	39,300	90,595		
Leases (2)					256,124	243,958
Financed Purchases (2)					13,599	11,158
Subscriptions						15,544
Business-type Activities:						
Capital Loans						
Subscriptions						266
Total Primary Government	$	1,387,926	1,292,744	1,255,226	1,405,390	1,313,682
Percentage of Personal Income (1)		0.72%	0.75%	0.76%	0.84%	0.55%
Per Capita (1)	$	414	387	379	428	402

(1) See Table 13 Demographic and Economic Statistics

(2) Effective fiscal year 2021-2022 capital leases no longer apply pursuant to GASB 87, *Leases*.

Table 10
County of San Diego
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(In Thousands, Except Per Capita Amount)

		Fiscal Year				
		2014	**2015**	**2016**	**2017**	**2018**
Certificates of Participation & Lease Revenue Bonds	$	396,173	376,955	351,179	330,956	309,388
Less: Amounts Available in Debt Service Fund		27,728	28,798	20,107	19,992	20,455
Net Certificates of Participation & Lease Revenue Bonds		368,445	348,157	331,072	310,964	288,933
Pension Obligation Bonds		732,330	692,338	649,860	605,520	558,525
Less: Amounts Available in Debt Service Fund		423	877	375	574	993
Net Pension Obligation Bonds		731,907	691,461	649,485	604,946	557,532
Total Net Bonded Debt	$	1,100,352	1,039,618	980,557	915,910	846,465
Percentage of Actual Taxable Value of Property (1)		0.27%	0.24%	0.22%	0.19%	0.17%
Per Capita (2)		344	322	298	276	254

		Fiscal Year				
		2019	**2020**	**2021**	**2022**	**2023**
Certificates of Participation & Lease Revenue Bonds	$	287,889	260,352	241,030	286,568	267,729
Less: Amounts Available in Debt Service Fund		20,634	13,773	9,143		
Net Certificates of Participation & Lease Revenue Bonds		267,255	246,579	231,887	286,568	267,729
Pension Obligation Bonds		508,765	456,040	400,125	340,825	277,990
Less: Amounts Available in Debt Service Fund		1,526	1,345	724		
Net Pension Obligation Bonds		507,239	454,695	399,401	340,825	277,990
Total Net Bonded Debt	$	774,494	701,274	631,288	627,393	545,719
Percentage of Actual Taxable Value of Property (1)		0.14%	0.12%	0.11%	0.10%	0.08%
Per Capita (2)	$	231	212	190	191	167

(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
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%
2021		7,478,193		7,478,193	100%
2022		7,731,831		7,731,831	100%
2023	$	8,377,996		8,377,996	100%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	$	670,239,708
Debt limit (1.25% of total assessed value) (2)		8,377,996
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	$	8,377,996

(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
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	0.51
2021	34,364	226	34,138	16,425	17,890	0.99
2022	35,470	228	35,242	18,285	17,244	0.99
2023	32,179	226	31,953	15,090	16,330	1.02

(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)
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
2021	3,315,404	164,786,000	49,703	490,068	7.0
2022	3,287,306	167,801,000	51,045	481,102	3.2
2023	3,269,755	237,505,000 (5)	72,637 (5)	476,760	4.0

Sources:
(1) California Department of Finance
(2) Los Angeles County Economic Development Corporation, for the years 2014 - 2022
(3) California Department of Education
(4) U.S. Department of Labor, Bureau of Labor Statistics
(5) U.S. Department of Commerce, Bureau of Economic Analysis

Table 14
County of San Diego
Principal Employers
Current Year and Nine Years Ago

	2023				2014			
Employer	**Employees**		**Rank**	**Percentage of Total County Employment (2)**	**Employees**		**Rank**	**Percentage of Total County Employment (3)**
U.C. San Diego	35,802	(1)	1	2.34%	28,341	(3)	2	1.87%
Sharp Healthcare	19,468	(1)	2	1.27%	16,477	(3)	4	1.07%
County Of San Diego	17,954	(1)	3	1.17%	16,627	(3)	3	1.07%
City Of San Diego	11,820	(1)	4	0.77%	10,584	(3)	7	0.69%
General Atomics (and affiliated companies)	6,745	(1)	5	0.44%	6,715	(3)	10	0.51%
San Diego State University	6,454	(1)	6	0.42%	N/A		N/A	N/A
Rady Children's Hospital-San Diego	5,711	(1)	7	0.37%	N/A		N/A	N/A
San Diego Community College District	5,400	(1)	8	0.35%	N/A		N/A	N/A
Sempra Energy	5,063	(1)	9	0.33%	N/A		N/A	N/A
YMCA of San Diego County	5,057	(1)	10	0.33%	N/A		N/A	N/A
Total	119,474			7.82%	78,744			5.21%

Sources:
(1) Adopted Operational Plan Fiscal Years 2022–23 and 2023–24, page 25
Note: The Naval Base San Diego was excluded. 2021 San Diego County's Largest Employers List was discontinued by the San Diego Business Journal.
(2) California Labor Market Info (www.labormarketinfo.edd.ca.gov)
Percentage is calculated by dividing employees by total county employment of 1,528,200 as of June 2023
(3) Fiscal Year 2013-2014 ACFR Table 14

Table 15
County of San Diego
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

	Fiscal Year				
Function	**2014**	**2015**	**2016**	**2017**	**2018**
General	1,479	1,485	1,529	1,515	1,531
Public protection	7,859	7,923	7,882	7,942	7,899
Public ways and facilities	366	356	370	388	385
Health and sanitation	2,029	1,994	1,987	2,059	2,092
Public assistance	4,160	4,368	4,462	4,552	4,583
Education	246	259	267	269	271
Recreation and cultural	172	166	171	172	177
Total	16,311	16,551	16,668	16,897	16,938

	Fiscal Year				
Function	**2019**	**2020**	**2021**	**2022**	**2023**
General	1,552	1,553	1,571	1,614	1,722
Public protection	7,917	7,883	7,595	7,484	7,722
Public ways and facilities	391	374	377	387	413
Health and sanitation	2,194	2,311	2,227	2,359	2,657
Public assistance	4,660	4,817	4,873	4,847	5,033
Education	268	262	254	264	271
Recreation and cultural	190	224	226	240	263
Total	17,172	17,424	17,123	17,195	18,081

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

Function	Fiscal Year 2014	2015	2016	2017	2018
General					
Registrar of Voters: Percent of total mail ballots tallied by the Monday after Election Day	99.00%	98.00%	75.00%	59.00%	93.00%
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)	99.10%	99.10%	99.30%	99.20%	98.50%
Public protection					
Child Support Services: Percent of current support collected (federal performance measure #3)	68.00%	71.00%	72.00%	73.00%	72.00%
Sheriff: Number of jail "A" (or unduplicated) bookings	89,936	82,702	81,975	80,177	81,412
Sheriff: Daily average – number of incarcerated persons	5,706	5,226	5,152	(1)	(1)
District Attorney: Felony defendants received	27,424	22,302	21,281	21,656	20,676
District Attorney: Misdemeanor defendants received	27,441	31,242	31,684	30,101	32,383
Planning and Development Services: Percent of building inspections completed next day	98.00%	98.00%	(1)	(1)	(1)
Planning and Development Services: Average permit center counter wait time (in minutes)	31	25	25	23	23
Animal Services: Percent of euthanized animals that were treatable	20.00%	12.80%	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)	60,045	27,010	22,152	20,586	19,290

Continued on next page ▶▶▶

Table 16
County of San Diego
Operating Indicators by Function
Last Ten Fiscal Years
(Continued)

	Fiscal Year				
Function	**2014**	**2015**	**2016**	**2017**	**2018**
Health and sanitation					
Public Health Services: Children age 0-4 years receive age-appropriate vaccines	(1)	(1)	(1)	(1)	(1)
Public Health Services: Children age 11-18 years receive age-appropriate vaccines	(1)	(1)	(1)	(1)	(1)
Public Health Services: Children age 0-18 years receive age-appropriate vaccines	99.00%	99.00%	100.00%	100.00%	99.00%
Behavioral Health Services: Wait time for children's mental health outpatient treatment	3.5 days	(1)	(1)	(1)	(1)
Public assistance					
Aging & Independence Services: Face-to-face adult protective services investigations within 10 days	95.00%	97.00%	96.00%	96.00%	97.00%
Child and Family Well-Being: Foster children in 12th grade who achieve high school completion (diploma, certificate or equivalent)	79.00%	(1)	(1)	(1)	(1)
Child and Family Well-Being: Family participation in joint case planning and meetings quarterly	(1)	56.00%	77.00%	76.00%	79.00%
Self-Sufficiency Services: CalWORKs applications processed timely to help eligible families become more self-sufficient	(1)	96.00%	97.00%	97.00%	97.00%
Education					
County Library: Annual average circulation per item	6.84	7.47	7.82	7.82	7.51
Recreation and cultural					
Parks and Recreation: Number of parkland acres owned and effectively managed	47,907	48,098	48,565	48,836	49,800
Parks and Recreation: Number of miles of trails managed in the County trails program	336	359	363	363	364

(1) Trend data not available

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 2019	2020	2021	2022	2023
General					
Registrar of Voters: Percent of total mail ballots tallied by the Monday after Election Day	71.00%	97.00%	99.00%	92.00%	100.00%
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)	99.20%	98.70%	99.00%	98.50%	98.90%
Public protection					
Child Support Services: Percent of current support collected (federal performance measure #3)	71.00%	71.00%	71.00%	67.00%	66.00%
Sheriff: Number of jail "A" (or unduplicated) bookings	80,257	63,728	45,186	50,944	50,705
Sheriff: Daily average – number of incarcerated persons	(1)	(1)	(1)	(1)	(1)
District Attorney: Felony defendants received	21,308	19,193	21,219	23,464	21,171
District Attorney: Misdemeanor defendants received	33,220	27,120	26,950	29,178	24,446
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)	21	22	(1)	23	26
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)	24,636	22,150	18,790	17,512	28,101

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Table 16
County of San Diego
Operating Indicators by Function
Last Ten Fiscal Years
(Continued)

Function	Fiscal Year 2019	2020	2021	2022	2023
Health and sanitation					
Public Health Services: Children age 0-4 years receive age-appropriate vaccines	(1)	(1)	(1)	(1)	(1)
Public Health Services: Children age 11-18 years receive age-appropriate vaccines	(1)	(1)	(1)	(1)	(1)
Public Health Services: Children age 0-18 years receive age-appropriate vaccines	100.00%	100.00%	100.00%	100.00%	99.70%
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	98.00%	97.00%	98.00%	99.00%	99.00%
Child and Family Well-Being: Foster children in 12th grade who achieve high school completion (diploma, certificate or equivalent)	(1)	(1)	(1)	(1)	(1)
Child and Family Well-Being: Family participation in joint case planning and meetings quarterly	80.00%	(1)	(1)	(1)	(1)
Self-Sufficiency Services: CalWORKs applications processed timely to help eligible families become more self-sufficient	98.00%	97.00%	99.00%	99.00%	96.00%
Education					
County Library: Annual average circulation per item	7.74	8.10	4.20	6.03	6.69
Recreation and cultural					
Parks and Recreation: Number of parkland acres owned and effectively managed	51,721	53,475	56,131	56,956	57,518
Parks and Recreation: Number of miles of trails managed in the County trails program	368	375	380	384	385

(1) Trend data not available
Source: Various County departments

Table 17
County of San Diego
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
Function	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
General government										
Fleet vehicles	1,762	1,825	1,814	1,801	2,010	1,919	1,758	1,728	1,681	1,826
Buildings	1,136	1,114	1,123	1,153	1,092	1,069	1,092	1,114	1,120	1,130
Land	1,124	1,136	1,146	1,177	1,290	1,330	1,362	1,393	1,416	1,439
Public protection										
Building - sub stations	15	16	16	16	16	17	16	16	14	7
Patrol units	1,473	1,448	1,520	1,511	1,604	1,837	1,620	1,628	1,699	1,749
Detention facilities	10	10	10	11	9	9	9	9	9	9
Public ways and facilities										
Road miles	1,938.71	1,940.48	1,953.71	1,941.91	1,942.98	1,942.59	1,944.25	1,945.50	1,945.46	1,947.10
Bridges	200	201	201	204	208	208	208	208	208	208
Airports	7	7	7	7	7	7	7	7	7	7
Road stations	13	13	13	13	13	13	13	13	13	13
Health and sanitation										
Inactive landfills	23	23	23	23	23	23	23	23	23	23
Sewer lines miles	432.00	432.00	432.00	432.00	432.00	432.00	432.00	432.00	432.00	432.00
Water pollution control facilities	6	1	1	1	1	1	1	1	1	1
Wastewater treatment plants	3	3	3	3	3	3	3	3	3	3
Wastewater pump stations	8	8	8	8	8	8	8	8	8	8
Public assistance										
Administration building	1	1	1	1	1	1	1	1	1	1
Housing facilities	6	6	5	5	5	5	5	5	5	5
Education										
Libraries	20	20	20	21	21	22	22	22	22	22
Recreation and cultural										
Parks/open space area	91	109	109	109	118	125	130	152	156	156
Campgrounds	8	8	8	8	8	8	8	9	9	9

Source: Various County departments

Photo credits:

Pg IV: San Diego's Balboa Park at twilight in San Diego California USA/f11photo, Shutterstock.com.

Pgs 46-47: San Diego Cowles Mountain Landscape Series, Panoramic Lake Murray, and Bike Path at dusk, Southern California, USA/NayaDadara, Shutterstock.com.

Pgs 68: Poppies at Lake Hodges, CA/Don Cooksey, Shutterstock.com.

Pgs 72: Panoramic view looking west, over Lake Hodges, from the top of Bernardo Mountain./Sholmes370, Shutterstock.com.

Pg 150-151: San Diego Cowles Mountain Landscape Series, Lake Murray and autumn foliage, Southern California, USA/NayaDadara, Shutterstock.com.

Pg 161: Aerial view of Coronado Bridge in San Diego bay in southern California on a warm sunny day with boats in the bay and cars crossing the bridge/Creative Family, Shutterstock.com.

Pg 200: Afternoon view of Lake San Marcos in San Marcos, California, USA./Matt Gush, Shutterstock.com.

Pg 206: San Diego, California cityscape at the Gaslamp Quarter./Sean Pavone, Shutterstock.com.

Pg 218: Double Peak, San Marcos, California, USA/Elie Cohen, Shutterstock.com.

Pg 254: Double Peak Park in San Marcos. 200 acre park featuring a play area and hiking trails that lead to a summit./Unwind, Shutterstock.com.

Back Cover: San Diego, California/USA - August 13, 2019 Cabrillo National Monument, San Diego, California. Panoramic view/Hanna Tor, Shutterstock.com.

County of San Diego, California

County Operations Center
5530 Overland Avenue, Suite 410, San Diego CA 92123
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 2023-24 & Fiscal Year 2024-25

Section IIIC Updates Pursuant to the Continuing Disclosure Agreements

1. Paragraph titled "Assessed Valuation." Pursuant to the 2004 POBs Continuing Disclosure Agreement, update information contained in the last paragraph under heading "Assessed Valuation" (this information is included in the below table titled Assessment Appeals.
2. Assessment Appeals
3. Assessed Valuation of Property Subject to Ad Valorem Taxation
4. Ten Largest Taxpayers
5. Secured Tax Roll Statistics
6. General Fund Balance Sheet
7. General Fund Statement of Revenues, Expenditures and Changes in Fund Balance
8. Adopted (and Amended) General Fund Budget
9. Historical Funding Status and Employer Contributions
10. Transfers of Investment Earnings to Non-Valuation Reserves
11. Payments for Post-Retirement Health Care Benefits
12. Total County Employees
13. Summary of Long-Term Obligations Payable from the General Fund
14. 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 ACFR	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. 228		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 - 53		p. 6 - 7
General Fund comparison of Revenues, Expenditures and Fund Balances	X	X	p. 55		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 for 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 2023-24 & Fiscal Year 2024-25

To view the County of San Diego Adopted Operational Plan for Fiscal Year 2023-24 & Fiscal Year 2024-25 in its entirety, go to:
http://www.sandiegocounty.ca.gov/content/sdc/auditor/opplan/adoptedlist.html

ADOPTED
OPERATIONAL PLAN

FISCAL YEARS 2023-24 & 2024-25

Helen N. Robbins-Meyer
Interim Chief Administrative Officer

L. Michael Vu
Assistant Chief
Administrative Officer

BOARD OF SUPERVISORS

Nora Vargas, District 1
Joel Anderson, District 2
Terra Lawson-Remer, District 3
Vacant, 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 01, 2022

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 2022**. 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.

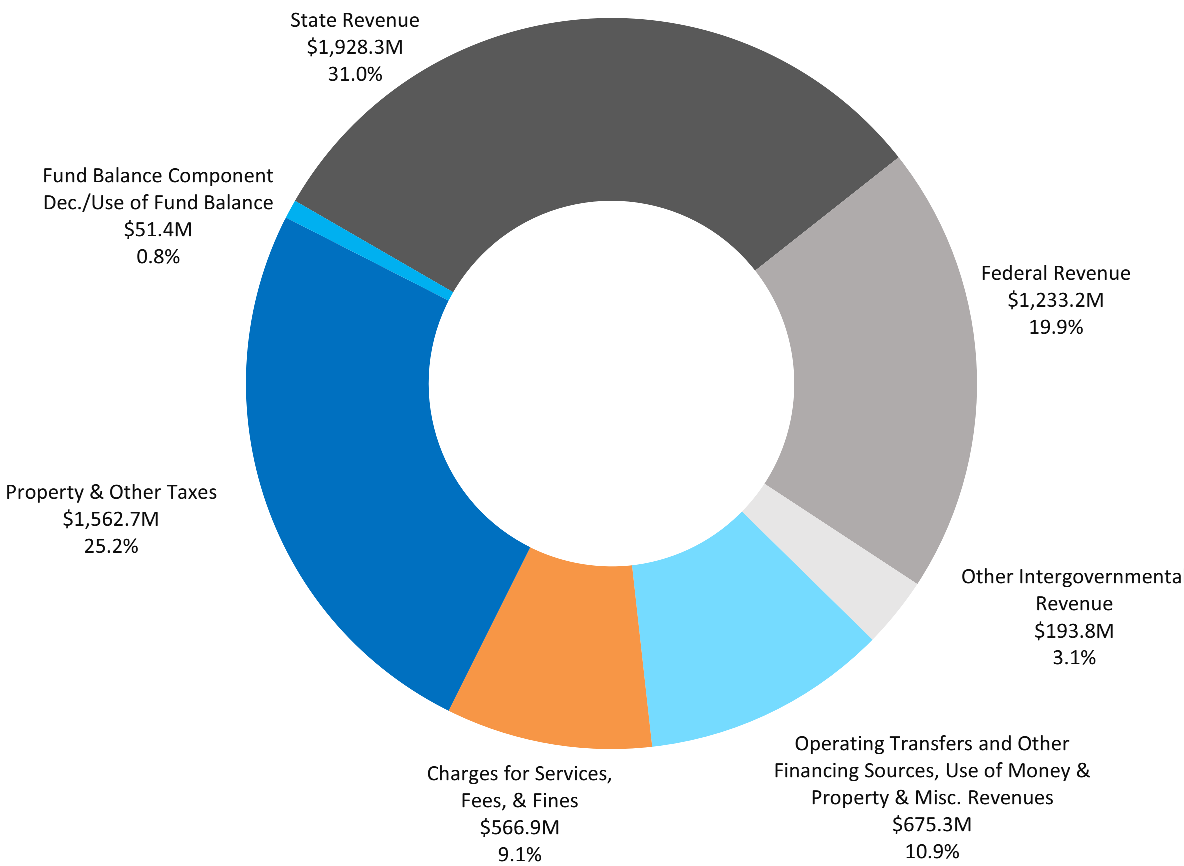
Published September 2023
Office of Financial Planning
Damien Quinn, Director

General Fund

Overview of General Fund Financing Sources

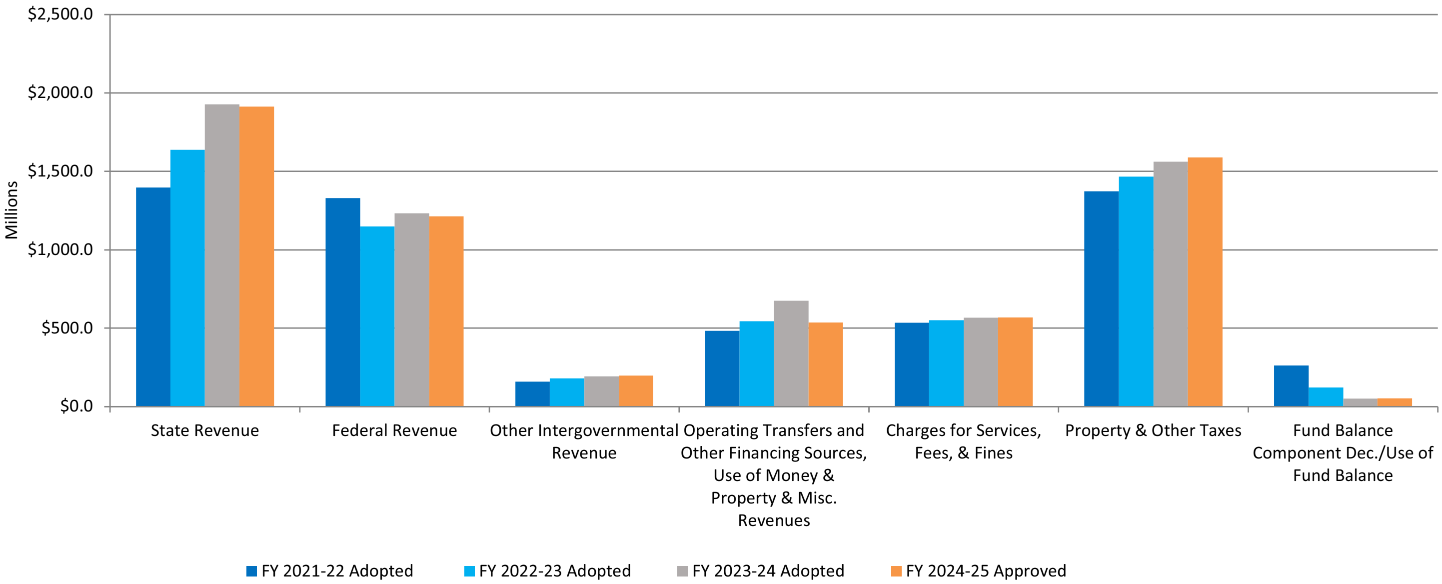
The General Fund is the County's largest single and primary operating fund. It is used to account for all financial resources of the County except those required to be accounted for in other funds. In this Adopted Operational Plan, General Fund Financing Sources total $6.21 billion for Fiscal Year 2023-24, a **$557.5 million or 9.9% increase** from the Fiscal Year 2022–23 Adopted Budget. Increase in General Fund is mainly in the Health and Human Services Agency (HHSA) primarily due to increase in State and federal revenues tied to the increase in estimated benefit payments for the California Work Opportunity and Responsibility to Kids (CalWORKs) program, increase in mental health services funding, increase in In-Home Support Services health benefit contributions due to caseload growth, restoration of benefits impacted by the Electronic Benefit Transfer skimming incidents, enactment of the *Community Assistance, Recovery and Empowerment* (CARE) Act, and increase in HHSA Realignment revenues. Significant increases are also reflected in Finance Other due to higher interest rate applied to a projected cash balance in various funds in the County Pool and increase in Other Current Secured Property Tax based on the projected assessed value growth, and in the Public Safety Group (PSG) due to increases in sales tax-based revenues, including Proposition 172, the Local Public Safety Protection and Improvement Act of 1993 and 2011 Public Safety Realignment and an increase in the Regional Communication System (RCS) Replacement Trust Fund for system upgrades. This is offset by a decrease in General Fund due to removal of prior-year one-time use of fund balance. In comparison, the ten-year average annual growth rate through Fiscal Year 2022–23 was 4.3%. General Fund Financing Sources decrease by $141.8 million or 2.3% in Fiscal Year 2024–25 primarily due to reduction in the use of one-time resources.

General Fund Financing Sources
Fiscal Year 2023–24: $6.21 billion



Note: In the chart and table, the sum of individual amounts may not total due to rounding.

General Fund Financing by Sources
Fiscal Years 2021-22 through 2024-25



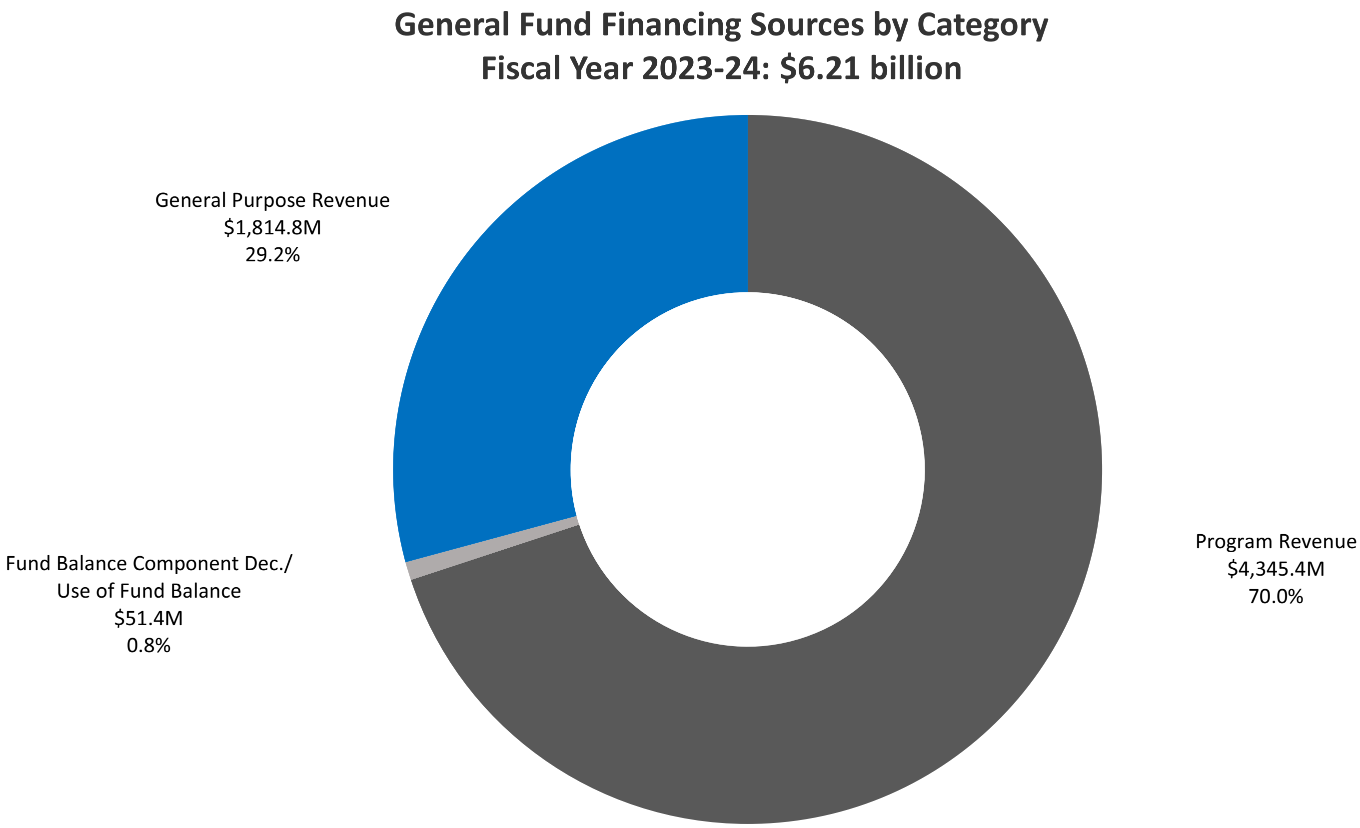
General Fund Financing Sources (in millions)

	Fiscal Year 2021–22 Adopted Budget	Fiscal Year 2022–23 Adopted Budget	Fiscal Year 2023–24 Adopted Budget	% Change	Fiscal Year 2024–25 Approved Budget
State Revenue	$ 1,396.8	$ 1,636.8	$ 1,928.3	17.8	$ 1,912.5
Federal Revenue	1,330.0	1,149.6	1,233.2	7.3	1,213.4
Other Intergovernmental Revenue	160.5	181.1	193.8	7.0	198.6
Operating Transfers and Other Financing Sources, Use of Money & Property & Misc. Revenues	483.0	544.3	675.3	24.1	535.3
Charges for Services, Fees, & Fines	534.2	551.6	566.9	2.8	568.2
Property & Other Taxes	1,373.2	1,467.6	1,562.7	6.5	1,589.1
Fund Balance Component Decreases	53.8	52.8	51.4	(2.7)	42.8
Use of Fund Balance	209.3	70.2	0.0	(100.0)	10.0
Total	**$ 5,540.9**	**$ 5,654.0**	**$ 6,211.5**	**9.9**	**$ 6,069.8**

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 2023–24, Program Revenue increased by $479.5 million or 12.4%, while General Purpose Revenue (GPR) increased by $149.6 million or 9.0% and the Fund Balance Component Decreases/Use of Fund Balance decreased by $71.6 million or 58.2% from the Fiscal Year 2022–23 Adopted Budget.

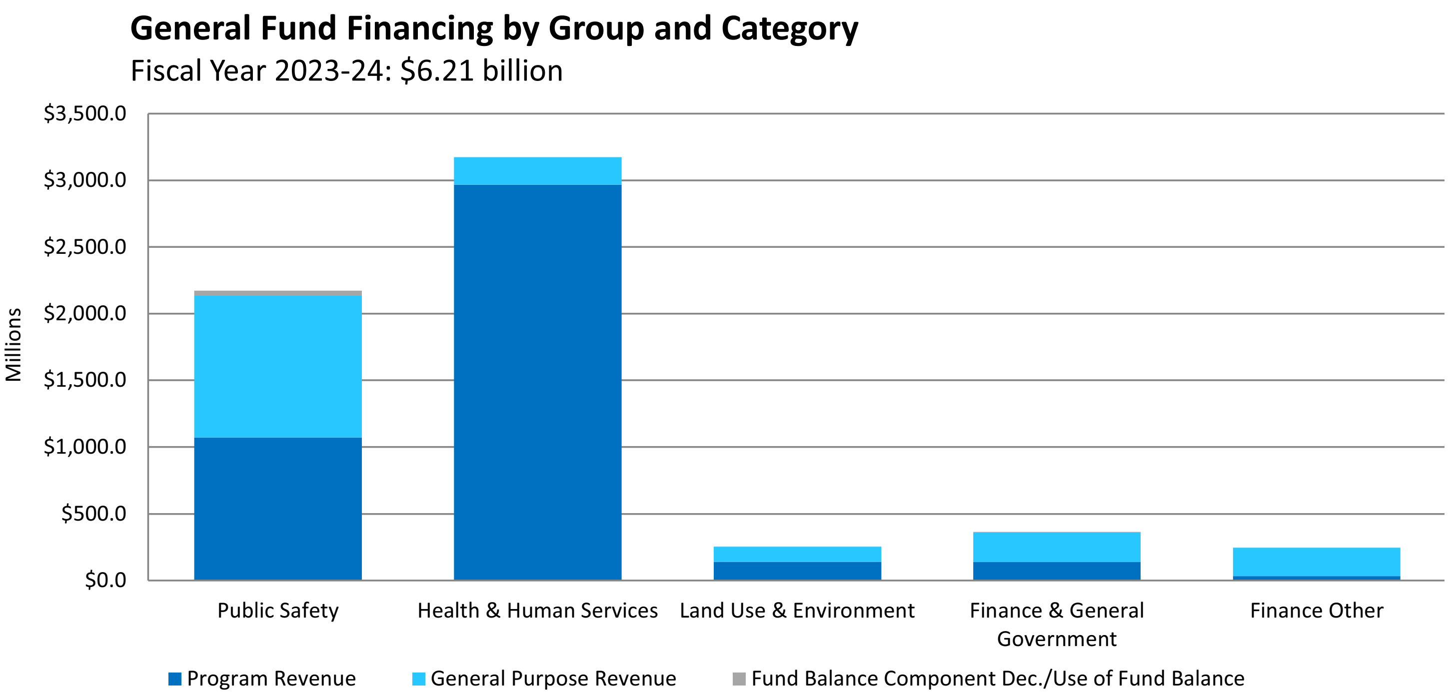


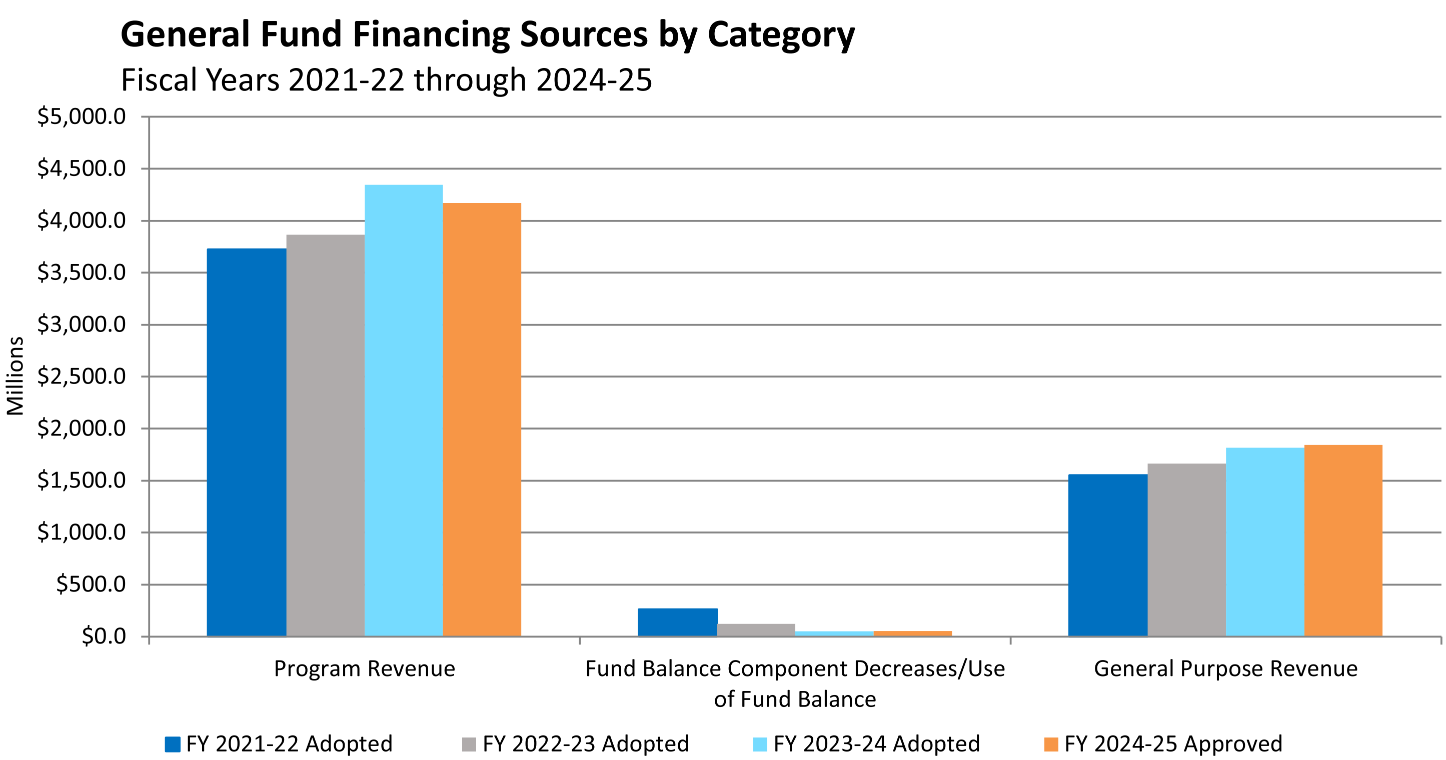
Note: In the chart and table, the sum of individual amounts may not total due to rounding.

General Fund Financing Sources by Category (in millions)

	Fiscal Year 2021–22 Adopted Budget	Fiscal Year 2022–23 Adopted Budget	Fiscal Year 2023–24 Adopted Budget	% Change	Fiscal Year 2024–25 Approved Budget
Program Revenue	$ 3,727.1	$ 3,865.8	$ 4,345.4	12.4	$ 4,171.2
Use of Fund Balance/Fund Balance Component Decreases	263.2	123.0	51.4	(58.2)	52.8
General Purpose Revenue	1,550.7	1,665.2	1,814.8	9.0	1,845.8
Total	**$ 5,540.9**	**$ 5,654.0**	**$ 6,211.5**	**9.9**	**$ 6,069.8**

In Fiscal Year 2024–25, GPR increased by 1.7% ($31.0 million), Program Revenue decreased by 4.0% ($174.2 million) and the planned Use of Fund Balance increased by 2.8% ($1.4 million). Uses of fund balance in Fiscal Year 2024–25 are tentative and subject to revision during the next Operational Plan development cycle.

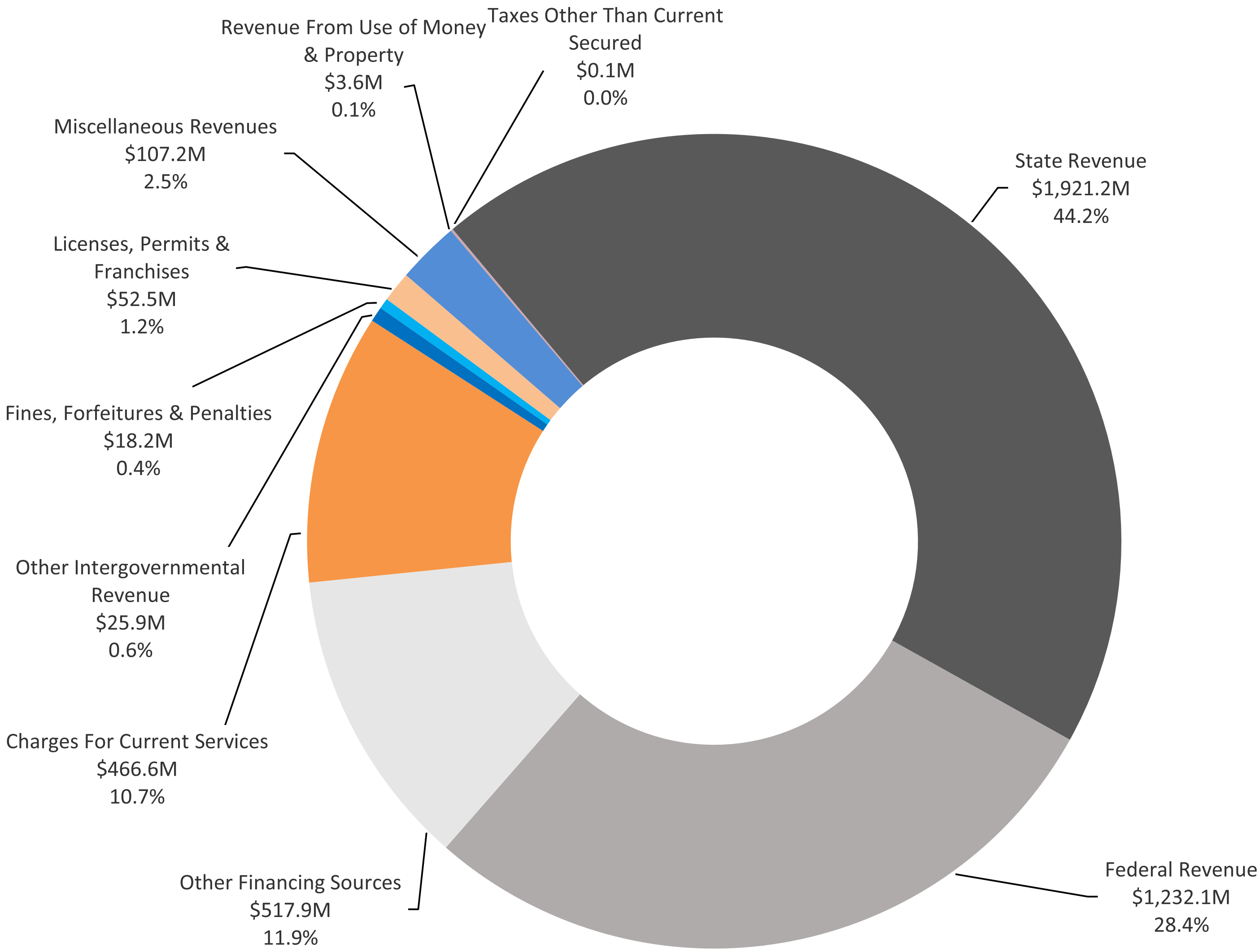




General Fund Program Revenue

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 70.0% of General Fund financing sources in Fiscal Year 2023–24, 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 68.3%, the Public Safety Group manages 24.7% and the balance is managed across the County's other business groups. Program Revenue is expected to increase by 12.4% ($479.5 million) from the Fiscal Year 2022–23 Adopted Budget compared to an average annual growth for the last ten years of 4.0%.

General Fund Program Revenue by Source
Fiscal Year 2023-24: $4.35 billion



Note: In the chart and table, the sum of individual amounts may not total due to rounding.

General Fund Program Revenue by Source (in millions)									
		Fiscal Year 2021–22 Adopted Budget		Fiscal Year 2022–23 Adopted Budget		Fiscal Year 2023–24 Adopted Budget	% Change		Fiscal Year 2024–25 Approved Budget
State Revenue	$	1,389.6	$	1,629.7	$	1,921.2	17.9	$	1,905.3
Federal Revenue		1,329.1		1,148.5		1,232.1	7.3		1,212.3
Other Financing Sources		376.5		467.1		517.9	10.9		443.6
Charges For Current Services		454.2		458.3		466.6	1.8		468.4
Other Intergovernmental Revenue		24.0		24.7		25.9	5.0		26.1
Fines, Forfeitures & Penalties		23.6		22.1		18.2	(17.5)		14.0
Licenses, Permits & Franchises		32.3		46.4		52.5	13.0		56.1
Miscellaneous Revenues		93.8		64.7		107.2	65.7		41.9
Revenue From Use of Money & Property		4.1		4.4		3.6	(18.1)		3.6
Taxes Other Than Current Secured		—		—		0.1	—		—
Total	**$**	**3,727.1**	**$**	**3,865.8**	**$**	**4,345.4**	**12.4**	**$**	**4,171.2**

General Fund Change in Program Revenue

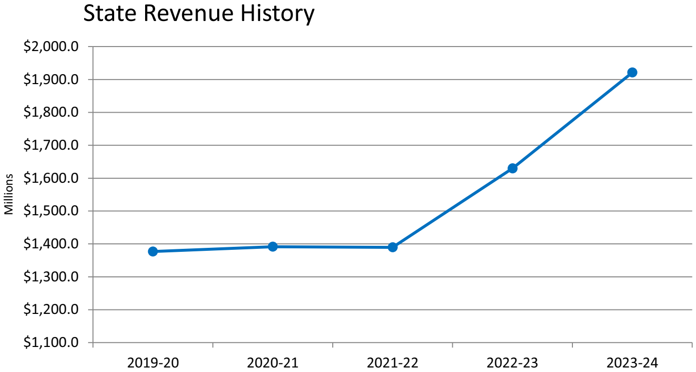
The $479.5 million increase in Program Revenue in the Fiscal Year 2023–24 Adopted Budget is the result of increases and decreases in various funding sources, as indicated in the General Fund Program Revenue by Source table. These changes are highlighted below.

General Fund Change in Program Revenue by Source

State Revenue

State Revenue **increases by $291.5 million or 17.9%.**

General Fund Program Revenue:
State Revenue History



There is an overall net increase of $255.0 million in the Health & Human Services Agency (HHSA) primarily in Realignment revenues to support increases in Salaries & Benefits and Services & Supplies based on projected Statewide sales tax receipts and vehicle license fees dedicated to Health and Human Services programs and in State funding to align with estimated California Work Opportunity and Responsibility to Kids (CalWORKs) program, including CalWORKs Child Care Stage One, benefit payments and the In-Home Support Services (IHSS) health benefit contributions due to caseload growth. In Addition, HHSA State funding increases are from mental health services funding driven by increased mental health services; to support the Senate Bill 1338, *Community Assistance, Recovery and Empowerment (CARE) Act* program expenditures; to fund the restoration of benefits impacted by the Electronic Benefit Transfer skimming incidents; to reflect increase in social services administrative revenue with growth in administrative allocations supporting increased staffing, increased operating costs, and anticipated growth in the Family Stabilization and CalFresh Employment and Training programs; in State Permanent Local Housing Allocation (PLHA) revenue to align with anticipated allocation; from State Block Grant funding to support the Prevention Hub; to fund Providing Access and Transforming Health (PATH) Justice-Involved and Capacity and Infrastructure Transition, Expansion and Development (CITED) initiatives; from the Community Corrections Subaccount to fund care coordination and housing projects associated with the Alternatives to Incarceration Initiative and the Transitions Clinic Network Pilot; and in other various HHSA State revenues to fund increases in salaries and benefits and to align with anticipated expenditures.

An overall net increase of $36.4 million in Public Safety Group (PSG) is primarily from the Local Revenue Fund 2011, Community Corrections Subaccount to fund expansion of or new programs such as the Homeless Enhanced Legal Program, SB 483, *Resentencing*, Transitional Age Youth Diversion Initiative, Community Justice Initiative, to support diversion, reentry and prevention initiatives and the Tattoo Removal program in the District Attorney; various programs in Reentry Division in Sheriff;

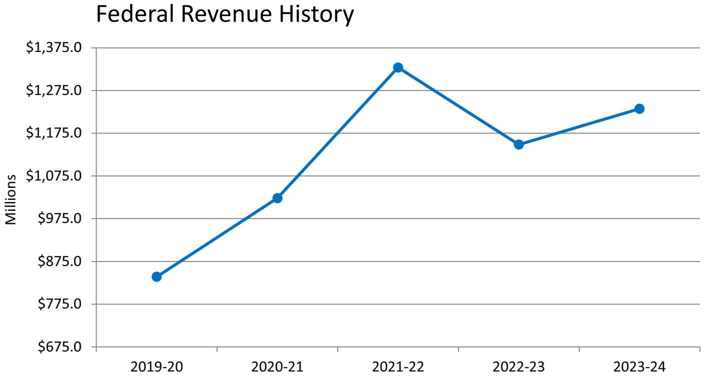
and increases in reimbursable staffing costs within various PSG departments. There are also increases in Probation Department for the Youth Development Academy funded by Juvenile Justice Realignment Block Grant, for the Board of State and Community Corrections Mobile Probation Service Centers grant, and from the Office of Youth and Community Restoration to participate in the Ending Girls' Incarceration in California Action Network; in Contribution for Trial Courts due to AB 199, *Committee on Budget, Courts* for criminal fees backfill; in Department of Child Support Services for additional allocation provided by the California Department of Child Support Services; for the Officer Wellness and Mental Health grant in Sheriff; in Public Defender for Senate Bill 1338, *CARE Act*; and in the Public Safety Group for Local Innovation Subaccount to support community safety programs and initiatives.

An overall net increase of $2.6 million in Finance and General Government Group (FGG) is primarily in the Registrar of Voters due to the purchase of a new voter registration system and other reimbursable costs tied to the March 2024 Presidential Primary Election, offset by an overall net decrease of $2.5 million in Land Use and Environmental Group (LUEG) primarily in the Department of Agriculture/Weights & Measures due to anticipated decrease in State supplemental funding and the sunsetting of a portion of the Industrial Shot Hole Borer and Bee Safe contracts, and in the Planning and Development Services due to the completion of the Local Early Action Planning (LEAP) grants related to housing affordability.

Federal Revenue

Federal Revenue **increases by a net of $83.6 million, or 7.3%.**

General Fund Program Revenue:
Federal Revenue History



There is an overall net increase of $80.6 million in HHSA is primarily in Behavioral Health Services from federal mental health services funding driven by increased mental health services. Additional federal funding increases are mostly from safety net programs to align with estimated benefit payments and caseload for the CalWORKs program, and funding under the County's American Rescue Plan Act (ARPA) Framework to support the Refugee Health Assessment Program (RHAP), LGBTQ Homeless Services/Housing, Compassionate Emergency Housing Solutions Safe Parking operations to address homelessness, the Career Pathways for Foster Youth and Child Care Bridge programs, No Cost Senior Transportation program, for collaborative effort with the Department of General Services (DGS) to pursue properties available for affordable housing development, and for support of the Family Reunification Pilot.

A net increase of $3.4 million in PSG is primarily in the Sheriff for the Department of Health Care Services California Advancing and Innovating Medi-Cal (CalAIM) Providing Access and Transforming Health (PATH) to support implementation of pre-release Medi-Cal enrollment and suspension processes for adult justice-involved population; in San Diego County Fire for the Climate Investment Fire Prevention Grant for fuel reduction and evacuation readiness program; in Department of Child Support Services based on additional allocation provided by the California Department of Child Support Services; in Public Defender due to the Edward Byrne Memorial Justice Assistance Grant (JAG), offset by decreases in the Sheriff's Department related to State and federal homeland security initiatives.

A net increase of $0.1 million in LUEG is in the Department of Agriculture/Weights & Measures due to anticipated workload increases relating to Noxious Weeds offset by decreases in Parks and Recreation due to completion of ARPA funded project and in the Department of Environmental Health and Quality due to a lower Urban Area Security Initiative (UASI) grant allocation.

The net decrease of $0.5 million in FGG is from the Registrar of Voters due to full payment of federal Help America Vote Act (HAVA) funding in the prior year and in the Human Resources due to the operational impacts of the COVID-19 pandemic and related ARPA funding.

Other Financing Sources

Other Financing Sources (including Operating Transfers from Other Funds) **increases by a net of $50.9 million or 10.9%.**

There is a net increase of $29.7 million in PSG is primarily due to an increase of $25.0 million in the Proposition (Prop) 172 Fund, the *Local Public Safety Protection and Improvement Act of 1993*, to fund final ongoing and one-time negotiated salary and benefit increases, regional law enforcement services and public safety focused services, information technology, facility costs and other operational costs in District Attorney, Sheriff and Probation. More information about Proposition 172 funding appears in the following section. In addition, increases of $3.7 million in the San Diego County Fire is due to an operating transfer from San Diego County Fire Protection District for one-time fire apparatus and equipment purchases; $0.6 million in Sheriff due to increase in fund transfers between the Sheriff's Jail Commissary Enterprise Fund, the Incarcerated Peoples' Welfare Fund and the General Fund, and $0.4 million in the Office of Emergency Services from the San Diego County Fire Protection District and County Service Areas to reimburse administrative staff costs supporting San Diego County Fire activities.

A net increase of $20.6 million in Finance Other due to one-time items funded by General Purpose revenue for various General Fund departments offset by a decrease in Lease Payment Bonds.

A net increase of $0.5 million in LUEG is in Parks and Recreation due to increased support for County Service Areas (CSA) and Community Facilities District parks.

Charges For Current Services

Charges For Current Services **increases by a net of $8.4 million or 1.8%.** Revenues increase by $7.3 million in FGG and $3.0 million in LUEG, offset by decreases of $1.2 million in PSG and $0.7 million in HHSA.

- In FGG, the net increase of $7.3 million include increases of $4.3 million in the Assessor/Recorder/County Clerk primarily from the Recorder Trust Fund revenues due to contract services related to the replacement of the Integrated Recorder and Vital Records System, digitization and indexing of pre-1980 records, and conservation, treatment and transfer of ARCC records from the San Diego History Center and associated personnel costs; $2.3 million in the Human Resources, FGG Executive Office, Chief Administrative Office, and the Auditor and Controller departments associated with the Cost Allocation Plan for reimbursement of administrative services provided to other County departments; $2.0 million in County Counsel due to an increase in legal services relating to constitutional claims, contracts review and real estate matters; $0.4 million in the Treasurer-Tax Collector primarily due to increase in tax collection administration revenue; and $0.3 in the County Technology Office primarily due to increase in departmental operation, maintenance and one-time costs. This is offset by a decrease of $2.0 million in the Registrar of Voters due to the lower number of billable jurisdictions that will participate in the March 2024 Presidential Primary Election.
- In LUEG, an overall increase of $3.0 million include increases of $1.7 million in the Planning & Development Services due to approved increases in plan check fees for building plan checks and to align with current fiscal year projections in plan check revenue, and from revenue generated by reviewing privately initiated land development projects due to Board of Supervisors' direction to remove barriers to housing noted above; $0.5 million in the Department of Environmental Health and Quality primarily in Service to Property Owners, and Plan Check and Field Inspections, and other accounts related to service; $0.3 million in the LUEG Executive Office for support costs from LUEG departments; $0.3 million in Public Works Services to Property Owners mainly due to land development activities; and $0.2 million in Parks and Recreation due to increase in camping use.
- In PSG, the net decrease of $1.2 million include decreases of $2.0 million in Contribution for Trial Courts and $0.7 million in the San Diego County Fire due to the dissolution of CSA 69; offset by increases of $1.3 million in Sheriff primarily for contracted law enforcement services to nine contract cities, transit entities, a community college district, the State of California 22nd District Agricultural Association, and $0.2 million in Animal Services due to increased charges for multiple animal services fees.
- In HHSA, the net decrease of $0.7 million include decreases of $0.5 million in Behavioral Health Services' Institutional Care Hospital charges and $0.3 in Public Health Services due completion of prior year one-time Perinatal Equity Initiative Medical Campaign, offset by an increase of $0.1 million in Medical Care Services due to Pharmacy medication dispensing fee revenue previously with Behavioral Health Services.

Other Intergovernmental Revenue

Other Intergovernmental Revenue **increases by a net of $1.2 million or 5.0%.**

There are net increases of $0.6 million in HHSA which includes $0.5 million in Behavioral Health Services due to revenue from the City of San Diego for the Behavioral Health Services Recovery Bridge Center and $0.1 million from the Housing and Community Development Services Housing Authority administrative revenue to support Stability and Housing Choice Voucher program administration increases in Salaries & Benefits and Services & Supplies; $0.4 million in PSG in the Sheriff's Department from the Vista Unified School District and Guajome Schools to add a School Resource Officer; and $0.2 million in LUEG in the Planning and Development Services associated with the San Diego Association of Governments (SANDAG) grants specifically a Housing Acceleration Program and Smart Growth Incentive Program, and to cover increase in the Joint Powers Agreement with the City of San Diego for the San Diego Geographic Information Source (SanGIS) program.

Fines, Forfeitures & Penalties

Fines, Forfeitures & Penalties **decreases by a net of $3.9 million or 17.5%.**

An overall net decrease of $3.1 million in PSG is primarily due to a $3.2 million decrease in the Sheriff for planned expenditures of the Cal-ID program, elimination of criminal administrative fees, and reimbursements from the Sheriff's Disbursement Fee Trust Fund and a decrease of $0.8 million in the San Diego County Fire Emergency Medical Services Maddy Trust Fund penalty assessment funds to align with continuous decrease in collections; offset by an increase of $0.9 million collections in Contribution for Trial Courts.

A net decrease of $0.8 million is in the HHSA Self-Sufficiency Services to align with the decrease of Physician Provider Payment Expenditures and anticipated revenues to be received.

Licenses, Permits & Franchises

Licenses, Permits & Franchises **increases by $6.1 million or 13.0%.**

A net increase of $4.2 million in LUEG is primarily due to an increase of $3.2 million in the Department of Environmental Health and Quality due to permit fee revenue increase related to the department's Fiscal Year 2023-24 Cost Recovery Proposal and million permit fee revenue increase due to permit growth. Additional increases of $0.9 million in Planning and Development Services due to approved increases in building permit fees partially offset by fee waiver permits and to align with current fiscal year projections in permit revenue and the first full year of the Cannabis licensing program, and $0.1 million in Agriculture/Weights & Measures due to the increase in budgeted revenue related to cost recovery proposals.

A net increase of $2.0 million in FGG in the Assessor/Recorder/County Clerk is due to increased number of marriage licenses issued and increased fees for services. This is offset by a decrease of $0.2 million in PSG in the Sheriff's Department to align budget with anticipated license fee revenues.

Miscellaneous Revenues

Miscellaneous Revenues **increases by a net of $42.5 million or 65.7%.**

A net increase of $30.9 million is primarily in the HHSA due an increase of $25.0 million in the Housing and Community Development Services Innovative Housing Trust Fund established by the Board of Supervisors to fund affordable housing projects and increase of $5.1 million in the Behavioral Health and $0.8 million in the Public Health Services Opioid Settlement Framework funds to advance strategies aimed at reducing opioid misuse.

A net increase of $11.1 million in PSG is mainly due to $14.0 million from Regional Communication System Trust Fund revenue for system upgrades, offset by $2.1 million in the Public Defender for a decrease in reimbursement from the Indigent Defense Trust Fund and a decrease of $0.8 million in the Sheriff for the termination of the Unsheltered Feeding Program memorandum of agreement.

A net increase of $0.4 million in LUEG is in the Department of Agriculture/Weights & Measures mostly due to projects that will be completed in the next fiscal year.

A net increase of $0.1 million in FGG is due to an increase of $0.2 million Human Resources due to reimbursement from the Employee Benefits Internal Services Fund for its portions of the Employee Benefits and Workers' Compensation divisions and realignment of benefits and insurance revenues, partially offset by a decrease of $0.1 million in Auditor and Controller due to anticipated reduction in Accounts Payable e-commerce revenue.

Revenue from Use of Money & Property

Use of Money & Property **decreases by $0.8 million or 18.1%**, primarily in Finance Other due to removal of prior year Lease Payments-Bonds Rents and Concessions.

Taxes Other Than Current Secured

Taxes Other Than Current Secured **increases by $0.1 million** in HHSA Homeless Solutions and Equitable Communities tied to the State Prop 10 tobacco tax in support of First 5 Refugee Family Support Services.

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

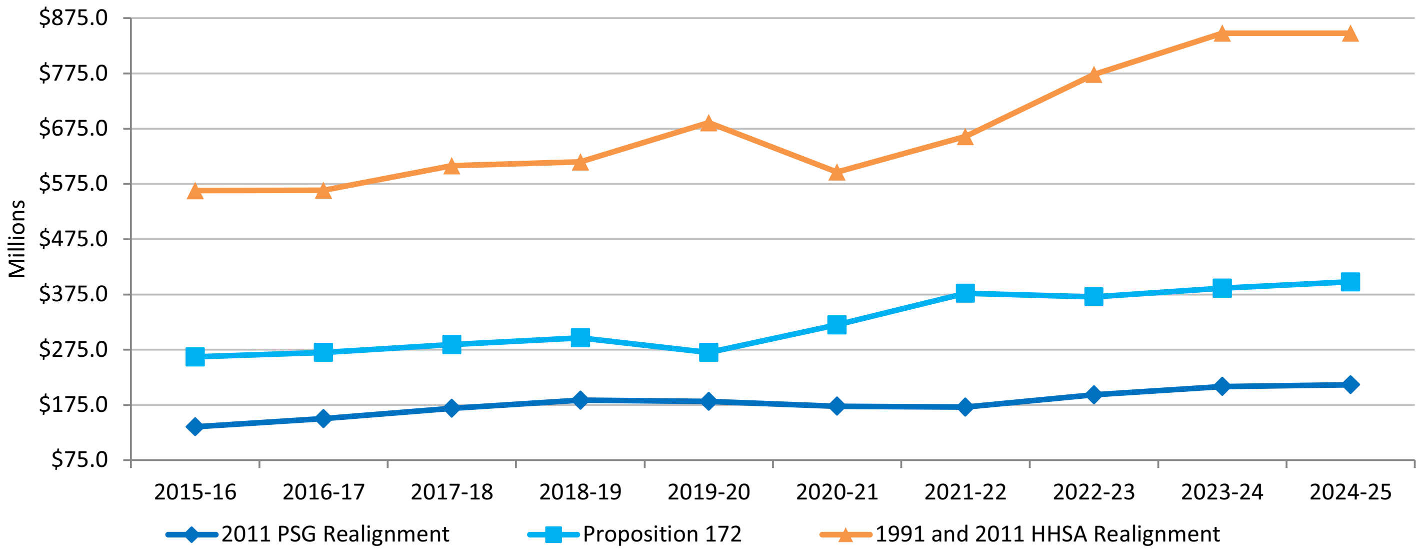
1991 and 2011 Health and Human Services Realignment Revenues ($847.5 million in Fiscal Year 2023–24 and $847.5 million in Fiscal Year 2024–25) are projected to be received from the State to support health and social services programs.

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 2023–24, it is projected that 26.7% 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. This assumes an underlying statewide sales tax increase of 0.7% and VLF increase of 3.0% for Fiscal Year 2023–24 based on economic forecast. These revenues are projected to increase by 9.6% ($74.5 million) compared to the Fiscal Year 2022–23 budget ($773.0 million) to align with projected statewide sales tax and vehicle license fees there is no change for Fiscal Year 2024–25.

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 2015-16 to Fiscal Year 2024-25



Note: Fiscal Year 2015–16 to 2021–22 figures represent actual revenues. Fiscal Year 2022–23 through Fiscal Year 2024–25 figures represent projected revenue as included in the Fiscal Years 2023–25 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 (**$208.3 million in Fiscal Year 2023–24** and $211.5 million in Fiscal Year 2024–25) are budgeted to support adult and juvenile justice programs. The revenue source is a dedicated portion of State sales tax and State and local Vehicle License Fees (VLF). The revenues provided for realignment are deposited into the Local Revenue Fund 2011 and allocated to specific accounts and subaccounts as directed by statute. Funds allocated to the Community Corrections Subaccount support Public Safety Services in accordance with 2011 Public Safety Realignment which provides funding for the transfer of responsibility for certain offenders from the State to the County, pursuant to Assembly Bill (AB) 109; provides resources for housing, treatment and services for adult and juvenile offenders; and other services promoting a justice reinvestment strategy. These budgeted revenues increase in Fiscal Year 2023–24 by 7.83% ($15.1 million) compared to Fiscal Year 2022–23. This change in revenues is slight increase from Fiscal Year 2021–22. The projected increase in sales tax revenue and VLF is due to the continued recovery from the economic impact of COVID-19 pandemic and based on formulaic assumptions provided by the State of California and assumes an underlying receipts in statewide sales tax rate of 0.45% for Fiscal Year 2023–24.

2011 Realignment for Public Safety includes the following subaccounts: Enhancing Law Enforcement Activities (various programs), Trial Court Security, Community Corrections, District Attorney and Public Defender Revocation activities and Juvenile Justice (Youthful Offender Block Grant and Juvenile Reentry).

Proposition 172, Public Safety Sales Tax Revenues

Proposition 172, Public Safety Sales Tax Revenues (**$386.2 million in Fiscal Year 2023–24** and $397.8 million in Fiscal Year 2024–25) 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 a Statewide sales tax, approved by voters in 1993, which is distributed to counties based on the relative levels of taxable sales in each county compared 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 Government Code 30055(d).

For Fiscal Year 2023–24, these revenues increase by 4.29% ($15.9 million) from Fiscal Year 2022–23 budgeted amount. This assumes an underlying receipts in statewide sales tax rate of 0.45% for Fiscal Year 2023–24 following an increase of 3.03% in Fiscal Year 2022–23. It is anticipated that these revenues will have a modest growth in Fiscal Year 2024–25 as the economy stabilizes. The previous chart shows the realized revenues for Proposition 172 for Fiscal Years 2015–16 through 2022–23 and projected levels for Fiscal Years 2023–24 through 2024–25.

Tobacco Settlement Revenues

Tobacco Settlement Revenues (**$15.1 million in Fiscal Year 2023–24** and $15.1 million in Fiscal Year 2024–25) 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 $15.1 million budgeted in Fiscal Year 2023–24 reflects $15.1 million in Securitized Tobacco funds for Operating Transfers to fund various Health and Social Services programs. No change is proposed from the prior year.

General Fund General Purpose Revenue/ Fund Balance Component Decreases

General Fund Use of Fund Balance/Fund Balance Component Decreases (previously Designations)

General Purpose Revenue (GPR) makes up 29.2% of the General Fund Financing Sources. Please see the separate discussion of GPR in the following section. Use of Fund Balance, including Fund Balance Component Decreases, ($51.4 million in Fiscal Year 2023–24 and $52.8 million in Fiscal Year 2024–25), represents 0.8% of General Fund Financing Sources in Fiscal Year 2023–24. 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 $51.4 million in Fiscal Year 2023–24 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.
- $6.1 million from fund balance assigned to one-time labor payments.
- $1.1 million from fund balance committed for Department of Environmental Health and Quality for increased need of Environmental Health commitment.
- $1.0 million from fund balance Committed to provide funding for the unspent balances in the District 4 Neighborhood Reinvestment Program and the Community Investment program.
- $0.4 million from fund balance Committed to the San Diego County Fire for fire and emergency rescue equipment purchases.

There is no General Fund Use of Fund Balance budgeted for Fiscal Year 2023–24.

Appendix C: General Fund Budget Summary

Appropriations by Group and Fund

Public Safety Group

	Fiscal Year 2021–22 Actuals	Fiscal Year 2022–23 Adopted Budget	Fiscal Year 2022–23 Amended Budget	Fiscal Year 2022–23 Actuals	Fiscal Year 2023–24 Adopted Budget	Fiscal Year 2024–25 Approved Budget
Public Safety Executive Office	$ 80,819,712	$ 79,378,434	$ 91,394,971	$ 79,066,921	$ 86,154,814	$ 86,034,903
District Attorney	209,539,453	248,217,633	263,900,706	231,086,427	293,886,220	278,754,818
Sheriff	987,632,934	1,150,652,581	1,291,119,825	1,064,451,146	1,205,571,771	1,184,445,062
Animal Services	9,556,115	9,720,040	9,879,785	9,842,626	9,894,202	9,942,315
Child Support Services	46,199,404	53,814,497	54,085,040	47,636,299	57,218,788	57,218,788
Office of Emergency Services	8,121,103	9,581,610	11,903,889	9,540,471	10,486,729	10,865,830
Medical Examiner	13,198,401	14,776,414	16,358,372	16,029,867	17,521,632	18,409,842
Probation	208,459,749	261,343,834	279,916,183	230,380,534	278,868,008	274,144,613
Public Defender	105,593,821	126,927,934	132,460,741	121,038,551	129,649,426	140,090,796
San Diego County Fire	63,257,694	64,169,244	92,248,665	70,521,047	82,266,652	79,038,114
Total	**$ 1,732,378,384**	**$ 2,018,582,221**	**$ 2,243,268,176**	**$ 1,879,593,889**	**$ 2,171,518,242**	**$ 2,138,945,081**

Health and Human Services Agency

	Fiscal Year 2021–22 Actuals	Fiscal Year 2022–23 Adopted Budget	Fiscal Year 2022–23 Amended Budget	Fiscal Year 2022–23 Actuals	Fiscal Year 2023–24 Adopted Budget	Fiscal Year 2024–25 Approved Budget
Self-Sufficiency Services	592,311,902	647,198,095	725,550,515	722,756,316	786,018,439	800,699,748
Aging & Independence Services	205,659,165	238,543,105	240,779,852	221,943,596	281,656,156	296,491,412
Behavioral Health Services	745,898,644	899,482,616	905,598,843	854,569,658	1,021,065,711	993,011,813
Child and Family Well-Being	398,004,169	442,378,091	461,334,592	425,894,842	456,858,494	472,506,585
Public Health Services	314,792,574	221,548,394	307,138,433	205,053,121	228,243,782	232,815,404
Medical Care Services Department	—	44,008,645	53,267,111	49,916,585	50,397,921	49,895,836
Administrative Support	205,153,925	160,705,317	175,380,787	156,219,777	169,072,255	179,533,130
Housing & Community Development Services	253,716,332	84,310,684	292,285,738	110,034,738	99,433,017	70,693,206
Homeless Solutions and Equitable Communities	60,139,974	53,901,692	131,840,472	43,918,754	82,060,043	61,112,608
Total	**$ 2,775,676,686**	**$ 2,792,076,639**	**$ 3,293,176,344**	**$ 2,790,307,387**	**$ 3,174,805,818**	**$ 3,156,759,742**

Land Use and Environment Group

	Fiscal Year 2021–22 Actuals	Fiscal Year 2022–23 Adopted Budget	Fiscal Year 2022–23 Amended Budget	Fiscal Year 2022–23 Actuals	Fiscal Year 2023–24 Adopted Budget	Fiscal Year 2024–25 Approved Budget
Land Use and Environment Executive Office	$ 7,910,211	$ 11,455,253	$ 16,790,712	$ 11,289,906	$ 11,660,031	$ 12,130,918
Agriculture/Weights & Measures	25,161,843	30,956,817	37,427,541	27,663,461	31,035,957	32,749,005
Department of Environmental Health and Quality	47,227,370	60,383,871	62,109,201	52,656,491	63,882,672	66,280,066
Parks and Recreation	50,453,390	63,137,087	90,161,428	58,719,107	64,986,117	64,223,198
Planning and Development Services	51,664,245	53,209,207	81,324,282	33,313,285	59,316,113	61,864,179
Public Works	42,376,855	22,993,546	52,357,525	31,055,704	24,007,805	25,158,287
University of California Cooperative Extension	1,222,282	—	—	(0)	—	—
Total	**$ 226,016,196**	**$ 242,135,781**	**$ 340,170,690**	**$ 214,697,954**	**$ 254,888,695**	**$ 262,405,653**

Finance and General Government Group

	Fiscal Year 2021–22 Actuals	Fiscal Year 2022–23 Adopted Budget	Fiscal Year 2022–23 Amended Budget	Fiscal Year 2022–23 Actuals	Fiscal Year 2023–24 Adopted Budget	Fiscal Year 2024–25 Approved Budget
Finance & General Government Executive Office	$ 27,555,887	$ 29,872,934	$ 68,271,291	$ 36,927,052	$ 32,577,026	$ 32,747,971
Board of Supervisors	13,538,877	15,087,396	16,904,316	14,461,269	16,392,037	16,872,517
Assessor / Recorder / County Clerk	72,374,568	81,115,147	90,241,236	72,713,589	89,266,846	86,728,632
Treasurer - Tax Collector	21,751,626	24,665,002	25,354,219	22,925,095	25,299,333	26,175,377
Chief Administrative Office	7,610,696	11,633,833	12,000,521	7,491,376	10,221,898	10,532,959
Auditor and Controller	38,222,772	41,540,331	47,939,816	38,099,294	42,534,578	44,474,986
County Communications Office	3,502,806	5,641,821	5,810,950	4,017,212	5,671,965	4,565,099
County Technology Office	10,963,563	10,482,858	14,555,106	11,944,901	10,712,561	10,859,546
Civil Service Commission	561,153	620,299	620,320	592,778	636,155	664,565

Finance and General Government Group

	Fiscal Year 2021–22 Actuals	Fiscal Year 2022–23 Adopted Budget	Fiscal Year 2022–23 Amended Budget	Fiscal Year 2022–23 Actuals	Fiscal Year 2023–24 Adopted Budget	Fiscal Year 2024–25 Approved Budget
Clerk of the Board of Supervisors	4,100,374	4,864,157	5,042,078	4,717,190	5,298,477	5,460,924
County Counsel	32,516,289	39,536,825	39,994,865	36,577,222	43,866,844	44,922,293
General Services	3,965,553	3,546,211	10,508,475	5,598,852	2,550,000	2,550,000
Grand Jury	657,815	772,301	775,191	621,161	780,724	780,724
Human Resources	32,129,630	35,128,278	36,813,690	32,559,258	36,576,622	37,657,979
Office of Evaluation, Performance and Analytics	143,141	4,500,000	4,744,413	2,149,411	—	—
Purchasing and Contracting	594,000	—	—	—	—	—
Registrar of Voters	36,689,226	39,949,422	44,118,481	35,895,012	40,158,441	39,845,566
Citizens' Law Enforcement Review Board	1,594,461	1,798,883	1,799,924	1,648,587	1,976,018	2,041,775
Total	**$ 308,472,437**	**$ 350,755,698**	**$ 425,494,892**	**$ 328,939,260**	**$ 364,519,525**	**$ 366,880,913**

Finance Other

	Fiscal Year 2021–22 Actuals	Fiscal Year 2022–23 Adopted Budget	Fiscal Year 2022–23 Amended Budget	Fiscal Year 2022–23 Actuals	Fiscal Year 2023–24 Adopted Budget	Fiscal Year 2024–25 Approved Budget
Community Enhancement	$ 3,883,106	$ 5,390,086	$ 11,346,909	$ 8,374,113	$ 5,459,241	$ 5,265,490
Neighborhood Reinvestment Program	8,540,571	10,000,000	11,910,451	10,064,148	10,708,261	10,000,000
Contributions to County Library	499,874	—	350,821	347,821	—	—
Lease Payments-Bonds	24,142,905	24,031,204	24,031,204	23,990,618	25,723,612	26,230,369
Contributions to Capital Program	105,315,444	84,160,000	480,292,927	103,534,594	45,868,000	—
Countywide General Expense	129,022,267	126,366,769	334,369,975	90,453,822	157,459,934	102,719,108
Local Agency Formation Commission Administration	483,914	514,281	514,281	514,281	582,443	599,916
Total	**$ 271,888,082**	**$ 250,462,340**	**$ 862,816,568**	**$ 237,279,397**	**$ 245,801,491**	**$ 144,814,883**

Total - Group/Agency

	Fiscal Year 2021–22 Actuals	Fiscal Year 2022–23 Adopted Budget	Fiscal Year 2022–23 Amended Budget	Fiscal Year 2022–23 Actuals	Fiscal Year 2023–24 Adopted Budget	Fiscal Year 2024–25 Approved Budget
Total	**$ 5,314,431,784**	**$ 5,654,012,679**	**$ 7,164,926,670**	**$ 5,450,817,888**	**$ 6,211,533,771**	**$ 6,069,806,272**

Financing Sources

Financing Sources by Category

	Fiscal Year 2021–22 Actuals	Fiscal Year 2022–23 Adopted Budget	Fiscal Year 2022–23 Amended Budget	Fiscal Year 2022–23 Actuals	Fiscal Year 2023–24 Adopted Budget	Fiscal Year 2024–25 Approved Budget
Taxes Current Property	$ 821,638,484	$ 863,273,350	$ 866,906,865	$ 885,967,802	$ 909,848,270	$ 924,458,247
Taxes Other Than Current Secured	615,407,596	604,297,680	609,434,054	657,595,750	652,805,601	664,633,361
Licenses Permits & Franchises	42,140,840	51,189,426	51,189,426	50,995,272	57,173,257	60,677,224
Fines, Forfeitures & Penalties	41,068,946	40,058,414	40,255,484	44,597,078	40,964,685	36,962,485
Revenue From Use of Money & Property	22,221,592	12,512,993	12,512,993	64,988,097	49,679,549	49,338,886
Intergovernmental Revenues	2,990,544,230	2,967,581,393	3,545,797,017	2,937,174,976	3,355,356,108	3,324,433,394
Charges For Current Services	423,335,722	460,360,073	465,592,913	425,406,191	468,726,631	470,541,674
Miscellaneous Revenues	43,398,100	64,706,706	121,389,829	54,028,569	107,699,385	42,396,420
Other Financing Sources	356,898,148	467,062,387	487,208,870	406,939,203	517,915,835	443,562,567
Total Revenues	**$ 5,356,653,657**	**$ 5,531,042,422**	**$ 6,200,287,452**	**$ 5,527,692,938**	**$ 6,160,169,321**	**$ 6,017,004,258**
Fund Balance Component Decreases	$53,845,021	$52,802,187	$52,802,187	$52,802,187	$51,364,450	$42,802,014
Use of Fund Balance	(96,066,893)	70,168,070	911,837,031	(129,677,237)	—	10,000,000
Total Financing Sources	**$ 5,314,431,784**	**$ 5,654,012,679**	**$ 7,164,926,670**	**$ 5,450,817,888**	**$ 6,211,533,771**	**$ 6,069,806,272**

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 2014-15.

TABLE 1
ASSESSMENT APPEALS
Fiscal Years 2014-15 through 2023-24

Fiscal Year	Appeals(1)	Parcels
2014-15	7,211	9,266
2015-16	4,826	5,822
2016-17	4,413	6,259
2017-18	3,708	5,208
2018-19	3,555	4,864
2019-20	4,183	4,974
2020-21	4,577	5,661
2021-22	4,386	5,578
2022-23	3,840	4,679
2023-24(2)	1,660	1,825

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 2014-15 through 2023-24:

TABLE 2
ASSESSED VALUATION OF PROPERTY
SUBJECT TO AD VALOREM TAXATION
Fiscal Years 2014-15 through 2023-24
($ In Thousands)

Fiscal Year	Land	Improvements	Personal Property	Gross Assessed Valuation	Exemption[1]	Net Assessed Valuation for Tax Purposes[2]
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
2020-21	276,732,392	322,427,706	18,938,815	618,098,913	19,843,441	598,255,472
2021-22	290,490,223	332,642,655	17,304,321	640,437,199	21,890,732	618,546,467
2022-23	318,629,850	354,024,970	20,487,316	693,142,136	22,902,428	670,239,708
2023-24	345,552,666	373,816,784	22,924,478	742,293,928	24,634,134	717,659,794

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, local unsecured, manufactured home, possessory interest, and state unitary valuation.

Table 3 below sets forth the approximate tax levied against the ten largest property taxpayers in the County for Fiscal Year 2022-23. These tax payments represent approximately 4.0% of the total secured property tax levied by the County for Fiscal Year 2022-23, which amounts to $8,086,618,523.

TABLE 3
TEN LARGEST TAXPAYERS
Fiscal Year 2022-23

Property Owners	Business Area	Approximate Tax[1]
San Diego Gas & Electric Company	Gas and Electric Utility	$211,673,752
Qualcomm Inc.	Telecommunication	31,762,737
Kilroy Realty LP	Real Estate	15,671,458
Irvine Co LLC	Real Estate	11,285,894
UTC Venture LLC	Real Estate	10,862,821
Host Hotels and Resorts LP	Real Estate	10,295,713
Pacific Bell Telephone	Telecommunication	9,351,343
BSK Del Partners LLC	Real Estate	8,811,231
Sorrento West Properties	Real Estate	7,495,132
Fashion Valley Mall LLC	Real Estate	6,745,407

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 2014-15 through 2023-24.

TABLE 4
SECURED TAX ROLL STATISTICS
Fiscal Years 2014-15 through 2023-24

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
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(4)
2020-21	1,005,291	598,461,616,928	7,275,864,288	28,045	68,517,220	0.94
2021-22	1,007,475	622,606,710,042	7,561,306,954	26,947	65,619,229	0.87
2022-23	1,011,687	671,196,410,740	8,086,582,523	32,414	80,059,209	0.99
2023-24	1,014,104	717,341,547,896	8,628,616,727	N/A(5)	N/A(5)	N/A(5)

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.

(4) Collection for Fiscal Year 2019-20 second installment of property taxes was negatively impacted by the COVID-19 Pandemic resulting in an increase in the Delinquent Tax Amount as a Percent of Total Tax Amount.

(5) Not available as the first payment for the indicated fiscal year is not yet due.

Financial Statements (FAR- RUEHLE/BJERKE)

Table 5 below sets forth the audited General Fund Balance Sheet for Fiscal Years 2020-21 through 2022-23. Table 6 sets forth the audited General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for Fiscal Years 2018-19 through 2022-23.

TABLE 5
COUNTY OF SAN DIEGO
GENERAL FUND BALANCE SHEET
For Fiscal Years 2020-21 through 2022-23
(In Thousands)

	Audited 2021[(2)]	Audited 2022[(2)]	Audited 2023[(2)]
ASSETS			
Pooled Cash and Investments	$ 2,757,307	$ 2,880,676	$ 3,061,336
Cash with Fiscal Agents	7	7	16
Investments with Fiscal Agents	2	1	2
Receivables, net	888,329	967,373	1,098,203
Lease Receivables		4,587	4,467
Property Taxes Receivables, net	127,674	133,348	160,037
Due from Other Funds[(1)]	61,515	64,206	67,314
Inventories	17,738	43,184	49,589
Prepaid Items	12	78	5,080
Restricted Assets – Cash with Fiscal Agents	198	218	229
TOTAL ASSETS	$ 3,852,782	$ 4,093,678	$ 4,446,273
LIABILITIES			
Accounts Payable	331,356	306,168	271,015
Accrued Payroll	58,314	65,661	80,484
Due to Other Funds[(1)]	84,006	84,862	68,865
Unearned Revenue	796,366	949,782	911,463
TOTAL LIABILITIES	$ 1,270,042	$ 1,406,473	$ 1,331,827
DEFERRED INFLOWS OF RESOURCES			
Leases		4,567	4,434
Property Taxes Received in Advance	9,707	11,810	14,348
Unavailable Revenue[(3)]	290,598	320,819	277,749
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 300,305	$ 337,196	$ 296,531
FUND BALANCES			
Nonspendable:			
Not in Spendable Form:			
Loans, Due from Other Funds and Prepaids	5,162	5,231	10,250
Inventories and Deposits with Others	17,738	43,184	49,589
Restricted for:			
Grantors – Housing Assistance	88,145	97,252	114,144
Donations	3,070	2,944	2,919
Pension Stabilization	256,998	214,196	171,394
Laws or Regulations of Other Governments:			
Enforcement of Consumer Protection Laws			185,731
Public Safety Activities	1,722	2,910	5,569
Custody of Non-Violent, Non-Serious, Non-Sex Offenders and Supervision of Post Release Offenders	56,436	54,898	89,842

(Table continued on subsequent page.)

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	Audited 2021[2]	Audited 2022[2]	Audited 2023[2]
Improvement and Maintenance of Recorded Document Systems	21,823	24,744	26,467
Development of Multifamily Housing for Persons with Serious Mental Illness who are Homeless, Chronically Homeless, or At-Risk of Becoming Chronically Homeless	40,605	60,553	79,952
State Permanent Local Housing Allocation Program to Address Unmet Housing Needs			2,058
Down Payment and Closing Costs Assistance for First-Time Homebuyers	4,684	4,974	5,047
Defray Administrative Costs, Other General Restrictions	28,701	25,539	26,849
Construction, Maintenance and Other Costs for Justice, Health, and Social Facilities and Programs	38,963	32,023	23,767
Implementation of the Opioid Settlement Framework			18,832
Custody and Care of Youthful Offenders	13,368	14,543	17,091
Juvenile Probation Activities	16,852	11,011	13,816
Expansion of Behavioral Health Community Provider Capacity and to Strengthen the Regional Continuum of Care	24,718	24,270	23,895
Other Purposes	96,185	104,608	121,084
Committed to:			
Support, Promote, and Improve Educational Options for San Diego County K-12 youth		33,427	28,094
Realignment Health, Mental Health and Social Services	39	39	39
Chula Vista Bayfront Project Public Infrastructure Improvements	25,000	8,334	
Capital Projects' Funding	423,194	513,563	500,299
Evaluation, Acquisition, Construction, or Rehabilitation of Affordable Housing for Low-Income Residents	26,908	36,558	53,449
Other Purposes	25,115	25,238	34,668
Assigned to:			
Subsequent One-Time Expenditures[4]	195,237	40,418	
Legislative and Administrative Services	72,266	97,776	156,332
Other Purposes	138,236	255,299	259,286
Unassigned	661,270	616,477	797,452
Total Fund Balances	$ 2,282,435	$ 2,350,009	$ 2,817,915
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 3,852,782	$ 4,093,678	$ 4,446,273

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 2018-19 through 2022-23
(In Thousands)

	Audited 2018-19	Audited 2019-20	Audited 2020-21	Audited 2021-22	Audited 2022-23
Revenues:					
Taxes	$ 1,223,597	$ 1,288,900	$ 1,367,772	$ 1,434,814	$ 1,543,910
Licenses, Permits and Franchise Fees	46,778	43,208	43,271	41,988	51,312
Fines, Forfeitures and Penalties	42,453	41,719	39,114	79,634	39,583
Revenue From Use of Money and Property	63,090	62,791	(2,521)	(52,337)	54,783
Aid From Other Governmental Agencies:					
State	1,224,649	1,455,841	1,383,222	1,444,771	1,715,230
Federal	766,244	867,672	1,355,842	1,399,041	1,205,320
Other	117,631	125,119	168,725	173,426	191,945
Charges for Current Services	384,631	383,503	426,714	429,405	446,770
Other	28,333	35,743	35,743	35,193	240,353
Total Revenues	$ 3,897,406	$ 4,304,496	$ 4,817,882	$ 4,985,935	$ 5,489,206
Expenditures:					
Current:					
General Government	$ 277,935	$ 347,244	$ 382,074	$ 406,915	$ 380,192
Public Protection	1,557,750	1,641,541	1,625,334	1,720,637	1,860,424
Public Ways and Facilities	4,857	6,472	6,167	7,567	3,928
Health and Sanitation	829,446	920,181	1,237,047	1,175,482	1,228,415
Public Assistance	1,092,266	1,235,090	1,581,021	1,563,491	1,512,502
Education	1,346	1,322	1,163	1,222	836
Recreation and Cultural	40,489	43,876	41,595	48,976	56,269
Capital Outlay	30,034	67,904	103,151	19,413	53,830
Debt Service:					
Principal(1)	21,959	16,175	19,346	60,165	64,283
Interest	14,585	12,626	12,422	11,513	11,640
Payment to Refunded Bond Escrow Agent(2)		5,931	2,155		
Total Expenditures	$ 3,870,667	$ 4,298,362	$ 5,011,475	$ 5,015,381	$ 5,172,319
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 26,739	$ 6,134	$ (193,593)	$ (29,446)	$ 316,887

(Table continued on subsequent page.)

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	Audited 2018-19	Audited 2019-20	Audited 2020-21	Audited 2021-22	Audited 2022-23
Other Financing Sources (Uses):					
Sale of Capital Assets	$ 6,222	$ 997	$ 211	$ 183	$ 328
Issuance of Leases:					
Leases				914	2,553
Issuance of Subscriptions:					
Subscriptions					11,795
Issuance of Capital Lease:					
Face Value of Capital Lease		217	57,554		
Issuance of Bonds, Loans and Financed Purchases:					
Face Value of Financed Purchases				1,331	
Transfers In[3]	305,547	307,214	299,569	351,572	397,099
Transfers Out[4]	(222,301)	(270,454)	(349,379)	(282,426)	(267,161)
Total Other Financing Sources (Uses)	$ 89,468	$ 37,974	$ 7,955	$ 71,574	$ 144,614
Net Change in Fund Balances	116,207	44,108	(185,638)	42,128	461,501
Fund Balances at Beginning of Year	2,307,127	2,424,065	2,468,496	2,282,435	2,350,009
Increase (Decrease) in Nonspendable Inventories	731	323	(423)	25,446	6,405
Fund Balances at End of Year	$ 2,424,065	$ 2,468,496	$ 2,282,435	$ 2,350,009	$ 2,817,915

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Source: Annual Comprehensive 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 Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2020. In Fiscal Year 2020-21, $45.725 million of fixed interest rate certificates of participation – County of San Diego Refunding Certificates of Participation, Series 2020 COPs [$21.910 million Series 2020A (Tax Exempt) (County Administration Center Waterfront Park)] and [$23.815 million Series 2020B (Federally Taxable) (Cedar and Kettner Development)] were issued by the San Diego County Capital Asset Leasing Corporation. The Series 2020 COPs' proceeds, along with funds on hand with the Trustee, were used to refund the entire $27.545 million of Outstanding Series 2011 CAC Waterfront Park Certificates of Participation, and to refund the entire $24.860 million of Outstanding Series 2012 Cedar and Kettner Certificates of Participation. 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 Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021.

(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 below sets forth the County's Adopted and final Amended Budgets for Fiscal Year 2021-22 and Fiscal Year 2022-23. The table also sets forth the Adopted Budget for Fiscal Year 2023-24, the amended Budget as of September 30, 2023, 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 2023-24 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 2021-22,
ADOPTED AND AMENDED BUDGET FOR FISCAL YEAR 2022-23
AND ADOPTED AND AMENDED BUDGET AND PROJECTED RESULTS FOR FISCAL YEAR 2023-24
(In Thousands)

	2021-22 Adopted Budget	2021-22 Amended Budget(1)	2022-23 Adopted Budget	2022-23 Amended Budget(2)	2023-2024 Adopted Budget	2023-24 Amended Budget(3)	Projected Year-End Results (4)	Variance from Amended Budget(5)(6)
APPROPRIATIONS								
Public Safety	$1,862,507	$2,020,186	$2,018,582	$2,243,268	$2,171,520	$2,456,320	$2,448,491	$7,829
Health and Human Services	2,819,264	3,405,821	2,792,077	3,293,176	3,174,805	3,549,836	3,534,779	15,056
Land Use and Environment	239,203	340,142	242,135	340,171	254,889	361,430	352,938	8,492
Finance and General Government and Other	619,931	1,320,867	601,218	1,288,311	610,320	1,290,264	1,277,221	13,044
Contingency Reserve and Increases in Fund Balance Commitments	0	0	0	0	0	0	0	0
Total Appropriations	$5,540,906	$7,087,016	$5,654,012	$7,164,926	$6,211,534	$7,657,850	$7,613,429	$44,421
BUDGETED REVENUES								
Current Property Taxes	$ 807,372	$ 807,372	$ 863,273	$ 866,907	$ 909,848	$ 929,489	$938,483	$ 8,993
Taxes Other Than Current Property Taxes	565,877	565,877	604,298	609,434	652,806	664,307	680,052	15,744
Licenses, Permits and Franchises	37,123	37,123	51,189	51,189	57,173	57,819	56,085	(1,743)
Fines, Forfeitures and Penalties	40,754	41,355	40,058	40,255	40,965	44,592	44,938	346
Use of Money and Property	12,765	12,765	12,513	12,513	49,680	49,680	63,244	13,564
Aid from Other Government Agencies	2,887,289	3,701,956	2,967,581	3,545,7977	3,355,356	3,748,645	3,743,182	(5,463)
Charges for Current Services	456,311	461,770	460,360	465,593	468,727	473,194	461,157	(12,036)
Miscellaneous Revenues and Other Financing Sources	470,233	499,268	531,770	608599	625,615	722,548	714,463	(139)
Total Budgeted Revenues	$ 5,277,724	$6,127,486	$5,531,042	$6,200,287	$6,160,170	$6,690,273	$6,701,604	($7,946)
Estimated Use of Committed Fund Balance	$ 53,845	$ 53,845	$ 52,802	$ 52,802	$ 51,364	$ 51,364	$ 51,364	$ 11,329
Estimated Use of Unassigned Fund Balance	209,337	209,337	70,168	70,168	0	0	0	0
Estimated Use of Fund Balance for Encumbrances	0	696,349	0	841,669	0	916,213	860,461	0
Total Resources Utilized(5)	$5,540,906	$7,087,016	$5,654,012	$7,164,926	$6,211,534	$7,657,850	$7,613,429	$ 11,329
Net savings from the Fiscal Year 2023-24 Amended Budget								$ 55,750

(Source and notes continued on page 11.)

(Continued from previous page)

Source: County of San Diego Office of Financial Planning.

(1) Reflects appropriations, budgeted revenues and other financing sources included in the 2021-22 Adopted Budget as amended and adjusted to include all budgeted appropriations and revenues as of June 30, 2022.

(2) Reflects appropriations, budgeted revenues and other financing sources included in the 2021-22 Adopted Budget as amended and adjusted to include all budgeted appropriations and revenues as of June 30, 2022.

(3) Reflects appropriations, budgeted revenues and other financing sources included in the 2023-24 Adopted Budget as amended and adjusted to include all budgeted appropriations and revenues as of September 30, 2023, including carry over appropriations from the prior fiscal year.

(4) Reflects projections of the expenditures and revenues for Fiscal Year 2023-24 as of September 30, 2023.

(5) Reflects the difference between the budgeted expenditures, revenues and other financing sources in the Fiscal Year 2023-24 Amended Budget as of September 30, 2023 and the projected expenditures, revenues and other financing sources for Fiscal Year 2023-24 Adopted Budget as of September 30, 2023.

(6) Amounts without parentheses indicate a favorable variance to the County's General Fund. Amounts within parentheses indicate a unfavorable variance to the County's General Fund.

Historical Funding Status. Table 8 below sets forth for each of the ten years ended June 30, 2023 the amount of the Pension Plan assets, liabilities, funded ratio and 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
PENSION PLAN HISTORICAL FUNDING STATUS AND EMPLOYER CONTRIBUTIONS
Valuation Years Ended June 30, 2014 through 2023 and
Fiscal Years Ended June 30, 2016 through 2025
($ In Millions)

Valuation Date (June 30)	Net Market Value of Assets (1)(3)	Valuation Value of Assets (3)	Actuarial Accrued Liability (3)	UAAL (3)	Funded Ratio (3)	Fiscal Year	Employer Contribution (2) (4)	Employer Offsets (1) (4)
2014	$10,180.7	$9,824.4	$12,141.1	$2,316.7	80.9%	2016	$382.4	$23.3
2015	10,330.3	10,535.3	13,080.0	2,544.7	80.5	2017	417.9	20.9
2016	10,261.3	11,030.6	14,349.1	3,318.5	76.9	2018	520.7(5)	3.8
2017	11,397.0	11,566.9	14,937.8	3,370.9	77.4	2019	532.4(6)	0.0
2018	12,274.5	12,365.7	15,763.2	3,397.6	78.5	2020	568.9(7)	0.0
2019	12,862.9	12,932.2	16,955.1	4,022.9	76.3	2021	615.7	0.0
2020	12,909.0	13,715.9	17,741.2	4,025.3	77.3	2022	632.6	0.0
2021	16,126.3	14,671.5	18,339.9	3,668.4	80.0	2023	669.0(8)	0.0
2022	14,504.0	15,763.8	20,541.3	4,777.5	76.7	2024	772.7(9)	0.0
2023	15,771.3	16,513.0	21,628.7	5,115.7	76.4	2025	842.8(10)	0.0

(1) Source: Segal Consulting: Actuarial Valuation Report for the corresponding year.
(2) Source: Segal Consulting: Governmental Accounting Standards Board ("GASB") 67 Actuarial Valuation and Review.
(3) Source: San Diego County Employees Retirement Association Annual Comprehensive Financial Report.
(4) 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 beginning in Fiscal Year 2019.
(5) Includes $498.2 million of required contributions plus an additional discretionary contribution of $22.5 million by the County of San Diego.
(6) Includes $518.6 million of required contributions plus an additional discretionary contribution of $13.8 million by the County of San Diego.
(7) Includes $558.9 million of required contributions plus an additional discretionary contribution of $10.0 million by the County of San Diego.
(8) Includes $660.2 million of required contributions plus an additional discretionary contribution of $8.8 million by the County of San Diego.
(9) Includes the recommended required contributions as reported in the San Diego County Employees Retirement Association Actuarial Valuation and Review as of June 30, 2022.
(10) Includes the recommended required contributions as reported in the San Diego County Employees Retirement Association Actuarial Valuation and Review as of June 30, 2023

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 2014. 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, 2014
($ In Millions)

Fiscal Year	Post-Retirement Healthcare	STAR COLA	Contingency Reserve	Total
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
2022	0.0	0.0	0.0	0.0
2023	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, 2023 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, 2014 through 2023

Fiscal Year Ended June 30	Payments for Retiree Healthcare Benefits ($ In Millions)
2014	$20.0
2015	19.3
2016	18.5
2017	18.4
2018	16.8
2019	16.2
2020	16.0
2021	14.3
2022	12.8
2023	10.1

Source: San Diego County Employees Retirement Association Annual Comprehensive Financial Report.

General. Table 11 below sets forth the number of County employees for Fiscal Years 2013-14 through 2023-24:

TABLE 11
TOTAL COUNTY EMPLOYEES[1]

Year	Total Employees
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	17,194
2021-22	17,066
2022-23	18,013
2023-24[2]	18,024

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, 2023.

Table 13

County of San Diego

Summary of Long-Term Obligations
Payable from the General Fund
As of Oct 31, 2023

	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):				
2014 Edgemoor and RCS Refunding, issued September 2014	0.42-5.00%	2029	93,750	50,540
2019 Justice Facilities Refunding, issued September 2019	5.00%	2025	19,450	4,905
2020 Cedar and Kettner Development Project, issued October 2020	2.00-5.00%	2041	23,815	20,885
2020 CAC Waterfront Park Refunding, issued November 2020	0.42-5.00%	2041	21,910	19,875
2021 Youth Transition Campus, issued November 2021	.025-1.700%	2051	49,060	48,290
Total SANCAL			**207,985**	**144,495**
San Diego Regional Building Authority (SDRBA):				
2016A COC Refunding Bonds, issued March 2016	3.00-5.00%	2035	105,330	79,845
Total SDRBA			**105,330**	**79,845**
Total Certificates of Participation & Lease Revenue Bonds			**$ 313,315**	**$ 224,340**
Taxable Pension Obligation Bonds:				
County of San Diego Pension Obligation Bonds, issued June 2004				
Series B1, B2	5.91%	2024	147,825	57,250
County of San Diego Pension Obligation Bonds, issued August 2008				
Series A	6.03%	2027	343,515	153,975
Total Pension Obligation Bonds			**$ 491,340**	**$ 211,225**
Total General Fund Long Term Obligations			**$ 804,655**	**$ 435,565**

Source: County of San Diego, Office of Financial Planning

San Diego County Investment Pool

The following information concerning the Treasury Pool of San Diego County (the "Treasury Pool") has been provided by the County 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 a Treasury Oversight Committee pursuant to State law. The members of the Treasury Oversight Committee include the County Treasurer, the County Auditor and 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, a representative from the cities, and members of the public with an expertise in public finance. . The role of the Treasury Oversight Committee is to review the Investment Policy and the Pool's Annual Comprehensive Financial Report that is prepared by the County Treasurer.

Treasury Pool's Portfolio

As of October 31, 2023, the securities in the Treasury Pool had a market value of \$14,064,750,769 and a book value of \$14,474,603,872 for a net unrealized loss of \$409,853,103 of the book value of the Treasury Pool.

The effective duration for the Treasury Pool was 1.00 years as of October 31, 2023. "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 1.00 means that for every one percent increase in interest rates the market value of the portfolio would decrease by 1.00% .

As of October 31, 2023, approximately 6.98% of the total funds in the Pool were deposited by Voluntary Depositors, such as cities and fire districts, 9.17% by community colleges, 30.43% by the County, 0.69% by the Non-County and 52.73% 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 November 15, 2022, the Board of Supervisors adopted an amended Investment Policy which became effective January 1, 2023. 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, 2023. 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, 2023, 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, 2023.

Table 15
Summary Portfolio Statistics
County of San Diego Pooled Money Fund
As of October 31, 2023

Investment Type	Par Value	Book Value	Market Value	% of Portfolio	Market Price	Days To Maturity	YTM	Accrued Interest	Unrealized Gain/Loss
ABS	863,499,818	862,706,791	843,281,261	5.97%	97.66	1230	3.68%	1,343,182	(19,425,530)
Agency	3,250,810,000	3,248,917,655	3,040,688,125	21.57%	93.54	792	1.55%	13,255,736	(208,229,530)
Bank Deposit	16,503,557	16,503,557	16,503,557	0.12%	100.00	0	2.87%	-	-
Commercial Paper	3,349,000,000	3,298,560,369	3,298,560,369	23.30%	98.49	99	5.68%	-	-
Corporate	418,834,000	419,457,855	401,689,231	2.86%	95.91	438	2.16%	3,197,178	(17,768,625)
LAIF	2,147	2,147	2,147	0.00%	100.00	0	3.65%	7	-
Local Gov Investment Pool	250,963,920	250,963,920	250,963,920	1.77%	100.00	0	5.56%	-	-
Money Market Fund FI	303,500,000	303,500,000	303,500,000	2.14%	100.00	0	5.26%	-	-
Municipal Bonds	558,475,000	558,866,779	534,465,602	3.80%	95.70	829	2.47%	3,263,430	(24,401,177)
Negotiable CD	3,292,000,000	3,292,000,000	3,290,838,671	23.71%	99.96	142	5.64%	66,099,256	(1,161,329)
Supranationals	858,412,000	858,392,879	816,840,843	5.79%	95.16	548	1.55%	3,297,429	(41,552,036)
US Treasury	1,373,000,000	1,364,731,919	1,267,417,044	8.97%	92.31	712	1.10%	3,232,848	(97,314,875)
Total for October 2023	14,535,000,443	14,474,603,872	14,064,750,769	100%	96.76	442	3.71%	93,689,065	(409,853,103)
Total for September 2023	13,539,433,234	13,503,925,485	13,081,857,353	100%	96.62	471	3.51%	80,420,242	(422,068,132)
Change from Prior Month	995,567,209	970,678,387	982,893,416		0.14	(29)	0.20%	13,268,823	12,215,029
Portfolio Effective Duration	1.00								

Return Information	Monthly Return	Annualized	Fiscal Year To Date Return	Annualized	Calendar YTD Return	Annualized
Book Value	0.31%	3.72%	1.15%	3.49%	2.80%	3.37%

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 Days to Maturity 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 2023 were in compliance with the Investment Policy dated January 1, 2023. The County Treasurer believes the Treasury Investment Pool contains sufficient cash flow from liquid and maturing securities, bank deposits, and incoming cash to meet the next six months of expected expenditures.

While Safety, Liquidity, and Yield remain the Fund's primary investment objectives, all else being equal and acting under statutory investment limitations, the County Treasurer affirms his/her commitment to the consideration of ESG criteria in evaluating securities. Sustainalytics, a Morningstar Company, provides high-quality, analytical environmental, social and governance (ESG) research, ratings and data to institutional investors and companies. Using Sustainalytics scoring, which is available on Bloomberg, the Pool had a weighted average MTN/CP/CD score of 21.25 as of 10/31/23, placing it in the "Medium Risk" category. Sustainalytics' ratings categories are: negligible (0-9.99), low (10-19.99), medium (20-29.99), high (30-39.99) and severe (40+).

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 2022-23.

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

15. Incurrence of a Financial Obligation (as defined in the Rule) of the County, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security Owners, if material; and
    None

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.
    None