County of San Diego, California

Annual Comprehensive Financial Report
For the fiscal year ended
June 30, 2025

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Cover page

San Diego, CA 12-19-2024 Views of the recently renovated Botanical Garden at Balboa Park with restored elements including stucco arcades, and a new redwood lath roof./Roaming Panda Photos, Shutterstock.com.

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Bunch of american flamingoes resting in the mudflat, sleeping/Irina Lev, Shutterstock.com.

County of San Diego, California

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2025

Board of Supervisors

Paloma Aguirre	- District 1
Joel Anderson	- District 2
Terra Lawson-Remer	- District 3
Monica Montgomery Steppe	- District 4
Jim Desmond	- District 5

Ebony N. Shelton
Chief Administrative Officer (CAO)

Joan Bracci
Chief Financial Officer

Compiled under the direction of:
Tracy Drager
Auditor & Controller

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 45
Government-wide Financial Statements:
Statement of Net Position 46
Statement of Activities 49
Fund Financial Statements:
Balance Sheet - Governmental Funds 51
Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position 54
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 55
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities 56
Statement of Net Position - Proprietary Funds 57
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds 59
Statement of Cash Flows - Proprietary Funds 60
Statement of Fiduciary Net Position - Fiduciary Funds 62
Statement of Changes in Fiduciary Net Position - Fiduciary Funds 64
Contents - Notes to the Basic Financial Statements 67
Notes to the Basic Financial Statements 71
Required Supplementary Information 153
Pension Plan 154
OPEB Plan 155
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:
General Fund 158
Public Safety Fund 161
Tobacco Endowment Fund 162
Note to the Required Supplementary Information – Budgetary Information 163
Combining and Individual Fund Information and Other Supplementary Information 165
Combining Balance Sheet:
Nonmajor Governmental Funds 170
Special Revenue Funds 171
Debt Service Funds 175
Capital Projects Funds 176
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances:
Nonmajor Governmental Funds 177
Special Revenue Funds 178
Debt Service Funds 182
Capital Projects Funds 183
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:
Asset Forfeiture Program Fund 184
Community Facilities District Funds - Other 185
County Library Fund 186
County Low and Moderate Income Housing Asset Fund 187
County Service District Funds 188
Edgemoor Development Fund 192
Flood Control District Fund 193

Harmony Grove Community Facilities District Fund 194
Housing Authority - Low and Moderate Income Housing Asset Fund 195
Housing Authority - Other Fund 196
In Home Supportive Services Public Authority Fund 197
Inactive Wastesites Fund 198
Incarcerated Peoples and Ward Welfare Program Fund 199
Lighting Maintenance District Fund 200
Other Special Revenue Funds 201
Park Land Dedication Fund 202
Road Fund 203
SANCAL Non-Capital Fund 204
Combining Financial Statements – Nonmajor Enterprise Funds 205
Combining Statement of Net Position 206
Combining Statement of Revenues, Expenses, and Changes in Net Position 208
Combining Statement of Cash Flows 209
Combining Financial Statements – Internal Service Funds 211
Combining Statement of Net Position 212
Combining Statement of Revenues, Expenses, and Changes in Net Position 216
Combining Statement of Cash Flows 218
Combining Financial Statements – Fiduciary Funds 223
Combining Statement of Fiduciary Net Position - Pension and Other Post Employment Benefits Trust Funds 224
Combining Statement of Changes in Fiduciary Net Position - Pension and Other Post Employment Benefits Trust Funds 225
Combining Statement of Fiduciary Net Position - Custodial Funds 226
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds 227

Statistical Section

Introduction 229
Net Position by Component 230
Changes in Net Position 231
Fund Balances - Governmental Funds 235
Changes in Fund Balances - Governmental Funds 236
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 251

Introductory Section

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TRACY DRAGER
AUDITOR AND CONTROLLER

JULIE BJERKE
ASSISTANT AUDITOR AND CONTROLLER

November 14, 2025

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, 2025, 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.

Eide Bailly LLP, has issued an unmodified ("clean") opinion on the County of San Diego's basic financial statements for the year ended June 30, 2025. 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 4,526 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.

For thousands of years, Native Americans have lived in this region. The four tribal groupings that make up the indigenous American Indians of San Diego County are the Kumeyaay (also referred to as Diegueño or Mission Indians), the Luiseño, the Cupeño and the Cahuilla. San Diego County has the largest number of Indian reservations (18) of any county in the United States. The reservations are small, with total land holdings of an estimated 193 square miles.

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 most recent State of California Department of Finance (DOF) estimates, the County's population for 2025 as of January 1 was 3.33 million, reflecting a 0.4 percent increase from the 2024 population of 3.31 million. The San Diego region is the second-largest county in California, accounting for 8.4 percent of the State's population, and fifth largest in the nation in terms of population, according to the U.S. Census Bureau (U.S. Census Bureau, County Population Totals: 2020–2023, accessed on August 3, 2024). There are 18 incorporated cities in the County; the City of San Diego being the largest, with a population of approximately 1.41 million; and the City of Del Mar the smallest, at approximately 3,950 people, according to DOF population estimates as of January 2025.

The racial and ethnic composition of the County is as diverse as its geography. The San Diego Association of Governments (SANDAG) projects that in 2040, the San Diego region's population will continue to grow in its diversity with: 38.7 percent White; 34.3 percent Hispanic; 16.3 percent Asian and Pacific Islander (API); 4.1 percent Black and 6.6 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, including subsequent amendments. The County of San Diego is governed by a five-member Board of Supervisors elected to four-year terms in district, nonpartisan elections. Each Board member is limited to no more than two terms and must reside in the district from which they are elected.

The Board of Supervisors sets priorities and approves the County's two-year budget. The County may exercise its powers only through the Board of Supervisors or through agents and officers acting under the authority of the Board or authority conferred by law. The Board of Supervisors appoints the following officers: the Chief Administrative Officer (CAO), the County Counsel, the Probation Officer, and the Clerk of the Board of Supervisors. All other non-elected officers are appointed by the CAO. The CAO assists the Board of Supervisors in overseeing the functions and operations of the County; is responsible for carrying out all 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. There are 18 incorporated cities in San Diego County and a vast number of unincorporated communities. The County provides a full range of public services to residents, including health and human services, parks and recreation, libraries, roads, law enforcement, detention and correction, and emergency response services. The County also serves as a delivery channel for many State services, such as foster care, public health care and elections.

These services are provided by four business Groups (Public Safety, Health and Human Services, 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.

As 2025 headed into summer, the U.S. economy continued to show stability in short-term outlook, despite a "rising probability that the nation could face a sudden economic decompression," with the probability of recession within the next 12-months projected at 20% as of July, influenced by low consumer sentiment and continued weakness in the dollar (The Beacon Outlook United States, Summer

2025). According to the U.S. Department of Commerce Bureau of Economic Analysis (BEA), GDP in 2024 increased 2.8 percent, compared to an increase of 2.5 percent in 2023 (BEA, Gross Domestic Product, Fourth Quarter and Year 2024 (Second Estimate), January 2025). The increase in GDP in 2024 primarily reflects increases in both consumer and government spending. Imports, which are a subtraction in the calculation of GDP, decreased. Quarter over quarter, the percent changes in 2024 also show increases in GDP and was strong in the third quarter with an increase of 3.1 percent before decelerating in the fourth quarter but still at an increase of 2.3 percent (ibid).

With the current presidential administration, there is uncertainty regarding the U.S. economic outlook for the remainder of 2025 and 2026. According to the UCLA Anderson Forecast, "the current economic forecast is subject to numerous risks, given the unprecedented levels of economic and geopolitical uncertainty (UCLA Anderson Forecast, Summer 2025 Economic Forecast). Looking at GDP, the UCLA Anderson Forecast projects that "consumption and investment growth will remain weak," slowing economic growth and affecting the labor market, resulting in projected "tepid growth continuing into 2026" (ibid). GDP is projected for slight growth of 1.3 percent in 2025, with more modest 0.8 percent growth projected in 2026. (ibid).

According to the Federal Reserve ("the Fed") press release issued July 30, 2025, "recent indicators suggest that growth of economic activity moderated in the first half of the year. The unemployment rate remains low, and labor market conditions remain solid. Inflation remains somewhat elevated (Federal Open Market Committee (FOMC) July 30, 2025, Federal Reserve Press Release). Seeking "to achieve maximum employment and inflation at the rate of 2 percent over the longer run" and facing elevated uncertainty about the economic outlook, in July the Fed decided to maintain the target range for the federal funds rate at 4-1/4 to 4-1/2 percent (ibid). The Federal Reserve Board has projected the Federal funds rate to decrease to approximately 3.9 percent in 2025, 3.6 percent in 2026 and 3.4 percent in 2027 (Federal Reserve System. Summary of Economic Projections, June 18, 2025).

The Federal Government produces two major inflation measures for the consumption of 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 national 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 3.0 percent for the 12 months ending January, after rising 2.9 percent over the 12 months ending in December (BLS Economic News Release, CPI, January 2025). According to UCLA Anderson, inflation will be impacted by costs of new federal tariffs, costs of which are anticipated to "be passed through into prices and propagate through supply chains over the summer, fall, and winter" somewhat mitigated by a weakening economy overall, resulting in inflation projected at 4 percent quarterly in the second half of 2025, falling through 2026 and approaching 2 percent in 2027 (UCLA Anderson Forecast, Summer 2025 Economic Outlook). UCLA forecasts CPI at 3.2 percent in 2025 and 3.4 percent in 2026 (ibid). The second major measurement of inflation, the PCE index, is produced by the BEA and is the Fed's preferred measure of inflation. According to the BEA, the preliminary PCE price index for December 2024 increased 2.6 percent from the same month one year ago and this is due to increases in services (BEA, Personal Income and Outlays December 2024, January 31, 2024). UCLA projects the PCE index at 3.1 percent in 2025, and 3.2 percent in 2026 (UCLA Anderson Forecast, Summer 2025, Economic Outlook).

The price of energy skyrocketed in 2022, and as we transition into 2025, energy markets face a mix of economic recovery, geopolitical uncertainty, and evolving energy dynamics (GasBuddy Fuel Price Outlook 2025). While the global economy is on a modest recovery path, external factors such as shifting U.S. foreign policies, the Organization of the Petroleum Exporting Countries (OPEC) crude production strategies, and the globally accelerating energy transition create a complex outlook for oil and refined products (ibid). "As we look toward 2025, the buzzword of 'energy independence' will undoubtedly be a political talking point, but the truth remains the same: the fundamentals of supply and demand—not policy promises—drive the energy market. The U.S.

continues to break records in crude oil production, and while the Strategic Petroleum Reserve has been partially replenished, its influence on prices remains minimal. It's crucial to focus less on rhetoric and more on the global interplay of refining capacity, OPEC decisions, and economic growth to understand where fuel prices are headed" said Patrick De Haan, head of petroleum analysis at GasBuddy (ibid). GasBuddy projects that the yearly national average in 2025 will be $3.22 per gallon. On a yearly basis, a total of nearly $411 billion will be spent on gasoline in the U.S., dropping $12 billion from the $423.1 billion spent in 2024, and more than $115 billion less than in 2022 when the post-pandemic economy was surging (ibid).

In the housing market, the U.S. Department of Housing and Urban Development (HUD) January monthly update shows that overall activity improved. The Federal Housing Finance Agency (FHFA) seasonally adjusted purchase-only house price index for November estimated that home values rose 0.26 percent month-over-month and 4.26 percent year-over-year, up from an annual gain of 4.5 percent in October (U.S. Department of Housing and Urban Development, Housing Market Indicators Monthly Update, January 2025). With respect to the nation's home sales, purchases of new single-family homes, which are based on purchase agreements, increased 3.6 percent month-over-month in December and were 6.7 percent higher year-over-year. As for existing homes, sales rose nationally for a third consecutive month to the fastest pace since February 2024. This is an improvement from 2024 when the National Association of REALTORS® reported that existing home sales dropped 0.7 percent and that 2024 recorded the slowest annual sales rate since 1995 (ibid).

Mortgage interest rates began to rise in 2022 as the Fed raised interest rates, peaking at 7.79 percent in October 2023. According to HUD, mortgage interest rates fluctuated at a relatively high level and declined somewhat with expectations of future Fed interest rate cuts. The average 30-year fixed rate mortgage (FRM) as of February 20, 2025, was at 6.85 percent (ibid). The Mortgage Bankers Association (MBA) forecasts that the average 30-year FRM will decrease to 6.5 percent in 2025 compared to the average in 2024 of 6.7 percent, and will continue to decrease to 6.4 percent in 2026 and 2027 (MBA Mortgage Finance Forecast, January 19, 2025).

As for unemployment, the national unadjusted unemployment rate in 2024 increased to 4.0 percent compared to 3.6 percent in 2023, and in May 2025, the nation's unemployment rate remained at 4.0 percent (BLS, [Unadj] Unemployment Rate Series as of July 2025). The Federal Reserve Board has projected the unemployment rate to increase to 4.3 percent in 2025, 2026, and 2027 (Federal Reserve System, Summary of Economic Projections, December 18, 2024). The UCLA Anderson Forecast, "[does] not anticipate the current strength of the labor market to persist, given the substantial headwinds facing the U.S. economy," including the impact of high tariffs on the manufacturing sector, associated reductions in trade flow, generally elevated economic uncertainty and rising interest rates curtaining hiring and investment activity. (UCLA Anderson Forecast, Summer 2025). UCLA projects slow recovery, with the unemployment rate remaining elevated through 2026 and 2027, "as the economy continues to feel the lingering effects of the shift to a higher tariff and interest rate regime" (ibid).

Taken together, the U.S. economy entered 2025 with a solid foundation. Inflation, while still somewhat elevated, has shown signs of moderation, GDP growth has remained resilient, consumer spending has experienced steady growth, and unemployment levels remain relatively low. But despite these positive indicators, the current administration brings with it a number of economic policies that could cause significant upheavals nationwide. While the specific details and scope of these policies are still being finalized, three issues continue to stand out as being particularly impactful: imposing tariffs on imported goods and services; restricting immigration; and freezing government grants and assistance (Los Angeles Economic Development Corporation (LAEDC), LAEDC 2024 Economic Forecast, February 2025).

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 food for the world. With high real incomes, high economic output, and globally significant industries, California remains the world's fifth largest economy, contributing 14 percent to the nation's GDP (The Beacon Outlook California, Winter 2024). In 2024, economic growth in California reached 3.6 percent, exceeding the national growth rate of 2.8 percent (LAEDC, LAEDC 2025 Economic Forecast, February 2025). The state's economic growth over the next two years is expected to track more closely to national levels, with a 1.9 percent growth rate in 2025 and a 1.6 percent growth rate in 2026 (ibid).

At the beginning of 2024, the State of California faced a severe budget shortfall of $37.9 billion for the upcoming Fiscal Year (FY). These shortfalls were expected to continue, with multi-billion dollar operating deficits projected through the 2027-28 fiscal year. However, stronger economic performance in 2024, coupled with budget actions taken last year by the Governor and Legislature, have improved the budget outlook for the 2025-26 fiscal year, largely due to an estimated $16.5 billion increase in revenues compared to earlier projections and a planned withdrawal of $7.1 billion from state reserves. The Governor's 2025-26 proposed budget, which was released on January 10, projects a small General Fund surplus of $363 million while the Legislative Analyst's Office (LAO) presents a more cautious assessment, estimating a $2 billion deficit instead. Despite the roughly balanced budget in the short term, the state faces substantial structural deficits in the coming years. The Governor's multi-year forecast projects annual deficits ranging from $13 billion to $19 billion through 2028-29 (ibid).

There are two measures of employment mainly considered when analyzing labor markets in California; the household survey metric which counts the number of people employed, and the enterprise survey metric which counts the number of payroll jobs. The household survey reported that the number of people employed in October was 2.1 percent below the number employed at the pre-pandemic peak (UCLA Anderson Forecast, December 2024 Economic Outlook). The labor force decline can be attributed to retirements, out-of-state migration, and individuals engaged in non-market activities such as child raising (ibid). As for the enterprise survey metric, California increased its number of non-farm payroll jobs by 224,600 in 2024 to a total of just over 18 million. This represented an increase of 1.3 percent, and an improvement over the prior year's 154,300 job gains (LAEDC, LAEDC 2025 Economic Forecast, February 2025). In 2025 and 2026, California will see slower job growth consistent with a slowing economy. LAEDC projects annual growth rates of 0.9 percent in 2025 and 0.7 percent in 2026, or 162,300 additional jobs and 124,700 additional jobs, respectively (ibid).

A decline in employment, over and above the decline in the labor force, led to an increase in the unemployment rate. The unemployment rate in California as of December rose to 5.5 percent, a year-over-year increase of 0.4 percent (California Employment Development Department, Employment by Industry Data for California, accessed on February 26, 2025). On an annual basis, unemployment in 2024 reached 5.3 percent, up from 4.8 percent the previous year and higher than the U.S. unemployment rate of 4.0 percent in 2024. Over the next two years, LAEDC expects California's unemployment rate to tick higher to 5.5 percent in 2025 as the economy slows, but it should plateau at this level in 2026 (LAEDC, LAEDC 2025 Economic Forecast, February 2025).

California's housing market will continue to be challenged in addressing the need for new home construction, influenced by reductions in the construction workforce due to deportations and federal immigration changes, persistent inflation and increasing costs related to changing tariff policies (UCLA Anderson Forecast, Summer 2025). Therefore, UCLA Anderson is forecasting a slow start to new home construction in 2025 as well as a relatively weak 2026 (ibid).

As for home sales, in 2024, sales of existing statewide homes were up 4.3 percent from last year, with the annual median price up 6.3 percent from 2023 (California Association of Realtors (C.A.R.), December home sales and price report, January 17, 2025). Despite a double-digit annual growth rate, sales of existing single-family homes remained below the pre-pandemic norm of 400,000 units on a seasonally adjusted and annualized basis (ibid). Starting the year 2025, California home sales retreated in January as the

effects of elevated interest rates depressed housing demand to the lowest level in more than a year (C.A.R., January home sales and price report, January 17, 2025). January's existing single-family home sales totaled 254,110, down 10.0 percent from December and down 1.9 percent from a year ago.

In terms of affordability, housing costs in California have long been higher than the national average. In recent years, these costs have grown substantially, in some cases, growing at historically rapid rates (California Legislative Analyst's Office (LAO), California Housing Affordability Tracker, January 2025). Prices for mid-tier homes are more than twice as expensive as the typical mid-tier U.S. home. Perhaps even more importantly for a first-time home buyer, a bottom-tier home in California is now about 33 percent more expensive than a mid-tier home in the rest of the U.S., a gap that has widened over the last decade. Payments for a mid-tier home were nearly $5,800 a month in December 2024, an 84 percent increase since January 2020. Payments for a bottom-tier home were over $3,500 per month, an 88 percent increase since January 2020 (ibid). According to the C.A.R., the statewide median home price for a single-family home was at $838,850 in January, which is down 2.6 percent from the December home price of $861,020, but an increase of 6.3 percent from the $789,480 in January 2024 (C.A.R., January home sales and price report, January 17, 2025). Annual household income needed to qualify for a mortgage on a mid-tier California home in September 2024 was about $231,000, over 2 times the median California household income in 2023. For a bottom-tier home, about $142,000 in annual income is needed to qualify for a mortgage, almost 50 percent higher than the state's median household income in 2023 (LAO, California Housing Affordability Tracker, January 2025). Also, the gap between the monthly costs of purchasing a bottom-tier home versus renting are near levels that have not been seen since the housing bubble in the mid-2000s. Monthly rents have also grown significantly in recent years, but not as quickly as monthly payments needed to purchase a home. Monthly payments for a 2-bedroom home are about $1,960, or 73 percent more than renting an apartment or home (ibid).

With regard to sales tax, California's local one-cent sales and use tax receipts during the months of July through September were 2.3 percent lower than the same quarter one year ago after adjusting for accounting anomalies (HdL Companies, San Diego County Sales Tax Update 3Q 2024, January 2025). The third quarter of the calendar year is traditionally noted for pleasant weather and statewide tourism. However, revenue from sales taxes fell when compared to a year ago. As such, it also means a weak start to the FY 2024-25 for many California agencies. Auto-transportation receipts took a hit and declined 4.8 percent, marking the seventh consecutive quarter of downturn for the sector. The summer season is usually an advantageous time for home repairs and construction work. However, this industry is also struggling with high consumer interest rates and limited access to equity for homeowners. Sales at brick-and-mortar general retailers pulled back 3.8 percent, the food-drugs category declined 2.8 percent, and a combination of consumption declines and falling fuel prices thrust comparisons down by 13 percent. Although statewide tourism appears to have improved, revenue from restaurants experienced a modest gain of 0.7 percent, which included a dramatic drop in fine dining establishments (ibid). This negative outlook reflects a second year of statewide revenue declines (HdL Companies, California Forecast Salex Tax Trends & Economic Drivers, December 2024). Contributing factors in this uncertain economy include higher business operating costs and to what extent the Fed funds interest rate may decline further into 2025. Looking ahead, though consumer confidence and sentiment recently soared, future policy decisions could exert upward pressure on prices, resulting in fewer sales transactions. HdL Companies project the statewide sales tax would decrease slightly by 0.8 percent in FY 2024-25 and increase by 2.6 percent in FY 2025-26 (ibid).

Overall, the California economy is anticipated to grow more slowly than the U.S. through 2025, with recovery anticipated to begin in 2026 (UCLA Anderson Forecast, Summer 2025). Moreover, there are many new unknowns, and therefore, uncertainty with respect to the current forecast is elevated (ibid). The State's reliance on legal immigration to sustain and grow its workforce cannot be overstated, while proposed tariffs threaten to raise prices for consumers and cut into profits for domestic producers relying on imported

inputs. So, as we look ahead, California finds itself walking a tightrope—balancing innovation, policy, and economic resilience (The Beacon Outlook California, Winter 2024).

San Diego Economy

The San Diego region boasts one of the largest economies in the nation, surpassing the economic output of 25 states and 163 countries (San Diego Workforce Partnership, Navigating San Diego's economic future: Insights from the 41st Annual Economic Roundtable, January 31, 2025). With breakthrough technology companies and research institutes, the largest military concentration in the world and a strong tourism industry, the San Diego region has one of the most dynamic economies in the U.S. The region's quality of life attracts a well-educated, talented workforce and well-off retirees, which have contributed to local consumer spending. In 2023, San Diego County accumulated a real GDP of $261.7 billion, an increase of 1.4 percent from 2022 which accounts for 8.1 percent of California's 2023 GDP, based on data from the BEA (BEA, Real Gross Domestic Product by County, December 4, 2024).

In the San Diego Business Journal (SDBJ) 2025 Economic Trends, Mark Cafferty, President and Chief Executive Officer of the San Diego Regional Economic Development Corporation (EDC), offered a look at strengths, weaknesses, opportunities and threats in the San Diego County economy (SDBJ, Economic Trends 2025, February 3, 2025). According to Cafferty, there is a significant decline in the San Diego labor force and there are many reasons why, but the cost of living in this region, the opportunity for remote work, and the ways in which different places around the nation reopened coming out of the pandemic are all contributing factors. California, Southern California and San Diego have become a very difficult place for people to afford to live, grow and thrive (ibid). During the 41st Annual San Diego Economic Roundtable, Daniel Enemark, Chief Economist at the San Diego Regional Policy & Innovation Center, stated that nearly 35 percent of San Diego County residents struggle to meet San Diego County's Self Sufficiency Standard, which is earning approximately $58,745 per year, or about $4,895 per month for a single adult and around $97,861 per year, equating to roughly $8,155 per month for a household comprising two adults, one preschool-aged child, and one school-aged child (San Diego Workforce Partnership, Navigating San Diego's economic future: Insights from the 41st Annual Economic Roundtable, January 31, 2025). This highlights a growing affordability crisis, where the cost of living is pricing many out of the region. San Diego's job growth is lagging behind the State, with a concerning trend of young people leaving the region due to high living costs (ibid). Conversely, San Diego continues to be a capital for attraction of venture funding, and billions have been invested in manufacturing, with San Diego being a key recipient of a lot of the investment that has come in (SDBJ, Economic Trends 2025, February 3, 2025). Because of the size and scope of the military and defense industries along with research and development in the region, San Diego will likely be better off than most regions in continuing to see sustained funding come into the region that can be game-changing for job growth (ibid).

In San Diego, small businesses constitute 98 percent of the economic landscape. Ryan Ratcliff, economics professor at the University of San Diego, highlights that certain government policies can generate considerable uncertainty and impose restrictions, while others may adopt a more lenient regulatory approach, facilitating a more conducive environment for business growth (San Diego Workforce Partnership, Navigating San Diego's economic future: Insights from the 41st Annual Economic Roundtable, January 31, 2025). Kenia Zamarripa, Vice President at the San Diego Regional Chamber of Commerce, emphasized the importance of binational trade and policy in economic development. The complexity of local, state and federal guidelines is further complicated in San Diego's binational region, where regulatory frameworks in Mexico introduce additional layers of complexity. In her discussion of the Cali Baja Binational Economy, Zamarripa emphasizes the importance of considering the broader binational economy when discussing San Diego. Trade with Mexico plays a critical role in San Diego's economy, with 17 percent of California exports heading south. Each year, more than $60 billion in trade crosses the border through land ports in San Diego alone, emphasizing the importance of binational cooperation (ibid).

When there is an increase in consumer purchases, more sales tax is collected by the County of San Diego. Tracking consumer spending as of the third quarter of 2023, HdL reports a decrease in San Diego County sales tax receipts by 2.3 percent with the unincorporated area increasing by 19.1 percent (HdL Companies, San Diego County Sales Tax Update 3Q 2024, January 2025). Allocations from the countywide use-tax pool surged in the third quarter of 2024. Additionally, business-industry related revenue increased significantly. On the downside, revenue from local service stations dropped. Lower gasoline prices this year, compared to last year's high levels driven by OPEC production cuts and geopolitical conflicts, negatively impacted these outlets. Sales of building materials and contractor supplies also struggled, reflecting the stagnant housing market. Homeowners are reluctant to refinance or move and give up their favorable mortgage rates, reducing the demand for home improvement projects and related work. HdL forecast that sales tax receipts in San Diego County will decrease slightly by 0.08 percent in FY 2025-26 and increase by 3.2 percent in FY 2026-27 (ibid).

As of the Third Quarter Economic Update to the Board of Supervisors in May 2025, the County projected a positive variance in Sales & Use Tax revenue of $11.0 million compared to the FY 2024–25 budgeted amount. Since the Great Recession, the County's reliance on sales tax revenue has increased. Combined with 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 third quarter, the County Public Safety Proposition 172 receipts were expected to be lesser than the FY 2024–25 budgeted levels. Consumer activity also supports the County's program revenue for road repair activities through the State Gas Tax.

According to the San Diego Tourism Authority (SDTA), San Diego's reputation as a premier destination for travelers, conventions, and events also garnered national recognition this year. Condé Nast Traveler's annual Reader's Choice Awards ranked San Diego as the No. 2 Best Big City in the U.S. for the second consecutive year – surpassing popular cities like Honolulu, New York, San Francisco, and Los Angeles (SDTA Press Release, 70th Annual Meeting). San Diego's bustling tourism in FY 2024 fueled unprecedented regional economic growth, supported quality jobs, and contributed to essential services and well-being of local communities. The total economic impact generated by tourism reached $22 billion and the industry supported 1 in 8 jobs in San Diego (ibid). In the most recent SDTA travel forecast, San Diego is estimated to have welcomed 32.2 million visitors in 2024 (SDTA, San Diego Travel Forecast, January 2025). This represents a 1.4 percent increase from 31.8 million visitors in 2023. Projected visitor volume in 2024 equals 92 percent of 2019 volume, while 2024 spending is forecast to reach 127 percent of the pre-pandemic benchmark. Full recovery in visitation is not expected within the forecast horizon. Growth in both visits and spending is expected to accelerate modestly in 2025, projecting a 32.9 million this year, a 2.0 percent increase from 2024. Visitor spending is projected to total $15.3 billion, up 3.7 percent from $14.8 billion in 2024. In the hotel sector, San Diego room revenue is estimated to increase 3.0 percent in 2024 and projected to increase 3.7 percent in 2025 (ibid). When there is an increase in hotel demand in the unincorporated area of San Diego, the County's receipt of Transient Occupancy Tax (TOT) also increases. TOT is a tax collected, a percentage of the rent, from guests staying in hotels, motels, inns, and similar lodging establishments. In FY 2024–25, TOT revenue was budgeted similar to the prior year's level. But as of the third quarter of FY 2024–25, TOT revenue is projected to be $1.7 million higher than the budgeted amount based on prior year receipts and continued growth in the hotel industry and tourism as a whole.

Unemployment rose sharply at the start of the pandemic from 3.2 percent in February 2020 to 16.0 percent in April 2020, before starting to slowly decline (California Employment Development Department (EDD), San Diego-Carlsbad MSA Industry Employment & Labor Force - By Month, accessed on March 1, 2025). In June 2025, the local San Diego unemployment rate was 4.9 percent, up from a revised 4.0 percent in May 2025, and higher than the year-ago estimate of 4.4 percent. This compares with an unadjusted unemployment rate of 5.7 percent for California and 4.4 percent for the nation during the same period

(California EDD, San Diego-Carlsbad Metropolitan Division Labor Force Data, July 18, 2025. An increase in unemployment constraints 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, low and middle wage San Diego County workers make about the same as State wages. However, high earners made less than State wages in 2023 (California EDD, Occupational Employment Statistics, accessed March 1, 2025). The median household income for San Diego County in 2023 was $102,285, but diminishing factors, including inflation and the real estate market, can reduce that overall buying power.

Although inflation has significantly decreased from the high levels in previous years, it remains elevated and consumers still feel the pressure from high prices. San Diego County's inflation rate was back to where it started in January 2024, despite declining for the better part of 12 months (The San Diego Union-Tribune, San Diego inflation hits highest point in a year, February 12, 2025). Prices in the San Diego area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), were up 1.6 percent from November 2024 to January 2025 and advanced 3.8 percent for the 12 months ending in January (BLS, Consumer Price Index, San Diego Area. January 2025). San Diego's rise was led by increased food prices, namely for eggs. The meats, poultry, fish and eggs category was up 6.4 percent in December and January, the two-month period. A national egg shortage caused by bird flu has led to price increases in all metro areas. Prices in San Diego County also were up for private transportation, which includes automobile maintenance, vehicle parts and car insurance, rising 3.1 percent in the two-month period. Recreation costs, for things like gyms, was up 2.1 percent. Rent was up 1.6 percent; and food away from home, such as a restaurant, rose 1.4 percent (ibid).

San Diego is one of the least affordable areas for housing in the country with only a small percentage of workers able to afford a median-priced home. While many factors have contributed to the housing affordability crisis, the root cause is the fact that housing development has not kept pace with population growth, resulting in housing costs that have increased at a much faster rate than income levels. In 2024, median single-family home prices pushed past $1.0 million reaching a peak in May 2024 of $1.09 million, exceeded only one year later in May 2025 when the region's median single-family home price reached $1.1 million. Attached home prices also have been growing steadily, reaching a median price of $690,000 in May 2025, up from $682,250 one year ago. (San Diego Association of Realtors, June 2025 Monthly Indicators). In December, the San Diego metropolitan area's home prices increased 5.51% annually, according to the S&P Case-Shiller Indices report (The San Diego Union-Tribune, San Diego ends the year No. 5 in nation for home price gains. Will it last?, February 25, 2025). The index is delayed by several months and several analysts said most markets were experiencing price depreciation to start this year. But even if home inventory increases in San Diego, and other markets, experts cautioned still-high home prices and mortgage rates would make things difficult for first-time buyers (ibid).

The San Diego housing market is very competitive. According to Redfin, homes in San Diego receive three offers on average and sell in around 37 days in January compared to 27 days last year (Redfin, San Diego, CA Housing Market, accessed March 1, 2025). There were only 635 homes sold in January this year, up from 607 last year (ibid). Pending sales in San Diego were up 5.2 percent overall for the 12-month period spanning February 2024 through January 2025 (Greater San Diego Association of Realtors, Housing Supply Overview, January 2025). Market-wide, inventory levels were up 28.8 percent and the property type with the largest gain was the condos and townhomes, where they increased 40.7 percent (ibid). Our county's housing inventory as of January stands at 3.4 months of supply, still below the six-month supply that is considered balanced, and a notably low figure that compares unfavorably to the statewide average of 4.1 (California Association of Realtors, Unsold Inventory Index (UII) of Existing Single Family Homes, accessed March 2, 2025). Lisa Sturtevant, chief economist at Bright MLS, said "It is expected that we will see slower price growth in early 2025 and inventory increases and affordability continues to be a constraint" (San Diego

Union-Tribune, San Diego ends the year No. 5 in nation for home price gains. Will it last?, February 25, 2025). While the housing market demonstrates resilience, elevated affordability constraints persist, creating significant barriers to homeownership for the average household in the county, particularly given current interest rate levels.

December saw softer than seasonally expected rent growth across the country, following several months of rent growth returning to its pre-pandemic norm (Zillow, December 2024 Rental Market Report, January 22, 2025). Rent growth is being fueled by single-family rents, as would-be buyers face significant up-front costs and high and fast-changing mortgage rates that are ultimately keeping them in the rental market (ibid). According to Zillow's observed rent index for all homes plus multifamily, the average rent in San Diego is about $3,000 as of January 2025, higher by 52.9 percent compared to the national average, making San Diego one of the most expensive regions in the nation for renters. Year-over-year, the rental rate in January increased 3.5 percent, comparable to the year-over-year increase a year ago at 3.3 percent. This is a far cry from the year-over-year rent increases of 17.9 percent and 8.8 percent in January 2022 and January 2023 respectively (Zillow Research, Zillow Observed Rent Index, accessed on March 1, 2025).

According to the Assessor/Recorder/County Clerk, foreclosures compared to total deeds recorded averaged 0.3 percent over a three-year period from 2003 through 2005, then rose significantly reaching 16.9 percent in 2008 during the Great Recession. Currently, foreclosures compared to total deeds recorded slightly decreased to 0.26 percent in 2024 compared to 0.29 percent in 2023. Total deeds recorded in 2024 was 86,964, an increase of 4.1 percent from the previous year. Notices from lenders to property owners that they were in default on their mortgage loans peaked at 38,308 in 2009, and foreclosures reached a high of 19,577 in 2008. In comparison, San Diego County saw 1,845 notices of default in 2024, down 1.4 percent from 2023. The percentage of properties with delinquent mortgage loans that went into foreclosure averaged at approximately 11.6 percent from 2003 through 2005, with this indicator peaking at 57.5 percent in 2008. In 2024, the percentage is at 13.9 percent, which is an increase of 3.8 percent and an overall increase in terms of the number of foreclosures from 2023. The County Assessor/Recorder/County Clerk will continue to monitor and report on the foreclosure activities in San Diego County.

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 2025 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 6,900 jobs from July 2024. Agriculture includes 9,300 jobs, or 0.6 percent of all industries in the region.
- Goods-producing industries make up 12.9 percent of non-farm employment or 200,800 jobs. The most significant sectors include manufacturing, which accounted for 7.0 percent of non-farm employment or 109,800 jobs; and construction, which accounted for 5.8 percent of total non-farm employment or 90,700 jobs.
- Private (non-government) services industries constitute the largest share of employment in the region and accounted for 71.1 percent of total non-farm employment, with 1,108,500 employed.
- Of these, educational and health services make up the largest non-government sector, comprising 17.3 percent of total non-farm employment, totaling 269,200 jobs. Other large non-government sectors in the private services industry category include professional and business services (261,700), trade, transportation, and utilities (220,400 jobs); and leisure and hospitality (208,200 jobs).
- Government accounted for 16.0 percent of total non-farm employment, or 248.900 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.

The County's economic stability is contingent, in part on policy and budget changes at the federal and State levels. To mitigate the potential impacts of changes, the County implemented an Incident Command Structure that is closely monitoring changes and direct impacts to County programs. If major funding streams become identified as a risk, mitigation plans will be proposed for consideration by the Board of Supervisors.

Over the coming years, the County will continue to observe economic uncertainty and ensure the budget is structurally balanced in accordance with California Government Code and best practices. In addition, the Office of Economic Development and Government Affairs will continue to monitor budget and policy actions at the federal and State levels to determine impacts to the County. The County may need to consider additional cost reduction and/or revenue generating strategies such as: 1) adjusting service levels, 2) reorganization, 3) leveraging resources outside of local revenue, and 4) a prudent use of reserves. In addition, County departments will continue to evaluate opportunities to innovate, streamline and increase efficient business processes with the assistance of the expertise across the departments as well as the County's Office of Evaluation and Performance Analytics.

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
- **Access** - Build trust with the residents we serve through transparent communication and neighborhood engagement that is accessible in the languages, facilities and methods that meet their needs
- **Belonging** - Foster a sense of belonging, not just inclusion, for the people we serve and for the employees of the County who provide those services on a daily basis
- **Excellence** - Ensure exceptional service delivery to our customers by practicing fiscal prudence, encouraging innovation and leveraging best practices that promote continuous improvement to build strong, vibrant communities
- **Sustainability** - Secure the future of our region, by placing sustainability at the forefront of our operations deeply embedded into our culture. Dedicate ourselves to meeting our residents' current resource needs without compromising our ability to meet the needs of generations to come

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 its resources. The Strategic Plan is developed by the Chief Administrative Officer (CAO) collaborating with the General Managers of the County's four business groups (Public Safety, Health and Human Services, Land Use and Environment, and Finance and Gneral Government), 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. All County programs support at least one of these five Strategic Initiatives through Audacious Goals, Enterprise-wide 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 County annually assesses 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 Reserve minimum balance and reserves, and by ensuring that all one-time resources generated by the County are appropriated for one-time expenditures only.

On September 9, 2025, the Board of Supervisors adopted an ordinance to reform the County General Fund Reserve policy. This change in the Administrative Code updated the policy in three ways: 1) the reserve minimum will include both unassigned and assigned fund balances (known as unrestricted fund balances); 2) the reserve target would be measured against operating expenditures and exclude actual one-time costs such as capital projects; and 3) at the time of adoption of the new reserve policy (utilizing the June 30, 2024 ACFR), unrestricted fund balance reported in excess of the reserve target would be deemed as “Unlocked Reserves.” These Unlocked Reserves totaled about $380 million and plan to be committed in the June 30, 2026 ACFR. These amounts may be utilized for specific designations of one-time uses, but no more than twenty five percent (25%) may be apportioned in any single fiscal year.

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 than 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.

0400-03 Budget Guidelines for Staffing: Provides general guidance to County departments on how the County budgets and forecasts for staffing during the annual budget build.

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 Office Equity and Racial Justice (OREJ) distributed a total of $2 million to 20 different small organizations through the Equity Impact Grant Program, building power and advancing life outcomes within historically and perpetually marginalized communities, with the first cohort completing their one year of capacity building training and coaching.
- The Health and Human Services Agency (HHSA) Housing and Community Development Services provided funding to help open or break ground on 932 new units of affordable housing across the County. This was accomplished by developing excess County property in partnership with the Department of General Services, leveraging state, federal and private funds, and investing local dollars like the Innovative Housing Trust Fund. One affordable housing development that opened, the Paul Downey Senior Residence is the first of four phases to complete construction on the former County Crime Lab site. Once complete the property will be reimagined into 404 rental units for low-income families and senior, including 58 units reserved for persons with a developmental disability.
- The Land Use and Environment Group (LUEG) led program, the Food Justice Community Action Plan, received the Merit Award for Opportunity and Empowerment. The plan moves community ideas into near-term actions the County can take to

increase food security throughout the region and integrates community ideas to bolster momentum for collaborative change in the region.

Sustainability

- To streamline sustainability reporting, enhance transparency and foster cross-departmental collaboration related to internal County sustainability efforts, LUEG developed the Sustainability Commitment Tracker digital tool. This also helps to improve information accessibility and accuracy. The tool was built using the County's existing software platform, OutSystems, providing flexibility and minimizing licensing costs.

Community

- This year the County opened a new, state-of-the-art Public Health Lab to expand capacity to test for infectious diseases like COVID-19, flu and other diseases as well as food and water safety, animal rabies and dangerous pathogens like anthrax. The new facility will also serve as the Centers for Disease Control and Prevention Laboratory Response Network Lab for San Diego and Imperial Counties. San Diego's newly opened PHL has earned platinum certification, the highest possible rating, from the U.S. Green Building Council's LEED program. The County of San Diego also received the Healthiest Laboratories Award from the Association of Public Health Laboratories, which honors outstanding commitments to safety, environmental sustainability, and employee well-being.
- The Department of Animal Services increased access to animal care in underserved areas through mobile veterinary clinics and community events that delivered more than 90 mobile clinics across the region, including nearly 50 free spay and neuter events in communities with limited access to veterinary services. These events also offered low-cost vaccinations and microchipping, helping residents comply with licensing requirements, reduce stray populations, and protect animal and public health. By removing cost and transportation barriers, this initiative supports responsible pet ownership and advances the County's broader equity goals by focusing services where they are needed most.
- San Diego County Library partnered with multiple regional organizations to provide 22 food assistance programs such as food pantries, summer meals, senior meals and afterschool snacks in rural and high need communities. The program distributed 46,212 meals and more than 556,000 pounds of produce and pantry items to communities. As community hubs, our Library branches have ensured access to nutritious food while empowering individuals to focus on education, employment, and overall well-being, thereby addressing immediate needs and reinforcing our commitment to supporting a healthier, more resilient community.

Justice

- To prioritize access to justice and services for individuals experiencing homelessness, the County continued to support Homeless Court Pop-Up Resource Fairs, coordinated by the District Attorney's Office in partnership with the Public Defender's Office and a wide network of service providers. These events offered participants the opportunity to resolve low-level offenses and infractions that often serve as barriers to housing, employment, and other essential services. Attendees also received on-site assistance connecting to housing resources, behavioral health treatment, job training, and medical care. At a single event, more than 1,500 service referrals were made. By delivering legal support and care coordination directly in community settings, this initiative reflects the County's commitment to accessible justice, housing stability, and cross-agency collaboration.
- In recognition of the County's desire to enhance employment protections and ensure high continuity and quality of workers employed by the County's property services contractors, the Board of Supervisors adopted Board Policy B-74, *Contracting Standards for Janitorial, Landscaping, and Security Contracts*.

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, 2024. 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 51 Achievement Awards from the National Association of Counties (NACo) for its innovative programs. Some of the award-winning programs include:

- The Sheriff's Office received a NACo award for *Rise Above*, a new youth empowerment program. Developed and taught by San Diego County Sheriff Office, this 8-week program for 9- to 12-year-olds focuses on connecting youth with positive role models, conflict resolution, leadership and involvement in community service projects and events. It is a free program where students and their parents interact with Sheriff staff and available community resources for 1.5 hours, one day a week. Each program started with about 35 students and averaged about 28-30 students showing up weekly. Parent participation was strong as well and their support created an engaging family environment.
- The Land Use and Environment Group (LUEG) received 13 national awards from NACo for programs that address community revitalization, climate action, fire prevention, food security, outdoor recreation, conservation/land use planning, waste reduction/diversion, public education/engagement and literacy.
- The Department of Human Resources received nationals award from NACo for its Veteran Outreach Program to aid County departments in the development and implementation of its own veteran recruitment, outreach, marketing, and retention strategy, and for the Same Day Hiring Program which allows the County to hire the most qualified candidates quickly while staying compliant with the Civil Service requirements. Applicants received job offers the same day they were interviewed and could be fingerprinted on the spot. This approach has led to nearly 2,000 new hires.
- The Live Well San Diego South Region Community Leadership Team (SRCLT) was awarded the Silver Baldrige Communities of Excellence Award as a formal recognition for their outstanding commitment to collaborative leadership and social impact. The SRCLT is co-led by HHSA staff and is one of ten communities nationwide to receive this prestigious recognition. The recipient communities have demonstrated remarkable progress in aligning their efforts around shared goals, improving communication with residents, and developing data-driven approaches to measure their success. From addressing economic development to improving education and public health, each community is making a lasting impact.
- The Probation Department, in partnership with San Diego County Fire, received a NACo award for its development and implementation of the Youth Development Academy (YDA) Fire Program. The YDA Fire Program, a fuels crew and vegetation management program, is designed to provide a pathway to careers in the fire service by teaching in-custody youth a pro-social attitude and providing them with personal skills to better manage their environment. This collaborative program provides youth with 19-weeks of academic and physical training (with hands-on training lasting up to one year) that prepares them for community work projects designed to reduce urban and wildlife fire hazards. Participants in this program also participate in community restorative projects, designed to co-create and maintain safe and healthy communities.
- For the sixth year in a row, the Edgemoor Distinct Part Skilled Nursing Facility in Santee made Newsweek's America's Best Nursing Homes 2025 list for California. Edgemoor is part of the Behavioral Health Services department, serving some 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 based on the following four areas: performance data, peer recommendations, accreditations and resident satisfaction.

- The County Treasurer-Tax Collector's Office placed first in the 2023 Pensions & Investments Eddy Awards. The office won for public plans with more than 5,000 participants in the category of Ongoing Investment Education as it relates to the Deferred Compensation Program (401(a) and 457b plans).

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 Eide Bailly 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,

JOAN BRACCI
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

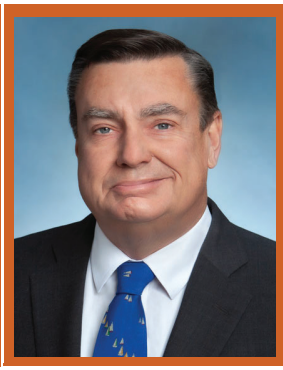
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

Paloma Aguirre
District 1
Chair Pro Tem

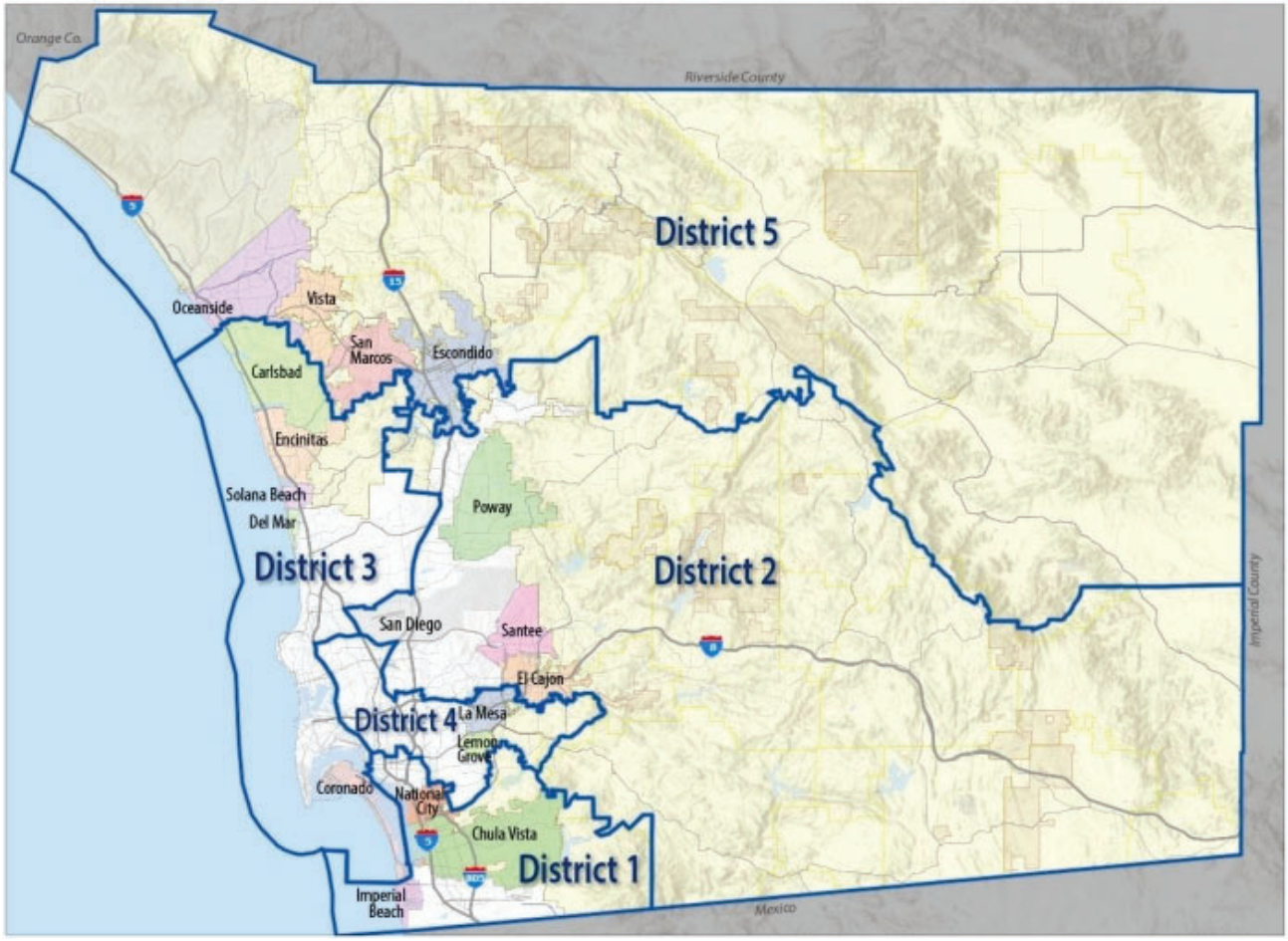


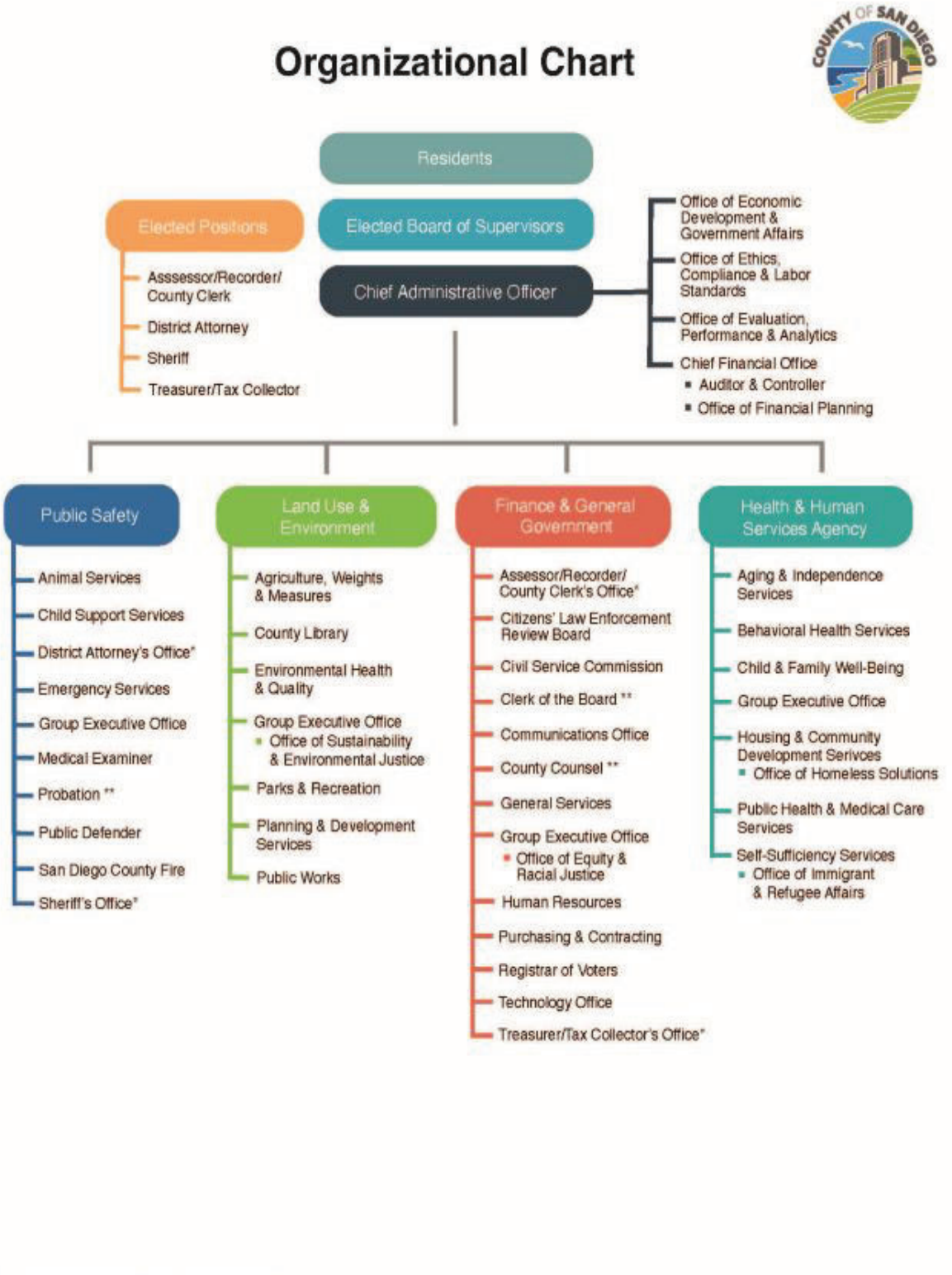
Joel Anderson
District 2

Terra Lawson-Remer
District 3
Chair

Monica Montgomery Steppe
District 4
Vice Chair

Jim Desmond
District 5





* *Offices where a person in an elected position leads a civil servant workforce.*

** *Reports to the Board of Supervisors*

Revised 04/24/25

Chief Administrative Office

Chief Administrative Officer	Ebony N. Shelton
Assistant Chief Administrative Officer	Caroline Smith

Elected Officials

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

General Managers/Deputy Chief Administrative Officers

Finance & General Government Group	Brian Albright
Health & Human Services Agency	Kimberly Giardina
Land Use & Environment Group	Dahvia Lynch
Public Safety Group	Andrew Strong

Department Heads

Agriculture, Weights & Measures	Ha Dang
Animal Services	Vaughn Maurice
Auditor & Controller	Tracy Drager
CAO/Chief of Staff	Natalia Bravo
Chief Financial Officer	Joan Bracci
Child Support Services	Jeff Grissom
Civil Service Commission	Todd Adams
Clerk of the Board of Supervisors	Andrew Potter
County Communications Office	Tammy Glenn
County Counsel	David J. Smith**
County Technology Office	Eric Shiotsugu**
Economic Development & Government Affairs	Matthew Parr
Emergency Services	Julie Jeakle**
Environmental Health & Quality	Amy Harbert
Equity & Racial Justice	Taryell Simmons
Ethics, Compliance & Labor Standards	Branden Butler
Evaluation, Performance & Analytics	Ricardo Basurto-Davila
FG3/Chief Operations Officer	Carrie Hoff
First 5 San Diego	Alethea Arguilez
General Services	Marko Medved
HHSA/Chief Operations Officer	Patty Kay Danon
HHSA - Aging & Independence Services/Public Administrator/Public Guardian	Jennifer Bransford-Koons
HHSA - Behavioral Health Services/Public Conservator	Nadia Privara**
HHSA - Chief Medical Officer	Jennifer Tuteur, M.D.
HHSA - Child and Family Well-Being	Alfredo Guardado
HHSA - Housing & Community Development Services	David Estrella
HHSA - IHSS/Public Authority	Thomas Johnson
HHSA - Medical Care Services	Jaime Beam
HHSA - Public Health Officer	Sayone Thihalolipavan, M.D.
HHSA - 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	Johnathan Lucas, M.D.
Parks & Recreation	Jason Hemmens
Planning & Development Services	Vince Nicoletti
Probation	Tamika Nelson
PSG/Chief Operations Officer	Kathleen Flannery
Public Defender	Paul Rodriguez
Public Works	Marisa Barrie
Purchasing & Contracting	Allen Hunsberger
Registrar of Voters	Cynthia Paes
San Diego County Fire Protection District	Jeff Collins
Sustainability & Environmental Justice	Eden Brukman

*Interim/**Acting
As of 7/2025

Financial Section

Independent Auditor's Report

To the Board of Supervisors
County of San Diego, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of San Diego, California (County), as of and for the year ended June 30, 2025, 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, 2025, 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 Employee Retirement Association (SDCERA), a fiduciary component unit, which represents 59% of assets, 59% of net position, and 8% of revenues/additions of the aggregate remaining fund information, as of June 30, 2025. 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.

Adoption of New Accounting Standard (restatement)

As discussed in Note 1 to the financial statements, the County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities, business-type activities, the Airport Enterprise Fund, and aggregate remaining fund information net position as of July 1, 2024, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the County's proportionate share of the net pension liability, the schedule of the County's contributions – net pension liability, the schedule of the County's proportionate share of the net OPEB liability, the schedule of the County's contributions – OPEB, and the schedule of revenues, expenditures, and the changes in fund balance – budget to 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 combing 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 combing 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

Management is responsible for the other information included in the annual 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 14, 2025, 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, 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.

Eide Bailly LLP

Rancho Cucamonga, California
November 14, 2025

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, 2025.

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 2025 by $4.86 billion (net position). Of this amount, $4.33 billion represents net investment in capital assets; $2.25 billion is restricted for specific purposes (restricted net position); and the remaining portion represents negative unrestricted net position of $(1.72) billion.
- Total net position decreased by $25.1 million as follows:
  - Governmental activities net position decreased by 50.6 million. The capital assets increase of $221.7 million; coupled with the $34.0 million decrease in the Net OPEB liability; the $183.1 million decrease in other liabilities, and the Net Pension liability decrease of $663.0 million all had the effect of increasing net position; while the decrease to net position included current and other assets decrease of $195.7 million; the $403.8 million decrease in deferred outflows of resources; the $268.9 million increase in other long-term liabilities, and the $284.0 million increase in deferred inflows of resources.
  - Business-type activities net position increased by approximately $25.5 million. The $7.0 million increase in capital assets; coupled with the current and other assets increase of $24.3 million; the $2.3 million decrease in the Net Pension Liability: the $100 thousand decrease in the Net OPEB liability, and the decrease in other liabilities of $1.7 million, all had the effect of increasing net position; while, the increase of $1.3 million in long-term liabilities; coupled with the $1.5 million decrease in deferred outflows of resources, and the increase of deferred inflows of resources of $7.1 million had the effect of decreasing net position.
- Program revenues for governmental activities were approximately $5.18 billion. Of this amount, $4.51 billion or 87.2% was attributable to operating grants and contributions coupled with capital grants and contributions, while charges for services accounted for approximately $662.37 million or 12.8%.
- General revenues for governmental activities were $2.12 billion. Of this amount, property taxes and property taxes in lieu of vehicle license fees accounted for approximately $1.72 billion or 81.1%; while transient occupancy tax, real property transfer tax, miscellaneous taxes, sales and use taxes, investment earnings and other general revenues accounted for $400 million or 18.9%.
- Total expenses for governmental activities were $7.02 billion. Public protection accounted for $2.38 billion or 33.9%, while health and sanitation accounted for $1.53 billion or 21.8%. Additionally, public assistance accounted for $2.03 billion or 28.9% 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, 2025 and 2024
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current and other assets	$ 6,249,098	6,444,757	362,305	338,014	6,611,403	6,782,771
Capital assets	4,803,190	4,581,484	194,828	187,864	4,998,018	4,769,348
Total assets	11,052,288	11,026,241	557,133	525,878	11,609,421	11,552,119
DEFERRED OUTFLOWS OF RESOURCES						
Total deferred outflow of resources	1,766,776	2,170,644	6,973	8,452	1,773,749	2,179,096
LIABILITIES						
Long-term liabilities	6,708,331	7,136,469	21,363	22,493	6,729,694	7,158,962
Other liabilities	1,151,747	1,334,849	2,391	4,084	1,154,138	1,338,933
Total liabilities	7,860,078	8,471,318	23,754	26,577	7,883,832	8,497,895
DEFERRED INFLOWS OF RESOURCES						
Total deferred inflows of resources	425,578	141,582	218,327	211,235	643,905	352,817
NET POSITION						
Net investment in capital assets	4,139,650	3,971,462	194,542	186,621	4,334,192	4,158,083
Restricted	2,247,891	2,160,973			2,247,891	2,160,973
Unrestricted	(1,854,133)	(1,548,450)	127,483	109,897	(1,726,650)	(1,438,553)
Total net position	$ 4,533,408	4,583,985	322,025	296,518	4,855,433	4,880,503

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 $4.86 billion at the close of fiscal year 2025, a decrease of $25.1 million or 0.5% over fiscal year 2024. This included a $176.1 million increase in net investment in capital assets, (a 4.2% increase over fiscal year 2024), and an increase of approximately $86.9 million in the County's restricted net position (a 4.0% increase over fiscal year 2024). Additionally, unrestricted net position decreased by $288.1 million (a 20.0% decrease over fiscal year 2024).

The aforementioned decrease of $25.1 million in net position was composed of the following changes in total assets, deferred outflows of resources, liabilities, and deferred inflows of resources:

- Total assets increased by $57.3 million. This included a decrease in current and other assets of $171.4 million and an increase in capital assets of $228.7 million. The net decrease of $171.4 million in current and other

assets was primarily attributable to a decrease in cash and investments (including restricted and unrestricted cash and investments with fiscal agents) of $168.9 million; a $5.9 million decrease in receivables; coupled with a $200 thousand decrease in due from component unit, and a $6.5 million decrease in inventories; offset by a $1.8 million increase in property taxes receivables, net, a $200 thousand increase in prepaid assets, and a $8.1 million increase in lease receivables; while the $228.7 million net increase in capital assets consisted primarily of a $338.4 million increase in other capital assets, net of accumulated depreciation and amortization; offset by $109.7 million decrease in land, easements and construction in progress.

- Deferred outflows of resources decreased by $405.3 million, principally attributable to a net decrease in pension related deferrals due to a significant decrease in the actuarially determined net pension liability - including decreases in net difference between projected and actual earnings on pension plan investments, and pension related changes of assumptions or other inputs, of $372.9 million, and $209.4 million, respectively; a $1.3 million decrease in contributions to the OPEB plan subsequent to the measurement date; coupled with a $2.1 million decrease in unamortized loss on refunding of long-term debt, and a $1.5 million decrease in net difference between projected and actual earnings on OPEB plan investments; offset by a $147.1 million increase in the difference between expected and actual experience in the total pension liability; a $1.6 million increase in pension related changes in proportionate share and differences between employer's contributions and proportionate share of contributions; and a $33.2 million increase in contributions to the pension plan subsequent to the measurement date.
- Total liabilities decreased by approximately $614.0 million, mainly due to a $665.3 million decrease in the actuarially determined net pension liability; a $1.8 million decrease to accrued interest; a $60.5 million decrease in accounts payable; coupled with a $34.2 million decrease in the actuarially determined net OPEB liability; and a $136.8 million decrease in unearned revenue, offset by a $14.3 million increase in accrued payroll, and a $270.3 million net increase in non-net pension, non-net OPEB long-term liabilities.
- Deferred inflows of resources increased by $291.1 million chiefly attributable to a significant increase in the actuarially determined pension and OPEB related deferred inflow of resources of $318.7 million increase in the net difference between projected and actual earnings on pension plan investments; a $1.0 million increase in net difference between projected and actual earnings on OPEB plan investments; coupled with a $4.6 million increase in leases, and a $3.6 million increase in the gain on refunding of long-term debt; offset by a $1.6 million decrease in property taxes received in advance; $2.3 million decrease in the pension related changes in proportionate share and differences between employer's contributions and proportionate share of contributions, and a $32.9 million decrease in the net difference between expected and actual experience in the total pension liability.

The largest portion of the County's net position reflects its net investment in capital assets of $4.3 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 $2.2 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 $(1.7) 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

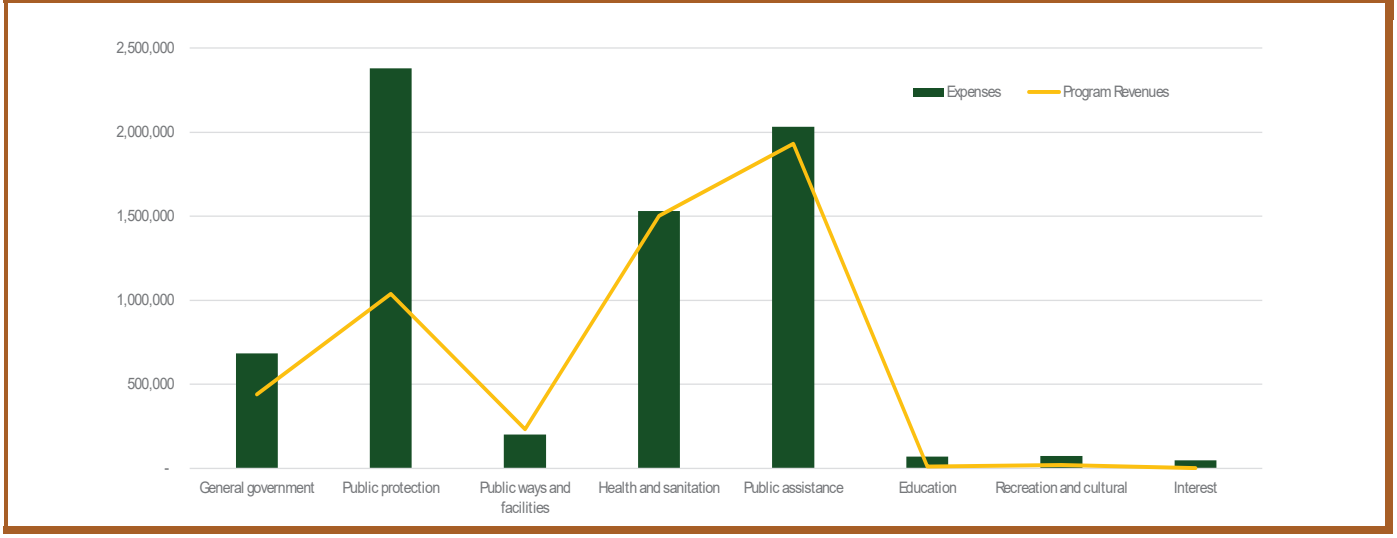
Changes in Net Position
For the years ended June 30, 2025 and 2024
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues						
Charges for services	$ 662,368	720,989	67,785	63,015	730,153	784,004
Operating grants and contributions	4,427,082	4,301,033	7,922	2,380	4,435,004	4,303,413
Capital grants and contributions	85,884	46,821	108		85,992	46,821
General Revenues						
Property taxes	1,126,970	1,077,968			1,126,970	1,077,968
Transient occupancy tax	9,492	7,285			9,492	7,285
Real property transfer tax	28,075	26,170			28,075	26,170
Miscellaneous taxes	166	120			166	120
Property taxes in lieu of vehicle license fees	589,011	558,665			589,011	558,665
Sales and use taxes	78,908	67,133			78,908	67,133
Investment earnings	175,213	185,999	9,973	9,546	185,186	195,545
Other	107,943	160,192	121	132	108,064	160,324
Total revenues	7,291,112	7,152,375	85,909	75,073	7,377,021	7,227,448
Expenses:						
Governmental Activities:						
General government	683,733	493,388			683,733	493,388
Public protection	2,382,095	2,358,743			2,382,095	2,358,743
Public ways and facilities	201,929	196,395			201,929	196,395
Health and sanitation	1,531,865	1,455,079			1,531,865	1,455,079
Public assistance	2,025,345	1,987,704			2,025,345	1,987,704
Education	70,954	70,743			70,954	70,743
Recreation and cultural	72,019	79,134			72,019	79,134
Interest	49,226	51,257			49,226	51,257
Business-type Activities:						
Airport			20,478	17,576	20,478	17,576
Jail Stores Commissary			3,952	3,959	3,952	3,959
San Diego County Sanitation District			32,628	30,225	32,628	30,225
Sanitation District - Other			10,965	10,928	10,965	10,928
Total expenses	7,017,166	6,692,443	68,023	62,688	7,085,189	6,755,131
Changes in net position before transfers	273,946	459,932	17,886	12,385	291,832	472,317
Transfers	(8,859)	4,710	8,859	(4,710)		
Change in net position	265,087	464,642	26,745	7,675	291,832	472,317
Net position at beginning of year	4,583,985	4,119,343	296,518	288,843	4,880,503	4,408,186
Restatement	(315,664)		(1,238)		(316,902)	
Net position (deficits) at beginning of year, as restated	4,268,321	4,119,343	295,280	288,843	4,563,601	4,408,186
Net position at end of year	$ 4,533,408	4,583,985	322,025	296,518	4,855,433	4,880,503

Analysis of Changes in Net Position

At June 30, 2025, changes in net position equaled $291.8 million. Principal revenue sources contributing to the change in net position were operating grants and contributions of $4.44 billion and property taxes and property taxes in lieu of vehicle license fees totaling of $1.72 billion. These revenue categories accounted for approximately 83.5% of total revenues. Principal expenses were in the following areas: public protection, $2.38 billion, public assistance, $2.03 billion; and health and sanitation, $1.53 billion. These expense categories accounted for 84.6% of total expenses.

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



Governmental activities

At the end of fiscal year 2025, total revenues for the governmental activities were $7.30 billion, while total expenses were $7.02 billion. Governmental activities increased the County's net position before transfers by $280 million.

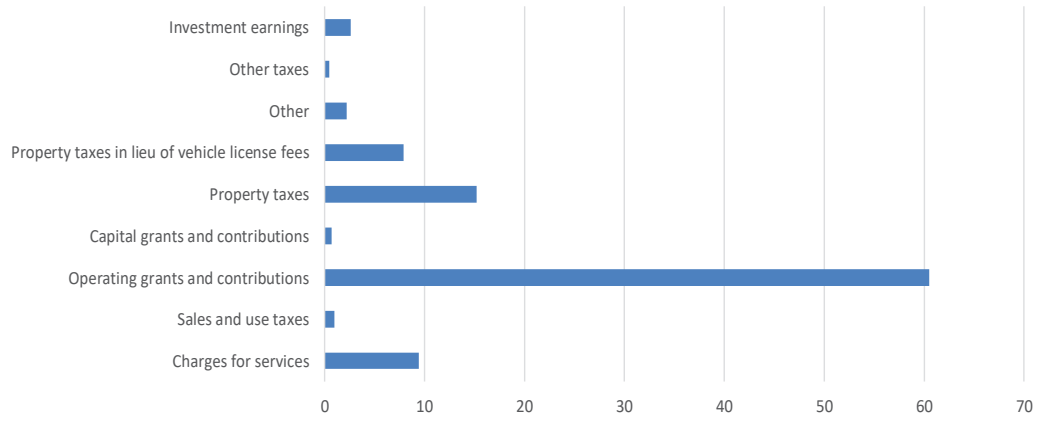
Expenses:

Total expenses for governmental activities were $7.02 billion, an increase of $325 million or 4.85% ($327 million increase in functional expenses offset by a $2 million decrease in interest expense). Public protection (34%) and public assistance (29%) were the largest functional expenses, followed by health and sanitation (22%).

The $327 million net increase in functional expenses mainly consisted of the following:

- $173.4 million net increase in salaries and benefits costs is primarily due to negotiated labor agreements and increase in retirement contributions;
- $103.0 million increase in alcohol and drug treatment and mental health programs;
- $17.9 million increase tied to medical and mental health services contracts for support and care of persons in detention facilities;
- $13.7 million increase in the COC Consolidation Project payments;
- $12.4 million increase in Child and Family Well-Being programs;
- $11.0 million increase in minor equipment expenses for North Family Justice Center and South Family Justice Center;
- $7.3 million increase in CalWORKS participant benefits;
- $15.1 million decrease in capital outlay expenses;
- $14.1 million decrease in one-time expenses for the Next Generation Regional Communication System; and,
- $5.4 million decrease due to the Small Business Stimulus Grant Program ending.

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



Revenues:

Total revenues for governmental activities were $7.30 billion, an increase of 2.1% or $143 million from the previous year. This increase consisted of an increase in program revenues of $106 million and an increase in general revenues of $37 million as follows:

The $106 million net increase in program revenue was primarily due to of the following:

- $116.1 million increase tied to federal and state aid in Behavioral Health Services;
- $26.8 million increase in Social Services Administrative revenue;
- $21.4 million increase in federal aid tied to assistance programs;
- $20.9 increase in one-time funding dedicated for costs in health and human services programs;
- $10.4 million increase tied to juvenile probation programs;
- $46.8 million decrease tied to the County's T3 Strategy of Test, Trace and Treat to support COVID-19 emergency response efforts;
- $26.1 million decrease in Self-Sufficiency Services;
- $9.0 million decrease tied to various public health programs;
- $8.3 million decrease tied to affordable housing programs; and,
- $5.1 million decrease in CalWORKS participant benefits.

General revenues increased overall by approximately $37 million, principally due to a $49 million increase in property taxes; a $30 million increase in property taxes in lieu of vehicle license fees, both attributable to the county-wide growth in assessed valuation; an increase in sales and use taxes of $12 million; an increase in transient occupancy tax and real property transfer tax, both by $2 million; offset by a decrease in investments earnings of $11 million and a decrease in other revenue of $47 million.

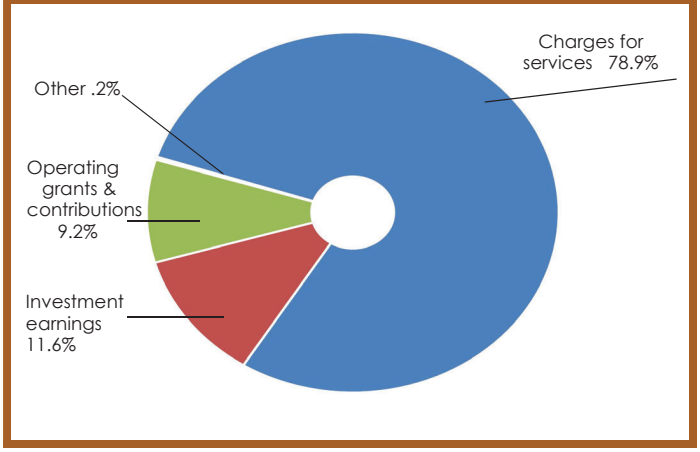
The County's governmental activities rely on several sources of revenue to finance ongoing operations. As shown in Chart 2, operating grants and contributions of $4.4 billion accounted for 60.7%, the largest share of this revenue. These monies are received from parties outside the County and are generally 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 $1.7 billion and accounted for 81.1% of governmental

activities - general revenues. Additionally, charges for services were $662 million and accounted for 12.8% 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 $67.8 million or 78.9% of total revenues.

Net position of business-type activities increased by approximately $25.5 million, or 8.6%. Key increases included the following:

- $12.7 million increase in operating transfers into the San Diego County Sanitation District Fund;
- $5.6 million increase in Airport Fund grants received;
- $4.7 million increase in charges for services revenue attributable to $2.2 million for the Airport Fund, $2.2 million for the San Diego County Sanitation District Fund, and $300 thousand for the Sanitation District - Other Fund;
- $900 thousand decrease in pension expenses attributed to a $400 thousand decrease in the Airport Fund and a $500 thousand decrease in the Sanitation District - Other Fund;
- $800 thousand decrease in equipment rentals expenses attributed to a $100 thousand decrease in the Airport Fund and a $700 thousand decrease in the Sanitation District - Other Fund;
- $250 thousand increase in investment earnings in the San Diego County Sanitation District Fund;
- $1.3 million increase in contracted services expense; and,
- $600 thousand increase in salary and benefits expense.

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 2025, its unassigned fund balance was $920.7 million, while total fund balance was $3.0 billion, an increase of approximately $45.7 million from fiscal year 2024.

This $45.7 million net increase in fund balance was significantly attributable to the following:

- $159.3 million decrease tied to the American Rescue Plan Act;
- $116.1 million increase tied to federal and state aid in Behavioral Health Services;
- $80.1 million increase in property taxes and property taxes in lieu of vehicle license fees, both attributable to the county-wide growth in assessed valuation; there was a 5.43% increase in assessed valuation;
- $17.9 million increase in expenditures tied to medical and mental health services contracts for support and care of persons in detention facilities;
- $16.1 decrease in expenditures for various public health services programs mainly from contracted services and temporary staffing;
- $13.9 million decrease in expenditures for homeless solutions programs;
- $14.1 million decrease in one-time expenses for the Next Generation Regional Communication

System;

- $13.7 million increase in the COC Consolidation Project expenditures; and,
- $2.4 million decrease in Substance Abuse Prevention and Treatment Block Grant;

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, 2025, the total (restricted) fund balance in the Public Safety Special Revenue Fund was $96.3 million, a $11.8 million decrease from the previous fiscal year; mainly due to regional law enforcement; detention facility improvements; upgrades of information technology programs and applications; twin- engine helicopter; and medical and mental health services.

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 2025, fund balance was $216 million, a decrease of approximately $21.3 million from fiscal year 2024, principally due to approximately $8.4 million in investment income, offset by $29.6 million in transfers out to the General Fund for the support of health related program expenditures, along with $130 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, 2025, the total net position of the Airport Enterprise Fund was $147.6 million, an $8.8 million increase from the previous fiscal year. This net increase was principally due to a $300 thousand increase in Airport Fund investment earnings; a $5.6 million increase in grant revenue; a $2.2 million increase in charges for services revenue; a $100 thousand increase in other revenue; a $400 thousand decrease in pension expense; a $100 thousand decrease in equipment rental expenses; and, a $100 thousand decrease in utilities.

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, 2025, net expenditure appropriations increased by a net $8.7 million and appropriations for transfers out increased by $47.6 million.

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

- $125.9 million to address aging infrastructure and capital needs
- $23.7 million for emergency assistance to residents following the 2024 severe winter storms
- $32.0 million for behavioral health services
- $10.9 million for law enforcement and criminal justice needs
- $4.3 million for First 5 program support for young children
- $2.4 million to address air quality needs
- $2.1 million for fire and emergency needs

- $2.0 for the Integrated Property Tax System

Actual revenues underperformed final budgeted amounts by $212.0 million, while actual expenditures were less than the final budgeted amount by $1.0 billion. The combination of revenue and expenditure shortfalls resulted in a revenue/expenditure operating variance of $829.7 million. Other financing sources and uses of funds resulted in a net sources versus uses variance from budget of $426.3 million. These combined amounts resulted in a variance in the net change in fund balance of $1.3 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 $44.3 million. Positive variances were realized in the Public Safety Group, Finance and General Government Group, Health and Human Services Agency and the Land Use and Environment Group primarily from lower than budgeted salaries and employee benefits costs due to staff turnover and vacancies.

Services and Supplies:

The final budget over expenditure variance across all County groups in this category was $960.8 million, which was a combination of $634.2 million from year end encumbrances and $326.6 million from operating results. 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 the public safety Regional Communication System, housing, American Rescue Plan Act-funded programs, information technology, addressing infectious diseases, energy efficiency, vehicle purchases, and various capital and major maintenance projects.

Capital Assets and Commitments

Capital Assets

As of June 30, 2025, the County's capital assets for both governmental and business-type activities were $4.8 billion and $194.8 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 2025 included:

Governmental Activities:

- $67.6 million towards construction of County Public Health Laboratory. Total project costs are estimated at $127.1 million.
- $63.7 million towards construction and improvements of County-maintained roads, bridges, and other road-related infrastructure.
- $63.3 million towards acquisition of equipment.
- $33.4 million in infrastructure donated by developers.
- $27.8 million towards major systems renovation of Hall of Justice (HOJ). Total project costs are estimated at $86.1 million.
- $21.2 million towards improvement of various capital projects.
- $19.2 million towards renovation of County Administration Center (CAC). Total project costs are estimated at $139.8 million.
- $18.7 million towards development of various software applications.
- $13.0 million towards renovation of Sheriff Ridgehaven Headquarters. Total project costs are estimated at $31.6 million.

- $12.8 million towards renovation of George Bailey Detention Facility (GBDF). Total project costs are estimated at $61.8 million.
- $12.2 million towards construction of East Region Crisis Stabilization Unit (CSU). Total estimated project costs are estimated at $28.8 million.
- $10.1 million towards various land acquisitions for the Multiple Species Conservation Program (MSCP).
- $8.5 million towards construction of San Diego County Animal Shelter. Total project costs are estimated at $37.6 million.
- $7.9 million towards construction of Village View Park. Total estimated project costs are estimated at $14.0 million.
- $6.7 million towards renovation of Volunteers of America (VOA) Substance Use Residential Treatment Services (SURTS) Facility. Total project costs are estimated at $27.0 million.
- $4.9 million towards construction of Casa De Oro Library. Total project costs are estimated at $22.8 million.
- $3.7 million towards construction of Ramona Intergenerational Community Campus (RICC). Total project costs are estimated at $15.0 million.
- $3.7 million towards critical systems upgrade at Town Centre Manor Public Housing. Total project costs are estimated at $6.5 million.
- $3.6 million towards construction of Edgemoor Psychiatric Unit. Total project costs are estimated at $28.1 million.
- $3.4 million towards construction of Tri-City Healthcare District Psychiatric Facility. Total project costs are estimated at $27.6 million.
- $3.4 million towards renovation of Heritage Park Building. Total project costs are estimated at $13.7 million.
- $3.4 million towards reconfiguration of South Region Live Well Center (SRLWC). Total project costs are estimated at $9.1 million.
- $3.3 million towards construction of Youth Transition Campus. Total project costs are estimated at $210.6 million.
- $3.3 million towards renovation of CRASH Golden Hill House. Total estimated project costs are estimated at $4.3 million.
- $3.2 million towards construction of Calavo Park. Total project costs are estimated at $28.5 million.
- $3.2 million towards construction of Mira Mesa Epicentre Youth and Community Center. Total project costs are estimated at $11.5 million.
- $2.5 million towards renovation of Magnolia Safe Parking. Total project costs are estimated at $3.8 million.
- $2.2 million towards land acquisition and improvements for San Luis Rey River Park (Moosa). Total project costs are estimated at $30.0 million.
- $2.1 million towards construction of Mount Woodson Parking Lot. Total project costs are estimated at $4.6 million.
- $1.7 million towards improvements at San Diego Central Jail (SDCJ) Facility and Interior Building. Total project costs are estimated at $28.5 million.
- $1.4 million towards replacement of East Mesa Juvenile Detention Facility (EMJDF) Generator. Total estimated project costs are estimated at $6.2 million.
- $1.2 million towards Tijuana River Valley Rehabilitation. Total estimated project costs are estimated at $2.4 million.
- $1.2 million towards construction of Stelzer Park Ranger Station & Visitor Center. Total estimated project costs are estimated at $1.7 million.
- $1.1 million towards reconfiguration of South Region Live Well Center Lobby. Total estimated project costs are estimated at $1.5 million.
- $1.1 million towards major systems renovation of San Diego County Psychiatric Hospital (SDCPH). Total estimated project costs are estimated at $5.4 million.
- $1.0 million towards construction of Troy Street Sleeping Cabins. Total project costs are estimated at $11.1 million.

Business-type Activities

- $6.8 million towards rehabilitation of Gillespie Field Runway 27R.
- $3.0 million towards rehabilitation of Ramona Airport Tower Transient Apron.

- $1.2 million towards rehabilitation of Pine Valley Wastewater Plant Aerobic Lagoon.

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, 2025, capital commitments included the following:

Governmental Activities:

$262.8 million for the Improvement of County Roads and Bridges; Renovation of County Administration Center; Vehicle Acquisitions; Construction of San Diego County Animal Shelter; Land Acquisition and Improvements for San Luis Rey River Park (Moosa); Renovation of Volunteers of America Substance Use Residential Treatment Services Facility; Construction of Calavo Park; Construction of Casa De Oro Library; Construction of East Region Crisis Stabilization Unit; Renovation of George Bailey Detention Facility; Major Systems Renovation of Hall of Justice; Construction of Mira Mesa Epicentre Youth and Community Center; Development of Integrated Property Tax System; Construction of County Public Health Laboratory; Renovation of Sheriff Ridgehaven Headquarters; Expansion and Reconfiguration of La Maestra Family Clinic; Construction of Ramona Sheriff Station; Improvements at Tijuana River Valley Spooners Mesa; Upgrades to East Mesa Juvenile Detention Facility CCTV System; Expansion of 4S Ranch Library; Construction of Village View Park.

Business-type Activities:

The County did not have any capital commitments within the business-type activities.

(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, 2025, the County's governmental activities had outstanding long-term liabilities (without regard to the net pension liability or net OPEB liability) of $2.144 billion.

Of this amount, approximately $1.015 billion pertained to long-term debt outstanding. Principal debt issuances included: $431 million in Tobacco Settlement Asset-Backed Bonds; $140 million in taxable pension obligation bonds; $351 million in certificates of participation (COPs) and lease revenue bonds (LRBs); $91 million in unamortized issuance premiums; and $2 million in loans.

Other long-term liabilities included: $6 million in financed purchases; $332 million in claims and judgments; $516 million in compensated absences; $12 million for landfill postclosure costs; $233 million for leases; $26 million for subscriptions; and $4 million for pollution remediation.

During fiscal year 2025, the County's total COPs, LRBs, unamortized issuance premiums, and other bonds and loans for governmental activities decreased by $110.375 million.

The $110.375 million net decrease was due to the following increases and decreases:

The increase to debt was $42.145 million and included:

- The issuance of $31.090 million in certificates of participation for the 2024 Edgemoor Refunding;
- $2.191 million in unamortized premiums related to the new certificates of participation;
- $8.864 million of principal accreted (added) to the outstanding Tobacco Settlement Asset-Backed Bonds' Capital Appreciation Bonds principal.

Decreases to debt were $152.520 million and included:

- $140.623 million in principal debt service payments;
- $11.897 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 $1.954 million for compensated absences, and $95 thousand in subscriptions.

During fiscal year 2025, long-term liabilities for business-type activities increased by $41 thousand due to a net increase of $130 thousand in compensated absences coupled with a $89 thousand decrease in subscriptions.

(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	AAA
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	BB+	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 June 2025 by Moody's, Fitch, and Standard & Poor's.

In June 2024 Moody's affirmed the existing Aaa rating on the County's outstanding Pension Obligation Bonds. Fitch and Standard & Poor's reaffirmed their AAA rating for the Pension Obligation Bonds in June 2025.

The County's outstanding lease-backed obligations Aa1 rating from Moody's was affirmed June 2024. In FY 2025 Standard & Poor's and Fitch reaffirmed their AA+ ratings. The one notch difference between the County's issuer and lease-backed rating reflects the standard legal structure for these abatement lease financings and leased assets.

In March 2025 the Tobacco Settlement Asset-Backed Bonds Series 2006B, 2006C, and 2006D (Capital Appreciation Bonds) CCC- ratings were reaffirmed by Standard and Poor's. 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.

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 2026 Operational Plan:

- The fiscal year 2026 General Fund adopted budget contains total appropriations of $6.72 billion. This is an increase of $93.9 million, or 1.4%, from the fiscal year 2025 General Fund adopted budget. Program Revenue comprises 68.3% of General Fund financing sources in fiscal year 2026, and is derived primarily from State and federal

subventions, grants, and fees charged 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 30.9% of the General Fund. In the fiscal year 2026 adopted budget, the County's GPR increased 5.3%; with budgeted GPR of $2,078.3 million in fiscal year 2026 compared to $1,973.1 million budgeted in fiscal year 2025.
- The largest source of GPR is property tax revenue, which represents 49.4% of total GPR in fiscal year 2026, 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 2026, property tax revenue is budgeted at $1,026.1 million, which is $50.0 million or 5.1% higher than the budget for fiscal year 2025 and the increase is mainly due to the anticipated 5.00% Assessed Value (AV) growth. For fiscal years 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024 and 2025 the final growth rates were 5.59%, 6.35%, 6.08%, 5.72%, 5.33%, 4.02%, 7.96%, 6.86% and 5.46% respectively. For fiscal year 2026, an assumed rate of 5.00% is projected in overall assessed value of real property.
- Current secured property tax revenue ($986.7 million in fiscal year 2026) is expected to increase by $48.3 million in fiscal year 2026 from the adopted budget level for fiscal year 2025. 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 2026 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 2026) is expected to slightly decrease by $0.1 million in fiscal year 2026 from the adopted level for fiscal year 2025. 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 ($30.7 million in fiscal year 2026) is not based on a lien on real property and is expected to increase by $1.7 million in fiscal year 2026 from the adopted level for fiscal year 2025 based on prior year actual receipts. 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 2026) 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 a subsequent change in ownership following the initial change in ownership occurs prior to the mailing of the initial supplemental tax bill.
- Property taxes in lieu of vehicle license fees (VLF) comprises 29.7%, or $617.8 million of budgeted GPR in fiscal year 2026. Beginning in fiscal year 2005, this revenue source replaced the previous distribution of VLF to local governments. Per the implementing legislation, revenue levels for this revenue source are based on the growth or reduction in net taxable unsecured and local secured assessed value. With a projected 5.00% increase in the combined taxable unsecured and local secured assessed value in fiscal year 2026, revenues are anticipated to be $34.2 million higher than budgeted for fiscal year 2025. The budgeted increase is partially associated with the change in actual assessed value in fiscal year 2025 which increased by 5.46% compared to a budgeted increase of 4.63%.
- Teeter revenue represents approximately 0.9%, or $19.2 million, of budgeted GPR in fiscal year 2026. 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 2026, Teeter revenue is budgeted to increase by $2.4 million from fiscal year 2025 primarily due to projected lower collections from prior year receivables.

- Sales and use tax revenue is budgeted at $65.9 million in fiscal year 2026, representing approximately 3.2% 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 2026 is estimated to be $3.6 million, or 5.7%, higher than the fiscal year 2025 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 $210.5 million in fiscal year 2026, an increase of $13.7 million or 6.9% and is approximately 10.1% 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. Funding for this revenue source comes from various intergovernmental sources, including Redevelopment Successor Agencies, the federal government (Payments in Lieu of Taxes (PILT) 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 (HOPTR) program). The largest portion of this funding is from aid from Redevelopment Successor Agencies generated by "pass-through" agreements in place prior to redevelopment dissolution. Redevelopment agencies were dissolved by the California Legislature in ABx1 26 on June 28, 2011. The California Supreme Court upheld the constitutionality of the dissolution on December 29, 2011and extended the date of dissolution to February 1, 2012. Based on Section 34183(a)(1) of the Health and Safety Code, the County auditor-controller shall remit from the Redevelopment Property Tax Trust Fund to each affected 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. These "residual funds" not allocated for specific purposes will be distributed to affected taxing agencies under Section 34183 of the Health and Safety Code.
- Other revenues are budgeted at $138.8 million in fiscal year 2026 and are approximately 6.7% 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 2026 amount represents a 1.0% or $1.4 million increase from fiscal year 2025.

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 2026 Adopted Operational Plan which can be accessed at https://www.sandiegocounty.gov/content/dam/sdc/fg3/budget/2025-2026%20Adopted.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 5500 Overland Ave, Suite 470, San Diego, California 92123.

Basic Financial Statements

STATEMENT OF NET POSITION
June 30, 2025
(In Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
ASSETS				
Pooled cash and investments	$ 4,049,241	129,274	4,178,515	26,846
Cash with fiscal agents	13,634		13,634	
Investments with fiscal agents	221,336		221,336	
Receivables, net	1,652,042	7,465	1,659,507	3,690
Lease receivables	14,457	226,106	240,563	
Property taxes receivables, net	179,574		179,574	
Internal balances	827	(827)		
Due from component unit	97		97	
Inventories	37,587	287	37,874	
Deposits with others	9		9	
Prepaid items	5,876		5,876	3
Restricted assets:				
Cash with fiscal agents	788		788	
Investments with fiscal agents	73,630		73,630	
Capital assets:				
Land, easements and construction in progress	1,062,012	20,912	1,082,924	
Other capital assets, net of accumulated depreciation/amortization	3,741,178	173,916	3,915,094	1,556
Total assets	11,052,288	557,133	11,609,421	32,095
DEFERRED OUTFLOWS OF RESOURCES				
Non-Pension:				
Unamortized loss on refunding of long-term debt	21,886		21,886	
Pension:				
Contributions to the pension plan subsequent to the measurement date	843,482	3,305	846,787	
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions	25,322	102	25,424	
Changes of assumptions or other inputs	376,577	1,709	378,286	
Difference between expected and actual experience in the total pension liability	481,674	1,766	483,440	
OPEB:				
Contributions to the OPEB plan subsequent to the measurement date	17,835	91	17,926	
Total deferred outflows of resources	$ 1,766,776	6,973	1,773,749	

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

Continued on next page

STATEMENT OF NET POSITION
June 30, 2025
(In Thousands)

(Continued)	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
LIABILITIES				
Accounts payable	$ 481,378	1,610	482,988	11,120
Accrued payroll	109,283	460	109,743	
Accrued interest	8,374		8,374	
Due to primary government				97
Unearned revenue	552,712	321	553,033	
Noncurrent liabilities:				
Due within one year	433,586	876	434,462	440
Due in more than one year - other	1,717,947	1,187	1,719,134	1,585
Due in more than one year - net pension liability	4,545,294	19,187	4,564,481	
Due in more than one year - net OPEB liability	11,504	113	11,617	
Total Liabilities	7,860,078	23,754	7,883,832	13,242
DEFERRED INFLOWS OF RESOURCES				
Non-pension:				
Leases	13,992	216,942	230,934	
Property taxes received in advance	16,245		16,245	
Gain on refunding of long-term debt	3,671		3,671	
Pension:				
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions	3,896	13	3,909	
Differences between expected and actual experience in the total pension liability	69,101	342	69,443	
Net difference between projected and actual earnings on plan investments	317,705	1,013	318,718	
OPEB:				
Net difference between projected and actual earnings on plan investments	968	17	985	
Total deferred inflows of resources	$ 425,578	218,327	643,905	

Continued on next page

STATEMENT OF NET POSITION
June 30, 2025
(In Thousands)

(Continued)		Primary Government			Component Unit
		Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
NET POSITION					
Net investment in capital assets	$	4,139,650	194,542	4,334,192	
Restricted for:					
Creditors - Capital projects		23,011		23,011	
Grantors - Housing assistance		206,245		206,245	
Donations		4,320		4,320	
Pension Stabilization		85,790		85,790	
Laws or regulations of other governments:					
Custody of non-violent, non-serious, non-sex offenders and supervision of post release offenders		134,639		134,639	
Future road improvements		436,035		436,035	
Enforcement of consumer protection laws		223,772		223,772	
Health and Human Services Agency programs		286,240		286,240	
Road, park lighting maintenance, fire protection and ambulance service		40,525		40,525	
Development of multifamily housing for persons with serious mental illness who are homeless, chronically homeless, or at-risk of becoming chronically homeless		121,320		121,320	
Defray administrative costs, other general restrictions		21,793		21,793	
Implementation of the opioid settlement framework		110,577		110,577	
Teeter tax loss		21,208		21,208	
Improvement and maintenance of recorded document systems		25,228		25,228	
Flood Control future drainage improvements		33,908		33,908	
Public safety activities		102,566		102,566	
Housing Authority housing activities		20,886		20,886	
IGT behavioral health services		45,485		45,485	
Expansion of behavioral health community provider capacity and to strengthen the regional continuum of care		21,958		21,958	
Developing new or rehabilitating existing neighborhood or community park or recreational facilities		33,330		33,330	
Juvenile justice crime prevention		31,468		31,468	
Parole revocation proceedings		23,964		23,964	
Law enforcement		17,301		17,301	
Benefit, education, and welfare of jail inmates		12,642		12,642	
Edgemoor development		11,952		11,952	
Enviromental health and quality		11,082		11,082	
Library services		11,072		11,072	
Fingerprinting equipment purchase and operation		10,658		10,658	
Sheriff law enforcement		10,599		10,599	
Other purposes		108,317		108,317	
First 5 Commission of San Diego					18,853
Unrestricted		(1,854,133)	127,483	(1,726,650)	
Total net position	$	4,533,408	322,025	4,855,433	18,853

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

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025
(In Thousands)

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: First 5 Commission of San Diego
Governmental Activities:								
General government	$ 683,733	163,465	256,624	20,332	(243,312)		(243,312)	
Public protection	2,382,095	269,137	736,866	32,116	(1,343,976)		(1,343,976)	
Public ways and facilities	201,929	26,348	172,409	33,406	30,234		30,234	
Health and sanitation	1,531,865	170,297	1,331,079		(30,489)		(30,489)	
Public assistance	2,025,345	16,552	1,914,006		(94,787)		(94,787)	
Education	70,954	287	11,066	30	(59,571)		(59,571)	
Recreation and cultural	72,019	16,282	5,032		(50,705)		(50,705)	
Interest	49,226				(49,226)		(49,226)	
Total governmental activities	7,017,166	662,368	4,427,082	85,884	(1,841,832)		(1,841,832)	
Business-type activities:								
Airport	20,478	16,546	7,922			3,990	3,990	
Jail Stores Commissary	3,952	7,919				3,967	3,967	
San Diego County Sanitation District	32,628	32,976		89		437	437	
Sanitation District - Other	10,965	10,344		19		(602)	(602)	
Total business-type activities	68,023	67,785	7,922	108		7,792	7,792	
Total primary government	7,085,189	730,153	4,435,004	85,992	(1,841,832)	7,792	(1,834,040)	
Component Unit:								
First 5 Commission of San Diego	$ 37,247		30,024					(7,223)

Continued on next page

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

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025
(In Thousands)

(Continued)		Net (Expense) Revenue and Changes in Net Position			
		Primary Government			Component Unit
		Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
Changes in net position:					
Net (expense) revenue	$	(1,841,832)	7,792	(1,834,040)	(7,223)
Revenues:					
General Revenues:					
Taxes:					
Property taxes		1,126,970		1,126,970	
Transient occupancy tax		9,492		9,492	
Real property transfer tax		28,075		28,075	
Miscellaneous taxes		166		166	
Property taxes in lieu of vehicle license fees		589,011		589,011	
Sales and use taxes		78,908		78,908	
Total general tax revenues		1,832,622		1,832,622	
Investment earnings		175,213	9,973	185,186	895
Other		107,943	121	108,064	
Total general revenues		2,115,778	10,094	2,125,872	895
Transfers		(8,859)	8,859		
Total general revenues and transfers		2,106,919	18,953	2,125,872	895
Change in net position		265,087	26,745	291,832	(6,328)
Net position at beginning of year		4,583,985	296,518	4,880,503	25,181
Restatements		(315,664)	(1,238)	(316,902)	
Net position at beginning of year, as restated		4,268,321	295,280	4,563,601	25,181
Net position at end of year	$	4,533,408	322,025	4,855,433	18,853

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

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025
(In Thousands)

	General Fund	Public Safety Fund	Tobacco Endowment Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Pooled cash and investments	$ 2,879,280	71,229	8,162	591,639	3,550,310
Cash with fiscal agents	17			13,617	13,634
Investments with fiscal agents	2		221,334		221,336
Receivables, net	1,323,462	69,353	2,922	213,502	1,609,239
Lease receivables	2,971			9,268	12,239
Property taxes receivables, net	178,377			1,197	179,574
Due from other funds	130,409			47,019	177,428
Inventories	33,418			2,173	35,591
Deposits with others				9	9
Prepaid items	5,441			435	5,876
Restricted assets:					
Cash with fiscal agents	194			594	788
Investments with fiscal agents				73,630	73,630
Total assets	4,553,571	140,582	232,418	953,083	5,879,654
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	331,501			54,867	386,368
Accrued payroll	102,517			4,022	106,539
Due to other funds	91,298	44,321	16,436	62,134	214,189
Unearned revenue	541,114			11,039	552,153
Total liabilities	1,066,430	44,321	16,436	132,062	1,259,249
DEFERRED INFLOWS OF RESOURCES					
Non-pension:					
Leases	2,839			8,997	11,836
Property taxes received in advance	15,309			936	16,245
Unavailable revenue	423,539			170,433	593,972
Total deferred inflows of resources	$ 441,687			180,366	622,053

Continued on next page

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

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025
(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	$ 10,656			435	11,091
Inventories and deposits with others	33,418			2,182	35,600
Restricted for:					
Creditors - Debt service				52,225	52,225
Creditors - Capital projects				23,011	23,011
Grantors - Housing assistance	187,815			14,949	202,764
Donations	4,320				4,320
Pension Stabilization	85,790				85,790
Laws or regulations of other governments:					
Custody of non-violent, non-serious, non-sex offenders and supervision of post release offenders	134,639				134,639
Future road improvements				315,272	315,272
Enforcement of consumer protection laws	223,772				223,772
Construction, maintenance and other costs for justice, health, and social facilities and programs	7,317				7,317
Development of multifamily housing for persons with serious mental illness who are homeless, chronically homeless, or at-risk of becoming chronically homeless	121,320				121,320
State Permanent Local Housing Allocation program to address unmet housing needs	8,409				8,409
Down payment and closing costs assistance for first-time homebuyers	5,075				5,075
Defray administrative costs, other general restrictions	21,793				21,793
Implementation of the opioid settlement framework	60,663				60,663
Improvement and maintenance of recorded document systems	25,228				25,228
Public safety activities	6,305	96,261			102,566
Expansion of behavioral health community provider capacity and to strengthen the regional continuum of care	21,958				21,958
IGT behavioral health services	45,485				45,485
Juvenile justice crime prevention	31,468				31,468
Parole revocation proceedings	23,964				23,964
Environmental health and quality	11,082				11,082
Teeter tax loss	21,208				21,208
Fingerprinting equipment purchase and operation	10,658				10,658
Vector control	9,058				9,058
Probation Department activities	5,587				5,587
Fund purpose				154,262	154,262
Other purposes	$ 36,050			33,909	69,959

Continued on next page

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025
(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	$ 30,265				30,265
Realignment health, mental health and social services	39				39
Landfill, postclosure and landfill maintenance				44,410	44,410
Capital projects' funding	411,361				411,361
Health			215,982		215,982
Evaluation, acquisition, construction, or rehabilitation of affordable housing for low-income residents	35,167				35,167
Other purposes	33,664				33,664
Assigned to:					
Legislative and administrative services	182,267				182,267
Other purposes	278,909				278,909
Unassigned	920,744				920,744
Total fund balances	3,045,454	96,261	215,982	640,655	3,998,352
Total liabilities, deferred inflows of resources and fund balances	$ 4,553,571	140,582	232,418	953,083	5,879,654

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION June 30, 2025 (In Thousands)		
Total fund balances - governmental funds	$	3,998,352
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.		4,700,851
Unamortized gain on refundings (to be amortized as interest expense).		(3,671)
Unamortized loss on refundings (to be amortized as interest expense).		21,886
Accrued interest on long-term debt.		(8,374)
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.		593,972
Long-term interest receivable on housing loans.		34,579
Deferred outflows of resources - Contributions to the pension plan subsequent to the measurement date.		825,061
Deferred outflows of resources - Changes in proportionate share and differences between employer's contributions and proportionate share of contributions - Pension.		24,765
Deferred outflows of resources - Changes of assumptions or other inputs - Pension.		366,978
Deferred inflows of resources - Net difference between projected and actual earnings on pension plan investments.		(313,160)
Deferred outflows of resources - Differences between expected and actual experience in the total pension liability.		471,344
Deferred outflows of resources - Contributions to the OPEB plan subsequent to the measurement date.		17,327
Deferred inflows of resources - Changes in proportionate share and differences between employer's contributions and proportionate share of contributions - Pension.		(3,817)
Deferred inflows of resources - Differences between expected and actual experience in the total pension liability.		(67,608)
Deferred inflows of resources - Net differences between projected and actual experience in the total OPEB investments.		(863)
Long-term liabilities, such as bonds, notes, loans payable, financed purchases, leases, claims and judgments, compensated absences, landfill postclosure, pollution remediation, net pension liability, and net OPEB liability are not due and payable in the current period and, therefore, are not reported in the funds. (See Note 2 to the financial statements; **Table 4**.)		(6,259,390)
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 4**.)		135,176
Net position of governmental activities	$	4,533,408

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025
(In Thousands)

	General Fund	Public Safety Fund	Tobacco Endowment Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 1,741,174			88,372	1,829,546
Licenses, permits and franchise fees	57,027			13,282	70,309
Fines, forfeitures and penalties	45,225			1,130	46,355
Revenue from use of money and property	109,706	1,138	8,404	44,677	163,925
Aid from other governmental agencies:					
State	1,915,176	387,017		167,474	2,469,667
Federal	1,438,632			267,516	1,706,148
Other	236,630			28,273	264,903
Charges for current services	469,051			60,526	529,577
Other	55,664			37,328	92,992
Total revenues	6,068,285	388,155	8,404	708,578	7,173,422
Expenditures:					
Current:					
General government	522,999		130	33,546	556,675
Public protection	2,259,306			29,068	2,288,374
Public ways and facilities	7,164			119,161	126,325
Health and sanitation	1,473,325			37,953	1,511,278
Public assistance	1,680,930			318,183	1,999,113
Education	979			65,494	66,473
Recreation and cultural	57,188			3,388	60,576
Capital outlay	110,504			311,312	421,816
Debt service:					
Principal	70,079			87,259	157,338
Interest	13,191			34,547	47,738
Bond issuance costs				426	426
Payment to refunded bond escrow agent				12,054	12,054
Total expenditures	6,195,665		130	1,052,391	7,248,186
Excess (deficiency) of revenues over (under) expenditures	(127,380)	388,155	8,274	(343,813)	(74,764)
Other financing sources (uses):					
Sale of capital assets	5,358			5,021	10,379
Issuance and modifications of leases:					
Leases	36,023			1,148	37,171
Issuance and modifications of subscriptions:					
Subscriptions	23,989				23,989
Issuance of bonds, loans and financed purchases:					
Premium on issuance of bonds				2,191	2,191
Refunding bonds issued				31,090	31,090
Payment to refunded bond escrow agent				(32,855)	(32,855)
Transfers in	444,093			320,215	764,308
Transfers out	(329,559)	(399,934)	(29,615)	(24,117)	(783,225)
Total other financing sources (uses)	179,904	(399,934)	(29,615)	302,693	53,048
Net change in fund balances	52,524	(11,779)	(21,341)	(41,120)	(21,716)
Fund balance at beginning of year	2,999,750	108,040	237,323	681,079	4,026,192
Increase (decrease) in nonspendable inventories	(6,820)			696	(6,124)
Fund balances at end of year	$ 3,045,454	96,261	215,982	640,655	3,998,352

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

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, 2025 (In Thousands)		
Net change in fund balances - total governmental funds	$	(21,716)
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.		3,076
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.		24
Revenues earned on long-term housing loans.		4,560
Adjustment to nonspendable inventories.		(6,124)
Change in accounting estimate for postclosure costs - (public protection function) - San Marcos landfill.		(274)
Change in accounting estimate for pollution remediation - (general government function).		(2,588)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. (See Note 2 to the financial statements; **Table 5**.)		186,250
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 5**.)		16,756
Contributions to the pension plan subsequent to the measurement date.		825,495
Contributions to the OPEB plan subsequent to the measurement date.		17,390
The issuance of long-term debt (e.g. bonds, notes, loans, financed purchases, and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (See Note 2 to the financial statements; **Table 5**.)		107,805
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 5**.)		(870,869)
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 5**.)		5,302
Change in net position - governmental activities	$	265,087

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025
(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	$ 31,326	97,948	129,274	498,931
Receivables, net	2,725	2,153	4,878	6,886
Lease receivables	6,630		6,630	358
Due from other funds	20	929	949	56,375
Inventories	1	286	287	1,996
Total current assets	40,702	101,316	142,018	564,546
Noncurrent assets:				
Lease receivables	219,476		219,476	1,860
Due from other funds	2,587		2,587	106
Capital assets:				
Land	12,536	1,240	13,776	
Construction in progress	758	6,378	7,136	
Buildings and improvements	134,755	19,337	154,092	2,963
Equipment	3,714	4,521	8,235	236,684
Software	297		297	5,628
Road infrastructure	39,488		39,488	
Sewer infrastructure		123,567	123,567	
Subscription Assets		342	342	
Accumulated depreciation/amortization	(80,536)	(71,569)	(152,105)	(142,936)
Total noncurrent assets	333,075	83,816	416,891	104,305
Total assets	373,777	185,132	558,909	668,851
DEFERRED OUTFLOWS OF RESOURCES				
Pension:				
Contributions to the pension plan subsequent to the measurement date	1,646	1,659	3,305	18,421
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions	51	51	102	557
Changes of assumptions or other inputs	867	842	1,709	9,599
Difference between expected and actual experience in the total pension liability	795	971	1,766	10,330
OPEB:				
Contributions to the OPEB plan subsequent to the measurement date	43	48	91	508
Total deferred outflows of resources	$ 3,402	3,571	6,973	39,415

Continued on next page

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025
(In Thousands)

(Continued)	Business-type Activities			Governmental Activities
	Airport Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
LIABILITIES				
Current liabilities:				
Accounts payable	$ 813	797	1,610	95,010
Accrued payroll	222	238	460	2,744
Due to other funds	321	2,705	3,026	16,208
Unearned revenue	321		321	559
Loans payable				33
Subscription payable		95	95	
Compensated absences	407	374	781	5,297
Claims and judgments				63,354
Total current liabilities	2,084	4,209	6,293	183,205
Noncurrent liabilities:				
Loans payable				57
Compensated absences	625	562	1,187	8,163
Claims and judgments				268,772
Net pension liability	9,213	9,974	19,187	103,075
Net OPEB liability	56	57	113	190
Total noncurrent liabilities	9,894	10,593	20,487	380,257
Total liabilities	11,978	14,802	26,780	563,462
DEFERRED INFLOWS OF RESOURCES				
Non-pension:				
Leases	216,942		216,942	2,156
Pension:				
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions	7	6	13	79
Differences between expected and actual experience in the total pension liability	210	132	342	1,493
Net difference between projected and actual earnings on pension plan investments	419	594	1,013	4,545
OPEB:				
Net difference between projected and actual earnings on OPEB investments	9	8	17	105
Total deferred inflow of resources	217,587	740	218,327	8,378
NET POSITION				
Net investment in capital assets	110,922	83,620	194,542	98,673
Unrestricted net position	36,692	89,541	126,233	37,753
Total net position	$ 147,614	173,161	320,775	136,426

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	$ 320,775
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	1,250
Net position of business-type activities	$ 322,025

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2025
(In Thousands)

	Business-type Activities			Governmental Activities
	Airport Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating revenues:				
Charges for current services	$ 16,546	51,239	67,785	654,656
Other	121		121	3,365
Total operating revenues	16,667	51,239	67,906	658,021
Operating expenses:				
Salaries and employee benefits	6,344	7,201	13,545	78,915
Repairs and maintenance	3,080	6,667	9,747	77,475
Equipment rental	352	552	904	12
Sewage processing		21,036	21,036	
Contracted services	4,791	1,658	6,449	361,252
Depreciation	4,150	3,003	7,153	20,655
Amortization		70	70	
Utilities	528	148	676	39,059
Cost of material		3,409	3,409	5,924
Claims and judgments				98,919
Fuel	136	4	140	12,995
Other	1,038	3,632	4,670	15,770
Total operating expenses	20,419	47,380	67,799	710,976
Operating income (loss)	(3,752)	3,859	107	(52,955)
Nonoperating revenues (expenses):				
Grants	7,922		7,922	5,966
Investment earnings	5,424	4,549	9,973	22,382
Gain (loss) on disposal of assets				1,465
Total nonoperating revenues (expenses)	13,346	4,549	17,895	29,813
Income (loss) before capital contributions and transfers	9,594	8,408	18,002	(23,142)
Capital contributions		108	108	18,162
Transfers in		12,999	12,999	12,856
Transfers out	(143)	(3,997)	(4,140)	(2,798)
Change in net position	9,451	17,518	26,969	5,078
Net position (deficits) at beginning of year	138,791	156,253	295,044	139,222
Restatements	(628)	(610)	(1,238)	(7,874)
Net position (deficits) at beginning of year, as restated	138,163	155,643	293,806	131,348
Net position (deficits) at end of year	$ 147,614	173,161	320,775	136,426

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	$ 26,969
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(224)
Change in net position of business-type activities	$ 26,745

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2025
(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	$ 6,100	41,815	47,915	14,104
Cash received from other funds		9,506	9,506	626,291
Cash payments to suppliers	(7,347)	(35,920)	(43,267)	(443,527)
Cash payments to employees	(6,177)	(7,226)	(13,403)	(78,065)
Cash payment to other funds	(3,124)	(2,292)	(5,416)	(53,449)
Cash paid for claims and judgments				(76,933)
Other payments	(26)	(3)	(29)	(452)
Net cash provided (used) by operating activities	(10,574)	5,880	(4,694)	(12,031)
Cash flows from noncapital financing activities:				
Operating grants	8,207		8,207	5,997
Transfers from other funds		12,999	12,999	12,856
Transfers to other funds	(143)	(3,997)	(4,140)	(2,798)
Principal paid on long-term debt				(178)
Other noncapital financing increases	150		150	51
Net cash provided (used) by noncapital financing activities	8,214	9,002	17,216	15,928
Cash flows from capital and related financing activities:				
Capital contributions				15,869
Acquisition of capital assets	(10,142)	(3,928)	(14,070)	(33,824)
Lease payments received	7,005		7,005	1,376
Principal paid on subscription		(88)	(88)	
Proceeds from sale of assets				1,893
Net cash provided (used) by capital and related financing activities	(3,137)	(4,016)	(7,153)	(14,686)
Cash flows from investing activities:				
Investment earnings	5,578	4,337	9,915	21,550
Net increase (decrease) in cash and cash equivalents	81	15,203	15,284	10,761
Cash and cash equivalents - beginning of year	31,245	82,745	113,990	488,170
Cash and cash equivalents - end of year	$ 31,326	97,948	129,274	498,931

Continued on next page

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2025
(In Thousands)

(Continued)	Business-type Activities			Governmental Activities
	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)	$ (3,752)	3,859	107	(52,955)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Decrease (increase) in accounts receivables	(10,411)	483	(9,928)	(1,308)
Decrease (increase) in due from other funds	(20)	(401)	(421)	(15,970)
Decrease (increase) in inventory		26	26	390
Decrease (increase) in other current assets	1		1	
Increase (decrease) in accounts payable	(469)	(1,335)	(1,804)	7,259
Increase (decrease) in accrued payroll	52	4	56	346
Increase (decrease) in due to other funds	(106)	196	90	7,322
Increase (decrease) in unearned revenue	(136)		(136)	(348)
Increase (decrease) in compensated absences	141	3	144	903
Increase (decrease) in claims and judgments				21,986
Pension expense	39	41	80	467
OPEB expense	(63)	(69)	(132)	(778)
Depreciation / amortization	4,150	3,073	7,223	20,655
Total adjustments	(6,822)	2,021	(4,801)	40,924
Net cash provided (used) by operating activities	(10,574)	5,880	(4,694)	(12,031)
Non-cash investing and capital financing activities:				
Capital acquisitions included in accounts payable	90	101	191	3,666
Governmental contributions of capital assets	$	108	108	2,293

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2025
(In Thousands)

	San Diego County Employees Retirement Association Pension (and Other Postemployment Benefits) Trust Fund	Pooled Investments - Investment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund	Custodial Funds
ASSETS				
Pooled cash and investments	$ 1,219	11,845,197	2,463	451,690
Cash with fiscal agents	3,109,058	427,537		10,225
Investments with fiscal agents			985	6,882
Securities lending cash collateral	232,818			
Receivables:				
Contributions	12,530			
Accrued interest and dividends	58,542			
Settlement of investments sold	1,382,072			
Accounts receivable				2,641
Investment earnings receivable		165,203	13	223,203
Taxes receivable, net		73,055		113,365
Other receivables		21,388		289
Investments at fair value:				
Domestic equity securities	3,742,534			
International equity securities	945,649			
Fixed income securities	9,793,257			
Cash and securities for swaps	136,995			
Private debt	218,979			
Private equity	352,232			
Private real assets	220,916			
Real estate	1,573,376			
Capital assets, net	1,712			
Total assets	$ 21,781,889	12,532,380	3,461	808,295

Continued on next page

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2025
(In Thousands)

(Continued)	San Diego County Employees Retirement Association Pension (and Other Postemployment Benefits) Trust Fund	Pooled Investments - Investment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund	Custodial Funds
LIABILITIES				
Collateral payable for securities lending	$ 232,818			
Settlement of investments purchased	1,769,251			
Professional services	12,039			
Death benefits	2,117			
Retirement benefits	1,820			
Refunds to members	1,484			
County advance contribution	270			
Accounts payable		213,113	1	299,751
Warrants outstanding				4,444
Accrued payroll				1,035
Accrued interest			14	
Deferred revenues		81		
Other liabilities	16,351			
Noncurrent liabilities:				
Due within one year			752	
Due in more than one year			2,143	
Due to other funds			4,022	
Due to other governments				186,472
Total liabilities	2,036,150	213,194	6,932	491,702
NET POSITION				
Restricted for:				
Pension	19,661,907			
OPEB	83,832			
Pool participants		12,319,186		
Private purpose			(3,471)	
Individuals, organizations and other governments				316,593
Total net position(deficit)	$ 19,745,739	12,319,186	(3,471)	316,593

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, 2025
(In Thousands)

	San Diego County Employees Retirement Association Pension (and Other Postemployment Benefits) Trust Fund	Pooled Investments-Investment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund	Custodial Funds
ADDITIONS				
Contributions:				
Employer contributions	$ 918,215			
Plan member contributions	214,978			
Property taxes collected for other governments				16,079,475
Contributions to investments		15,498,144		3,757,658
Total contributions	1,133,193	15,498,144		19,837,133
Investment income:				
Net appreciation/(depreciation) in fair value of investments				
Equity securities	736,858			
Fixed income	377,024			
Foreign currency	(40,935)			
Private debt income	(13,970)			
Real estate & private equity	34,655			
Private real assets	(27,381)			
Futures	66,395			
Swaps	378,955			
Total Net increase (decrease) in fair value of investments	1,511,601			
Interest income:				
Fixed income	332,300			
Cash	17,348			
Investment earnings		564,796	127	49,607
Total interest income	349,648	564,796	127	49,607
Other additions:				
Dividends	121,178			
Real estate income	67,795			
Private debt income	14,412			
Private equity income	1,148			
Private real assets income	(3,906)			
Total other	200,627			
Less: Investment expenses	(39,537)	(760)		
Net investment income, before securities lending	2,022,339	564,036	127	49,607
Securities lending income and appreciation/(depreciation)	11,499			
Securities lending rebates and bank charges	(8,968)			
Net securities lending	2,531			
Net investment income	2,024,870	564,036	127	49,607
Property taxes- Successor Agency Redevelopment Property Tax Trust Fund Distribution			2,333	
Total additions	$ 3,158,063	16,062,180	2,460	19,886,740

Continued on next page

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, 2025
(In Thousands)

(Continued)	San Diego County Employees Retirement Association Pension (and Other Postemployment Benefits) Trust Fund	Pooled Investments-Investment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund	Custodial Funds
DEDUCTIONS				
Benefits				
Retirement benefits	$ 1,056,405			
Death benefits	1,889			
Health benefits	8,390			
Total Benefits	1,066,684			
Member refunds	10,167			
Administrative expenses	20,221	8,107	6	
Distributions from investments		14,893,808		3,764,140
Property taxes distributed to other governments				16,084,620
Contributions to other agencies			550	
Interest			252	
Total deductions	1,097,072	14,901,915	808	19,848,760
Change in net position	2,060,991	1,160,265	1,652	37,980
Net position at beginning of year	17,684,748	11,158,921	(5,123)	278,613
Net position (deficit) at end of year	$ 19,745,739	12,319,186	(3,471)	316,593

NOTE 1

Summary of Significant Accounting Policies 71
The Reporting Entity 71
Blended Component Units 71
Discrete Component Unit 72
Fiduciary Component Unit 73
Financial Reporting Structure 73
Basic Financial Statements 73
Government-Wide Financial Statements 73
Fund Financial Statements 74
Measurement Focus, Basis of Accounting, and Financial Statement Presentation 75
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance 76
Cash and Investments 76
Receivables and Payables 76
County Leased Property 77
Inventories and Prepaid Items 77
Capital Assets 78
Unearned Revenue 78
Deferred Outflows and Inflows of Resources 78
Subscription-Based Information Technology Arrangements 79
Lease Obligations 79
Long-Term Obligations 80
Pension 80
OPEB 81
Employees' Compensated Absences 81
Change in Accounting Principle 82
General Budget Policies 83
Fund Balance 83
Net Position 83
Indirect Costs 84
Use of Estimates 84

NOTE 2

Reconciliation of Government-Wide and Fund Financial Statements 85
Balance Sheet/Statement of Net Position 85
Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities 86

NOTE 3

Deposits and Investments 88
Deposits 88
Investments 89

NOTE 4

Restricted Assets 96

NOTE 5

Receivables 96

NOTE 6

County Property on Lease to Others 98
Regulated Leases 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 ... 106

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) ... 108
Tobacco Settlement Asset-Backed Bonds (TSAB) ... 109
Loans - Governmental Activities ... 111
Financed Purchases ... 112
Arbitrage ... 113

NOTE 15

Changes in Long-Term Liabilities ... 114
Prior Year Defeasance of Long-Term Debt ... 114

NOTE 16

Funds Used to Liquidate Liabilities ... 115

NOTE 17

Landfill Site Postclosure Care Costs ... 115

NOTE 18

Pollution Remediation ... 116

NOTE 19

Conduit Debt Obligations ... 118

NOTE 20

Special Tax Bonds ... 118
Harmony Grove Village Improvement Area No. 1 Special Tax Bonds, Series 2018A ... 118
Harmony Grove Village Improvement Area No. 1 Special Tax Bonds, Series 2020A ... 118
Harmony Grove Village Improvement Area No. 2 Special Tax Bonds, Series 2020A ... 119

NOTE 21

Fund Balance Policy - General Fund ... 119

NOTE 22

Fund Balances Restricted for Laws or Regulations of Other Governments: Fund Purpose ... 121

NOTE 23

Fund Balances Restricted for Laws or Regulations of Other Governments: Other Purposes ... 122

NOTE 24

Fund Balances Committed to Other Purposes ... 123

NOTE 25

Fund Balances Assigned to Other Purposes ... 123

NOTE 26

Net Position Restricted for Laws or Regulations of Other Governments: Other Purposes ... 124

NOTE 27

Risk Management 125

NOTE 28

Contingencies 125
Litigation 125
Unrecorded Leave Benefits 125
Federal and State Programs 126

NOTE 29

Service Concession Agreement 126

NOTE 30

Joint Ventures 126

NOTE 31

Pension Plans 127

NOTE 32

Other Postemployment Benefits 133
Retiree Health Plan 133

NOTE 33

Fund Deficits 138

NOTE 34

County of San Diego Successor Agency Private Purpose Trust Fund for Assets of Former San Diego County Redevelopment Agency 138
Due To Other Funds 138

NOTE 35

San Diego County Redevelopment Agency (SDCRA) Revenue Refunding Bonds 139
Changes in Long-Term Liabilities 140

NOTE 36

Subsequent Events 140
San Diego County Capital Asset Leasing Corporation - "County of San Diego Refunding Certificates of Participation, Series 2025 (County Operations Center) 140
Tax and Revenue Anticipation Notes 140

NOTE 37

New Governmental Accounting Standards 140
Implementation Status 140
Under Analysis 140

NOTE 38

San Diego County Employees Retirement Association (SDCERA) 141

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 Unit

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 5500 Overland Avenue, Suite 470, 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; the County's insurance 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. $11.703 million of interest earned by certain funds has been assigned to and reported as revenue of another fund. For fiscal year 2025, the General Fund was assigned $11.702 million and the Other Governmental Funds were assigned $1 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 $19.910 million, $12.336 million, and $8.741 million, respectively; while the accounts receivable allowance for uncollectibles for governmental funds were $6.353 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.

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, military leave, executive time off, employee recognition leave, professional time off, 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, military leave, executive time off, employee recognition leave, and professional time off pay is accrued in the government-wide and proprietary funds financial statements. A portion of compensatory and sick pay is accrued in the government-wide and proprietary funds financial statements. Except for specified employee classes, the County does not cash out unused sick leave or compensatory time when employees separate from service with the County. However, the portion of the accumulated sick leave and compensatory time that is more likely than not to be used by employees, based on analysis of past employee usage, is accrued in the government-wide and proprietary funds financial statements. 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, compensatory time, military leave, executive time off, employee recognition leave, professional time off, and sick leave 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 an 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.

Change in Accounting Principle

The County is implementing the provisions of GASB Statement 101,*Compensated Absences*, in the financial statements of the current fiscal year. The County provides seven forms of employee leave (vacation, military, executive time off, employee recognition, professional time off, compensatory time, and sick) but has previously only accrued vacation leave and a portion of compensatory time and sick leave. Military, executive time off, employee recognition, professional time off, compensatory time, and sick leave are earned and carried over at the end of the fiscal year; however, except for certain employee classes for sick and compensatory time, these leave types are not paid upon termination, so the County did not accrue a liability in previous years. Under Statement 101, these leave types meet the criteria to be accrued as a compensated absence liability. The accumulated leave amounts for military, executive time off, employee recognition, and professional time off were reported as a liability in the government-wide and enterprise fund financial statements. The County examined its past experience with accumulated sick leave and compensatory time and estimated the amount of accumulated leave that was more likely than not to be used by employees. This estimate is now to be reported as a liability in the government-wide and enterprise fund financial statements. The portion of these liabilities that existed at the beginning of the current year is recognized as a decrease in beginning net position resulting from adoption of a new accounting standard.

Restatement of beginning net position is shown in **Table 3.**

Table 3
Restatement of Beginning Net Positions

	Beginning Balance	Change in Accounting Principle	Restated Balance
Net Position: Government-Wide Statements			
Governmental Activities	$ 4,583,985	(315,664)	4,268,321
Business-Type Activities	296,518	(1,238)	295,280
Total Primary Governement	4,880,503	(316,902)	4,563,601
Fund Net Position: Enterprise Funds			
Major Funds	138,791	(628)	138,163
Nonmajor Funds	156,253	(610)	155,643
Total Enterprise Funds	295,044	(1,238)	293,806
Fund Net Position: Governmental Activities			
Internal Service Funds	139,222	(7,874)	131,348
Total Internal Service Funds	$ 139,222	(7,874)	131,348

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.

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 4
Governmental Funds Balance Sheet / Government-Wide Statement of Net Position Reconciliation
At June 30, 2025

Long-term liabilities, such as bonds, notes, loans payable, financed purchases, leases, claims and judgments, compensated absences, landfill postclosure, pollution remediation, net pension liability, and net OPEB liability, are not due and payable in the current period and, therefore, are not reported in the funds. The details of this $6,259,390 difference are as follows:		
Bonds, notes and loans payable:		
Certificates of participation and lease revenue bonds	$	351,065
Taxable pension obligation bonds		140,370
Tobacco settlement asset-backed bonds		430,741
Loans - non-internal service funds		2,041
Unamortized issuance premiums (to be amortized as interest expense)		91,017
Financed purchases - non-internal service funds		6,188
Compensated absences - non-internal service funds		509,141
Leases - non-internal service funds		233,406
Subscriptions - non-internal service funds		26,056
Landfill postclosure - San Marcos landfill		11,694
Pollution remediation		4,138
Subtotal	$	1,805,857
Net pension liability - non-internal service funds		4,442,219
Net OPEB liability - non-internal service funds		11,314
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	$	6,259,390
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 $135,176 difference are as follows:		
Net position of the internal service funds	$	136,426
Less: Internal payable representing charges in excess of cost to business-type activities - prior years		(1,474)
Plus: Internal payable representing charges less than cost to business-type activities - current year		224
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	$	135,176

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 5
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, 2025

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 $186,250 difference are as follows:		
Capital outlay	$	421,816
Depreciation/amortization expense		(235,566)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities	$	186,250
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 $16,756 difference are as follows:		
The proceeds from the sale of capital assets provide current financial resources but have no effect on net position	$	(10,379)
The gain on the disposal of capital assets does not affect current financial resources but increases net position		5,132
The loss on the disposal of capital assets does not affect current financial resources but decreases net position		(13,757)
Donations of assets to the County do not provide current financial resources but increase net position		35,760
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities	$	16,756
The issuance of long-term debt (e.g., bonds, notes, loans, financed purchases, and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this $107,805 difference are as follows:		
Debt issued or incurred:		
Refunding bonds issued	$	(31,090)
Premiums		(2,191)
Payment to refunded bond escrow agent		44,909
Leases		(16,452)
Subscriptions		(24,415)
Principal payments		96,085
Financed purchase payments		2,539
Lease payments		47,701
Lease modifications		(20,719)
Subscription payments		11,012
Subscription modifications		163
Termination of Subscription gain/(loss)		263
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities	$	107,805

Continued on next page

Table 5
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, 2025
(Continued)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The details of this $(870,869) difference are as follows:		
Change in net pension liability, deferred inflows of resources and deferred outflows of resources	$	(843,586)
Change in net OPEB liability, deferred inflows of resources and deferred outflows of resources		12,160
Compensated absences		(37,956)
Accrued interest		1,819
Accretion of capital appreciation bonds		(8,864)
Amortization of premiums		6,709
Amortization of gain on refundings		811
Amortization of loss on refundings		(1,962)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities	$	(870,869)
Internal Service Funds. The net revenue (or expense) of certain activities of internal service funds is reported with governmental activities. The details of this $5,302 difference are as follows:		
Change in net position of the internal service funds	$	5,078
Plus: Gain from charges to business activities		224
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position - governmental activities	$	5,302

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 $16.505 billion consisting of: $16.483 billion investments in the County pool; $18.216 million in deposits; $4.028 million of collections in transit; and, $500 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 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, 2025, 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 JPMorgan Chase Bank, N.A. and U.S. Bank, N.A. The carrying amount of the Pool's deposits was $18.216 million, and the bank balance at June 30, 2025 was $14.843 million. The difference between the carrying amount and the bank balance includes temporary reconciling items such as outstanding checks and deposits in transit. Of the bank balance, $250 thousand was covered by federal deposit insurance and $14.593 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 $452.184 million and the bank balance per various financial institutions was $453.798 million. Of the total bank balance, $784 thousand was covered by federal deposit insurance; and $453.014 million was collateralized by a named agent depository.

Investments

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

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

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

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

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

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

In conjunction with the discussion below concerning investment risks, please refer to **Tables 8** and **9,** respectively, which provide details on pooled investments and those held with fiscal agents at fiscal year-end. Additionally, **Table 11** provides a comparison of Pool policy restrictions with Government Code Section 53601 requirements.

Interest Rate Risk - Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity 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, 2025, 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 8**.

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, 2025.

Credit quality based on Fitch's Fund Credit Quality Rating is noted below and in **Table 8**.

Table 6
Fitch Investment Rating

	Investment Pool Rating at June 30, 2025	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 11**, 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, 2025.

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

The following issuers exceeded the 5 percent threshold of the total fair value of the County Pool's investments as of June 30, 2025: Federal Home Loan Banks (10.00%); and Inter-American Development Bank (6.63%).

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, 2025 are shown in **Table 7**. 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 7**. Percentages by issuer for pooled investments are noted in **Table 8**.

Table 7
Concentration of Credit Risk - Investments With Fiscal Agents

Issuer	Tobacco Endowment Fund	Percent
State of Florida	$ 13,650	6%
State of Georgia	26,044	12%
State of Maryland	26,328	12%
State of Minnesota	25,743	12%
State of Ohio	18,415	8%
State of Washington	17,141	8%

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.

Table 8
Pooled Investments
At June 30, 2025

	Fair Value	Book Value	Interest Rate Range	Maturity Range	Weighted Avergage Maturity (in days)	NRSRO Rating	%of Portfolio
U.S. Government Agencies:							
Federal Agricultural Mortgage Corporation (FAMC)	$ 481,056	478,681	3.77% - 5.19%	7/27 - 1/30	1115	AA+	2.92%
Federal Farm Credit Bank (FFCB)	603,094	610,325	.46% - 4.97%	9/25 - 6/30	790	AA+	3.66%
Federal Home Loan Bank (FHLB)	1,692,468	1,709,173	0% - 5.01%	8/25 - 2/30	438	AA+ or F1+	10.27%
Federal Home Loan Mortgage Corporation (FHLMC)	185,484	187,124	0.37% - 4.62%	9/25 - 9/28	354	AA+	1.13%
Federal National Mortgage Association (FNMA)	582,271	586,394	0.5% - 4.7%	7/25 - 2/30	348	AA+	3.53%
Tennessee Valley Authority (TVA)	68,914	68,398	3.87% - 7.12%	3/28 - 5/30	1483	AA+	0.42%
U.S. Treasury Notes	3,928,771	3,921,625	0% - 4.75%	7/25 - 5/30	805	AA+ or F1+	23.83%
Pass-through Securities	758,430	753,238	.68% - 5.78%	8/25 - 6/29	1037	AAA or NR	4.60%
Supranationals	2,366,589	2,346,066	0.37% - 4.87%	7/25 - 3/30	1136	AAA or NA	14.36%
Commercial Paper	1,396,078	1,396,270	0.00%	7/25 - 2/26	47	F1 to F1+	8.47%
Local Government Investment Pools	249,576	249,576	4.43%	N/A	0	NA	1.51%
Money Market Mutual Funds	567,000	567,000	4.21% - 4.26%	N/A	0	AAA or NA	3.44%
Municipal Bonds	465,360	463,175	0.66% - 5.50%	8/25 - 6/30	718	AA- to AAA, or NA	2.82%
Negotiable Certificates of Deposit	2,993,588	2,994,000	4.14% - 5.15%	7/25 - 2/26	97	F1+ or NA	18.16%
Medium-Term Notes	144,517	144,079	2.05% - 5.61%	9/25 - 5/28	423	AA- to AA, or NA	0.88%
Total investments	$ 16,483,196	16,475,124			577		100%

Table 9
Investments with Fiscal Agents
At June 30, 2025

	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	$ 2,052	5.00%	9/27	807	A+	0.70%
Fixed income tax exempt bonds	9,593	5.00%	10/29 - 11/30	1774	AA	3.25%
Fixed income tax exempt bonds	4,854	5.00%	1/26 - 12/26	335	AA-	1.65%
Fixed income tax exempt bonds	22,069	5.00%	7/25 - 8/36	2932	AA+	7.48%
Fixed income tax exempt bonds	149,552	2% - 5%	12/25 - 8/35	2194	AAA	50.70%
Fixed income tax exempt bonds	2,216	5.00%	7/30	1827	NR	0.75%
Money market mutual funds	31,000	1.30%	7/25	6	AAAm	10.51%
Subtotal	221,336					
Restricted:						
Money market mutual funds	57,132	3.86% - 4.27%	7/25 - 8/25	25 - 48	AAAm	19.37%
State and local government securities	16,498	4.40% - 4.81%	7/25 - 10/26	201	NR	5.59%
Subtotal	73,630					
Total County investments with fiscal agents	294,966					100.00%
Private Purpose investments:						
Money market mutual funds	985	3.97% - 4.00%	8/25	40	AAAm	100.00%
Total Private Purpose investments	985					100.00%
Custodial funds investments:						
Money market mutual funds	6,882	3.98%	7/25	25	AAAm	100.00%
Total Custodial funds investments	6,882					100.00%
Total investments with fiscal agents	$ 302,833					

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, 2025, were valued at $16.483 billion. The fair value of pooled investments categorized according to GASB 72 fair value hierarchy totaled $15.667 billion, and are all classified as Level 2. Money market mutual funds totaling $567.0 million, are valued at net asset value - $1 per share (amortized cost) and local government investment pool funds, totaling $249.6 million, are not subject to the fair value hierarchy.

Total investments with fiscal agents as of June 30, 2025, were valued at $302.8 million. The fair value of investments with fiscal agents according to the GASB 72 fair value hierarchy totaled $190.3 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, $96.0 million, together with the state and local securities totaling $16.5 million, are not subject to the fair value hierarchy.

Table 10 summarizes pooled investments' and investments with fiscal agents' recurring fair value measurements and the fair value hierarchy as of June 30, 2025.

Table 10
Pooled Investments and Investments with Fiscal Agents By Fair Value Level

			Fair Value Measurements Using		
		June 30, 2025	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	$	758,430		758,430	
Commercial Paper		1,396,078		1,396,078	
Negotiable Certificates of Deposit		2,993,589		2,993,589	
Municipal Bonds		465,360		465,360	
Medium-Term Notes		144,517		144,517	
Supranationals		2,366,589		2,366,589	
U.S. Government Agencies		3,613,286		3,613,286	
U.S. Treasury Notes		3,928,771		3,928,771	
Total pooled investments by fair value level		15,666,620		15,666,620	
Pooled investments not subject to the fair value hierarchy					
Money Market Mutual Funds		567,000			
Local Government Investment Pools		249,576			
Total pooled investments		16,483,196			
Investments with fiscal agents by fair value level					
Fixed Income Tax Exempt Bonds		190,336		190,336	
Total investments with fiscal agents by fair value level				190,336	
Investments with fiscal agents not subject to the fair value hierarchy					
Money Market Mutual Funds		95,999			
State and local government securities		16,498			
Total investments with fiscal agents not subject to the fair value hierarchy		112,497			
Total investments with fiscal agents	$	302,833			

Table 11
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-1/A
Repurchase Agreements (4)	1 year	1 year	None	40%	None	None	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	5%	AAAm	AAAm
Local Agency Investment Fund (LAIF) (7)	N/A	N/A	None	5%	None	None	None	None
Pass-Through Securities	5 years	5 years	20%	20%	20%	10%	AA	AA
Supranationals (8)	5 years	5 years	30%	30%	30%	10%	AA	AA

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

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

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

(4) Maximum Exposure Per 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).

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 2025 restricted assets were as follows:

Table 12
Restricted Assets

Fund	Legal or Contractual Requirements	Debt Covenants
General Fund	$ 194	
Nonmajor Governmental Funds:		
Harmony Grove Community Facilities District - Special Revenue Fund		5
Housing Authority - Other Special Revenue Funds	335	
Capital Outlay Fund	259	
SANCAL Capital Project Fund		23,921
Tobacco Securitization Joint Special Revenue Fund		32,990
SANCAL Non-Capital Project Fund		3,585
Pension Obligation Bonds Debt Service Fund		592
SANCAL Debt Service Fund		12,295
San Diego Regional Building Authority Debt Service Fund		242

NOTE 5
Receivables

Details of receivables reported in the government-wide Statement of Net Position are presented in **Table 13**. Amounts that are not expected to be collected within the next fiscal year are identified below.

Due from Other Governmental Agencies - Governmental activities - $11.520 million:

This amount includes: $9.192 million in Senate Bill (SB) 90 cost reimbursements due to the County for the provision of State mandated programs mostly for Absentee Ballots 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, $2.328 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 - $343.193 million:

This amount includes: $251.737 million in housing rehabilitation loan programs for low-income or special needs residents, and loans for low income housing down payments; $29.003 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; $34.579 million in interest receivable on housing long term loans; $3.885 million in low income housing developer loans; $4.069 million in COVID-19 Small Business Loan Receivable; $4.604 million in Edgemoor Development Fund land sale notes receivable; $1.145 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 $290 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 $95 thousand.

Loans- Business-type activities- $2.611 million:

This amount includes $24 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 $2.587 million owed to the AEF from the County of San Diego Successor Agency Private Purpose Trust Fund as a result of a loan to fund airport projects. In the Airport Enterprise Fund, this loan is presented as "Due From Other Funds". See Note 8 to the financial statements, "Interfund Balances".

Table 13
Receivables
Primary Government and Discretely Presented Component Unit
At June 30, 2025

		Accounts	Investment Earnings	Due From Other Government Agencies	Loans	Other	Total Receivables	Allowance For Doubtful Accounts	Receivables Net
Governmental activities:									
General Fund	$	74,292	38,473	928,587	280,737	1,373	1,323,462		1,323,462
Public Safety Fund				69,353			69,353		69,353
Tobacco Endowment Fund			2,922				2,922		2,922
Other Governmental Funds		31,944	16,128	144,796	26,442	545	219,855	(6,353)	213,502
Internal Service Funds			6,050	821		15	6,886		6,886
Total governmental activities - fund level	$	106,236	63,573	1,143,557	307,179	1,933	1,622,478	(6,353)	1,616,125
Add: loan receivable from the County of San Diego Successor Agency Private Purpose Trust Fund					1,435		1,435		1,435
Add: interest receivable on housing long-term loans					34,579		34,579		34,579
Less: Due from Component Unit						(97)	(97)		(97)
Total governmental activities - Statement of Net Position	$	106,236	63,573	1,143,557	343,193	1,836	1,658,395	(6,353)	1,652,042
Business-type activities:									
Airport Fund		1,741	411	549	24		2,725		2,725
Other Enterprise Funds		795	1,238	120			2,153		2,153
Total Enterprise Funds	$	2,536	1,649	669	24		4,878		4,878
Add: loan receivable from the County of San Diego Successor Agency Private Purpose Trust Fund					2,587		2,587		2,587
Total business-type activities - Statement of Net Position	$	2,536	1,649	669	2,611		7,465		7,465
Component Unit:									
First 5 Commission of San Diego	$	238	326	2,650		476	3,690		3,690

NOTE 6

County Property on Lease to Others

As of June 30, 2025, the County's lease receivables totaled $240.5 million - consisting of $237.1 million in land and $3.4 million in buildings. The details are shown in the table below:

Table 14
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	$ 11,689				11,689	2 to 99	2 to 98	1.57% to 3.86%
Governmental Activities		2,108		2,108	2,108	1 to 31	<1 to 29	0.35% to 3.57%
Governmental Activities			660	660	660	4 to 9	1 to 5	0.51% to 0.99%
Subtotal	11,689			2,768	14,457			
Business-Type Activities	225,448				225,448	6 to 54	4 to 48	1.37% to 4.24%
Business-Type Activities		658		658	658	44	15	1.57%
Subtotal	225,448			658	226,106			
Total	$ 237,137			3,426	240,563			

Interest rates on all leases are calculated using the appropriate rate under the Bloomberg Valuation Service (BVAL) Municipal AAA curve. During fiscal year 2025, the County recognized $11 million in lease revenue, $4 million in interest revenue, and variable payments of $1.4 million.

The annual future lease payments expected to be received are presented in **Table 15**.

Table 15
Leases to Maturity

Fiscal Year		Principal	Interest	Total
Governmental Activities:				
2026	$	1,158	230	1,388
2027		651	218	869
2028		623	209	832
2029		547	199	746
2030		528	190	718
2031-2035		1,843	849	2,692
2036-2040		1,755	707	2,462
2041-2045		1,933	550	2,483
2046-2050		2,062	375	2,437
2051-2055		2,072	192	2,264
2056-2060		1,113	44	1,157
2061-2065		172	6	178
Total		14,457	3,769	18,226
Business-Type Activities:				
2026	$	6,630	4,500	11,130
2027		6,803	4,374	11,177
2028		7,046	4,205	11,251
2029		7,389	3,903	11,292
2030		7,182	3,764	10,946
2031-2035		36,264	16,698	52,962
2036-2040		35,841	13,040	48,881
2041-2045		31,000	9,578	40,578
2046-2050		27,363	6,382	33,745
2051-2055		20,092	3,959	24,051
2056-2060		15,461	2,595	18,056
2061-2065		15,883	1,350	17,233
2066-2070		7,106	367	7,473
2071-2075		2,046	42	2,088
Total		226,106	74,757	300,863
Grand Total	$	240,563	78,526	319,089

Regulated Leases

The County has one aeronautical lease agreement with American Airlines at McClellan-Palomar Airport qualifying as regulated lease. This lease generates revenue from base rent and from fees. The revenue generated by this lease is not included in the measurement of lease receivables, in accordance with the requirements of GASB Statement No. 87. The County recognized $49,333 in fees revenue during the fiscal year 2024-2025 and has a remaining term to expire on February 12, 2027. Over the remaining lease term the minimum payments expected to be received total $371,674 as shown in **Table 16**.

Table 16
Regulated Leases to Maturity

Fiscal Year		Expected Minimum Payments		
		Rent	Fees	Total
2026	$	33,993	172,939	206,932
2027		56,655	108,087	164,742
Total	$	90,648	281,026	371,674

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 17
Capital Assets - Governmental Activities

		Beginning Balance at July 1, 2024	Increases	Decreases	Ending Balance at June 30, 2025
Capital assets, not being depreciated/amortized:					
Land	$	553,293	15,845		569,138
Easements		9,833			9,833
Construction in progress		602,899	266,203	(386,061)	483,041
Total capital assets, not being depreciated/amortized		1,166,025	282,048	(386,061)	1,062,012
Capital assets, being depreciated/amortized:					
Buildings and improvements		2,611,924	362,596	(5,076)	2,969,444
Equipment		506,596	64,866	(44,698)	526,764
Software		176,873	7,870	(41,100)	143,643
Road infrastructure		3,099,957	94,703		3,194,660
Bridge infrastructure		103,212	2,346		105,558
Right-to-use Assets:					
Right-to-use land (1)		53,818		(10,368)	43,450
Right-to-use buildings and improvements (1)		314,968	39,159	(1,596)	352,531
Right-to-use equipment		2,538	1,139	(658)	3,019
Subscription Assets (1)		20,990	24,198	(1,177)	44,011
Total capital assets, being depreciated/amortized		6,890,876	596,877	(104,673)	7,383,080
Less accumulated depreciation/amortization for:					
Buildings and improvements		(879,410)	(73,030)	3,688	(948,752)
Equipment		(292,396)	(38,861)	42,244	(289,013)
Software		(125,876)	(15,826)	40,444	(101,258)
Road infrastructure		(1,994,454)	(74,413)		(2,068,867)
Bridge infrastructure		(36,376)	(2,009)		(38,385)
Right-to-use Assets:					
Right-to-use land		(3,955)	(1,148)		(5,103)
Right-to-use buildings and improvements		(133,128)	(40,733)	1,596	(172,265)
Right-to-use equipment		(1,854)	(1,102)	658	(2,298)
Subscription Assets		(7,968)	(9,099)	1,106	(15,961)
Total accumulated depreciation/amortization		(3,475,417)	(256,221)	89,736	(3,641,902)
Total capital assets, being depreciated/amortized, net		3,415,459	340,656	(14,937)	3,741,178
Governmental activities capital assets, net	$	4,581,484	622,704	(400,998)	4,803,190

(1) These rows include modifications to right-to-use land, right-to-use buildings and improvements, right-to-use equipment, and subscription assets.

Table 18
Capital Assets - Business-type Activities

	Beginning Balance at July 1,2024	Increases	Decreases	Ending Balance at June 30,2025
Capital assets, not being depreciated/amortized:				
Land	$ 13,776			13,776
Construction in progress	12,879	14,033	(19,776)	7,136
Total capital assets, not being depreciated/amortized	26,655	14,033	(19,776)	20,912
Capital assets, being depreciated/amortized:				
Buildings and improvements	154,003	89		154,092
Equipment	8,228	65	(58)	8,235
Software	297			297
Road infrastructure	27,388	12,100		39,488
Sewer infrastructure	115,891	7,676		123,567
Right to Use Assets:				
Subscription Assets	342			342
Total capital assets, being depreciated/amortized:	306,149	19,930	(58)	326,021
Less accumulated depreciation/amortization for:				
Buildings and improvements	(73,289)	(3,237)		(76,526)
Equipment	(3,789)	(604)	58	(4,335)
Software	(295)			(295)
Road infrastructure	(5,992)	(1,037)		(7,029)
Sewer infrastructure	(61,435)	(2,275)		(63,710)
Right to Use Assets:				
Subscription Assets	(140)	(70)		(210)
Total accumulated depreciation/amortization	(144,940)	(7,223)	58	(152,105)
Total capital assets, being depreciated/amortized, net	161,209	12,707		173,916
Business-type activities capital assets, net	$ 187,864	26,740	(19,776)	194,828

Depreciation/Amortization

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

Table 19
Depreciation Expense - Governmental Activities

General government	$ 17,799
Public protection	57,525
Public ways and facilities	75,311
Health and sanitation	10,301
Public assistance	7,844
Education	3,541
Recreation and cultural	11,163
Internal Service Funds	20,655
Total	$ 204,139

Table 20
Amortization Expense - Governmental Activities

General Government	$ 8,991
Public protection	16,218
Public ways and facilities	186
Health and sanitation	4,930
Public assistance	21,098
Education	659
Total	$ 52,082

Table 21
Depreciation Expense - Business-type Activities

Airport Fund	$ 4,150
San Diego County Sanitation District Fund	2,901
Sanitation District - Other Fund	102
Total	$ 7,153

Table 22
Amortization Expense - Business-type Activities

San Diego County Sanitation District Fund	$ 70
Total	$ 70

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, 2025, the County General Fund's outstanding encumbrances totaled $870.228 million; the Public Safety Fund's outstanding encumbrances totaled $733 thousand; and, Nonmajor governmental funds' outstanding encumbrances totaled $195.656 million.

At June 30, 2025, major contracts entered into for structures and improvements and other commitments within governmental activities and business-type activities are noted in **Table 23**.

Table 23
Capital Commitments
At June 30, 2025

		Remaining Commitments
Governmental Activities		
General Fund:		
Development of Integrated Property Tax System	$	7,190
Expansion and Reconfiguration of La Maestra Family Clinic		4,250
Subtotal		11,440
Nonmajor Governmental Funds:		
Improvement of County Roads and Bridges		46,947
Renovation of County Administration Center		32,790
Construction of San Diego County Animal Shelter		22,409
Land Acquisition and Improvements for San Luis Rey River Park (Moosa)		20,826
Renovation of Volunteers of America Substance Use Residential Treatment Services Facility		17,279
Construction of Calavo Park		16,389
Construction of Casa De Oro Library		12,723
Construction of East Region Crisis Stabilization Unit		10,843
Renovation of George Bailey Detention Facility		8,504
Major Systems Renovation of Hall of Justice		7,485
Construction of Mira Mesa Epicentre Youth and Community Center		7,466
Construction of County Public Health Laboratory		5,727
Renovation of Sheriff Ridgehaven Headquarters		4,352
Construction of Ramona Sheriff Station		2,847
Improvements at Tijuana River Valley Spooners Mesa		1,684
Upgrades to East Mesa Juvenile Detention Facility CCTV System		1,429
Expansion of 4S Ranch Library		1,267
Construction of Village View Park		1,236
Subtotal		222,203
Internal Service Funds:		
Vehicle Acquisitions		29,146
Subtotal		29,146
Governmental Activities Subtotal		262,789
Total	$	262,789

NOTE 8
Interfund Balances

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

Table 24
Interfund Balances
At June 30, 2025

		DUE TO								
		General Fund	Public Safety	Tobacco Endowment	Other Governmental	Airport Fund	Other Enterprise	Internal Service	Private Purpose Trust Fund	Total
DUE FROM	General Fund	$	44,228	16,436	57,055	113	399	11,033	1,145	130,409
	Other Governmental	43,355	93		1,742	82	1,267	190	290	47,019
	Airport Fund				20				2,587	2,607
	Other Enterprise Funds	14			26		889			929
	Internal Service	47,929			3,291	126	150	4,985		56,481
	Total	$ 91,298	44,321	16,436	62,134	321	2,705	16,208	4,022	237,445

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

a) $1.145 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) $2.587 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) $290 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 $1.145 million Upper San Diego River Project loan and the "Due from other funds" for the County Low and Moderate Income Housing Asset fund's $290 thousand are included in the governmental activities' "Receivables, net". The "Due from other funds" for the $2.587 million Airport Enterprise Fund's airport projects loan, is included in the business-type activities' "Receivables, net". See Note 5 to the financial statements, "Receivables."

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

NOTE 9
Interfund Transfers

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

Table 25
Transfers In/Transfers Out
At June 30, 2025

		TRANSFERS OUT							
		General Fund	Public Safety	Tobacco Endowment	Other Governmental	Airport Fund	Other Enterprise	Internal Service	Total
TRANSFERS IN	General Fund	$	399,759	29,615	13,810		909		444,093
	Other Governmental	303,704	175		10,307	143	3,088	2,798	320,215
	Other Enterprise	12,999							12,999
	Internal Service	12,856							12,856
	Total	$ 329,559	399,934	29,615	24,117	143	3,997	2,798	790,163

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 26
Payables
At June 30, 2025

		Vendors	Aid to Other Individuals	Due to Other Government Agencies	Other	Total Payables
Governmental Activities:						
General Fund	$	257,230	6,654	30,297	37,320	331,501
Other Governmental Funds		47,258	81	2,009	5,519	54,867
Internal Service Funds		88,228	131	151	6,500	95,010
Total governmental activities		392,716	6,866	32,457	49,339	481,378
Business-type activities:						
Airport Fund		621	-		192	813
Other Enterprise Funds		659	-	-	138	797
Total Business-Type activities		1,280	-	-	330	1,610
Component Unit:						
First 5 Commission of San Diego	$	13,995	3	994	(3,872)	11,120

NOTE 11
Deferred Inflows of Resources: Unavailable Revenue

Table 27
Deferred Inflows of Resources - Non-pension
At June 30, 2025

Unavailable Revenue		General Fund	Other Governmental Funds	Total
Property and miscellaneous local taxes	$	70,397	1,040	71,437
Aid from other governmental agencies		295,432	120,655	416,087
Charges for services		50,059	-	50,059
Other		7,651	48,738	56,389
Total	$	423,539	170,433	593,972

A large portion of the Unavailable Revenue – aid from other governmental agencies consists primarily of $115.1 million in Federal Emergency Management Act funds, $101.5 million in Short Doyle Medi-Cal award, $120.7 million of TransNet one-half cent sales tax to be used for projects in the Road Fund, and $9.2 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 $56.6 million in Drug Medi-Cal administrative activities receivables, $10.8 million in Medi-Cal administrative activities for public health services, and $1.5 million in Epidemiology and Laboratory Capacity for Infectious Diseases receivable. The remaining $700 thousand represents various other unavailable aid from other governmental agencies.

Of the $56.4 million of Unavailable Revenue – other, approximately $13.5 million are tobacco settlement receivables, $24.2 million are low and moderate income housing assistance receivables, $4.6 million are for the Sheriff Regional Communication System upgrade project, $9.6 million are for Edgemoor development activities, approximately $1.3 million for interest receivable, and $3.1 million are for housing and community development activities. The remaining $100 thousand represents various other unavailable revenues.

Of the $50.1 million of Unavailable Revenue – charges for services, approximately $49.9 million is opioid settlement receivable. The remaining $200 thousand represents various charges for services unavailable revenues.

NOTE 12
Lease Obligations

As of June 30, 2025, the County's lease obligations totaled $233.4 million - consisting of $232.7 million in Real Property, ($39.2 million in land, and $193.5 million in buildings), and Personal Property - Equipment of $7 hundred thousand. 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 6 months to 61 years, 4 months; with interest rates ranging from 2.95% to 3.52%. The building leases had original lease terms ranging from 2 years, one month to 35 years, with remaining lease terms ranging from 2 months to 24 years, 6 months; with interest rates ranging from 0.51% to 3.86%. 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 28
Real Property Leases
Requirements To Maturity

Fiscal Year		Principal	Interest	Total
2026	$	42,642	4,699	47,341
2027		34,749	4,011	38,760
2028		29,123	3,376	32,499
2029		24,576	2,778	27,354
2030		15,777	2,338	18,115
2031-2035		43,635	8,656	52,291
2036-2040		5,457	6,595	12,052
2041-2045		2,447	6,224	8,671
2046-2050		2,305	5,837	8,142
2051-2055		2,379	5,442	7,821
2056-2060		2,834	4,988	7,822
2061-2065		3,382	4,440	7,822
2066-2070		4,032	3,789	7,821
2071-2075		4,808	3,014	7,822
2076-2080		5,731	2,091	7,822
2081-2085		6,834	988	7,822
2086-2090		2,035	51	2,086
Total	$	232,746	69,317	302,063

Personal Property

The equipment leases had original lease terms ranging from 3 years to 5 years, with remaining lease terms ranging from 1 month to 1 year, 2 months; with interest rates ranging from 0.39% to 3.53%. 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 29
Personal Property Leases
Requirements To Maturity

Fiscal Year		Principal	Interest	Total
2026	$	660	12	672
Total	$	660	12	672

NOTE 13
Subscription Obligations

As of June 30, 2025, the County's subscription-based information technology arrangements totaled $26.151 million - consisting of $26.056 million governmental subscriptions and $95 thousand business-type subscriptions. The details of these subscriptions are shown below.

The governmental subscription-based information technology arrangements had original terms ranging from 1 year, 10 months to 10 years, 6 months. Remaining lease terms range from 3 months to 5 years, 6 months; with interest rates ranging from 0.69% to 3.67%. 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 30
Subscriptions
Requirements To Maturity

Fiscal Year		Principal	Interest	Total
2026	$	10,851	641	11,492
2027		9,791	412	10,203
2028		2,588	145	2,733
2029		2,080	76	2,156
2030		746	18	764
Total	$	26,056	1,292	27,348

The business-type subscription-based information technology arrangement had an original term of 5 years, with a remaining lease term of 2 years and 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 31
Subscriptions - Business-type Activities
Debt Service Requirements to Maturity

Fiscal Year		Principal	Interest	Total
2026	$	95	2	97
Total	$	95	2	97

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

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

In July 2024, $31.090 million of Certificates of Participation titled "County of San Diego Refunding Certificates of Participation, Series 2024 (Edgemoor Refunding)" (the Series 2024 Certificates) were executed and delivered pursuant to a Trust Agreement by and among a Trustee bank, the County, and the San Diego County Capital Asset Leasing Corporation (SANCAL). The Series 2024 Certificates were issued at a fixed interest rate of 5.0%, with maturity dates ranging from October 1, 2025 to October 1, 2029.

The Series 2024 Certificates were issued with a premium of $2.191 million. Proceeds of $33.281 million along with $13.141 million of funds held by the San Diego County Capital Asset Leasing Corporation (SANCAL) County of San Diego Certificates of Participation (Edgemoor and RCS Refunding) (Series 2014A Certificates) trustee were distributed as follows: 1) approximately $44.908 million (consisting of new 2024 COP proceeds and funds on hand with Trustee) was transferred to an escrow agent to refund the entire $44.360 million of Outstanding Series 2014A Certificates on a current refunding basis; 2) $1.067 million to fund the Base Rental Payment Fund; and, 3) approximately $.447 million was set aside to pay certain costs of issuance.

The $44.908 million transfer referred to above was placed into an irrevocable trust with an escrow agent to provide for the payment of the remaining principal and interest due on the Series 2014A Certificates. As a result, the Series 2014A Certificates are considered legally defeased and the liability for those certificates has been removed from the government-wide statement of net position governmental activities' liabilities due within one year and due in more than one year. This refunding will result in reducing the County's principal and interest payments by $6.913 million over the next 5 years to obtain an economic gain of $2.328 million (i.e. the difference between the present value of the debt service payments on the refunded debt and the refunding debt).

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

Details of the COPs and LRBs outstanding at June 30, 2025 are as follows:

Table 32
Certificates of Participation (COP) and Lease Revenue Bonds (LRB)

Issuance	Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2025
2016 County Operations Center Refunding LRB	$ 105,330	3.00 - 5.00%	2036	70,675
2019 Justice Facilities Refunding of 1997 Central Jail COP	15,635	5.00%	2026	1,890
2020A Waterfront Park Refunding COP (Tax-Exempt)	21,910	2.00 - 5.00%	2042	19,125
2020B Cedar and Kettner Refunding COP (Taxable)	23,815	0.45% - 3.125%	2042	19,895
2021 Youth Transition Campus COP	49,060	5.00%	2052	47,480
2023 County Public Health Laboratory and Capital Improvements COP	160,910	5.00%	2054	160,910
2024 Edgemoor Refunding COP	31,090	5.00%	2030	31,090
Total	$ 407,750			351,065

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

Table 33
Certificates of Participation and Lease Revenue Bonds - Debt Service Requirements to Maturity

Fiscal Year	Principal	Interest	Total
2026	$ 15,080	16,197	31,277
2027	13,830	15,529	29,359
2028	17,380	14,742	32,122
2029	18,245	13,877	32,122
2030	19,140	12,966	32,106
2031-2035	70,900	54,828	125,728
2036-2040	52,590	39,921	92,511
2041-2045	46,250	29,301	75,551
2046-2050	52,170	17,500	69,670
2051-2054	45,480	3,801	49,281
Subtotal	351,065	218,662	569,727
Add:			
Unamortized issuance premium	47,080		
Total	$ 398,145		

Taxable Pension Obligation Bonds (POBs)

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

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

Details of POBs outstanding at June 30, 2025 are as follows:

Table 34
Taxable Pension Obligation Bonds

Issuance	Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2025
2008 Series A	$ 343,515	3.33 - 6.03%	2027	140,370
Total	$ 343,515			140,370

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

Table 35
Taxable Pension Obligation Bonds - Debt Service Requirements to Maturity

Fiscal Year	Principal	Interest	Total
2026	$ 75,220	4,495	79,715
2027	65,150	491	65,641
Total	$ 140,370	4,986	145,356

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.

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, 2025 are as follows:

Table 36
Tobacco Settlement Asset-Backed Bonds

Issuance		Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2025
Series 2006B CABs	$	19,770	6.25%	2046	231,820
2006B unaccreted appreciation CABs					(167,826)
Series 2006C CABs		8,686	6.40%	2046	107,950
2006C unaccreted appreciation CABs					(79,043)
Series 2006D CABs		3,126	7.10%	2046	50,940
2006D unaccreted appreciation CABs					(39,100)
2019A (Class 1) Senior Current Interest Bonds		252,345	5.00%	2048	208,500
2019B-1 (Class 2) Senior Current Interest Bonds		109,000	5.00%	2048	71,495
2019B-2 (Class 2) Senior Capital Appreciation Bonds		33,619	5.63%	2054	228,795
2019B-2 (Class 2) Senior unaccreted appreciation CABs					(182,790)
Total	$	426,546			430,741

Annual debt service requirements to maturity are as follows:

As shown in **Table 37**, the unpaid accreted appreciation of the Bonds as of June 30, 2025 was $85,545 which will continue to accrue and will be paid upon redemption.

Table 37
Tobacco Settlement Asset-Backed Bonds - Debt Service Requirements to Maturity

Fiscal Year	Principal	Unaccreted Appreciation	Interest	Total
2026	$ 8,015	9,420	13,966	31,401
2027	8,355	10,013	13,564	31,932
2028	8,510	10,642	13,146	32,298
2029	8,605	11,310	12,720	32,635
2030	8,720	12,021	12,289	33,030
2031-2035	43,445	72,441	54,962	170,848
2036-2040	50,850	98,297	43,282	192,429
2041-2045	45,000	133,439	31,186	209,625
2046-2050	130,077	66,504	13,014	209,595
2051-2054	33,619	44,672		78,291
Subtotal	345,196	468,759	208,129	1,022,084
Add:				
Accreted appreciation through June 30, 2025	85,545			
Subtotal	430,741			
Add:				
Unamortized Issuance Premium	43,937			
Total	$ 474,678			

Pledged revenue related to the Bonds for the year ended June 30, 2025 was as follows:

Table 38
Tobacco Settlement Asset-Backed Bonds - Pledged Revenues

			Fiscal Year 2025	
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	$ 1,107,630	29,466	27,004

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 San Diego Gas & Electric (SDG&E) On Bill Financing (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 San Diego Gas & Electric meter. The County received its first OBF loan in 2013. As of June 30, 2025, four OBF loans were outstanding, with remaining balances totaling $90 thousand.

On July 1, 2023, the Borrego Springs Fire Protection District was formally dissolved and annexed to the San Diego County Fire Protection District. At the time of annexation, the County assumed the Borrego Springs Fire Protection District, Series 2020 Taxable Revenue Obligations (CalPERS UAL Prepayment Project), a Promissory Note, dated October 15, 2020. The proceeds of the note were used to fund a portion of the District's UAL to CalPERS for the benefit of the District employees and paid certain costs of issuance in association therewith. The rate of interest to be paid on the obligation is 4.50% annually and the note matures on October 1, 2040.

Upon the occurrence of an event of default on any of the aforementioned loans (as described in the Promissory Notes or Loan Agreement), the whole sum of principal and interest shall become immediately due and payable. Furthermore, for the OBF loans, failure to

repay the loan balance could result in shut-off of utility energy service, adverse credit reporting, and collection procedures which may include legal action.

Details of loans outstanding at June 30, 2025 for governmental activities are as follows:

Table 39
Loans - Governmental Activities

Issuance	Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2025
Loans - non internal service funds (ISF)				
Firebird Manor	$ 4,486	1.00%	2028	452
SDCFPD CalPERS UAL Prepayment Project	1,717	4.50%	2041	1,582
Sheriff RCS Land Purchase	68	6.78%	2026	7
Total loans - non-ISF	6,271			2,041
Loans - ISF				
San Diego Gas and Electric On Bill Financing (Facilities ISF)	464	0.00%	2029	90
Total loans - ISF	464			90
Total	$ 6,735			2,131

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

Table 40
Loans - Governmental Activities
Debt Service Requirements to Maturity

Fiscal Year	Principal	Interest	Total
2026	$ 273	75	348
2027	260	69	329
2028	232	64	296
2029	95	59	154
2030	86	55	141
2031-2035	496	213	709
2036-2040	619	88	707
2041	70	1	71
Total	$ 2,131	624	2,755

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.

Table 41
Financed Purchases - Governmental Activities

Issuance	Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2025
Julian-Cuyamaca Fire Station	$ 1,331	3.85%	2036	$ 1,062
Sheriff NEXTGEN RCS	23,000	2.79%	2027	5,126
Total	$ 24,331			$ 6,188

Table 42
Debt Service Requirements to Maturity

Fiscal Year	Principal	Interest	Total
2026	$ 2,612	183	2,795
2027	2,685	109	2,794
2028	90	34	124
2029	94	30	124
2030	98	26	124
2031-2035	548	71	619
2036	61	1	62
Subtotal	6,188	454	6,642
Total	$ 6,188		

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, 2025, the probable arbitrage rebate was zero.

NOTE 15
Changes in Long-Term Liabilities

Long-term liability activities for the year ended June 30, 2025 were as follows:

Table 43
Changes in Long-Term Liabilities

	Beginning Balance at July 1, 2024	Additions	Reductions	Accreted Interest	Ending Balance at June 30, 2025	Amounts Due Within One Year
Governmental Activities:						
COPs, bonds and loans						
Certificates of participation and lease revenue bonds	$ 374,600	31,090	(54,625)		351,065	15,080
Taxable pension obligation bonds	211,225		(70,855)		140,370	75,220
Tobacco settlement asset-backed bonds	436,607		(14,730)	8,864	430,741	8,015
Loans - non-internal service funds (ISF)	2,276		(235)		2,041	240
Loans - internal service funds	268		(178)		90	33
Unamortized issuance premiums	100,723	2,191	(11,897)		91,017	6,384
Total COPs, bonds and loans	$ 1,125,699	33,281	(152,520)	8,864	1,015,324	104,972
Other long-term liabilities:						
Financed Purchases	$ 8,727		(2,539)		6,188	2,612
Claims and judgments - ISF	310,140	98,919	(76,933)		332,126	63,354
Compensated absences - non-ISF (1)	471,185	147,203	(109,247)		509,141	202,060
Compensated absences - ISF (1)	12,557	3,781	(2,878)		13,460	5,297
Landfill postclosure	11,419	275			11,694	780
Leases - non-ISF (2)	243,936	37,171	(47,701)		233,406	43,302
Pollution remediation	1,550	3,011	(423)		4,138	358
Subscriptions - non-ISF (3)	13,079	23,989	(11,012)		26,056	10,851
Total Other long-term liabilities	$ 1,072,593	314,349	(250,733)		1,136,209	328,614
Total Governmental Activities	$ 2,198,292	347,630	(403,253)	8,864	2,151,533	433,586
Business-type activities:						
Compensated absences (1)	1,824	605	(461)		1,968	781
Subscriptions	184		(89)		95	95
Total Business-type Activities	$ 2,008	605	(550)		2,063	876
(1) beginning balance restatement due to GASB 101 implementation						
(2) includes lease modifications						
(3) includes SBITA modifications and terminations						

Prior Year Defeasance of Long-Term Debt

In July 2024 the County defeased the outstanding County of San Diego Certificates of Participation (Edgemoor) (the 2014 COP) by placing proceeds of refunding certificates of participation, along with monies from the original issue, in an irrevocable trust to provide for all future debt service payments on the 2014 COP. Accordingly, the trust account assets and the liabilities for the defeased obligations are not included in the County's financial statements. The 2014 COP were completely paid off in October 2024 and no 2014 COP is outstanding.

NOTE 16
Funds Used to Liquidate Liabilities

The following funds presented in **Table 44** below have typically been used to liquidate other long-term obligations in prior years:

Table 44
Liquidated Liabilities

Liability	Fund(s) Used to Liquidate in Prior Years
Claims and Judgments	Internal Service Funds - Employee Benefits and Public Liability Insurance
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 covers on all landfill sites that stopped accepting solid waste after October 9, 1991 and the performance of certain maintenance and monitoring functions at these sites for a minimum of 30 years after closure. Closure and postclosure care costs are paid near or after the date a landfill stops accepting waste. The San Marcos Landfill is the sole waste disposal site owned by the County that is subject to these regulations. It was operational and accepted solid waste from 1979 until March 11, 1997. Formal closure of this landfill spanned from July 2004 through March 2007. Post closure maintenance began March 22, 2007.

On September 28, 2023, the California Department of Resources, Recycling and Recovery (CalRecycle) reduced the postclosure maintenance cost estimate multiplier from 30 years to 15 years. The projected landfill postclosure care liability at June 30, 2025 for the San Marcos Landfill was $11.694 million. This estimated amount is based on what it would cost to perform all postclosure maintenance over a 15 year period in calendar year 2025 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 $660 thousand in 2021 when the 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 $3.462 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 $3.545 million in fiscal year 2025). This pledged revenue will remain in the Environmental Trust Fund as a contingency until such time that corrective action costs are incurred.

Regulations governing solid waste management are promulgated by government agencies on 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, 2025, the County's estimated pollution remediation obligations totaled $4.138 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 2024-25 a gravel parking lot approximately 2 acres in size was constructed by an adjacent church for their use. The construction did not penetrate the existing ground surface, 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 shooting range 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. In February of 2023, the County and DEHQ - Site Assessment Mitigation (SAM) entered into a Consent Agreement for further investigation into the expanse of past contamination discharge. Recent findings by the County's environmental consultant identified areas of contamination that extended outside of the shooting range causing the need for a Corrective Action Plan to be approved by SAM. The total cost liability of $313,986 through 2025 includes an estimated cost of $245,000 for the anticipated physical remediation and ongoing monitoring to verify the effectiveness of the corrective measures.

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.

Since July 2023, Department of Public Works (DPW) has worked with United States Department of Agriculture Forest Service (USDA FS) to complete Ramona Burn Dump Consolidate and Cap Project site assessments and evaluate environmental, geotechnical, and engineering data and develop a remediation plan to reduce potential public and environmental health risks and the risk of future site erosion. USDA FS has approved the design plan for construction to consolidate the waste into a smaller footprint, install an improved soil cap with a geotechnical layer, and improve drainage and site security. The bid for this project came in at $3.667 million which consists of construction in progress, environmental services, and private road and landscape maintenance that is part of the estimated pollution remediation obligation amount presented above. After completion of the project, ongoing maintenance of the site will be performed by DPW with an estimated annual cost of

$40,000. Prior to the start of construction, DPW will conduct outreach to nearby property owners and residents, including notifications such as mailers, social media postings, and site signage that describe the nature and expected duration of the construction activities, how to keep informed of project progress, and how to contact the County with any concerns. The notifications will be provided in English and Spanish, which are the primary languages spoken in the community, and will be provided in other languages as requested. Project information will also be available through the DPW webpage in all threshold languages. The project will include dust control measures to limit impacts on the community. The burn site is located more than half a mile from any homes or businesses and DPW has not received any public inquiries or concerns regarding the site.

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 the following: 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, 2025, the aggregate conduit debt principal amount outstanding was $37.505 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.

NOTE 22
Fund Balances Restricted for Laws or Regulations of Other Governments: Fund Purpose

At June 30, 2025, the fund balances restricted for laws or regulations of other governments: fund purpose are presented as follows:

Table 45
Fund Balances Restricted for Laws or Regulations of Other Governments: Fund Purpose
At June 30, 2025

Fund Type:	Purpose	Amount
Nonmajor Funds		
Special Revenue Funds		
Asset Forfeiture Program Fund	Law enforcement	$ 17,301
Community Facilities District Funds - Other	Fire protection and suppression, emergency response, operation and maintenance of facilities, and flood control services	7,941
County Library Fund	Library services	11,072
County Low and Moderate Income Housing Asset Fund	County housing activities	4,731
County Service District Funds	Road, park lighting maintenance, fire protection and ambulance services	40,525
Edgemoor Development Fund	Edgemoor development	2,348
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	2,211
Housing Authority Low and Moderate income Housing Asset Fund	Housing Authority housing activities	125
In Home Supportive Services Public Authority Fund	In home supportive services	110
Incarcerated Peoples and Ward Welfare Program Fund	Benefit, education, and welfare of wards and incarcerated persons	12,642
Lighting Maintenance District Fund	Street and road lighting maintenance	5,743
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	12,751
Park Land Dedication Fund	Developing new or rehabilitating existing neighborhood or community park or recreational facilities	33,330
SANCAL Non-Capital Fund	Non-capital project costs for the County Public Health Lab project.	3,432
Total Nonmajor Funds (Special Revenue Funds)		$ 154,262

NOTE 23
Fund Balances Restricted for Laws or Regulations of Other Governments: Other Purposes

At June 30, 2025, the fund balances restricted for laws or regulations of other governments: other purposes are presented as follows:

Table 46
Fund Balances Restricted for Laws or Regulations of Other Governments: Other Purposes
At June 30, 2025

Major Fund		
General Fund		
Parks and Recreation land acquisition, improvements, stewardship and other activities	$	4,756
Probation community transition unit activities		4,426
Juvenile probation camp		4,385
Emergency medical services, various construction costs		4,133
Domestic violence and child abuse prevention		3,596
Projects, programs and services that benefit Crest - Dehesa - Harbison Canyon - Granite Hills sub-region		2,399
Custody and care for youthful offenders		2,234
Vehicle abatement activities		1,881
Real estate fraud prosecution		1,814
Sheriff law enforcement		1,407
Improvement, maintenance and operation of the Waterfront Park		1,071
Sheriff automated warrant system		1,004
Disarming prohibited persons program		620
Acquisition, rehabilitation, construction and financing of courtrooms, courtroom buildings or court facilities		614
Administration, operation and conservation of trails, paths or other facilities for off-highway motor vehicles		504
Juvenile probation activities		428
Sheriff vehicle maintenance and replacement		364
Rehabilitative housing and supervision services for secure track youth population		196
Offset costs incurred to locate and notify victims to whom restitution is owed		137
Pre-trial felony mental health diversion program		70
Lease or purchase of California state approved voting systems, or components of voting systems		9
Public Defender defense of indigent cases		1
Sheriff corrections training		1
Total General Fund	$	36,050
Nonmajor Funds		
Special Revenue Funds		
Flood control future drainage improvements	$	33,908
Housing repairs and improvements		1
Total Nonmajor Special Revenue Funds	$	33,909
Total Nonmajor Funds	$	33,909
Total Fund Balances Restricted for Laws or Regulations of Other Governments: Other Purposes	$	69,959

NOTE 24
Fund Balances Committed to Other Purposes

At June 30, 2025, the fund balances committed to other purposes are presented as follows:

Table 47
Fund Balances Committed To Other Purposes
At June 30, 2025

Major Fund		
General Fund		
Regional communication system infrastructure enhancements	$	9,803
SB43 Program		9,202
Sheriff's Department helicopter replacement		5,157
Parks and Recreation land acquisition		3,894
Department of Planning and Development Services activities		3,278
Future purchase of agricultural conservation easements		1,320
Workplace Justice Fund		245
Parks and Recreation turf replacement Sweetwater Valley		237
Management of conduit financing programs		229
Parks expansion and improvements		132
South County Shelter capital improvements		119
Capital projects or major maintenance projects		48
Total General Fund	$	33,664

NOTE 25
Fund Balances Assigned to Other Purposes

At June 30, 2025, the fund balances assigned to other purposes are presented as follows:

Table 48
Fund Balances Assigned to Other Purposes
At June 30, 2025

Major Fund		
General Fund		
Health, mental health and social services	$	104,500
Planning, land use, agriculture, watershed and other public services		95,974
Law enforcement, detention, legal and other protection services		49,117
Park and Recreation services		15,076
Fire protection		3,785
Maintenance		2,238
One-time labor negotiation payments		2,039
Assessor/Recorder/County Clerk services		1,512
Public Defender information technology improvements		1,200
Registrar of Voters services		905
SDCERA part-time credit		600
Domestic violence shelter program		600
Deferred Retirement Option Program implementation		570
Treasurer-Tax Collector services		369
Tenant legal services		300
District 1 transition costs		100
Community Enhancement program		20
Animal Services		4
Total General Fund	$	278,909

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

At June 30, 2025, the net position restricted for laws or regulations of other governments: other purposes is presented as follows:

Table 49
Net Position Restricted for Laws or Regulations of Other Governments: Other Purposes
At June 30, 2025

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	$	12,751
Vector Control		9,058
State Permanent Local Housing Allocation program to address unmet housing needs		8,409
Fire protection and suppression, emergency response, operation and maintenance of facilities, and flood control services		7,941
Construction, maintenance, and other costs for justice, health, and social facilities and programs		7,317
Street and road lighting maintenance		5,743
Probation Department activities		5,587
Down payment and closing costs assistance for first-time homebuyers		5,075
Parks and Recreation land acquisition, improvements, stewardship and other activities		4,756
Probation community transition unit activities		4,426
Juvenile probation camp		4,385
Emergency medical services, various construction costs		4,133
Domestic violence and child abuse prevention		3,596
Non-capital projects costs for the County Public Health Lab project		3,432
Projects, programs and services that benefit Crest - Dehesa - Harbison Canyon - Granite Hills sub-region		2,399
Custody and care for youthful offenders		2,234
Maintenance and operation of parks and recreation services, fire protection services, emergency response, street improvements, street lighting, and flood control services		2,211
Vehicle abatement activities		1,881
Housing activities		6,039
Real estate fraud prosecution		1,814
Improvement, maintenance and operation of the Waterfront Park		1,071
Sheriff automated warrant system		1,004
Disarming prohibited persons program		620
Acquisition, rehabilitation, construction and financing of courtrooms, courtroom buildings or court facilities		614
Administration, operation and conservation of trails, paths or other facilities for off-highway motor vehicles		504
Juvenile probation activities		428
Sheriff vehicle maintenance and replacement		364
Rehabilitative housing and supervision services for secure track youth population		196
Offset costs incurred to locate and notify victims to whom restitution is owed		137
In home supportive services		110
Pre-trial felony mental health diversion program		70
Lease or purchase of California state approved voting systems, or components of voting systems		9
Housing repairs and improvements		1
Public Defender defense of indigent cases		1
Sheriff's corrections training		1
Total Net Position Restricted for Laws or Regulations of Other Governments: Other Purposes	$	108,317

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, 2025, these liabilities discounted for anticipated investment return (public liability of 1.5% and workers' compensation of 2.5%), totaled $332.1 million, including $105.7 million in public liability and $226.4 million in workers' compensation. Changes in the balances of claim liabilities for fiscal years 2025 and 2024 are shown in **Table 50**.

Table 50
Risk Management - Changes in Claim Liabilities

		2025	2024
Employee Benefits Fund			
Unpaid claims, July 1	$	203,400	203,813
Incurred claims		57,881	35,040
Claim payments		(34,885)	(35,453)
Unpaid claims, June 30	$	226,396	203,400
Public Liability Insurance Fund			
Unpaid claims, July 1	$	106,740	137,289
Incurred claims		41,038	(23,555)
Claim payments		(42,048)	(6,994)
Unpaid claims, June 30	$	105,730	106,740

NOTE 28
Contingencies

Litigation

As of June 30, 2025 the County has recorded a liability, based on the actuarial evaluation, 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 $57 million in sick leave, holiday, and compensatory time. Except for 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 more likely than not to use as paid time off or are eligible for payment upon separation, have been recorded as liabilities in the appropriate proprietary funds and the 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, 2025, the County Administration Center underground parking garage's value was $11.418 million, net of accumulated depreciation and generated $170 thousand in revenues for the year ended June 30, 2025. The Cedar/Kettner parking structure's value was $29.894 million, net of accumulated depreciation and generated $557 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 $1.9 million contributed primarily by the City and the County to supplement its operating revenues. In its latest report, SanGIS reported a restatement that decreased the 2023 ending net position by $61 thousand; offset with a change in net position that increased net position by $81 thousand for a combined increase to net position for $20 thousand bringing the ending net position to $684 thousand for the fiscal year ended June 30, 2024. The financial report may be obtained by writing to SanGIS at 5500 Overland Ave., Suite 310, 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 $35 thousand and ending net position of $249 thousand for the fiscal year ended June 30, 2024. 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.

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 $97 thousand and ending net position of $1.2 million for the fiscal year ended June 30, 2024. 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.

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, 2023 (the most recent audited financial statements available), the Partnership reported an increase in net position of $521 thousand and ending net position of $2.7 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.

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 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 51
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 as of June 30, 2025 for fiscal year 2025 was 11.54% of compensation, (not adjusted for employer pick-up of employee contributions).

The County of San Diego and the other participating agencies contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from SDCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2025 for fiscal year 2025 was 48.49% (not adjusted for pick-up) of compensation.

The Retirement Act requires that County and member contributions be actuarially determined to provide a specific level of benefit. California Government Code Section 31454 (Section 31454) requires the Board of Supervisors to adjust the rates of the San Diego County employer and employee retirement contributions in accordance with the recommendations of the Board of Retirement of SDCERA (SDCERA Board). Section 31454 allows the Board of Supervisors to set (amend) the rate to a higher rate than that recommended by the SDCERA Board, but cannot fix the rate lower than the recommended rate. Contribution rates are expressed

as a percentage of covered payroll and member rates vary according to age at entry, benefit tier level and certain negotiated contracts that provide for the County to pay a portion of members' contributions.

Contributions to the Plan from the County were $846,784 for the year ended June 30, 2025.

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

Table 52
Employer/Employee Contribution Rates and Active Members by Tier

	Employer Contribution Rates	Employee Contribution Rates	Active Members
General Tier I	49.05%	10.28 - 18.26%	11
General Tier A	49.05%	12.24 - 20.13%	4,413
General Tier B	49.05%	8.75 - 15.56%	1,211
General Tier C	41.90%	10.04%	3,697
General Tier D	39.02%	7.32%	7,573
Safety Tier A	78.18%	16.62 - 23.00%	1,023
Safety Tier B	78.18%	13.21 - 18.31%	399
Safety Tier C	69.25%	16.37%	983
Safety Tier D	68.25%	15.72%	852

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 or by calling (619) 515-6800 or via the following internet address https://www.sdcera.org/about-sdcera/finance.

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

At June 30, 2025, the County reported a liability of $4,564,481 for its proportionate share of the collective Net Pension Liability (NPL). The NPL was measured as of June 30, 2024 and was determined by rolling forward the Total Pension Liability (TPL) as of the June 30, 2023 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 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 2024; 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, 2024 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, 2024, the County's proportionate share of employer contributions was approximately 94.389%, (General 91.715%, Safety 100%), which was an increase of approximately 0.256% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the County recognized pension expense of $868.313 million.

At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Table 53
Pension Deferred Outflows/Inflows

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions to the pension plan subsequent to the measurement date	$ 846,787	
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions	25,424	3,909
Changes of assumptions or other inputs	378,286	
Net difference between projected and actual earnings on pension plan investments		69,443
Differences between expected and actual experience in the total pension liability	483,440	318,718
	$ 1,733,937	392,070

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. $846,784 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, 2026.

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 54
Pension Expense

Year Ending June 30	Amount
2026	$ 149,821
2027	552,761
2028	(111,458)
2029	(96,044)
Total	$ 495,080

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, 2024 (the measurement date) are shown in the following table:

Table 55
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

Mortality rates for General members and all beneficiaries not currently in pay status are based on the Pub-2010 General Healthy Retiree 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 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, 2023 actuarial valuation and rolled forward to the June 30, 2024 measurement period:

Table 56
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%

Discount Rate

The discount rate used to measure the total pension liability was 6.50% percent as of June 30, 2024. 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, 2024.

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, 2024, 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 57
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	$ 7,544,263	4,564,481	2,133,336

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/about-sdcera/finance.

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.

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 58
Benefit Amount for Non-Disabled Retirees

Years of SDCERA Service Credit*	Monthly Allowance if Not Eligible for Medicare	Monthly Allowance if Eligible for Medicare
Less than 10	$ 0	0
10	200	In addition to the $300 allowance, up to $93.50 may be reimbursed to use toward the cost of the monthly Medicare Part B Premium for participants age 65 or older.
11	220	
12	240	
13	260	
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, 2023, established the fiscal year 2025 employer contribution rate of 1.06 percent of covered payroll which amounted to $17,926 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, 2025, the County reported a liability of $11,617 for its proportionate share of the collective Net Other Postemployment Benefits Liability (NOL). The NOL was measured as of June 30, 2024 (measurement date), and determined based upon the results of the actuarial valuation as of June 30, 2024. 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, 2023 through June 30, 2024 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, 2024 the County's proportionate share of the NOL was approximately 93.528%, which was an increase of approximately 0.505% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the County recognized OPEB income of $12,455.

At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Table 59
OPEB Deferred Outflows/Inflows

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions to the OPEB plan subsequent to the measurement date	$ 17,926	
Net difference between projected and actual earnings on OPEB plan investments		985
	$ 17,926	985

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.

$17,926 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, 2026.

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

Table 60
OPEB Expense

Year Ending June 30	Amount
2026	$ (279)
2027	540
2028	(741)
2029	(505)
Total	$ (985)

Actuarial Assumptions

The TOL in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, as shown in the table below:

Table 61
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: 7.00% graded to ultimate 4.50% over 10 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. Safety salary increases were not stated for this measurement period. Health care trend for non-Medicare was graded down by 0.25% (from 7.25% to 7.00%) to ultimate 4.50% over 10 years. General salary increases, inflation rate, discount rate, the health care trend for Medicare, and the health insurance allowance subsidy 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.

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) with rates increased by 5% for males and decreased by 5% 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) with rates decreased by 15%, 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, 2024 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, 2024 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 62
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%

Discount Rate

The discount rate used to measure the TOL was 6.50% as of June 30, 2024. 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, 2024.

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, 2024, 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, 2024 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 63
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	$	16,805	11,617	7,048

Healthcare Cost Trend Rate Sensitivity		1% Decrease *	Current Trend Rates*	1% Increase *
County's proportionate share of the net OPEB plan liability	$	9,892	11,617	13,402

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

SDCERA-RHP Fiduciary Net Position

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

NOTE 33
Fund Deficits

Table 64
Fund Deficits
At June 30, 2025

Internal Service Funds:		
Facilities Management Fund	$	(40,878)
Public Liability Insurance Fund		(9,000)
Purchasing Fund		(4,851)

The Facilities Management and Purchasing Fund deficits of $40.9 million and $4.9 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 $9 million resulted mainly from the higher than anticipated settlement payments in recent fiscal years, including several large payments that were expected in fiscal year 2023-24, but realized in fiscal year 2024-25. Overall, the deficit grew $6.2 million from the prior fiscal year. Favorable resolutions in several litigation matters, and unanticipated revenues have helped limit the deficit increase. The liability also decreased to $105.7 million from the prior year's estimate of $106.7 million, as determined by an independent actuarial firm. The County intends to reduce the existing deficit through increased rate charges to County departments over a 10-year period starting in fiscal year 2025-26, 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 ($1.145 million), to the Airport Enterprise Fund (AEF) for the Airport Projects ($2.587 million) and to the County Low and Moderate Income Housing Asset Fund (CLMIHAF) ($290 thousand). The loans were originally made from the General Fund and AEF to the former San Diego County

Redevelopment Agency (SDCRA) but were transferred to the County of San Diego Successor Agency Private Purpose Trust Fund upon dissolution of the SDCRA on February 1, 2012. Additionally, in fiscal year 2016, twenty percent of the then outstanding amount owed to the AEF was transferred from the AEF to the CLMIHAF, as mandated by California Health and Safety Code 34191.4. As of June 30, 2025, 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 2029 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, 2025 were as follows:

Table 65
SDCRA Revenue Refunding Bonds

Issuance		Original Amount	Interest Rate	Final Maturity Date	Outstanding Balance at June 30, 2025
Revenue Refunding Bonds Series 2005A	$	16,000	3.65 - 5.75%	2029	2,905
Total	$	16,000			2,905

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

Table 66
SDCRA Revenue Refunding Bonds - Debt Service Requirements to Maturity

Fiscal Year		Principal	Interest	Total
2026	$	755	141	896
2027		795	97	892
2028		845	50	895
2029		510	12	522
Total		2,905	300	3,205
Less:				
Unamortized issuance discount		(10)		
Total	$	2,895		

SDCRA pledged revenue for the year ended June 30, 2025 was as follows:

Table 67
SDCRA Revenue Refunding Bonds - Pledged Revenues

Debt Pledged	Final Maturity Date		Pledged Revenue To Maturity	Fiscal Year 2025 Debt Principal & Interest Paid	Pledged Revenue Received
Revenue Refunding Bonds Series 2005A	2029	$	3,205	1,600	1,620

Changes in Long-Term Liabilities

Long-term liability activities for the year ended June 30, 2025 were as follows:

Table 68
SDCRA Changes in Long-Term Liabilities

		Beginning Balance at July 1, 2024	Additions	Reductions	Ending Balance at June 30, 2025	Amounts Due Within One Year
Revenue Refunding Bonds Series 2005A	$	4,300		(1,395)	2,905	755
Unamortized issuance discounts		(14)		3	(10)	(3)
Total	$	4,286		(1,392)	2,895	752

NOTE 36
Subsequent Events

San Diego County Capital Asset Leasing Corporation - "County of San Diego Refunding Certificates of Participation, Series 2025 (County Operations Center)"

In July 2025, the San Diego County Capital Asset Leasing Corporation issued $54.760 million of fixed rate certificates of participation titled, "County of San Diego Refunding Certificates of Participation, Series 2025 (County Operations Center)." The 2025 Certificates were issued at a 4.00% to 5.00% fixed rate of interest and will mature on October 1, 2035.

The 2025 Certificates were issued with a premium of $6.717 million. These certificates were issued to current refund and defease the entire outstanding San Diego Regional Building Authority Lease Revenue Refunding Bonds (County Operations Center) Series 2016A.

Tax and Revenue Anticipation Notes

In July 2025, the County issued tax and revenue anticipation notes (TRANS) totaling $200 million due June 30, 2026 at a coupon rate of 5.00% and a yield of 2.60%. Proceeds from the notes will be used to meet fiscal year 2026 cash flow requirements. Fiscal year 2026 unrestricted revenues collateralize the notes.

NOTE 37
New Governmental Accounting Standards

Implementation Status

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 County has implemented this Statement for the current fiscal year.

In December 2023, the GASB issued *Statement No. 102, Certain Risk Disclosures.* The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

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

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 2024, the GASB issued *Statement No. 103, Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

In September 2024, the GASB issued Statement No. 104, Disclosure of Certain Capital Assets. The objective of this Statement is to provide users of government financial statements with essential information concerning two types of capital assets: (1) capital assets associated with leases and other intangible assets and (2) capital assets held for sale.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

NOTE 38
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 Debt, Private Equity and Private Real Assets

The fair value of all private debt, 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 69 presents SDCERA's mortgage loans payable associated with its real estate investments as of June 30, 2025. Principal includes amortization and terminal principal payments for the loan balance as of June 30, 2025, and interest includes interest payments on the forecasted loan balances, inclusive of additional draws after June 30, 2025.

Table 69
Mortgage Loans Payable
For the fiscal year ended June 30, 2025
(In Thousands)

Fiscal year payable	Principal (1)	Interest (2)	Total
2026	$ 55,592	23,654	79,246
2027	78,200	25,477	103,677
2028	124,048	29,307	153,355
2029	11,523	30,995	42,518
2030	1,354	32,285	33,639
2031-2035	39,257	52,244	91,501
Total	$ 309,974	193,962	503,936

(1) Principal includes amortization and terminal principal payments for the loan balances as of June 30, 2025.
(2) Interest includes interest payments on the forecasted loan balances, inclusive of additional draws after June 30, 2025.

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 70** 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, 2025.

Table 70
Derivative Instruments Summary
As of June 30, 2025
(In Thousands)

Derivative Type	Changes in Fair Value (1)	Fair Value	Notional Value
Swaps	$ 111,719	136,995	4,374,592
Options	62	128	-
Forwards	(33,219)	(15,850)	360,423
Futures	23,946	25,040	971,509
Total	$ 102,508	146,313	5,706,524

(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 71** presents SDCERA's Swaps by Type as of June 30, 2025.

Table 71
Swaps by Type
As of June 30, 2025
(In Thousands)

Type	Description/ Counterparty	Notional Value	Fair Value
Cleared Credit Default Swaps	International Exchange Holdings	$	28
ClearedInterest Rate Swaps	Chicago Mercantile Exchange Inc		1,943
Cleared Interest Rate Swaps	LCH Ltd		(3,655)
Cleared Zero Coupon Swaps	LCH Ltd		151
Total Return Swaps	BNP Paribas SA	86,214	4,348
Total Return Swaps	Barclays Bank PLC	31,263	1,389
Total Return Swaps	Canadian Imperial Bank of Commerce	470,764	21,018
Total Return Swaps	Chicago Mercantile Exchange Inc	140,051	6,194
Total Return Swaps	Citibank NA	457,985	12,354
Total Return Swaps	Goldman Sachs International	77,087	3,432
Total Return Swaps	HSBC Bank PLC	92,426	4,650
Total Return Swaps	JP Morgan Chase Bank NA	190,921	3,441
Total Return Swaps	Morgan Stanley & Co International PLC	693,401	9,218
Total Return Swaps	Royal Bank of Canada	767,443	33,652
Total Return Swaps	TD Waterhouse Group Inc	142,698	6,340
Total Return Swaps	UBS AG/London	716,315	15,781
Total Return Swaps	Undefined Counterparty	508,024	16,711
Total		$ 4,374,592	136,995

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 72** presents SDCERA's Options by Type as of June 30, 2025.

Table 72
Options by Type
As of June 30, 2025
(In Thousands)

Type	Notional Value	Fair Value
Call	$	128
Put		
Total	$	128

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 73** presents SDCERA's Forward Contracts by Type as of June 30, 2025.

Table 73
Forward Contracts by Type
As of June 30, 2025
(In Thousands)

Type	Notional Value	Fair Value
Foreign Currency Forwards	$ 360,423	(15,850)
Total	$ 360,423	(15,850)

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 74** presents a summary of SDCERA's Futures Contracts by Type as of June 30, 2025.

Table 74
Futures Contracts by Type
As of June 30, 2025
(In Thousands)

Type	Notional Value	Fair Value
Equity Futures	$ 705,032	21,758
Fixed Income Futures	266,477	3,282
Total	$ 971,509	25,040

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 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, 2025, SDCERA's investments included collateralized mortgage obligations (CMO) and mortgage-backed securities totaling $1,128.6 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 2025, the annual money-weighted rate of return for the Trust Fund, net of fees, was 11.2%. 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 11.2%, net of fees for FY 2025.

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 75 presents exposure to interest rate risk in terms of maturity as of June 30, 2025.

Table 75
Investment Maturities by Type
As of June 30, 2025
(In Thousands)

Investment Type		Investment Maturities (in years) Less than 1	1 - 5	6 - 10	More than 10	Totals
Agency CMO or Mortgage-Backed	$	400,261	42,517		508,360	951,138
Asset Backed		66,302	413,305	2,635	56	482,298
Commingled Funds		270,118	1,328,580	515,783	1,397	2,115,878
Convertibles		20,010	24,912			44,922
Corporates		328,909	816,367	78,395	26,748	1,250,419
Non-Agency CMO or Mortgage-Backed					177,508	177,508
Private Placements		840,426	1,308,310	440,426	449,851	3,039,013
Sovereign Debt		16,476				16,476
U.S. Government Debt		99,374	606,538	12,817	300,620	1,019,349
Totals	$	2,041,876	4,540,529	1,050,056	1,464,540	9,097,001

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 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 76 and **Table 77** present SDCERA's fixed income securities ratings by category as of June 30, 2025. 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 76
Credit Risk
As of June 30, 2025
(In Thousands)

Investment Type		AAA	AA	A	BBB	Below Investment Grade	Not Rated	Totals
Agency CMO or Mortgage-Backed	$		951,138					951,138
Asset Backed		237,074	1,411	2,239		13,569	228,005	482,298
Commingled Funds		58,702	1,460,239	269,328	185,771	559	141,279	2,115,878
Convertibles							44,922	44,922
Corporates		45,891	105,976	483,437		533,929	81,186	1,250,419
Non-Agency CMO or Mortgage-Backed		20,573	46,930	1,206		1,700	107,099	177,508
Private Placements		556,653	72,551	264,380		1,157,898	987,531	3,039,013
Sovereign Debt			206			1,109	15,161	16,476
US Government Debt			1,019,349					1,019,349
Totals	$	918,893	3,657,800	1,020,590	185,771	1,708,764	1,605,183	9,097,001

Table 77
Credit Risk Percentage of Holdings
As of June 30, 2025

Investment Type	AAA	AA	A	BBB	Below Investment Grade	Not Rated
Agency CMO or Mortgage-Backed		26.0%				
Asset Backed	25.8%		0.2%		0.8%	14.2%
Commingled Funds	6.4%	39.9%	26.4%	100.0%		8.8%
Convertibles						2.8%
Corporates	5.0%	2.9%	47.4%		31.2%	5.1%
Non-Agency CMO or Mortgage - Backed	2.2%	1.3%	0.1%		0.1%	6.7%
Private Placements	60.6%	2.0%	25.9%		67.8%	61.5%
Sovereign Debt					0.1%	0.9%
U.S. Government Debt		27.9%				
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.

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 78** presents counterparty credit ratings related to swaps and forward contracts in SDCERA's portfolio as of June 30, 2025. Credit ratings were issued by S&P Global Ratings.

Table 78
Credit Risk of Derivatives at Fair Value
As of June 30, 2025
(In Thousands)

Credit Rating		Swaps	Forwards
AA	$		2
AA-		33,590	139
A+		88,901	(14,145)
A			(1,846)
A-		28	
Not Rated		14,476	
Total subject to credit risk	$	136,995	(15,850)

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, 2025, 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 79** 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 79
Net Exposure to Foreign Currency Risk
As of June 30, 2025
(In Thousands)

Currency Name		Equity	Fixed Income	Foreign Exchange Contracts	Cash & Cash Equivalents	Commingled Funds	Total
Euro Currency Unit	$	48,577	225,031	2,401	2,444	242,198	520,651
Japanese Yen					280	203,665	203,945
Pound Sterling			56,629	434	2,682	111,336	171,081
Hong Kong Dollar					23	156,239	156.262
Taiwan Dollar						116,715	116,715
Indian Rupee						114,448	114,448
Australian Dollar			26,465	296	199	60,901	87,861
Danish Krone			51,888	154	1,262	15,789	69,093
South Korean Won						67,238	67,238
Swiss Franc					827	65,180	66,007
Canadian Dollar			614	17	2,397	52,709	55,737
Brazilian Real			8,217	4	543	22,794	31,558
Swedish Krona						25,073	25,073
Chinese Yuan Renminbi						22,132	22,132
Saudi Riyal						21,579	21,579
South African Rand					2	20,365	20,367
Israeli Shekel			6,847	20	3	7,872	14,742
Mexican Peso					61	11,994	12,055
Singapore Dollar					67	11,410	11,477
UAE Dirham						9,485	9,485
Malaysian Ringgit						8,551	8,551
Indonesian Rupiah						7,669	7,669
Polish Zloty						7,280	7,280
Thailand Baht						7,175	7,175
Norwegian Krone					8	6,503	6,511
Qatar Rials						4,466	4,466
Turkish Lira						3,766	3,766
Chilean Peso						3,427	3,427
Philippines Peso						3,033	3,033
Other (Less Than $2 Million Holdings)				20	311	4,542	4,873
Total	$	48,577	375,691	3,346	11,109	1,415,534	1,854,257

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, 2025, SDCERA's investment in this mutual fund totaled $127.1 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 110% 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, 2025, the SDCERA-PP had $945.2 million in securities on loan and held cash and non-cash collateral of $1.0 billion from borrowers.

Table 80 presents SDCERA's Securities Lending Transactions as of June 30, 2025.

Table 80
Securities Lending Transactions
As of June 30, 2025
(In Thousands)

		SDCERA Securities Lent	Cash and Non-Cash Collateral
Lent for cash collateral:			
Domestic corporate	$	84,153	86,341
Domestic equities		3,491	3,562
U.S. government debt		139,882	142,762
Exchange traded		149	153
Lent for securities collateral:			
Domestic corporate		41,904	45,930
Domestic equities		309	339
U.S. government debt		675,135	741,437
Exchange traded		136	149
Total	$	945,159	1,020,673

BNY Mellon invests the cash collateral for securities lending in a separately managed, short-term investment account. As shown in **Table 81**, at June 30, 2025, the short-term investment account consisted of 100% overnight repurchase agreements.

Table 81
Securities Lending Investments
As of June 30, 2025
(In Thousands)

		Fair value	% of Total
Repurchase agreements	$	232,818	100.0%
Total	$	232,818	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, 2025, 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 82 presents a schedule of SDCERA's Fair Value Measurements as of June 30, 2025. 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 82
Fair Value Measurements
As of June 30, 2025
(In Thousands)

		Total as of 6/30/2025	Level 1	Level 2	Level 3
Investments by Fair Value Level:					
Equity Securities:					
Domestic Equity Securities	$	3,728,293	1,248	1,239,707	2,487,338
International Equity Securities		951,490	129,175	377,857	444,458
Total Equity Securities		4,679,783	130,423	1,617,564	2,931,796
Fixed Income Securities		9,792,338	2,263,580	7,152,547	376,211
Private Debt		91,973			91,973
Private Equity		195,715			195,715
Private Real Assets		91,500			91,500
Real Estate		600,034			600,034
Total Investments by Fair Value Level		15,451,343	2,394,003	8,770,111	4,287,229
Investments measured at Net Asset Value (NAV):					
Private Debt		127,006			
Private Equity		156,518			
Private Real Assets		129,416			
Real Estate		973,342			
Total Investments measured at NAV		1,386,282			
Investments Derivative Instruments:					
Forwards		(15,850)		(15,850)	
Futures		25,040	25,040		
Options		128		128	
Swaps		136,995		136,995	
Total Investments Derivative Instruments		146,313	25,040	121,273	
Total investments Measured at Fair Value		16,983,938			
Investments Securities Lending Collateral:					
Collateral payable for securities lending		232,818		232,818	
Total Collateral from securities lending	$	232,818		232,818	

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 83 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, 2025.

Table 83
Investments Measured at Net Assets Value (NAV)
As of June 30, 2025
(In Thousands)

		Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Debt Funds	$	127,006	11,140	Not Eligible	N/A
Private Equity Funds		156,518	86,071	Not Eligible	N/A
Private Real Assets Funds		129,416	87,311	Variable	Variable
Real Estate Funds		973,342	169,426	Variable	Variable
Total Investments measured at NAV	$	1,386,282	353,948		

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 debt funds in the amount of $11.1 million, private equity funds in the amount of 86.1 million, real estate funds in the amount of $169.4 million and private real asset funds in the amount of $87.3 million. SDCERA funds these commitments from SDCERA-PP assets over multiple fiscal years.

STOP

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									
	2025*	2024*	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*
County's proportion of the net pension liability	94.389%	94.133%	93.596%	93.800%	93.014%	93.750%	94.119%	93.136%	92.898%	92.827%
County's proportionate share of the net pension liability	$ 4,564,481	5,229,769	5,314,913	2,246,673	4,478,532	3,790,434	3,197,900	3,433,950	3,992,748	2,593,395
County's covered payroll	$ 1,601,398	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
County's proportionate share of the net pension liability as a percentage of its covered payroll	285.031%	361.997%	396.874%	171.784%	353.255%	318.480%	279.106%	314.575%	377.067%	250.089%
Plan fiduciary net position as a percentage of the total pension liability	78.46%	73.95%	71.86%	87.07%	72.83%	76.08%	78.32%	75.56%	70.48%	78.63%

*Amounts presented above were based on the measurement periods ending June 30, 2024, 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.

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 - Net Pension Liability

	Fiscal Year									
	2025*	2024*	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*
Actuarial determined contributions	$ 857,984	782,514	616,642	589,349	578,519	523,865	485,619	465,339	386,971	354,524
Contributions in relation to the actuarially determined contribution	846,784	813,657	625,412	589,349	578,519	533,885	499,451	487,841	386,971	354,524
Contribution deficiency (excess)**	11,200	(31,143)	(8,770)	-	-	(10,020)	(13,832)	(22,502)	-	-
County's covered payroll	$ 1,746,296	1,601,398	1,444,698	1,339,194	1,307,845	1,267,790	1,190,184	1,145,764	1,091,617	1,058,595
Contributions as a percentage of covered payroll	48.49%	50.81%	43.29%	44.01%	44.23%	42.11%	41.96%	42.58%	35.45%	33.49%

*Amounts presented above were based on the fiscal years ended June 30, 2025, June 30, 2024, June 30, 2023, June 30, 2022, June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018, June 30, 2017, and June 30, 2016, 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)

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.
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							
	2025*	2024*	2023*	2022*	2021*	2020*	2019*	2018*
County's proportion of the net OPEB liability	93.528%	93.023%	92.913%	93.257%	92.670%	93.396%	93.227%	92.590%
County's proportionate share of the net OPEB liability	$ 11,617	45,792	69,417	71,147	92,006	106,033	119,483	132,163
County's covered payroll	$ 1,601,398	1,444,698	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	0.725%	3.170%	5.183%	5.440%	7.257%	8.909%	10.428%	12.107%
Plan fiduciary net position as a percentage of the total OPEB liability	84.04%	49.35%	32.73%	31.57%	19.70%	14.73%	10.12%	6.92%

*Amounts presented above were based on the measurement period ending June 30, 2024, June 30, 2023, June 30.2022, June 30, 2021, June 3, 2020, June 30, 2019, June 30, 2018 and June 30, 2017.

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

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							
	2025*	2024*	2023*	2022*	2021*	2020*	2019*	2018*
Actuarial determined contributions	$ 19,726	19,212	17,116	17,008	17,611	18,472	18,892	18,229
Contributions in relation to the actuarially determined contributions	17,926	19,212	17,116	17,008	17,611	18,472	18,892	18,229
Contribution deficiency (excess)	1,800	-	-	-	-	-	-	-
County's covered payroll	$ 1,746,296	1,601,398	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	1.03%	1.20%	1.18%	1.27%	1.35%	1.46%	1.59%	1.59%

*Amounts presented above were based on the fiscal years ended June 30, 2025, June 30, 2024, 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.

See note to the required supplementary information

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.
	Reporting Period: June 30, 2023	**Reporting Period: June 30, 2024**
Salary increases	General: 3.90% to 10.25% including inflation and 0.50% across the board salary increases.	General: 3.90% to 10.50% including inflation and 0.50% across the board salary increases. Safety: 4.10% to 11.75% including inflation and 0.50% across the board salary increases.
	Reporting Period: June 30, 2024	**Reporting Period: June 30, 2025**
Salary increases	General: 3.90% to 10.50% including inflation and 0.50% across the board salary increases. Safety: 4.10% to 11.75% including inflation and 0.50% across the board salary increases.	General: 3.90% to 10.25% including inflation and 0.50% across the board salary increases.
Healthcare trend	Non-Medicare: 7.50% graded to ultimate 4.50% over 11 years; Medicare: 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.

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, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	1,682,397	1,682,397	1,741,174
Licenses, permits and franchise fees		57,769	57,770	57,027
Fines, forfeitures and penalties		48,312	48,812	45,225
Revenue from use of money and property		65,771	65,771	109,706
Aid from other governmental agencies:				
State		2,111,716	2,115,480	1,915,176
Federal		1,432,726	1,430,117	1,438,632
Other		233,561	233,559	236,630
Charges for current services		481,852	483,042	469,051
Other		160,333	163,419	55,664
Total revenues		6,274,437	6,280,367	6,068,285
Expenditures:				
Current:				
General government:				
Assessor/recorder/county clerk - finance		65,045	68,271	57,738
Auditor and controller		37,386	36,560	36,794
Auditor and controller - information technology management services		10,615	11,433	5,206
Board of supervisors district #1		3,391	3,592	2,496
Board of supervisors district #2		3,395	3,448	3,293
Board of supervisors district #3		3,340	3,537	3,152
Board of supervisors district #4		3,352	3,552	2,956
Board of supervisors district #5		3,338	3,540	3,181
Board of supervisors general office		615	614	580
Chief administrative office - legislative and administrative		14,091	14,321	11,502
Civil service commission		669	668	662
Clerk of the board of supervisors - legislative and administrative		5,588	5,588	5,267
Community enhancement		7,333	7,388	7,272
Community projects		14,717	14,743	14,665
County communications office		4,276	4,676	3,971
County counsel		47,788	47,788	45,138
County technology office		11,837	12,138	9,968
Countywide general expense		287,034	282,507	151,420
Finance and general government - legislative and administrative		13,568	19,243	4,816
Finance and general government - other general		11,304	7,578	7,501
Finance and general government group - CAC major maintenance		7,581	7,561	8,749
Finance and general government group - finance		7,248	12,003	6,631
Human resources - other general government		9,893	9,593	8,067
Human resources - personnel		26,937	27,237	26,185
Land use and environment - legislative and administrative		27,498	29,859	13,048
Lease payments - bonds		7,998	7,998	
Public safety - legislative and administrative		26,684	25,667	14,802
Public works, dept of gen		1,337	1,337	1,279
Registrar of voters		41,062	48,017	40,954
Treasurer - tax collector		26,176	26,856	25,706
Total general government	$	731,096	747,313	522,999

Continued on next page

See note to the required supplementary information

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2025
(In Thousands)

(Continued)		Original Budget	Final Budget	Actual
Public protection:				
Agriculture, weights and measures	$	29,201	29,479	23,018
Agriculture, weights and measures - sealer		6,811	6,341	6,109
Assessor/recorder/county clerk - other protection		26,780	24,656	18,564
Child support		52,573	52,360	50,034
Citizens law enforcement review board		1,987	1,985	1,874
Contributions for trial courts		67,954	69,654	68,950
Department of animal services		10,779	10,899	10,198
District attorney - judicial		284,706	287,611	277,932
Fire protection, Office of emergency services		79,546	77,775	72,258
Grand jury		611	610	447
Health and human services agency - public administrator/public guardian		6,023	6,023	7,689
Local agency formation commission administration		618	618	618
Medical examiner		20,792	21,333	19,328
Office of emergency services		27,395	28,193	19,110
Penalty assessment		3,129	3,129	
Planning and development services		111,558	111,541	47,853
Probation - detention and correction		223,150	224,130	169,316
Probation - juvenile detention		96,211	96,842	113,645
Public defender		134,031	135,830	131,654
Public safety - other protection		569	569	1,239
Public works, flood control, soil and water, general		42,371	39,936	2,947
Sheriff - adult detention		462,396	471,349	466,823
Sheriff - detention and correction		9,567	9,887	9,991
Sheriff - other protection		4,375	4,375	3,739
Sheriff - police protection		794,611	782,961	735,970
Total public protection		2,497,744	2,498,086	2,259,306
Public ways and facilities:				
Public works, general - health		157	1,457	413
Public works, general - public ways		8,331	8,330	6,751
Total public ways and facilities		8,488	9,787	7,164
Health and sanitation:				
Environmental health and quality		69,350	69,390	57,893
Health and human services agency - drug and alcohol abuse services		262,048	258,671	242,714
Health and human services agency - health		383,199	368,747	283,793
Health and human services agency - health administration		2,102	2,101	1,764
Health and human services agency - medical care		78,733	78,731	77,057
Health and human services agency - mental health		880,807	891,104	802,246
Public works, general - sanitation		20,562	13,712	7,858
Total health and sanitation	$	1,696,801	1,682,456	1,473,325

Continued on next page

See note to the required supplementary information

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2025
(In Thousands)

(Continued)		Original Budget	Final Budget	Actual
Public assistance:				
Health and human services agency - medical services	$	5,247	4,443	4,208
Health and human services agency - other assistance		735,390	727,642	468,724
Health and human services agency - social administration		1,197,177	1,227,770	1,183,215
Health and human services agency - veterans' services		15,678	15,678	13,795
Probation - care of court wards		13,467	11,772	10,988
Total public assistance		1,966,959	1,987,305	1,680,930
Education:				
Agriculture, weights and measures		870	870	979
Total education		870	870	979
Recreation and cultural:				
Parks and recreation		76,851	71,204	57,188
Total recreation and cultural		76,851	71,204	57,188
Capital outlay		161,540	151,918	110,504
Debt service:				
Principal		70,073	70,150	70,079
Interest		13,191	13,265	13,191
Total expenditures		7,223,613	7,232,354	6,195,665
Excess (deficiency) of revenues over (under) expenditures		(949,176)	(951,987)	(127,380)
Other financing sources (uses):				
Sale of capital assets				5,358
Issuance and modifications of leases:				
Leases		36,023	36,023	36.023
Issuance and modifications of subscriptions:				
Subscriptions		23,989	23,989	23,989
Transfers in		472,765	478,064	444,093
Transfers out		(736,881)	(784,465)	(329,559)
Total other financing sources (uses)		(204,104)	(246,389)	179,904
Net change in fund balances		(1,153,280)	(1,198,376)	52,524
Fund balances at the beginning of year		2,999,750	2,999,750	2,999,750
Increase (decrease) in nonspendable inventories			(6,820)	(6,820)
Fund balances at end of year	$	1,846,470	1,794,554	3,045,454

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, 2025
(In Thousands)

	Original Budget	Final Budget	Actual
Revenues:			
Revenue from use of money and property	$		1,138
Aid from other governmental agencies:			
State	387,114	387,114	387,017
Total revenues	387,114	387,114	388,155
Expenditures:			
Current:			
Public protection:			
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	387,114	387,114	388,155
Other financing sources (uses):			
Transfers out	(433,427)	(433,427)	(399,934)
Total other financing sources (uses)	(433,427)	(433,427)	(399,934)
Net change in fund balances	(46,313)	(46,313)	(11,779)
Fund balances at beginning of year	108,040	108,040	108,040
Fund balances at end of year	$ 61,727	61,727	96,261

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, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	1,900	1,900	8,404
Total revenues		1,900	1,900	8,404
Expenditures:				
Current:				
General government:				
Tobacco settlement		200	200	130
Total general government		200	200	130
Total expenditures		200	200	130
Excess (deficiency) of revenues over (under) expenditures		1,700	1,700	8,274
Other financing sources (uses):				
Transfers out		(25,315)	(29,615)	(29,615)
Total other financing sources (uses)		(25,315)	(29,615)	(29,615)
Net change in fund balances		(23,615)	(27,915)	(21,341)
Fund balances at beginning of year		237,323	237,323	237,323
Fund balances at end of year	$	213,708	209,408	215,982

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.

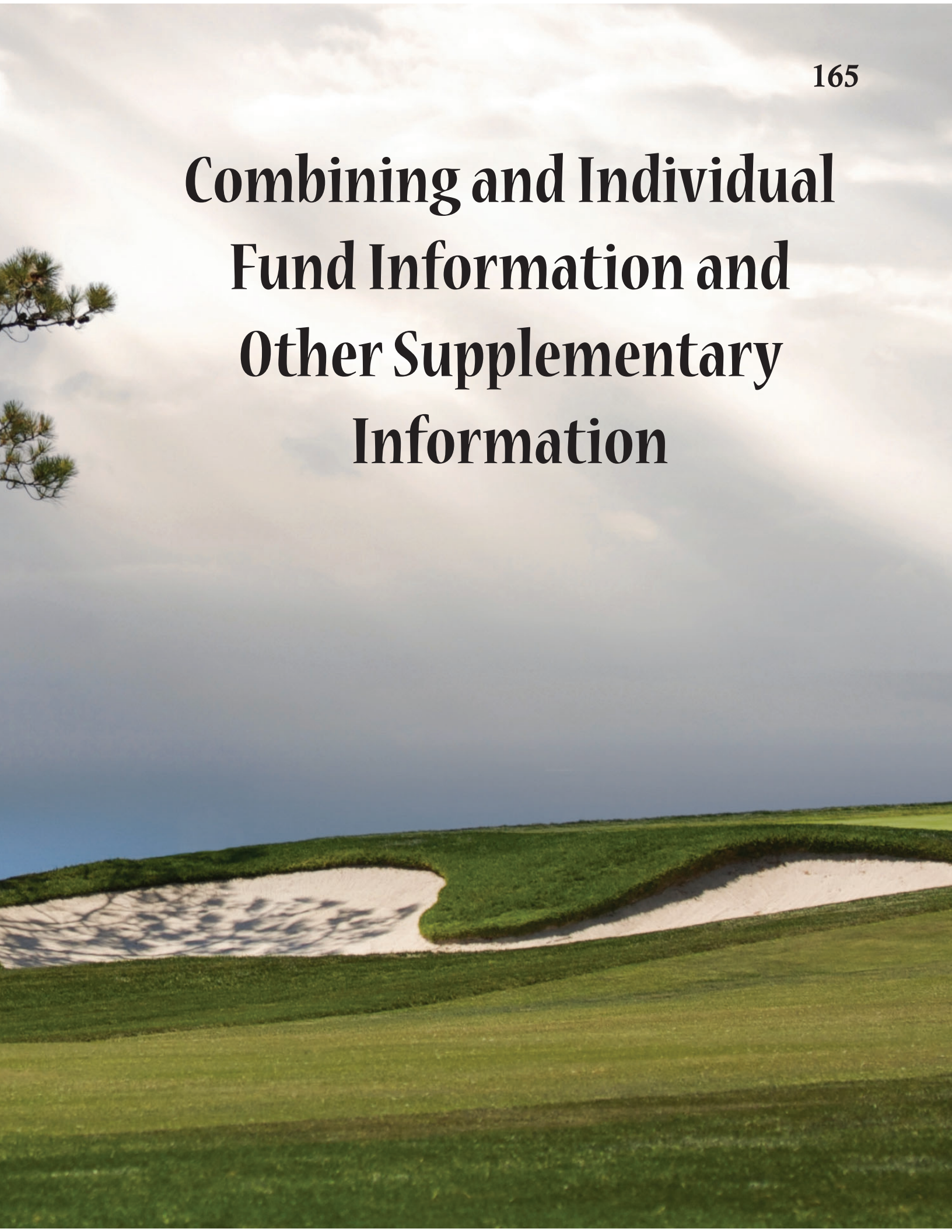
Appropriations may also be adjusted during the year with the approval of the Board of Supervisors. Additionally, the County Budget Act authorizes the Chief Administrative Officer (CAO) and/or Auditor and Controller to approve transfers within a department as long as overall appropriations of the department 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, recycling sustainability improvements, 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.

SANCAL Non-Capital Fund

This fund received proceeds from the sale of the Certificates of Participation, Series 2023. It was established to provide for non-capital project costs for the County Public Health Lab project and is restricted to this purpose.

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.

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, 2025
(In Thousands)

		Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS					
Pooled cash and investments	$	550,952	5,575	35,112	591,639
Cash with fiscal agents		13,617			13,617
Receivables, net		203,012	79	10,411	213,502
Lease receivables		9,268			9,268
Property taxes receivables, net		1,197			1,197
Due from other funds		10,771	167	36,081	47,019
Inventories		2,173			2,173
Deposits with others		9			9
Prepaid items		435			435
Restricted assets:					
Cash with fiscal agents		335		259	594
Investments with fiscal agents		36,580	13,129	23,921	73,630
Total assets		828,349	18,950	105,784	953,083
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable		24,481		30,386	54,867
Accrued payroll		4,022			4,022
Due to other funds		12,020		50,114	62,134
Unearned revenue		8,766		2,273	11,039
Total liabilities		49,289		82,773	132,062
DEFERRED INFLOW OF RESOURCES					
Non-pension:					
Leases		8,997			8,997
Property taxes received in advance		936			936
Unavailable revenue		170,433			170,433
Total deferred inflows of resources		180,366			180,366
FUND BALANCES					
Nonspendable:					
Not in spendable form:					
Loans, due from other funds and prepaids		435			435
Inventories and deposits with others		2,182			2,182
Restricted for:					
Creditors - Debt service		33,275	18,950		52,225
Creditors - Capital projects				23,011	23,011
Grantors - Housing assistance		14,949			14,949
Laws or regulations of other governments:					
Future road improvements		315,272			315,272
Fund purpose		154,262			154,262
Other purposes		33,909			33,909
Committed to:					
Landfill closure, postclosure and landfill maintenance		44,410			44,410
Total fund balances		598,694	18,950	23,011	640,655
Total liabilities, deferred inflows of resources and fund balances	$	828,349	18,950	105,784	953,083

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2025
(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	$	18,588	8,470	15,813	555
Cash with fiscal agents					
Receivables, net		250	122	249	5,200
Lease receivables					
Property taxes receivables, net				814	
Due from other funds		100			290
Inventories		343		58	
Deposits with others					
Prepaid items					3
Restricted assets:					
Cash with fiscal agents					
Investments with fiscal agents					
Total assets		19,281	8,592	16,934	6,048
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable		1,625	25	1,337	
Accrued payroll				1,375	
Due to other funds		12	55	1,701	6
Unearned revenue			571	39	
Total liabilities		1,637	651	4,452	6
DEFERRED INFLOWS OF RESOURCES					
Non-pension:					
Leases					
Property taxes received in advance				633	
Unavailable revenue				719	1,308
Total deferred inflows of resources				1,352	1,308
FUND BALANCES					
Nonspendable:					
Not in spendable form:					
Loans, due from other funds and prepaids					3
Inventories and deposits with others		343		58	
Restricted for:					
Creditors - Debt service					
Grantors - Housing assistance					
Laws or regulations of other governments:					
Future road improvements					
Fund purpose		17,301	7,941	11,072	4,731
Other purposes					
Committed to:					
Landfill postclosure and landfill maintenance					
Total fund balances		17,644	7,941	11,130	4,734
Total liabilities, deferred inflows of resources and fund balances	$	19,281	8,592	16,934	6,048

Continued on next page

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2025
(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	$	44,942	1,409	32,680	2,197	
Cash with fiscal agents						687
Receivables, net		2,806	10,318	902	32	20,761
Lease receivables		856	8,301			
Property taxes receivables, net		259		99		
Due from other funds		145		1,086		
Inventories		84		2		
Deposits with others						
Prepaid items						
Restricted assets:						
Cash with fiscal agents						
Investments with fiscal agents					5	
Total assets		49,092	20,028	34,769	2,234	21,448
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable		5,503		190		2
Accrued payroll						
Due to other funds		1,750		433	23	
Unearned revenue				67		560
Total liabilities		7,253		690	23	562
DEFERRED INFLOWS OF RESOURCES						
Non-pension:						
Leases		816	8,076			
Property taxes received in advance		195		88		
Unavailable revenue		219	9,604	81		20,761
Total deferred inflows of resources		1,230	17,680	169		20,761
FUND BALANCES						
Nonspendable:						
Not in spendable form:						
Loans, due from other funds and prepaids						
Inventories and deposits with others		84		2		
Restricted for:						
Creditors - Debt service						
Grantors - Housing assistance						
Laws or regulations of other governments:						
Future road improvements						
Fund purpose		40,525	2,348		2,211	125
Other purposes				33,908		
Committed to:						
Landfill postclosure and landfill maintenance						
Total fund balances		40,609	2,348	33,910	2,211	125
Total liabilities, deferred inflows of resources and fund balances	$	49,092	20,028	34,769	2,234	21,448

Continued on next page

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2025
(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
ASSETS					
Pooled cash and investments	$	595	45,005	14,202	5,819
Cash with fiscal agents	12,930				
Receivables, net	9,181	93	624	207	79
Lease receivables			111		
Property taxes receivables, net					25
Due from other funds	7	932	3	1,150	
Inventories				315	4
Deposits with others	9				
Prepaid items	10				
Restricted assets:					
Cash with fiscal agents	335				
Investments with fiscal agents					
Total assets	22,472	1,620	45,743	15,874	5,927
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	2,470	110	118	1,748	124
Accrued payroll		283			
Due to other funds		1,117	1,110	1,169	15
Unearned revenue	1,376				
Total liabilities	3,846	1,510	1,228	2,917	139
DEFERRED INFLOWS OF RESOURCES					
Non-pension:					
Leases			105		
Property taxes received in advance					20
Unavailable revenue	3,481				21
Total deferred inflows of resources	3,481		105		41
FUND BALANCES					
Nonspendable:					
Not in spendable form:					
Loans, due from other funds and prepaids	10				
Inventories and deposits with others	9			315	4
Restricted for:					
Creditors - Debt service	176				
Grantors - Housing assistance	14,949				
Laws or regulations of other governments:					
Future road improvements					
Fund purpose		110		12,642	5,743
Other purposes	1				
Committed to:					
Landfill postclosure and landfill maintenance			44,410		
Total fund balances	15,145	110	44,410	12,957	5,747
Total liabilities, deferred inflows of resources and fund balances	$ 22,472	1,620	45,743	15,874	5,927

Continued on next page

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2025
(In Thousands)

(Continued)	Other Special Revenue Funds	Park Land Dedication Fund	Road Fund	SANCAL Non-Capital Fund	Tobacco Securitization Joint Special Revenue Fund	Total Special Revenue Funds
ASSETS						
Pooled cash and investments	$ 12,005	33,910	314,762			550,952
Cash with fiscal agents						13,617
Receivables, net	1,490	501	136,608		13,589	203,012
Lease receivables						9,268
Property taxes receivables, net						1,197
Due from other funds	32	70	6,956			10,771
Inventories	1		1,366			2,173
Deposits with others						9
Prepaid items			422			435
Restricted assets:						
Cash with fiscal agents						335
Investments with fiscal agents				3,585	32,990	36,580
Total assets	13,528	34,481	460,114	3,585	46,579	828,349
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	429	35	10,608	153	4	24,481
Accrued payroll	74		2,290			4,022
Due to other funds	145	1,116	3,368			12,020
Unearned revenue	128		6,025			8,766
Total liabilities	776	1,151	22,291	153	4	49,289
DEFERRED INFLOWS OF RESOURCES						
Non-pension:						
Leases						8,997
Property taxes received in advance						936
Unavailable revenue			120,763		13,476	170,433
Total deferred inflows of resources			120,763		13,476	180,366
FUND BALANCES						
Nonspendable:						
Not in spendable form:						
Loans, due from other funds and prepaids			422			435
Inventories and deposits with others	1		1,366			2,182
Restricted for:						
Creditors - Debt service					33,099	33,275
Grantors - Housing assistance						14,949
Laws or regulations of other governments:						
Future road improvements			315,272			315,272
Fund purpose	12,751	33,330		3,432		154,262
Other purposes						33,909
Committed to:						
Landfill postclosure and landfill maintenance						44,410
Total fund balances	12,752	33,330	317,060	3,432	33,099	598,694
Total liabilities, deferred inflows of resources and fund balances	$ 13,528	34,481	460,114	3,585	46,579	828,349

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DEBT SERVICE FUNDS
June 30, 2025
(In Thousands)

	Pension Obligation Bonds Fund	San Diego Regional Building Authority Fund	SANCAL Fund	Total Debt Service Funds
ASSETS				
Pooled cash and investments	$ 992	4,522	61	5,575
Receivables, net	14	65		79
Due from other funds	167			167
Restricted assets:				
Investments with fiscal agents	592	242	12,295	13,129
Total assets	1,765	4,829	12,356	18,950
FUND BALANCES				
Restricted for:				
Creditors - Debt service	1,765	4,829	12,356	18,950
Total Fund Balance	1,765	4,829	12,356	18,950
Total liabilities, deferred inflows of resources and fund balances	$ 1,765	4,829	12,356	18,950

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
June 30, 2025
(In Thousands)

		Capital Outlay Fund	SANCAL Fund	Total Capital Projects Funds
ASSETS				
Pooled cash and investments	$	35,112		35,112
Receivables, net		10,411		10,411
Due from other funds		36,081		36,081
Restricted Assets:				
Cash with fiscal agents		259		259
Investment with fiscal agents			23,921	23,921
Total assets		81,863	23,921	105,784
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable		29,476	910	30,386
Due to other funds		50,114		50,114
Unearned revenue		2,273		2,273
Total liabilities		81,863	910	82,773
FUND BALANCES				
Restricted for:				
Creditors - Capital projects			23,011	23,011
Total fund balances			23,011	23,011
Total liabilities, deferred inflows of resources and fund balances	$	81,863	23,921	105,784

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025
(In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	$ 88,372			88,372
Licenses, permits and franchise fees	13,282			13,282
Fines, forfeitures and penalties	1,130			1,130
Revenue from use of money and property	31,385	8,587	4,705	44,677
Aid from other governmental agencies:				
State	149,027		18,447	167,474
Federal	259,096		8,420	267,516
Other	23,178		5,095	28,273
Charges for current services	54,599		5,927	60,526
Other	31,732	4,746	850	37,328
Total revenues	651,801	13,333	43,444	708,578
Expenditures:				
Current:				
General government	15,821	6,452	11,273	33,546
Public protection	29,068			29,068
Public ways and facilities	119,161			119,161
Health and sanitation	37,953			37,953
Public assistance	318,183			318,183
Education	65,494			65,494
Recreation and cultural	3,388			3,388
Capital outlay	65,268		246,044	311,312
Debt service:				
Principal	16,404	70,855		87,259
Interest	14,873	19,674		34,547
Bond issuance costs		426		426
Payment to refunded bond escrow agent		12,054		12,054
Total expenditures	685,613	109,461	257,317	1,052,391
Excess (deficiency) of revenues over (under) expenditures	(33,812)	(96,128)	(213,873)	(343,813)
Other financing sources (uses):				
Sale of capital assets	5,021			5,021
Issuance and modifications of leases:				
Leases	1,148			1,148
Issuance of bonds, loans and financed purchases:				
Premium on issuance of bonds		2,191		2,191
Refunding bonds issued		31,090		31,090
Payment to refunded bond escrow agent		(32,855)		(32,855)
Transfers in	96,105	83,210	140,900	320,215
Transfers out	(24,117)			(24,117)
Total other financing sources (uses)	78,157	83,636	140,900	302,693
Net change in fund balances	44,345	(12,492)	(72,973)	(41,120)
Fund balances at beginning of year	553,653	31,442	95,984	681,079
Increase (decrease) in nonspendable inventories	696			696
Fund balances at end of year	$ 598,694	18,950	23,011	640,655

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2025
(In Thousands)

	Asset Forfeiture Program Fund	Community Facilities District Funds Other	County Library Fund	County Low and Moderate Income Housing Asset Fund
Revenues:				
Taxes	$	4,849	52,830	
Licenses, permits and franchise fees				
Fines, forfeitures and penalties	916	8		
Revenue from use of money and property	904	421	779	30
Aid from other governmental agencies:				
State			365	
Federal	1,468			
Other			10,701	
Charges for current services			284	
Other			149	9
Total revenues	3,288	5,278	65,108	39
Expenditures:				
Current:				
General government				
Public protection	2,495	2,343		
Public ways and facilities				
Health and sanitation				
Public assistance				14
Education			65,494	
Recreation and cultural		306		
Capital outlay	70		216	
Debt service:				
Principal			646	
Interest			39	
Total expenditures	2,565	2,649	66,395	14
Excess (deficiency) of revenues over (under) expenditures	723	2,629	(1,287)	25
Other financing sources (uses):				
Sale of capital assets	17			
Issuance and modifications of leases:				
Leases			127	
Transfers in			770	
Transfers out	(22)	(493)	(2,003)	
Total other financing sources (uses)	(5)	(493)	(1,106)	
Net change in fund balances	718	2,136	(2,393)	25
Fund balances at beginning of year	16,728	5,805	13,531	4,709
Increase (decrease) in nonspendable inventories	198		(8)	
Fund balances at end of year	$ 17,644	7,941	11,130	4,734

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, 2025
(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	$	20,725		7,253	968	
Licenses, permits and franchise fees						
Fines, forfeitures and penalties					2	
Revenue from use of money and property		2,456	1,677	1,146	111	22
Aid from other governmental agencies:						
State		66		487		
Federal		2	611	88		
Other		65		662		
Charges for current services		22,835		1,007		
Other		2,062		68		
Total revenues		48,211	2,288	10,711	1,081	22
Expenditures:						
Current:						
General government		302	102			
Public protection		10,958		8,620		
Public ways and facilities		1,832			890	
Health and sanitation		29,018				
Public assistance						8
Education						
Recreation and cultural		3,019				
Capital outlay				1,431		
Debt service:						
Principal		69		37		
Interest		83				
Total expenditures		45,281	102	10,088	890	8
Excess (deficiency) of revenues over (under) expenditures		2,930	2,186	623	191	14
Other financing sources (uses):						
Sale of capital assets			5,000			
Issuance and modifications of leases:						
Leases						
Transfers in		9,786		2,531		
Transfers out		(3,917)	(8,331)			
Total other financing sources (uses)		5,869	(3,331)	2,531		
Net change in fund balances		8,799	(1,145)	3,154	191	14
Fund balances at beginning of year		31,807	3,493	30,756	2,020	111
Increase (decrease) in nonspendable inventories		3				
Fund balances at end of year	$	40,609	2,348	33,910	2,211	125

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, 2025
(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	$				1,747
Licenses, permits and franchise fees					
Fines, forfeitures and penalties					
Revenue from use of money and property	1,673	355	2,386	783	292
Aid from other governmental agencies:					
State					8
Federal	252,816				
Other	11,749				1
Charges for current services	4,149	2,574			274
Other	642		1,104	55	
Total revenues	271,029	2,929	3,490	838	2,322
Expenditures:					
Current:					
General government					
Public protection				4,617	
Public ways and facilities					2,052
Health and sanitation			4,283		
Public assistance	267,479	50,682			
Education					
Recreation and cultural					
Capital outlay				34	
Debt service:					
Principal	159	646			19
Interest	5	6			
Total expenditures	267,643	51,334	4,283	4,651	2,071
Excess (deficiency) of revenues over (under) expenditures	3,386	(48,405)	(793)	(3,813)	251
Other financing sources (uses):					
Sale of capital assets					
Issuance and modifications of leases:					
Leases					
Transfers in		48,470	6,850	2,930	
Transfers out				(1,154)	
Total other financing sources (uses)		48,470	6,850	1,776	
Net change in fund balances	3,386	65	6,057	(2,037)	251
Fund balances at beginning of year	11,759	45	38,353	14,965	5,495
Increase (decrease) in nonspendable inventories				29	1
Fund balances at end of year	$ 15,145	110	44,410	12,957	5,747

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, 2025
(In Thousands)

(Continued)	Other Special Revenue Funds	Park Land Dedication Fund	Road Fund	SANCAL Non-Capital Fund	Tobacco Securitization Joint Special Revenue Fund	Total Special Revenue Funds
Revenues:						
Taxes	$					88,372
Licenses, permits and franchise fees		3,600	9,682			13,282
Fines, forfeitures and penalties	204					1,130
Revenue from use of money and property	470	1,862	13,573	916	1,529	31,385
Aid from other governmental agencies:						
State	773		147,328			149,027
Federal			4,111			259,096
Other						23,178
Charges for current services	5,225		18,251			54,599
Other	18		407		27,218	31,732
Total revenues	6,690	5,462	193,352	916	28,747	651,801
Expenditures:						
Current:						
General government				15,203	214	15,821
Public protection	35					29,068
Public ways and facilities			114,387			119,161
Health and sanitation	4,652					37,953
Public assistance						318,183
Education						65,494
Recreation and cultural		63				3,388
Capital outlay			63,517			65,268
Debt service:						
Principal			98		14,730	16,404
Interest			4		14,736	14,873
Total expenditures	4,687	63	178,006	15,203	29,680	685,613
Excess (deficiency) of revenues over (under) expenditures	2,003	5,399	15,346	(14,287)	(933)	(33,812)
Other financing sources (uses):						
Sale of capital assets	3		1			5,021
Issuance and modifications of leases:						
Leases			1,021			1,148
Transfers in			24,768			96,105
Transfers out	(47)	(6,658)	(1,492)			(24,117)
Total other financing sources (uses)	(44)	(6,658)	24,298			78,157
Net change in fund balances	1,959	(1,259)	39,644	(14,287)	(933)	44,345
Fund balances at beginning of year	10,792	34,589	276,944	17,719	34,032	553,653
Increase (decrease) in nonspendable inventories	1		472			696
Fund balances at end of year	$ 12,752	33,330	317,060	3,432	33,099	598,694

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
DEBT SERVICE FUNDS
For the Year Ended June 30, 2025
(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	$ 641	6,812	1,134	8,587
Other	4,727		19	4,746
Total revenues	5,368	6,812	1,153	13,333
Expenditures:				
Current:				
General government		6,408	44	6,452
Debt service:				
Principal	70,855			70,855
Interest	10,572	289	8,813	19,674
Bond issuance costs			426	426
Payment to refunded bond escrow agent			12,054	12,054
Total expenditures	81,427	6,697	21,337	109,461
Excess (deficiency) of revenues over (under) expenditures	(76,059)	115	(20,184)	(96,128)
Other financing sources (uses):				
Issuance of bonds, loans and financed purchases:				
Premium on issuance of bonds			2,191	2,191
Refunding bonds issued			31,090	31,090
Payment to refunded bond escrow agent			(32,855)	(32,855)
Transfers in	75,946		7,264	83,210
Total other financing sources (uses)	75,946		7,690	83,636
Net change in fund balances	(113)	115	(12,494)	(12,492)
Fund balances at beginning of year	1,878	4,714	24,850	31,442
Fund balances at end of year	$ 1,765	4,829	12,356	18,950

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2025
(In Thousands)

	Capital Outlay Fund	SANCAL Fund	Total Capital Projects Funds
Revenues:			
Revenue from use of money and property	$	4,705	4,705
Aid from other governmental agencies:			
State	18,447		18,447
Federal	8,420		8,420
Other	5,095		5,095
Charges for current services	5,927		5,927
Other	850		850
Total revenues	38,739	4,705	43,444
Expenditures:			
Current:			
General government	11,254	19	11,273
Capital outlay	168,385	77,659	246,044
Total expenditures	179,639	77,678	257,317
Excess (deficiency) of revenues over (under) expenditures	(140,900)	(72,973)	(213,873)
Other financing sources (uses):			
Transfers in	140,900		140,900
Total other financing sources (uses)	140,900		140,900
Net change in fund balances		(72,973)	(72,973)
Fund balances at beginning of year		95,984	95,984
Fund balances at end of year	$	23,011	23,011

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ASSET FORFEITURE PROGRAM FUND
For the Year Ended June 30, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Fines, forfeitures and penalties	$			916
Revenue from use of money and property				904
Aid from other governmental agencies:				
Federal				1,468
Total revenues				3,288
Expenditures:				
Current:				
Public protection:				
District attorney asset forfeiture program - federal		1,984	2,234	3
District attorney asset forfeiture program - state		100	350	343
District attorney asset forfeiture program - US Treasury		50	50	
Probation asset forfeiture program		100	100	
Sheriff's asset forfeiture program		3,541	3,316	2,128
Sheriff's asset forfeiture State		1,003	968	11
Sheriff's asset forfeiture US Treasury		2,200	2,170	10
Total public protection		8,978	9,188	2,495
Capital outlay		250	290	70
Total expenditures		9,228	9,478	2,565
Excess (deficiency) of revenues over (under) expenditures		(9,228)	(9,478)	723
Other financing sources (uses):				
Sale of capital assets				17
Transfers out		(100)	(100)	(22)
Total other financing sources (uses)		(100)	(100)	(5)
Net change in fund balances		(9,328)	(9,578)	718
Fund balances at beginning of year		16,728	16,728	16,728
Increase (decrease) in nonspendable inventories			198	198
Fund balances at end of year	$	7,400	7,348	17,644

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY FACILITIES DISTRICT FUNDS - OTHER
For the Year Ended June 30, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	4,328	4,328	4,849
Fines, forfeitures and penalties		4	4	8
Revenue from use of money and property		50	50	421
Other		424	424	
Total revenues		4,806	4,806	5,278
Expenditures:				
Current:				
Public protection:				
Horse Creek Ridge CFD 13-01 Special Tax C		375	394	172
Hillside Meadows Maint CFD17-01		69	69	
SDCFPD CFD 04-01 Special Tax A		5	5	5
SDCFPD EOM CFD 09-01 Special Tax B		2,466	2,466	2,049
Meadowood FCD CFD 19-01 Special Tax B		137	137	
Meadowood Fire CFD 19-01 Special Tax C		102	117	117
Total public protection		3,154	3,188	2,343
Recreation and cultural:				
Horse Creek Ridge CFD 13-01 Interim		579	579	152
Horse Creek Ridge CFD 13-01 Special Tax A		141	141	55
Sweetwater pl maint CFD 19-02 Special Tax		182	183	93
Piper Otay CFD 22-01 Tax A		37	37	6
Total recreation and cultural		939	940	306
Total expenditures		4,093	4,128	2,649
Excess (deficiency) of revenues over (under) expenditures		713	678	2,629
Other financing sources (uses):				
Transfers out		(744)	(744)	(493)
Total other financing sources (uses)		(744)	(744)	(493)
Net change in fund balances		(31)	(66)	2,136
Fund balances at beginning of year		5,805	5,805	5,805
Fund balances at end of year	$	5,774	5,739	7,941

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY LIBRARY FUND
For the Year Ended June 30, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	48,595	48,595	52,830
Revenue from use of money and property		105	105	779
Aid from other governmental agencies:				
State		267	267	365
Other		7,978	7,978	10,701
Charges for current services		238	238	284
Other		294	294	149
Total revenues		57,477	57,477	65,108
Expenditures:				
Current:				
Education:				
County library		67,036	67,292	65,494
Total education		67,036	67,292	65,494
Capital outlay		522	413	216
Debt service:				
Principal		646	646	646
Interest		39	39	39
Total expenditures		68,243	68,390	66,395
Excess (deficiency) of revenues over (under) expenditures		(10,766)	(10,913)	(1,287)
Other financing sources (uses):				
Issuance and modifications of leases:				
Leases		127	127	127
Transfer In		770	785	770
Transfers out		(5,496)	(5,364)	(2,003)
Total other financing sources (uses)		(4,599)	(4,452)	(1,106)
Net change in fund balances		(15,365)	(15,365)	(2,393)
Fund balances at beginning of year		13,523	13,531	13,531
Increase (decrease) in nonspendable inventories			(8)	(8)
Fund balances at end of year	$	(1,842)	(1,842)	11,130

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, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	5	5	30
Other		22	22	9
Total revenues		27	27	39
Expenditures:				
Current:				
Public assistance:				
CSHAF Gillespie housing		25	25	13
CSHAF USDRIP housing		4	4	1
Total public assistance		29	29	14
Total expenditures		29	29	14
Excess (deficiency) of revenues over (under) expenditures		(2)	(2)	25
Net change in fund balances		(2)	(2)	25
Fund balances at beginning of year		4,709	4,709	4,709
Fund balances at end of year	$	4,707	4,707	4,734

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY SERVICE DISTRICT FUNDS
For the Year Ended June 30, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	17,719	17,719	20,725
Revenue from use of money and property		713	711	2,456
Aid from other governmental agencies:				
State		9	9	66
Federal				2
Other		40	40	65
Charges for current services		22,369	22,369	22,835
Other		90	90	2,062
Total revenues		40,940	40,938	48,211
Expenditures:				
Current:				
General government:				
CSA 135 Zone B Del Mar Regional Communication System		43	43	38
CSA 135 Zone F Poway Regional Communication System		221	221	220
CSA 135 Zone H Solana Beach Regional Communication System		40	40	37
CSA 135 Zone K Borrego Springs Regional Communication System		9	9	7
Total general government		313	313	302
Public protection:				
San Diego County Fire Protection District		9,258	9,114	8,803
SDCFPD Mt Laguna		18	18	18
SDCFPD Palomar		73	73	73
SDCFPD Descanso		57	57	57
SDCFPD Dulzura		13	13	13
SDCFPD Tecate		11	11	11
SDCFPD Potrero		16	16	16
SDCFPD Jacumba		18	18	18
SDCFPD Ramona		2,600	2,600	1,337
SDCFPD Rural West		450	450	450
SDCFPD Yuima		52	52	52
SDCFPD Julian		112	112	110
Total public protection	$	12,678	12,534	10,958

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, 2025
(In Thousands)

(Continued)		Original Budget	Final Budget	Actual
Public ways and facilities:				
PRD 6 Pauma Valley	$	238	238	40
PRD 8 Magee RD-PALA		130	130	12
PRD 9 B Santa Fe		248	248	32
PRD 10 Davis Dr		48	48	5
PRD 11 A Bernardo RD		104	104	7
PRD 11 C Bernardo RD		11	11	5
PRD 11 D Bernardo RD		47	47	14
PRD 12 Lomair		140	140	7
PRD 13 A Pala Mesa		530	529	120
PRD 13 B Stewart Canyon		135	135	59
PRD 16 Wynola		163	163	14
PRD 18 Harrison Park		94	94	31
PRD 20 Daily Road		310	310	90
PRD 21 Pauma Heights		816	816	34
PRD 22 W Dougherty St		6	6	2
PRD 23 Rock Terrace RD		24	24	4
PRD 24 MT Whitney RD		97	97	6
PRD 30 Royal Oaks-Carroll		64	64	18
PRD 38 Gay Rio Terrace		81	81	12
PRD 45 Rincon Springs		40	40	8
PRD 46 Rocoso Road		241	241	11
PRD 49 Sunset Knolls Road		73	73	9
PRD 50 Knoll Park Lane		58	58	4
PRD 53 Knoll Park Lane EX		202	202	9
PRD 54 Mt Helix		134	134	6
PRD 55 Rainbow Crest		366	367	15
PRD 60 River Drive		114	114	6
PRD 61 Green Meadow Way		257	257	115
PRD 63 Hillview Road		436	436	317
PRD 70 El Camino Corto		40	40	5
PRD 75 A Gay Rio Drive		108	108	5
PRD 75 B Gay Rio Drive		57	57	5
PRD 76 Kingford Ct		48	48	4
PRD 77 Montiel Truck Trail		222	222	15
PRD 78 Gardena Way		114	114	54
PRD 80 Harris Truck Trail		301	301	27
PRD 88 East Fifth St		47	47	5
PRD 90 South Cordoba	$	64	64	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, 2025
(In Thousands)
(Continued)

		Original Budget	Final Budget	Actual
PRD 94 Roble Grande Road	$	248	248	2
PRD 95 Valle Del Sol		428	428	17
PRD 99 Via Allondra Del Corvo		117	117	3
PRD 101 A Hi Ridge Rd		219	196	12
PRD 101 Johnson Lake		132	132	10
PRD 102 Mtn Meadow		229	228	26
PRD 103 Alto Drive		176	177	5
PRD 104 Artesian Rd		26	26	15
PRD 105 A Alta Loma Dr		109	109	6
PRD 105 Alta Loma Dr		98	98	5
PRD 106 Garrison Way ET AL		98	98	14
PRD 117 Legend Rock		459	459	362
PRD 123 Mizpah Lane		68	68	4
PRD 125 Wrightwood Road		51	51	7
PRD 126 Sandhurst Way		19	19	5
PRD 127 Singing Trails Dr		44	45	6
PRD 130 Wilkes Road		91	91	9
PRD 133 Ranch Creek Road		236	236	9
PRD 134 Kenora Lane		39	39	4
PRD 1005 Eden Valley Lane		115	115	5
PRD 1008 Canter		20	20	4
PRD 1010 Alpine Highlands		150	150	11
PRD 1011 La Cuesta		110	110	5
PRD 1012 Millar		98	98	15
PRD 1013 Singing Trails		83	83	6
PRD 1014 Lavender Pt Lane		36	36	4
PRD 1015 Landavo Drive ET AL		94	94	6
PRD 1016 El Sereno Way		113	112	108
PRD 1017 Kalbaugh-Haley-Toub St		62	62	12
Total public ways and facilities		9,976	9,953	1,832
Health and sanitation:				
CSA 17 San Dieguito Ambulance		8,270	8,410	7,753
CSA 69 Heartland Paramedics		382	622	8
PRD 122 Otay Mesa East		7	7	
PRD 136 Sundance Detention Basin		25	25	15
SDCFPD Ambulance Service Area		23,097	23,096	21,242
Total health and sanitation	$	31,781	32,160	29,018

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, 2025
(In Thousands)

(Continued)		Original Budget	Final Budget	Actual
Recreation and cultural:				
CSA 26 LMD Zone 2 Julian	$	51	51	36
CSA 26 Rancho San Diego		241	321	240
CSA 26 San Diego landscape maintenance		139	139	136
CSA 81 Fallbrook Park		277	374	355
CSA 83 San Dieguito Local Park		854	854	377
CSA 83A 4S Ranch Park		662	662	590
CSA 128 San Miguel Park		684	684	637
CSA 138 Valley Center Park		245	285	262
PRD 26 A Cottonwood Village		494	494	222
PRD 26 B Monte Vista		291	291	164
Total recreation and cultural		3,938	4,155	3,019
Capital outlay			32	
Debt service:				
Principal		31	120	69
Interest		6	83	83
Total expenditures		58,723	59,350	45,281
Excess (deficiency) of revenues over (under) expenditures		(17,783)	(18,412)	2,930
Other financing sources (uses):				
Transfer In		9,426	9,806	9,786
Transfers out		(6,517)	(8,348)	(3,917)
Total other financing sources (uses)		2,909	1,458	5,869
Net change in fund balances		(14,874)	(16,954)	8,799
Fund balances at beginning of year		31,810	31,807	31,807
Increase (decrease) in nonspendable inventories			3	3
Fund balances at end of year	$	16,936	14,856	40,609

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EDGEMOOR DEVELOPMENT FUND
For the Year Ended June 30, 2025
(In Thousands)

	Original Budget	Final Budget	Actual
Revenues:			
Revenue from use of money and property	$ 423	422	1,677
Aid from other governmental agencies:			
Federal	691	691	611
Total revenues	1,114	1,113	2,288
Expenditures:			
Current:			
General government:			
Edgemoor development fund	266	265	102
Total general government	266	265	102
Total expenditures	266	265	102
Excess (deficiency) of revenues over (under) expenditures	848	848	2,186
Other financing sources (uses):			
Sale of capital assets	7,493	7,493	5,000
Transfers out	(8,341)	(8,341)	(8,331)
Total other financing sources (uses)	(848)	(848)	(3,331)
Net change in fund balances			(1,145)
Fund balances at beginning of year	3,493	3,493	3,493
Fund balances at end of year	$ 3,493	3,493	2,348

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FLOOD CONTROL DISTRICT FUND
For the Year Ended June 30, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	6,184	6,184	7,253
Revenue from use of money and property		113	113	1,146
Aid from other governmental agencies:				
State			642	487
Federal				88
Other		160	160	662
Charges for current services		277	274	1,007
Other				68
Total revenues		6,734	7,373	10,711
Expenditures:				
Current:				
Public protection:				
Flood control district		12,250	13,641	8,515
Stormwater maintenance, Blackwolf		13	13	9
Stormwater maintenance, Lake Rancho Viejo		193	191	93
Stormwater maintenance, Ponderosa Estates		13	13	3
Total public protection		12,469	13,858	8,620
Capital outlay		1,431	1,431	1,431
Debt service:				
Principal		37	37	37
Total expenditures		13,937	15,326	10,088
Excess (deficiency) of revenues over (under) expenditures		(7,203)	(7,953)	623
Other financing sources (uses):				
Transfer In		1,090	1,840	2,531
Total other financing sources (uses)		1,090	1,840	2,531
Net change in fund balances		(6,113)	(6,113)	3,154
Fund balances at beginning of year		30,756	30,756	30,756
Fund balances at end of year	$	24,643	24,643	33,910

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HARMONY GROVE COMMUNITY FACILITIES DISTRICT FUND
For the Year Ended June 30, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	981	981	968
Fines, forfeitures and penalties				2
Revenue from use of money and property		21	21	111
Total revenues		1,002	1,002	1,081
Expenditures:				
Current:				
Public protection:				
Harmony Grove CFD 08-01 flood control spec tax B		390	390	
Total public protection		390	390	
Public ways and facilities:				
Harmony Grove CFD 08-01 oth svcs spec tax B		415	532	402
Harmony Grove CFD 08-01 fire protection		514	514	488
Total public ways and facilities		929	1,046	890
Total expenditures		1,319	1,436	890
Excess (deficiency) of revenues over (under) expenditures		(317)	(434)	191
Net change in fund balances		(317)	(434)	191
Fund balance at beginning of year		2,020	2,020	2,020
Fund balances at end of year	$	1,703	1,586	2,211

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, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	15	15	22
Aid from other governmental agencies:				
Other		11	11	
Total revenues		26	26	22
Expenditures:				
Current:				
Public assistance:				
Other assistance - other budgetary entity		26	26	8
Total public assistance		26	26	8
Total expenditures		26	26	8
Excess (deficiency) of revenues over (under) expenditures				14
Net change in fund balances				14
Fund balances at beginning of year		111	111	111
Fund balances at end of year	$	111	111	125

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOUSING AUTHORITY - OTHER FUND
For the Year Ended June 30, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	1,326	1,439	1,673
Aid from other governmental agencies:				
Federal		263,250	263,406	252,816
Other		13,746	13,746	11,749
Charges for current services		7,030	6,336	4,149
Other		2,553	2,853	642
Total revenues		287,905	287,780	271,029
Expenditures:				
Current:				
Public assistance:				
Other assistance - other budgetary entity		288,572	288,447	267,479
Total public assistance		288,572	288,447	267,479
Debt service:				
Principal		159	159	159
Interest		5	5	5
Total expenditures		288,736	288,611	267,643
Excess (deficiency) of revenues over (under) expenditures		(831)	(831)	3,386
Net change in fund balances		(831)	(831)	3,386
Fund balances at beginning of year		11,759	11,759	11,759
Fund balances at end of year	$	10,928	10,928	15,145

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, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$			355
Aid from other governmental agencies:				
Charges for current services		2,053	2,053	2,574
Total revenues		2,053	2,053	2,929
Expenditures:				
Current:				
Public assistance:				
IHSS public authority		50,252	50,852	50,682
Total public assistance		50,252	50,852	50,682
Debt service:				
Principal		646	646	646
Interest		6	6	6
Total expenditures		50,904	51,504	51,334
Excess (deficiency) of revenues over (under) expenditures		(48,851)	(49,451)	(48,405)
Other financing sources (uses):				
Transfer In		48,870	49,470	48,470
Total other financing sources (uses)		48,870	49,470	48,470
Net change in fund balances		19	19	65
Fund balances at beginning of year		45	45	45
Fund balances at end of year	$	64	64	110

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INACTIVE WASTESITES FUND
For the Year Ended June 30, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	6	6	2,386
Aid from other governmental agencies:				
Other		2,880	2,880	1,104
Total revenues		2,886	2,886	3,490
Expenditures:				
Current:				
Health and sanitation:				
Duck pond landfill cleanup		15	15	
Inactive waste site management		2,844	9,694	4,283
Total health and sanitation		2,859	9,709	4,283
Total expenditures		2,859	9,709	4,283
Excess (deficiency) of revenues over (under) expenditures		27	(6,823)	(793)
Other financing sources (uses):				
Transfer In			6,850	6,850
Transfers out		(35)	(35)	
Total other financing sources (uses)		(35)	6,815	6,850
Net change in fund balances		(8)	(8)	6,057
Fund balances at beginning of year		38,353	38,353	38,353
Fund balances at end of year	$	38,345	38,345	44,410

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, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$	400	400	783
Aid from other governmental agencies:				
Other		40	40	55
Total revenues		440	440	838
Expenditures:				
Current:				
Public protection:				
Probation ward welfare		2	2	
Sheriff's incarcerated persons welfare		6,611	6,576	4,617
Total public protection		6,613	6,578	4,617
Capital outlay			34	34
Total expenditures		6,613	6,612	4,651
Excess (deficiency) of revenues over (under) expenditures		(6,173)	(6,172)	(3,813)
Other financing sources (uses):				
Transfer In		3,500	3,500	2,930
Transfers out		(1,561)	(1,561)	(1,154)
Total other financing sources (uses)		1,939	1,939	1,776
Net change in fund balances		(4,234)	(4,233)	(2,037)
Fund balances at beginning of year		14,965	14,965	14,965
Increase (decrease) in nonspendable inventories			29	29
Fund balances at end of year	$	10,731	10,761	12,957

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LIGHTING MAINTENANCE DISTRICT FUND
For the Year Ended June 30, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Taxes	$	1,666	1,666	1,747
Revenue from use of money and property		46	46	292
Aid from other governmental agencies:				
State		8	8	8
Other		1	1	1
Charges for current services		301	301	274
Total revenues		2,022	2,022	2,322
Expenditures:				
Current:				
Public ways and facilities:				
San Diego lighting maintenance		3,705	3,705	2,052
Total public ways and facilities		3,705	3,705	2,052
Debt service:				
Principal		19	19	19
Total expenditures		3,724	3,724	2,071
Excess (deficiency) of revenues over (under) expenditures		(1,702)	(1,702)	251
Net change in fund balances		(1,702)	(1,702)	251
Fund balances at beginning of year		5,495	5,495	5,495
Increase (decrease) in nonspendable inventories			1	1
Fund balances at end of year	$	3,793	3,794	5,747

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OTHER SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Fines, forfeitures and penalties	$	46	46	204
Revenue from use of money and property		200	200	470
Aid from other governmental agencies:				
State		255	255	773
Federal		50	50	
Charges for current services		5,244	5,244	5,225
Other				18
Total revenues		5,795	5,795	6,690
Expenditures:				
Current:				
Public protection:				
Agriculture, weights and measures - fish and game		46	46	33
Public works, survey		175	175	2
Total public protection		221	221	35
Public ways and facilities:				
Public works, special aviation			40	
Total public ways and facilities			40	
Health and sanitation:				
Sanitation - waste planning and recycling		7,603	7,603	4,652
Total health and sanitation		7,603	7,603	4,652
Total expenditures		7,824	7,824	4,687
Excess (deficiency) of revenues over (under) expenditures		(2,029)	(2,029)	2,003
Other financing sources (uses):				
Sale of capital assets				3
Transfers out		(95)	(55)	(47)
Total other financing sources (uses)		(95)	(55)	(44)
Net change in fund balances		(2,124)	(2,084)	1,959
Fund balances at beginning of year		10,792	10,792	10,792
Increase (decrease) in nonspendable inventories			1	1
Fund balances at end of year	$	8,668	8,709	12,752

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARK LAND DEDICATION FUND
For the Year Ended June 30, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Licenses, permits and franchise fees	$	2,500	2,500	3,600
Revenue from use of money and property		300	300	1,862
Total revenues		2,800	2,800	5,462
Expenditures:				
Current:				
Recreation and cultural:				
PLD administrative fee		751	751	56
Local Park Planning Area 4 Lincoln Acres		2,014	2,014	
Local Park Planning Area 15 Sweetwater		2	2	
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		4	4	
Local Park Planning Area 28 Ramona		244	244	2
Local Park Planning Area 29 Escondido		1	1	
Local Park Planning Area 30 San Marcos		2	2	
Local Park Planning Area 31 San Dieguito		2	2	
Local Park Planning Area 32 Carlsbad		2	2	
Local Park Planning Area 35 Fallbrook		11	11	
Local Park Planning Area 36 Bonsall		4	4	
Local Park Planning Area 37 Vista		1	1	
Local Park Planning Area 38 Valley Center		40	40	2
Local Park Planning Area 39 Pauma		1	1	
Local Park Planning Area 40 Palomar-Julian		332	482	3
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		3,421	3,571	63
Total expenditures		3,421	3,571	63
Excess (deficiency) of revenues over (under) expenditures		(621)	(771)	5,399
Other financing sources (uses):				
Transfers out		(13,512)	(13,937)	(6,658)
Total other financing sources (uses)		(13,512)	(13,937)	(6,658)
Net change in fund balances		(14,133)	(14,708)	(1,259)
Fund balances at beginning of year		34,589	34,589	34,589
Fund balances at end of year	$	20,456	19,881	33,330

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD FUND
For the Year Ended June 30, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Licenses, permits and franchise fees	$	10,000	10,000	9,682
Revenue from use of money and property		2,068	2,068	13,573
Aid from other governmental agencies:				
State		184,837	187,337	147,328
Federal		20,074	20,074	4,111
Other			371	
Charges for current services		18,639	19,215	18,251
Other		270	269	407
Total revenues		235,888	239,334	193,352
Expenditures:				
Current:				
Public ways and facilities:				
Public works, road		350,722	381,557	114,387
Total public ways and facilities		350,722	381,557	114,387
Capital outlay		63,167	65,821	63,517
Debt Service:				
Principal		98	98	98
Interest		4	4	4
Total expenditures		413,991	447,480	178,006
Excess (deficiency) of revenues over (under) expenditures		(178,103)	(208,146)	15,346
Other financing sources (uses):				
Sale of capital assets				1
Issuance and modifications of leases:				
Leases		1,021	1,021	1,021
Transfer In		23,001	28,697	24,768
Transfers out		(1,475)	(1,475)	(1,492)
Total other financing sources (uses)		22,547	28,243	24,298
Net change in fund balances		(155,556)	(179,903)	39,644
Fund Balances at the beginning of year		276,944	276,944	276,944
Increase (decrease) in nonspendable inventories			472	472
Fund balances at end of year	$	121,388	97,513	317,060

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SANCAL NON-CAPITAL FUND
For the Year Ended June 30, 2025
(In Thousands)

		Original Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	$			916
Total revenues				916
Expenditures:				
Current:				
General Government:				
County public health lab		15,203	15,203	15,203
Total General Government		15,203	15,203	15,203
Total expenditures		15,203	15,203	15,203
Excess (deficiency) of revenues over (under) expenditures		(15,203)	(15,203)	(14,287)
Net change in fund balances		(15,203)	(15,203)	(14,287)
Fund Balances at the beginning of year		17,719	17,719	17,719
Fund balances at end of year	$	2,516	2,516	3,432

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, 2025
(In Thousands)

	Jail Stores Commissary Fund	San Diego County Sanitation District Fund	Sanitation District - Other Fund	Total Enterprise Funds
ASSETS				
Current assets:				
Pooled cash and investments	$ 1,512	88,887	7,549	97,948
Receivables, net	473	1,525	155	2,153
Due from other funds			929	929
Inventories	285		1	286
Total current assets	2,270	90,412	8,634	101,316
Noncurrent assets:				
Capital assets:				
Land		1,069	171	1,240
Construction in progress		6,378		6,378
Buildings and improvements		18,616	721	19,337
Equipment	97	3,731	693	4,521
Sewer infrastructure		120,769	2,798	123,567
Subscription Assets		342		342
Accumulated depreciation/amortization	(97)	(70,442)	(1,030)	(71,569)
Total noncurrent assets		80,463	3,353	83,816
Total assets	2,270	170,875	11,987	185,132
DEFERRED OUTFLOWS OF RESOURCES				
Pension:				
Contributions to the pension plan subsequent to the measurement date			1,659	1,659
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions			51	51
Changes of assumptions or other inputs			842	842
Difference between expected and actual experience in the total pension liability			971	971
OPEB:				
Contributions to OPEB subsequent to the measurement date			48	48
Total deferred outflows of resources	$		3,571	3,571

Continued on next page

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2025
(In Thousands)

(Continued)	Jail Stores Commissary Fund	San Diego County Sanitation District Fund	Sanitation District - Other Fund	Total Enterprise Funds
LIABILITIES				
Current liabilities:				
Accounts payable	$ 387	392	18	797
Accrued payroll			238	238
Due to other funds	1,434	972	299	2,705
Subscription payable		95		95
Compensated absences			374	374
Total current liabilities	1,821	1,459	929	4,209
Noncurrent liabilities:				
Compensated absences			562	562
Net pension liability			9,974	9,974
Net OPEB liability			57	57
Total noncurrent liabilities			10,593	10,593
Total liabilities	1,821	1,459	11,522	14,802
DEFERRED INFLOWS OF RESOURCES				
Pension:				
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions			6	6
Differences between expected and actual experience in the total pension liability			132	132
Net difference between projected and actual earnings on pension plan investments			594	594
OPEB:				
Net difference between projected and actual earnings on OPEB investments			8	8
Total deferred inflows of resources			740	740
NET POSITION				
Net investment in capital assets		80,272	3,348	83,620
Unrestricted net position	449	89,144	(52)	89,541
Total net position	$ 449	169,416	3,296	173,161

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2025
(In Thousands)

	Jail Stores Commissary Fund	San Diego County Sanitation District Fund	Sanitation District - Other Fund	Total Enterprise Funds
Operating revenues:				
Charges for current services	$ 7,919	32,976	10,344	51,239
Total operating revenues	7,919	32,976	10,344	51,239
Operating expenses:				
Salaries and employee benefits			7,201	7,201
Repairs and maintenance	16	6,010	641	6,667
Equipment rental	5		547	552
Sewage processing		21,036		21,036
Contracted services	367		1,291	1,658
Depreciation		2,901	102	3,003
Amortization		70		70
Utilities			148	148
Cost of material	3,409			3,409
Fuel	4			4
Other	147	2,597	888	3,632
Total operating expenses	3,948	32,614	10,818	47,380
Operating income (loss)	3,971	362	(474)	3,859
Nonoperating revenues (expenses):				
Investment earnings	42	3,922	585	4,549
Total nonoperating revenues (expenses)	42	3,922	585	4,549
Income (loss) before capital contributions and transfers	4,013	4,284	111	8,408
Capital contributions		89	19	108
Transfers in		12,767	232	12,999
Transfers out	(3,839)		(158)	(3,997)
Change in net position	174	17,140	204	17,518
Net position (deficits) at beginning of year	275	152,276	3,702	156,253
Restatements			(610)	(610)
Net position (deficits) at beginning of year, as restated	275	152,276	3,092	155,643
Net position (deficits) at end of year	$ 449	169,416	3,296	173,161

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2025
(In Thousands)

	Jail Stores Commissary Fund	San Diego County Sanitation District Fund	Sanitation District - Other Funds	Total Enterprise Funds
Cash flows from operating activities:				
Cash received from customers	$ 8,340	33,043	432	41,815
Cash received from other funds	166	23	9,317	9,506
Cash payments to suppliers	(3,873)	(30,103)	(1,944)	(35,920)
Cash payments to employees			(7,226)	(7,226)
Cash payments to other funds	(407)		(1,885)	(2,292)
Other payments	(3)			(3)
Net cash provided (used) by operating activities	4,223	2,963	(1,306)	5,880
Cash flows from noncapital financing activities:				
Transfers from other funds		12,767	232	12,999
Transfers to other funds	(3,839)		(158)	(3,997)
Net cash provided (used) by noncapital financing activities	(3,839)	12,767	74	9,002
Cash flows from capital and related financing activities:				
Acquisition of capital assets		(3,600)	(328)	(3,928)
Principal paid on subscription		(88)		(88)
Net cash provided (used) by capital and related financing activities		(3,688)	(328)	(4,016)
Cash flows from investing activities:				
Investment earnings	42	3,714	581	4,337
Net increase (decrease) in cash and cash equivalents	426	15,756	(979)	15,203
Cash and cash equivalents - beginning of year	1,086	73,131	8,528	82,745
Cash and cash equivalents - end of year	1,512	88,887	7,549	97,948
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	3,971	362	(474)	3,859
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Decrease (increase) in accounts receivable	421	67	(5)	483
Decrease (increase) in due from other funds	166	23	(590)	(401)
Decrease (increase) in inventory	26			26
Increase (decrease) in accounts payable	21	(1,055)	(301)	(1,335)
Increase (decrease) in accrued payroll			4	4
Increase (decrease) in due to other funds	(382)	595	(17)	196
Increase (decrease) in compensated absences			3	3
Pension expense			41	41
OPEB expense			(69)	(69)
Depreciation / amortization		2,971	102	3,073
Total adjustments	252	2,601	(832)	2,021
Net cash provided (used) by operating activities	4,223	2,963	(1,306)	5,880
Non-cash investing and capital financing activities:				
Capital acquisitions included in accounts payable		96	5	101
Governmental contributions of capital assets	$	89	19	108

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.

Insurance Fund

This fund was established to account for the County's insurance activities. This fund supports insurance premiums for Mexican Auto, Government Crime Bonds, Property, U.S. Custom Bonds, Cyber Liability, Aircraft, and Airport.

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, 2025
(In Thousands)

	Employee Benefits Fund	Facilities Management Fund	Fleet Services Fund	Information Technology Fund	Insurance Fund
ASSETS					
Current assets:					
Pooled cash and investments	$ 239,849	22,311	48,002	38,539	9,548
Receivables, net	3,340	645	770	21	111
Lease receivables		358			
Due from other funds	2,219	17,088	14,402	18,341	2,167
Inventories		622	1,369		
Total current assets	245,408	41,024	64,543	56,901	11,826
Noncurrent assets:					
Lease receivables		1,860			
Due from other funds					
Capital assets:					
Buildings and improvements			2,963		
Equipment		6,577	176,861		
Software		448	213		
Accumulated depreciation/amortization		(4,353)	(101,839)		
Total noncurrent assets		4,532	78,198		
Total assets	245,408	45,556	142,741	56,901	11,826
DEFERRED OUTFLOW OF RESOURCES					
Pension:					
Contributions to the pension plan subsequent to the measurement date		12,917	2,355		
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions		402	72		
Changes of assumptions or other inputs		6,566	1,463		
Difference between expected and actual experience in the total pension liability		7,303	1,250		
OPEB:					
Contributions to OPEB subsequent to the measurement date		357	65		
Total deferred outflow of resources	$	27,545	5,205		

Continued on next page

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2025
(In Thousands)

(Continued)	Employee Benefits Fund	Facilities Management Fund	Fleet Services Fund	Information Technology Fund	Insurance Fund
LIABILITIES					
Current liabilities:					
Accounts payable	$ 8,272	17,555	6,744	48,897	9,856
Accrued payroll		1,974	349		
Due to other funds	1,543	5,149	1,715	1,356	309
Unearned revenue		558	1		
Loans payable		33			
Compensated absences		3,656	632		
Claims and judgments	29,961				
Total current liabilities	39,776	28,925	9,441	50,253	10,165
Noncurrent liabilities:					
Loans payable		57			
Compensated absences		5,629	969		
Claims and judgments	196,435				
Net pension liability		72,212	14,292		
Net OPEB liability		116	66		
Total noncurrent liabilities	196,435	78,014	15,327		
Total liabilities	236,211	106,939	24,768	50,253	10,165
DEFERRED INFLOWS OF RESOURCES					
Leases		2,156			
Pension:					
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions		53	13		
Differences between expected and actual experience in the total pension liability		964	275		
Net difference between projected and actual earnings on pension plan investments		3,792			
OPEB:					
Net difference between projected and actual earnings on OPEB investments		75	13		
Total deferred inflows of resources		7,040	301		
NET POSITION					
Net investment in capital assets		2,672	74,532		
Unrestricted net position	9,197	(43,550)	48,345	6,648	1,661
Total net position (deficits)	$ 9,197	(40,878)	122,877	6,648	1,661

Continued on next page

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2025
(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	$ 103,571	7,605	29,162	344	498,931
Receivables, net	1,477	122	400		6,886
Lease receivables					358
Due from other funds		1,269	838	51	56,375
Inventories		5			1,996
Total current assets	105,048	9,001	30,400	395	564,546
Noncurrent assets:					
Lease receivables					1,860
Due from other funds				106	106
Capital assets:					
Buildings and improvements					2,963
Equipment			53,246		236,684
Software		4,953	14		5,628
Accumulated depreciation/amortization		(3,960)	(32,784)		(142,936)
Total noncurrent assets		993	20,476	106	104,305
Total assets	105,048	9,994	50,876	501	668,851
DEFERRED OUTFLOW OF RESOURCES					
Pension:					
Contributions to the pension plan subsequent to the measurement date		3,149			18,421
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions		83			557
Changes of assumptions or other inputs		1,570			9,599
Difference between expected and actual experience in the total pension liability		1,777			10,330
OPEB:					
Contributions to OPEB subsequent to the measurement date		86			508
Total deferred outflow of resources	$	6,665			39,415

Continued on next page

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2025
(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	$ 3,470	87	129		95,010
Accrued payroll		421			2,744
Due to other funds	4,848	812	476		16,208
Unearned revenue					559
Loans payable					33
Compensated absences		1,009			5,297
Claims and judgments	33,393				63,354
Total current liabilities	41,711	2,329	605		183,205
Noncurrent liabilities:					
Loans payable					57
Compensated absences		1,565			8,163
Claims and judgments	72,337				268,772
Net pension liability		16,571			103,075
Net OPEB liability		8			190
Total noncurrent liabilities	72,337	18,144			380,257
Total liabilities	114,048	20,473	605		563,462
DEFERRED INFLOWS OF RESOURCES					
Leases					2,156
Pension:					
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions		13			79
Differences between expected and actual experience in the total pension liability		254			1,493
Net difference between projected and actual earnings on pension plan investments		753			4,545
OPEB:					
Net difference between projected and actual earnings on OPEB investments		17			105
Total deferred inflows of resources		1,037			8,378
NET POSITION					
Net investment in capital assets		993	20,476		98,673
Unrestricted net position	(9,000)	(5,844)	29,795	501	37,753
Total net position (deficits)	$ (9,000)	(4,851)	50,271	501	136,426

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2025
(In Thousands)

	Employee Benefits Fund	Facilities Management Fund	Fleet Services Fund	Information Technology Fund	Insurance Fund
Operating revenues:					
Charges for current services	$ 54,210	235,254	57,512	198,921	12,239
Other	25	2,056	329		81
Total operating revenues	54,235	237,310	57,841	198,921	12,320
Operating expenses:					
Salaries and employee benefits		56,458	9,701		
Repairs and maintenance		57,587	15,271		
Equipment rental			6		
Contracted services	19,854	75,385	2,792	207,618	10,875
Depreciation		202	15,318	268	
Utilities		38,348	613		
Cost of material		5,718	205		
Claims and judgments	57,881				
Fuel		458	11,062		
Other		10,794	2,486		
Total operating expenses	77,735	244,950	57,454	207,886	10,875
Operating income (loss)	(23,500)	(7,640)	387	(8,965)	1,445
Nonoperating revenues (expenses):					
Grants		5,966			
Investment earnings	12,220	257	2,451		216
Gain (loss) on disposal of assets		8	1,166		
Total nonoperating revenues (expenses)	12,220	6,231	3,617		216
Income (loss) before capital contributions and transfers	(11,280)	(1,409)	4,004	(8,965)	1,661
Capital contributions			18,162		
Transfers in	70	3,954	439	8,393	
Transfers out		(2,283)	(219)		
Change in net position	(11,210)	262	22,386	(572)	1,661
Net position (deficits) at beginning of year	20,407	(35,710)	101,641	7,220	
Restatements		(5,430)	(1,150)		
Net position (deficits) at beginning of year, as restated	20,407	(41,140)	100,491	7,220	
Net position (deficits) at end of year	$ 9,197	(40,878)	122,877	6,648	1,661

Continued on next page

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2025
(In Thousands)

(Continued)	Public Liability Insurance Fund	Purchasing Fund	Road and Communication Equipment Fund	Special District Loans Fund	Total Internal Service Funds
Operating revenues:					
Charges for current services	$ 70,132	16,134	10,254		654,656
Other	111	763			3,365
Total operating revenues	70,243	16,897	10,254		658,021
Operating expenses:					
Salaries and employee benefits		12,756			78,915
Repairs and maintenance		238	4,379		77,475
Equipment rental		6			12
Contracted services	40,679	3,402	647		361,252
Depreciation		928	3,939		20,655
Utilities		98			39,059
Cost of material			1		5,924
Claims and judgments	41,038				98,919
Fuel			1,475		12,995
Other		2,490			15,770
Total operating expenses	81,717	19,918	10,441		710,976
Operating income (loss)	(11,474)	(3,021)	(187)		(52,955)
Nonoperating revenues (expenses):					
Grants					5,966
Investment earnings	5,261	449	1,524	4	22,382
Gain (loss) on disposal of assets			291		1,465
Total nonoperating revenues (expenses)	5,261	449	1,815	4	29,813
Income (loss) before capital contributions and transfers	(6,213)	(2,572)	1,628	4	(23,142)
Capital contributions					18,162
Transfers in					12,856
Transfers out		(296)			(2,798)
Change in net position	(6,213)	(2,868)	1,628	4	5,078
Net position (deficits) at beginning of year	(2,787)	(689)	48,643	497	139,222
Restatements		(1,294)			(7,874)
Net position (deficits) at beginning of year, as restated	(2,787)	(1,983)	48,643	497	131,348
Net position (deficits) at end of year	$ (9,000)	(4,851)	50,271	501	136,426

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2025
(In Thousands)

	Employee Benefits Fund	Facilities Management Fund	Fleet Services Fund	Information Technology Fund	Insurance Fund
Cash flows from operating activities:					
Cash received from customers	$ 164	8,968	1,560	2,435	81
Cash received from other funds	53,752	223,627	46,357	195,019	10,381
Cash payments to suppliers	(4,130)	(177,951)	(29,697)	(207,190)	(1,019)
Cash payments to employees		(55,882)	(9,596)		
Cash payments to other funds	(15,053)	(8,536)	(3,987)	1,164	
Cash paid for claims and judgments	(34,885)				
Other payments	(3)	(319)	(123)		
Net cash provided (used) by operating activities	(155)	(10,093)	4,514	(8,572)	9,443
Cash flows from noncapital financing activities:					
Operating grants		5,997			
Transfers from other funds	70	3,954	439	8,393	
Transfer to other funds		(2,283)	(219)		
Principal paid on long-term debt		(178)			
Other noncapital increases					
Net cash provided (used) by noncapital financing activities	70	7,490	220	8,393	
Cash flows from capital and related financing activities:					
Capital contributions			15,869		
Acquisition of capital assets			(27,928)		
Lease payments received		1,376			
Proceeds from sale of assets		8	1,479		
Net cash provided (used) by capital and related financing activities		1,384	(10,580)		
Cash flows from investing activities:					
Investment earnings	11,667	258	2,514		105
Net increase (decrease) in cash and cash equivalents	11,582	(961)	(3,332)	(179)	9,548
Cash and cash equivalents - beginning of year	228,267	23,272	51,334	38,718	
Cash and cash equivalents - end of year	$ 239,849	22,311	48,002	38,539	9,548

Continued on next page

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2025
(In Thousands)

(Continued)	Employee Benefits Fund	Facilities Management Fund	Fleet Services Fund	Information Technology Fund	Insurance Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$ (23,500)	(7,640)	387	(8,965)	1,445
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Decrease (increase) in accounts receivable		(1,338)	25	7	
Decrease (increase) in due from other funds	(319)	(3,028)	(9,950)	(1,474)	(1,858)
Decrease (increase) in inventory		230	159		
Increase (decrease) in accounts payable	894	(2,102)	(2,587)	341	9,856
Increase (decrease) in accrued payroll		241	75		
Increase (decrease) in due to other funds	(226)	3,285	1,056	1,251	
Increase (decrease) in unearned revenue		(349)	1		
Increase (decrease) in compensated absences		634	62		
Increase (decrease) in claims and judgments	22,996				
Pension expense		323	65		
OPEB expense		(551)	(97)		
Depreciation / amortization		202	15,318	268	
Total adjustments	23,345	(2,453)	4,127	393	7,998
Net cash provided (used) by operating activities	(155)	(10,093)	4,514	(8,572)	9,443
Non-cash investing and capital financing activities:					
Capital acquisitions included in accounts payable			3,666		
Governmental contributions capital assets	$		2,293		

Continued on next page

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2025
(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	$ 109	787			14,104
Cash received from other funds	70,132	16,685	10,305	33	626,291
Cash payments to suppliers	(22,048)	(592)	(900)		(443,527)
Cash payments to employees		(12,587)			(78,065)
Cash payments to other funds	(15,078)	(5,547)	(6,412)		(53,449)
Cash paid for claims and judgments	(42,048)				(76,933)
Other payments	(3)	(4)			(452)
Net cash provided (used) by operating activities	(8,936)	(1,258)	2,993	33	(12,031)
Cash flows from noncapital financing activities:					
Operating grants					5,997
Transfers from other funds					12,856
Transfer to other funds		(296)			(2,798)
Principal paid on long-term debt					(178)
Other noncapital increases				51	51
Net cash provided (used) by noncapital financing activities		(296)		51	15,928
Cash flows from capital and related financing activities:					
Capital contributions					15,869
Acquisition of capital assets		(3)	(5,893)		(33,824)
Lease payments received					1,376
Proceeds from sale of assets			406		1,893
Net cash provided (used) by capital and related financing activities		(3)	(5,487)		(14,686)
Cash flows from investing activities:					
Investment earnings	5,088	425	1,489	4	21,550
Net increase (decrease) in cash and cash equivalents	(3,848)	(1,132)	(1,005)	88	10,761
Cash and cash equivalents - beginning of year	107,419	8,737	30,167	256	488,170
Cash and cash equivalents - end of year	$ 103,571	7,605	29,162	344	498,931

Continued on next page

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2025
(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)	$ (11,474)	(3,021)	(187)		(52,955)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Decrease (increase) in accounts receivable	(2)				(1,308)
Decrease (increase) in due from other funds		575	51	33	(15,970)
Decrease (increase) in inventory		1			390
Increase (decrease) in accounts payable	1,740	(64)	(819)		7,259
Increase (decrease) in accrued payroll		30			346
Increase (decrease) in due to other funds	1,810	137	9		7,322
Increase (decrease) in unearned revenue					(348)
Increase (decrease) in compensated absences		207			903
Increase (decrease) in claims and judgments	(1,010)				21,986
Pension expense		79			467
OPEB expense		(130)			(778)
Depreciation / amortization		928	3,939		20,655
Total adjustments	2,538	1,763	3,180	33	40,924
Net cash provided (used) by operating activities	(8,936)	(1,258)	2,993	33	(12,031)
Non-cash investing and capital financing activities:					
Capital acquisitions included in accounts payable					3,666
Governmental contributions capital assets	$				2,293

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 POST EMPLOYMENT BENEFITS
For the Year Ended June 30, 2025
(In Thousands)

		San Diego County Employees Retirement Association Pension Trust Fund	San Diego County Employees Retirement Association Other Postemployment Benefits Trust Fund	Total San Diego County Employees Retirement Association Pension (and Other Postemployment Benefits) Trust Fund
ASSETS				
Pooled cash and investments	$	1,219		1,219
Cash with fiscal agents		3,095,853	13,205	3,109,058
Securities lending cash collateral		231,829	989	232,818
Receivables:				
Contributions		12,530		12,530
Accrued interest and dividends		58,293	249	58,542
Settlement of investments sold		1,376,151	5,921	1,382,072
Investments at fair value:				
Domestic equity securities		3,726,645	15,889	3,742,534
International equity securities		941,634	4,015	945,649
Fixed income securities		9,751,679	41,578	9,793,257
Cash and securities for swaps		136,413	582	136,995
Private debt		218,049	930	218,979
Private equity		350,737	1,495	352,232
Private real assets		219,978	938	220,916
Real estate		1,566,696	6,680	1,573,376
Capital assets, net		1,705	7	1,712
Total assets		21,689,411	92,478	21,781,889
LIABILITIES				
Collateral payable for securities lending		231,829	989	232,818
Settlement of investments purchased		1,761,739	7,512	1,769,251
Professional services		11,988	51	12,039
Death benefits		2,117		2,117
Retirement and health benefits		1,820		1,820
Refunds to members		1,484		1,484
County advance contribution		269	1	270
Other liabilities		16,258	93	16,351
Total liabilities		2,027,504	8,646	2,036,150
NET POSITION				
Restricted for:				
Pension		19,661,907		19,661,907
OPEB			83,832	83,832
Total net position	$	19,661,907	83,832	19,745,739

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER POST EMPLOYMENT BENEFITS
For the Year Ended June 30, 2025
(In Thousands)

	San Diego County Employees Retirement Association Pension Trust Fund	San Diego County Employees Retirement Association Other Postemployment Benefits Trust Fund	Total San Diego County Employees Retirement Association Pension (and Other Postemployment Benefits) Trust Fund
ADDITIONS			
Contributions:			
Employer contributions	$ 899,027	19,188	918,215
Plan member contributions	214,978		214,978
Total contributions	1,114,005	19,188	1,133,193
Investment earnings:			
Net appreciation/(depreciation) in fair value of investments			
Equity securities	733,953	2,905	736,858
Fixed income	375,538	1,486	377,024
Foreign currency	(40,773)	(162)	(40,935)
Private debt income	(13,915)	(55)	(13,970)
Real estate & private equity	34,519	136	34,655
Private real assets	(27,273)	(108)	(27,381)
Futures	66,133	262	66,395
Swaps	377,461	1,494	378,955
Net increase (decrease) in fair value of investments	1,505,643	5,958	1,511,601
Interest Income:			
Fixed income	330,990	1,310	332,300
Cash	17,280	68	17,348
Total interest income	348,270	1,378	349,648
Other Additions:			
Dividends	120,700	478	121,178
Real estate income	67,528	267	67,795
Private debt income	14,355	57	14,412
Private equity income	1,143	5	1,148
Private real assets income	(3,891)	(15)	(3,906)
Total Other	199,835	792	200,627
Less: Investment expenses	(39,381)	(156)	(39,537)
Net investment income, before securities lending	2,014,367	7,972	2,022,339
Securities lending income	11,454	45	11,499
Securities lending rebates and bank charges	(8,933)	(35)	(8,968)
Net securities lending	2,521	10	2,531
Net investment income	2,016,888	7,982	2,024,870
Total additions	3,130,893	27,170	3,158,063
DEDUCTIONS			
Benefits:			
Retirement benefits	1,056,405		1,056,405
Death benefits	1,889		1,889
Health benefits		8,390	8,390
Total Benefits	1,058,294	8,390	1,066,684
Member refunds	10,167		10,167
Administrative expenses	19,889	332	20,221
Total deductions	1,088,350	8,722	1,097,072
Change in net position	2,042,543	18,448	2,060,991
Net position at beginning of year	17,619,364	65,384	17,684,748
Net position (deficit) at end of year	$ 19,661,907	83,832	19,745,739

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Year Ended June 30, 2025
(In Thousands)

		Property Tax Collection Funds	Other Custodial Fund	Total Custodial Funds
ASSETS				
Pooled cash and investments	$	151,491	300,199	451,690
Cash with fiscal agents			10,225	10,225
Investments with fiscal agents			6,882	6,882
Receivables:				
Accounts receivable			2,641	2,641
Investment earnings receivable		13,024	210,179	223,203
Taxes receivable, net		113,365		113,365
Other receivables			289	289
Total assets		277,880	530,415	808,295
LIABILITIES				
Accounts payable		30,552	269,199	299,751
Warrants outstanding			4,444	4,444
Accrued payroll			1,035	1,035
Noncurrent liabilities:				
Due to other governments		113,365	73,107	186,472
Total liabilities		143,917	347,785	491,702
NET POSITION				
Restricted for:				
Individuals, organizations and other governments		133,963	182,630	316,593
Total net position	$	133,963	182,630	316,593

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Year Ended June 30, 2025
(In Thousands)

		Property Tax Collection Funds	Other Custodial Fund	Total Custodial Funds
ADDITIONS				
Contributions:				
Property taxes collected for other governments	$	16,079,475		16,079,475
Contributions to Investments			3,757,658	3,757,658
Total contributions		16,079,475	3,757,658	19,837,133
Investment earnings:				
Investment earnings		33,895	15,712	49,607
Total additions		16,113,370	3,773,370	19,886,740
DEDUCTIONS				
Distributions from investments			3,764,140	3,764,140
Property taxes distributed to other governments		16,084,620		16,084,620
Total deductions		16,084,620	3,764,140	19,848,760
Change in net position		28,750	9,230	37,980
Net position at beginning of year		105,213	173,400	278,613
Net position (deficit) at end of year	$	133,963	182,630	316,593

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 230

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				
		2016	2017	2018	2019	2020
Net position						
Governmental activities						
Net investment in capital assets	$	3,124,804	3,130,429	3,229,874	3,336,893	3,477,320
Restricted		604,917	596,862	666,597	1,012,829	1,158,944
Unrestricted (1)		(1,090,381)	(1,151,817)	(1,250,068)	(1,380,605)	(1,551,714)
Total governmental activities net position		2,639,340	2,575,474	2,646,403	2,969,117	3,084,550
Business-type activities						
Net investment in capital assets		167,282	174,044	176,909	174,226	183,553
Restricted						
Unrestricted (1)		68,586	71,119	60,216	62,247	66,551
Total business-type activities net position		235,868	245,163	237,125	236,473	250,104
Primary government						
Net investment in capital assets		3,292,086	3,304,473	3,406,783	3,511,119	3,660,873
Restricted		604,917	596,862	666,597	1,012,829	1,158,944
Unrestricted (1)		(1,021,795)	(1,080,698)	(1,189,852)	(1,318,358)	(1,485,163)
Total primary government net position	$	2,875,208	2,820,637	2,883,528	3,205,590	3,334,654

		Fiscal Year				
		2021	2022	2023	2024	2025
Net position						
Governmental activities						
Net investment in capital assets	$	3,643,504	3,695,884	3,797,631	3,971,462	4,139,650
Restricted		1,404,546	1,281,257	1,804,904	2,160,973	2,247,891
Unrestricted (1)		(1,924,481)	(1,186,927)	(1,483,193)	(1,548,450)	(1,854,133)
Total governmental activities net position		3,123,569	3,790,214	4,119,342	4,583,985	4,533,408
Business-type activities						
Net investment in capital assets		188,831	187,343	185,874	186,621	194,542
Restricted						
Unrestricted (1)		66,629	87,711	102,969	109,897	127,483
Total business-type activities net position		255,460	275,054	288,843	296,518	322,025
Primary government						
Net investment in capital assets		3,832,335	3,883,227	3,983,505	4,158,083	4,334,192
Restricted		1,404,546	1,281,257	1,804,905	2,160,973	2,247,891
Unrestricted (1)		(1,857,852)	(1,099,216)	(1,380,224)	(1,438,553)	(1,726,650)
Total primary government net position	$	3,379,029	4,065,268	4,408,186	4,880,503	4,855,433

(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				
	2016	2017	2018	2019	2020
Expenses					
Governmental activities					
General government	$ 257,887	637,532	621,987	709,150	788,228
Public protection	1,359,423	1,455,462	1,435,847	1,479,542	1,677,645
Public ways and facilities	140,245	140,366	160,615	149,776	199,679
Health and sanitation	675,077	723,508	777,383	835,771	964,251
Public assistance	1,421,851	1,179,180	1,158,563	1,187,343	1,378,281
Education	41,086	38,477	39,107	40,020	41,124
Recreation and cultural	44,883	37,727	38,081	43,701	49,543
Interest on long-term debt	81,665	79,152	78,217	74,355	47,689
Total governmental activities expenses	4,022,117	4,291,404	4,309,800	4,519,658	5,146,440
Business-type activities					
Airport	14,439	14,518	18,399	15,178	14,889
Sanitation district	28,693	25,185	32,660	32,335	28,385
Sanitation district - Other					9,504
Jail Stores Commissary	5,362	6,007	6,050	5,836	5,776
Total business-type activities expenses	48,494	45,710	57,109	53,349	58,554
Total primary government expenses	4,070,611	4,337,114	4,366,909	4,573,007	5,204,994
Program revenues					
Governmental activities					
Charges for services:					
General government	99,531	111,389	105,676	108,724	116,282
Public protection	252,303	270,345	257,797	252,906	247,887
Other activities	164,721	165,846	189,520	182,793	225,893
Operating grants and contributions	2,543,749	2,407,522	2,589,141	2,716,354	3,062,586
Capital grants and contributions	12,947	16,296	9,360	121,425	28,608
Total governmental activities program revenues	3,073,251	2,971,398	3,151,494	3,382,202	3,681,256
Business-type activities					
Charges for services:					
Airport	12,044	14,302	13,783	14,281	13,903
Sanitation district	26,719	29,063	28,475	32,382	25,672
Sanitation district - Other					10,188
Jail Stores Commissary		7,141	7,426	6,978	7,019
Operating grants and contributions	3,513	5,659	329	20	4,018
Capital grants and contributions					1,220
Total business-type program revenues	42,276	56,165	50,013	53,661	62,020
Total primary government program revenues	3,115,527	3,027,563	3,201,507	3,435,863	3,743,276
Net (Expense) Revenue					
Governmental activities	(948,866)	(1,320,006)	(1,158,306)	(1,137,456)	(1,465,184)
Business-type activities	(6,218)	10,455	(7,096)	312	3,466
Total primary government net (expense) revenue	$ (955,084)	(1,309,551)	(1,165,402)	(1,137,144)	(1,461,718)

Continued on next page

Table 2
County of San Diego
Changes in Net Position
For the Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)
(Continued)

	Fiscal Year				
	2021	2022	2023	2024	2025
Expenses					
Governmental activities					
General government	$ 465,464	414,187	549,078	493,388	683,733
Public protection	1,823,535	1,586,324	2,075,386	2,358,743	2,382,095
Public ways and facilities	163,809	164,262	175,511	196,395	201,929
Health and sanitation	1,363,772	1,167,816	1,314,789	1,455,094	1,531,865
Public assistance	1,838,270	1,785,733	1,838,733	1,987,689	2,025,345
Education	56,272	55,787	64,249	70,743	70,954
Recreation and cultural	57,617	60,611	74,036	79,134	72,019
Interest	57,386	53,971	50,694	51,257	49,226
Total governmental activities expenses	5,826,125	5,288,691	6,142,476	6,692,443	7,017,166
Business-type activities					
Airport	15,586	15,545	17,183	17,576	20,478
Sanitation district	31,716	25,035	23,591	30,225	32,628
Sanitation district - Other	10,923	8,712	10,452	10,928	10,965
Jail Stores Commissary	5,222	3,010	3,409	3,959	3,952
Total business-type activities expenses	63,447	52,302	54,635	62,688	68,023
Total primary government expenses	5,889,572	5,340,993	6,197,111	6,755,131	7,085,189
Program revenues					
Governmental activities					
Charges for services:					
General government	119,713	128,540	139,251	153,652	163,465
Public protection	252,958	288,901	245,233	263,608	269,137
Other activities	201,777	202,358	226,785	303,729	229,766
Operating grants and contributions	3,751,844	3,736,703	3,812,579	4,301,033	4,427,082
Capital grants and contributions	21,142	109,343	33,948	46,821	85,884
Total governmental activities program revenues	4,347,434	4,465,845	4,457,796	5,068,843	5,175,334
Business-type activities					
Charges for services:					
Airport	14,243	14,200	14,794	14,318	16,546
Sanitation district	26,625	29,367	30,046	30,804	32,976
Sanitation district - Other	10,089	8,119	8,489	10,024	10,344
Jail Stores Commissary	5,412	6,476	7,377	7,869	7,919
Operating grants and contributions	6,679	1,295	1,439	2,380	7,922
Capital grants and contributions	3,100		151		108
Total business-type program revenues	66,148	59,457	62,296	65,395	75,815
Total primary government program revenues	4,413,582	4,525,302	4,520,092	5,134,238	5,251,149
Net (Expense) Revenue					
Governmental activities	(1,478,691)	(822,846)	(1,684,680)	(1,623,600)	(1,841,832)
Business-type activities	2,701	7,155	7,661	2,707	7,792
Total primary government net (expense) revenue	$ (1,475,990)	(815,691)	(1,677,019)	(1,620,893)	(1,834,040)

Continued on next page

Table 2
County of San Diego
Changes in Net Position
For the Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)
(Continued)

	Fiscal Year				
	2016	2017	2018	2019	2020
General revenues and other changes in net position					
Governmental activities					
Taxes:					
Property taxes	$ 680,434	720,645	758,427	797,838	851,473
Transient occupancy tax	4,128	4,889	5,105	5,785	4,173
Real property transfer tax	24,589	23,960	25,910	26,521	25,138
Miscellaneous taxes	38	10	6	6	3
Property taxes in lieu of VLF	351,524	371,105	393,824	417,601	441,609
Sales and use taxes	28,898	27,779	30,744	32,332	30,967
Investment earnings	17,818	15,315	38,057	84,335	102,116
Other general revenues	82,745	88,038	93,604	90,041	102,310
Total governmental general revenues	1,190,174	1,251,741	1,345,677	1,454,459	1,557,789
Transfers	3,714	4,399	4,421	5,711	(5,172)
Total governmental activities	1,193,888	1,256,140	1,350,098	1,460,170	1,552,617
Business-type activities					
Investment earnings	1,622	523	1,159	2,013	2,565
Other general revenues	8,777	2,716	2,892	2,734	2,428
Total business-type general revenues	10,399	3,239	4,051	4,747	4,993
Transfers	(3,714)	(4,399)	(4,421)	(5,711)	5,172
Total business-type activities	6,685	(1,160)	(370)	(964)	10,165
Total primary government	1,200,573	1,254,980	1,349,728	1,459,206	1,562,782
Change in net position					
Governmental activities	245,022	(63,866)	191,792	322,714	115,443
Business-type activities	467	9,295	(7,466)	(652)	13,631
Total change in net position	$ 245,489	(54,571)	184,326	322,062	129,074

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				
	2021	2022	2023	2024	2025
General revenues and other changes in net position			.	.	.
Governmental activities					
Taxes:					
Property taxes	$ 881,605	928,022	1,014,193	1,077,968	1,126,970
Transient occupancy tax	5,386	7,225	7,472	7,285	9,492
Real property transfer tax	35,608	43,635	28,653	26,170	28,075
Miscellaneous taxes	8	5	5	120	166
Property taxes in lieu of VLF	465,076	481,289	521,678	558,665	589,011
Sales and use taxes	37,810	43,268	56,626	67,133	78,908
Investment earnings	(2,922)	(96,987)	82,390	185,999	175,213
Other general revenues	95,224	94,015	302,605	160,192	107,943
Total governmental general revenues	1,517,795	1,500,472	2,013,622	2,083,532	2,115,778
Transfers	(85)	(10,981)	187	4,710	(8,859)
Total governmental activities	1,517,710	1,489,491	2,013,809	2,088,242	2,106,919
Business-type activities					
Investment earnings	(76)	1,307	6,144	9,546	9,973
Other general revenues	2,646	151	171	132	121
Total business-type general revenues	2,570	1,458	6,315	9,678	10,094
Transfers	85	10,981	(187)	(4,710)	8,859
Total business-type activities	2,655	12,439	6,128	4,968	18,953
Total primary government	1,520,365	1,501,930	2,019,937	2,093,210	2,125,872
Change in net position					
Governmental activities	39,019	666,645	329,129	464,642	265,087
Business-type activities	5,356	19,594	13,789	7,675	26,745
Total change in net position	$ 44,375	686,239	342,918	472,317	291,832

Table 3
County of San Diego
Fund Balances Governmental Funds
Last Ten Fiscal Years
(In Thousands)

	Fiscal Year				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable	$ 13,489	19,894	22,747	47,019	23,244
Restricted	272,500	266,904	319,782	608,729	696,261
Committed	591,941	677,058	796,086	637,450	626,470
Assigned	381,202	483,464	480,063	418,718	414,650
Unassigned	747,277	697,293	688,449	712,149	707,871
Total general fund	2,006,409	2,144,613	2,307,127	2,424,065	2,468,496
All Other Governmental Funds					
Nonspendable	5,981	6,062	5,993	5,634	5,759
Restricted	398,385	396,063	413,626	471,464	496,757
Committed	371,622	376,179	367,515	365,450	395,784
Assigned	917	1,478	2,066	2,865	3,672
Total other governmental funds	$ 776,905	779,782	789,200	845,413	901,972

	Fiscal Year				
	2021	2022	2023	2024	2025
General Fund					
Nonspendable	$ 22,900	48,415	59,839	50,711	44,074
Restricted	692,270	674,465	928,457	1,051,899	1,108,964
Committed	500,256	617,159	616,549	570,514	510,496
Assigned	405,739	393,493	415,618	634,858	461,176
Unassigned	661,270	616,477	797,452	691,768	920,744
Total general fund	2,282,435	2,350,009	2,817,915	2,999,750	3,045,454
All Other Governmental Funds					
Nonspendable	5,513	1,500	5,656	1,917	2,617
Restricted	544,367	656,606	621,384	748,849	689,889
Committed	367,294	318,415	299,855	275,676	260,392
Assigned	-	-	-	-	-
Total other governmental funds	$ 917,174	976,521	926,895	1,026,442	952,898

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				
	2016	2017	2018	2019	2020
Revenues:					
Taxes	$ 1,090,722	1,148,655	1,214,066	1,276,584	1,344,469
Licenses, permits and franchise fees	57,375	57,066	62,189	62,951	59,663
Fines, forfeitures and penalties	46,295	44,146	42,417	43,589	44,409
Revenue from use of money and property	28,396	23,079	43,407	87,604	97,867
Aid from other governmental agencies:					
State	1,487,655	1,482,536	1,644,254	1,631,528	1,894,281
Federal	959,399	796,594	828,693	909,211	1,029,342
Other	110,816	122,767	132,652	142,822	157,984
Charges for current services	398,705	411,488	433,325	424,365	462,718
Other	75,264	77,429	79,977	78,501	85,613
Total revenues	4,254,627	4,163,760	4,480,980	4,657,155	5,176,346
Expenditures:					
General government	233,180	260,005	270,469	282,021	353,496
Public protection	1,343,281	1,434,323	1,486,679	1,569,507	1,652,858
Public ways and facilities	70,946	75,901	100,322	89,184	136,703
Health and sanitation	670,871	731,034	801,370	875,337	973,884
Public assistance	1,426,134	1,184,697	1,195,090	1,263,184	1,424,290
Education	39,592	39,687	41,238	45,707	46,571
Recreation and cultural	37,800	39,325	39,668	42,856	46,081
Total governmental functions	3,821,804	3,764,972	3,934,836	4,167,796	4,633,883
Capital outlay	185,065	120,509	267,685	183,654	272,524
Debt service:					
Principal	65,929	66,284	76,181	82,766	98,544
Interest	88,502	75,153	73,637	69,381	72,761
Bond issuance costs	761				3,415
Payment to refunded bond escrow agent	12,481				30,543
Total expenditures	4,174,542	4,026,918	4,352,339	4,503,597	5,111,670
Excess (deficiency) of revenues over (under) expenditures	80,085	136,842	128,641	153,558	64,676
Other financing sources (uses)					
Sale of capital assets	2,319	240	126	25,213	11,557
Issuance and modifications of leases:					
Leases					
Issuance of bonds, loans, capital lease, and financed purchases:					
Face value of financed purchases					
Face value of bonds issued					
Face value of loans issued	690				
Face value of capital lease		6,122	45,495		217
Premium on issuance of bonds	22,163				66,047
Refunding bonds issued:	105,330				425,414
Payment to refunded bond escrow agent	(122,533)				(450,127)
Transfers in	470,175	474,286	527,620	527,914	578,503
Transfers (out)	(476,484)	(478,540)	(532,605)	(533,891)	(595,710)
Total other financing sources (uses)	1,660	2,108	40,636	19,236	35,901
Net change in fund balances	$ 81,745	138,950	169,277	172,794	100,577
Debt service as a percentage of noncapital expenditures	3.87%	3.62%	3.67%	3.52%	3.54%

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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				
	2021	2022	2023	2024	2025
Revenues:					
Taxes	$ 1,427,167	1,498,315	1,620,010	1,733,960	1,829,546
Licenses, permits and franchise fees	58,792	54,977	66,439	71,780	70,309
Fines, forfeitures and penalties	40,248	80,033	40,780	50,219	46,355
Revenue from use of money and property	6,097	(77,354)	83,456	176,356	163,925
Aid from other governmental agencies:					
State	1,820,507	1,951,675	2,226,959	2,383,935	2,469,667
Federal	1,527,626	1,584,959	1,429,763	1,583,990	1,706,148
Other	188,112	182,046	209,071	242,095	264,903
Charges for current services	463,591	468,669	489,610	523,801	529,577
Other	79,189	78,164	282,592	120,730	92,992
Total revenues	5,611,329	5,821,484	6,448,680	6,886,866	7,173,422
Expenditures:					
General government	388,139	413,950	391,390	459,595	556,675
Public protection	1,633,731	1,730,017	1,885,685	2,160,691	2,288,374
Public ways and facilities	83,436	96,316	94,718	114,909	126,325
Health and sanitation	1,304,255	1,199,308	1,265,372	1,405,654	1,511,278
Public assistance	1,782,216	1,770,939	1,764,328	1,911,483	1,999,113
Education	50,551	56,464	57,781	64,051	66,473
Recreation and cultural	44,751	52,646	59,941	66,021	60,576
Total governmental functions	5,287,079	5,319,640	5,519,215	6,182,404	6,608,814
Capital outlay	387,163	253,330	329,993	442,580	421,816
Debt service:					
Principal	91,999	139,176	143,494	152,861	157,338
Interest	56,728	52,089	49,188	47,598	47,738
Bond issuance costs	807	588	-	993	426
Payment to refunded bond escrow agent	6,036		-	-	12,054
Total expenditures	5,829,812	5,764,823	6,041,890	6,826,436	7,248,186
Excess (deficiency) of revenues over (under) expenditures	(218,483)	56,661	406,790	60,430	(74,764)
Other financing sources (uses)					
Sale of capital assets	235	198	1,306	5,238	10,379
Issuance and modifications of leases:					
Leases		1,171	2,553	45,498	37,171
Issuance and modifications of subscriptions:					
Subscriptions			12,330	3,099	23,989
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	-	160,910	-
Face value of loans issued			-	1,718	-
Face value of capital lease			-	-	-
Premium on issuance of bonds	3,432	14,831	-	18,781	2,191
Refunding bonds issued	45,725		-	-	31,090
Payment to refunded bond escrow agent	(48,344)		-	-	(32,855)
Transfers in	643,479	616,739	663,738	778,575	764,308
Transfers (out)	(654,122)	(638,354)	(675,216)	(783,553)	(783,225)
Total other financing sources (uses)	47,959	44,976	4,711	230,266	53,048
Net change in fund balances	$ (170,524)	101,637	411,501	290,696	(21,716)
Debt service as a percentage of noncapital expenditures	2.73%	3.47%	3.37%	3.14%	3.00%

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
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
2024	712,744,127	6,625,322	4,597,421	18,327,058	22,201,182	2,432,952	717,659,794	1.00000
2025	$ 752,064,565	7,018,103	4,740,091	19,452,285	24,326,823	2,536,744	756,411,477	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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Direct Rates (1)										
County of San Diego	0.139	0.139	0.139	0.138	0.138	0.138	0.138	0.138	0.137	0.137
Cities (3)	0.235	0.238	0.238	0.242	0.242	0.245	0.247	0.247	0.248	0.249
Schools (4)	0.592	0.590	0.590	0.587	0.587	0.585	0.583	0.583	0.582	0.581
Special Districts	0.034	0.033	0.033	0.033	0.033	0.032	0.032	0.032	0.033	0.033
Total Direct Rates	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Overlapping Rates (2)										
Cities (3)	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.003
Schools	0.105	0.103	0.109	0.110	0.140	0.139	0.141	0.134	0.135	0.134
Special Districts	0.009	0.009	0.009	0.009	0.011	0.012	0.013	0.012	0.012	0.015
Total Overlapping Rates	0.118	0.116	0.122	0.123	0.155	0.155	0.158	0.15	0.151	0.152
Total Direct and Overlapping Rates	1.118	1.116	1.122	1.123	1.155	1.155	1.158	1.150	1.151	1.152

(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)

	2025			2016		
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	$ 13,008,651	1	1.78%	$ 7,507,420	1	1.71%
Qualcomm Inc	2,635,782	2	0.36%	1,998,814	2	0.45%
U T C Venture LLC	933,242	3	0.13%			
Kilroy Realty L P	891,593	4	0.12%	1,232,281	5	0.28%
Host Hotels and Resorts LP	880,332	5	0.12%	815,989	6	0.19%
B S K Del Partners LLC	868,935	6	0.12%	725,522	8	0.17%
IQHQ Pacifiq I LLC	831,458	7	0.11%			
Sorrento West Properties Inc.	828,905	8	0.11%			
Fashion Valley Mall LLC	578,293	9	0.08%	487,878	10	0.11%
Irvine Co LLC	562,764	10	0.08%	1,443,434	3	0.33%
Southern California Edison Company				1,306,248	4	0.30%
Pacific Bell Telephone Company				782,187	7	0.18%
Conrad Prebys Trust				538,036	9	0.12%
Totals	$ 22,019,955		3.01%	$ 16,837,809		3.84%

Source: County of San Diego, Auditor and Controller, Property Tax Services Division

Table 8
County of San Diego
Property Tax Levies and Collections
Last Ten Fiscal Years
(In Thousands)

		Collections within the Fiscal Year of the Levy				Total Collections to Date	
Fiscal Year		Total Tax Levy for Fiscal Year (1)	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2016	$	4,533,155	4,489,098	99.03%	30,073	4,519,171	99.69%
2017		4,776,510	4,738,515	99.20%	32,491	4,771,006	99.88%
2018		5,068,261	5,019,394	99.04%	33,934	5,053,328	99.71%
2019		5,368,888	5,318,210	99.06%	38,456	5,356,666	99.77%
2020		5,671,954	5,590,625	98.57%	65,984	5,656,609	99.73%
2021		5,982,555	5,903,354	98.68%	47,842	5,951,196	99.48%
2022		6,185,465	6,118,910	98.92%	40,801	6,159,711	99.58%
2023		6,702,397	6,635,293	99.00%	50,266	6,685,559	99.75%
2024		7,176,598	7,095,448	98.87%	45,491	7,095,448	98.87%
2025	$	7,564,115	7,472,706	98.79%	NA	7,472,706	98.79%

(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				
	2016	2017	2018	2019	2020
Governmental Activities:					
Certificates of Participation & Lease Revenue Bonds	$ 351,179	330,956	309,388	287,889	260,352
Tobacco Settlement Asset-Backed Bonds	546,110	548,832	546,113	544,069	533,851
Pension Obligation Bonds	649,860	605,520	558,525	508,765	456,040
Capital and Retrofit loans	6,020	5,249	4,282	3,610	3,201
Capitalized Leases	51	6,084	47,691	43,593	39,300
Leases (2)					
Financed Purchases (2)					
Business-type Activities:					
Capital Loans	171				
Total Primary Government	$ 1,553,391	1,496,641	1,465,999	1,387,926	1,292,744
Percentage of Personal Income (1)	0.83%	0.78%	0.75%	0.72%	0.75%
Per Capita (1)	$ 472	451	439	414	387

	Fiscal Year				
	2021	2022	2023	2024	2025
Governmental Activities:					
Certificates of Participation & Lease Revenue Bonds	$ 241,030	286,568	267,729	427,936	398,145
Tobacco Settlement Asset-Backed Bonds	520,925	506,574	495,883	483,994	474,678
Pension Obligation Bonds	400,125	340,825	277,990	211,225	140,370
Capital and Retrofit loans	2,551	1,700	1,154	2,544	2,131
Capitalized Leases (2)	90,595				
Leases (2)		256,124	243,958	243,936	233,406
Financed Purchases (2)		13,599	11,158	8,727	6,188
Subscriptions			15,544	13,079	26,056
Business-type Activities:					
Capital Loans					
Subscriptions			266	184	95
Total Primary Government	$ 1,255,226	1,405,390	1,313,682	1,391,625	1,281,069
Percentage of Personal Income (1)	0.76%	0.84%	0.55%	0.57%	0.49%
Per Capita (1)	$ 379	428	402	423	385

(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				
		2016	2017	2018	2019	2020
Certificates of Participation & Lease Revenue Bonds	$	351,179	330,956	309,388	287,889	260,352
Less: Amounts Available in Debt Service Fund		20,107	19,992	20,455	20,634	13,773
Net Certificates of Participation & Lease Revenue Bonds		331,072	310,964	288,933	267,255	246,579
Pension Obligation Bonds		649,860	605,520	558,525	508,765	456,040
Less: Amounts Available in Debt Service Fund		375	574	993	1,526	1,345
Net Pension Obligation Bonds		649,485	604,946	557,532	507,239	454,695
Total Net Bonded Debt	$	980,557	915,910	846,465	774,494	701,274
Percentage of Actual Taxable Value of Property (1)		0.22%	0.19%	0.17%	0.14%	0.12%
Per Capita (2)		298	276	254	231	212

		Fiscal Year				
		2021	2022	2023	2024	2025
Certificates of Participation & Lease Revenue Bonds	$	241,030	286,568	267,729	427,936	398,144
Less: Amounts Available in Debt Service Fund		9,143			29,564	17,185
Net Certificates of Participation & Lease Revenue Bonds		231,887	286,568	267,729	398,372	380,959
Pension Obligation Bonds		400,125	340,825	277,990	211,225	140,370
Less: Amounts Available in Debt Service Fund		724			1,878	1,765
Net Pension Obligation Bonds		399,401	340,825	277,990	209,347	138,605
Total Net Bonded Debt	$	631,288	627,393	545,719	607,719	519,564
Percentage of Actual Taxable Value of Property (1)		0.11%	0.10%	0.08%	0.08%	0.07%
Per Capita (2)	$	190	191	167	185	156

(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
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%
2024		8,970,747		8,970,747	100%
2025	$	9,455,143		9,455,143	100%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value	$	756,411,477
Debt limit (1.25% of total assessed value) (2)		9,455,143
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	$	9,455,143

(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
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	32,180	227	31,953	15,090	16,330	1.02
2024	28,698	224	28,474	16,780	15,529	0.88
2025	$ 27,224	220	27,004	14,730	14,736	0.92

(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) (5)	School Enrollment (3)	Unemployment Rate (4)
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	72,637	476,760	4.0
2024	3,291,101	242,163,000	73,581	478,175	4.5
2025	3,330,139	$ 260,227,000	78,143	476,844	4.9

Sources:
(1) California Department of Finance
(2) County of COSD Estimate Worksheet
(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, 2024

Table 14
County of San Diego
Principal Employers
Current Year and Nine Years Ago

	2025				2016		
Employer	Employees		Rank	Percentage of Total County Employment (2)	Employees	Rank	Percentage of Total County Employment (3)
U.S. Navy	91,317	(1)	1	5.74%			
MCCS MCRD San Diego Marine Corps	42,687	(1)	2	2.68%			
University of California, San Diego	41,698	(1)	3	2.62%	30,671	1	2.05%
County of San Diego	20,471	(1)	4	1.29%	17,034	3	1.14%
Sharp	20,432	(1)	5	1.28%	17,809	2	1.19%
Scripps San Diego	17,760	(1)	6	1.12%	14,863	4	0.99%
Kaider Permanente Vandever Med	12,859	(1)	7	0.81%	8,406	6	0.56%
UC San Diego Health	12,675	(1)	8	0.80%	7,438	7	0.50%
Merchants Building Maintenance	6,000	(1)	9	0.38%			
Cubic Corporation	6,000	(1)	10	0.38%			
City of San Diego					11,347	5	0.76%
San Diego Community College					5,902	8	0.39%
General Atomics Aeronautical Systems Inc					5,480	9	0.37%
Rady Children's Hospital - San Diego					5,129	10	0.34%
Total	271,899			17.10%	124,079		8.29%

Sources:
(1) CAO Recommended Operational Plan Fiscal Years 2025-26 and 2026-27
Employment data provided by San Diego Regional Chamber of Commerce
(2) California Labor Market Info (www.labormarketinfo.edd.ca.gov)
Percentage is calculated by dividing employees by total county employment of 1,590,900 as of June 2025
(3) Fiscal Year 2015-2016 ACFR Table 14

Table 15
County of San Diego
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

	Fiscal Year				
Function	**2016**	**2017**	**2018**	**2019**	**2020**
General	1,529	1,515	1,531	1,552	1,553
Public protection	7,882	7,942	7,899	7,917	7,883
Public ways and facilities	370	388	385	391	374
Health and sanitation	1,987	2,059	2,092	2,194	2,311
Public assistance	4,462	4,552	4,583	4,660	4,817
Education	267	269	271	268	262
Recreation and cultural	171	172	177	190	224
Total	16,668	16,897	16,938	17,172	17,424

	Fiscal Year				
Function	**2021**	**2022**	**2023**	**2024**	**2025**
General	1,571	1,614	1,722	1,794	1,801
Public protection	7,595	7,484	7,722	8,007	8,123
Public ways and facilities	377	387	413	431	461
Health and sanitation	2,227	2,359	2,657	2,864	2,874
Public assistance	4,873	4,847	5,033	5,399	5,343
Education	254	264	271	282	292
Recreation and cultural	226	240	263	283	282
Total	17,123	17,195	18,081	19,060	19,176

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 2016	2017	2018	2019	2020
General					
Registrar of Voters: Percent of total mail ballots tallied by the Monday after Election Day	75.00%	59.00%	93.00%	71.00%	97.00%
Assessor/Recorder/County Clerk: Examine and process all documents submitted for eRecording within three hours of receipt	(1)	99.90%	99.40%	98.10%	97.10%
Treasurer-Tax Collector: Secured taxes collected (% of total)	99.30%	99.20%	98.50%	99.20%	98.70%
Public protection					
Child Support Services: Percent of current support collected (federal performance measure #3)	72.00%	73.00%	72.00%	71.00%	71.00%
Sheriff: Number of jail "A" (or unduplicated) bookings	81,975	80,177	81,412	80,257	63,728
Sheriff: Calls for service	288,975	228,036	239,998	226,935	223,562
District Attorney: Felony defendants received	21,281	21,656	20,676	21,308	19,193
District Attorney: Misdemeanor defendants received	31,684	30,101	32,383	33,220	27,120
Planning and Development Services: Conduct building inspections during construction to ensure structures are built in accordance with approved building plans	(1)	104.00%	100.00%	100.00%	100.00%
Planning and Development Services: Average permit center counter wait time (in minutes)	25	23	23	21	22
Animal Services: Percent of euthanized animals that were treatable	0.00%	0.00%	0.00%	0.00%	0.00%
Public ways and facilities					
Public Works: Protect water quality through Department of Public Works roads/drainage waste debris removal (cubic yards removed)	22,152	20,586	19,290	24,636	22,150
Health and sanitation					
Public Health Services: Timely preventive health examinations for children in out-of-home placements	(1)	(1)	93.00%	97.00%	95.00%
Public Health Services: Infants served by Black Infant Health Program with a normal birth weight	(1)	(1)	(1)	(1)	(1)
Regional Operations: Children age 0-18 years receive age-appropriate vaccines	100.00%	100.00%	99.00%	100.00%	100.00%
Behavioral Health Services: Individuals not readmitted to a crisis residential program and/or hospital within 30 days	(1)	(1)	82.00%	79.00%	77.00%
Public assistance					
Aging & Independence Services: Face-to-face adult protective services investigations within 10 days	96.00%	96.00%	97.00%	98.00%	97.00%
Child Welfare Services: Children achieving permanency within 12 months	(1)	37.00%	37.00%	35.00%	32.00%
Child Welfare Services: Children who do no renter foster care within 12 months of going home	(1)	(1)	(1)	(1)	90.00%
Self-Sufficiency Services: CalWORKs applications processed timely to help eligible families become more self-sufficient	97.00%	97.00%	97.00%	98.00%	97.00%
Education					
County Library: Annual average circulation per item	7.82	7.82	7.51	7.74	8.10
Recreation and cultural					
Parks and Recreation: Number of parkland acres owned and effectively managed	48,565	48,836	49,800	51,721	53,475
Parks and Recreation: Number of miles of trails managed in the County trails program	363	363	364	368	375

(1) Trend data not available

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 2021	2022	2023	2024	2025
General					
Registrar of Voters: Percent of total mail ballots tallied by the Monday after Election Day	99.00%	92.00%	100.00%	99.00%	95.00%
Assessor/Recorder/County Clerk: Examine and process all documents submitted for eRecording within three hours of receipt	79.90%	81.10%	99.70%	96.90%	92.10%
Treasurer-Tax Collector: Secured taxes collected (% of total)	99.00%	98.50%	98.90%	98.90%	99.00%
Public protection					
Child Support Services: Percent of current support collected (federal performance measure #3)	71.00%	67.00%	66.00%	66.00%	66.00%
Sheriff: Number of jail "A" (or unduplicated) bookings	45,186	50,944	50,705	51,152	53,109
Sheriff: Calls for service	224,478	222,358	210,871	200,758	194,621
District Attorney: Felony defendants received	21,219	23,464	21,171	21,824	22,536
District Attorney: Misdemeanor defendants received	26,950	29,178	24,446	25,630	23,399
Planning and Development Services: Conduct building inspections during construction to ensure structures are built in accordance with approved building plans	100.00%	100.00%	100.00%	100.00%	100.00%
Planning and Development Services: Average permit center counter wait time (in minutes)	(1)	23	26	26	24
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)	18,790	17,512	28,101	27,335	20,950
Health and sanitation					
Public Health Services: Timely preventive health examinations for children in out-of-home placements	91.00%	92.00%	92.00%	93.00%	93.00%
Public Health Services: Infants served by Black Infant Health Program with a normal birth weight	(1)	(1)	90.00%	92.00%	87.00%
Regional Operations: Children age 0-18 years receive age-appropriate vaccines	100.00%	100.00%	99.70%	99.90%	99.00%
Behavioral Health Services: Individuals not readmitted to a crisis residential program and/or hospital within 30 days	84.00%	83.00%	80.00%	79.00%	80.00%
Public assistance					
Aging & Independence Services: Face-to-face adult protective services investigations within 10 days	98.00%	99.00%	99.00%	97.00%	98.00%
Child Welfare Services: Children achieving permanency within 12 months	32.00%	26.00%	29.00%	30.50%	31.40%
Child Welfare Services: Children who do no renter foster care within 12 months of going home	91.00%	92.00%	91.00%	92.00%	91.00%
Self-Sufficiency Services: CalWORKs applications processed timely to help eligible families become more self-sufficient	99.00%	99.00%	96.00%	97.00%	98.00%
Education					
County Library: Annual average circulation per item	4.20	6.03	6.69	6.73	5.30
Recreation and cultural					
Parks and Recreation: Number of parkland acres owned and effectively managed	56,131	56,956	57,518	58,459	59,456
Parks and Recreation: Number of miles of trails managed in the County trails program	380	384	385	389	393

(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	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
General government										
Fleet vehicles	1,814	1,801	2,010	1,919	1,758	1,728	1,681	1,826	1,862	1,888
Buildings	1,123	1,153	1,092	1,069	1,092	1,114	1,120	1,130	1,172	1,177
Land	1,146	1,177	1,290	1,330	1,362	1,393	1,416	1,439	1,445	1,485
Public protection										
Building - sub stations	16	16	16	17	16	16	14	7	7	7
Patrol units	1,520	1,511	1,604	1,837	1,620	1,628	1,699	1,749	1,881	1,884
Detention facilities	10	11	9	9	9	9	9	9	9	9
Public ways and facilities										
Road miles	1,953.71	1,941.91	1,942.98	1,942.59	1,944.25	1,945.50	1,945.46	1,947.10	1,947.44	1,956.30
Bridges	201	204	208	208	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	22	22
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	1	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	5	5	5	5	5	5	5	5	5	5
Education										
Libraries	20	21	21	22	22	22	22	22	22	22
Recreation and cultural										
Parks/open space area	109	109	118	125	130	152	156	156	157	158
Campgrounds	8	8	8	8	8	9	9	9	9	9

Source: Various County departments

Photo credits:

Pg IV: San Diego and the downtown Gaslamp Quarter skyline view at night in California USA/AevanStock, Shutterstock.com.
Pg 20: Powerful Pacific Ocean waves crash against a rocky cliff and sea cave at La Jolla Cove during King Tide in San Diego, California - pelicans fly overhead and sit on top of the cave while sea lions play/Madelyn Motsinger, Shutterstock.com.
Pg 45: San Diego skyline with a little sailing boat, view from Coronado island/ Cryptographer, Shutterstock.com.
Pg 66: Hiking trail in San Diego, California/Jpatton7, Shutterstock.com.
Pg 70: Aerial view of Geysel library at the University of California San Diego, futuristic building, columns holding up upper floor like books, next to the snake path/tokar, Shutterstock.com.
Pgs 152-153: A drone shot over Sunset Cliffs in San Diego on a sunny day/Wirestock Creators, Shutterstock.com.
Pgs 164-165: View Over The Pacific Ocean from Torrey Pines Golf Course./Andy Dean Photography, Shutterstock.com.
Pg 210: Downtown San Diego with palm trees looking up in to the blue sky /Hayk Mnatsakanyan, Shutterstock.com.
Pg 222: Joshua Tree National Park, near Hidden Valley Campground, in the Evening Light/Goldilock Project, Shutterstock.com.
Pg 228: View off the coastline in Cabrillo National Monument in San Diego, California/Felix Lipov, Shutterstock.com.
Pg 252: San Diego Canyon/L_B_Photography, Shutterstock.com.

County of San Diego, California

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