



County of San Diego, California

Popular Annual Financial Report
Fiscal year ended June 30, 2025



ABOUT THIS REPORT

Citizens of San Diego County:

Our Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2025 was prepared by the Auditor and Controller's office to provide readers of interest an easy to understand summary of our financial activities. The data from this report was taken from our Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. Both reports are available online at www.sandiegocounty.gov/auditor/acfr.html.

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

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

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



Joan Bracci
Chief Financial Officer



Tracy Drager
Auditor and Controller

Board of Supervisors



Paloma Aguirre
District 1
Chair Pro Tem



Joel Anderson
District 2



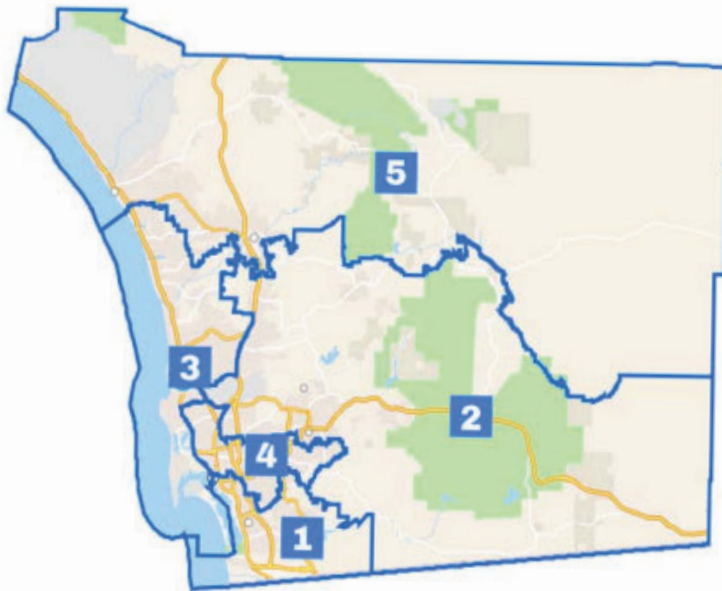
Terra Lawson-Remer
District 3
Chair



Monica Montgomery Steppe
District 4
Vice Chair



Jim Desmond
District 5



San Diego County Population

116,368 CARLSBAD	58,965 NATIONAL CITY
281,401 CHULA VISTA	174,340 OCEANSIDE
22,610 CORONADO	50,379 POWAY
3,950 DEL MAR	1,408,937 SAN DIEGO
104,932 EL CAJON	97,123 SAN MARCOS
61,956 ENCINITAS	59,568 SANTEE
150,425 ESCONDIDO	12,986 SOLANA BEACH
26,369 IMPERIAL BEACH	101,599 VISTA
60,908 LA MESA	509,160 UNINCORPORATED
28,163 LEMON GROVE	3,330,139 TOTAL

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

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

County Economy and Outlook

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). 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).

When there is an increase in consumer purchases, more sales tax is collected by the County of San Diego. 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.

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

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

Source: 2025 ACFR Letter of Transmittal and Management’s Discussion and Analysis.

Statistics

4.9%
UNEMPLOYMENT RATE
476,844
SCHOOL ENROLLMENT

\$8.63 BILLION
ADOPTED ANNUAL
BUDGET
\$78,143
PERSONAL INCOME
PER CAPITA

Sources: 2025 ACFR Statistical Table 13 and Adopted Operational Plan Fiscal Years 2025-26 & 2026-27.

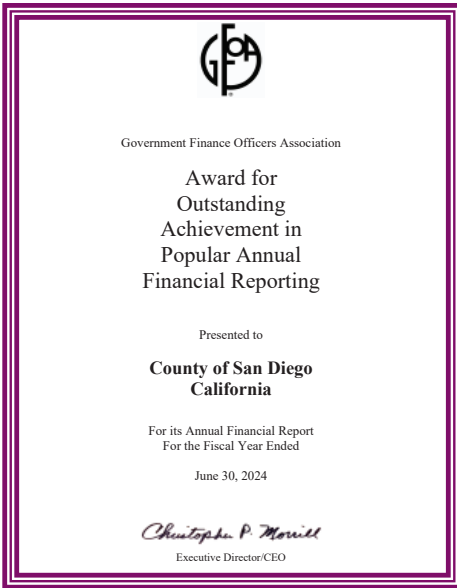
Employment Mix (1)

- 262,800
- GOVERNMENT (2)
- 267,700
- PROFESSIONAL & BUSINESS SERVICES
- 231,200
- TRADE, TRANSPORTATION & UTILITIES
- 261,800
- EDUCATIONAL & HEALTH SERVICES
- 203,400
- LEISURE & HOSPITALITY
- 111,200
- MANUFACTURING
- 71,800
- FINANCIAL ACTIVITIES
- 90,600
- CONSTRUCTION
- 57,000
- OTHER SERVICES
- 20,800
- INFORMATION TECHNOLOGY
- 8,400
- FARMING
- 300
- MINING & LOGGING

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

Source: Adopted Operational Plan Fiscal Years 2025-26 & 2026-27.

Outstanding Achievement



The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the County of San Diego for its Popular Annual Financial Report for the fiscal year ended June 30, 2024. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

Other Awards and Recognitions

During fiscal year 2025, the County received awards for its leadership and excellence in operations, including 51 awards from the National Association of Counties (NACo). Examples include:

The Department of Parks and Recreation won a National Apex Awards Grand Award in the Campaigns, Programs and Plans category for its 'Get Out There' Theme exhibit at the San Diego County Fair in July 2024. In 2025, the department also won a Facility award from the California Parks and Recreation Society, District 12 for the Waterfront Park Active Recreation in the category of Parks Make Life Better for the Waterfront Park Active Recreation project. This project also won an Honor Award from the American Public Works Association.

The County Communications Office won 9 National Association of Telecommunications Officers and Advisors awards in the government programming category in 2025 including an Award of Excellence, 7 Awards of Distinction and one Award of Honor.

The American Bar Association (ABA) awarded its prestigious Curtin-Maleng Award to Assistant District Attorney Dwain Woodley in 2025 for his work as a prosecutor in seeking justice for his clients. The Curtin-Maleng Award is given to prosecutors who embody the principles in the ABA Standards for Criminal Justice, Prosecution Function, particularly "to seek justice, not merely to convict."

The Continuity of Operations Program for the San Diego Recorder/County Clerk was augmented to ensure the sustainability of essential services during a disaster or other emergency. The proactive approach helped identify areas of improvement and provided a clear framework for maintaining critical functions and organizational integrity.

The Strengthening Food Security Through Farmers' Markets combats rising nutrition insecurity, which currently impacts 25% of county residents. The County's Agriculture, Weights and Measures staff identified the need to expand CalFresh and other nutrition acceptance programs at Certified Farmers Markets. This was done by familiarizing the vendors with the application process and developing marketing materials to raise awareness about locations that accept CalFresh.

The Reimagining a Child Protective System to a Child and Family Well Being System Focused on Equity and Prevention to Strengthen Families program increases protective factors to reduce the likelihood of child abuse, neglect, and improve child and family well-being through strengths-based, family-centered, trauma-informed, and culturally responsive services.

Note: Other Awards and Recognitions are listed in the 2025 ACFR Letter of Transmittal and Adopted Operational Plan Fiscal Years 2025-26 & 2026-27.



GENERAL MANAGEMENT SYSTEM REIMAGINED

The General Management System

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 outer ring is included to reflect the core values of everything we do: integrity, equity, access, belonging, excellence, sustainability.

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 rings surrounding the core reflect the processes we use to ensure efficient and impactful operations, and the values that drive our commitment to public service: strategic planning, operational planning, evaluation and accountability, continuous collaboration, and employee investment and satisfaction.

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/>.

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 just, sustainable, and resilient future for all. This vision can only be realized through strong regional partnerships with our community stakeholders and employees.



*Source: Adopted Operational Plan
Fiscal Years 2025-26 and 2026-27.*

GENERAL MANAGEMENT SYSTEM REIMAGINED

Vision:

A just, sustainable, and resilient future for all.

Mission:

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

Values:

Equity: The understanding that not all communities in our region have their needs met the same way, and we must apply an equity lens to appropriately design programs and services. Underserved communities need more options to engage with the County. We will use data driven metrics, lived experiences and the voices of our community to weave equity through all policies and programs.

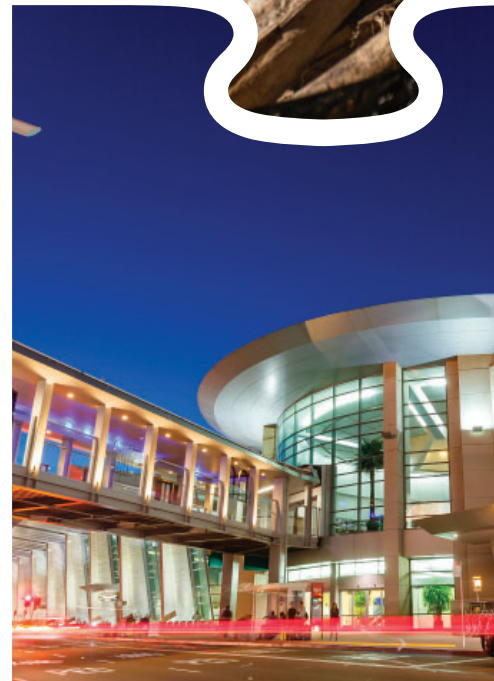
Access: Transparency and engagement are critical to trust in County government and decisions. The public must have access to services that are accessible in the languages, facilities, and methods that meet their needs.

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.

Integrity: We maintain the public's trust through honest and fair behavior; we exhibit the courage to do the right thing for the right reason, and we are dedicated to the highest ethical standards. We prioritize our stewardship of the environment, proactive accountability, the trust of the community, resources, and those we serve.

Belonging: The recognition that being included does not equate to the feeling of belonging. The County as a region, and as an employer, will foster a sense of belonging not only for the people we serve, but for the employees of the County who provide invaluable services daily.

Excellence: Ensuring exceptional service delivery to our customers by leveraging best practices and promoting continuous improvement to build strong, vibrant communities.





Government-wide Statement of Net Position

June 30, 2025 and 2024 (In thousands)		
	Total Primary Government	
	2025	2024
Assets		
Current and other assets	\$ 6,611,403	6,782,771
Capital assets	4,998,018	4,769,348
Total assets	11,609,421	11,552,119
Deferred outflows of resources		
Total deferred outflows of resources	1,773,749	2,179,096
Liabilities		
Long-term liabilities	6,729,694	7,158,962
Other liabilities	1,154,138	1,338,933
Total liabilities	7,883,832	8,497,895
Deferred Inflows of resources		
Total deferred inflows of resources	643,905	352,817
Net Position		
Net investment in capital assets	4,334,192	4,158,083
Restricted	2,247,891	2,160,973
Unrestricted	(1,726,650)	(1,438,553)
Total net position	\$ 4,855,433	4,880,503

Source: 2025 ACFR Management's Discussion and Analysis Table 1.

The 2025 ACFR is available at:
<https://www.sandiegocounty.gov/auditor/acfr.html>

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources by \$4.86 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 changes in total assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

The largest portion of the County's net position reflects its net investment in capital assets of \$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.

Key Terms

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

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

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

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

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

Assets: What is owned by the County.

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

Liabilities: What the County owes.

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

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

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

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

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

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

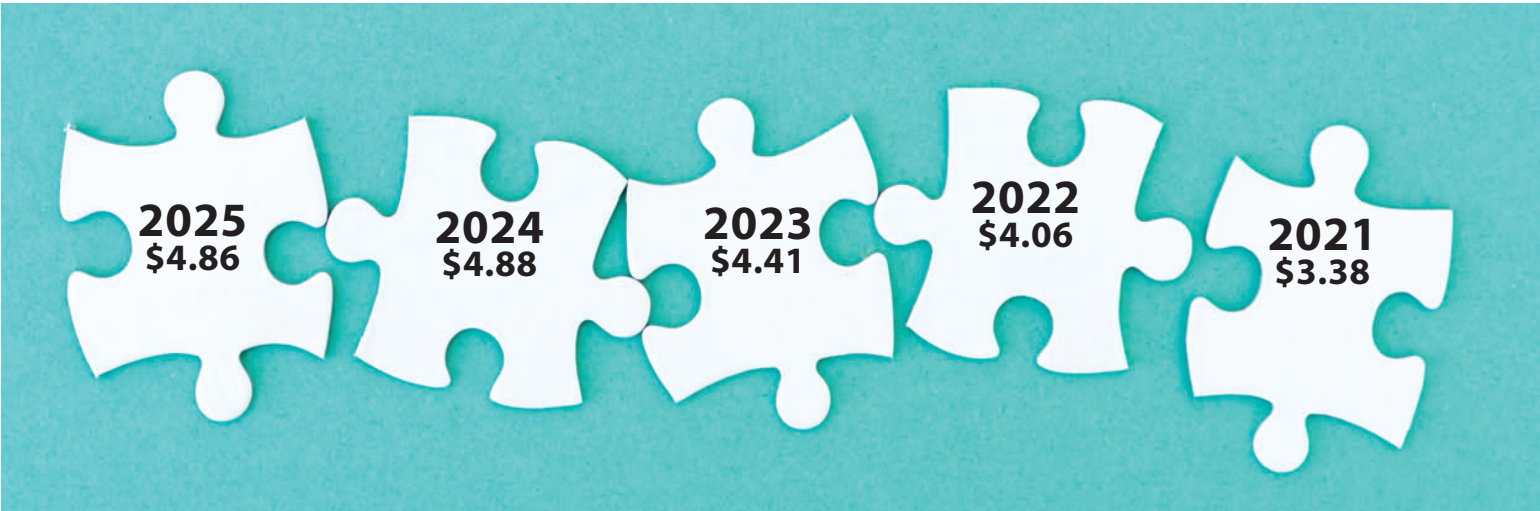
Net investment in capital assets: Represents amounts invested in capital assets less accumulated depreciation/amortization and any outstanding debt used to acquire these assets.

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

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

Restatement: The process of revising previously issued financial statements to correct a material error or to report a change in accounting principle, such as implementing a new Governmental Accounting Standard Board (GASB) pronouncement.

Total Net Position
Fiscal Years 2021 - 2025
(In billions)



Government-wide Statement of Changes in Net Position

For the Years Ended June 30, 2025 and 2024 (In thousands)			
	Total Primary Government		
	2025	2024	
Revenues:			
Program Revenues			
Charges for services	\$ 730,153	784,004	
Operating grants and contributions	4,435,004	4,303,413	
Capital grants and contributions	85,992	46,821	
General Revenues			
Property taxes	1,126,970	1,077,968	
Transient occupancy tax	9,492	7,285	
Real property transfer tax	28,075	26,170	
Miscellaneous taxes	166	120	
Property taxes in lieu of vehicle license fees	589,011	558,665	
Sales and use taxes	78,908	67,133	
Investment earnings	185,186	195,545	
Other	108,064	160,324	
Total revenues	7,377,021	7,227,448	
Expenses:			
Governmental Activities:			
General government	683,733	493,388	
Public protection	2,382,095	2,358,743	
Public ways and facilities	201,929	196,395	
Health and sanitation	1,531,865	1,455,079	
Public assistance	2,025,345	1,987,704	
Education	70,954	70,743	
Recreation and cultural	72,019	79,134	
Interest	49,226	51,257	
Business-type Activities:			
Airport	20,478	17,576	
Jail Stores Commissary	3,952	3,959	
San Diego County Sanitation District	32,628	30,225	
Sanitation District - Other	10,965	10,928	
Total expenses	7,085,189	6,755,131	
Change in net position	291,832	472,317	
Net position at beginning of year	4,563,601	4,408,186	
Restatement	(316,902)		
Net position (deficits) at beginning of year, as restated	4,563,601	4,408,186	
Net position at end of year	\$ 4,855,433	4,880,503	

Source: 2025 ACFR Management's Discussion and Analysis Table 2.

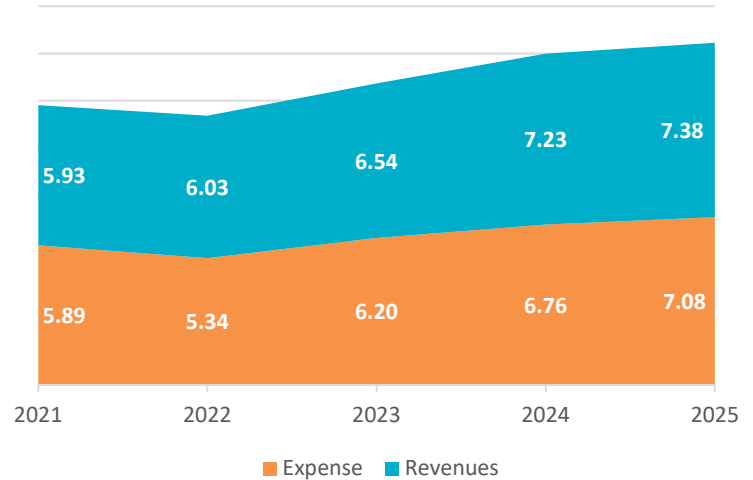
Program revenues are those that derive directly from the program itself or from other parties, not the taxpayers; while general revenues are those not required to be reported as program revenues. All expenses are reported under a specific function - a group of related activities aimed at accomplishing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

Notable changes in revenues between fiscal years 2024 and 2025 are attributable in part to a \$116.1 million increase in federal and state aid in Behavioral Health Services; a \$49 million increase in property taxes; a \$26.8 million increase in Social Services Administrative revenue; a \$10.4 million increase in juvenile probation program revenue; offset by decreases of \$46.8 million tied to the County's T3 Strategy of Test, Trace, and Treat to support Covid-19 emergency response efforts; \$26.1 million in Self-Sufficiency Services; \$5.1 million in CalWORKS participant benefits, and \$11 million in investments earnings.

Notable changes in expenses between fiscal years 2024 and 2025 include increases of \$173.4 million in overall salaries and benefit costs; \$103 million in alcohol and drug treatment and mental health programs; \$17.9 million tied to medical and mental health services contracts for support and care of persons in detention facilities; \$7.3 million in CalWORKS participant benefits; offset by a \$15.1 million decrease in capital outlay expenses and a \$14.1 million decrease in one-time expenses for the Next Generation Regional Communication System.

The 2025 ACFR is available at:
[https://www.sandiegocounty.gov/auditor/
acfr.html](https://www.sandiegocounty.gov/auditor/acfr.html)

County Revenues & Expenses Fiscal Years 2021-2025 (In billions)



Key Terms

REVENUES:

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

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

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

Property taxes: County property taxes levied.

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

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

Miscellaneous taxes: Various other taxes levied.

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

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

Investment earnings: Earnings on County investments.

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

EXPENSES:

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

Public protection: Services provided by departments such as Agriculture Weights and Measures, District Attorney, Department of Animal Services, Office of Emergency Services, fire protection County Service Areas, Medical Examiner, Probation, and Sheriff.

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

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

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

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

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

Interest: Expenses associated with County debt.

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

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

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

Where does the money go?

Public protection 33.6%
Public assistance 28.6%
Health and sanitation 21.6%
General government 9.6%
Public ways and facilities 2.9%
Other 3.7%
[Business-type activities 1.0%
Education 1.0%
Interest 0.7%
Recreation and cultural 1.0%]

Where does the money come from?

Operating grants and contributions 60.1%
Property taxes 15.3%
Charges for services 9.9%
Property taxes in lieu of vehicle license fees 8.0%
Other 6.7%
[Capital grants and contributions 1.2%
Investment earnings 2.5%
Transient occupancy tax 0.1%
Real property transfer tax 0.4%
Sales and use taxes 1.1%
Other 1.4%]

County Pooled Investments

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

The objectives of the Pooled Investment Policy are:

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

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

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

Pooled Investments (In thousands)		
Investment	Fair Value	Fitch Rating
U.S. Federal Agencies	\$ 3,613,287	AA+ or F1+
U.S. Treasury Notes	3,928,771	AA+ or F1+
Pass-through Securities	758,430	AAA or NR
Supranationals	2,366,589	AAA or NA
Commercial Paper	1,396,078	F1 to F1+
Local Government Investment Pools	249,576	NA
Money Market Mutual Funds	567,000	AAA or NA
Municipal Bonds	465,360	AA- to AAA, or NA
Negotiable Certificates of Deposit	2,993,588	F1+ or NA
Medium-Term Notes	144,517	AA- to AA, or NA
Total investments	\$ 16,483,196	
Note: Data presented in this chart excludes investments with fiscal agents.		
Source: 2025 ACFR Notes to the Financial Statements Table 8.		

The 2025 ACFR is available at:
<https://www.sandiegocounty.gov/auditor/acfr.html>





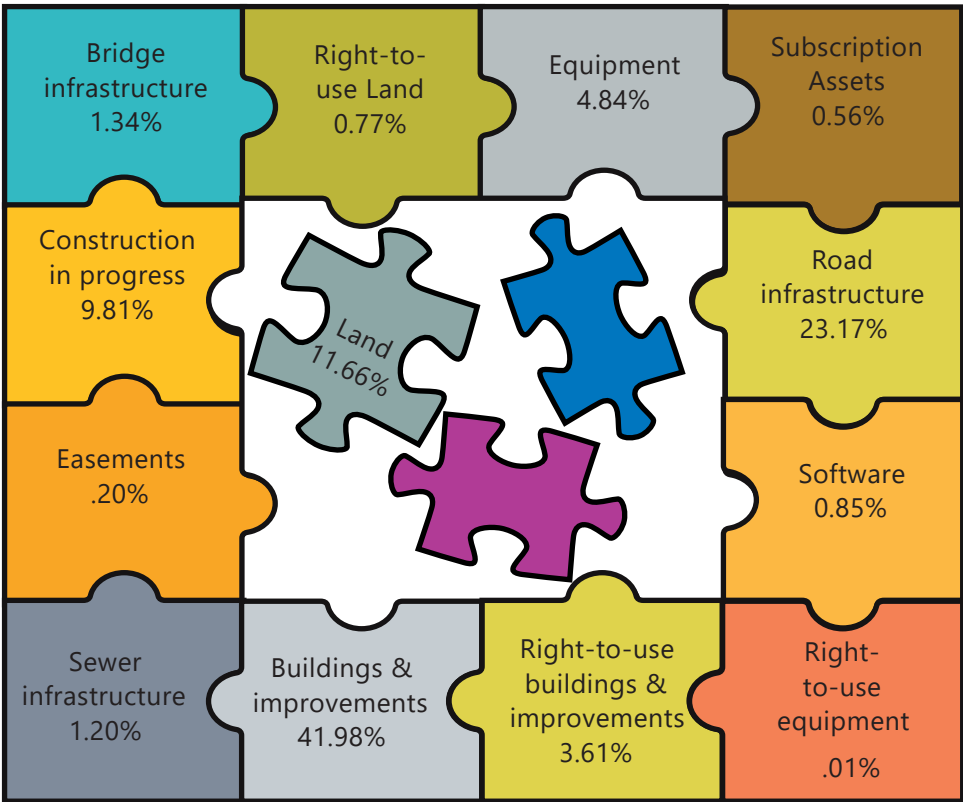
KEY FINANCIAL DATA

Capital Assets

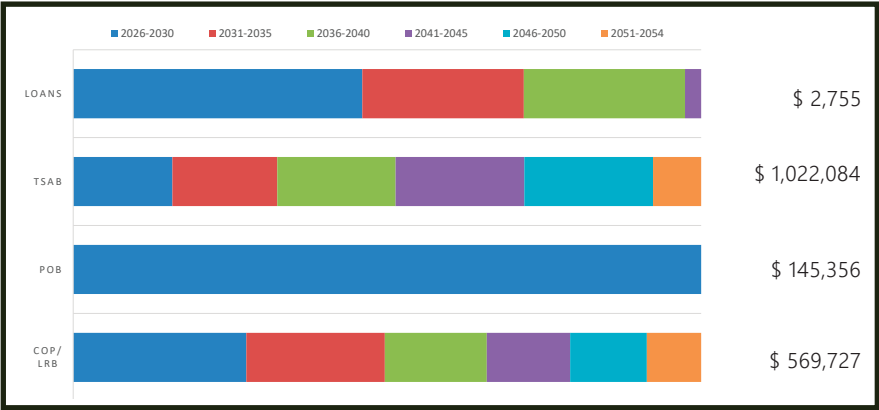
The chart below depicts the outstanding capital assets, net of depreciation/ amortization, as of June 30, 2025 for both Business-type and Governmental funds.

At June 30, 2025, the County's capital assets, net of depreciation/amortization totaled \$5.0 billion. Capital assets are used to provide services to county residents. Some of the significant capital asset activity in fiscal year 2025 was as follows:

- \$67.6 million towards construction of County Public Health Laboratory.
- \$63.7 million towards construction of 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).
- \$21.2 million towards improvement of various capital projects.
- \$19.2 million towards renovation of County Administrative Center (CAC).
- \$18.7 million towards development of various software applications.
- \$13.0 million towards renovation of Sheriff Ridgehaven Headquarters.
- \$12.8 million towards renovation of George Bailey Detention Facility (GBDF).
- \$12.2 million towards construction of East Region Crisis Stabilization Unit (CSU).
- \$10.1 million towards various land acquisitions for Multiple Species Conservation Program (MSCP).



County Debt Service
Requirements to Maturity
(In thousands)



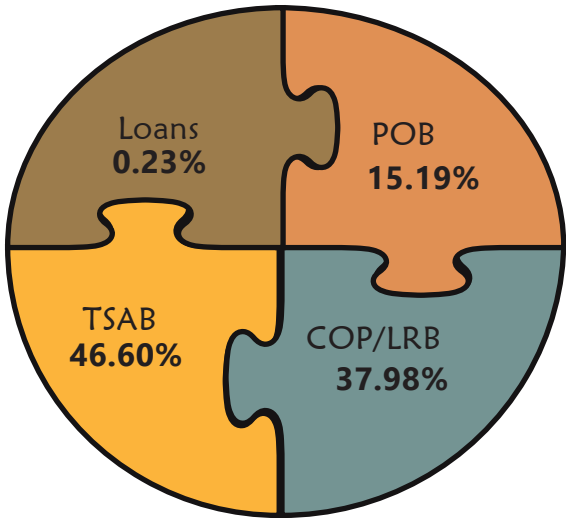
Note: This chart includes debt principal, unaccrued appreciation and interest.

County Board of Supervisors Policy Manual, Section B, Policy B-65, "Long-Term Financial Obligation Management Policy" (<https://www.sandiegocounty.gov/cob/policy/>), provides guidance on the County's long-term financial strategy and obligations. Examples of management practices and other information about long-term obligations found in the policy include the following:

The County shall:

- Invest one-time over-realized general purpose revenue generated by greater-than-anticipated assessed value growth to replenish the General Fund Reserve to the minimum requirement; if the General Fund Reserve minimum requirement is met, any remaining amounts shall be used to accelerate payment of pension unfunded actuarial accrued liability;
- Continually review outstanding obligations and aggressively initiate refinancings when economically feasible and advantageous; and,
- Never use long-term financial obligations to finance current operations or for recurring needs.

County Principal Debt Outstanding



Note: This chart includes debt principal only

Long-Term Liabilities

At June 30, 2025 the County's long-term liabilities totaled \$2.154 billion: \$924 million in long-term debt principal of certificates of participation, bonds, and loans; and \$1.230 billion of other long-term liabilities including financed purchases, claims and judgments, compensated absences, landfill postclosure, leases, subscriptions, pollution remediation, and unamortized premiums.

Loans

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

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

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

Taxable Pension Obligation Bonds (POB)

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

Tobacco Settlement Asset-Backed Bonds (TSAB)

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

KEY FINANCIAL DATA

Credit Ratings			
As of June 30, 2025	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

Source: 2025 ACFR Management's Discussion and Analysis Table 3.

Credit Rating Scale

Moody's



Standard & Poor's



Fitch



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

Sources:

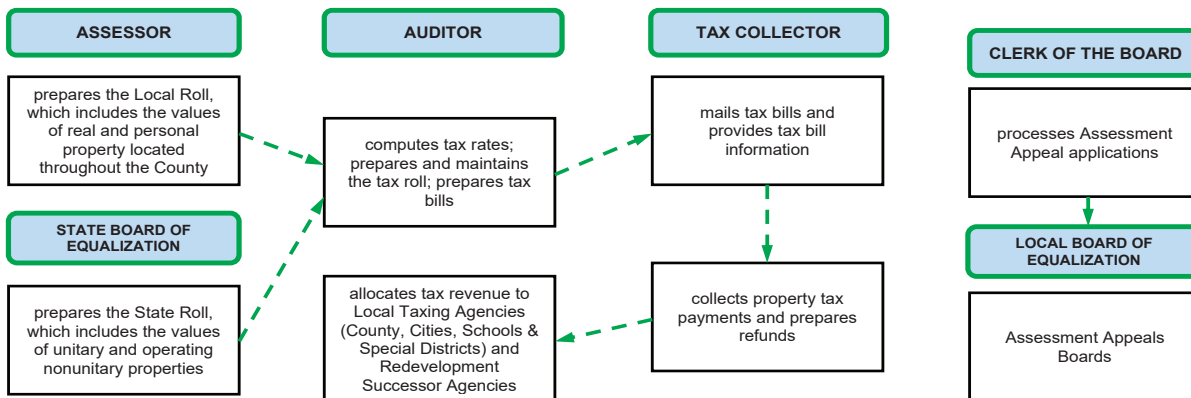
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<https://www.fitchratings.com/research/banks/rating-definitions-19-09-2025>

How the Property Tax System Works

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



Property Tax Collection Allocation

The County collected \$7.47 billion of the 1% property tax (including Unitary tax) as of June 30, 2025. The Fiscal Year 2025 Property Tax Collection Allocation is as follows:

- COUNTY GENERAL **13%**
- COUNTY IN LIEU OF VLF (1) **8%**
- COUNTY LIBRARY **1%**
- CITIES **12%**
- CITIES IN LIEU OF VLF (1) **6%**
- SCHOOLS (1)(2) **45%**
- SPECIAL DISTRICTS (3) **3%**
- REDEVELOPMENT SUCCESSOR AGENCIES' RPTTF (4) **12%**

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

Sources: 2025 ACFR Statistical Table 8; Details of the Property Tax Collection Allocation were provided by the County Auditor and Controller's Property Tax Services Division.



ACHIEVEMENTS OF NOTE

By the Numbers

Child Support Services: Increased the total amount of current support and arrears distributed to families to \$181 million, achieving the goal of at or above \$180 million, increasing the financial, emotional, and physical well-being of children.

Planning and Development Services: Continued implementation of the Purchase of Agricultural Conservation Easement (PACE) program to support the local agricultural industry and carbon sequestration by preserving a minimum of 443 acres of agricultural land. The County acquired a total of 94 acres of conservation easements on four properties this fiscal year. Overall, there are currently 3,491 acres of agricultural easements permanently preserved, which were acquired on 56 properties since the inception of the PACE program in 2012.

Behavioral Health Services: Answered within 60 seconds, 95% (68,400 of 72,000) of calls to the Access and Crisis Line (ACL) to provide timely access for individuals seeking behavioral health services.

General Services: Continued to expand electric vehicle (EV) infrastructure and electrify the fleet. A total of 214 County ports were installed this fiscal year, bringing our total to 568.

Serving the Public

Homeless Solutions and Equitable Communities: Promoted equity in the community by engaging 600 services and housing providers with LGBTQ+ capacity training, to build skills that empower them to provide supportive services that are inclusive and affirming for individuals who identify with the LGBTQ+ community.

Department of Environmental Health and Quality: Protected public health and the environment by regulating approximately 15,000 facilities that handled hazardous materials, generated hazardous waste, and/or generated medical waste to ensure these materials were properly managed, stored, and disposed. Proactively communicated with facilities that had outstanding violations to ensure corrective actions were implemented, in order to promote safer communities throughout the region.

Public Defender: Hosted the 25 Most Remarkable Teens recognition event for local youth. This event recognizes San Diego youth ages 13-19 for their contributions and efforts in many categories including, but not limited to, environmental advocacy, arts and culture, technology, activism, leadership and courage to overcome adversity.

Treasurer-Tax Collector: Increased electronic outreach and services by launching e-billing in early 2025, enabling property owners to sign up to receive their property tax bills by email and pay online.

Operational Excellence

Public Works: Achieved 100% of map reviews and comments within 20 working days (10-days for re-submittals) for professional submittals of Records of Survey and Corner Records in accordance with State law. This consisted of 513 Records of Survey and 2,243 Corner Records submitted for review.

County Technology Office: County achieved a Best-in-Class rating using Gartner Inc.'s Best in Class score for IT Customer Satisfaction as a benchmark. Best in Class is defined as the top 10% of scores obtained from the 219 organizations who have participated in Gartner's IT Customer Satisfaction survey.

Emergency Services: Equipped newly hired Emergency Service Coordinators with essential knowledge and skills through the seven-month Staff Duty Officer Training Program, which includes modules on Emergency Operation Center procedures, Alert and Warning, and onsite tours of partner agencies, including the Port of San Diego, utilities providers, and the Sheriff's Communication Center. This program ensures that our workforce and operations receive the support and excellent customer service necessary for maintaining continuity of operations at its best.

Self-Sufficiency Services: Provided multiple methods for delivering essential services, including electronic, telephonic, in-person, and outreach options, to ensure equitable access. Worked with community partners to create flyers and share virtual announcements, increasing public awareness of these efforts and upcoming outreach events.

Note: Other Awards and Recognitions are listed in the 2025 ACFR Letter of Transmittal and Adopted Operational Plan Fiscal Years 2025-26 & 2026-27.

PUBLIC HEALTH LABORATORY

The County's new state-of-the-art Public Health Laboratory officially opened its doors after a ribbon-cutting ceremony on May 29, 2025. The \$93 million facility features cutting edge technology inside a beautiful building with modern design and commissioned public art.

The Public Health Lab plays a critical role in protecting the health of all San Diegans by monitoring, detecting and responding to public health concerns. The new lab will also serve as the home for the Centers for Disease Control and Prevention Laboratory Response Network (LRN) Lab for both San Diego and Imperial Counties and will offer hands-on training for the next generation of microbiologists.

MISSION STATEMENT:

To protect the health of the community, prevent the spread of diseases, and facilitate a prompt and well-coordinated response to emerging health threats.

PURPOSE:

The Public Health Laboratory (PHL) safeguards community health through advanced diagnostic testing, disease surveillance, and environmental monitoring. Equipped with cutting-edge technology and a skilled team, the PHL detects infectious diseases, environmental hazards, and emerging threats supporting prevention, health promotion, and emergency response efforts.

FUN FACTS:

- A time capsule buried in May 2025 by the lab team will be opened in May 2035
- A COVID Memorial was created to honor and remember the pandemic
- The Lab expects to conduct about 50,000 tests annually

KEY LAB EQUIPMENT:

- Autoclaves: Five pieces of equipment to sterilize biological waste, sterilize media and sterilize laboratory tools and collection bottles
- Biological Safety Cabinets and Glove Box: Protects the workers from dangerous biological pathogens and aerosols
- Chemical Fume Hoods: Used to safely work with chemicals in the laboratory
- Glassware washer and Drying Oven: Used to clean laboratory glassware and tools
- Gene Sequencers: Three pieces of equipment
- PCR Instruments: Used to amplify DNA and RNA
- Extractors: Used to extract and prep for PCR
- Automation: Robots to automate and assist with repetitive tasks
- Mass Spectrometer: To identify bacteria
- High-throughput automated testing: Five pieces of equipment

PUBLIC ART:

- Lab includes three pieces of public art coordinated by Gail Goldman of Gail M. Goldman Associates.
- Einar & Jamex De la Torre, outdoor sculpture depicting a classic classroom microscope with three blown glass eye lenses.
- YC Kim, Elements in Nature which is comprised of 630 individual hand-made porcelain elements inspired by the various stages of the moon.
- Jason Lane, four Tessellation Benches with integrated monolith planters embellished with 100 hand-cast sculptural concrete tiles.

For more information, contact the County of San Diego Public Health Laboratory at phslaboratory.hhsa@sdcounty.ca.gov, or at (858) 325-6400.

Source: Shutterstock.com **Cover page:** USA, California, La Jolla. Blooming aloe and Wipeout Beach/Danita Delimont; Landscape View of Inland Lake Hodges and Bernardo Mountain near Interstate 15 from great hiking trail near Rancho Bernardo and Escondido in East San Diego County California USA/Autumn Sky Photography; Panorama of Coronado old pier reflecting on in San Diego Bay from Coronado Island, California, USA. San Diego cityscape skyline with Downtown and Waterfront Marina District at twilight on background/Benny Marty; **Page 2:** Panoramic view of the downtown San Diego skyline taken from Coronado Island, California/Sundry Photography; 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; La Jolla trail view from up hills. Cloudy sky. Ocean in the background/AnnaPoka; **Page 4:** Aerial view of San Diego waterfront, Marina, bridge, and San Diego Bay/allnewalbert; San Diego, California - January 14, 2025: Surfer carries a surfboard while walking along a natural rock arch above the ocean in San Diego, California, framed by the setting sun and coastal landscape/Chizhevskaya Ekaterina; San Diego, California, USA - November 15 2020: Fall in the city - view of the bridge with Balboa park and autumn foliage/Irina Lev; **Page 5:** Borrego Springs, CA, USA - April 24, 2023: Purple flowers and Yellow flowered green bushes

under blue sky in Anza-Borrego sandy desert landscape. Brown rocky mountain range on horizon/Claudine Van Massenhove; San Diego, California, USA park at dawn/Sean Pavone; San Diego, California, United States - 12.1.2023 - La Jolla Beach At California In San Diego United States; Editorial Special Selection. Coast City Landscape/ByDroneVideos; **Page 6:** A scenic view of Old Mission Dam in San Diego Mission Trails/Wirestock Creators; 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; San Diego, California USA - 13 Feb 2020: Coaster Commuter and red MTS trolley, public rail transportation in America. Express passenger railway train and tram, railroad NCTD transport near Santa Fe/Dogora Sun; **Page 7:** Old Point Loma lighthouse, a historic lighthouse in the Cabrillo National Monument, San Diego Bay, California/HannaTor; Male lion at the San Diego Zoo/DrakeKage Black; San Diego, United States - April 13, 2019: Terminal of San Diego airport (SAN) in the United States/Markus Mainka; **Page 8:** Joshua Tree National Park, near Hidden Valley Campground, in the Evening Light/Goldilock Project; **Page 11:** Landscape of eroded cliffs, Sunset Cliffs, California. Aerial birdseye/Manuela Durson; **Page 12:** Purple hour at the San Elijo Campgrounds/Marcel Fuentes; **Page 13:** Beautiful plants on the Ocean beach in San Diego/dimitrios Vegas; Pier at Mission Beach in San Diego

in the Early Morning/Stock1987; Preening Brown Pelicans Gather On Rocky Cliff Over La Jolla in southern California/Kelly van-Dellen; **Page 14:** San Diego skyline with a little sailing boat, view from Coronado island/Cryptographer; Hiking trail in San Diego, California/Jpatton7; The image captures San Elijo Lagoon's winding waterways and marshlands, bordered by a coastal road parallel to the Pacific Ocean in San Diego, California/NorthSky Films; **Page 16:** San Diego, California, United States - March 4 2022: Balboa Park located in San Diego, south California/Valeria Venezuela; Funny sea gull birds on railings. Seagulls and green pigface sour fig succulent, pacific ocean splashing waves. Ice plant greenery on steep cliff. Vista point in La Jolla, San Diego, California USA/Dogora Sun; La Jolla shores, La Jolla, California, USA/Alan Crosthwaite; **Page 17:** The Pacific Portal, aka Shelter Island Gazebo, at Point Loma, in San Diego, Southern California, United States of America. An Architectural arched art structure with mosaic tile ceiling and pathways/f8grapher; Staircase and the Pacific Ocean at Swami's Beach, in Encinitas, San Diego County, California/Jon Bilous; A Group of Marbled Godwits Patrolling the Surf in La Jolla, California/Wildnerdpix; **Page 19:** Provided by Public Health Laboratory Team.

County of San Diego

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