

# Annual Comprehensive Financial Report

County of San Luis Obispo, California



**Fiscal Year Ended June 30, 2025**

Prepared under the direction of  
James W. Hamilton, CPA  
Auditor-Controller • Treasurer-Tax Collector





Cover photo of the Embarcadero and Morro Rock in Morro Bay  
Lena Cox, Auditor-Controller-Treasurer-Tax Collector's Office

**COUNTY OF SAN LUIS OBISPO  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
JUNE 30, 2025**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Letter of Transmittal.....	1
Certificate of Achievement for Excellence in Financial Reporting .....	9
List of Elected and Appointed Officials.....	10
Organizational Chart.....	11

**FINANCIAL SECTION**

Independent Auditors' Report.....	12
Management's Discussion and Analysis.....	16

**Basic Financial Statements:**

**Government-Wide Financial Statements:**

Statement of Net Position .....	35
Statement of Activities.....	36

**Fund Financial Statements:**

Governmental Funds:

Balance Sheet.....	38
Reconciliation of Governmental Funds Balance Sheet to the Government- Wide Statement of Net Position – Governmental Activities.....	39
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	40
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities .....	41

Proprietary Funds:

Statement of Fund Net Position .....	42
Statement of Revenues, Expenses, and Changes in Fund Net Position .....	43
Statement of Cash Flows .....	44

Fiduciary Funds:

Statement of Fiduciary Net Position .....	45
Statement of Changes in Fiduciary Net Position .....	46

The accompanying notes are an integral part of these financial statements.

## **FINANCIAL SECTION (CONTINUED)**

### **Notes to Basic Financial Statements**

Note 1: Summary of Significant Accounting Policies .....	47
Note 2: Cash and Cash Equivalents.....	56
Note 3: Receivables .....	62
Note 4: Capital Assets .....	63
Note 5: Construction in Progress and Related Commitments .....	65
Note 6: Leases and Subscription-Based Information Technology Arrangements .....	66
Note 7: Risk Management.....	68
Note 8: Interfund Receivables and Payables.....	69
Note 9: Transfers.....	70
Note 10: Bond Indebtedness and Long-Term Debt.....	71
Note 11: Net Position / Fund Balances .....	77
Note 12: Lapsing Encumbrances.....	82
Note 13: Other Commitments .....	83
Note 14: Contingent Liabilities.....	83
Note 15: Landfill Postclosure Care Costs .....	83
Note 16: Tax Abatements .....	83
Note 17: Defined Benefit Pension Plan .....	84
Note 18: Post-Employment Healthcare Benefits .....	90
Note 19: Restatement of Net Position and Fund Balance .....	96

### **Required Supplementary Information**

Description .....	97
Schedule of the County's Proportionate Share of the San Luis Obispo County Pension Plan's Net Pension Liability .....	98
Schedule of the County's Contributions to the San Luis Obispo County Pension Plan .....	99
Other Post-Employment Benefits (OPEB) Plan Schedule of Changes in the County's Net OPEB Liability and Related Ratios.....	100

The accompanying notes are an integral part of these financial statements.

## **FINANCIAL SECTION (CONTINUED)**

### **Required Supplementary Information (Continued)**

Other Post-Employment Benefits (OPEB) Plan Schedule of Actuarially Determined Plan Contributions and Related Ratios .....	101
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual Comparison - General Fund .....	103
Notes to Required Supplementary Information .....	105

### **Other Supplementary Information:**

#### **Combining and Individual Fund Statements and Schedules:**

##### Nonmajor Governmental Funds:

Nonmajor Governmental Fund Descriptions .....	106
Combining Balance Sheet .....	108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	112

##### Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual Comparison:

Capital Projects .....	116
Homeless and Affordable Housing.....	117
Emergency Medical Services.....	118
Fish and Game.....	119
Road Impact Fees .....	120
Library .....	121
Parks.....	122
Public Facilities Fees .....	123
Roads.....	124
Wildlife Grazing .....	125
Flood Control Districts.....	126
Lighting Control Districts.....	127
County Service Area Districts.....	128
Pension Obligation Bonds.....	129

The accompanying notes are an integral part of these financial statements.

## **FINANCIAL SECTION (CONTINUED)**

### Nonmajor Enterprise Funds:

Nonmajor Enterprise Fund Descriptions.....	130
Combining Statement of Net Position .....	131
Combining Statement of Revenues, Expenses, and Changes in Net Position .....	132
Combining Statement of Cash Flows .....	133

### Internal Service Funds:

Internal Service Fund Descriptions.....	134
Combining Statement of Net Position .....	135
Combining Statement of Revenues, Expenses, and Changes in Net Position .....	136
Combining Statement of Cash Flows .....	137

#### Internal Service Funds – Insurance Funds:

Combining Statement of Net Position.....	138
Combining Statement of Revenues, Expenses, and Changes in Net Position .....	139
Combining Statement of Cash Flows.....	140

### Fiduciary Funds:

Fiduciary Fund Description .....	141
----------------------------------	-----

#### Custodial Funds:

Combining Statement of Fiduciary Net Position.....	142
Combining Statement of Changes in Fiduciary Net Position.....	143

#### Investment Trust Funds:

Combining Statement of Fiduciary Net Position.....	144
Combining Statement of Changes in Fiduciary Net Position .....	145

### General Fund - Detail Budgetary Comparison Schedules:

Detail Schedule of Expenditures – Budget to Actual Comparison.....	146
--	-----

The accompanying notes are an integral part of these financial statements.

## **STATISTICAL SECTION (UNAUDITED)**

Statistical Section Table of Contents.....	154
Net Position by Component .....	155
Changes in Net Position .....	156
Fund Balances, Governmental Funds.....	158
Changes in Fund Balances, Governmental Funds.....	159
Assessed Valuation .....	160
Direct and Overlapping Property Tax Rates.....	161
Principal Property Taxpayers .....	162
Property Tax Levies and Collections .....	163
Special Assessment Billings and Collections.....	164
Ratios of Total Debt Outstanding .....	165
Ratios of General Bonded Debt Outstanding .....	166
Legal Debt Margin Information .....	167
Demographic and Economic Statistics .....	168
Principal Employers .....	169
Full Time Equivalent County Government Employees by Function .....	170
Operating Indicators by Function .....	171
Capital Asset Statistics by Function .....	172

The accompanying notes are an integral part of these financial statements.





---

## INTRODUCTORY SECTION

---





December 29, 2025

Honorable Board of Supervisors  
County of San Luis Obispo  
1055 Monterey Street, Suite D430  
San Luis Obispo, California 93408

To the Citizens of San Luis Obispo County and Your Honorable Board:

The Annual Comprehensive Financial Report of the County of San Luis Obispo (County) for the fiscal year ended June 30, 2025, is hereby submitted as mandated by Sections 25250 and 25253 of the Government Code of the State of California. These statutes require that the County publish a complete set of financial statements audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants. The County prepares its financial statements in accordance with Generally Accepted Accounting Principles (GAAP). The requirements for financial reporting in accordance with GAAP are established by the Governmental Accounting Standards Board (GASB).

This report consists of management's representations concerning County finances. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. The County's comprehensive framework of internal controls has been designed to provide a reasonable, rather than an absolute assurance, that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide a reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2025, are free of any material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2025, are fairly presented and in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the County's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the requirements imposed by federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and the two should be read in conjunction with each other. The County's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The County of San Luis Obispo, incorporated in 1850, is located on the central coast of the State of California, midway between Los Angeles and San Francisco. The County covers approximately 3,300 square miles and serves a population of 279,337 residents. Approximately 43% of the population resides in the unincorporated area. The seven incorporated cities in the County are Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach, and San Luis Obispo.

A five-member County Board of Supervisors (Board) is the legislative authority and governance for the County. Each supervisor is elected to a four-year term in nonpartisan districts. The terms are staggered with two supervisors being elected then three supervisors being elected in alternating election years. The Board is responsible, among other things, for establishing ordinances, adopting the budget, appointing committees, and hiring the County Executive Officer (formerly County Administrative Officer) and non-elected department heads. The County Executive Officer is responsible for carrying out the policies and ordinances of the Board and for overseeing the day-to-day operations of the County. The County has five elected department heads responsible for the offices of the County Assessor, Auditor-Controller-Treasurer-Tax Collector-Public Administrator, Clerk-Recorder, District Attorney, and Sheriff-Coroner.

The County provides a full range of services, including public safety and fire protection; construction and maintenance of highways, streets, and other infrastructure; health and social programs that promote the well-being of the community; and recreational activities and cultural events.

The annual budget serves as the foundation for the County's financial planning and control. The County Budget Act, as presented in California Government Code Sections 29000 and 30200, provides the general provisions and requirements for preparing and approving the County budget. All County departments are required to submit budget requests to the County Executive Officer. The budgets are then reviewed by the County Executive Officer and compiled into a proposed budget with the County Executive Officer's recommendation. Public hearings are set in the month of June, with the Board of Supervisors adopting the recommended budget before the start of the next fiscal year. The proposed budget is prepared by fund, function (e.g., Public Safety), and department or division (e.g., Sheriff-Coroner). During the year, department heads may make transfers of appropriations within the same budget unit with the approval of the County Executive Officer and Auditor-Controller-Treasurer-Tax Collector. Transfers of appropriations between budget units or increases in the budget from new revenue sources, reserves, and/or contingencies require the Board of Supervisors' approval. Monthly estimates for both revenues and expenditures are used to assist departments with budgetary control, and quarterly reports are submitted by each department to the County Executive Officer and the Board on the status of the departmental budgets.

Budget-to-actual comparisons are provided in the Annual Comprehensive Financial Report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the required supplementary information immediately following the notes to the financial statements. For other governmental funds with appropriated annual budgets, this comparison is presented in the governmental funds subsection of the statements.

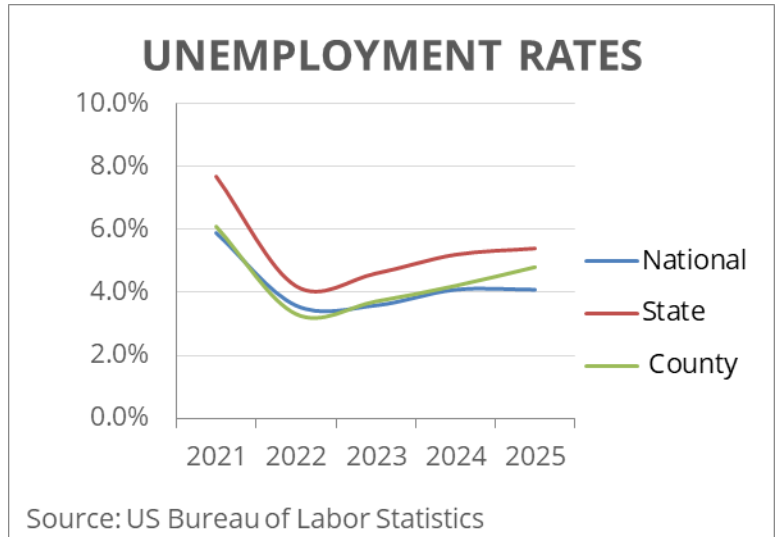
The County has various blended component units which primarily provide utility and debt financing services. The County has one discretely presented component unit and one fiduciary component unit. The discretely presented component unit is the Children and Families Commission of San Luis Obispo County (First 5), which allocates funds from the California Children and Families Trust Fund and advocates for quality programs and services, supporting children prenatal to age five, to ensure that every child is healthy and ready to learn in school is discretely presented in the Government-Wide Financial Statements. The fiduciary component unit is the San Luis Obispo County Pension Trust which is an independent trust that administers the San Luis Obispo County Employees Retirement Plan on behalf of the County. The San Luis Obispo County Pension Trust is a fiduciary component unit and is presented in the Fiduciary Fund Financial Statements.

### Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

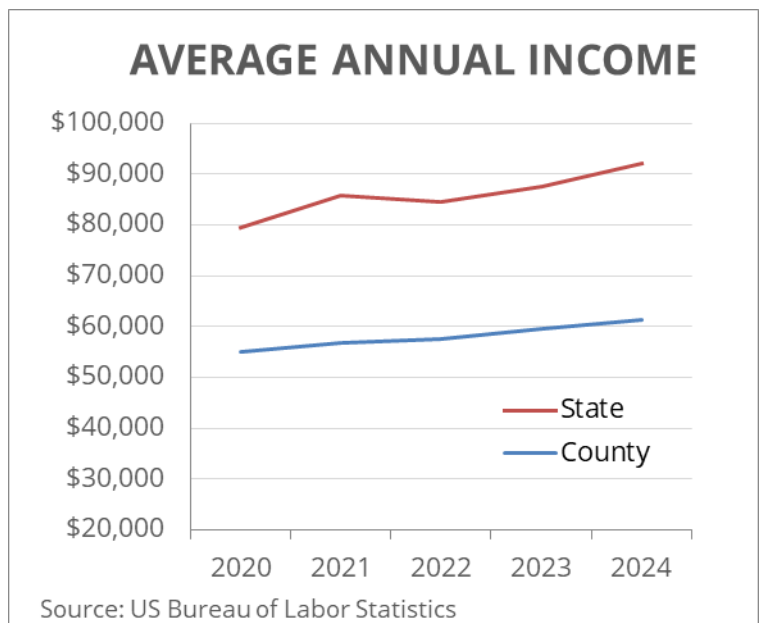
#### **Employment:**

- Unemployment in the County, as of June 2025, was 4.8%, which is lower than the state rate of 5.4% and higher than the national rate of 4.1%. During the same period last year, unemployment in the County was 4.2%. San Luis Obispo County ranks as the 13th lowest unemployment rate in the state.
- The State of California has a major presence in the County of San Luis Obispo with California Men's Colony, Atascadero State Hospital, and the California Polytechnic State University, making the State one of the largest employers in the County.



#### **Wages:**

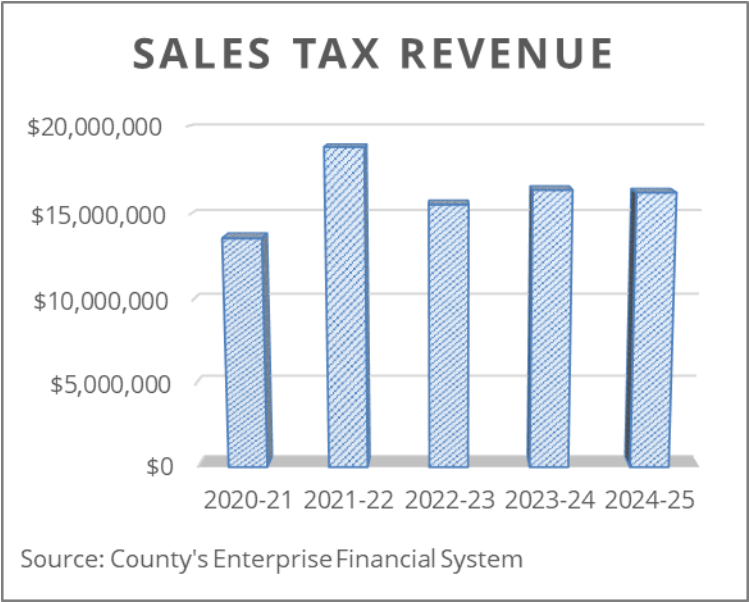
- From 2023 to 2024, the average income in the County rose by 2.7% to \$61,334. In comparison, the state's average income increased by 5.2% to \$92,145.
- As reported by the Bureau of Labor Statistics, the highest earning 2024 occupational groups in the area consisted of physicians, psychiatrists, dentists, chief executives, architectural and engineering managers, training and development managers, computer and information systems managers, pharmacists, lawyers, family medicine physicians, financial managers, and nurse practitioners.



**Retail Sales and Agriculture:**

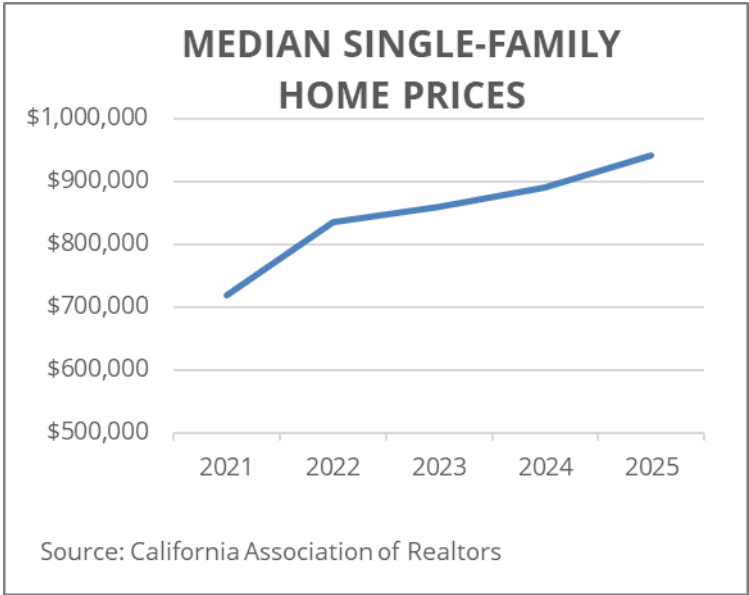
Both retail sales and agriculture continue to be integral parts of the County’s economy.

- Sales and use tax revenue within the unincorporated areas of the County was \$16.2 million in FY 2024-25.
- According to Visit SLO CAL, tourists spent \$2.4 billion in the calendar year 2024. The leading sectors for tourism spending were lodging (\$768 million), food service (\$596 million), retail (\$270 million), and recreation (\$245 million).
- Crop values for 2024 exceeded \$1 billion, reflecting the strength and diversity of the County’s agricultural industry. The top three commodities by value were strawberries, wine grapes, and cattle and calves.



**Real Estate and Property Taxes:**

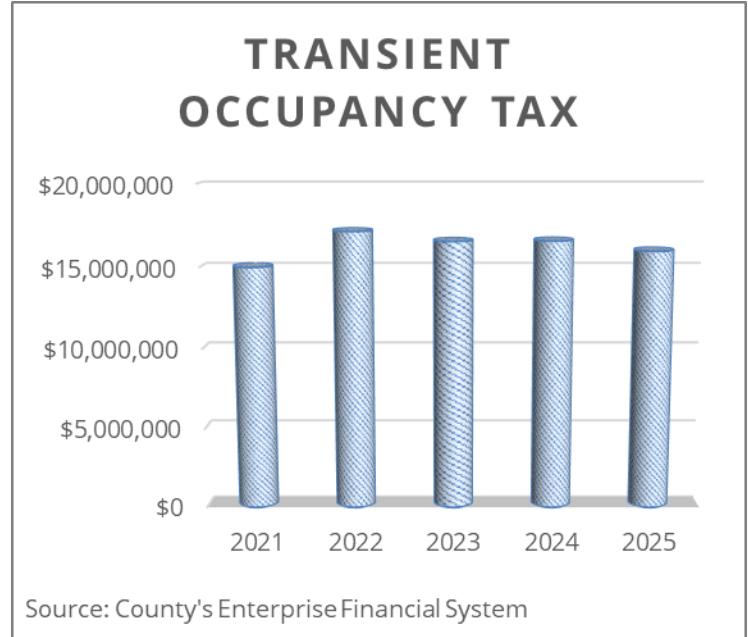
- The County’s median price for a single-family home increased from \$890,000 in FY 2023-24 to \$941,000 in FY 2024-25. This is a 5.7% increase from the prior year. The local real estate market remains competitive, and home prices continue to trend upwards.
- Discretionary property tax receipts were \$176.5 million in FY 2024-25, an increase of 4.2% over the prior year.
- The total tax levy on secured property, which excludes unsecured property, direct charges, and school bonds, was \$732.6 million for FY 2024-25, an increase of 4.8% from the previous year.



- Property transfer tax is related to the value and number of real estate transactions during the year. In the County’s unincorporated areas property transfer taxes increased 2.8% to \$3.1 million in FY 2024-25.
- The property tax delinquency rate increased from 1.26%, in FY 2023-24, to 1.28% in FY 2024-25.

## Tourism:

- The scenic coastline, rolling vineyards, and abundance of outdoor activities continues to make San Luis Obispo County a tourist destination. Transient Occupancy Tax (TOT) collections in the unincorporated areas were \$16.0 million in FY 2024-25, a 3.7% decrease from the prior year.
- In October 2024, the Airport welcomed the arrival of the largest passenger aircraft to date, a Boeing 737-800, with a seating capacity of 159, more than double the typical 76-passenger aircraft. This significant expansion of service marks a new chapter in the Airport's ongoing growth, further enhancing travel options for the community. In FY 2024-25 annual airline passenger travel at the San Luis Obispo County Airport increased 13.5% compared to the prior year.



- Attendance at the California Mid-State Fair in Paso Robles increased in 2025, drawing an estimated 366,216 visitors compared to 335,000 in 2024.

## Long-Term Financial Planning:

- The FY 2025-26 recommended budget authorized a \$972.6 million governmental fund spending level, an increase over the \$871.8 million adopted budget for FY 2024-25. The budget provides support to the development of departmental programs and services and assists County operations in responding to continuously changing needs. In FY 2025-26, the General Fund has \$817.1 million appropriated to finance expenditures, including contingencies of \$37.3 million.
- Starting in late summer of 2024, the County embarked on its Financial Rebalancing and Resilience Initiative to address a significant funding gap and better align expenditures with the projected revenue growth. To close the budget gap and support the County's efforts to manage limited resources while maintaining alignment with our priorities, all departments were requested to submit reduction lists for FY 2025-26 focusing on discretionary services and activities. All departments were asked to submit reduction lists with a target of 15% of their FY 2024-25 Adopted General Fund support budget with the status quo budget submittal for FY 2025-26. Further, a few departments with substantial General Fund allocations to discretionary programs were asked to submit additional reductions above 15%. Additionally, the County conducted a comprehensive review of all programs across departments, assessing program impacts and efficacy to our community, costs, outcome tracking, and overall alignment with our Board Priorities. This Initiative ultimately recommended a budget that adjusts the County's current spending intended to prevent recurring deficits and support the County's long-term fiscal sustainability.
- The General Fund reports fund balance intended for a variety of long-term needs in classifications based on the extent to which the amounts are restricted for use. The General Reserve, established per Government Code §29127, is accessible only upon declaration of emergency by the Board of Supervisors. As of June 30, 2025, the General Reserve was \$13.0 million. In addition to the General Reserve, reserves exist for building replacement (\$60.3 million), automation projects (\$26.0 million), and tax-loss mitigation purposes (\$69.7 million). Other classifications of General Fund balance are described in Footnote 11.

- Each year a five-year Capital Improvement Program (CIP) is compiled. The CIP is a plan for short-range and long-range capital acquisition and development. It also includes plans to improve or rehabilitate County-owned roads and facilities. The plan provides the mechanism for estimating capital requirements; setting priorities; monitoring and evaluating the progress of capital projects; and informing the public of projected capital improvements and unfunded needs. While the CIP covers a five-year planning period, it is updated each year to reflect ongoing changes as new projects are added, existing projects are modified, and completed projects are removed from the plan document. The five-year CIP does not appropriate funds; rather it serves as a budgeting tool, identifying those capital project appropriations to be made through the adoption of the County's annual budget. The budgeted capital expenditures for FY 2025-26 decreased 9% from the prior year and are approximately \$5.8 million.
- In September 2018, Governor Jerry Brown signed Senate Bill 1090, a bipartisan bill that will provide \$85 million in economic assistance to the community. The bill is an effort, in part, to lessen the effects of lost tax revenue that will result from the closure of the Diablo Canyon Nuclear Power Plant. PG&E had planned to close the plant by fiscal year 2024-25. However, Senate Bill 846, signed into law on September 2, 2022, by Governor Newsom, will allow the plant to operate until 2030, and in November 2023, PG&E submitted a license application to extend the lifetime of the plant by up to 20 years. The future operation of the plant is pending review by the Nuclear Regulatory Commission, but PG&E previously received approval to keep the plant operational during that review. The County received its final portion of annual installment payments for the economic assistance in FY 2024-25, and the total payments will be used for economic development (\$4.0 million), safety (\$4.5 million), affordable housing (\$6.4 million), infrastructure (\$5.0 million), roads (\$1.2 million), libraries (\$2.0 million), and General Fund tax loss mitigation (\$12.1 million).

#### **Relevant Financial Policies:**

- **Balanced Budget:** The County Executive Officer shall present a balanced budget for all County operating funds on an annual basis.
- **Ongoing Budget Administration:** The County Executive Officer shall submit Quarterly Financial Status Reports to the Board of Supervisors. The reports shall provide expenditure and revenue projections and identify and clarify projected variances along with recommendations and proposed corrective actions.
- **Budget Priorities:** The budget is an effort to allocate resources in an effective and efficient manner in order to achieve the County's vision of a Safe, Healthy, Livable, Prosperous, and Well-Governed Community.
- **Use of "One-Time" Funds:** One-time revenue shall be dedicated for use for one-time expenditures. Annual budgets will not be increased to the point that ongoing operating costs become overly reliant upon cyclical or unreliable one-time revenues.
- **Debt Policy:** A comprehensive Debt Management Policy was developed by the Auditor-Controller and approved by the Debt Advisory Committee. It was adopted by the Board of Supervisors on December 14, 2010.
- **Cost Recovery through Fees:** Utilize fees to recover costs where reasonable and after all cost savings options have been explored.



- Pension Cost: Governor Brown implemented a Public Employee Pension Reform Act (PEPRA) which took effect on January 1, 2013. In compliance with PEPRA the County established a Tier III retirement plan that complies with or exceeds the requirements of the pension reform legislation. In addition, the County and most labor units have adopted a 50/50 split of pension rate increases between the County and the employees. As of December 31, 2024, approximately 71% of County employees fall under PEPRA.

### **Major Initiatives**

- Executive Office and Health Agency: Continued implementation of Opioid Remediation Program Plan and funding allocations for the implementation of the Opioid Settlement Funds (OSF) program in San Luis Obispo County for the period of November 1, 2023, through June 30, 2026.
- Clerk-Recorder: Redesigned the elections workspace to maximize efficiency, bolster security measures, and support the integrity of election operations.
- Emergency Services: The County, in partnership with the seven cities within the county, launched AlertSLO, a new mass notification system that allows residents to register to receive important safety information directly via email, phone call, and text message.
- Health Agency: In partnership with CenCal Health and Good Samaritan, the County opened a new Sobering Center. This twelve-bed, 3,645 square-foot facility offers 24-hour services to adult community members in need, providing medical supervision, counseling, and referral to ongoing treatment and support services.
- Homeless and Affordable Housing: Completed 230 affordable housing units and partnered with 5Cities Homeless Coalition to open 30 additional units to provide shelter for up to 90 days for individuals experiencing homelessness as they work toward longer term solutions.
- Parks and Recreation: Launched a new reservation system to enhance the customer experience by offering a more seamless and user-friendly online reservation process.
- Public Works: Continued to make significant progress in addressing or fully repairing damaged sites sustained in the 2023 storms. In total, 879 damage or debris sites were identified.
- Veteran Services: Utilized CalVet Mental Health Services Act grant funds to support behavioral health outreach to rural and senior living communities in the county. Veterans Services has reached 450 senior veterans and their families.

### **Tax abatements**

The County administers its Agricultural Preserve Program under the California Land Conservation Act of 1965, also known as the Williamson Act. The purpose of the Williamson Act is the long-term conservation of agricultural and open space lands for farming and ranching uses. Conservation of agricultural and open space land benefits the general public by discouraging premature conversion of land to urban land uses, thereby curtailing sprawl, and promoting logical urban growth and provisions of urban services. The Agricultural Preserve Program both protects agriculture and retains open space for its scenic qualities and values as a wildlife habitat. Most directly, it contributes to the County's agricultural economy and the availability of fresh, nutritious, varied, and affordable food.

## **Awards and Acknowledgments**

### **Awards:**

- The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of San Luis Obispo for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the thirty-ninth consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied 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.
- The Government Finance Officers Association presented the County with its Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2024. In order to receive this prestigious award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.
- The County of San Luis Obispo earned the California State Controller's Award for Counties Financial Transaction Reporting for the fiscal year ending June 30, 2024. This is the ninth consecutive year that the County has earned this award which recognizes the County's professionalism in preparing an accurate and timely report.

### **Acknowledgments:**

The preparation of the Annual Comprehensive Financial Report would not have been possible without the efficient and dedicated services of the staff of the Auditor-Controller-Treasurer-Tax Collector's Office. We would like to acknowledge the special efforts of our Enterprise Financial System Operations Division and our independent auditors, CliftonLarsonAllen LLP, for their assistance in the report preparation. We would also like to express our appreciation to all County departments who assisted in this process and to the Board of Supervisors for its leadership, responsibility, and unfailing support to ensure the continued general fiscal health and integrity of the County.

Respectfully submitted,



James W. Hamilton, CPA  
Auditor-Controller-Treasurer-Tax Collector



Matthew P. Pontes  
County Executive Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of San Luis Obispo  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morrell*

Executive Director/CEO

**COUNTY OF SAN LUIS OBISPO**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
**JUNE 30, 2025**

**Elected Officials**

Board of Supervisors



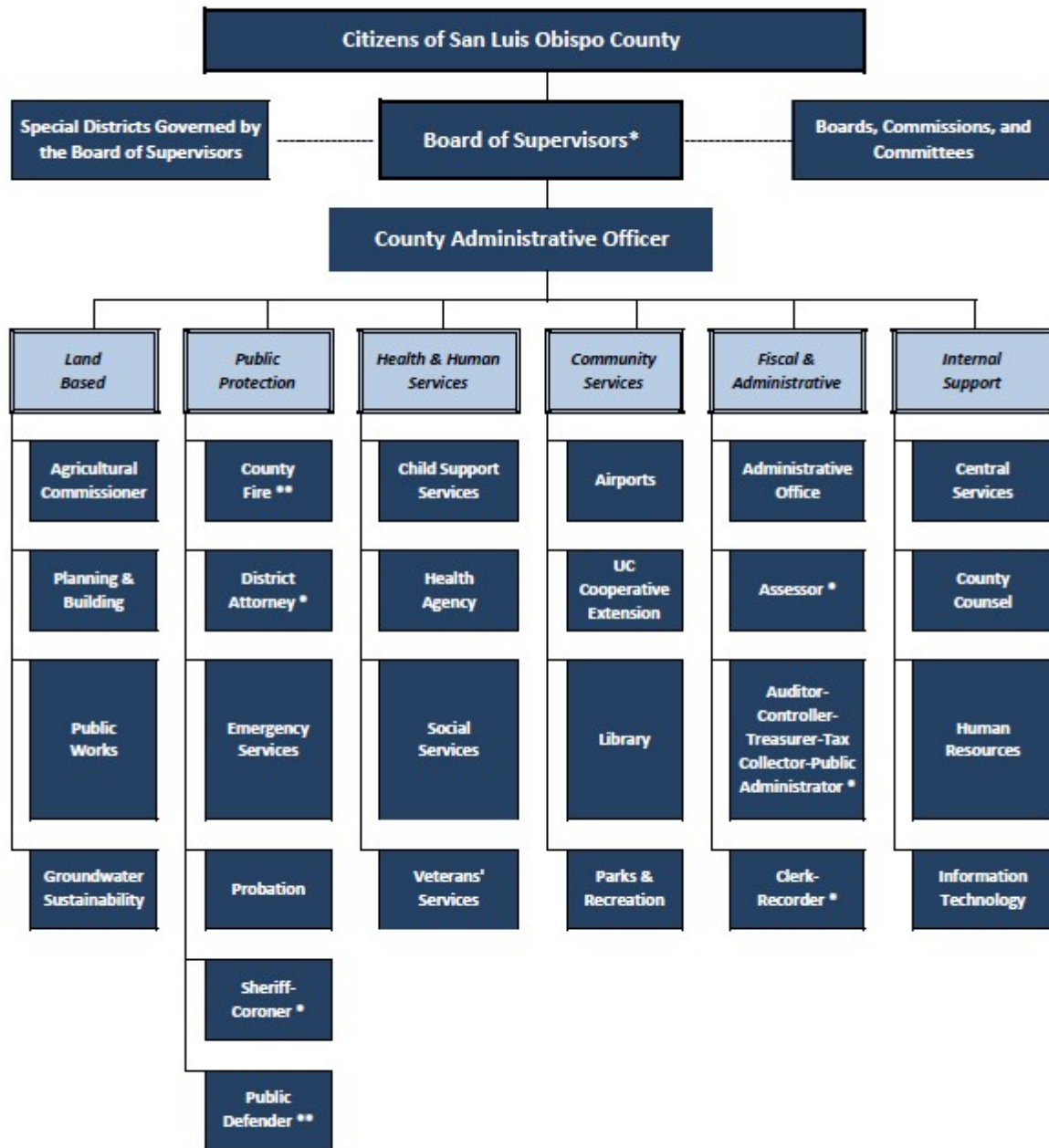
Assessor .....	Tom J. Bordonaro Jr.
Auditor-Controller-Treasurer-Tax Collector-Public Administrator .....	James W. Hamilton
County Clerk-Recorder .....	Elaina Cano
District Attorney .....	Dan Dow
Sheriff-Coroner .....	Ian Parkinson

**Appointed Officials**

Agricultural Commissioner and Sealer of Weights and Measures .....	Martin Settevendemie
Director of Airports .....	Courtney Johnson
Behavioral Health Administrator .....	Star Graber
Central Services Director .....	Vacant
Chief Probation Officer .....	Robert Reyes
Director of Child Support Services .....	Natalie Walter
County Administrative Officer .....	Matt Pontes
County Counsel .....	Jon Ansolabehere
County Fire Chief .....	John Owens
Director of UC Cooperative Extension .....	Shannon Kilsch
Director of Groundwater Sustainability .....	Blaine T. Reely
Health Agency Director .....	Nicholas Drews
Human Resources Director .....	Jamie Russell
Director of Information Technology .....	Daniel Milei
Library Director .....	Christopher Barnickel
Director of Parks and Recreation .....	Tanya Richardson
Director of Planning and Building .....	Trevor Keith
Public Health Officer .....	Penny Borenstein
Director of Public Works .....	John Diodati
County Social Services Director .....	Devin Drake
Veterans Services Officer .....	Morgan Boyd



## County of San Luis Obispo Organizational Chart



\* Elected Officials

\*\* Contract



---

**FINANCIAL SECTION**

---







## INDEPENDENT AUDITORS' REPORT

The Honorable Board of Supervisors  
County of San Luis Obispo, California

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of San Luis Obispo, 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 report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 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 First 5 San Luis Obispo and the San Luis Obispo County Pension Trust which represent the following percentages of assets, net position and revenues/additions of the opinion units shown below as of and for the year ended June 30, 2025:

<u>Opinion Unit</u>	<u>Assets</u>	<u>Net Position</u>	<u>Revenues/Additions</u>
Discretely Presented Component Unit	100%	100%	100%
Aggregate Remaining Fund Information	57%	62%	10%

Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for First 5 San Luis Obispo and the San Luis Obispo County Pension Trust, is 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County of San Luis Obispo and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Emphasis of Matter***

#### ***Adoption of New Accounting Standard***

As discussed in Note 1 to the financial statements, effective July 1, 2024, the County adopted new accounting guidance for compensated absences. The guidance requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but has not yet been paid. Our opinions are not modified with respect to this matter.

#### ***Restatement of Net Position***

As described in Note 19 to the financial statements, a prior period adjustment was recorded for the correction of an error in prior year financial statements. 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 of San Luis Obispo'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.

### ***Auditors' 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 auditors' 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 County of San Luis Obispo'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 County of San Luis Obispo'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, schedule of the County's proportionate share of the San Luis Obispo County's pension plan's net pension liability, schedule of the County's contributions to the San Luis Obispo County's pension plan, other post-employment benefits (OPEB) plan schedule of changes in the County's net OPEB liability and related ratios, other post-employment benefits (OPEB) plan schedule of actuarially determined plan contributions and related ratios, and budgetary comparison information for the General Fund 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 and other auditors 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 of San Luis Obispo's basic financial statements. The combining and individual fund statements and schedules 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 by us and other auditors. In our opinion, the combining and individual fund statements and schedules 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 auditors' 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 December 29, 2025, on our consideration of the County of San Luis Obispo's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of San Luis Obispo'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 County's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Roseville, California  
December 29, 2025

---

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

---



**COUNTY OF SAN LUIS OBISPO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025**

As management of the County of San Luis Obispo (the County), we offer readers the County's financial statements, this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the County's financial statements, which begin on page 35. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

**FINANCIAL HIGHLIGHTS**

- ❖ The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at June 30, 2025, by \$1,669,781 (*net position*). The majority of this amount, \$1,641,968 is the net investment in capital assets, while \$150,646 is restricted for specific purposes (*restricted net position*). *Unrestricted net position* indicates the portion of net position which may be used to meet the County's ongoing obligations to citizens and creditors; however, the recording of the County's pension liability in accordance with GASB Statement No. 68 (GASB 68) and the County's OPEB liability in accordance with GASB Statement No. 75 (GASB 75) created a negative unrestricted net position of \$122,833 (Table A).
- ❖ The County's total net position increased by \$80,888, with governmental activities increasing \$58,736 and business-type activities increasing \$22,152 (Table B).
- ❖ The \$75.1 million increase in net investment in capital assets represents capital acquisitions during the year reduced by depreciation and increased by retirement of long-term debt (Table A).
- ❖ As of June 30, 2025, the County's governmental activities reported combined ending net position of \$1,213,512 an increase of \$67.3 in comparison with the prior year. Due to the recording of the long-term pension and OPEB obligations, no amount of the governmental activities' net position is available for spending at the County's discretion for current and future needs (*unrestricted net position*) (Table A).
- ❖ Business-type activities posted a net program income gain of \$7,609 before general revenues, contributions and transfers from other funds, an increase of \$6,036 when compared to the prior year. The difference from the prior year is related to increased operating grants for the Airport's Fund and increased water sales revenue in the State Water Project Fund and Nacimiento Water Contracts Fund.
- ❖ At the end of the fiscal year, the entire \$573,944 fund balance of the General Fund was either nonspendable (\$22,040), restricted (\$29,459), committed (\$234,216), or assigned (\$288,229).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include four components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements, and (4) required supplementary information. This report also contains supplementary information and other information in addition to the basic financial statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

### **Government-wide financial statements**

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

The *Statement of Net Position* presents information on all of the County's assets, deferred outflows of resources, 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 government'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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused employee vacation balances).

Both of 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 cost through user fees and charges (Business-type Activities). The governmental activities of the County include public protection, public ways and facilities, health and sanitation, public assistance, education, recreation and cultural services, and general government. The main business-type activities of the County include the airport, golf courses, flood control districts, the Nacimiento water project, the Los Osos wastewater project, and county services areas.

Blended component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. They include county service areas, flood control districts, waterworks districts, lighting maintenance districts, the San Luis Obispo County Public Facilities Corporation, and SLO County Financing Authority.

The County discretely presents the First 5 San Luis Obispo County component unit. The mission of First 5 is to allocate funds from the California Children and Families Trust Fund and advocate for quality programs and services, supporting children prenatal to age five, to ensure that every child is healthy and ready to learn in school. First 5 does not meet the requirements for blending, and therefore its financial activities are presented separately from the County.

The government-wide financial statements can be found on pages 35 to 37 of this report.

### **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used 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** - 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 fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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.



## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *Governmental Funds* and *Governmental Activities*.

The County maintains twenty-five individual governmental funds organized according to their type: *general*, *special revenue*, *debt service*, and *capital projects*. 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, and the Capital Projects Fund, which are considered to be major funds. Data from the remaining twenty-three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements found in the other supplementary information section of this report.

A budgetary comparison statement has been provided for the General Fund and special revenue funds to demonstrate compliance with the budget and can be located in the required supplementary section of the report. Individual budgetary data for each of the nonmajor governmental funds is provided in the other supplementary information section of this report.

The basic governmental fund financial statements can be found on pages 38 to 41 of this report.

Proprietary Funds - The County maintains two different types of proprietary funds, *enterprise*, and *internal service 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 the airport, golf course, wastewater facility, flood control districts, waterworks districts, and county service areas. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its vehicle operations and maintenance, public works services, other post-employment benefits, and self-insurance programs. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the *government-wide financial statements*, only in more detail. The Airport, Nacimiento Water Contract, State Water Project, and Los Osos Wastewater funds are considered to be major funds of the County and are presented separately in the *proprietary fund financial statements*. All other enterprise funds have been combined into a single column for presentation. The seven internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service and enterprise funds is provided in the form of *combining statements* found in the other supplementary information section of this report.

The basic proprietary fund financial statements can be found on pages 42 to 44 of this report.

Fiduciary Funds - 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 those 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.

The County also discretely presents the *San Luis Obispo County Pension Trust* which is an independent trust that administers the San Luis Obispo County Employees Retirement Plan on behalf of the County. The *San Luis Obispo County Pension Trust* is a fiduciary component unit and presented in the Fiduciary Fund Financial Statements.

The basic fiduciary fund financial statements can be found on pages 45 to 46 of this report.

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

The notes to the basic financial statements can be found on pages 47 to 96 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Required Supplementary Information - The notes to the basic financial statements are followed by a section of *required supplementary information* (RSI) that further explains and supports the information in the financial statements.

The required supplementary information can be found on pages 97 to 105 of this report.

Other Supplementary Information - In addition to the basic financial statements, accompanying notes, and required supplementary information, this report also presents certain *other supplementary information* including the County's General Fund and special revenue funds budgetary schedules, and combining and individual fund statements and schedules.

*Combining and individual fund statements and schedules* - The combining and individual fund statements and schedules referred to earlier provide information for nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds and are presented following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 106 to 115 and 130 to 145 of this report.

*Budgetary comparison schedules* - The budgetary comparison schedules (other than the General Fund which is presented in the required supplementary information section) for the Capital Projects and nonmajor Special Revenue funds can be found on pages 116 to 129 of this report.

*Detail budgetary schedules* demonstrating legal level of compliance with budgetary control for the General Fund are presented on pages 146 to 153 of this report.

*Statistical schedules* provide financial, revenue capacity, debt capacity, demographic and economic, and operating trend information. These schedules are presented on pages 154 to 172 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As stated earlier, 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 exceeded liabilities and deferred inflows of resources by \$1,669,781 as detailed in the table below:

**Table A**  
**Statement of Net Position**  
**June 30, 2025**  
(in thousands)

	June 30, 2025			June 30, 2024			
	Govern- mental Activities	Business- Type Activities	Total Primary Govern- ment	Govern- mental Activities	Business- Type Activities	Total Primary Govern- ment	Total % Change
<b>Assets:</b>							
Current assets	\$ 929,962	\$ 191,484	\$ 1,121,446	\$ 858,941	\$ 180,129	\$ 1,039,070	7.9%
Other noncurrent assets	50,261	36,983	87,244	73,914	34,624	108,538	(19.6%)
Capital assets	1,519,972	574,879	2,094,851	1,424,753	577,105	2,001,858	4.6%
<b>Total Assets</b>	<b>2,500,195</b>	<b>803,346</b>	<b>3,303,541</b>	<b>2,357,608</b>	<b>791,858</b>	<b>3,149,466</b>	<b>4.9%</b>
<b>Deferred outflows of resources</b>	<b>257,561</b>	<b>5,979</b>	<b>263,540</b>	<b>259,721</b>	<b>5,931</b>	<b>265,652</b>	<b>(0.8%)</b>
<b>Liabilities:</b>							
Current liabilities	172,886	30,834	203,720	184,459	31,142	215,601	(5.5%)
Long-term liabilities	1,357,777	296,873	1,654,650	1,273,704	308,331	1,582,035	4.6%
<b>Total Liabilities</b>	<b>1,530,663</b>	<b>327,707</b>	<b>1,858,370</b>	<b>1,458,163</b>	<b>339,473</b>	<b>1,797,636</b>	<b>3.4%</b>
<b>Deferred inflows of resources</b>	<b>13,581</b>	<b>25,349</b>	<b>38,930</b>	<b>12,984</b>	<b>24,020</b>	<b>37,004</b>	<b>5.2%</b>
<b>Net Position:</b>							
Net Investment in capital assets	1,323,930	318,038	1,641,968	1,259,302	307,522	1,566,824	4.8%
Restricted	150,646	-	150,646	177,598	-	177,598	(15.2%)
Unrestricted	(261,064)	138,231	(122,833)	(290,718)	126,774	(163,944)	(25.1%)
<b>Total Net Position</b>	<b>\$ 1,213,512</b>	<b>\$ 456,269</b>	<b>\$ 1,669,781</b>	<b>\$ 1,146,182</b>	<b>\$ 434,296</b>	<b>\$ 1,580,478</b>	<b>5.7%</b>

### Analysis of Net Position

The County's total net position increased by \$89.3 million, or 5.7%. The total net position increase was a combination of increased total assets (\$154.1 million), decreased deferred outflows of resources (\$2.1 million), increased total liabilities (\$60.7 million), and increased deferred inflow of resources (\$1.9 million). Causes for the changes in each of these categories are detailed below.

Total assets increased by \$154.1 million, a 4.9% increase. This includes a \$63.3 million rise in cash and cash equivalents and a \$93.0 million increase in capital assets. For more details on the capital assets, refer to Table F below and Note 4 in the Notes to the Basic Financial Statements.

Total deferred outflows decreased by \$2.1 million, or 0.8%. The decrease is primarily the combination of a decrease in deferred pension resources (\$1.8 million) and a decrease in deferred OPEB resources (\$133 thousand). Fluctuations in pension and OPEB deferred outflows occur due to changes in plan assumptions and in projected and actual earnings on plan investments from the prior year.

The County's total liabilities increased by \$60.7 million, or 3.4%. This change primarily reflects a \$73.5 million increase to the County's net pension liability, offset by a reduction in bonds and notes payable of \$25.6 million. The decrease in bonds and notes payable is due to scheduled debt payments, with no new debt issued during the period. For more details on the County's debt, refer to Table G below and Note 10 in the Notes to the Basic Financial Statements.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

Total deferred inflows of resources increased \$1.9 million, or 5.2%. The increase was driven by new and extended lessor agreements for County-owned property.

Unrestricted net position indicates the portion of net position which may be used to meet the County's ongoing obligations to citizens and creditors. The recording of the County's pension liability, per the requirements of GASB 68, and the recording of the County's OPEB liability per the requirements of GASB 75, caused the County's unrestricted net position to remain negative indicating that the majority of the County's net position is invested in capital assets or otherwise restricted for use.

The most significant portion of the County's net position is net investment of capital assets of \$1,641,968. This amount reflects investment in capital assets (e.g., land and easements, structures and improvements, infrastructure, and equipment), less any outstanding related debt used to acquire those assets, and less any construction related payables. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its 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 used to liquidate these liabilities.

The remaining \$150,646, or 9.0%, of the balance of the County's net position represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the County reported positive balances for business-type activities in all net position categories.

In total, the County's net position increased \$89.3 million. Total net position for governmental activities increased \$67.3 million and total net position for business-type activities increased \$22.0 million due to normal operating activities.

Net Investment in Capital Assets for governmental and business-type activities increased a net of \$75.1 million. Governmental activities increased \$64.6 million and business-type activities increased \$10.5 million. For more details on capital assets, refer to Table F below and Note 4 in the Notes to the Basic Financial Statements.

Restricted net position represents net position of the County which is subject to constraints imposed by creditors, grantors, contributors, laws, or regulations. Total restricted net position was \$150.6 million, a 15.2% decrease over the prior year. This decrease is attributed to reductions for amounts held for debt service.

There was an increase of \$41.1 million in Unrestricted net position reported in connection with the Total Primary Government. This category represents the portion of the County's net position which is not subject to constraints imposed by creditors, grantors, contributors, laws, or regulations. When positive, this amount may be used to meet the County's general obligations.

# MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

**Table B**  
**Statement of Activities**  
**For the Year Ended June 30, 2025**  
**(in thousands)**

	June 30, 2025			June 30, 2024			
	Govern- mental Activities	Business- Type Activities	Total Primary Govern- ment	Govern- mental Activities	Business- Type Activities	Total Primary Govern- ment	Total % Chg
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$ 87,737	\$ 77,627	\$ 165,364	\$ 63,960	\$ 65,996	\$ 129,956	27.2%
Operating grants and contributions	385,732	5,067	390,799	399,594	2,368	401,962	(2.8%)
Capital grants and contributions	59,864	2,226	62,090	14,800	2,333	17,133	262.4%
General revenues:							
Property taxes	257,631	5,152	262,783	245,825	5,045	250,870	4.7%
Other taxes	37,313	-	37,313	38,278	-	38,278	(2.5%)
Interest and investment income	37,894	7,013	44,907	33,512	4,575	38,087	17.9%
Grants not restricted to specific programs	3,236	-	3,236	5,567	-	5,567	(41.9%)
Other revenues	394	560	954	558	965	1,523	(37.4%)
<b>Total revenues</b>	<b>869,801</b>	<b>97,645</b>	<b>967,446</b>	<b>802,094</b>	<b>81,282</b>	<b>883,376</b>	<b>9.5%</b>
<b>Expenses:</b>							
General government	76,983	-	76,983	67,933	-	67,933	13.3%
Public protection	296,567	-	296,567	257,497	-	257,497	15.2%
Public ways and facilities	48,039	-	48,039	50,230	-	50,230	(4.4%)
Health and sanitation	178,230	-	178,230	174,990	-	174,990	1.9%
Public assistance	167,421	-	167,421	168,272	-	168,272	(0.5%)
Education	12,507	-	12,507	13,756	-	13,756	(9.1%)
Recreation and cultural services	16,152	-	16,152	14,202	-	14,202	13.7%
Interest on long-term debt	13,348	-	13,348	12,529	-	12,529	6.5%
Airport	-	18,380	18,380	-	15,333	15,333	19.9%
Golf	-	5,967	5,967	-	5,500	5,500	8.5%
State Water Contract	-	6,244	6,244	-	7,404	7,404	(15.7%)
Nacimiento Water Contract	-	14,075	14,075	-	12,571	12,571	12.0%
Lopez Flood Control	-	11,718	11,718	-	8,145	8,145	43.9%
Lopez Park	-	-	-	-	-	-	-
General Flood Control	-	1,815	1,815	-	1,847	1,847	(1.7%)
County Service Areas	-	6,796	6,796	-	6,463	6,463	5.2%
Los Osos Wastewater	-	12,316	12,316	-	11,861	11,861	3.8%
<b>Total expenses</b>	<b>809,247</b>	<b>77,311</b>	<b>886,558</b>	<b>759,409</b>	<b>69,124</b>	<b>828,533</b>	<b>7.0%</b>
<b>Excess/(deficiency) before transfers</b>	<b>60,554</b>	<b>20,334</b>	<b>80,888</b>	<b>42,685</b>	<b>12,158</b>	<b>54,843</b>	<b>47.5%</b>
Transfers	(1,818)	1,818	-	(1,685)	1,685	-	-
<b>Change in net position</b>	<b>58,736</b>	<b>22,152</b>	<b>80,888</b>	<b>41,000</b>	<b>13,843</b>	<b>54,843</b>	<b>47.5%</b>
<b>Net position - beginning, originally reported</b>	<b>1,146,182</b>	<b>434,296</b>	<b>1,580,478</b>	<b>1,105,182</b>	<b>420,453</b>	<b>1,525,635</b>	<b>3.6%</b>
Adoption of GASB 101	(11,574)	(179)	(11,753)	-	-	-	-
Error Correction	20,168	-	20,168	-	-	-	-
<b>Net position - beginning, as restated</b>	<b>1,154,776</b>	<b>434,117</b>	<b>1,588,893</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net position - ending</b>	<b>\$ 1,213,512</b>	<b>\$ 456,269</b>	<b>\$ 1,669,781</b>	<b>\$ 1,146,182</b>	<b>\$ 434,296</b>	<b>\$ 1,580,478</b>	<b>5.7%</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

### **Analysis of Governmental and Business-type Activities**

#### Governmental Activities

Governmental Activities increased the County's net position by \$58.7 million compared to an increase of \$41.0 million in the prior year.

Overall, total revenues for governmental activities increased \$67.7 million, or 8.4%. Significant factors contributing to the overall increase in revenues from the prior year are detailed below:

- ❖ *Public Ways and Facilities* revenue increased \$14.4 million, or 33.0%. This increase was primarily from revenues received for road projects, including:
  - Microsurfacing, overlay, and chip seal projects throughout the County.
  - Seismic retrofitting of the existing bridge on Lopez Drive over Lopez Lake.
  - Replacing the existing bridge on El Camino Real over Santa Margarita Creek.
  - Replacing the Dover Canyon Road Bridge over Jack Creek in Templeton.
  - Reconfiguring of the Avila Beach Dr/Hwy 101 Interchange to reduce traffic delays.
- ❖ *Public Protection* revenue increased \$14.5 million, or 13.3%. Significant revenue sources of the increase include:
  - \$1.1 million from United States Department of Agriculture for property purchased under the Emergency Watershed Protection Program for flood control.
  - \$1.1 million from the United States Department of Justice for the Community Oriented Policing Services (COPS) grant program. These funds were received by the Sheriff-Coroner's Office to purchase new digital portable radios for patrol and custody divisions, and for new dispatch radio consoles, which will aid in direct communication with allied agency personnel.
  - \$2.3 million in billings to several city police districts for County provided dispatch services.
  - \$2.2 million for various Probation Department state and federal assistance.
- ❖ *Recreation and Cultural Services* revenue increased \$10.2 million, or 120.1%. The increase was primarily from capital contributions for the acquisition of land designated for parks, open space, and trails. Funding for the acquisition was provided by the Wildlife Conservation Board and California Coastal Conservancy.
- ❖ *Property Taxes* rose \$11.8 million, or 4.8%, a function of the regular 2% increase in assessed property value allowed by California's Proposition 13 and increasing property values on new sales.
- ❖ *Interest Earnings Not Restricted to Specific Programs* increased \$4.4 million primarily due to increased rates of return on County Treasury investments.

Overall, total expenses for governmental activities increased \$49.8 million, or 6.6%. The majority of the increase occurred in *Public Protection*, which increased \$39.1 million. The increase related to negotiated salary increases, as well as increase pension expense, which occurred due to an increase in the pension liability. Other increases related to capital outlay for new lease and subscription-based IT software agreements.

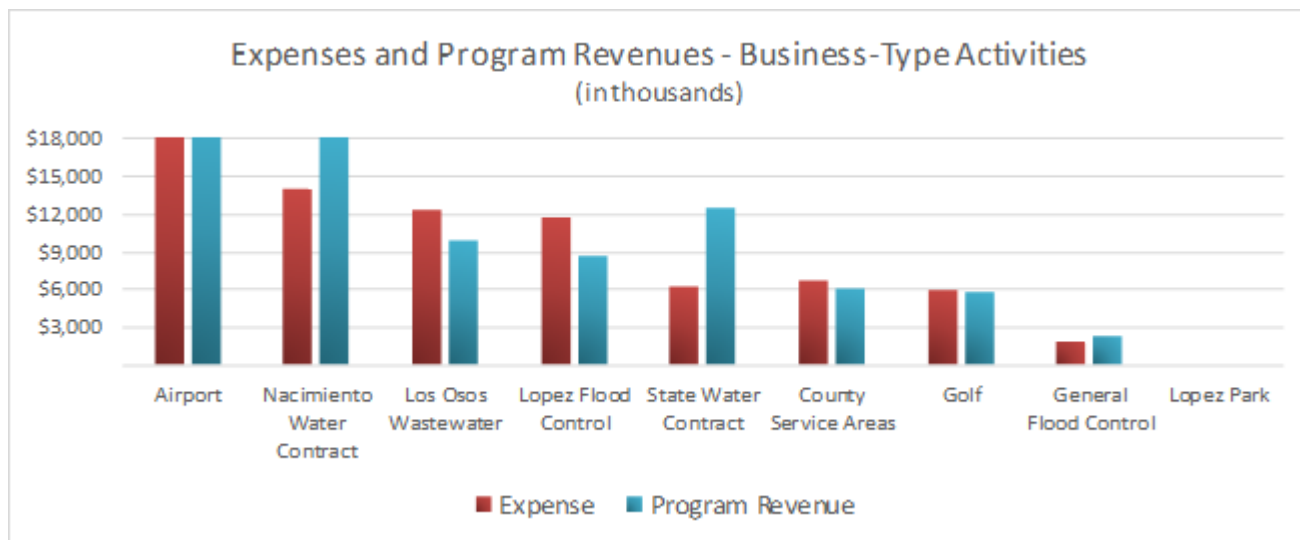
For FY 2024-25, the County funded General Fund contingencies at a level of 4.75%, while still making investments in the many programs and services provided to the community.

#### Business-type Activities

Business-type activities increased the County's net position by \$22.2 million, compared to an increase of \$13.8 million in the prior year. Revenues exceeded expenses by \$20.3 million, and net transfers were \$1.8 million, which resulted in an increase to total net position. The County's business-type activities provide the same type of information found in the Enterprise Fund financial statements. Additional financial information and analysis is available in the Proprietary Funds section below.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The following chart presents the total expenses to total program revenue for each business-type activity. Program revenues include charges for services, operating grants and contributions, and capital grants and contributions.



## FUND FINANCIAL STATEMENT ANALYSIS

### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental Funds

The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is beneficial in assessing the County's financing requirements. In particular, total fund balance less the nonspendable portion may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Total fund balance consists of the following components (see Note 11 for additional detail):

- *Nonspendable fund balance*, \$22,058, increased \$6.8 million, or 44.5%, from the prior year. Nonspendable fund balance represents amounts that are not spendable in form or are legally or contractually required to be maintained intact, and includes (1) inventories of \$220, (2) prepaid items of \$649, and (3) long-term receivables of \$21.2 million. The increase from the prior year primarily relates to loans made from the General Fund to the Roads Fund to repair road damage caused by winter storms.
- *Restricted fund balance*, \$133,471, decreased \$18.4 million, or 12.1%, from the prior year. Restricted fund balance represents amounts that are subject to externally enforceable legal restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation. Significant components of this balance include amounts restricted for (1) tax reduction reserves of \$5,371, (2) public protection programs of \$11,705, (3) Mental Health Services Act funds of \$4,411, (4) public facilities funds of \$5,232, (5) traffic impact programs of \$13,392, and (6) debt service of \$75,208. The decrease is attributable to Debt Service Fund bond proceeds being used for the Co-Located Emergency Dispatch Center, Probation Office Building, and rehabilitation of the Cayucos Veterans Hall.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

- *Committed fund balance*, \$327,616, decreased \$8.7 million, or 2.6%, from the prior year. Committed fund balance represents amounts with constraints imposed by the Board of Supervisors for specified purposes. Significant components of this balance include commitments for (1) flood control programs, \$5,690, (2) tax reduction reserve, \$69,714, (3) automation projects, \$26,010, (4) roads, \$14,791, (5) building replacement, \$60,272, (6) capital projects, \$21,014, and (7) SB 1090 economic development, \$10,564. The decrease from the prior year was the combination of decreased fire services and equipment (\$1.8 million), flood control programs (\$5.1 million), and roads (\$4.0 million).
- *Assigned fund balance*, \$288,229, increased \$87.6 million, or 43.6%, from the prior year. Assigned fund balance represents amounts the County intends to use for specific purposes that are neither restricted nor committed. Significant components of this balance include (1) behavioral health programs, \$46,093, (2) tax reduction reserve, \$34,355, (3) general government, \$25,876, (4) social services programs, \$46,982, and (5) subsequent fiscal year budget, \$51,820.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balance of \$771,374, an increase of 9.6% in comparison with the prior year. Approximately 79.8% of the total fund balance, or \$615,845, is available to meet the County's current and future needs.

### General Fund

The General Fund is the chief operating fund of the County. As of the end of the current fiscal year, spendable fund balance (restricted, committed, and assigned) of the General Fund was \$551,904 while total fund balance reached \$573,944. As a measure of the General Fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures of \$680.6 million. Spendable fund balance represents 81.1% of the total fund expenditures, while total fund balance represents 84.3% of the same amount, an 8.1% increase from the prior year. During the current fiscal year, the fund balance of the General Fund increased by \$67.3 million.

The following provides an explanation for significant contributors to the change in the General Fund's fund balance.

- ❖ Total revenues exceeded total expenditures by \$86.6 million, which was a \$24.9 million increase from the prior year.
- ❖ General Fund revenues increased \$67.2 million, or 9.6% over the prior year.
  - Tax revenue increased \$10.6 million, or 4.1%, due to increased assessed property values, including regular 2% increases allowed by California's Proposition 13.
  - Use of money and property increased \$3.8 million, or 17.2%, due to increased investment interest earnings and changes in the fair market value of investments.
  - Aid from governmental agencies increased \$36.1 million, or 10.3%. State aid increased \$11.8 million, or 4.7%. The County saw increased revenues for social services and family support through realignment funds and family support allocations. Federal aid increased \$24.0 million, or 24.5%, primarily through increased Medi-Cal reimbursement revenues for health programs.
  - The County also made a \$20.2 million restatement to beginning fund balance to recognize prior year Medi-Cal reimbursement revenue. Additional details on the restatement are available in Note 19, Restatement of Net Position and Fund Balance.
- ❖ Total expenditures in the General Fund increased \$42.3 million, or 6.6%. Salaries and benefits increased by 2.6%, and services and supplies increased by 4.7%, with increases occurring in most expenditure functions. The primary cause of the overall increase was additional costs for lease agreements and subscription-based IT software. Total spending on new and amended leases and software contracts amounted to \$17.5 million. Notably, during the year, the County entered into a new three-year Microsoft Enterprise Agreement totaling \$6.8 million, which supports Microsoft products used across all departments. The County also amended an existing lease for a Social Services office facility, extending the term of the agreement through 2039.



## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

### Capital Projects

The Capital Projects Fund manages construction projects for the County's governmental funds. The fund ended the fiscal year with a total fund balance of \$21.0 million. During the year, capital outlay expenditures exceeded revenues by \$40.6 million, while net transfers totaled \$45.2 million. Together, these factors resulted in a \$4.6 million increase in fund balance for the year. Funding for specific projects comes primarily from the use of designations, public facilities fees, issuance of long-term debt, and aid from other government agencies. The General Fund transferred \$8.3 million to the Capital Projects Fund for several projects, including \$1.5 million for replacements to the Health Agency Annex's HVAC systems, \$613 thousand for concrete and asphalt paving at the Heritage Ranch Fire Station, and \$392 thousand for a secure parking lot for the District Attorney and Sheriff's Offices to store evidence vehicles. The Public Facilities Corporation Debt Service Fund transferred in \$32.1 million in debt proceeds to offset construction costs for the Co-Located Emergency Dispatch Center, rehabilitation of the Cayucos Veterans Hall, and construction of the new Probation Department office building. In addition, \$4.2 million in public facilities fees were used during the year, with \$3.8 million allocated to the construction of the Co-Located Emergency Dispatch Center.

### Governmental Fund Revenues

Revenues for all governmental funds combined totaled \$902.9 million in the current fiscal year, an increase of approximately 10.9%, or \$88.6 million, from the prior fiscal year revenues of \$814.3 million.

The following table presents the amount of revenues from various sources and also displays increases or decreases from the prior year.

**Table C**  
**Revenues Classified by Source**  
**Governmental Funds**  
**Fund Financial Statements**  
**For the Year Ended June 30, 2025**  
**(in thousands)**

	2024-25		2023-24		Increase/(Decrease)	
	Percent of		Percent of		Percent	
	Amount	Total	Amount	Total	Amount	Change
<b>Revenues by Source:</b>						
Taxes	\$ 292,717	32.4%	\$ 281,265	34.5%	\$ 11,452	4.1%
Licenses, Permits, and Franchises	14,141	1.6%	14,351	1.8%	(210)	(1.5%)
Fines, Forfeitures, and Penalties	5,385	0.6%	4,889	0.6%	496	10.1%
Use of Money and Property	36,091	4.0%	32,133	3.9%	3,958	12.3%
Aid from Governmental Agencies	456,721	50.6%	408,888	50.2%	47,833	11.7%
Charges for Current Services	64,076	7.1%	58,506	7.2%	5,570	9.5%
Other Revenues	33,800	3.7%	14,279	1.8%	19,521	136.7%
<b>Total</b>	<b>\$ 902,931</b>	<b>100.0%</b>	<b>\$ 814,311</b>	<b>100.0%</b>	<b>\$ 88,620</b>	<b>10.9%</b>

The following provides an explanation of revenues by source that changed significantly over the prior year in the governmental funds.

- ❖ *Taxes* increased \$11.5 million, or 4.1%, over the prior year. Increases in tax revenue related to regular 2% increase in assessed property value allowed by California's Proposition 13.
- ❖ *Licenses, Permits, and Franchises* decreased by \$210 thousand, or 1.5%, over the prior year. This small decrease was primarily the net difference between decreased franchise fees and increased construction related permit revenue over the prior year.
- ❖ *Fines, Forfeitures, and Penalties* increased \$496 thousand, or 10.1%, over the prior year. The increase is related to payments received by the County as part of several various legal settlements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

- ❖ *Use of Money and Property* increased \$4.0 million, or 12.3%, over the prior year. This increase is primarily due to investment interest earnings and changes in the fair market value of investments.
- ❖ *Aid from Governmental Agencies* increased \$47.8 million, or 11.7%. The County received \$13.3 million more in state aid and \$34.3 million more in federal aid. Increases to state aid include additional funding for social services programs, roads projects through the State Transportation Improvement Program (STIP) and other grants, and opioid settlement funds stemming from a federal lawsuit against opioid manufacturers, distributors, and pharmacies. These funds are used for opioid remediation activities focused on prevention, intervention, harm reduction, treatment, and recovery services. The increase in federal aid included an additional \$8.6 million in CalTrans funding for road improvement projects and increased health program Medi-Cal reimbursement revenues.
- ❖ *Charges for Services* increased \$5.6 million, or 9.5%, over the prior year. This increase is due to additional road impact fees being collected on new developments to pay for the construction and expansion of public road infrastructure; an increase in billings of several city police districts for County provided dispatch services; and additional collections for election services.
- ❖ *Other Revenues* increased \$19.5 million, or 136.7%, over the prior year. The increase is primarily due to contributed capital for land located between Cayucos and Morro Bay, which the County acquired through grants from the Wildlife Conservation Board and the California Coastal Conservancy. The land will primarily be managed as open space, with grazing, until it can be opened for public access. In addition, the County acquired real property from the Oceano Community Services District as part of the approved divestiture of fire service responsibilities from the District to the County.

### Governmental Fund Expenditures

Expenditures for all governmental funds combined totaled \$873.6 million in the current fiscal year, an increase of approximately 11.6%, or \$90.5 million, from the prior fiscal year expenditures of \$783.1 million.

The following table presents expenditures by function for Governmental Funds, as well as the increase or decrease from the prior year.

**Table D**  
**Expenditures by Function Including Capital Outlay**  
**Governmental Funds**  
**Fund Financial Statements**  
**For the Year Ended June 30, 2025**  
(in thousands)

	2024-25		2023-24		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
<b>Expenditures by Function:</b>						
General Government	\$ 86,478	9.9%	\$ 78,117	10.0%	\$ 8,361	10.7%
Public Protection	269,059	30.8%	247,211	31.6%	21,848	8.8%
Public Ways and Facilities	74,325	8.5%	53,698	6.9%	20,627	38.4%
Health and Sanitation	172,187	19.7%	168,927	21.6%	3,260	1.9%
Public Assistance	158,878	18.2%	156,910	20.0%	1,968	1.3%
Education	13,156	1.5%	13,975	1.8%	(819)	(5.9%)
Recreation and Cultural Services	21,364	2.4%	14,297	1.8%	7,067	49.4%
Principal payments	15,117	1.7%	14,207	1.8%	910	6.4%
Interest on Long-Term Debt	13,362	1.5%	12,762	1.6%	600	4.7%
Capital outlay	49,700	5.7%	22,986	2.9%	26,714	116.2%
<b>Total</b>	<b>\$ 873,626</b>	<b>100.0%</b>	<b>\$ 783,090</b>	<b>100.0%</b>	<b>\$ 90,536</b>	<b>11.6%</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The following provides an explanation of the expenditures by function that changed significantly over the prior year.

- ❖ *General Government* expenditures increased \$8.4 million, or 10.7%. The increase related to new lease and subscription-based IT software agreements.
- ❖ *Public Protection* expenditures increased \$21.8 million, or 8.8%. Salaries and benefits increased 6.2%, while services and supplies increased by 6.3%. The rise in services and supplies was primarily driven by storm response activities associated with the Arroyo Grande Creek channel restoration and rehabilitation project. During the year, work began on Phase 2 of the project, which includes re-grading the South Levee outer slopes and repairing approximately 3,000 square yards of turf-reinforcing mat. This critical project is intended to improve creek water flow characteristics by removing vegetation and sediment, thereby restoring channel capacity, and enhancing flood protection.
- ❖ *Public Ways and Facilities* expenditures increased \$20.6 million, or 38.4%. The increase is primarily driven by several major road improvement projects, including:
  - El Camino Real at Santa Margarita Creek Bridge Replacement Project, which replaces the existing two-lane bridge with a three-lane concrete bridge that includes a center turn-lane and eight-foot shoulders.
  - Lopez Drive Bridge No. 2 Seismic Retrofit Project, which retrofits the existing bridge over the Arroyo Grande Creek branch of Lopez Lake to resist seismic forces and prevent any overall bridge failure.
  - Avila Beach Drive Interchange Improvement Project, which constructs a single lane roundabout at the intersection of Avila Beach Drive and Shell Beach Road and the northbound offramp/southbound on and off ramps of the US 101 interchange.
  - Dover Canyon Road at Jack Creek Bridge Replacement Project, which replaces the existing steel bridge in Templeton with a new concrete bridge.
- ❖ *Health and Sanitation* expenditures increased \$3.3 million, or 1.9%. The increase is primarily related to higher behavioral health treatment costs. The Health Agency saw more patient placements in Institutes for Mental Disease, along with rising rates charged by residential treatment facilities. In addition, limited availability at the County Psychiatric Health Facility (PHF) resulted in increased use of out-of-county psychiatric hospitals, further contributing to the cost increase.
- ❖ *Capital Outlay* expenditures increased \$26.7 million, or 116.2%. This increase is attributed to new lease agreements and amendments to existing agreements for office space, as well as expanded subscription-based IT contracts. The County also incurred capital costs for the purchase of land designated for parks, open space, and trails. In addition, construction continued on several major projects, including the Co-Located Emergency Dispatch Center, rehabilitation of the Cayucos Veterans Hall, replacement of the Probation Department's main office in San Luis Obispo, and the extension of the Bob Jones Trail.

### **Proprietary Funds**

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The following table shows actual revenues, expenses, and results of operations for the 2024-25 fiscal year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

**Table E**  
**Statement of Revenues, Expenses and Results of Operations**  
**Proprietary Funds**  
**Fund Financial Statements**  
**For the Year Ended June 30, 2025**  
(in thousands)

	Major Funds				Nonmajor Funds	Total
	Nacimiento				Other Enterprise Funds	Total Enterprise
	Airport	Water Contract	State Water Project	Los Osos Wastewater		
Operating revenues	\$ 17,030	\$ 18,831	\$ 12,917	\$ 7,753	\$ 21,718	\$ 78,249
Operating expenses	18,328	8,097	6,218	9,125	25,410	67,178
Operating income (loss)	(1,298)	10,734	6,699	(1,372)	(3,692)	11,071
Non-operating revenues (expenses), net	5,779	(3,151)	3,970	(2,781)	3,492	7,309
Net income (loss) before contributions and transfers	4,481	7,583	10,669	(4,153)	(200)	18,380
Contributions and transfers, net	(327)	-	-	2,467	1,904	4,044
<b>Change in net position</b>	<b>\$ 4,154</b>	<b>\$ 7,583</b>	<b>\$ 10,669</b>	<b>\$ (1,686)</b>	<b>\$ 1,704</b>	<b>\$ 22,424</b>

All the enterprise funds are expected to continue to meet their ongoing cost of operations and to be able to maintain sufficient reserves in the long-term.

- ❖ The *Airport Fund* reported an operating loss of \$1.3 million, a \$1.6 million change from the prior year's operating gain of \$275 thousand. The number of passengers using the airport increased 13.5%, resulting in higher landing fees, passenger facility charges, and customer facility charges revenue. However, these gains were offset by higher salary expenses and costs associated with the rental car stacking lot and Farmhouse Lane resurfacing projects. Non-operating revenue increased \$2.1 million primarily from American Rescue Plan Act (ARPA) draws. Overall, net position increased by \$4.2 million, compared to \$3.6 million in the prior year.
- ❖ The *Nacimiento Water Contract Fund* realized operating income of \$10.7 million, a \$1.3 million increase from the prior year's operating income of \$9.4 million. The increase was driven by an additional \$3.1 million in water sales revenue, partially offset by higher operating expenses related to pipeline maintenance and emergency repairs at the Yerba Buena Creek crossing. Overall, net position increased \$7.6 million, compared to a \$4.3 million increase in the prior year.
- ❖ The *State Water Project Fund* realized operating income of \$6.7 million, a \$5.8 million increase from the prior year's operating income of \$929 thousand. Operating revenues increased by \$4.6 million compared to the prior year. This growth was primarily due to a one-year agreement with several Kern County Water Districts to transfer the County's excess water supplies, which generated \$5.6 million in additional revenue for the fund. Overall, net position increased by \$10.7 million, up from a \$4.8 million increase in the prior year.
- ❖ The *Los Osos Wastewater Fund* reported an operating loss of \$1.4 million, a slight increase from the \$1.3 million loss in the prior year. Sewer charges revenue increased by \$502 thousand, but this gain was offset by a \$544 thousand increase to the plant's operating and maintenance costs. Overall, net position decreased by \$1.7 million, compared to a \$1.6 million decrease in the previous year.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for expenditures and transfers out increased by \$147.1 million, or 20.0%, during the year, leading to the final amended budget. This increase was funded by increases to both budgeted revenues and transfers-in (\$106.7 million) and the uses of reserves and designations for the balance. Budget augmentations were financed through unanticipated revenues totaling \$55.2 million in State, Federal, and Other Governmental Aid, \$45.9 million in Other Revenue, \$1.5 million in Charges for Current Services, \$393 thousand in Interfund Revenues, \$64 thousand in Fines, Forfeitures, and Penalties, and \$3.6 million in Other Financing Sources.

General Government function augmentations of \$42.7 million consisted of \$9.7 million in American Rescue Plan Act (ARPA) augmentations; \$23.5 million in augmentations toward capital projects, maintenance, and upgrades to County facilities; \$5.1 million in augmentations for operating transfers; \$1.0 million in augmentations in payments to other agencies; and the remaining augmentations went to various General Fund departments for salaries and benefits and services and supplies.

Public Protection function augmentations of \$67.0 million were primarily divided among County Fire (\$8.6 million), Sheriff-Coroner (\$12.7 million), Planning and Building (\$39.9 million), Office of Emergency Services (\$1.0 million), and Probation (\$2.7 million). County Fire received augmentations primarily for equipment purchases. Sheriff-Coroner received augmentations for salaries and benefits (\$2.6 million), equipment and capital outlay (\$6.6 million), and services and supplies (\$3.5 million). Planning and Building received augmentations for participation in the Central California Rural Regional Energy Network (CCR-REN), which supports an equitable and affordable clean energy transition for underserved communities. Office of Emergency Services received augmentations for Hazard Mitigation Grant Program funding and equipment purchases. Probation received augmentations for Providing Access and Transforming Health (PATH) Justice Involved Capacity Building Program funding and equipment purchases. The remaining smaller augmentations were for the Waste Management, District Attorney, Public Defender, Animal Services, and Agricultural Commissioner's programs.

Health and Sanitation function augmentations of \$14.7 million were divided between Public Health program augmentations of \$7.9 million and Behavioral Health program augmentations of \$6.8 million.

Public Assistance augmentations of \$4.6 million were primarily for social services support care, CalWORKS assistance and employment services, and foster care and adoption assistance.

Recreation augmentations totaling \$11.0 million were primarily for Parks related capital projects and acquisition of real property situated between Morro Bay and Cayucos for park, open space, and trails.

Public Ways and Facilities augmentations of \$7.1 million were divided between Development Services and Groundwater Sustainability augmentations of \$4.0 million and Public Works Special Services augmentations of \$3.1 million.

At the close of the fiscal year, actual General Fund expenditures were 78.9% of the current budget, while General Fund revenues were realized at 88.4% of budget.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

On June 30, 2025, the County had \$2.1 billion invested in a broad range of capital assets, including land, buildings, systems improvements, machinery and equipment, park facilities, golf courses, airport facilities, roads, bridges, dams, water and sewer lines, and intangible right-to-use assets (see Table F). This amount represents a net increase (including additions and deductions) of \$93.0 million, or 4.6%, from last year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

**Table F**  
**Capital Assets**  
**June 30, 2025**  
(in thousands)

	Governmental Activities		Business-Type Activities		Total Capital Assets		Percent Change
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	
Land	\$ 805,110	\$ 796,050	\$ 40,820	\$ 40,820	\$ 845,930	\$ 836,870	1.1%
Water Rights	-	-	80,435	76,435	80,435	76,435	5.2%
Other Property Non-Depreciable	-	-	1,968	1,968	1,968	1,968	0.0%
Construction in Progress	181,870	105,488	11,673	10,069	193,543	115,557	67.5%
Structures & Improvements	329,309	316,980	235,942	231,047	565,251	548,027	3.1%
Equipment	130,662	121,359	13,101	12,765	143,763	134,124	7.2%
Other Property Depreciable	1,258	1,258	554	554	1,812	1,812	0.0%
Infrastructure Depreciable	466,909	465,617	386,806	385,317	853,715	850,934	0.3%
Right-to-Use Lease Assets	142,469	135,172	693	336	143,162	135,508	5.6%
Right-to-Use Subscription Assets	14,427	5,799	297	297	14,724	6,096	141.5%
Subtotal	2,072,014	1,947,723	772,289	759,608	2,844,303	2,707,331	5.1%
Less Accumulated Depreciation	(519,032)	(499,230)	(196,703)	(182,028)	(715,735)	(681,258)	5.1%
Less Accumulated Amortization	(33,010)	(23,740)	(707)	(475)	(33,717)	(24,215)	39.2%
<b>Total</b>	<b>\$ 1,519,972</b>	<b>\$ 1,424,753</b>	<b>\$ 574,879</b>	<b>\$ 577,105</b>	<b>\$ 2,094,851</b>	<b>\$ 2,001,858</b>	<b>4.6%</b>

### Major additions and future commitments in capital assets - Governmental Activities

County Roads had had the majority of additions in governmental activities with \$37.4 million worth of assets. Microsurfacing, overlay, and chip seal projects throughout the County comprised most of the road additions. Other major roads projects include seismic retrofitting the existing bridge on Lopez Drive over Lopez Lake (\$5.0 million), replacing the existing bridge on El Camino Real over Santa Margarita Creek (\$5.1 million), replacing the Dover Canyon Road Bridge over Jack Creek in Templeton (\$2.5 million), and reconfiguring of the Avila Beach Dr/Hwy 101 Interchange to reduce traffic delays (\$9.6 million).

Other notable capital asset additions during fiscal year 2024-25 include continued construction of the Co-Located Emergency Dispatch Project (\$19.8 million), rehabilitation of the Cayucos Veterans Hall (\$2.0 million), replacement of the Probation Department's main office in San Luis Obispo (\$15.7 million), extension of the Bob Jones Trail (\$972 thousand), and Phase II of the Arroyo Grande Creek Channel Emergency Levee Rehabilitation project (\$5.0 million).

### Major additions and future commitments in capital assets - Business-type Activities

The San Luis Obispo County Regional Airport projects include rehabilitation of the taxiway (\$881 thousand) and surface lot improvements (\$1.6 million) to a roughly four-acre parcel near the airport to address landside constraints affecting parking for customers, rental cars, and employees.

Rehabilitation of the Oak Shores (CSA 7A) Wastewater System for \$322 thousand. Project components include the installation of a continuous ventilation system to provide drier air in the underground lift station, a shade structure to protect and extend the service life of electrical components from heat and sun exposure, and an automatic power transfer switch.

More detailed information about the County's capital assets is presented in Notes 4 and 5 in the financial statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

### Debt Administration

At the end of the current fiscal year, the County of San Luis Obispo had total notes, bonds, leases, and subscription arrangements payable of \$593.7 million. In July 2003, the County issued pension obligation bonds to refund the unfunded actuarial accrued liability due to the Pension Trust. The balance remaining on the County's pension obligation bonds at the end of fiscal year 2024-25 was \$64.7 million. The pension obligation bonds debt service payments are funded by County payroll benefits.

The remainder of the County's debt consists of \$20.4 million in certificates of participation, which are repaid from a variety of revenues; \$74.2 million in state and other loans; \$66.4 million in assessment bonds, of which, \$66.2 million related to the Los Osos Wastewater Project; \$140.8 million in revenue bonds which are repaid with water service revenue; \$125.5 million in lease agreements; \$6.3 million in subscription-based IT arrangements; and \$90.7 million in lease revenue bonds for debt refunding and construction of multiple capital projects, including an animal services facility, a Co-Located Emergency Dispatch Center, a new Probation building, and rehabilitation of the Cayucos Veterans Hall. General Obligation Bonds totaling \$4.7 million are backed by the full faith and credit of the County.

**Table G**  
**Outstanding Debt**  
**June 30, 2025**  
(in thousands)

	Governmental Activities		Business-Type Activities		Total Outstanding Debt		Percent Change
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	
Certificates of Participation	\$ 2,855	\$ 3,035	\$ 4,825	\$ 5,490	\$ 7,680	\$ 8,525	(9.9%)
Certificates of Participation from Direct Borrowings	7,578	7,778	5,134	5,244	12,712	13,022	(2.4%)
Pension Obligation Bonds	64,715	72,966	-	-	64,715	72,966	(11.3%)
State Notes from Direct Borrowings	936	1,101	73,165	76,965	74,101	78,066	(5.1%)
Other Notes from Direct Borrowings	-	-	86	126	86	126	(31.7%)
Lease Revenue Bonds	89,883	93,408	860	1,260	90,743	94,668	(4.1%)
Revenue Bonds	-	-	140,776	146,726	140,776	146,726	(4.1%)
General Obligation Bonds	-	-	4,670	5,321	4,670	5,321	(12.2%)
Assessment Bonds	185	241	66,218	67,850	66,403	68,091	(2.5%)
Leases	125,235	122,129	290	78	125,525	122,207	2.7%
SBITA	6,261	757	-	86	6,261	843	642.7%
<b>Total</b>	<b>\$297,648</b>	<b>\$301,415</b>	<b>\$296,024</b>	<b>\$309,146</b>	<b>\$593,672</b>	<b>\$610,561</b>	<b>(2.8%)</b>

The decrease from the prior year for the County's certificates of participation, notes, bonds, and leases payable was \$16.9 million, or 2.8%. Total debt payments made were \$20.9 million and no issuance of new debt was made in FY 2024-25.

State statutes limit the amount of general obligation debt a governmental entity may issue to 1.25% of its net assessed valuation. The current debt limitation for the County is \$947.6 million.

Other liabilities include compensated absences of \$49.2 million for governmental activities and \$935 thousand for business-type activities; landfill post-closure costs of \$15.3 million; and a self-insurance liability of \$26.8 million.

More detailed information about the County's long-term debt and other long-term liabilities is presented in Note 10 to the financial statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- ❖ The County is committed to providing services with integrity, collaboration, professionalism, accountability and responsiveness, and these values are reflected in the Fiscal Year 2024-25 budget.
- ❖ As a political subdivision of the State, County operations and budget are impacted by State issues and policies at the State level. In January, the Governor released his Proposed FY 2025-26 State Budget with expenditures totaling \$322.2 billion. The budget includes the withdrawal of approximately \$7.1 billion from the Budget Stabilization Account, also known as the Rainy Day Fund. The State's Legislative Analyst's Office report on the Overview of the Governor's FY 2025-26 Budget indicates that the state's budget remains roughly balanced, though future deficits are anticipated. While recent revenue gains appear reasonable, they are largely driven by the volatile stock market rather than economic improvements, making careful fiscal planning and continued momentum on addressing budget deficits essential. The Governor's budget proposal indicates that further adjustments may be needed in the May Revision to keep the budget stable in the long term.
- ❖ The recommended FY 2025-26 General Fund budget includes 35% (approximately \$258 million) of its operating revenue from the State. Therefore, we are and will continue to be mindful of the State's fiscal challenges and the consequential impacts on the County.
- ❖ In addition, the recommended FY 2025-26 General Fund Budget includes another 15% (approximately \$109 million) of its operating revenue from federal funds. Given this reliance, potential federal funding cuts could pose risks to county residents for essential safety net programs like Medi-Cal, CalWORKs, and CalFresh, which support healthcare, financial assistance, and food security.
- ❖ Starting in late summer of 2024, the County embarked on its Financial Rebalancing and Resilience Initiative to address a significant funding gap and better align expenditures with the projected revenue growth. To close the budget gap and support the County's efforts to manage limited resources while maintaining alignment with our priorities, all departments were requested to submit reduction lists for FY 2025-26 focusing on discretionary services and activities. All departments were asked to submit reduction lists with a target of 15% of their FY 2024-25 Adopted General Fund support budget with the status quo budget submittal for FY 2025-26. Further, a few departments with substantial General Fund allocations to discretionary programs were asked to submit additional reductions above 15%. Additionally, the County conducted a comprehensive review of all programs across departments, assessing program impacts and efficacy to our community, costs, outcome tracking, and overall alignment with our Board Priorities. This Initiative ultimately recommended a budget that adjusts the County's current spending intended to prevent recurring deficits and support the County's long-term fiscal sustainability.
- ❖ Local economic indicators:
  - Sales tax revenue for the unincorporated areas was \$16.2 million, a 0.9% decrease from the prior year.
  - County assessed property tax valuations increased from \$72.3 billion to \$75.8 billion, or 4.8%.
  - Transient Occupancy Tax collections were \$16.0 million, a 3.7% decrease from the prior year.



## **MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

- ❖ The Board of Supervisors adopted the FY 2024-25 budget in June 2025, with a \$124.3 million fund balance in the General Fund, of which \$51.8 million was appropriated to finance the current year’s expenditures including contingencies. \$13.0 million was placed in general reserves, and \$33.4 million was earmarked for designations. The total General Fund budget for FY 2025-26 is \$817.1 million, an 8.0% increase from the previous year. The County budget also includes community-wide results and indicators as well as department goals and performance measures that gauge how departments meet the needs of the community.

## **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 show the County's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Auditor-Controller-Treasurer-Tax Collector, Post Office Box 1149, San Luis Obispo, California 93406-1149. This report is also available online at [www.slocounty.ca.gov](http://www.slocounty.ca.gov).



---

**BASIC FINANCIAL STATEMENTS**  
**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

---



**COUNTY OF SAN LUIS OBISPO**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025 (IN THOUSANDS)**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	First 5 San Luis Obispo
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 781,127	\$ 105,043	\$ 886,170	\$ 9,933
Accounts receivable, net	4,513	3,446	7,959	-
Property taxes receivable	21,485	-	21,485	-
Other receivables	2,205	92,379	94,584	-
Due from other governments	70,977	1,278	72,255	909
Interest receivable	1	79	80	-
Leases receivable	281	529	810	-
Deposits with others	5,565	86	5,651	4
Internal balances	11,966	(11,966)	-	-
Inventories	1,096	115	1,211	-
Prepaid items	660	147	807	4
Loans receivable (net of allowance for uncollectibles)	30,086	348	30,434	-
Total Current Assets	929,962	191,484	1,121,446	10,850
Noncurrent Assets:				
Restricted cash with fiscal agent	46,872	10,811	57,683	-
Leases receivable	3,389	25,947	29,336	-
Prepaid insurance	-	225	225	-
Capital Assets:				
Nondepreciable	986,980	134,896	1,121,876	-
Depreciable, net	409,106	439,700	848,806	-
Lease assets, net	117,452	283	117,735	-
SBITA assets, net	6,434	-	6,434	-
Total Noncurrent Assets	1,570,233	611,862	2,182,095	-
Total Assets	2,500,195	803,346	3,303,541	10,850
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pensions	243,213	3,210	246,423	98
Deferred OPEB	14,348	230	14,578	-
Deferred loss on refunding	-	2,539	2,539	-
Total Deferred Outflows of Resources	257,561	5,979	263,540	98
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	42,702	9,613	52,315	1,250
Salaries and benefits payable	10,766	163	10,929	9
Deposits from others	13,241	810	14,051	-
Accrued interest	6,688	3,806	10,494	-
Other current liabilities	1,720	-	1,720	-
Unearned revenue	37,627	2,701	40,328	-
Bonds and notes payable	15,723	13,264	28,987	-
Lease liability	5,009	128	5,137	-
SBITA liability	2,851	-	2,851	-
Compensated absences	29,536	349	29,885	17
Landfill closure/postclosure costs	1,453	-	1,453	-
Self-insurance payable	5,570	-	5,570	-
Total Current Liabilities	172,886	30,834	203,720	1,276
Long-Term Liabilities:				
Net pension liability	1,002,170	13,226	1,015,396	137
Net OPEB liability	26,815	429	27,244	-
Bonds and notes payable	150,429	282,470	432,899	-
Lease liability	120,226	162	120,388	-
SBITA liability	3,410	-	3,410	-
Compensated absences	19,650	586	20,236	6
Landfill closure/postclosure costs	13,822	-	13,822	-
Self-insurance payable	21,255	-	21,255	-
Total Long-Term Liabilities	1,357,777	296,873	1,654,650	143
Total Liabilities	1,530,663	327,707	1,858,370	1,419
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pensions	1,000	13	1,013	-
Deferred OPEB	8,781	140	8,921	-
Deferred bond refunding	247	342	589	-
Deferred amounts related to leases	3,553	24,854	28,407	-
Total Deferred Inflows of Resources	13,581	25,349	38,930	-
<b>NET POSITION</b>				
Net investment in capital assets	1,323,930	318,038	1,641,968	-
Restricted for:				
General government	10,969	-	10,969	-
Public protection	24,188	-	24,188	-
Health and sanitation	21,250	-	21,250	-
Public assistance	3,140	-	3,140	-
Public ways and facilities	20,863	-	20,863	-
Recreation and cultural services	1,635	-	1,635	-
Education	81	-	81	-
Debt service	68,520	-	68,520	-
Unrestricted	(261,064)	138,231	(122,833)	9,529
Total Net Position	\$ 1,213,512	\$ 456,269	\$ 1,669,781	\$ 9,529

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN LUIS OBISPO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)**

Functions/Programs	Expenses	Program Revenues			Total
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 76,983	\$ 16,156	\$ 11,665	\$ 1,968	\$ 29,789
Public protection	296,567	31,545	91,133	1,154	123,832
Public ways and facilities	48,039	4,553	58	53,371	57,982
Health and sanitation	178,230	19,761	135,110	-	154,871
Public assistance	167,421	1,249	146,186	-	147,435
Education	12,507	460	350	-	810
Recreation and cultural services	16,152	14,013	1,230	3,371	18,614
Interest on long-term debt	13,348	-	-	-	-
Total governmental activities	809,247	87,737	385,732	59,864	533,333
Business-type activities:					
Airport	18,380	16,913	3,936	-	20,849
Golf	5,967	5,702	62	-	5,764
State Water Contract	6,244	12,502	14	-	12,516
Nacimiento Water Contract	14,075	18,831	-	-	18,831
Lopez Flood Control	11,718	8,490	137	-	8,627
Lopez Park	-	-	-	-	-
General Flood Control - Salinas Dam	1,815	1,873	427	-	2,300
County Service Areas	6,796	5,571	491	-	6,062
Los Osos Wastewater	12,316	7,745	-	2,226	9,971
Total business-type activities	77,311	77,627	5,067	2,226	84,920
<b>Total primary government</b>	<b>\$ 886,558</b>	<b>\$ 165,364</b>	<b>\$ 390,799</b>	<b>\$ 62,090</b>	<b>\$ 618,253</b>
<b>Component unit:</b>					
First 5 San Luis Obispo	\$ 3,125	\$ -	\$ 2,911	\$ -	\$ 2,911

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN LUIS OBISPO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			Component Unit First 5
	Governmental Activities	Business-Type Activities	Total	
Governmental activities:				
General government	\$ (47,194)	\$ -	\$ (47,194)	
Public protection	(172,735)	-	(172,735)	
Public ways and facilities	9,943	-	9,943	
Health and sanitation	(23,359)	-	(23,359)	
Public assistance	(19,986)	-	(19,986)	
Education	(11,697)	-	(11,697)	
Recreation and cultural services	2,462	-	2,462	
Interest on long-term debt	(13,348)	-	(13,348)	
Total governmental activities	(275,914)	-	(275,914)	
Business-type activities:				
Airport	-	2,469	2,469	
Golf	-	(203)	(203)	
State Water Contract	-	6,272	6,272	
Nacimiento Water Contract	-	4,756	4,756	
Lopez Flood Control	-	(3,091)	(3,091)	
Lopez Park	-	-	-	
General Flood Control	-	485	485	
County Service Areas	-	(734)	(734)	
Los Osos Wastewater	-	(2,345)	(2,345)	
Total business-type activities	-	7,609	7,609	
<b>Total primary government</b>	<b>\$ (275,914)</b>	<b>\$ 7,609</b>	<b>\$ (268,305)</b>	
<b>Component unit:</b>				
First 5 San Luis Obispo				\$ (214)
General Revenues:				
Taxes:				
Property taxes	257,631	5,152	262,783	-
Sales and use taxes	16,248	-	16,248	-
Transient occupancy taxes	15,959	-	15,959	-
Transfer tax	3,063	-	3,063	-
Other taxes	2,043	-	2,043	-
Grants not restricted to specific programs	3,236	-	3,236	-
Interest earnings not restricted to specific programs	37,894	7,013	44,907	491
Other revenues	394	560	954	64
Transfers	(1,818)	1,818	-	-
Total General Revenues and Transfers	334,650	14,543	349,193	555
Change in net position	58,736	22,152	80,888	341
Net position - beginning, as originally reported	1,146,182	434,296	1,580,478	9,188
Change in accounting principle	(11,574)	(179)	(11,753)	-
Correction of an error	20,168	-	20,168	-
Net position - beginning, as restated	1,154,776	434,117	1,588,893	9,188
Net position - end of year	<u>\$ 1,213,512</u>	<u>\$ 456,269</u>	<u>\$ 1,669,781</u>	<u>\$ 9,529</u>

The accompanying notes are an integral part of these financial statements.





---

**BASIC FINANCIAL STATEMENTS**  
**FUND FINANCIAL STATEMENTS**

---



**COUNTY OF SAN LUIS OBISPO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025 (IN THOUSANDS)**

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 582,716	\$ 24,588	\$ 117,053	\$ 724,357
Restricted cash with fiscal agent	-	-	46,872	46,872
Accounts receivable, net	4,430	-	57	4,487
Accrued property taxes receivable	21,485	-	-	21,485
Other receivables	2,181	-	24	2,205
Due from other governments	46,779	1,742	22,456	70,977
Interest receivable	1	-	-	1
Due from other funds	-	6,019	-	6,019
Inventories	220	-	-	220
Leases receivable	3,570	-	100	3,670
Loans receivable, net of allowance for uncollectibles	-	-	30,086	30,086
Advances to other funds	21,189	-	1,434	22,623
Deposits with others	5,559	-	6	5,565
Prepaid items	631	-	18	649
Total assets	<u>\$ 688,761</u>	<u>\$ 32,349</u>	<u>\$ 218,106</u>	<u>\$ 939,216</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 20,120	\$ 9,957	\$ 10,202	\$ 40,279
Salaries and benefits payable	9,347	-	378	9,725
Due to other funds	-	-	6,019	6,019
Deposits from others	5,144	-	1,243	6,387
Unearned revenue	31,466	100	6,061	37,627
Other current liabilities	1,720	-	-	1,720
Advances from other funds	-	-	15,626	15,626
Total liabilities	<u>67,797</u>	<u>10,057</u>	<u>39,529</u>	<u>117,383</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unavailable revenue	43,556	1,278	2,072	46,906
Deferred amounts related to leases	3,464	-	89	3,553
Total deferred inflows of resources	<u>47,020</u>	<u>1,278</u>	<u>2,161</u>	<u>50,459</u>
<b><u>FUND BALANCES</u></b>				
Nonspendable	22,040	-	18	22,058
Restricted	29,459	-	104,012	133,471
Committed	234,216	21,014	72,386	327,616
Assigned	288,229	-	-	288,229
Total fund balances	<u>573,944</u>	<u>21,014</u>	<u>176,416</u>	<u>771,374</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 688,761</u>	<u>\$ 32,349</u>	<u>\$ 218,106</u>	<u>\$ 939,216</u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN LUIS OBISPO**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**JUNE 30, 2025 (IN THOUSANDS)**

<b>Total Fund Balances - Total Governmental Funds</b>	\$ 771,374
Amounts reported for Governmental Activities in the Statement of Net Position were different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	1,376,857
Lease assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	116,940
SBITA assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	6,417
Accrued property tax and grant revenues are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	46,906
Internal service funds are used by the County to charge the costs of vehicle fleet management, comprehensive public works services, and operations of the County's workers' compensation, protected self-insurance, unemployment, and dental insurance programs to individual funds. The assets and liabilities are included in governmental activities in the Statement of Net Position.	(35,590)
Adjustments for internal service funds are necessary to "close" those funds by charging additional amounts to participating business-type activities to completely cover the internal service funds' costs for the year.	4,969
Interest on long-term debt is recognized as it accrues, regardless of when it is due.	(6,688)
The pension liability of governmental funds is not due and payable in the current period, and therefore is not reported in the fund financial statements.	(912,054)
The other post-employment benefit (OPEB) of governmental funds is not due and payable in the current period, and therefore is not reported in the fund financial statements.	(24,231)
The unamortized portion of changes to the net pension liability, the net difference between projected and actual earnings on pension plan investments, and contributions subsequent to the pension liability measurement date are not reported in the fund financial statements for governmental funds.	220,433
The unamortized portion of changes to the net other post-employment benefit (OPEB) liability, the net difference between projected and actual earnings on OPEB investments, and contributions subsequent to the OPEB liability measurement date are not reported in the fund financial statements for governmental funds.	5,031
Governmental funds report the effects of refundings when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(247)
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds as follows:	
Certificates of participation	(10,433)
Bonds and notes payable	(155,719)
Leases payable	(124,679)
SBITA payable	(6,244)
Compensated absences	(44,255)
Landfill closure/postclosure costs	(15,275)
	(356,605)
<b>Net Position of Governmental Activities</b>	\$ 1,213,512

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN LUIS OBISPO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)**

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>REVENUES</u></b>				
Taxes	\$ 271,225	\$ -	\$ 21,492	\$ 292,717
Licenses, permits, and franchises	14,141	-	-	14,141
Fines, forfeitures, and penalties	4,277	396	712	5,385
Use of money and property	26,103	802	9,186	36,091
Aid from other governments	385,663	5,109	65,949	456,721
Charges for services	43,667	2,796	17,613	64,076
Other revenues	22,086	-	11,714	33,800
	<u>767,162</u>	<u>9,103</u>	<u>126,666</u>	<u>902,931</u>
Total revenues	<u>767,162</u>	<u>9,103</u>	<u>126,666</u>	<u>902,931</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	86,478	-	-	86,478
Public protection	256,490	-	12,569	269,059
Public ways and facilities	5,612	-	68,713	74,325
Health and sanitation	151,354	-	20,833	172,187
Public assistance	157,957	-	921	158,878
Education	554	-	12,602	13,156
Recreation and cultural services	13,205	-	8,159	21,364
Debt service:				
Principal payments	7,992	-	7,125	15,117
Interest and fiscal charges	955	-	12,407	13,362
Capital outlay	-	49,700	-	49,700
	<u>680,597</u>	<u>49,700</u>	<u>143,329</u>	<u>873,626</u>
Total expenditures	<u>680,597</u>	<u>49,700</u>	<u>143,329</u>	<u>873,626</u>
Excess (deficiency) of revenues over (under) expenditures	<u>86,565</u>	<u>(40,597)</u>	<u>(16,663)</u>	<u>29,305</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Leases	8,903	-	668	9,571
SBITAs	8,611	-	12	8,623
Transfers in	2,579	45,710	31,229	79,518
Transfers out	(39,366)	(470)	(40,020)	(79,856)
	<u>(19,273)</u>	<u>45,240</u>	<u>(8,111)</u>	<u>17,856</u>
Total other financing sources (uses)	<u>(19,273)</u>	<u>45,240</u>	<u>(8,111)</u>	<u>17,856</u>
Net change in fund balances	67,292	4,643	(24,774)	47,161
Fund balances - beginning, as originally reported	486,484	16,371	201,190	704,045
Correction of an error	20,168	-	-	20,168
Fund balances - beginning, as restated	506,652	16,371	201,190	724,213
Fund balances - ending	<u>\$ 573,944</u>	<u>\$ 21,014</u>	<u>\$ 176,416</u>	<u>\$ 771,374</u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN LUIS OBISPO**  
**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** \$ 47,161

Amounts reported for governmental activities in the Statement of Revenues, Expenditures, and Changes in Fund Balances were different because:

Property tax, intergovernmental revenue and other revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (9,766)

Governmental funds report capital outlay as expenditures. These expenditures have no effect on net position. Capital outlay expenditures that have no effect on net position are reported in the following functional categories:

Capital outlay	\$	49,865	
General government		1,714	
Public protection		11,425	
Public ways		37,455	
Health and sanitation		1,878	
Public assistance		-	
Education		428	
Recreation and cultural services		<u>6,976</u>	
			109,741

Governmental funds report new leases and SBITAs as expenditures. These expenditures have no effect on net position. 18,194

In the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. (22,541)

In the Statement of Activities, the cost of right to use lease assets is allocated over their estimated useful lives and reported as amortization expense. (6,988)

In the Statement of Activities, the cost of SBITA assets is allocated over their estimated useful lives and reported as amortization expense. (2,996)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (1,677)

Debt proceeds and new leases are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position.

Debt principal payments		7,236	
Lease payments		4,922	
Lease issuance		(9,570)	
SBITA payments		3,110	
SBITA issuance		(8,623)	

Some expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources. Therefore, they are not reported as expenditures in governmental funds:

Change in compensated absences	\$	(33)	
Change in accrued interest payable		(643)	
Change in landfill closure/postclosure costs		(6,062)	
Change in net OPEB liability		(1,746)	
Change in deferred OPEB outflows		(165)	
Change in deferred OPEB inflows		709	
Change in Net Pension Liability		(63,007)	
Change in deferred pension outflows		(2,414)	
Change in deferred pension inflows		543	
Change in capital appreciation bond accretion		4,735	
Amortization of debt premiums and discounts and refunding		<u>509</u>	
			(67,574)

Internal service funds were used by the County to charge the costs of vehicle fleet management, comprehensive public works services, and operations of the County's workers' compensation, protected self-insurance, unemployment, and dental insurance programs to individual funds. The net revenue or expenditure effect of internal service funds is reported with governmental activities. (2,165)

The net (revenue) expense allocable to business-type activities 272

**Change in Net Position of Governmental Activities** \$ 58,736

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN LUIS OBISPO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2025 (IN THOUSANDS)**

	Business-Type Activities - Enterprise Funds						Governmental
	Airport	Nacimiento Water Contract	State Water Project	Los Osos Wastewater	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 34,167	\$ 19,270	\$ 25,968	\$ 8,038	\$ 17,600	\$ 105,043	\$ 56,770
Accounts receivable, net	-	122	2,819	-	505	3,446	26
Other receivables	848	-	-	91,531	-	92,379	-
Due from other governments	306	-	-	-	972	1,278	-
Interest receivable	79	-	-	-	-	79	-
Leases receivable	529	-	-	-	-	529	-
Deposits with others	-	-	-	-	86	86	-
Inventories	-	-	-	-	115	115	876
Loans receivable	-	-	-	348	-	348	-
Prepaid items	2	-	-	-	145	147	11
Total current assets	35,931	19,392	28,787	99,917	19,423	203,450	57,683
Noncurrent assets:							
Restricted cash with fiscal agent	-	10,810	-	-	1	10,811	-
Leases receivable	25,947	-	-	-	-	25,947	-
Prepaid insurance	-	225	-	-	-	225	-
Capital assets:							
Nondepreciable:							
Land	28,133	3,259	-	5,406	4,022	40,820	-
Construction in progress	2,649	-	336	812	7,876	11,673	-
Water rights	-	-	80,435	-	-	80,435	-
Other property	-	-	-	-	1,968	1,968	-
Depreciable:							
Infrastructure, net	231	135,662	-	148,478	19,900	304,271	-
Structures and improvements, net	70,476	7,868	4,695	570	45,367	128,976	382
Equipment, net	4,547	3	1	100	1,306	5,957	18,847
Other property, net	-	-	-	-	496	496	-
Lease assets, net	35	-	-	-	248	283	512
SBITA assets, net	-	-	-	-	-	-	17
Total noncurrent assets	132,018	157,827	85,467	155,366	81,184	611,862	19,758
Total assets	167,949	177,219	114,254	255,283	100,607	815,312	77,441
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred pensions	2,063	-	-	-	1,147	3,210	21,870
Deferred OPEB	149	-	-	-	81	230	1,382
Deferred loss on refunding	-	2,539	-	-	-	2,539	-
Total deferred outflows of resources	2,212	2,539	-	-	1,228	5,979	23,252
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	666	179	6,795	411	1,562	9,613	2,423
Salaries and benefits payable	99	-	-	-	64	163	1,041
Interest payable	-	2,047	-	1,536	223	3,806	-
Self-insurance payable	-	-	-	-	-	-	5,570
Deposits from others	92	4	-	13	701	810	6,854
Unearned revenue	101	-	2,595	-	5	2,701	-
Accrued vacation and sick leave - current	215	-	-	-	134	349	2,729
Lease liability - current	12	-	-	-	116	128	126
SBITA liability - current	-	-	-	-	-	-	13
Notes and bonds payable - current	40	5,815	-	4,078	3,331	13,264	-
Total current liabilities	1,225	8,045	9,390	6,038	6,136	30,834	18,756
Noncurrent liabilities:							
Self-insurance liability	-	-	-	-	-	-	21,255
Advances from other funds	4,941	-	-	96	1,960	6,997	-
Accrued vacation and sick leave	317	-	-	-	269	586	2,202
Lease liability	26	-	-	-	136	162	430
SBITA liability	-	-	-	-	-	-	4
Notes and bonds payable	47	134,961	-	127,691	19,771	282,470	-
Net OPEB Liability	278	-	-	-	151	429	2,584
Net Pension Liability	8,499	-	-	-	4,727	13,226	90,116
Total noncurrent liabilities	14,108	134,961	-	127,787	27,014	303,870	116,591
Total liabilities	15,333	143,006	9,390	133,825	33,150	334,704	135,347
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred pensions	8	-	-	-	5	13	90
Deferred OPEB	91	-	-	-	49	140	846
Bond refunding	-	253	-	-	89	342	-
Deferred amounts related to leases	24,854	-	-	-	-	24,854	-
Total deferred inflows of resources	24,953	253	-	-	143	25,349	936
<b>NET POSITION</b>							
Net investment in capital assets	105,886	19,091	85,462	50,216	57,383	318,038	18,042
Unrestricted	23,989	17,408	19,402	71,242	11,159	143,200	(53,632)
Total net position	\$ 129,875	\$ 36,499	\$ 104,864	\$ 121,458	\$ 68,542	461,238	\$ (35,590)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(4,969)	
Net Position of Business-Type Activities per Government-Wide Financial Statements						\$ 456,269	

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN LUIS OBISPO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)**

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Airport	Nacimiento Water Contract	State Water Project	Los Osos Wastewater	Nonmajor Enterprise Funds	Total Enterprise Funds
<b><u>OPERATING REVENUES:</u></b>						
Charges for services	\$ 16,962	\$ 18,831	\$ 12,502	\$ 7,745	\$ 21,649	\$ 77,689
Other revenues	68	-	415	8	69	560
<b>Total operating revenues</b>	<b>17,030</b>	<b>18,831</b>	<b>12,917</b>	<b>7,753</b>	<b>21,718</b>	<b>78,249</b>
<b><u>OPERATING EXPENSES:</u></b>						
Salaries and benefits	5,327	-	-	-	2,960	8,287
Services and supplies	7,065	5,754	5,906	4,648	19,428	42,801
Other charges	34	5	-	-	3	42
Insurance benefit payments	-	-	-	-	-	-
Depreciation	5,497	2,221	192	4,371	2,498	14,779
Amortization	80	-	-	-	151	231
Countywide cost allocation	325	117	120	106	370	1,038
<b>Total operating expenses</b>	<b>18,328</b>	<b>8,097</b>	<b>6,218</b>	<b>9,125</b>	<b>25,410</b>	<b>67,178</b>
<b>Operating income (loss)</b>	<b>(1,298)</b>	<b>10,734</b>	<b>6,699</b>	<b>(1,372)</b>	<b>(3,692)</b>	<b>11,071</b>
<b><u>NONOPERATING REVENUES (EXPENSES):</u></b>						
Property taxes	-	-	2,876	-	2,276	5,152
Investment income (expense)	1,868	2,794	1,080	372	899	7,013
Interest expense	-	(5,945)	-	(3,153)	(793)	(9,891)
Sale of capital assets	(25)	-	-	-	(7)	(32)
Aid from governmental agencies	3,936	-	14	-	1,117	5,067
<b>Total nonoperating revenues (expenses)</b>	<b>5,779</b>	<b>(3,151)</b>	<b>3,970</b>	<b>(2,781)</b>	<b>3,492</b>	<b>7,309</b>
<b>Income (loss) before contributions and transfers</b>	<b>4,481</b>	<b>7,583</b>	<b>10,669</b>	<b>(4,153)</b>	<b>(200)</b>	<b>18,380</b>
Capital contributions	-	-	-	2,226	-	2,226
Transfers in	-	-	-	310	1,978	2,288
Transfers out	(327)	-	-	(69)	(74)	(470)
<b>Change in net position</b>	<b>4,154</b>	<b>7,583</b>	<b>10,669</b>	<b>(1,686)</b>	<b>1,704</b>	<b>22,424</b>
Net position - beginning, as originally reported	125,799	28,916	94,195	123,144	66,939	438,993
Change in accounting principle	(78)	-	-	-	(101)	(179)
Net position - beginning, as restated	125,721	28,916	94,195	123,144	66,838	438,814
Net position - ending	<u>\$ 129,875</u>	<u>\$ 36,499</u>	<u>\$ 104,864</u>	<u>\$ 121,458</u>	<u>\$ 68,542</u>	<u>\$ (35,590)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(272)
Change in Net Position of Business-Type Activities per Government-Wide Financial Statements						<u>\$ 22,152</u>

The accompanying notes are an integral part of these financial statements.



**COUNTY OF SAN LUIS OBISPO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)**

	Business-Type Activities - Enterprise Funds						Governmental Activities Internal Service Funds
	Airport	Nacimiento Water Contract	State Water Project	Los Osos Wastewater	Nonmajor Enterprise Funds	Total Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Receipts from customers and third parties	\$ 16,610	\$ 18,709	\$ 12,432	\$ 7,756	\$ 21,583	\$ 77,090	\$ -
Receipts from interfund billings	-	-	-	-	-	-	89,817
Payments for goods and services	(7,500)	(7,232)	(6,113)	(4,456)	(18,846)	(44,147)	(21,196)
Payments to employees for services	(3,919)	-	-	-	(2,559)	(6,478)	(40,902)
Payments for insurance benefits	-	-	-	-	-	-	(5,086)
Payments for premiums	-	-	-	-	-	-	(9,849)
<b>Net cash provided (used) by operating activities</b>	<b>5,191</b>	<b>11,477</b>	<b>6,319</b>	<b>3,300</b>	<b>178</b>	<b>26,465</b>	<b>12,784</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Property tax proceeds	-	-	2,876	-	2,276	5,152	-
Grants and subsidies from other governmental agencies	3,649	-	18	-	98	3,765	-
Advances from other funds	-	-	-	-	474	474	-
Transfers from other funds	-	-	-	310	1,978	2,288	-
Transfers to other funds	(327)	-	-	(69)	(74)	(470)	(1,480)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>3,322</b>	<b>-</b>	<b>2,894</b>	<b>241</b>	<b>4,752</b>	<b>11,209</b>	<b>(1,480)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Purchases and construction of capital assets	(4,819)	-	(4,297)	(376)	(3,082)	(12,574)	(6,015)
Proceeds from sale of capital assets	-	-	-	-	-	-	517
Advances from (to) other funds	(149)	-	-	(580)	-	(729)	-
Capital contributions	-	-	-	5,102	-	5,102	-
Principal paid on capital debt	(40)	(5,361)	-	(3,986)	(3,295)	(12,682)	(135)
Interest paid on capital debt	-	(6,449)	-	(3,204)	(839)	(10,492)	(4)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(5,008)</b>	<b>(11,810)</b>	<b>(4,297)</b>	<b>(3,044)</b>	<b>(7,216)</b>	<b>(31,375)</b>	<b>(5,637)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
Interest received	1,868	2,794	1,080	372	899	7,013	2,401
<b>Net cash provided (used) by investing activities</b>	<b>1,868</b>	<b>2,794</b>	<b>1,080</b>	<b>372</b>	<b>899</b>	<b>7,013</b>	<b>2,401</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,373</b>	<b>2,461</b>	<b>5,996</b>	<b>869</b>	<b>(1,387)</b>	<b>13,312</b>	<b>8,068</b>
<b>CASH AND CASH EQUIVALENTS:</b>							
Beginning of year	28,794	27,619	19,972	7,169	18,988	102,542	48,702
End of year	<u>\$ 34,167</u>	<u>\$ 30,080</u>	<u>\$ 25,968</u>	<u>\$ 8,038</u>	<u>\$ 17,601</u>	<u>\$ 115,854</u>	<u>\$ 56,770</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>							
Operating income (loss)	\$ (1,298)	\$ 10,734	\$ 6,699	\$ (1,372)	\$ (3,692)	\$ 11,071	\$ (3,589)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization expense	5,577	2,221	192	4,371	2,649	15,010	3,100
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:							
(Increase) decrease in:							
Receivables, net	(1,769)	(120)	(352)	-	(4)	(2,245)	486
Inventory	-	-	-	-	(20)	(20)	19
Prepaid items	(2)	-	-	-	149	147	-
Deferred outflows - pension	(221)	-	-	-	8	(213)	(403)
Deferred outflows - OPEB	(14)	-	-	-	(1)	(15)	(15)
Leases	1,404	-	-	-	(12)	1,392	-
Increase (decrease) in:							
Accounts payable	(102)	(261)	(87)	301	732	583	929
Deposits from others	28	(1,097)	-	-	105	(964)	1,597
Salaries and benefits payable	85	-	-	-	40	125	394
Deferred inflows - pension	(3)	-	-	-	(3)	(6)	(49)
Deferred inflows - OPEB	2	-	-	-	(3)	(1)	(54)
Net OPEB liability	48	-	-	-	14	62	242
Net pension liability	1,511	-	-	-	345	1,856	8,663
Unearned revenue	(55)	-	(133)	-	(129)	(317)	-
Self-insurance liability	-	-	-	-	-	-	1,464
<b>Total adjustments</b>	<b>6,489</b>	<b>743</b>	<b>(380)</b>	<b>4,672</b>	<b>3,870</b>	<b>15,394</b>	<b>16,373</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 5,191</b>	<b>\$ 11,477</b>	<b>\$ 6,319</b>	<b>\$ 3,300</b>	<b>\$ 178</b>	<b>\$ 26,465</b>	<b>\$ 12,784</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>							
Leases	\$ -	\$ -	\$ -	\$ -	\$ 357	\$ 357	\$ -

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN LUIS OBISPO  
STATEMENT OF FIDUCIARY NET POSITION  
SAN LUIS OBISPO PENSION TRUST FUND  
DECEMBER 31, 2024 (IN THOUSANDS)  
CUSTODIAL AND INVESTMENT TRUST FUNDS  
JUNE 30, 2025 (IN THOUSANDS)**

	San Luis Obispo County Pension Trust December 31, 2024	Investment Trust Funds June 30, 2025	Custodial Funds June 30, 2025
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 113,591	\$ 843,571	\$ 142,233
Receivables:			
Interest and dividends	396	-	-
Accounts receivable	55	-	-
Taxes for other governments	-	-	826
Investments at fair value:			
Bonds and notes	314,354	-	-
International fixed income	-	-	-
Domestic equities	323,000	-	-
International equities	257,478	-	-
Alternative investments	603,650	-	-
Real estate	188,741	-	-
Other assets	227	-	4,372
Capital assets, net	4,391	-	15
	<u>\$ 1,805,883</u>	<u>\$ 843,571</u>	<u>\$ 147,446</u>
<b><u>LIABILITIES</u></b>			
Other current liabilities	\$ 925	\$ -	\$ 88,127
Other long-term liabilities	-	-	9
	<u>\$ 925</u>	<u>\$ -</u>	<u>\$ 88,136</u>
<b><u>NET POSITION</u></b>			
Restricted for:			
Pensions	\$ 1,804,958	\$ -	\$ -
Pool Participants	-	843,571	-
Individuals, organizations and other governments	-	-	59,310
	<u>\$ 1,804,958</u>	<u>\$ 843,571</u>	<u>\$ 59,310</u>
Total Net Position	<u>\$ 1,804,958</u>	<u>\$ 843,571</u>	<u>\$ 59,310</u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN LUIS OBISPO**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**SAN LUIS OBISPO PENSION TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024 (IN THOUSANDS)**  
**CUSTODIAL AND INVESTMENT TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)**

	San Luis Obispo County Pension Trust <u>December 31, 2024</u>	Investment Trust Funds <u>June 30, 2025</u>	Custodial Funds <u>June 30, 2025</u>
<b><u>ADDITIONS</u></b>			
Contributions:			
Contributions to pooled investments	\$ -	\$ 1,607,937	\$ -
Employer contributions	90,489	-	-
Member contributions	41,077	-	-
Total contributions	<u>131,566</u>	<u>1,607,937</u>	<u>-</u>
Investment income:			
Realized and unrealized gains and losses	107,103	-	-
Interest	3,659	24,764	4,593
Dividends	6,857	-	-
Investment expenses	(2,972)	-	-
Total investment income	<u>114,647</u>	<u>24,764</u>	<u>4,593</u>
Property taxes collected for other governments	-	-	259,929
Sales taxes collected for other governments	-	-	17,966
Other Income	39	-	29,111
Total additions	<u>246,252</u>	<u>1,632,701</u>	<u>311,599</u>
<b><u>DEDUCTIONS</u></b>			
Benefits:			
Monthly benefit payments	140,497	-	-
Refunds of contributions	5,637	-	-
Death benefits	441	-	-
Total benefits	<u>146,575</u>	<u>-</u>	<u>-</u>
Administrative expenses	3,182	-	38
Distributions from pooled investments	-	1,551,501	-
Interest expenses	-	-	34,801
Payments to other local governments	-	-	6,123
Property taxes distributed to other governments	-	-	264,803
Total deductions	<u>149,757</u>	<u>1,551,501</u>	<u>305,765</u>
Change in net position	96,495	81,200	5,834
Net position - beginning	<u>1,708,463</u>	<u>762,371</u>	<u>53,476</u>
Net position - ending	<u>\$ 1,804,958</u>	<u>\$ 843,571</u>	<u>\$ 59,310</u>

The accompanying notes are an integral part of these financial statements.



---

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

---



**COUNTY OF SAN LUIS OBISPO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (IN THOUSANDS)**  
**JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. FINANCIAL REPORTING ENTITY**

The County of San Luis Obispo (the County) was established by an act of the California State Legislature on February 18, 1850, as one of California's original 27 Counties. The County is a political subdivision of the State of California and may exercise the powers specified by the Constitution and laws of the State. The County exercises its powers through an elected five-member Board of Supervisors. The County provides various services on a countywide basis including public protection, public ways and facilities, health and sanitation, public assistance, education, and recreational and cultural services.

The County reporting entity includes all significant organizations, departments, and agencies over which the County is considered 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. The accompanying financial statements present the financial position of the County and those County-related entities that meet the criteria for component units established by the Governmental Accounting Standards Board (GASB).

Blended Component Units

These component units are so intertwined with the County that they are, in substance, the same as the County and, therefore, are blended and reported as if they were part of the County. Each of the following entities have governing bodies which are substantively the same as the governing body of the County, are fiscally accountable to the County, and have a significant relationship with the County, and therefore are included in its government-wide, governmental fund and proprietary fund financial statements:

*County Service Areas* – County Service Areas have been established for the purpose of providing specific services to distinct geographical areas within the County. These services include drainage and sewer collections facilities maintenance, street lighting energy charges, centralized septic services, wastewater disposal and treatment, and fire and emergency medical services in various unincorporated areas of the County.

*Flood Control and Water Conservation Districts* – Flood control and water conservation districts have been established for the purpose of providing specific flood and conservation services to distinct geographical areas within the County. These services include weather and hydrological data collections services, water delivery, water treatment and distribution services, and the construction of the Lopez Dam Seismic Remediation project.

*SLO County Financing Authority (the Authority)* – The Authority was created to assist in the financing, construction, and equipping of public facilities for one or both of the Authority's members.

*San Luis Obispo County Public Facilities Corporation (PFC)* – The PFC is a nonprofit public benefit corporation organized to assist public agencies within the County of San Luis Obispo with the acquisition and construction of various public facilities.

Separate financial statements or additional financial information for each of the component units may be obtained from the Auditor-Controller-Treasurer-Tax Collector at 1055 Monterey, Room D290, San Luis Obispo, CA 93408.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

Also, included in the accompanying financial statements as investment trust funds are the assets of numerous self-governed schools, special districts, and regional boards and authorities for which the County Treasurer acts as custodian of those assets. The financial reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments and the related fiduciary responsibility of the County for disbursement of these assets. Activities of these entities are administered by separate boards and are independent of the County Board of Supervisors. The County Auditor-Controller-Treasurer-Tax Collector makes disbursements upon the request of the entity's officers. The County Board of Supervisors has no effective authority to govern, manage, approve budgets, assume financial accountability, establish revenue limits, nor to appropriate surplus funds available in these entities. Seven cities and numerous self-governed special districts provide services to the residents of the County. The operations of these entities have been excluded from the basic financial statements as each entity conducts its own day-to-day operations and answers to its own governing board.

### Discretely Presented Component Units

*Children and Families Commission of San Luis Obispo County (First 5)* – First 5 was created in 1998 with the passage of Proposition 10, the California Children and Families First Act. First 5's mission is to allocate funds from the California Children and Families Trust Fund and advocate for quality programs and services, supporting children prenatal to age 5, to ensure that every child is healthy and ready to learn in school. First 5 is governed by a nine-member commission that includes public officials and community leaders from the fields of early childhood education, health care, and family support. The County can influence the day-to-day operations and financial decisions of First 5 as the County Board of Supervisors appoints all commission members. First 5 is reported as a discretely presented component unit because its governing body is not substantively the same as the County's governing body, and it does not provide services entirely or exclusively to the County. Separate financial statements may be obtained by contacting First 5 at 3220 South Higuera St., Suite 232, San Luis Obispo, CA 93401.

*San Luis Obispo County Pension Trust (Pension Trust)* – Pension Trust is an independent trust that administers the San Luis Obispo County Employees Retirement Plan on behalf of the County, is a fiduciary component unit which is presented in the Fiduciary Fund Financial Statements. Separate financial statements may be obtained by contacting Pension Trust at 1000 Mill St., San Luis Obispo, CA 93408.

## **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

### Government-wide Financial Statements

The Government-wide financial statements consist of the statement of net position and the statement of activities that report information about the County and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The statements distinguish between governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Internal activities and indirect expenses are consolidated in the statement of activities. Examples of expenses that have been eliminated include the allocation of indirect costs under the Countywide Cost Allocation Plan and internal payments for services provided between departments.



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

Amounts reported as *program revenues* include (1) fees, fines and charges to customers or applicants for goods or services offered by the programs, (2) operating grants and contributions that are restricted to meeting the operational requirements of a particular program, and (3) capital grants and contributions restricted to particular programs. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Enterprise funds, reported as business-type activities, 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 an enterprise fund's principal ongoing operation. The principal operating revenues of the County enterprise funds (Airport, Nacimiento Water Contract, State Water Project, Los Osos Wastewater, and nonmajor enterprise) are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County's internal service funds also distinguish operating revenues and expenses from nonoperating items, receive revenue primarily from charges to customers, and have services, administrative expenses, and depreciation of capital assets as costs; however, the internal service funds are reported as governmental activities in the Government-wide financial statements because they principally serve internal County operations.

### Fund Financial Statements

The fund financial statements report detailed information about the County's funds, including fiduciary funds and blended component units. Separate statements are provided for each fund category – Governmental, Proprietary, and Fiduciary even though the latter are excluded from the Government-wide financial statements. The emphasis of the Governmental and Proprietary Fund financial statements is on major individual funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements.

### New Accounting Pronouncements

For the fiscal year ended June 30, 2025, the County adopted the following Governmental Accounting Standards Board (GASB) Statements:

Statement No. 101	<i>Compensated Absences</i>	This Statement updates the recognition and measurement guidance for compensated absences.
Statement No. 102	<i>Certain Risk Disclosures</i>	This Statement requires the disclosure of risks related to a government's vulnerabilities due to certain concentrations or constraints.

## **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

### The County reports the following Major Governmental Funds:

- The General Fund is the County's primary operating fund. The General Fund is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education, and recreational and cultural services.
- The Capital Projects Fund is used to account for the financial resources restricted for the acquisition or construction of specific projects, or items other than those financed by proprietary funds.

### The County reports the following Major Proprietary Funds:

- The Airport Fund accounts for the maintenance, operations, and development of the County-owned commercial service airports in San Luis Obispo and Oceano.
- The Nacimiento Water Contract Fund accounts for the activities and delivery of water associated with the Nacimiento water supply reservoir and the contract with Monterey County.
- The State Water Project Fund accounts for revenues, expenses and net position relating to the countywide taxpayers' obligations associated with the State Water Project, which provides for the delivery of state water into the County.
- The Los Osos Wastewater Fund accounts for the construction, operation and maintenance of the wastewater treatment plant serving the community of Los Osos.
- Additionally, the County reports on Internal Service Funds. Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or to other governments on a cost-reimbursement basis. Internal Service Funds account for the activities of fleet operations, construction management services, and self-insurance programs such as workers' compensation, long-term disability, employee benefits, and personal injury & property damage.

### The County reports the following Fiduciary Funds:

- The Pension Trust Fund accumulates contributions from the County and its employees, as well as earnings from the fund's investments. Disbursements are made from the fund for retirement, disability, and death benefits (based on a defined benefit formula), and administrative expenses. This fund includes all assets of the San Luis Obispo County Pension Trust as of December 31, 2024.
- Investment Trust Funds account for the assets of legally separate entities that deposit cash with the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- Custodial Funds account for the resources held by the County in a custodial capacity on behalf of other agencies. These include accounts for temporary holding of funds for the tax assessment areas created under the 1915 Improvement Act, temporary clearing funds, and other temporary holding funds not classified in other fiduciary categories.

## **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

### **C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The Government-wide, Proprietary, and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales tax, transient occupancy taxes, grants, entitlements, and donations. On an accrual basis of accounting, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from sales and transient occupancy taxes are recognized when the underlying transactions take place. Revenues from grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they become both measurable and available. The County considers all revenues in governmental funds to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property tax revenues and all other revenues to be available if they are collected within 60 days of the end of the current fiscal period. It is the County's policy to submit reimbursement and claim requests for federal and state grant revenues within 30 days of the end of the program cycle, and payments are generally received within 90 days. Property taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures generally are recorded when the related liability is incurred, as under accrual accounting. However, prepaid items, such as rent expense, are recorded using the consumption method which recognizes expenses during the period benefited by the prepayment. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized as expenditures only to the extent that payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

The County eliminates the effect of interfund activity from the Government-wide financial statements by consolidating internal activities and indirect expenses in the statement of activities. Interfund services provided and used are not eliminated in the process of consolidation.

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

### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY**

#### Deposits and Investments

In accordance with Government Code Section 27130, a treasury oversight committee serves the County. The committee consists of a representative appointed by the Board of Supervisors, the Auditor-Controller-Treasurer-Tax Collector, the Superintendent of Schools, a representative from the County's school districts and community college, and one member from the public at large. The committee meets annually and is subject to the California open meeting statutes.

Cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held by the County Treasurer are stated at fair value at June 30, 2025. The fair value of pooled investments is determined annually and is based on current market prices.

The County pool is not registered with the Securities and Exchange Commission as an investment company and does not issue separate investment reports. The County has not provided or obtained any legally binding guarantees to support the value of the shares. Participants may withdraw up to the amortized cost of their respective shares as displayed on the combined balance sheet. The share of the Treasurer's pool related to involuntary participants is 99.99 percent.

### Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All short-term cash surpluses are maintained in the County Treasury cash and investments pool, the earnings from which are allocated quarterly to each fund based on average daily cash balances.

### Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. No uncollectible allowance is recorded for enterprise special district receivables, which are primarily for water service billings. These receivables are written off in the year they become uncollectible.

### Deferred Outflows and Inflows of Resources

In addition to assets, the financial statements may report a separate section for deferred outflows of resources. A deferred outflow of resources represents a consumption of net assets that applies to future periods. In addition to liabilities, the financial statements may report a separate section for deferred inflows of resources which represent an acquisition of net position that applies to future periods.

### Property Tax

The County is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County, including schools, cities, and special districts. Property taxes, for which the lien date is January 1, are payable in two equal installments, November 1 and February 1, and become delinquent on December 10 and April 10, respectively. Property taxes receivable are recognized when levied. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent on August 31. The County is permitted by Article XIII-A of the State of California Constitution (known as Proposition 13) to levy a maximum tax of \$1.00 per \$100.00 of full cash value. Property taxes are accounted for in the Unportioned Property Tax and Interest Fund, a Custodial Fund, until allocation and disbursement to the taxing jurisdictions.

Beginning in fiscal year 1993-94, the County of San Luis Obispo adopted the "Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds" provided for in Revenue and Taxation Code Sections 4701-4717, which is commonly known as the "Teeter Plan". The Teeter Plan has no impact on tax rates or collection procedures. It merely changes the way the collections of delinquent taxes and penalties are distributed among the taxing agencies. Those agencies participating in the Teeter Plan receive 100% of the secured property taxes billed each year without regard to delinquencies. The General Fund covers the delinquent amount to all agencies and, in return, receives the delinquent taxes, penalties and interest when collected.

## **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

As a result of the Teeter Plan, secured property taxes receivable are recorded in the General Fund only, and there is no allowance for uncollectible amounts. Penalties and interest are deposited into the Tax Loss Reserve Fund. Once the Tax Loss Reserve Fund balance exceeds 25% of the secured delinquent roll, the excess may be credited to the General Fund.

The Teeter Plan was amended beginning fiscal year 2001-02 by removing unitary tax payments (including PG&E), so that all agencies in the County will share in any delinquency that may occur.

Unsecured property is not part of the Teeter Plan. Unsecured property taxes receivable is accrued to taxing agencies, net of the uncollectible amount which is estimated based on prior year collections.

### Interfund Transactions

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

### Inventories and Prepaid Items

Inventories held by the General Fund, and the Public Works and Garage Internal Service Funds, are carried at cost (first-in, first-out). The Internal Service Funds' inventories are controlled by perpetual inventory systems and are adjusted as appropriate to reflect year-end physical inventory counts. Governmental Funds (other than the General Fund) record inventory as expenditures when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the Government-wide and Fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

### Capital Assets

Capital assets, which include land, structures and improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the Government-wide financial statements. Capital assets are defined as assets with an initial individual cost greater than the capitalization threshold for the specified type of asset and an estimated useful life beyond a single fiscal period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets and capital assets received in a service concession arrangement are recorded at acquisition value. General infrastructure assets acquired prior to July 1, 1980, are reported at estimated historical cost using deflated replacement costs.

Normal maintenance and repairs are not capitalized but are charged to operations when incurred. Betterments or major improvements, which significantly increase values, change capacities, or extend useful lives, are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts, and any resulting gain or loss is included in the results of operations.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

Capital outlays are recorded as expenditures in the General, Special Revenue, and Capital Projects Funds and as capital assets in the Proprietary Funds and Government-wide financial statements to the extent the County's capitalization thresholds are met. Interest incurred during the construction phase on financing capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Facilities and improvements, infrastructure, and machinery and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the estimated useful lives.

The capitalization thresholds and estimated useful lives of specific asset types are as follows:

<u>Asset Type</u>	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Land	No threshold	-----
Infrastructure	\$100,000	20 to 100 years
Structures & Improvements	\$25,000	15 to 50 years
Equipment	\$5,000	2 to 15 years
Lease Assets - Equipment	\$5,000	Lease term
Lease Assets – Structures	\$25,000	Lease term
Subscription Assets	\$5,000	Subscription term

### Lease Asset

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service.

Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life on the underlying asset, unless the lease contains a purchase option that the County has determined reasonably certain of being exercised.

### Subscription Assets

Subscription assets are recorded at the amount of the initial measurement of the subscription liabilities and modified by any subscription payments made to the vendor at the commencement of the subscription term and any capitalizable initial implementation costs. The asset is reduced by any vendor incentives received at the commencement of the subscription term.

Subscription assets are amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying assets.

### Compensated Absences

The County's policy is to permit employees to accumulate earned but unused vacation and sick leave benefits. Each year-end, a liability is accrued for the balance of unpaid compensatory time off, sick leave, and vacation earned. Additionally, the liability includes military leave and jury duty leave that has commenced as of June 30. To be considered part of the compensated absences liability the accrued leave must be (1) attributable to services already rendered, (2) the leave must accumulate, and (3) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

Accumulated benefits will be liquidated in future years as employees elect to use them. In the normal course of business, all payments of these accumulated benefits will be funded from appropriations in the year in which they are to be paid. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee designations and retirements.

### Long-term Obligations

In the Government-wide financial statements, and in proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances 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.

### Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the County's pension plan with San Luis Obispo County Pension Trust (SLOCPT) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by SLOCPT. 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.

### Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's OPEB Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

### Fund Equity

In the fund financial statements, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor the constraints on the specific purposes for which amounts in the funds can be spent. The fund balance classifications used are nonspendable, restricted, committed, assigned and unassigned (see Note 11 for a description of these categories).

In circumstances when an expenditure is made for a purpose for which amounts are available from multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

## **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

### **E. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## **DETAIL NOTES ON ALL FUNDS**

### **2. CASH AND CASH EQUIVALENTS**

#### Cash in Treasury

Investments made by the Treasurer are regulated by the California Government Code (CGC) and by the County's Investment Policy (IP). The policy's objectives in order of priority are safety and preservation of capital, liquidity sufficient to meet scheduled cash flow needs, and yield, subject to safety and liquidity while maintaining compliance with federal, state, and local laws and regulations.

The San Luis Obispo County Investment Pool is rated by Fitch Ratings, one of the Nationally Recognized Statistical Rating Organizations. Fitch has consistently rated the County Pool with their highest rating since Fiscal Year (FY) 1994-95. Fitch reaffirmed the County Pool's "AAAf/S1" rating on August 1, 2024. The County Pool's "AAAf" fund credit quality rating reflects "the highest underlying credit quality (or lowest vulnerability to default)." The "f" suffix to the Fund Credit Quality Rating indicates a fund rather than an individual issue or issuer. The County Pool's "S1" rating reflects the pool's low sensitivity to market risk and capacity to return stable principal value to meet anticipated cash flow requirements, even in adverse interest rate environments.

The County Treasury Oversight Committee (CTOC) was created by the Board of Supervisors' Resolution and consists of five members. The CTOC monitors and reviews quarterly the management of public funds maintained in the investment pool in accordance with the CGC. The CTOC and the Board of Supervisors review and approve the IP annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the CTOC and the investment pool participants every quarter. The report covers the type of investments in the pool, maturity dates, par value, actual costs, and fair value. CGC directs the CTOC to cause an annual IP compliance audit. A list of providers for the annual compliance audit is specified in the Board Resolution that created the CTOC. These providers are the County Auditor in conjunction with or in addition to work directed by CGC, independent certified public accountants (CPAs) selected to review the County's Annual Comprehensive Financial Report, and independent CPAs as deemed appropriate. CliftonLarsonAllen LLP (CLA) was selected to perform an Annual Investment Program Compliance Audit for the FY ended June 30, 2025. The results of these audits have been presented to the Board of Supervisors on a yearly basis. All such audits from prior years have had no findings.

Under CGC, the County may purchase as investments: obligations issued by the United States Treasury; obligations, participations, or other instruments of or issued by a federal agency or a United States government-sponsored enterprise; obligations of state and local agencies of this state and any of the other 49 states; bankers' acceptances; commercial paper; negotiable certificates of deposit; repurchase agreements; medium-term corporate notes; debt issuances guaranteed by the International Bank for Reconstruction (IBRD), International Finance Corporation (IFC), or the Inter-American Development Bank (IADB) that are eligible for purchase and sale within the United States; as well as other investments established by the CGC. CGC prohibits investments in derivatives which include inverse floaters, range notes, or mortgage-derived, interest strips and any security that could result in zero interest accrual if held to maturity. While securities lending and reverse repurchase, agreements are considered permitted investments per CGC, the County IP prohibits these types of investments.



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

The County maintains a combined pool of cash and investments which provides cash flow for the funding needs of the County, school districts, and other local agencies required by law to keep funds in the Treasury. The combined pool's investments are stated at fair value and have a weighted-average maturity of 1.61 years. Interest is apportioned to the separate funds based on the individual fund's average daily balance. Securities are held in a customer-segregated safekeeping account during the fiscal year. A Cash Statement and Asset List is requested monthly from the appropriate institutions and verified against records maintained in the Treasury.

The County's combined pool has invested in the CalTRUST Liquidity Fund, which has a stable net asset value. CalTRUST is a Joint Powers Agency Authority created by local public agencies to provide a method for local public agencies to pool their assets for investment purposes. CalTRUST is governed by a Board of Trustees made up of experienced local agency treasury and investment officers. The CalTRUST Board sets overall policies for the program and selects and supervises the activities of the investment manager, which as of June 30, 2025, was State Street Global Advisors. This type of investment is an authorized investment under CGC §53601 (p).

The County's combined pool has invested in the State's Local Agency Investment Fund (LAIF). This fund is not registered with the Securities and Exchange Commission as an investment company but is required to invest according to CGC. Market valuation is conducted quarterly. LAIF provided a fair value dollar factor of 1.001198310 for its portfolio as of June 30, 2025. The fair value of the investments in LAIF is the pool participant's amount invested balance multiplied by the fair value dollar factor. As of June 30, 2025, 3.81% of the LAIF pool includes Medium-term and Short-term Structured notes and Asset-backed securities. The Local Investment Advisory Board, which consists of five members as designated by statute, provides oversight for LAIF.

As of June 30, 2025, the County's combined pool includes funds deposited in collateralized interest-bearing bank accounts known as Public Investment Money Market Accounts (PIMMAs) and FDIC Insured Placement Service Deposits. Per CGC §53631 et seq., PIMMAs are depository accounts, not investments, and are fully liquid and collateralized by eligible securities. Placement Service Deposits are when a single large deposit is placed into individual deposits of less than \$250,000 with network banks. As a result, full FDIC insurance is maintained. Placement Service Deposits are not term deposits, and the full balance is available at any time on demand. PIMMAs and Placement Service Deposits are not investments by code, but they are included in the County's combined pool and are treated internally as investments for tracking, management, and reporting purposes. Governmental Accounting Standards Board (GASB) Statement No. 31 requires governmental external investment pools to report certain investments at fair value in the financial statements and report the change in the fair value of investments in the year in which the change occurred. In compliance with these requirements, the fair value of the County's combined pool is determined annually and is based on current market prices received from the securities custodian, CalTRUST, and LAIF, except for instruments which are carried at amortized cost plus accrued interest. The County Treasury has provided a fair value dollar factor of 1.00430632 in the Quarterly Report of Investments as of June 30, 2025, which can be used for financial reporting by the pool participants. The fair value of the investments is the pool participant's amount invested balance multiplied by the fair value dollar factor.

The table below identifies the investment types that are authorized for the County by the CGC. The County's combined pool is further restricted by both the County's IP and the Treasurer's written policies and procedures to reduce exposure to investment risks. The County's IP gives the County Treasurer the authority to act in the best interest of the County in the face of changing market conditions and circumstances by making written exceptions to the County's IP and the Treasurer's written policies and procedures within the limits of the CGC and all relevant laws. As of June 30, 2025, the table represents the County's IP or where more restrictive, the Treasurer's written policies and procedures, that address interest risk, credit risk, and concentration of credit risk.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Investment types utilized by the combined pool in FY 2024-25			
U.S. Treasury Notes	4 years	100%	N/A
U.S. Treasury Bills	Maximum issued	100%	N/A
U.S. Government Agencies: Federal Home Loan Bank	4 years	25%	N/A
U.S. Government Agencies: Farm Credit	4 years	25%	N/A
Local Agency Investment Fund (LAIF)	N/A	15%	N/A
Joint Powers Authority Pool	N/A	20%	N/A
Money Market Mutual Funds (Shares of Beneficial Interest) issued by a Joint Powers Authority	N/A	15%	15% per issuer. Requires specific written approval of County Treasurer for each type of investment.
Supranationals	4 years	20%	10% per issuer (IBRD, IFC, or IADB only). Must have AAA/A-1+ by 1 of the 3 credit rating agencies.
Public Investment Money Market Accounts (PIMMA)	N/A	50%	20%
FDIC Insured Placement Service Deposits	N/A	15%	Up to \$250,000 per participating bank
Bonds, Notes, Warrants, other evidences of indebtedness of any local agency within this state	1 year	10%	No more than 10% of issuer debt and assets. Requires specific written approval of County Treasurer for each type of investment.
Investments authorized, but not utilized in FY 2024-25			
U.S. Treasury Bonds	4 years	100%	N/A
CDARS	1 year	15%	1%
Bankers' Acceptances-Domestic	30 days	10%	4%
Commercial Paper	30 days	5%	2%
Collateralized Certificates of Deposit	1 year	5%	1%
Tri-Party Repurchase Agreements	30 days	15% of all repos	N/A
Cash Management Bills	Maximum issued	100%	N/A
Bonds issued by a Local Agency	1 year	5%	Requires specific written approval of County Treasurer for each type of investment.
Registered State Warrants	1 year	10%	Requires specific written approval of County Treasurer for each type of investment.
Pledged Funds held by a trustee or fiscal agent	Per specific statutory provisions or in accordance with the ordinance, resolution, indenture, or agreement of a local agency providing for the issuance.		
Investments not authorized in FY 2024-25			
U.S. Government Agencies: Federal National Mortgage Assoc.			
U.S. Government Agencies: Federal Home Loan Mortgage Corp.			
Bankers' Acceptances-Foreign			
Negotiable Certificates of Deposit			
Bi-Party Repurchase Agreements			
Medium-Term Notes			
Money Market Mutual Funds (Shares of Beneficial Interest) issued by diversified management companies			
Treasury Notes or Bonds of this state			
Registered Treasury Notes or Bonds of any of the other 49 United States			
Notes, Bonds, or other obligations that are at all times secured by a valid first priority security interest			
Mortgage Pass-Through Securities			
Investments not authorized in the County's IP			
Reverse Repurchase Agreements			
Securities Lending Agreements			

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### Interest Rate Risk

In accordance with County's IP, the County manages exposure to declines in fair values by structuring the portfolio so that securities mature to meet cash flow requirements for ongoing operations and thereby avoiding the need to sell securities on the open market prior to maturity.

### Custodial Credit Risk

The County minimizes this type of credit risk by pre-qualifying the custodial financial institution and requiring the custodian to hold securities in the County Treasurer's name.

### Credit Risk

The County minimizes exposure to credit risk by pre-qualifying the financial institutions limiting investments to the safest types of securities, diversifying the portfolio, and setting limits per issuer.

### Concentration of Credit Risk

At June 30, 2025, the County did not have investments in medium-term notes.

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County's Investment Pool's fair value at June 30, 2025.

Investment Type	S&P	Moody's	% of Portfolio
U.S. Government Agencies	AA+	Aaa	40.72%
U.S. Treasuries	AA+	Aaa	32.77%
Supranationals	AAA	Aaa	16.96%
CalTRUST-Liquidity Fund	AAAm	Not Rated	4.90%
LAIF	Not Rated	Not Rated	4.65%
Total			<u>100.00%</u>

GASB Statement No. 40 requires that investments in single issuers exceeding 5% of the County's pooled investments be disclosed as concentrations of credit risk. As of the year ended June 30, 2025, the following investments exceeded the 5% disclosure threshold:

Investment Type	% of Portfolio
U.S. Government Agencies-Farm Credit Bank	24.04%
U.S. Government Agencies-Federal Home Loan Bank	16.68%
Supranationals – IADB	8.34%
Supranationals – IBRD	6.21%

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

At June 30, 2025, the County had the following investments and interest-bearing deposits (in thousands):

Instrument	Maturity Dates	Interest Rate %	Weighted Average Maturity Years	Fair Value	Cost
U.S. Government Agencies	7/23/24 - 3/10/28	0.349% - 5.245%	1.50	\$ 664,695	\$ 657,785
U.S. Treasuries	7/31/24 - 2/29/28	0.397% - 5.126%	1.76	534,812	517,801
Supranationals	8/28/24 - 1/12/28	0.318% - 4.859%	1.40	276,891	270,126
CalTRUST	On Demand	4.580%	-	80,000	80,000
LAIF	On Demand	3.927%	-	75,913	75,000
Total Investment in County Treasury				<u>\$ 1,632,311</u>	<u>\$ 1,600,712</u>
Deposits in Financial Institutions				\$ 301,958	\$ 301,958
Cash on Hand				572	572
Total Cash Held in Treasury				<u>1,934,841</u>	<u>1,903,242</u>
Deposits in Transit				3,644	3,644
Outstanding Warrants				<u>(27,158)</u>	<u>(27,158)</u>
Total				1,911,327	1,879,728
Imprest Cash				2,487	2,487
Non-Pool Cash Deposits				5,687	5,687
Other Cash Deposits				<u>8,174</u>	<u>8,174</u>
Total Cash and Cash Equivalents				<u>\$ 1,919,501</u>	<u>\$ 1,887,902</u>
<u>Restricted Cash with Fiscal Agent</u>					
U.S. Governmental & Federal Agencies				\$ 57,683	\$ 57,514
Total				<u>57,683</u>	<u>57,514</u>
Total Restricted and Unrestricted Cash and Cash Equivalents				<u>\$ 1,977,184</u>	<u>\$ 1,945,416</u>

<u>Total Cash and Investments Summary</u>	<u>Fair Value</u>
Total Governmental Activities	\$ 827,999
Total Business-Type Activities	115,854
Total Investment and Custodial Fiduciary Funds	985,804
Total Fiduciary Component Unit - SLO Pension Trust as of December 31, 2024	113,591
SLO Pension Trust Fund Perspective Difference <sup>1</sup>	(75,997)
Total Component Unit - First 5	9,933
Total Cash and Investments as of June 30, 2025	<u>\$ 1,977,184</u>

<sup>1</sup> Perspective amount represents the combination of the change in Total SLO Pension Trust cash from the Pension Trust's ACFR Reporting Date of 12/31/2024 to the County's ACFR Reporting Date of 6/30/2025 and the portion of Pension Trust's cash held outside of the County's financial system. The cash balance in the County's Treasury for San Luis Obispo County Pension Trust as of 6/30/2025 is \$37,594.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

The following represents a condensed statement of net position and changes in net position for the Treasurer's investment pool as of June 30, 2025 (in thousands):

	Fair Value
<u>Statement of Net Position:</u>	
Net position held for pool participants	<u>\$ 1,911,327</u>
Equity of internal pool participants	\$ 1,067,756
Equity of external pool participants (voluntary and involuntary)	843,571
Total Equity	<u>\$ 1,911,327</u>
<u>Statement of Changes in Net Position:</u>	
Revenue	\$ 67,625
Investment costs	(1,012)
Net deposits	81,586
Change in fair value	26,727
Net change in pool net position	174,926
Net position at July 1, 2024	1,736,401
Net position at June 30, 2025	<u>\$ 1,911,327</u>

### Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is divided into 3 levels with each level based on the source used to measure the fair value of the asset.

The County has the following recurring fair value measurements as of June 30, 2025:

	Fair Value Measurements Using			
	Investments by fair value level			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<u>Debt securities</u>				
U.S. Treasuries	\$ 534,812	\$ 534,812	-	\$ -
U.S. Government Agencies	664,695	664,695	-	-
Supranationals	276,891	276,891	-	-
Total measured at fair value	1,476,398	1,476,398	-	-
Investments measured at amortized cost:				
LAIF	75,913	-	-	-
CalTRUST	80,000	-	-	-
Total investments in County Treasury	\$ 1,632,311	\$ -	\$ -	\$ -

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### Restricted Cash with Fiscal Agent

Cash and investments at June 30, 2025, that are restricted by legal or contractual requirements are comprised of the following (in thousands):

<u>Various Governmental Funds</u>	<u>Amount</u>
Required lease reserves for long-term debt	\$ 56,314
Restricted interest on lease reserves	1,369
Restricted for contractor retentions	-
Total Restricted Cash	<u>\$ 57,683</u>

### Cash Deposits Outside of the Treasury Pool

At fiscal year-end, the carrying amount of the County's other cash deposits was \$5,582,909 and the combined financial institutions' balance was \$5,686,898. The difference of \$103,989 between the County's deposit balance and the financial institutions' balance results from transactions in transit, and outstanding warrants and bond coupons. The entire bank balance of \$5,686,898 was covered by federal depository insurance or by collateral held by the County's agent in the County's name.

## 3. RECEIVABLES

Receivables at year-end for the County are as follows (in thousands):

<u>Governmental Funds</u>	<u>General Fund</u>	<u>Nonmajor Special Revenue Funds</u>				
Accounts Receivable	\$ 4,430	\$ 57				
Lease Receivables	3,570	100				
Other Receivables*	2,182	24				
Loans Receivables	-	36,882				
Allowance for Doubtful Accounts	-	(6,796)				
<u>Proprietary Funds</u>	<u>Airport Fund</u>	<u>Nacimiento Water Contract Fund</u>	<u>State Water Project Fund</u>	<u>Los Osos Wastewater Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Internal Service Funds</u>
Accounts Receivable	\$ -	\$ 122	\$ 2,819	\$ -	\$ 505	\$ 26
Lease Receivables	26,476	-	-	-	-	-
Other Receivables*	848	-	-	91,531	-	-
Loans Receivables	-	-	-	348	-	-
Allowance for Doubtful Accounts	-	-	-	-	-	-

\* Other receivables primarily consist of accrued deposits; except for the Los Osos Wastewater Fund, which represents the special assessment receivable.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 4. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2025, is as follows (in thousands):

	Balance July 1, 2024	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2025
<u>Governmental Activities</u>					
Capital assets, non-depreciable:					
Land	\$ 796,050	\$ 9,010	\$ -	\$ 50	\$ 805,110
Construction in progress	105,488	92,803	(1,006)	(15,415)	181,870
Total capital assets, non-depreciable	901,538	101,813	(1,006)	(15,365)	986,980
Capital assets, depreciable:					
Structures and improvements	316,980	4,709	(19)	7,639	329,309
Equipment	121,359	9,330	(6,451)	6,424	130,662
Infrastructure	465,617	-	-	1,292	466,909
Other property	1,258	-	-	-	1,258
Total capital assets, depreciable	905,214	14,039	(6,470)	15,355	928,138
Less accumulated depreciation for:					
Structures and improvements	(127,811)	(7,601)	19	-	(135,393)
Equipment	(85,866)	(6,480)	5,672	10	(86,664)
Infrastructure	(285,423)	(11,405)	-	-	(296,828)
Other property	(130)	(17)	-	-	(147)
Total accumulated depreciation	(499,230)	(25,503)	5,691	10	(519,032)
Total capital assets depreciable, net	405,984	(11,464)	(779)	15,365	409,106
Lease assets, amortizable:					
Land	509	-	(152)	-	357
Structures and improvements	134,554	9,620	(2,171)	-	142,003
Equipment	109	-	-	-	109
Total lease assets, amortizable	135,172	9,620	(2,323)	-	142,469
Less lease assets accumulated amortization for:					
Land	(162)	(58)	-	-	(220)
Structures and improvements	(18,517)	(7,055)	869	-	(24,703)
Equipment	(77)	(17)	-	-	(94)
Total accumulated lease asset amortization	(18,756)	(7,130)	869	-	(25,017)
Total lease assets, amortizable net	116,416	2,490	(1,454)	-	117,452
Subscription assets, amortizable	5,799	8,628	-	-	14,427
Less subscription assets accumulated amortization	(4,984)	(3,009)	-	-	(7,993)
Total subscription assets, amortizable net	815	5,619	-	-	6,434
Governmental activities capital assets, net	\$ 1,424,753	\$ 98,458	\$ (3,239)	\$ -	\$ 1,519,972

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

	Balance July 1, 2024	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2025
<u>Business-Type Activities</u>					
Capital assets, non-depreciable:					
Land	\$ 40,820	\$ -	\$ -	\$ -	\$ 40,820
Construction in progress	10,069	4,472	(396)	(2,472)	11,673
Water rights	76,435	4,000	-	-	80,435
Other property	1,968	-	-	-	1,968
Total capital assets, non-depreciable	129,292	8,472	(396)	(2,472)	134,896
Capital assets, depreciable:					
Infrastructure	385,317	55	-	1,434	386,806
Structures and improvements	231,047	3,913	(56)	1,038	235,942
Equipment	12,765	420	(94)	10	13,101
Other property	554	-	-	-	554
Total capital assets, depreciable	629,683	4,388	(150)	2,482	636,403
Less accumulated depreciation for:					
Infrastructure	(75,126)	(7,409)	-	-	(82,535)
Structures and improvements	(100,441)	(6,550)	25	-	(106,966)
Equipment	(6,403)	(820)	89	(10)	(7,144)
Other property	(58)	-	-	-	(58)
Total accumulated depreciation	(182,028)	(14,779)	114	(10)	(196,703)
Total capital assets depreciable, net	447,655	(10,391)	(36)	2,472	439,700
Lease assets, amortizable:					
Land	79	-	-	-	79
Equipment	257	357	-	-	614
Total lease assets, amortizable	336	357	-	-	693
Less lease assets accumulated amortization for:					
Land	(33)	(11)	-	-	(44)
Equipment	(227)	(139)	-	-	(366)
Total accumulated lease asset amortization	(260)	(150)	-	-	(410)
Total lease assets, amortizable net	76	207	-	-	283
Subscription assets, amortizable	297	-	-	-	297
Less subscription assets accumulated amortization	(215)	(82)	-	-	(297)
Total subscription assets, amortizable net	82	(82)	-	-	-
Business-type activities capital assets, net	\$ 577,105	\$ (1,794)	\$ (432)	\$ -	\$ 574,879



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

Depreciation and amortization expense was charged to functions/funds of the primary government as follows:

<u>Governmental Activities</u>	Total Depreciation & Amortization
General Government	\$ 8,890
Public Protection	7,020
Public Ways and Facilities	11,032
Health and Sanitation	2,378
Public Assistance	1,515
Education	548
Recreational and Cultural Services	1,297
Capital assets held by the County's Internal Service Funds are charged to the various functions based on their usage of assets	2,962
Total governmental activities depreciation/amortization expense	\$ 35,642
<u>Business-Type Activities</u>	
Airport	\$ 5,577
Los Osos Wastewater	4,371
Nacimiento Water Contract	2,221
State Water Project	192
Nonmajor Enterprise	2,650
Total business-type activities depreciation/amortization expense	\$ 15,011

## 5. CONSTRUCTION IN PROGRESS AND RELATED COMMITMENTS

Construction in Progress accounts reflect the amount within governmental and business-type funds for construction projects which are not yet complete.

The following is a schedule of major projects included in Construction in Progress as of June 30, 2025 (in thousands):

<u>Governmental Activities</u>	Expended to June 30, 2025	Committed Funds	Remaining Budget
Project			
Roads Infrastructure	\$ 78,753	\$ 20,081	\$ 46,600
Fire and Sheriff Co-located Dispatch Location	30,587	-	9,082
New Probation Building	20,577	-	19,199
Cayucos Vets Hall Rehabilitation	10,440	26	1,078
Arroyo Grande Creek Channel Emergency Levee Rehabilitation Phase 2	5,923	700	387
Bob Jones Octagon/Ontario Park Trail Extension	4,254	4,990	840
Sheriff Jail Management and Records Management Systems Software Implementation	2,624	1,175	94
Behavioral Health Cal Mental Health Services Authority Electronic Health Records	2,463	879	-
Sheriff Radio Dispatch	1,827	449	-
Templeton to Atascadero Park Trail Connector	1,430	-	266

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 6. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

#### County as Lessor

The County leases out several of its buildings and land. Lease terms vary, with current agreements going out until fiscal year 2062-2063. For agreements with renewal options the County included these renewal periods in the lease term when it is reasonably certain that the renewal option(s) will be exercised. For contracts that contain termination options for either party to exercise (cancellable period), these periods are excluded from the lease receivable calculation. The County's lease arrangements do not contain any material residual value guarantees. When the borrowing rate is not stated in the contract, or readily available, the County uses the Treasury Quarterly Yield percentage to discount the lease payments. The agreements currently use a discount rate ranging from 0.71% to 3.97% to measure the present value of the lease payments expected to be received during the lease term period.

Minimum lease payments receivable on leases of properties as of June 30, 2025, are as follows:

Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 281	\$ 100	\$ 529	\$ 265
2027	290	96	489	259
2028	262	93	519	254
2029	255	89	555	247
2030	228	85	595	240
2031-2035	697	373	3,020	1,075
2036-2040	650	269	2,990	916
2041-2045	1,007	105	3,777	758
2046-2050	-	-	3,667	563
2051-2055	-	-	3,575	356
2056-2060	-	-	3,922	192
2061-2065	-	-	2,838	34
Total	<u>\$ 3,670</u>	<u>\$ 1,210</u>	<u>\$ 26,476</u>	<u>\$ 5,159</u>

The total amount of revenue (inflows of resources) relating to leases recognized in the current fiscal year is as follows:

June 30, 2025	Governmental Activities	Business-Type Activities
Lease revenue	\$ 279	\$ 1,142
Lease interest	258	13

The County did not have any leases of assets that are investments, regulated leases, sublease transactions, sale-leaseback transactions, or lease-leaseback transactions requiring disclosure.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### County as Lessee

The County entered into various contracts as lessee primarily for office space, land, equipment, and office equipment. Lease terms vary, with current agreements going out until fiscal year 2056-2057. For agreements with renewal options the County included these renewal periods in the lease term when it is reasonably certain that the renewal option(s) will be exercised. For contracts that contain termination options for either party to exercise (cancellable period), these periods are excluded from the lease liability calculation. The County's lease contracts generally do not include restrictive financial or other covenants. Certain leases require additional payments for maintenance, which are expensed as incurred. The County's lease arrangements do not contain any material residual value guarantees. When the borrowing rate is not stated in the contract, or readily available, the County uses the Treasury Quarterly Yield percentage to discount the lease payments. The agreements currently use a discount rate ranging from 0.51% to 3.65% to measure the present value of the lease payments expected to be paid during the lease term period.

The future principal and interest lease payments as of June 30, 2025 are as follows:

Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 5,009	\$ 971	\$ 128	\$ 7
2027	5,063	924	128	3
2028	4,975	881	23	1
2029	5,070	834	11	-
2030	5,052	789	-	-
2031-2035	23,725	3,294	-	-
2036-2040	21,704	2,371	-	-
2041-2045	19,498	1,574	-	-
2046-2050	18,869	876	-	-
2051-2055	11,862	338	-	-
2056-2060	4,408	33	-	-
Total	<u>\$ 125,235</u>	<u>\$ 12,885</u>	<u>\$ 290</u>	<u>\$ 11</u>

The County did not have any sublease transactions, sale-leaseback transactions, or lease-leaseback transactions requiring disclosure.

### Subscription-Based Information Technology Arrangements

The County entered into various subscription-based information technology arrangements (SBITA). SBITA terms vary, with current agreements going out until fiscal year 2028-2029. For agreements with renewal options the County included these renewal periods in the SBITA term when it is reasonably certain that the renewal option(s) will be exercised. For contracts that contain termination options for either party to exercise (cancellable period), these periods are excluded from the SBITA liability calculation. Certain SBITAs require additional payments for maintenance, which are expensed as incurred. When the borrowing rate is not stated in the contract, or readily available, the County uses the Treasury Quarterly Yield percentage to discount the lease payments. The agreements currently use a discount rate ranging from 0.73% to 3.65% to measure the present value of the SBITA payments expected to be paid during the SBITA term period.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

The future principal and interest SBITA payments as of June 30, 2025, are as follows:

Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 2,851	\$ 123	\$ -	\$ -
2027	2,716	27	-	-
2028	346	14	-	-
2029	348	2	-	-
Total	<u>\$ 6,261</u>	<u>\$ 166</u>	<u>\$ -</u>	<u>\$ -</u>

## 7. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has self-insurance programs for liability, workers' compensation, unemployment insurance, and dental coverage. There were two liability claim settlements and there were eleven workers' compensation claim settlements that have exceeded insurance coverage during the past three fiscal years. Insurance coverage for liability and workers' compensation above the County's self-insured retention (SIR) is provided through Public Risk Innovation, Solutions, and Management (PRISM). The County is a member of PRISM, a joint powers authority whose purpose is to develop and fund programs of excess insurance for its member counties. The authority is solvent; self-insurance and authority limits are as follows:

<u>Type of Coverage</u>	<u>Self-Insurance</u>	<u>Authority</u>
Liability	\$ 500,000 per occurrence	\$ 25,000,000
Workers' Compensation	\$ 350,000 per occurrence	Statutory
Unemployment	\$ 750,677 maximum	-----
Dental	None—Funded by Employees	-----

Annual actuarial valuations are obtained for the Workers' Compensation and the Liability Funds. These valuations provide the basis for premiums charged to insured departments. The County's SIR amounts are paid directly, without the use of purchased annuity contracts. Financial information on PRISM is available on request from the Office of Risk Management, County of San Luis Obispo.

The estimated claims liability for the Protected Self-Insurance Fund was recorded at a discounted 85% confidence level, and the estimated liability for the Workers' Compensation Self-Insurance Fund was also recorded at a discounted 85% confidence level.

<u>Fiscal Year</u>	<u>Beginning of the fiscal year liability</u>	<u>Current year claims, changes &amp; estimates</u>	<u>Claim payments</u>	<u>Balance at fiscal year-end</u>
2023-24	\$ 23,501	\$ 9,014	\$ 7,156	\$ 25,359
2024-25	\$ 25,359	\$ 8,534	\$ 7,068	\$ 26,825

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 8. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2025, was (in thousands):

<u>Payable Fund (Due to Balance)</u>	<u>Receivable Fund (Due from Balance)</u>	<u>Amount</u>
Nonmajor Governmental Funds	Capital Projects Fund	\$ 6,019
	Total	<u>\$ 6,019</u>

The SLO County Financing Authority owes the Capital Projects Fund \$6,019 for bond proceeds for the construction of the new Probation Department building.

<u>Payable Fund (Advances from Balance)</u>	<u>Receivable Fund (Advances to Balance)</u>	<u>Amount</u>
Nonmajor Governmental Funds	General Fund	\$ 15,626
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	1,839
	General Fund	<u>121</u>
		<u>1,960</u>
Airport Fund	General Fund	4,941
Los Osos Wastewater Fund	Nonmajor Governmental Funds	96
	Total	<u>\$ 22,623</u>

The Parks Special Revenue Fund owes the General Fund \$237 for the restoration of the Cayucos Pier and \$574 for the Nipomo Skate Park Project. The Roads Special Revenue Fund owes the General Fund \$14,815 for storm damage repairs.

The County Service Areas Enterprise Fund owes the County Service Areas Special Revenue Fund \$1,253 for operational costs and \$500 for storm damage repairs. The County Service Areas Enterprise Fund also owes the General Flood Control Zone Special Revenue Fund \$86 for state water projects. The Golf Enterprise Fund owes the General Fund \$121 for a water line replacement project.

The Airport Fund owes the General Fund \$4,941 for internal loans for various projects including the refinancing of a state loan for the construction of hangars and the new terminal.

The Los Osos Wastewater Fund owes the General Flood Control Zone Special Revenue Fund \$96 for a long-term operating loan.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 9. TRANSFERS

Transfers to/from other funds at June 30, 2025, are as follows: (in thousands):

Transfers From	Transfers To	Amount	Purpose
General Fund	Capital Projects Fund	\$ 6,958	General Government Maintenance and Building Replacement Projects
	Capital Projects Fund	1,520	Health Agency HVAC
	Capital Projects Fund	613	Communication Site Towers
	Capital Projects Fund	389	ARPA Funded Projects
	Nonmajor Governmental Funds	12,637	Debt Service
	Nonmajor Governmental Funds	7,204	Roads Projects
	Nonmajor Governmental Funds	6,435	Homeless Services and Affordable Housing Budgeted Appropriations
	Nonmajor Governmental Funds	564	Library Budgeted Appropriations
	Nonmajor Governmental Funds	500	Flood Control Districts Flood Mitigation Project
	Nonmajor Governmental Funds	259	Parks Budget Appropriations
	Nonmajor Governmental Funds	52	ARPA Distribution
	Los Osos Wastewater Fund	310	ARPA Distribution
	Nonmajor Enterprise Funds	1,914	ARPA Distribution
	Nonmajor Enterprise Funds	11	Golf Budgeted Appropriations
		<u>39,366</u>	
Capital Projects Fund	General Fund	<u>470</u>	Facilities Maintenance
Nonmajor Governmental Funds	General Fund	900	Public Facilities Fees
	General Fund	457	Debt Service
	General Fund	371	Parks FEMA Reimbursement
	General Fund	189	Parks Registration System Project
	Capital Projects Fund	32,075	Capital Projects Debt Proceeds
	Capital Projects Fund	4,154	Public Facilities Fees
	Nonmajor Governmental Funds	510	Debt Service
	Nonmajor Governmental Funds	39	Public Facilities Fees
	Nonmajor Governmental Funds	1,272	Road Impact Fees
	Nonmajor Enterprise Fund	53	County Service Area Budgeted Appropriations
		<u>40,020</u>	
Airport Fund	General Fund	189	Debt Service
	Nonmajor Governmental Fund	138	Debt Service
		<u>327</u>	
Los Osos Wastewater Fund	Nonmajor Governmental Funds	<u>69</u>	Debt Service
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	<u>74</u>	Debt Service
Internal Service Funds	Nonmajor Governmental Funds	<u>1,480</u>	Debt Service
	Total Transfers	<u>\$ 81,806</u>	

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 10. BONDED INDEBTEDNESS AND LONG-TERM DEBT

#### Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2025, is as follows (in thousands):

	Beginning Balance July 1, 2024	Restatements & Adjustments	Additions	Reductions	Ending Balance June 30, 2025	Due within one year
<b>Governmental Activities</b>						
Bonds and notes payable:						
Certificates of participation (COP)	\$ 3,035	\$ -	\$ -	\$ 180	\$ 2,855	\$ 185
Certificates of participation from direct borrowings	7,778	-	-	200	7,578	206
State notes from direct borrowings	1,101	-	-	165	936	166
Pension obligation bonds	72,966	(4,735)	-	3,516	64,715	11,847
Lease revenue bonds	85,842	-	-	3,119	82,723	3,260
Unamortized premium on lease revenue bonds	7,566	-	-	406	7,160	-
Assessment bonds from direct borrowings	241	-	-	56	185	59
Total bonds and notes payable	178,529	(4,735)	-	7,642	166,152	15,723
Other liabilities:						
Leases	122,129	-	9,621	6,515	125,235	5,009
SBITA	757	-	8,629	3,125	6,261	2,851
Compensated absences <sup>1</sup>	48,950	-	26,024	25,788	49,186	29,536
Landfill post-closure costs	9,213	-	7,181	1,119	15,275	1,453
Self-Insurance	25,359	-	8,534	7,068	26,825	5,570
Total other liabilities	206,408	-	59,989	43,615	222,782	44,419
Total Governmental Activities	\$ 384,937	\$ (4,735)	\$ 59,989	\$ 51,257	\$ 388,934	\$ 60,142

<sup>1</sup> Compensated absences beginning balance was restated with the implementation of GASB 101.

	Beginning Balance July 1, 2024	Restatements & Adjustments	Additions	Reductions	Ending Balance June 30, 2025	Due within one year
<b>Business-Type Activities</b>						
Bonds and notes payable:						
Certificates of participation (COP)	\$ 5,490	\$ -	\$ -	\$ 665	\$ 4,825	\$ 700
Certificates of participation from direct borrowings	5,244	-	-	110	5,134	113
State notes from direct borrowings	76,965	-	-	3,800	73,165	3,885
Other notes from direct borrowings	126	-	-	40	86	40
Revenue bonds	140,345	-	-	5,526	134,819	5,814
Unamortized premium on revenue bonds	6,381	-	-	424	5,957	-
General obligation bonds	4,925	-	-	595	4,330	630
Unamortized premium on general obligation bonds	396	-	-	56	340	-
Lease revenue bonds	1,217	-	-	386	831	405
Unamortized premium on lease revenue bonds	43	-	-	14	29	-
Assessment bonds	67,850	-	-	1,632	66,218	1,677
Total bonds and notes payable	308,982	-	-	13,248	295,734	13,264
Other liabilities:						
Leases	78	-	357	145	290	128
SBITA	86	-	-	86	-	-
Compensated absences <sup>1</sup>	842	-	483	390	935	349
Total other liabilities	1,006	-	840	621	1,225	477
Total Business-Type Activities	\$ 309,988	\$ -	\$ 840	\$ 13,869	\$ 296,959	\$ 13,741

<sup>1</sup> Compensated absences beginning balance was restated with the implementation of GASB 101.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

Annual debt service requirements for governmental activities as of June 30, 2025, are summarized as follows:

Year Ended June 30,	Governmental Activities				
	Certificates of Participation, Including Direct Borrowings		Pension Obligation Bonds		
	Principal	Interest	Principal	Unaccrued	Total
				Appreciation	
2026	\$ 391	\$ 349	\$ 11,847	\$ 338	\$ 12,185
2027	408	334	11,843	1,047	12,890
2028	420	319	11,830	1,795	13,625
2029	435	303	11,160	3,230	14,390
2030	453	286	11,776	3,409	15,185
2031-2035	2,536	1,152	6,259	2,281	8,540
2036-2040	2,069	681	-	-	-
2041-2045	1,727	389	-	-	-
2046-2050	1,007	131	-	-	-
2051-2055	426	72	-	-	-
2056-2060	464	33	-	-	-
2061-2065	97	2	-	-	-
Total	\$ 10,433	\$ 4,051	\$ 64,715	\$ 12,100	\$ 76,815

Year Ended June 30,	Governmental Activities (continued)					
	State Notes, Including Direct Borrowings		Lease Revenue Bonds		Assessment Bonds, Including Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 166	\$ 9	\$ 3,260	\$ 4,027	\$ 59	\$ 9
2027	168	7	3,428	3,866	61	5
2028	170	6	2,390	3,728	65	1
2029	172	4	2,495	3,614	-	-
2030	173	2	2,625	3,494	-	-
2031-2035	87	-	15,115	15,453	-	-
2036-2040	-	-	15,045	11,573	-	-
2041-2045	-	-	17,650	7,062	-	-
2046-2050	-	-	20,715	2,848	-	-
Total	\$ 936	\$ 28	\$ 82,723	\$ 55,665	\$ 185	\$ 15

Year Ended June 30,	Business-Type Activities					
	Certificates of Participation, Including Direct Borrowings		State Notes		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 813	\$ 365	\$ 3,885	\$ 1,499	\$ 5,815	\$ 5,994
2027	860	322	3,971	1,413	6,120	5,689
2028	903	278	4,060	1,324	6,415	5,393
2029	947	235	4,151	1,233	6,710	5,097
2030	990	189	4,043	1,140	7,005	4,800
2031-2035	1,587	578	13,797	4,765	40,305	18,730
2036-2040	785	451	15,233	3,329	50,870	8,170
2041-2045	908	327	16,818	1,743	11,579	229
2046-2050	964	183	7,207	217	-	-
2051-2055	588	82	-	-	-	-
2056-2060	431	35	-	-	-	-
2061-2065	183	3	-	-	-	-
Total	\$ 9,959	\$ 3,048	\$ 73,165	\$ 16,663	\$ 134,819	\$ 54,102



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

Business-Type Activities (continued)						
Year Ended June 30,	General Obligation Bonds		Assessment Bonds		Other Notes, Including Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 630	\$ 206	\$ 1,677	\$ 1,798	\$ 40	\$ -
2027	665	170	1,722	1,751	40	-
2028	700	134	1,767	1,703	6	-
2029	735	98	1,821	1,654	-	-
2030	780	61	1,875	1,603	-	-
2031-2035	820	21	10,167	7,203	-	-
2036-2040	-	-	11,674	5,703	-	-
2041-2045	-	-	13,394	3,983	-	-
2046-2050	-	-	15,361	2,009	-	-
2051-2055	-	-	6,760	188	-	-
Total	\$ 4,330	\$ 690	\$ 66,218	\$ 27,595	\$ 86	\$ -

Business-Type Activities (continued)		
Year Ended June 30,	Lease Revenue Bonds	
	Principal	Interest
2026	\$ 405	\$ 31
2027	426	11
Total	\$ 831	\$ 42

Long-term liabilities at June 30, 2025, consisted of the following:

	Date of Issue	Maturity	Interest Rates	Semi Annual Installments	Original Issue Amount	Outstanding at 6/30/2025
<b><u>Governmental Activities</u></b>						
<b>Certificates of Participation</b>						
<u>2007 Series A</u>	3/01/2007	2036	4% - 4.25%	\$7 - \$307	\$5,090	\$2,855
Used to finance the construction of the Paso Robles Courthouse building. Debt service is provided by court fines specifically designated and restricted for new construction or major renovation of court facilities. Collateral for this debt is the County Department of Social Services building located in the City of San Luis Obispo.						
<u>IBank Loan</u>	10/01/2016	2046	3.75%	\$5 - \$320	\$6,000	\$4,941
A direct borrowing from the California Infrastructure & Economic Development Bank (IBank) used for the final construction costs of the new terminal building at the San Luis Obispo County Regional Airport. The debt is backed by the General Fund and repaid using a combination of Passenger Facility Charges, Customer Facility Charges, and other local funding from Airport operations. Collateral for this debt is the County of San Luis Obispo Public Library and Office Building located at 6555 Capistrano Ave., Atascadero.						
<u>Oceano Drainage Project</u>	2/01/2021	2061	1.75%	\$1 - \$98	\$2,841	\$2,637
A direct borrowing from the USDA used to finance a storm drain improvement project on Highway 1 & 13 <sup>th</sup> street in Oceano, CA. Debt service is provided by the County's General Fund. The loan is secured by a Certificate of Participation bond with first lien position in the amount of \$2,841 fully registered as to both principal and interest in the name of the United States of America, acting through the United States Department of Agriculture.						
					\$13,931	\$10,433
<b>State Note</b>	10/8/2015	2030	1.00%	\$88	\$2,197	\$936
A direct borrowing from the California Energy Commission (CEC) to be used for energy conservation projects. Projects to be implemented by the loan were identified through the Sustainable Solutions Turnkey program with PG&E. These projects will provide estimated long-term energy savings to the County of \$140 annually.						

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### Pension Obligation Bonds

Used to refund the Unfunded Actuarial Accrued Liability (UAAL) due to the Pension Trust as of July 2, 2003, as determined by an outside actuary. Debt service payments are expected to be funded by County payroll benefits.

<u>2003 Series C Capital Appreciation Bonds (CAB)</u>	7/2/2003	2030	5.27% - 5.73%	zero - \$15,000	\$44,199	\$76,815
<u>2003 Series C CABs Unaccreted Interest</u>						(12,100)
					<u>\$44,199</u>	<u>\$64,715</u>

### Lease Revenue Bonds

<u>2020 Lease Revenue Bonds Series A</u>	3/05/2020	2044	4.0%	\$20 - \$1,030	\$16,145	\$14,170
--	-----------	------	------	----------------	----------	----------

Used to finance the construction and equipping of an Animal Services Facility and pay certain costs of issuance associated with the 2020A Bonds. Debt service is provided by facility charges made by participating cities to the County and the County's General Fund Revenues. Collateral for this debt consists of the County Government Center located at 1055 Monterey St., City of San Luis Obispo.

<u>2020 Lease Revenue Refunding Bonds Series B</u>	3/05/2020	2036	4.0%	\$7 - \$347	\$4,235	\$3,300
--	-----------	------	------	-------------	---------	---------

Used to prepay and refund all of the \$5,620 outstanding principal amount of County of San Luis Obispo Certificates of Participation (Vineyard Drive Interchange Improvements, 2008 Series A) and pay certain costs of issuance associated with the 2020B Bonds. Debt service is provided by development fees. Collateral for this debt consists of the County Government Center located at 1055 Monterey St., City of San Luis Obispo.

<u>2022 Lease Revenue Bonds Series A</u>	11/17/2022	2048	5.0%-5.5%	\$985 - \$20,715	\$62,220	\$62,220
--	------------	------	-----------	------------------	----------	----------

Used to finance the construction of multiple capital projects (Co-Located Dispatch Facility & Probation Department Building) and pay certain costs of issuance associated with the 2022A Bonds. Debt service is provided by semi-annual payments funded by public facility fees and County's General Fund Revenues. Collateral for this debt consists of 5 facilities located in the City of San Luis Obispo and one located just outside the City of San Luis Obispo in the unincorporated area of the County. The facilities include County Government Center, Health Agency Building (Main), Health Agency Building (Mental Health), Central Services Building, Old Courthouse, and Animal Services Facility.

<u>2022 Lease Revenue Refunding Bonds Series A</u>	11/17/2022	2027	5.0%	\$986 - \$1,153	\$4,278	\$2,248
--	------------	------	------	-----------------	---------	---------

Lease Revenue Refunding Bonds used to refund the 2012 A Certificates of Participation. The original COP was partially used to finance a portion of the new government center. Debt service is provided by semi-annual payments funded by public facility fees and County's General Fund Revenues. Collateral for this debt consists of 5 facilities located in the City of San Luis Obispo and one located just outside the City of San Luis Obispo in the unincorporated area of the County. The facilities include County Government Center, Health Agency Building (Main), Health Agency Building (Mental Health), Central Services Building, Old Courthouse, and Animal Services Facility.

<u>2022 Lease Revenue Bonds Series B</u>	11/17/2022	2026	4.90%-5.05%	\$785 - \$1,340	\$3,535	\$785
--	------------	------	-------------	-----------------	---------	-------

Used to finance the rehabilitation of Cayucos Veterans Hall and pay certain costs of issuance associated with the 2022B Bond. Debt service is provided by semi-annual payments funded by reservation fees and County's General Fund Revenues. Collateral for this debt consists of 5 facilities located in the City of San Luis Obispo and one located just outside the City of San Luis Obispo in the unincorporated area of the County. The facilities include County Government Center, Health Agency Building (Main), Health Agency Building (Mental Health), Central Services Building, Old Courthouse, and Animal Services Facility.

<u>\$90,413</u>	<u>\$82,723</u>
-----------------	-----------------

### Assessment Bonds

<u>Sherwood Drive Underground Utility Assessment District Limited Obligation Improvement Bond, Series 2006</u>	12/21/2006	2027	5.45%	\$2 - \$67	\$818	\$185
--	------------	------	-------	------------	-------	-------

A direct borrowing originally from Mission Community Bank (now Pacific Premier Bank) used to finance the replacement of overhead utility lines in the public right-of-way with an underground system, and removal of all overhead lines and supporting structures in the public right-of-way in the area of Sherwood Drive between Wedgewood Street and Lampton Street, including portions of Castle Street, Drake Street, Jean Street, and Kerwin Street, in the unincorporated community of Cambria. Debt service is provided by semi-annual payments from special assessments levied against all benefitted real property within the boundaries of the Sherwood Drive Underground Utility Assessment District.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

	Date of Issue	Maturity	Interest Rates	Semi Annual Installments	Original Issue Amount	Outstanding at 6/30/2025
--	------------------	----------	----------------	-----------------------------	-----------------------------	-----------------------------

### **Business-Type Activities**

#### **Certificates of Participation**

##### US Department of Agriculture (USDA)

2009 4/30/2009 2048 4.375% \$2 - \$86 \$1,631 \$1,285  
A direct borrowing from the USDA used to finance a water system improvement project in County Service Area 23. Debt service is provided by water sales revenues.

2011 Refunding Lopez Dam Remediation 6/08/2011 2030 2.0% - 5.5% \$23 - \$928 \$11,990 \$4,825

Used to refund the 2000 A COP issue. The original COP was used to improve and retrofit the Lopez Dam. Debt service is provided by semi-annual lease payments made by the Lopez Flood Control District for the use of the retrofitted facilities.

USDA 2013 7/01/2013 2053 2.75% \$19 - \$67 \$1,621 \$1,302

A direct borrowing from the USDA used to finance a water system improvement project in County Service Area 10A. Debt service is provided by water sales revenues.

USDA Cayucos Water Tank Project 11/02/2021 2061 1.75% \$1 - \$93 \$2,691 \$2,547

A direct borrowing from USDA used to finance the Cayucos new water storage tanks which is part of the infrastructure improvement program for CSA 10A water system to address storage deficiencies, improve redundancy and reliability, and reduce overall system maintenance costs. Debt service is provided by funds from CSA 10A water sales revenues.

\$17,933	\$9,959
----------	---------

#### **State Notes**

The County has directly borrowed from the State of California Department of Water Resources and the California Department of Transportation to finance the construction of water systems in unincorporated areas. One of the Los Osos Wastewater Project loans from the State of California Department of Water Resources was modified with an additional loan amount of \$11,023 on 4/29/2021.

Lopez Water Treatment Plant Upgrade	2006	2030	2.60%	\$836	\$25,945	\$7,615
Los Osos Wastewater Project	2011	2046	2.0%	\$1,565-\$2,147	80,484	65,550
					\$106,429	\$73,165

#### **Revenue Bonds**

##### 2018 Nacimiento Water Project Revenue

Refunding Bonds Series A 5/07/2018 2040 3.0% - 5.0% \$158 - \$9,173 \$27,045 \$22,260

Used to refund all of the outstanding 2007 Nacimiento Water Project Revenue Bonds Series A which were used to build the Nacimiento Water Delivery Project. Debt service is provided by water sales revenues of participating cities and districts, payable under water delivery contracts.

2007 Nacimiento Pipeline Project Series B 9/26/2007 2040 5.2% - 5.6% \$887 - \$2,636 \$38,565 \$27,955

Used to build the Nacimiento Water Delivery Project. Debt service is provided by water sales revenues of participating cities and districts payable under water delivery contracts.

##### 2015 Nacimiento Water Project Revenue

Refunding Bonds Series A 8/19/2015 2038 3.0%-5.0% \$159 - \$8,094 \$107,115 \$84,604

The 2007 bonds were used to build the Nacimiento Water Delivery Project. Debt service is provided by water sales revenues of participating cities and districts, payable under water delivery contracts. The 2015 Series A Nacimiento Water Project Revenue Refunding Bonds were issued to provide funds to advance refund certain 2007 Series A Nacimiento Water Project Revenue Bonds.

\$172,725	\$134,819
-----------	-----------

#### **General Obligation Bonds**

2011 Refunding - Lopez Dam Remediation 6/08/2011 2030 2.0% - 5.5% \$21 - \$841 \$10,760 \$4,330

Used to refund the 2000 A general obligation (GO) issue. The original GO Bonds were used to improve and retrofit the Lopez Dam. Debt service is provided by applicable property taxes.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### Lease Revenue Bonds

#### 2022 Lease Revenue Refunding Bonds

<u>Series A</u>	11/17/2023	2027	5.0%	\$365 - \$427	\$1,582	\$831
-----------------	------------	------	------	---------------	---------	-------

Lease Revenue Refunding Bonds used to refund the 2012 A Certificates of Participation. The original COP was partially used to finance the Dairy Creek Golf Course. Debt service is provided by semi-annual lease payments from the Dairy Creek Golf Course. Collateral for this debt consists of 5 facilities located in the City of San Luis Obispo and one located just outside the City of San Luis Obispo in the unincorporated area of the County. The facilities include County Government Center, health agency building (main), health agency building (mental health), central services building, old courthouse, and animal services facility.

### Assessment Bonds

5/24/2012	2051	2.75%	\$47 - \$3,472	\$83,129	\$66,218
-----------	------	-------	----------------	----------	----------

Issued to the USDA to finance the construction of the Los Osos Wastewater Project. Debt service is provided by amounts levied against property owners who benefit from the project.

### Other Notes

6/30/2022	2027	0.0%	\$20	\$196	\$86
-----------	------	------	------	-------	------

A direct borrowing from PG&E through on-bill financing. The loan issued is an unsecured loan to fully or partially reimburse qualified PG&E customers for the costs they incur in connection with a qualified energy efficient retrofit project. These proceeds are being used to install lighting fixture upgrades at the San Luis Obispo County Airport. Debt service is provided by the general Airports revenues. This project will provide estimated long-term energy savings of \$42,000 annually.

### Public Facilities Corporation

The SLO County Public Facilities Corporation (PFC) was incorporated on September 7, 1994. The PFC is a nonprofit public benefit corporation organized to assist public agencies within the County of San Luis Obispo with the acquisition and construction of various public facilities.

### Financing Authority

The San Luis Obispo County Financing Authority was formed on August 22, 2000, as a joint exercise of powers authority between the County and the Lopez Flood Control District, which administers Lopez Dam. The Authority was created to assist in the financing, construction, and equipping of public facilities for one or both of the members.

### Description of Long-Term Lease Arrangements

The County formed the Public Facilities Corporation and the Financing Authority for the purpose of issuing debt. On behalf of the County, these two entities issued all currently outstanding certificates of participation and the Lopez Dam remediation general obligation bond. Therefore, the County makes semi-annual lease payments in lieu of debt service to these entities from a variety of sources including State and Federal revenues, penalty assessments, golf course fees, water contract payments, and property taxes. For lease payment details, see above schedules for specific type of debt.

### Description of Special Assessment Bonds

Special assessment debt has been issued to provide funds for the construction of streets, utility, and water delivery systems. These bonds will be repaid from amounts levied against the property owners benefited by this construction.

The County acts in an agent capacity for the assessment districts. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the County must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received. Special assessment principal outstanding at June 30, 2025, totals \$66,404 with interest rates from 2.52% to 5.45%.

## **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

### Accrued Vacation and Sick Leave Pay and Compensatory Time Off

County employees have accumulated unpaid vested benefits for compensatory time off, sick leave and vacation earned of \$50,121 on June 30, 2025. The accumulated benefits will be liquidated in future years as employees elect to use them. In the normal course of business, all payments of these accumulated benefits will be funded from appropriations in the year in which they are to be paid.

### Legal Debt Margin

State statutes limit the amount of general obligation debt a governmental entity may issue to 1.25% of its net assessed valuation. The current debt limitation for the County is \$947,576 with a margin of \$943,246.

### Direct Placement Debt

The County does not have any direct placement debt as of June 30, 2025.

### Direct Borrowings

The County's outstanding notes from direct borrowings related to governmental activities of \$8,699 contain default provisions and where applicable (1) the entire obligation becomes due and payable if the County is unable to make installment/lease payments, and (2) the lessor terminates the lease or re-let the leased premises.

The County's outstanding notes from direct borrowings related to business-type activities of \$78,385 contain a provision that if default continues after the cure period, the entire obligation becomes due and payable.

### Rebatable Arbitrage Earnings

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service. During the current year, the County performed calculations of excess investment earnings and at June 30, 2025 had an arbitrage liability of \$169.

## **11. NET POSITION/FUND BALANCES**

### **NET POSITION**

*Restricted Net Position* - This category presents net position with external restrictions imposed on its use by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Included in total restricted net position at June 30, 2025, is \$5,232 of Public Facility Fees, \$13,393 of Road Impact Fees, and \$50 of Wildlife and Grazing programs restricted due to enabling legislation. The remaining \$131,971 of restricted net position is restricted due to restrictions imposed by creditors, grantors, or contributors.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

Restricted net position at June 30, 2025, for governmental activities is as follows (in thousands):

	Amount
<b>RESTRICTED FOR:</b>	
<u>General Government</u>	
Purchase obligations for Board of Supervisors professional services	\$ 135
Purchase obligations for Administrative Office related professional services	326
Purchase obligations for Clerk-Recorder related professional services	12
Purchase obligations for Facilities Management related professional services and maintenance	141
Purchase obligations for Building Maintenance projects	852
Purchase obligations for Information Technology related software, maintenance contracts, and professional services	143
Purchase obligations for Auditor-Controller-Treasurer-Tax Collector related software and equipment	41
Claims, contracts, and other restrictions imposed by grantors or contributors	9,319
Total General Government	<u>10,969</u>
<u>Public Protection</u>	
Purchase obligations for Waste Management related professional services	198
Purchase obligations for Sheriff-Coroner related equipment and professional services	160
Purchase obligations for Probation related professional services	21
Purchase obligations for fire protection related vehicles and equipment	4,363
Purchase obligations for Planning and Building related professional services	2,586
Purchase obligations for flood control related engineering and environmental services	9,201
Wildlife and Grazing programs restricted by enabling legislation	50
Claims, contracts, and other restrictions imposed by grantors or contributors	7,609
Total Public Protection	<u>24,188</u>
<u>Health and Sanitation</u>	
Purchase obligations for Public Health related program services	961
Purchase obligations for Behavioral Health related program services	832
Claims, contracts, and other restrictions imposed by grantors or contributors	19,457
Total Health and Sanitation	<u>21,250</u>
<u>Public Assistance</u>	
Purchase obligations for Public Assistance related program services	1,036
Claims, contracts, and other restrictions imposed by grantors or contributors	2,094
Prepaid expenses	10
Total Public Assistance	<u>3,140</u>
<u>Public Ways and Facilities</u>	
Purchase obligations for Public Works related professional services	2,238
Road impact fees restricted by enabling legislation for road maintenance and construction	13,393
Public facilities fees restricted by enabling legislation for public facilities	5,232
Total Public Ways and Facilities	<u>20,863</u>
<u>Recreation and Cultural Services</u>	
Parks equipment and maintenance services	955
Claims, contracts, and other restrictions imposed by grantors or contributors	680
Total Recreation and Cultural Services	<u>1,635</u>
<u>Education</u>	
Library related professional services	73
Prepaid expenses	8
Total Education	<u>81</u>
<u>Debt Service</u>	68,520
Total Restricted Net Position	<u>\$ 150,646</u>

The Public Works Internal Service Fund reported a deficit in net position of \$43,132 at June 30, 2025. This deficit is mainly due to the fund's net pension liability of \$86,753 and the County plans to reduce the deficit with increased future charges.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

The Workers' Compensation and Protected Self-Insurance Internal Service Funds reported deficits in net position of \$4,090 and \$3,027, respectively, at June 30, 2025. The deficits are mainly due to increased payouts from each fund, without sufficient charges to users. Net position for each fund fluctuates and overtime aims to break-even. Should deficits continue, the amount charged to users will be increased to offset increasing costs.

### **FUND BALANCE**

In the fund financial statements, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor the constraints imposed on the use of resources reported in the funds. In circumstances when an expenditure is made for a purpose for which amounts are available from multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

As prescribed by GASB Statement No. 54, the following classifications are used to identify the components of fund balance:

- *Nonspendable Fund Balance* – includes amounts that are (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, prepaid amounts, and long-term notes receivable.
- *Restricted Fund Balance* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource provider.
- *Committed Fund Balance* – includes amounts that can only be used for the specific purposes determined by formal action of the County’s highest level of decision-making authority. As prescribed by the State of California County Budget Act, fund balance commitments are established, modified, or rescinded by resolution adopted by a four-fifths vote of the Board of Supervisors at regular or special meetings. The general reserve, however, is only established, cancelled, increased, or decreased at the time of adopting the budget except in cases of legally declared emergency.
- *Assigned Fund Balance* – comprises amounts intended to be used by the County for specific purposes that are neither restricted nor committed. As a practice, for financial statement presentation the County Auditor-Controller-Treasurer-Tax Collector assigns non-restricted and non-committed fund balance of the General Fund to its intended purpose. Assigned fund balance can be identified by departments and the County Administrative Officer for specific uses during the County’s budgeting process. Budgets requested by departments require approval by the County Board of Supervisors.
- *Unassigned Fund Balance* – the residual classification for the General Fund that includes all amounts not contained in the other classifications. 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 exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

Fund balances for all the major and nonmajor governmental funds as of June 30, 2025, are distributed as follows:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>				
Inventories	\$ 220	\$ -	\$ -	\$ 220
Prepaid items	631	-	18	649
Advances to other funds	21,189	-	-	21,189
Subtotal	22,040	-	18	22,058
<u>Restricted for:</u>				
General Government programs & encumbrances	2,015	-	-	2,015
Automation projects	982	-	-	982
Tax reduction reserves	5,371	-	-	5,371
Public Protection programs	11,705	-	-	11,705
Public Ways and Facilities programs & encumbrances	367	-	-	367
Health and Sanitation programs & encumbrances	3,332	-	-	3,332
Mental Health Services Act	4,411	-	-	4,411
Public Assistance programs	1,036	-	-	1,036
Public facilities	-	-	5,232	5,232
Traffic impact programs	-	-	13,392	13,392
Flood Control Districts services	-	-	9,201	9,201
Library equipment & maintenance services	-	-	73	73
County Service Areas road maintenance	-	-	138	138
Wildlife and grazing programs	-	-	52	52
Parks equipment and maintenance services	240	-	716	956
Debt service	-	-	75,208	75,208
Subtotal	\$ 29,459	\$ -	\$ 104,012	\$ 133,471



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
<u>Committed to:</u>				
Maintenance projects	\$ 5,503	\$ -	\$ -	\$ 5,503
Clerk-Recorder services	209	-	-	209
Other general government	18,294	-	-	18,294
Fire services and equipment	14,253	-	-	14,253
Sheriff-Coroner programs	1,184	-	-	1,184
Other public protection	1,134	-	-	1,134
Public Health programs	1,554	-	-	1,554
Public works engineering & consulting services	514	-	-	514
Community parks programs	344	-	-	344
Fish and Game programs	-	-	204	204
Flood Control programs	-	-	5,690	5,690
Lighting programs	-	-	550	550
Community Development programs	-	-	36,396	36,396
Emergency Medical Services	-	-	314	314
Roads	-	-	14,791	14,791
Community Service Areas	-	-	4,217	4,217
Library	-	-	8,927	8,927
Parks	-	-	1,297	1,297
General reserve	13,000	-	-	13,000
SB1090 Economic development	10,564	-	-	10,564
Internal financing	6,169	-	-	6,169
Solar plant safety	843	-	-	843
Automation projects	26,010	-	-	26,010
Prado Rd Interchange project	1,435	-	-	1,435
Talent Development	1,954	-	-	1,954
Building replacement	60,272	-	-	60,272
Tax reduction reserve	69,714	-	-	69,714
Lease financing	1,266	-	-	1,266
Capital Projects	-	21,014	-	21,014
Subtotal	\$ 234,216	\$ 21,014	\$ 72,386	\$ 327,616

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
<u>Assigned to:</u>				
Tax reduction reserve	\$ 34,355	\$ -	\$ -	\$ 34,355
Clerk-Recorder services	1,486	-	-	1,486
Information Technology projects	294	-	-	294
General government	25,876	-	-	25,876
Sheriff-Coroner & Emergency Services programs	26,513	-	-	26,513
Probation programs	24,497	-	-	24,497
District Attorney programs	6,031	-	-	6,031
Planning programs	4,196	-	-	4,196
Other public protection programs	2,591	-	-	2,591
Foster Care & Social Services programs	46,982	-	-	46,982
Other public assistance programs	1,303	-	-	1,303
Public ways and facilities	3,776	-	-	3,776
Behavioral Health programs	46,093	-	-	46,093
Public Health programs	12,279	-	-	12,279
Subsequent Fiscal Year Budget	51,820	-	-	51,820
Imprest cash	137	-	-	137
Subtotal	<u>\$ 288,229</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 288,229</u>
Total	<u>\$ 573,944</u>	<u>\$ 21,014</u>	<u>\$ 176,416</u>	<u>\$ 771,374</u>

## 12. LAPSING ENCUMBRANCES

The County allows some encumbrances to lapse at year-end and then automatically reappropriates them as part of the subsequent year's budget.

The following is a summary of lapsing encumbrances at June 30, 2025, to be reappropriated during the next fiscal year (in thousands):

Fund	Total Encumbrances
General Fund	\$ 8,567
Capital Projects Fund	27,224
Nonmajor Governmental Funds	22,620
Total Lapsing Encumbrances	<u>\$ 58,411</u>

## **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

### **13. OTHER COMMITMENTS**

In 1965, San Luis Obispo County Flood Control and Water Conservation District (District) began payments in accordance with a contract with the State Department of Water Resources (DWR) for a water supply from the State Water Project. Estimated future principal payments for the State Water contract will total \$20,078 over the next 10 years. The estimated amounts vary by year. For example, the principal amount due in 2025 is \$1,564 while \$2,431 is due in 2035. In 1992 the District entered Water Supply Contracts, of like terms, with various sub-contractors which presently provide resources to cover approximately 85% of the capital costs. The contract with the DWR expires in 2035. A proposed Delta conveyance would require a contract extension agreement for financing beyond 2035.

### **14. CONTINGENT LIABILITIES**

The County is subject to various lawsuits, inverse condemnation cases, personnel actions, disputes over tax assessments, and other actions incidental to the ordinary course of County operations. The County is not aware of any potential claims against the County not covered by insurance, resulting from litigation that would materially affect the financial statements of the County at June 30, 2025.

### **15. LANDFILL POSTCLOSURE CARE COSTS**

The Los Osos Landfill is a closed facility under the responsibility of the County. State and federal laws and regulations require the County of San Luis Obispo to perform various maintenance and monitoring activities at the site. By agreement with the landowner, the County assumed responsibility for all closure and postclosure costs when the facility stopped accepting waste. As of the date of this report, the landfill closure is complete and only postclosure costs remain.

The remaining estimated liability for landfill postclosure cost as of June 30, 2025, is \$15,275 (in 2025 dollars). Of this, \$11,284 is for the Maintenance Cost and \$3,991 is the Corrective Action Cost. The cost estimates were provided by a licensed professional geologist in the postclosure Maintenance Plan dated May 2017 and revised cost dated July 1, 2024, and the Engineers Estimate of Corrective Action Update dated July 27, 2021. Both reports are required to be updated every five years. However, the actual cost of postclosure care may be higher (or lower) due to inflation, changes in technology, or changes in landfill laws and regulations. Therefore, the cost estimate will be reviewed and adjusted as needed for changes in these factors.

### **16. TAX ABATEMENTS**

Tax abatements are agreements between the County and individuals or entities in which the County promises to forgo tax revenues, and the individual or entity promises to take specific action that contributes to San Luis Obispo county's economic development or otherwise benefits the county's citizens.

The County offers property tax abatements through the Agricultural Preserve Program (Program), as provided by the California Land Conservation Act of 1965 also known as the "Williamson Act". The purpose of the Program is to protect agricultural lands and limited types of open space and outdoor recreation lands of statewide importance. Local agreements are administered under the County Rules of Procedure to Implement the Land Conservation Act of 1965 which were first adopted in 1972. Participation in the program is voluntary; the agricultural preserve is established at the landowner's request if program criteria are met. Once a landowner enters into a contract with the County, the land is reassessed based on the agricultural income producing capability of the land, and the abatement is determined by specific dollar amount.

## **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

To be eligible for the Program, individual properties must be within a rural use category and meet a minimum size requirement of 40-100 acres depending on the type of land being preserved. Landowners must agree to keep the land in large parcels ranging from 20-320 acres, not to create new parcels smaller than the applicable minimum, and not to create separate conveyance of an existing parcel that would result in separate ownership smaller than the agricultural preserve minimum parcel size. In return, the County will reassess the property on the basis of the agricultural income producing capacity of the land.

The minimum term of a contract is 20 years, except for properties located within one mile of an urban reserve line or adjacent to a village reserve line which are eligible for a 10-year minimum term contract. Non-renewal is the most common method for a landowner to terminate a land conservation project; however, a property owner may request cancellation of a land conservation contract in order to terminate the contract on all or a portion of the property within one year after an application is accepted for processing.

Under the nonrenewal process, the annual tax assessment increases over a defined period until the assessment reflects the Proposition 13 value, including the annual inflationary factor, of the property. Under the cancellation process, a significant one-time cancellation fee is assessed based upon a certain percentage of the current fair market value of the property.

For the fiscal year ended June 30, 2025, the Agricultural Preserve Program tax abatements were \$19,844.

## **17. DEFINED BENEFIT PENSION PLAN**

### Description of the System that Administers the Pension Plan

The Pension Trust is a public employee retirement system established by the County of San Luis Obispo on November 1, 1958. Ten years later the Board of Supervisors adopted the present Bylaws and the San Luis Obispo County Employees Retirement Plan (the "Plan") to provide retirement benefits to the employees of the County.

The Pension Trust is administered by the Board of Trustees to provide retirement, disability, death, and survivor benefits for its members.

### Plan Description

The County of San Luis Obispo (the "County") contributes to the San Luis Obispo County Employees Retirement Plan (the "Plan"), which is an independent multiple-employer cost sharing contributory defined benefit pension plan consisting of six employers: the County of San Luis Obispo (the "Employer"), the Superior Court in San Luis Obispo County, the San Luis Obispo Local Agency Formation Commission, the San Luis Obispo Air Pollution Control District, the San Luis Obispo County Pension Trust, and the San Luis Obispo Regional Transit Authority. The Plan exists, operates and is constituted under the authority of Section 53215 of Section 17 of Article XVI of the California Constitution and the Government Code Article 1.5 (Pension Trusts), of Chapter 2 (Officers and Employees), of Part 1 (Powers and Duties Common to Cities, Counties and Other Agencies), of Division 2 (Cities, Counties and Other Agencies), of Title 5 (Local Agencies) of the California Government Code.

Pursuant to the foregoing California Government Code provisions, the County of San Luis Obispo Board of Supervisors established the San Luis Obispo County Pension Trust (the "Trust") by the adoption of Chapter 2.56 of the San Luis Obispo County Code. Following the adoption of Chapter 2.56 of the County Code, the Board of Supervisors adopted the Bylaws of the Pension Trust. The San Luis Obispo County Employees Retirement Plan is part of those Bylaws. The County of San Luis Obispo Board of Supervisors has the sole authority to amend the Plan's provisions.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

Participation in the Plan is mandatory for all regular employees. Participants are currently broken into 3 Tiers depending on date of hire:

Tier 1	Tier 1 generally includes members hired before January 1, 2011. As of December 31, 2024, there were 542 active County employed members in Tier 1.
Tier 2	Tier 2 generally includes members hired on or after January 1, 2011, but before January 1, 2013. Tier 2 only applies to members hired after the date each bargaining unit adopted Tier 2. Members hired in a bargaining unit that did not adopt Tier 2 are considered Tier 1 members. As of December 31, 2024, there were 233 active County employed members in Tier 2.
Tier 3	Tier 3 includes all members hired on or after January 1, 2013. As of December 31, 2024, there were 1,888 active County employed members in Tier 3.

The Trust and the Plan are both administered by the San Luis Obispo County Pension Trust Board of Trustees (the "Trustees"). Separate stand-alone financial statements are issued for the Plan and are available at the County of San Luis Obispo Auditor-Controller-Treasurer-Tax Collector's office.

The Plan's financial statements are prepared on the accrual basis of accounting. All assets are invested and held pursuant to, and in accordance with, the Investment Policy of the Plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due pursuant to formal commitments and statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. All other securities are valued at the last reported market price at current exchange rates.

### Summary of Plans and Eligible Participants

The active number of County employees and their respective tiers covered by the benefit terms as of December 31, 2024, are shown in the following table:

Tiers	Summary of Plan	Active members
Miscellaneous Tier 1	Vested after accumulation of five years of Pension Trust service credit & eligible to receive a Service Retirement Allowance after vesting and attaining a minimum age of 50.	429 members
Miscellaneous Tier 2	Vested after accumulation of five years of Pension Trust service credit & eligible to receive a Service Retirement Allowance after vesting and attaining a minimum age of 50.	192 members
Miscellaneous Tier 3	Vested after accumulation of five years of Pension Trust service credit & eligible to receive a Service Retirement Allowance after vesting and attaining a minimum age of 52.	1,627 members
Probation Tier 1	Vested after accumulation of five years of Pension Trust service credit & eligible to receive a Service Retirement Allowance after vesting and attaining a minimum age of 50.	54 members
Probation Tier 2	N/A	-
Probation Tier 3	Vested after accumulation of five years of Pension Trust service credit & eligible to receive a Service Retirement Allowance after vesting and attaining a minimum age of 50.	64 members
Safety Tier 1	Vested after accumulation of five years of Pension Trust service credit & eligible to receive a Service Retirement Allowance after vesting and attaining a minimum age of 50.	59 members
Safety Tier 2	Vested after accumulation of five years of Pension Trust service credit & eligible to receive a Service Retirement Allowance after vesting and attaining a minimum age of 50.	41 members
Safety Tier 3	Vested after accumulation of five years of Pension Trust service credit & eligible to receive a Service Retirement Allowance after vesting and attaining a minimum age of 50.	197 members

## **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

### Benefit Provisions

Members terminating employment before accruing five years of Pension Trust service credit forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time-period. Non-vested members who terminate service are required to withdraw their accumulated contributions plus accrued interest. The employer contributions forfeited by non-vested members are absorbed back into the pension trust fund. Members who terminate after earning five years of Pension Trust service credit may leave their contributions on deposit and upon reaching age eligibility elect to take a retirement. Differences between expected and actual experience for vested or non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

Plan participants, upon vesting and attaining the minimum retirement age, are entitled to annual retirement benefits as defined in the Plan document. The applicable retirement formula, minimum retirement age, compensation base, post-retirement cost of living adjustment, cost of living adjustment carry over, and final compensation maximum may differ depending upon the Plan provisions in effect at the member's date of hire, the member's classification, the member's age, and the member's bargaining unit. Participants receive their accumulated plan benefits as a life annuity payable monthly upon retirement. In the event of total and permanent disability, participants, upon satisfaction of membership service requirements and other applicable provisions of the Plan, receive disability benefits as defined in the Plan document. The Plan also provides a death benefit of \$1,000 (one-thousand) paid to a beneficiary or estate if a member dies after retirement.

For members within Tier 1, final average salary is the average monthly salary based on the highest twelve consecutive months of earnings and may include a compensation pickup for various management bargaining units. For members with Tier 2 or Tier 3 benefits, final average salary is the average monthly salary based on the highest thirty-six consecutive months of earnings with no pickup.

The retirement benefit for Tier 1, Tier 2, and Tier 3 members includes post-retirement cost-of-living adjustments (COLAs) based upon the Consumer Price Index. Tier 1 member COLAs are limited to a maximum of 3% annually. For Tier 2 and Tier 3 members, COLAs are limited to a maximum of 2% annually. There is no minimum COLA requirement, and COLAs must be approved by the Board of Trustees annually.

### Description of the terms of the plan's deferred retirement option program (DROP)

Deferred Retirement Option Program (DROP): A Tier 1 member age 50 or more with five or more years of service may elect to participate in the Pension Trust's DROP. An equal amount to the amount that would have been paid had the member retired is deposited into a DROP account monthly. The addition to the DROP account is increased each year by the Cost-of-Living Adjustment approved by the Board of Trustees not to exceed 3% per year. Members electing to enter DROP must participate for a minimum of six months up to a maximum of five years. Upon actual retirement, the member may receive the accumulated DROP account balance in the form of a lump sum or as an annuity payment.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### Contributions

Plan members are required by statute to contribute to the pension plan. Members' contribution rates are formulated based on age at date of entry and the actuarially calculated future benefits. The County is required by statute to contribute the remaining amounts necessary to finance the estimated benefits accrued to its members. Member and employer contribution rates for each plan are as follows:

PLAN	EMPLOYER CONTRIBUTION RATES	EMPLOYEE CONTRIBUTION RATES
Miscellaneous Tier 1	33.24-37.74%	14.15-26.47%
Miscellaneous Tier 2	33.24-37.74%	5.76-19.57%
Miscellaneous Tier 3	32.75-37.60%	5.14-18.64%
Probation Tier 1	42.50-45.52%	21.51-31.13%
Probation Tier 2	Not Negotiated	Not Negotiated
Probation Tier 3	45.02%	10.27-21.95%
Safety Tier 1	55.64-66.84%	15.22-29.23%
Safety Tier 2	59.11-66.84%	9.45-26.04%
Safety Tier 3	58.50-63.15%	9.25-21.62%

The County's contributions to the Plan for the past three fiscal years were equal to the required contributions for each year and are noted in the chart below.

<u>Fiscal Year Ended</u>	County contributions <u>(in thousands)</u>
June 30, 2023	\$73,290
June 30, 2024	\$83,600
June 30, 2025	\$87,584

In addition, the County contributes towards post-employment benefits other than retirement (See Note 18).

The San Luis Obispo County Employees Retirement Plan establishes the basic obligations for employer and member contributions and benefits to and of the retirement system. The actual employer and member contribution rates in effect each year are based on recommendations made by an independent actuary that are approved by the Board of Trustees and adopted by the San Luis Obispo County Board of Supervisors.

The entire Plan is 64.5% funded as of January 1, 2025; since this is a multi-employer cost sharing plan, the funded status is the same for all employees across the board. In general, this indicates that for every dollar of benefits due, SLOCPT had approximately 64.5 cents available for payment.

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

Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees. The County's share of the total pension liability as of December 31, 2024, was \$2,711,979. The County's share of the Plan's fiduciary net position was \$1,696,582 as of the same date. As of December 31, 2024, the Plan's fiduciary net position was 62.56% of the total pension liability.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

At June 30, 2025, the County reported a liability of \$1,015,396 for its proportionate share of the net pension liability of the Plan. The net pension liability was measured as of December 31, 2024.

The total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of January 1, 2024. The actuarial assumptions used in the January 1, 2024, valuation were based on the results of an actuarial experience study for the period January 1, 2017, through December 31, 2023. Measurements as of December 31, 2023, are based on the fair value of assets on that date, and the Total Pension Liability as of the valuation date, January 1, 2024. The actuarial assumptions were rolled forward to the Pension Trust Plan's fiscal year-end of December 31, 2024. There were no significant events between the January 1, 2024, valuation date and the December 31, 2024, measurement date for the Pension Plan's GASB Statement No. 67 valuation.

The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the Plan relative to the projected contributions of all the Plan's participants, actuarially determined. At December 31, 2024, the County's proportionate share was 94.00%, compared to 93.79% at December 31, 2023, increase of 0.21%.

The General Fund, Parks Fund, Driving Under the Influence Program Fund, and Library Fund have typically been used to liquidate the net pension liability for governmental activities.

For the year ended June 30, 2025, the County recognized pension expense of \$161,975. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method and plan benefits. At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources (in thousands)	Deferred Inflows of Resources (in thousands)
Deferred outflows of resources – change in proportion	\$ 1,848	\$ 1,013
Deferred outflows and inflows of resources – difference between expected and actual experience	63,037	-
Deferred outflows of resources – changes in actuarial assumptions	75,756	-
Deferred outflows of resources – net difference between projected and actual earnings on pension plan investments	62,025	-
County contributions subsequent to the measurement date	43,757	-
	<u>\$ 246,423</u>	<u>\$ 1,013</u>

Deferred outflows of resources above represent the unamortized portion of changes to net pension liability, changes in actuarial assumptions, and the net difference between projected and actual earnings on pension plan investments along with deferred outflows of resources of \$43,757 for contributions for the fiscal year ending June 30, 2025, made subsequent to the measurement date of December 31, 2024.

The \$43,757 of subsequent contributions will be recognized as reduction of the net pension liability in the fiscal year ending June 30, 2026. The difference between projected and actual investment earnings on pension plan investments is amortized over five years on a straight-line basis beginning in the year in which they occur. One-fifth was recognized in pension expense during the Plan's measurement period, and the remaining difference will be amortized over the remaining four-year period. Changes in assumptions and difference between expected and actual experience are recognized over the average expected remaining service lives of all employees that are provided with pensions through the Plan, determined as of January 1, 2024, and is 5 years. The difference between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ended December 31, 2024, is also recognized over 5 years.



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

Year Ending June 30,	Future Recognition (in thousands)
2026	\$ 80,128
2027	86,705
2028	19,190
2029	15,630
Thereafter	-
<b>Total</b>	<b>\$ 201,653</b>

### Actuarial Assumptions

The total pension liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Amortization payment growth method	Level percentage of payroll
Amortization growth rate	3.00%
Salary increases	3.00% plus service-related merit component based on years of services ranging from 0.00% to 5.75%
COLA increases	2.75% for Tier 1 and 2.00% for Tier 2 and Tier 3
Investment rate of return	6.75%, net of administrative expense
Post-Retirement Mortality	Sex distinct Public-2010 Amount-Weighted, Above-Median Income with generational mortality improvements using scale MP-2021.

The actuarial assumptions used in the January 1, 2024, valuation were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2023.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage, adjusted for expected inflation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Cash Equivalents/Short Duration Govt	10%	4.00%
Equities – Public Market	30%	6.25%
Real Assets	15%	8.14%
Private Markets	30%	8.19%
US Treasury – Long Duration/TIPS	15%	4.15%

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that Employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the County's portion of the net pension liability calculated using the discount rate of 6.75%, as well as what the County's portion of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower, 5.75%, or one percentage-point higher, 7.75%, than the current rate:

	1% Decrease (in thousands) 5.75%	Discount Rate (in thousands) 6.75%	1% Increase (in thousands) 7.75%
County net pension liability as of December 31, 2024	\$1,384,473	\$1,015,396	\$713,117

### Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued San Luis Obispo County Pension Trust ACFR.

### Deferred Compensation Plan

The Deferred Compensation Plan, also known as a 457(b), is a voluntary retirement savings plan offered by the County to enable employees to save for their future on a tax deferred basis. The County's Deferred Compensation Plan is established and administered pursuant to Section 457 of the Internal Revenue Code (IRC). Contributions are limited to an annual maximum dollar amount, as established under the IRC. For certain employee bargaining units, the County will match employee contributions up to \$500 annually. Total employer matching contributions for year ended June 30, 2025, were \$326 thousand.

The plan is administered through a third-party administrator. The County does not perform the investing function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to the plan participants have been excluded from the County's financial statements.

## 18. POST-EMPLOYMENT HEALTHCARE BENEFITS

### General Information about the OPEB Plan

#### Plan Description

The County's San Luis Obispo County Retiree Health Care Plan (the OPEB Plan), an agent multi-employer defined post-employment benefit (OPEB) plan is administered by the County utilizing an irrevocable trust. The OPEB Plan is funded solely by the County for the benefit of its employees. The County assists eligible retirees by paying a portion of their premiums for medical care. The County Board of Supervisors must approve any modification, alteration, or amendment of OPEB benefits.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

In April 2010, the County established an irrevocable trust with the California Employer's Retiree Benefit Trust (CERBT) to prefund the future cost of retiree health insurance benefits. The CERBT is an IRS Section 115 trust fund administered by CalPERS. CalPERS issues a publicly available financial report consisting of financial statements and required supplementary information for the CERBT. The report may be obtained by writing to CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

### Benefit Eligibility and Employees Covered

To be eligible for benefits, a member must be eligible to retire, attain a minimum age of 50-52, depending on date of hire, and complete a minimum of five years of service with the County. In addition, the member must begin receiving their County pension within 120 days of termination of employment. Members receiving disability retirements are also eligible to receive the retirement reimbursement. In the event of a retirant's death, qualified surviving spouses, and dependents under the age of 23 are eligible to receive the OPEB benefit.

At June 30, 2025, a total of 3,771 employees were covered by the OPEB Plan's benefit terms:

Active Plan Members	2,643
Inactive Plan Members	997
Inactive Plan members entitled to but not yet receiving benefits	131
	<u>3,771</u>

### Benefits Provided

The County contracts with BCC to provide healthcare, vision, and dental benefits to eligible county retirees and their dependents. Through BCC, retirees are offered substantially the same health plans as active County employees as well as unique plans for retirees receiving Medicare benefits.

Retirees who elect to participate in a County-sponsored health insurance plan are eligible to a monthly subsidy funded by the County's OPEB benefit. In FY 2024-25 the County provided the following to eligible retirees:

	<u>Employee Healthcare Benefit</u>
Calendar Year 2023	\$157 per month
Calendar Year 2024	\$158 per month

### Contributions

The County makes all contributions to the trustee for investment and reinvestment pursuant to the terms of the agreement with the CERBT. Employees are not required to contribute to the plan. For the fiscal year ended June 30, 2025, the funding was a combination of direct premium payments to contracted medical, dental and vision providers, plus a contribution of \$675 thousand to the CERBT. The County has selected the Actuarially Determined Contribution (ADC) funding method of contributing 100% of the ADC to fund the CERBT.

### Net OPEB Liability

The County reported a net OPEB liability of \$27.2 million as of June 30, 2025. The June 30, 2025, net OPEB Liability was determined by the actuary using a measurement date of June 30, 2024.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The total OPEB liability, measured as of June 30, 2024 for the June 30, 2025 reporting date, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	6.40%
Inflation	2.50%
Health care cost trend rate	Based on the Society of Actuaries "Long Term Healthcare Cost Trends Model v2024" that reflects actual premium change of 6.50% from 2024 to 2025 followed by 6.20% in 2026 decreasing gradually to an ultimate rate of 4.04% by 2075.
Actuarial cost method	Entry Age Normal, Level Percentage of Salary
Reimbursement eligibility	40% of all retirants will apply for and receive the reimbursement
Payroll growth rate	3.00% per annum
Salary increases	3.00% plus service-related merit component
Investment rate of return	6.40%
Post-retirement mortality	Miscellaneous: Pub-2010 General Employees/Retirees Amount Weighted Above-Median Mortality Table projected fully generationally using Scale MP-2021.  Probation and Safety: Pub-2010 Safety Employees/Retirees Amount Weighted Above-Median Mortality Table projected fully generationally using Scale MP-2021.

The withdrawal, retirement, disability, and salary scale are based on an experience study covering the period January 1, 2017, through December 31, 2023, completed for the San Luis Obispo County Pension Trust. Other assumptions were developed by the actuary based on County experience and actuarial standards.

### Discount Rate

The actuarially assumed discount rate of 6.40% per annum, compounded annually, reflects the County's current policy of pay-as-you-go plus additional funding of the OPEB liability, and the County's ongoing selection of a "less conservative" (Strategy 1) portfolio invested by the CERBT. Per GASB guidance, the discount rate was determined by calculating the single rate that produces the same present value of expected benefit payments as (1) the expected long-term rate of return on plan assets during the period when projected assets are sufficient to pay future retiree benefits, and (2) the 20-year municipal bond rate after assets are projected to be exhausted.

The CERBT Strategy 1 portfolio consists of the following assets managed internally by the California Public

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

Employees Retirement System (CalPERS) and/or external advisors:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Target Range</u>
Global Equity	49%	plus/minus 5%
Fixed Income	23%	plus/minus 5%
Treasury Inflation-Protected Securities (TIPS)	5%	plus/minus 3%
Global Real Estate Investment Trusts (REITs)	20%	plus/minus 5%
Commodities	3%	plus/minus 3%
Cash	-	plus 2%

The long-term expected real rate of return, net of expenses, for CERBT Strategy 1 is assumed to be 6.4%.

### Changes in the Net OPEB Liability

The table below shows the changes in the total OPEB liability, the OPEB Plan fiduciary net position, and the net OPEB liability over the past fiscal year in thousands:

	<u>Total OPEB Liability</u>	<i>Less</i>	<u>Plan Fiduciary Net Position</u>	<i>Equals</i>	<u>Net OPEB Liability</u>
Balances as of June 30, 2024	\$ 52,507		\$ 27,313		\$ 25,194
Service Cost	1,669		-		1,669
Interest Cost	3,278		-		3,278
Difference between expect and actual experience	5,834		-		5,834
Actuarial Gains/Losses	-		-		-
Change in Assumptions	(1,587)		-		(1,587)
Changes of Benefit Terms	-		-		-
Employee Contributions	-		-		-
Employer Contributions	-		4,109		(4,109)
Net Investment Income	-		3,044		(3,044)
Other Additions	-		-		-
Benefit Payments	(1,866)		(1,866)		-
Implicit Subsidy Credit	(1,580)		(1,580)		-
Administrative Expenses	-		(9)		9
Other Deductions	-		-		-
Net Projected Changes	<u>5,748</u>		<u>3,698</u>		<u>2,050</u>
Projected Balances as of June 30, 2025	<u>\$ 58,255</u>		<u>\$ 31,011</u>		<u>\$ 27,244</u>

Total OPEB liability represents the portion of the actuarial present value of projected benefit payments to be provided to current and inactive employees that is attributable to the employees' past periods of service. Plan fiduciary net position describes the resources available to pay for the cost of OPEB benefits. The Net OPEB liability is the amount remaining after the OPEB Plan's fiduciary net position is offset against the County's total OPEB liability. Governmental funds contributing towards liquidating the liability include the General Fund, Homeless Services and Affordable Housing Fund, Library Fund, and Parks Fund.

At June 30, 2025, the OPEB Plan's fiduciary net position was 53.2% of the total OPEB liability.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Costs

The following table presents the net OPEB liability calculated using the discount rate of 6.40%, as well as what the liability would be if it were calculated using a discount rate that is one percentage-point lower, 5.40%, or one percentage-point higher, 7.40%, than the current rate:

	1% Decrease (in thousands) 5.40%	Discount Rate (in thousands) 6.40%	1% Increase (in thousands) 7.40%
Net OPEB Liability	\$33,412	\$27,244	\$22,005

The sensitivity of the Net OPEB liability to changes in healthcare trend rates is presented below:

	1% Decrease (in thousands) 5.80%	Trend Rate (in thousands) 6.80%	1% Increase (in thousands) 7.80%
Net OPEB Liability	\$24,487	\$27,244	\$30,435

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

For the year ended June 30, 2025, the County recognized OPEB expense of \$4.0 million. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method and plan benefits. The County's discretely presented component unit did not report any OPEB liability, expense or deferred outflows or inflows of resources.

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

	Deferred Outflows of Resources (in thousands)	Deferred Inflows of Resources (in thousands)
Deferred outflows and inflows of resources – difference between expected and actual experience	\$ 6,515	\$ 6,455
Deferred outflows of resources – changes in actuarial assumptions	3,359	2,414
Deferred outflows of resources – net difference between projected and actual earnings on pension plan investments	-	52
County contributions subsequent to the measurement date	4,704	-
	<u>\$ 14,578</u>	<u>\$ 8,921</u>

\$4,704 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 net OPEB liability for the fiscal year ending June 30, 2026.

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

Amounts reported as deferred (inflows) outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30,</u>	<u>Future Recognition (in thousands)</u>
2026	\$ 833
2027	733
2028	(1,091)
2029	(997)
2030	336
Thereafter	1,139
	<u>\$ 953</u>

The Schedule of Changes in the County's Net OPEB Liability and Related Ratios and the Schedule of Actuarially Determined Contributions and Plan Contributions and Related Ratios are included as Required Supplementary Information following the Notes to the Financial Statements and present multi-year trend information about the OPEB liability, OPEB Plan fiduciary net position, actuarially determined contributions, and covered-employee payroll.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 19. RESTATEMENT OF NET POSITION AND FUND BALANCE

#### Change in Accounting Principle (Column A)

In FY 2024-25, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 101 – *Compensated Absences*. The new pronouncement uniformed and defined the elements required in the compensated absence liability calculation retroactively.

The change in accounting principle affected the following line items in the prior year.

- Government-wide Statements: Current and Long-Term Liabilities. As a result, Net Position of governmental activities and business-type activities were overstated in the prior year.
- Internal Service and Enterprise Fund statements: Current and Long-Term Liabilities. As a result, Net Position was overstated in the prior year.

#### Correction of an Error in Previously Issued Financial Statements (Column B)

During the fiscal year ended June 30, 2025, it was determined Medi-Cal reimbursement revenue had been understated \$20,168 thousand. The understatement consisted of two components related to Medi-Cal reimbursement revenue.

- \$15,237 thousand related to Medi-Cal reimbursement revenue received in prior years and recorded as an accounts payable. The accounts payable balance was used for anticipated repayment of revenue received after annual Medi-Cal reimbursement audits were completed. The error correction affected the prior year's current liabilities total in the Government-wide Statements and prior year's liabilities total in the Governmental Fund Statements. As a result, Net Position of governmental activities in the Government-wide Statements was understated, and Fund Balance of Governmental Funds was understated.
- \$4,931 thousand related to an under accrual of FY 2023-24 Medi-Cal reimbursement revenue. The error correction affected the prior year revenue total in the Government-wide Statements and Governmental Fund Statements. As a result, Net Position of governmental activities in the Government-wide Statements was understated, and the Fund Balance of Governmental Funds was understated.

Restatements for change in accounting principle and error correction are summarized as follows:

	6/30/2024 As Previously Stated	Change in Accounting Principle (A)	Error Correction (B)	6/30/2024 As Restated
<u>Government-Wide</u>				
Governmental Activities	\$ 1,146,182	\$ (11,574)	\$ 20,168	\$ 1,154,776
Business-Type Activities	434,296	(179)	-	434,117
Total Primary Government	<u>\$ 1,580,478</u>	<u>\$ (11,753)</u>	<u>\$ 20,168</u>	<u>\$ 1,588,893</u>

#### Governmental Funds

##### Major Funds:

General Fund	\$ 486,484	\$ -	\$ 20,168	\$ 506,652
Total Governmental Funds	<u>\$ 486,484</u>	<u>\$ -</u>	<u>\$ 20,168</u>	<u>\$ 506,652</u>

#### Proprietary Funds

##### Major Enterprise Funds:

Airport	\$ 125,799	\$ (78)	\$ -	\$ 125,721
Nonmajor Enterprise Funds	66,939	(101)	-	66,838
Internal Service Funds	(32,337)	(1,088)	-	(33,425)
Total Proprietary Funds	<u>\$ 160,401</u>	<u>\$ (1,267)</u>	<u>\$ -</u>	<u>\$ 159,134</u>



---

## **REQUIRED SUPPLEMENTARY INFORMATION**

---



## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of the County's Proportionate Share of the San Luis Obispo County Pension Plan's Net Pension Liability
- Schedule of the County's Contributions to the San Luis Obispo County Pension Plan
- Other Post-Employment Benefits (OPEB) Plan Schedule of Changes in the County's Net OPEB Liability and Related Ratios
- Other Post-Employment Benefits (OPEB) Plan Schedule of Actuarially Determined Plan Contributions and Related Ratios
- Budgetary Comparison Schedule – General Fund
- Notes to Required Supplementary Information

**COUNTY OF SAN LUIS OBISPO  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE  
SAN LUIS OBISPO COUNTY PENSION PLAN'S NET PENSION LIABILITY  
FOR THE LAST 10 FISCAL YEARS  
(in thousands)**

Measurement Date December 31 <sup>st</sup>	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	92.92%	\$506,626	\$166,433*	304.40%	67.57%
2016	93.10%	\$602,805	\$172,192*	350.08%	64.59%
2017	93.67%	\$529,033	\$186,278*	284.00%	70.36%
2018	93.82%	\$707,815	\$193,122	366.51%	62.76%
2019	93.80%	\$625,259	\$194,717	321.11%	68.34%
2020	93.64%	\$637,385	\$211,200	301.79%	69.71%
2021	94.06%	\$602,555	\$208,782	288.61%	73.20%
2022	93.96%	\$928,838	\$219,410	423.33%	61.73%
2023	93.79%	\$941,869	\$235,231	400.40%	62.98%
2024	94.00%	\$1,015,396	\$240,438	422.31%	62.56%

\* Restated in accordance with the GASB Statement No. 82 definition of covered payroll as the payroll on which contributions to a pension plan are based as of the measurement date.

**Changes to benefit terms**

None

**Changes of assumptions**

None

**COUNTY OF SAN LUIS OBISPO  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS TO THE  
SAN LUIS OBISPO COUNTY PENSION PLAN  
FOR THE LAST 10 FISCAL YEARS  
(in thousands)**

Fiscal Year ending June 30 <sup>th</sup>	Actuarially required contributions	Actual contributions	Contribution deficiency (excess)	County's covered payroll	County's actual contributions as a percentage of covered payroll
2016	\$32,839	\$31,997 <sup>^</sup>	\$842	\$170,552*	18.76%
2017	\$35,066	\$35,415 <sup>^</sup>	(\$349)	\$181,338*	19.53%
2018	\$45,153	\$42,046 <sup>^</sup>	\$3,107	\$190,135	22.11%
2019	\$48,198	\$43,432	\$4,766	\$193,294	22.47%
2020	\$53,675	\$49,018	\$4,657	\$202,414	24.22%
2021	\$52,724	\$53,874	(\$1,150)	\$204,688	26.32%
2022	\$57,546	\$62,935	(\$5,389)	\$212,907	29.56%
2023	\$67,739	\$73,290	(\$5,551)	\$229,810	31.89%
2024	\$78,708	\$83,600	(\$4,892)	\$240,438	34.77%
2025	\$79,949	\$87,584	(\$7,635)	\$245,908	35.62%

<sup>^</sup> Restated to reflect a fiscal year measurement period.

\* Restated in accordance with the GASB Statement No. 82 definition of covered payroll as the payroll on which fiscal year contributions to a pension plan are based.

**Changes to benefit terms**

None

**Changes of assumptions**

None

Separate stand-alone financial statements were issued for the Pension Plan and are available at the County of San Luis Obispo Auditor-Controller's office located at the County Government Center Room D220, San Luis Obispo, CA 93408.

**COUNTY OF SAN LUIS OBISPO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN SCHEDULE OF CHANGES IN THE COUNTY'S NET**  
**OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE LAST 10 FISCAL YEARS<sup>1</sup>**  
**(in thousands)**

Measurement Date For Fiscal Year Reporting Period	June 30, 2017 2017-18	June 30, 2018 2018-19	June 30, 2019 2019-20	June 30, 2020 2020-21	June 30, 2021 2021-22
Total OPEB liability:					
Service cost	\$ 688	\$ 611	\$ 1,538	\$ 1,652	\$ 1,796
Interest	1,949	2,007	3,073	3,140	3,525
Differences between expected and actual experience	-	(2,842)	-	4,990	(650)
Changes of assumptions	-	19,530	1,129	1,269	-
Benefit payments	(1,690)	(1,526)	(3,037)	(3,102)	(3,166)
Implicit subsidy credit	-	-	-	-	-
Net change in total OPEB liability	947	17,780	2,703	7,949	1,505
Total OPEB liability – beginning	26,775	27,722	45,502	48,208	56,157
Total OPEB liability – ending (a)	\$ 27,222	\$ 45,502	\$ 48,205	\$ 56,157	\$ 57,662
Plan Fiduciary net position:					
Employer contributions	1,707	2,521	3,922	3,778	3,693
Net investment income	1,155	1,286	1,161	732	5,990
Benefit payments	(1,690)	(1,526)	(3,037)	(3,102)	(3,166)
Implicit subsidy credit	-	-	-	-	-
Administrative expense	(7)	(8)	(4)	(10)	(8)
Other deductions	-	(1,171)	-	-	-
Net change in plan fiduciary net position	1,165	1,102	2,042	1,398	6,509
Plan fiduciary net position – beginning	15,860	17,025	18,127	20,172	21,570
Plan fiduciary net position – ending (b)	\$ 17,025	\$ 18,127	\$ 20,169	\$ 21,570	\$ 28,079
County's net OPEB liability – ending (a) – (b)	\$ 10,697	\$ 27,375	\$ 28,036	\$ 34,587	\$ 29,583
Plan fiduciary net position as a percentage of the total OPEB liability	61.4%	39.8%	41.8%	38.4%	48.7%
Covered-employee payroll <sup>2</sup>	\$ 181,338	\$ 190,136	\$ 193,294	\$ 202,414	\$ 204,688
County's net OPEB liability as a percentage of covered-employee payroll	5.9%	14.4%	14.5%	17.1%	14.5%

<sup>1</sup> In accordance with paragraphs 57.a and 57.b of GASB 75 effective June 30, 2018, employers must disclose a 10-year history of the OPEB information detailed above. Additional years will be presented as they become available.

<sup>2</sup> Contributions made to the OPEB plan are not based on measure of pay.

The County has elected to use the GASB 75 "lookback" method where assets and liabilities are measured as of the prior fiscal year but applied to the current fiscal year.

**Changes to benefit terms**

None

**Changes of assumptions**

The discount rate increased from 6.25% in FY 2023-24 to 6.40% in FY 2024-25.

The inflation rate increased from 2.30% in FY 2023-24 to 2.50% in FY 2024-25.

The Notes to RSI are integral to the above schedule.

(continued)

**COUNTY OF SAN LUIS OBISPO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN SCHEDULE OF CHANGES IN THE COUNTY'S NET**  
**OPEB LIABILITY AND RELATED RATIOS (CONTINUED)**  
**FOR THE LAST 10 FISCAL YEARS<sup>1</sup>**  
**(in thousands)**

Measurement Date For Fiscal Year Reporting Period	June 30, 2022 <u>2022-23</u>	June 30, 2023 <u>2023-24</u>	June 30, 2024 <u>2024-25</u>
Total OPEB liability:			
Service cost	\$ 1,846	\$ 1,702	\$ 1,669
Interest	3,604	3,140	3,278
Differences between expected and actual experience	(10,638)	153	5,834
Changes of assumptions	3,599	(1,429)	(1,587)
Benefit payments	(3,758)	(1,868)	(1,866)
Implicit subsidy credit	-	(1,506)	(1,580)
Net change in total OPEB liability	(5,347)	192	5,748
Total OPEB liability – beginning	57,662	52,315	52,507
Total OPEB liability – ending (a)	<u>\$ 52,315</u>	<u>\$ 52,507</u>	<u>\$ 58,255</u>
Plan Fiduciary net position:			
Employer contributions	4,461	4,134	4,109
Net investment income	(3,853)	1,639	3,044
Benefit payments	(3,758)	(1,868)	(1,866)
Implicit subsidy credit	-	(1,506)	(1,580)
Administrative expense	(7)	(7)	(9)
Other deductions	-	-	-
Net change in plan fiduciary net position	(3,157)	2,392	3,698
Plan fiduciary net position – beginning	28,078	24,921	27,313
Plan fiduciary net position – ending (b)	<u>\$ 24,921</u>	<u>\$ 27,313</u>	<u>\$ 31,011</u>
County's net OPEB liability – ending (a) – (b)	<u>\$ 27,394</u>	<u>\$ 25,194</u>	<u>\$ 27,244</u>
Plan fiduciary net position as a percentage of the total OPEB liability	47.6%	52.0%	53.2%
Covered-employee payroll <sup>2</sup>	\$ 212,907	\$ 229,810	\$ 240,438
County's net OPEB liability as a percentage of covered-employee payroll	12.9%	11.0%	11.3%

<sup>1</sup> In accordance with paragraphs 57.a and 57.b of GASB 75 effective June 30, 2018, employers must disclose a 10-year history of the OPEB information detailed above. Additional years will be presented as they become available.

<sup>2</sup> Contributions made to the OPEB plan are not based on measure of pay.

The County has elected to use the GASB 75 "lookback" method where assets and liabilities are measured as of the prior fiscal year but applied to the current fiscal year.

**Changes to benefit terms**

None

**Changes of assumptions**

The discount rate increased from 6.25% in FY 2023-24 to 6.40% in FY 2024-25.

The inflation rate increased from 2.30% in FY 2023-24 to 2.50% in FY 2024-25.

The Notes to RSI are integral to the above schedule.

**COUNTY OF SAN LUIS OBISPO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN SCHEDULE OF ACTUARIALLY DETERMINED AND**  
**PLAN CONTRIBUTIONS AND RELATED RATIOS**  
**FOR THE LAST 10 FISCAL YEARS <sup>1</sup>**  
**(in thousands)**

Fiscal Year Ended June 30 <sup>th</sup>	Actuarially Determined Contribution (ADC)	Contributions in relation to the ADC	Plan Contributions Over/(Under) ADC	Annual Covered- Employee Payroll <sup>2</sup>	Plan Contributions as a Percentage of Covered-Employee Payroll
	(a)	(b)	(b-a)		
2017	\$ 1,621	\$ 1,682	\$ 61	\$ 181,338	0.93%
2018	\$ 1,707	\$ 2,521	\$ 814	\$ 190,136	1.33%
2019	\$ 3,982	\$ 3,925	\$ (57)	\$ 193,294	2.03%
2020	\$ 4,229	\$ 3,778	\$ (451)	\$ 202,414	1.87%
2021	\$ 5,134	\$ 3,691	\$ (1,443)	\$ 204,688	1.80%
2022	\$ 4,890	\$ 4,462	\$ (428)	\$ 212,907	2.10%
2023	\$ 4,751	\$ 4,135	\$ (616)	\$ 229,810	1.80%
2024	\$ 4,983	\$ 4,110	\$ (873)	\$ 240,438	1.71%
2025	\$ 6,299	\$ 4,704	\$ (1,595)	\$ 245,908	1.91%

<sup>1</sup> In accordance with paragraph 57.c of GASB 75 effective June 30, 2018, employers must disclose a 10-year history of the OPEB information detailed above. Additional years will be presented as they become available.

<sup>2</sup> Contributions made to the OPEB plan are not based on measure of pay.

**Changes to benefit terms**

None

**Changes of assumptions**

The discount rate increased from 6.25% in FY 2023-24 to 6.40% in FY 2024-25.

The inflation rate increased from 2.30% in FY 2023-24 to 2.50% in FY 2024-25.

The Notes to RSI are integral to the above schedule.



**COUNTY OF SAN LUIS OBISPO**  
**Required Supplementary Information**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget to Actual Comparison**  
**For the Year Ended June 30, 2025 (in thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>Revenues:</b>				
Taxes	\$ 267,139	\$ 267,139	\$ 271,225	\$ 4,086
Licenses, permits, and franchises	15,901	15,901	14,141	(1,760)
Fines, forfeitures, and penalties	3,558	3,621	3,939	318
Use of money and property	9,902	9,902	20,353	10,451
Aid from other governments	349,000	404,195	385,663	(18,532)
Charges for services	41,406	43,310	42,638	(672)
Other revenue	9,190	55,129	20,571	(34,558)
Total Revenues	<u>696,096</u>	<u>799,197</u>	<u>758,530</u>	<u>(40,667)</u>
<b>Expenditures:</b>				
Current:				
General government	66,836	84,848	72,840	12,008
Public protection	262,256	329,270	256,490	72,780
Public ways and facilities	6,220	11,632	5,612	6,020
Health and sanitation	162,783	177,474	151,354	26,120
Public assistance	171,429	175,986	157,957	18,029
Education	643	643	554	89
Recreation and Culture	6,808	17,791	13,205	4,586
Debt Service:				
Principal Payments	-	-	7,827	(7,827)
Interest and Fiscal Charges	-	-	944	(944)
Contingencies	32,920	28,346	-	28,346
Total Expenditures	<u>709,895</u>	<u>825,990</u>	<u>666,783</u>	<u>159,207</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,799)</u>	<u>(26,793)</u>	<u>91,747</u>	<u>118,540</u>
<b>Other Financing Sources (Uses):</b>				
Leases	-	-	8,903	8,903
SBITAs	-	-	8,611	8,611
Transfers in	525	4,119	739	(3,380)
Transfers out	(26,841)	(57,830)	(38,619)	19,211
Total Other Financing Sources (Uses)	<u>(26,316)</u>	<u>(53,711)</u>	<u>(20,366)</u>	<u>33,345</u>
<b>Net change in fund balances</b>	<b>(40,115)</b>	<b>(80,504)</b>	<b>71,381</b>	<b>151,885</b>
Fund balances, beginning	<u>381,868</u>	<u>381,868</u>	<u>381,868</u>	<u>-</u>
Fund balances, ending	<u>\$ 341,753</u>	<u>\$ 301,364</u>	<u>\$ 453,249</u>	<u>\$ 151,885</u>

**COUNTY OF SAN LUIS OBISPO**  
**Required Supplementary Information**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget to Actual Comparison**  
**For the Year Ended June 30, 2025 (in thousands)**

Explanation of Differences between Budgetary Inflows and Outflows and Accounting Principles Generally Accepted in the United States of America Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) "Total Revenues" from the budgetary comparison schedule	\$ 758,530
Revenues for funds not meeting the special revenue fund definition which are presented with the General Fund for financial reporting purposes	<u>8,632</u>
Total Revenues as reported in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u><u>\$ 767,162</u></u>

Uses/outflows of resources

Actual amounts (budgetary basis) "Total Expenditures" from the budgetary comparison schedule	\$ 666,783
Expenditures for funds not meeting the special revenue fund definition which are presented with the General Fund for financial reporting purposes	<u>13,814</u>
Total Expenditures as reported in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u><u>\$ 680,597</u></u>

Other financing sources/(uses) of resources

Actual amounts (budgetary basis) "Total Other Financing Sources (Uses)" from the Budgetary Comparison Schedule	\$ (20,366)
Other financing sources (uses) for funds not meeting the special revenue fund definition which are presented with the General Fund for financial reporting purposes	<u>1,093</u>
Total Other Financing Sources (Uses) as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ (19,273)</u></u>

**COUNTY OF SAN LUIS OBISPO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2025**

**1. BUDGETARY BASIS OF ACCOUNTING**

**A. BUDGETARY ACCOUNTING**

In accordance with the provisions of Sections 29000 through 29144 inclusive of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County of San Luis Obispo (the County) prepares and legally adopts a final budget on or before August 30th for each fiscal year. The County operation, commencing July 1st, is governed by the proposed budget, adopted by the Board of Supervisors (the Board), in June of the prior year unless the final budget is adopted before June 30.

After the budget is approved, the appropriations can be added to, subtracted from, or changed only by Board resolution. All such changes must be within the revenues and reserves estimated as available in the final budget or within revised revenue estimates as approved by the Board. During the fiscal year ended June 30, 2025 the Board of Supervisors approved all necessary supplemental appropriations. Generally, the effects of the supplemental appropriations are to increase the budget for cost of living adjustments and new programs and grants financed by other governmental agencies.

An operating budget is adopted each fiscal year for Governmental Funds on a basis consistent with generally accepted accounting principles. Additionally, encumbrance accounting is utilized to assure effective budgetary control. Encumbrances outstanding at year end represent the estimated amount of the expenditures ultimately to result if the unperformed contracts in process at year end are completed or purchase commitments satisfied. Such year-end encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year and included in the subsequent year's budget. Unencumbered appropriations lapse at year end.

All Governmental, Enterprise, and Internal Service Funds that are under the control of the Board of Supervisors, have legally adopted annual budgets except for the Public Facilities Corporation and Financing Authority debt service funds. Although the Enterprise and Internal Service Funds have adopted budgets, there is no appropriation of expenditures, and these budgets only serve as spending plans for the year.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the department/budget unit and object level except for capital assets, which are controlled at the sub-object level. Object levels of expenditures are as follows: salaries and benefits, services and supplies, other charges, capital assets, and contingencies. Sub-object levels of expenditures for capital assets are land, structures and improvements, and equipment.

**BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATION**

During the current fiscal year, no governmental funds had excess expenditures over the related appropriations at the legal level of budgetary control.



---

## **OTHER SUPPLEMENTARY INFORMATION**

---



---

**COMBINING FINANCIAL STATEMENTS  
NONMAJOR GOVERNMENTAL FUNDS**

---





## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS:**

Special revenue funds are used to account for revenues that are restricted by law or administrative actions to expenditures for specified purposes. Nonmajor special revenue funds used by the County are listed below:

#### Homeless and Affordable Housing (formerly known as Community Development)

Accounts for pass-through grants from Housing and Urban Development (HUD) entitlements and other housing and shelter program grants to be distributed to the County and other local agencies.

#### Emergency Medical Services

Accounts for payments to physicians, hospitals, and other providers of emergency medical care from revenues imposed and collected by the courts.

#### Fish & Game

Accounts for funds generated by fines levied as a result of Fish and Game violations.

#### Road Impact Fees

Accounts for resources collected from developers to add, maintain, and improve roads in specific areas where the fees were allocated.

#### Library

Accounts for resources used to provide library services throughout the County.

#### Parks

Accounts for resources used to provide parks and recreational services countywide.

#### Public Facilities Fees

Accounts for resources collected from the building permit process to build public facilities such as fire and law enforcement stations, library, and general government structures.

#### Roads

Accounts for resources used to maintain the County road system.

#### Wildlife & Grazing

Accounts for resources used to provide for range improvements and the control of predators.

## **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

### **SPECIAL REVENUE SPECIAL DISTRICT FUNDS:**

#### Flood Control Districts

Accounts for resources used to provide control and conservation of flood and storm waters, which are mutually exclusive of Enterprise Flood Control District funds.

#### Lighting Districts

Accounts for resources used to provide street lighting in unincorporated areas of the county.

#### County Service Areas

Accounts for resources used to provide for water and sewer services which are mutually exclusive of Enterprise Fund County Service Areas.

### **DEBT SERVICE FUNDS:**

Debt service funds are used to account for the accumulation of resources for and the payment of general long-term debt principal and interest.

#### San Luis Obispo County Public Facilities Corporation (PFC)

The PFC is a non-profit public benefit corporation organized to assist public agencies within the County of San Luis Obispo with the acquisition and construction of various public facilities.

#### Pension Obligation Bonds

The Pension Obligation Bonds debt service fund is used to account for the accumulation of monies for payment of taxable pension obligation bonds. These bonds were issued to fund the County's unfunded actuarial accrued liability (UAAL).

#### SLO County Financing Authority

The SLO County Financing Authority is a joint exercise of powers authority created to assist in the financing, construction, and equipping of public facilities for its members.

**COUNTY OF SAN LUIS OBISPO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2025 (IN THOUSANDS)**

	Special Revenue			
	Homeless and Affordable Housing	Emergency Medical Services	Fish and Game	Road Impact Fees
<u>Assets</u>				
Cash and cash equivalents	\$ 14,599	\$ 293	\$ 207	\$ 13,393
Restricted cash with fiscal agent	-	-	-	-
Accounts receivable, net	-	-	-	-
Other receivables	-	-	-	-
Due from other governments	3,742	313	-	-
Deposits with others	-	-	-	-
Loans receivable, net of allowance for uncollectibles	30,086	-	-	-
Leases receivable	-	-	-	-
Advances to other funds	-	-	-	-
Prepaid items	10	-	-	-
	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 48,437</u>	<u>\$ 606</u>	<u>\$ 207</u>	<u>\$ 13,393</u>
<u>Liabilities</u>				
Accounts payable	\$ 5,220	\$ 291	\$ 3	\$ -
Salaries and benefits payable	75	-	-	-
Due to other funds	-	-	-	-
Deposits from others	558	-	-	-
Unearned revenue	5,994	-	-	-
Advances from other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>11,847</u>	<u>291</u>	<u>3</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue	185	-	-	-
Lease revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>185</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>				
Nonspendable	10	-	-	-
Restricted	-	-	-	13,393
Committed	36,395	315	204	-
	<u>36,395</u>	<u>315</u>	<u>204</u>	<u>-</u>
Total fund balances	<u>36,405</u>	<u>315</u>	<u>204</u>	<u>13,393</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 48,437</u>	<u>\$ 606</u>	<u>\$ 207</u>	<u>\$ 13,393</u>

**COUNTY OF SAN LUIS OBISPO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2025 (IN THOUSANDS)**

	Special Revenue			
	Library	Parks	Public Facilities Fees	Roads
<b>Assets</b>				
Cash and cash equivalents	\$ 9,183	\$ 2,970	\$ 5,232	\$ 18,238
Restricted cash with fiscal agent	-	-	-	-
Accounts receivable, net	-	57	-	-
Other receivables	-	24	-	-
Due from other governments	109	504	-	17,554
Deposits with others	-	-	-	6
Loans receivable, net of allowance for uncollectibles	-	-	-	-
Leases receivable	-	100	-	-
Advances to other funds	-	-	-	-
Prepaid items	8	-	-	-
<b>Total assets</b>	<b>\$ 9,300</b>	<b>\$ 3,655</b>	<b>\$ 5,232</b>	<b>\$ 35,798</b>
<b>Liabilities</b>				
Accounts payable	\$ 76	\$ 54	\$ -	\$ 4,302
Salaries and benefits payable	200	103	-	-
Due to other funds	-	-	-	-
Deposits from others	16	579	-	90
Unearned revenue	-	-	-	67
Advances from other funds	-	811	-	14,815
<b>Total liabilities</b>	<b>292</b>	<b>1,547</b>	<b>-</b>	<b>19,274</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	6	-	1,733
Lease revenue	-	89	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>95</b>	<b>-</b>	<b>1,733</b>
<b>Fund Balances</b>				
Nonspendable	8	-	-	-
Restricted	73	716	5,232	-
Committed	8,927	1,297	-	14,791
<b>Total fund balances</b>	<b>9,008</b>	<b>2,013</b>	<b>5,232</b>	<b>14,791</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 9,300</b>	<b>\$ 3,655</b>	<b>\$ 5,232</b>	<b>\$ 35,798</b>

**COUNTY OF SAN LUIS OBISPO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2025 (IN THOUSANDS)**

	Special Revenue			
	Wildlife Grazing	Flood Control Districts	Lighting Districts	County Service Areas
<u>Assets</u>				
Cash and cash equivalents	\$ 52	\$ 14,865	\$ 552	\$ 3,115
Restricted cash with fiscal agent	-	-	-	-
Accounts receivable, net	-	-	-	-
Other receivables	-	-	-	-
Due from other governments	-	234	-	-
Deposits with others	-	-	-	-
Loans receivable, net of allowance for uncollectibles	-	-	-	-
Leases receivable	-	-	-	-
Advances to other funds	-	181	-	1,253
Prepaid items	-	-	-	-
Total assets	<u>\$ 52</u>	<u>\$ 15,280</u>	<u>\$ 552</u>	<u>\$ 4,368</u>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 240	\$ 3	\$ 13
Salaries and benefits payable	-	-	-	-
Due to other funds	-	-	-	-
Deposits from others	-	-	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>240</u>	<u>3</u>	<u>13</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue	-	148	-	-
Lease revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>148</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>				
Nonspendable	-	-	-	-
Restricted	52	9,201	-	138
Committed	-	5,691	549	4,217
Total fund balances	<u>52</u>	<u>14,892</u>	<u>549</u>	<u>4,355</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 52</u>	<u>\$ 15,280</u>	<u>\$ 552</u>	<u>\$ 4,368</u>

**COUNTY OF SAN LUIS OBISPO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2025 (IN THOUSANDS)**

	Debt Service			Total Nonmajor Governmental Funds
	Debt Service Public Facilities Corporation	Debt Service Pension Obligation Bonds	Debt Service Financing Authority	
<u>Assets</u>				
Cash and cash equivalents	\$ 40	\$ 34,279	\$ 35	\$ 117,053
Restricted cash with fiscal agent	1	16	46,855	46,872
Accounts receivable, net	-	-	-	57
Other receivables	-	-	-	24
Due from other governments	-	-	-	22,456
Deposits with others	-	-	-	6
Loans receivable, net of allowance for uncollectibles	-	-	-	30,086
Leases receivable	-	-	-	100
Advances to other funds	-	-	-	1,434
Prepaid items	-	-	-	18
Total assets	<u>\$ 41</u>	<u>\$ 34,295</u>	<u>\$ 46,890</u>	<u>\$ 218,106</u>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ 10,202
Salaries and benefits payable	-	-	-	378
Due to other funds	-	-	6,019	6,019
Deposits from others	-	-	-	1,243
Unearned revenue	-	-	-	6,061
Advances from other funds	-	-	-	15,626
Total liabilities	<u>-</u>	<u>-</u>	<u>6,019</u>	<u>39,529</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue	-	-	-	2,072
Lease revenue	-	-	-	89
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,161</u>
<u>Fund Balances</u>				
Nonspendable	-	-	-	18
Restricted	41	34,295	40,871	104,012
Committed	-	-	-	72,386
Total fund balances	<u>41</u>	<u>34,295</u>	<u>40,871</u>	<u>176,416</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 41</u>	<u>\$ 34,295</u>	<u>\$ 46,890</u>	<u>\$ 218,106</u>

**COUNTY OF SAN LUIS OBISPO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)**

	Special Revenue			
	Homeless and Affordable Housing	Emergency Medical Services	Fish and Game	Road Impact Fees
<u>Revenues</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties	-	669	42	-
Use of money and property	912	13	3	679
Aid from other governments	11,129	-	-	-
Charges for services	305	-	-	1,594
Other revenues	10,208	-	-	-
	<u>22,554</u>	<u>682</u>	<u>45</u>	<u>2,273</u>
Total revenues				
<u>Expenditures</u>				
Current:				
Public protection	-	-	37	-
Public ways and facilities	-	-	-	-
Health and sanitation	20,833	-	-	-
Public assistance	-	921	-	-
Education	-	-	-	-
Recreation and cultural services	-	-	-	-
Debt service:				
Principal payments	117	-	-	-
Interest and fiscal charges	9	-	-	-
	<u>20,959</u>	<u>921</u>	<u>37</u>	<u>-</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>1,595</u>	<u>(239)</u>	<u>8</u>	<u>2,273</u>
<u>Other financing sources (uses)</u>				
Leases	668	-	-	-
SBITAs	12	-	-	-
Transfers in	6,435	-	-	-
Transfers out	(110)	-	-	(1,620)
	<u>7,005</u>	<u>-</u>	<u>-</u>	<u>(1,620)</u>
Total other financing sources (uses)				
Net change in fund balances	8,600	(239)	8	653
Fund balances - beginning	<u>27,805</u>	<u>554</u>	<u>196</u>	<u>12,740</u>
Fund balances - ending	<u>\$ 36,405</u>	<u>\$ 315</u>	<u>\$ 204</u>	<u>\$ 13,393</u>

**COUNTY OF SAN LUIS OBISPO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)**

	Special Revenue			
	Library	Parks	Public Facilities Fees	Roads
<u>Revenues</u>				
Taxes	\$ 12,656	\$ -	\$ -	\$ 2,341
Fines, forfeitures, and penalties	-	1	-	-
Use of money and property	385	194	368	950
Aid from other governments	336	1,374	-	51,555
Charges for services	102	6,487	1,012	443
Other revenues	358	9	-	258
Total revenues	13,837	8,065	1,380	55,547
<u>Expenditures</u>				
Current:				
Public protection	-	-	-	-
Public ways and facilities	-	-	-	67,836
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	12,602	-	-	-
Recreation and cultural services	-	8,159	-	-
Debt service:				
Principal payments	85	-	-	56
Interest and fiscal charges	1	-	-	12
Total expenditures	12,688	8,159	-	67,904
Excess (deficiency) of revenues over (under) expenditures	1,149	(94)	1,380	(12,357)
<u>Other financing sources (uses)</u>				
Leases	-	-	-	-
SBITAs	-	-	-	-
Transfers in	564	298	-	8,476
Transfers out	(293)	(665)	(5,093)	(109)
Total other financing sources (uses)	271	(367)	(5,093)	8,367
Net change in fund balances	1,420	(461)	(3,713)	(3,990)
Fund balances - beginning	7,588	2,474	8,945	18,781
Fund balances - ending	\$ 9,008	\$ 2,013	\$ 5,232	\$ 14,791



**COUNTY OF SAN LUIS OBISPO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)**

	Special Revenue			
	Wildlife and Grazing	Flood Control Districts	Lighting Districts	County Service Areas
<u>Revenues</u>				
Taxes	\$ -	\$ 5,110	\$ 49	\$ 1,336
Fines, forfeitures, and penalties	-	-	-	-
Use of money and property	3	810	27	157
Aid from other governments	2	1,549	-	4
Charges for services	-	636	13	44
Other revenues	-	110	-	6
Total revenues	5	8,215	89	1,547
<u>Expenditures</u>				
Current:				
Public protection	3	12,489	40	-
Public ways and facilities	-	-	-	877
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and cultural services	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	3	12,489	40	877
Excess (deficiency) of revenues over (under) expenditures	2	(4,274)	49	670
<u>Other financing sources (uses)</u>				
Leases	-	-	-	-
SBITAs	-	-	-	-
Transfers in	-	625	-	-
Transfers out	-	-	-	(53)
Total other financing sources (uses)	-	625	-	(53)
Net change in fund balances	2	(3,649)	49	617
Fund balances - beginning	50	18,541	500	3,738
Fund balances - ending	\$ 52	\$ 14,892	\$ 549	\$ 4,355

**COUNTY OF SAN LUIS OBISPO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)**

	Debt Service			Total
	Debt Service Public Facilities Corporation	Debt Service Pension Obligation Bonds	Debt Service Financing Authority	Nonmajor Governmental Funds
<u>Revenues</u>				
Taxes	\$ -	\$ -	\$ -	\$ 21,492
Fines, forfeitures, and penalties	-	-	-	712
Use of money and property	1	1,493	3,191	9,186
Aid from other governments	-	-	-	65,949
Charges for services	419	-	6,558	17,613
Other revenues	-	765	-	11,714
Total revenues	420	2,258	9,749	126,666
<u>Expenditures</u>				
Current:				
Public protection	-	-	-	12,569
Public ways and facilities	-	-	-	68,713
Health and sanitation	-	-	-	20,833
Public assistance	-	-	-	921
Education	-	-	-	12,602
Recreation and cultural services	-	-	-	8,159
Debt service:				
Principal payments	232	3,516	3,119	7,125
Interest and fiscal charges	177	8,021	4,187	12,407
Total expenditures	409	11,537	7,306	143,329
Excess (deficiency) of revenues over (under) expenditures	11	(9,279)	2,443	(16,663)
<u>Other financing sources (uses)</u>				
Leases	-	-	-	668
SBITAs	-	-	-	12
Transfers in	-	14,831	-	31,229
Transfers out	-	-	(32,077)	(40,020)
Total other financing sources (uses)	-	14,831	(32,077)	(8,111)
Net change in fund balances	11	5,552	(29,634)	(24,774)
Fund balances - beginning	30	28,743	70,505	201,190
Fund balances - ending	\$ 41	\$ 34,295	\$ 40,871	\$ 176,416

---

**BUDGETARY COMPARISON SCHEDULES  
CAPITAL PROJECTS FUND  
NONMAJOR GOVERNMENTAL FUNDS**

---



**COUNTY OF SAN LUIS OBISPO**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual Comparison**  
**For the Year Ended June 30, 2025 (in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>Revenues:</b>				
Fines, forfeitures, and penalties	\$ -	\$ -	\$ 396	\$ 396
Use of money and property	-	-	802	802
Aid from other governments	-	3,852	5,109	1,257
Charges for services	602	14,259	2,796	(11,463)
Other revenues	-	371	-	(371)
Total Revenues	<u>602</u>	<u>18,482</u>	<u>9,103</u>	<u>(9,379)</u>
<b>Expenditures:</b>				
Capital outlay	<u>7,518</u>	<u>124,078</u>	<u>49,700</u>	<u>74,378</u>
Total Expenditures	<u>7,518</u>	<u>124,078</u>	<u>49,700</u>	<u>74,378</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,916)</u>	<u>(105,596)</u>	<u>(40,597)</u>	<u>64,999</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	5,758	101,110	45,710	(55,400)
Transfers out	-	(1,220)	(470)	750
Total Other Financing Sources (Uses)	<u>5,758</u>	<u>99,890</u>	<u>45,240</u>	<u>(54,650)</u>
<b>Net change in fund balances</b>	<b>(1,158)</b>	<b>(5,706)</b>	<b>4,643</b>	<b>10,349</b>
Fund balances, beginning	<u>16,371</u>	<u>16,371</u>	<u>16,371</u>	<u>-</u>
Fund balances, ending	<u>\$ 15,213</u>	<u>\$ 10,665</u>	<u>\$ 21,014</u>	<u>\$ 10,349</u>

**COUNTY OF SAN LUIS OBISPO**  
**Homeless and Affordable Housing**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual Comparison**  
**For the Year Ended June 30, 2025 (in thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 912	\$ 912
Aid from other governments	5,697	47,137	11,129	(36,008)
Charges for services	-	297	305	8
Other revenues	50	976	10,208	9,232
Total Revenues	<u>5,747</u>	<u>48,410</u>	<u>22,554</u>	<u>(25,856)</u>
<b>Expenditures:</b>				
Current:				
Health and sanitation				
Salaries, wages, and benefits	3,455	3,455	2,966	489
Services and supplies	1,013	1,013	809	204
Other charges	6,505	56,016	16,378	39,638
Capital outlay	-	-	680	(680)
Debt service	-	-	126	(126)
Reimbursements	(297)	-	-	-
Total Expenditures	<u>10,676</u>	<u>60,484</u>	<u>20,959</u>	<u>39,525</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,929)</u>	<u>(12,074)</u>	<u>1,595</u>	<u>13,669</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	4,926	9,984	6,435	(3,549)
Transfers out	-	-	(110)	(110)
Lease issuance	-	-	668	668
SBITA issuance	-	-	12	12
Total Other Financing Sources (Uses)	<u>4,926</u>	<u>9,984</u>	<u>7,005</u>	<u>(2,979)</u>
<b>Net change in fund balances</b>	<b>(3)</b>	<b>(2,090)</b>	<b>8,600</b>	<b>10,690</b>
Fund balances, beginning	<u>27,805</u>	<u>27,805</u>	<u>27,805</u>	<u>-</u>
Fund balances, ending	<u>\$ 27,802</u>	<u>\$ 25,715</u>	<u>\$ 36,405</u>	<u>\$ 10,690</u>

**COUNTY OF SAN LUIS OBISPO**  
**Emergency Medical Services**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual Comparison**  
**For the Year Ended June 30, 2025 (in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>Revenues:</b>				
Fines, forfeitures, and penalties	\$ 575	\$ 575	\$ 669	\$ 94
Use of money and property	2	2	13	11
Total Revenues	<u>577</u>	<u>577</u>	<u>682</u>	<u>105</u>
<b>Expenditures:</b>				
Current:				
Public assistance				
Services and supplies	<u>576</u>	<u>869</u>	<u>921</u>	<u>(52)</u>
Total Expenditures	<u>576</u>	<u>869</u>	<u>921</u>	<u>(52)</u>
<b>Net change in fund balances</b>	1	(292)	(239)	53
Fund balances, beginning	<u>554</u>	<u>554</u>	<u>554</u>	<u>-</u>
Fund balances, ending	<u>\$ 555</u>	<u>\$ 262</u>	<u>\$ 315</u>	<u>\$ 53</u>

**COUNTY OF SAN LUIS OBISPO**  
**Fish and Game**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual Comparison**  
**For the Year Ended June 30, 2025 (in thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>Revenues:</b>				
Fines, forfeitures, and penalties	\$ 27	\$ 27	\$ 42	\$ 15
Use of money and property	-	-	3	3
Total Revenues	<u>27</u>	<u>27</u>	<u>45</u>	<u>18</u>
<b>Expenditures:</b>				
Current:				
Public protection				
Services and supplies	39	39	37	2
Total Expenditures	<u>39</u>	<u>39</u>	<u>37</u>	<u>2</u>
<b>Net change in fund balances</b>	(12)	(12)	8	20
Fund balances, beginning	<u>196</u>	<u>196</u>	<u>196</u>	<u>-</u>
Fund balances, ending	<u>\$ 184</u>	<u>\$ 184</u>	<u>\$ 204</u>	<u>\$ 20</u>



**COUNTY OF SAN LUIS OBISPO**  
**Road Impact Fees**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual Comparison**  
**For the Year Ended June 30, 2025 (in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 679	\$ 679
Charges for services	-	-	1,594	1,594
Total Revenues	<u>-</u>	<u>-</u>	<u>2,273</u>	<u>2,273</u>
<b>Other Financing Sources (Uses):</b>				
Transfers out	<u>(471)</u>	<u>(5,726)</u>	<u>(1,620)</u>	<u>4,106</u>
Total Other Financing Sources (Uses)	<u>(471)</u>	<u>(5,726)</u>	<u>(1,620)</u>	<u>4,106</u>
<b>Net change in fund balances</b>	(471)	(5,726)	653	6,379
Fund balances, beginning	<u>12,740</u>	<u>12,740</u>	<u>12,740</u>	<u>-</u>
Fund balances, ending	<u>\$ 12,269</u>	<u>\$ 7,014</u>	<u>\$ 13,393</u>	<u>\$ 6,379</u>

**COUNTY OF SAN LUIS OBISPO**  
**Library**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual Comparison**  
**For the Year Ended June 30, 2025 (in thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>Revenues:</b>				
Taxes	\$ 12,439	\$ 12,439	\$ 12,656	\$ 217
Use of money and property	48	48	385	337
Aid from other governments	307	2,013	336	(1,677)
Charges for services	90	90	102	12
Other revenues	15	458	358	(100)
Total Revenues	<u>12,899</u>	<u>15,048</u>	<u>13,837</u>	<u>(1,211)</u>
<b>Expenditures:</b>				
Current:				
Education				
Salaries, wages, and benefits	8,792	8,748	7,936	812
Services and supplies	4,550	4,925	4,253	672
Other charges	162	5,217	250	4,967
Capital Outlay	-	243	163	80
Debt Service	-	-	86	(86)
Contingencies	572	572	-	572
Total Expenditures	<u>14,076</u>	<u>19,705</u>	<u>12,688</u>	<u>7,017</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,177)</u>	<u>(4,657)</u>	<u>1,149</u>	<u>5,806</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	563	1,363	564	(799)
Transfers out	-	-	(293)	(293)
Total Other Financing Sources (Uses)	<u>563</u>	<u>1,363</u>	<u>271</u>	<u>(1,092)</u>
<b>Net change in fund balances</b>	<b>(614)</b>	<b>(3,294)</b>	<b>1,420</b>	<b>4,714</b>
Fund balances, beginning	<u>7,588</u>	<u>7,588</u>	<u>7,588</u>	<u>-</u>
Fund balances, ending	<u>\$ 6,974</u>	<u>\$ 4,294</u>	<u>\$ 9,008</u>	<u>\$ 4,714</u>

**COUNTY OF SAN LUIS OBISPO**  
**Parks**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual Comparison**  
**For the Year Ended June 30, 2025 (in thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>Revenues:</b>				
Fines, forfeitures, and penalties	\$ 1	\$ 123	\$ 1	\$ (122)
Use of money and property	66	66	194	128
Aid from other governments	29	1,219	1,374	155
Charges for services	7,254	7,361	6,487	(874)
Other revenues	9	9	9	-
Total Revenues	<u>7,359</u>	<u>8,778</u>	<u>8,065</u>	<u>(713)</u>
<b>Expenditures:</b>				
Current:				
Recreation and cultural services				
Salaries, wages, and benefits	3,587	3,456	3,424	32
Services and supplies	3,880	6,212	4,628	1,584
Other charges	43	43	42	1
Capital outlay	-	878	65	813
Total Expenditures	<u>7,510</u>	<u>10,589</u>	<u>8,159</u>	<u>2,430</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(151)</u>	<u>(1,811)</u>	<u>(94)</u>	<u>1,717</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	259	1,333	298	(1,035)
Transfers out	<u>(21)</u>	<u>(1,036)</u>	<u>(665)</u>	<u>371</u>
Total Other Financing Sources (Uses)	<u>238</u>	<u>297</u>	<u>(367)</u>	<u>(664)</u>
<b>Net change in fund balances</b>	87	(1,514)	(461)	1,053
Fund balances, beginning	<u>2,474</u>	<u>2,474</u>	<u>2,474</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,561</u>	<u>\$ 960</u>	<u>\$ 2,013</u>	<u>\$ 1,053</u>

**COUNTY OF SAN LUIS OBISPO**  
**Public Facilities Fees**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual Comparison**  
**For the Year Ended June 30, 2025 (in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 368	\$ 368
Charges for services	<u>1,209</u>	<u>1,209</u>	<u>1,012</u>	<u>(197)</u>
Total Revenues	<u>1,209</u>	<u>1,209</u>	<u>1,380</u>	<u>171</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,209</u>	<u>1,209</u>	<u>1,380</u>	<u>171</u>
<b>Other Financing Sources (Uses):</b>				
Transfers out	<u>(1,035)</u>	<u>(7,411)</u>	<u>(5,093)</u>	<u>2,318</u>
Total Other Financing Sources (Uses)	<u>(1,035)</u>	<u>(7,411)</u>	<u>(5,093)</u>	<u>2,318</u>
<b>Net change in fund balances</b>	174	(6,202)	(3,713)	2,489
Fund balances, beginning	<u>8,945</u>	<u>8,945</u>	<u>8,945</u>	<u>-</u>
Fund balances, ending	<u>\$ 9,119</u>	<u>\$ 2,743</u>	<u>\$ 5,232</u>	<u>\$ 2,489</u>

**COUNTY OF SAN LUIS OBISPO**  
**Roads**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual Comparison**  
**For the Year Ended June 30, 2025 (in thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>Revenues:</b>				
Taxes	\$ 2,141	\$ 2,141	\$ 2,341	\$ 200
Use of money and property	100	100	950	850
Aid from other governments	23,221	95,913	51,555	(44,358)
Charges for services	359	359	443	84
Other revenues	-	87	258	171
Total Revenues	<u>25,821</u>	<u>98,600</u>	<u>55,547</u>	<u>(43,053)</u>
<b>Expenditures:</b>				
Current:				
Public ways and facilities				
Services and supplies	27,168	43,353	67,652	(24,299)
Other charges	550	550	184	366
Capital outlay	6,500	104,100	-	104,100
Debt Service	-	-	68	(68)
Total Expenditures	<u>34,218</u>	<u>148,003</u>	<u>67,904</u>	<u>80,099</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,397)</u>	<u>(49,403)</u>	<u>(12,357)</u>	<u>37,046</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	7,327	11,975	8,476	(3,499)
Transfers out	(113)	(113)	(109)	4
Total Other Financing Sources (Uses)	<u>7,214</u>	<u>11,862</u>	<u>8,367</u>	<u>(3,495)</u>
<b>Net change in fund balances</b>	<b>(1,183)</b>	<b>(37,541)</b>	<b>(3,990)</b>	<b>33,551</b>
Fund balances, beginning	<u>18,781</u>	<u>18,781</u>	<u>18,781</u>	<u>-</u>
Fund balances, ending	<u>\$ 17,598</u>	<u>\$ (18,760)</u>	<u>\$ 14,791</u>	<u>\$ 33,551</u>

**COUNTY OF SAN LUIS OBISPO**  
**Wildlife and Grazing**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual Comparison**  
**For the Year Ended June 30, 2025 (in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>Revenues:</b>				
Use of money and property	\$ 1	\$ 1	\$ 3	\$ 2
Aid from other governments	4	4	2	(2)
Total Revenues	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Public protection				
Services and supplies	7	7	3	4
Total Expenditures	<u>7</u>	<u>7</u>	<u>3</u>	<u>4</u>
<b>Net change in fund balances</b>	(2)	(2)	2	4
Fund balances, beginning	<u>50</u>	<u>50</u>	<u>50</u>	<u>-</u>
Fund balances, ending	<u>\$ 48</u>	<u>\$ 48</u>	<u>\$ 52</u>	<u>\$ 4</u>

**COUNTY OF SAN LUIS OBISPO**  
**Flood Control Districts**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual Comparison**  
**For the Year Ended June 30, 2025 (in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>Revenues:</b>				
Taxes	\$ 4,792	\$ 4,792	\$ 5,110	\$ 318
Use of money and property	163	163	810	647
Aid from other governments	1,397	5,256	1,549	(3,707)
Charges for services	634	634	636	2
Other revenues	5,164	5,164	110	(5,054)
Total Revenues	<u>12,150</u>	<u>16,009</u>	<u>8,215</u>	<u>(7,794)</u>
<b>Expenditures:</b>				
Current:				
Public protection				
Services and supplies	10,407	13,272	10,958	2,314
Other charges	73	2,173	24	2,149
Capital outlay	<u>4,938</u>	<u>7,721</u>	<u>1,507</u>	<u>6,214</u>
Total Expenditures	<u>15,418</u>	<u>23,166</u>	<u>12,489</u>	<u>10,677</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,268)</u>	<u>(7,157)</u>	<u>(4,274)</u>	<u>2,883</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	<u>572</u>	<u>2,383</u>	<u>625</u>	<u>(1,758)</u>
Total Other Financing Sources (Uses)	<u>572</u>	<u>2,383</u>	<u>625</u>	<u>(1,758)</u>
<b>Net change in fund balances</b>	<b>(2,696)</b>	<b>(4,774)</b>	<b>(3,649)</b>	<b>1,125</b>
Fund balances, beginning	<u>18,541</u>	<u>18,541</u>	<u>18,541</u>	<u>-</u>
Fund balances, ending	<u>\$ 15,845</u>	<u>\$ 13,767</u>	<u>\$ 14,892</u>	<u>\$ 1,125</u>

**COUNTY OF SAN LUIS OBISPO**  
**Lighting Districts**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual Comparison**  
**For the Year Ended June 30, 2025 (in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>Revenues:</b>				
Taxes	\$ 50	\$ 50	\$ 49	\$ (1)
Use of money and property	-	-	27	27
Charges for services	10	10	13	3
Total Revenues	<u>60</u>	<u>60</u>	<u>89</u>	<u>29</u>
<b>Expenditures:</b>				
Current:				
Public protection				
Services and supplies	55	55	40	15
Total Expenditures	<u>55</u>	<u>55</u>	<u>40</u>	<u>15</u>
<b>Net change in fund balances</b>	5	5	49	44
Fund balances, beginning	<u>500</u>	<u>500</u>	<u>500</u>	<u>-</u>
Fund balances, ending	<u>\$ 505</u>	<u>\$ 505</u>	<u>\$ 549</u>	<u>\$ 44</u>



**COUNTY OF SAN LUIS OBISPO**  
**County Service Areas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual Comparison**  
**For the Year Ended June 30, 2025 (in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>Revenues:</b>				
Taxes	\$ 1,304	\$ 1,304	\$ 1,336	\$ 32
Use of money and property	43	43	157	114
Aid from other governments	4	4	4	-
Charges for services	51	51	44	(7)
Other revenues	3	3	6	3
Total Revenues	<u>1,405</u>	<u>1,405</u>	<u>1,547</u>	<u>142</u>
<b>Expenditures:</b>				
Current:				
Public ways and facilities				
Services and supplies	<u>1,274</u>	<u>1,274</u>	<u>877</u>	<u>397</u>
Total Expenditures	<u>1,274</u>	<u>1,274</u>	<u>877</u>	<u>397</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>131</u>	<u>131</u>	<u>670</u>	<u>539</u>
<b>Other Financing Sources (Uses):</b>				
Transfers out	<u>(834)</u>	<u>(834)</u>	<u>(53)</u>	<u>781</u>
Total Other Financing Sources (Uses)	<u>(834)</u>	<u>(834)</u>	<u>(53)</u>	<u>781</u>
<b>Net change in fund balances</b>	<u>(703)</u>	<u>(703)</u>	<u>617</u>	<u>1,320</u>
Fund balances, beginning	<u>3,738</u>	<u>3,738</u>	<u>3,738</u>	<u>-</u>
Fund balances, ending	<u>\$ 3,035</u>	<u>\$ 3,035</u>	<u>\$ 4,355</u>	<u>\$ 1,320</u>

**COUNTY OF SAN LUIS OBISPO**  
**Pension Obligation Bonds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual Comparison**  
**For the Year Ended June 30, 2025 (in thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>Revenues:</b>				
Use of money and property	\$ 500	\$ 500	\$ 1,493	\$ 993
Other revenues	15,090	15,090	765	(14,325)
Total Revenues	<u>15,590</u>	<u>15,590</u>	<u>2,258</u>	<u>(13,332)</u>
<b>Expenditures:</b>				
Debt Service:				
Principal payments	3,535	3,535	3,516	19
Interest and fiscal charges	<u>7,347</u>	<u>7,347</u>	<u>8,021</u>	<u>(674)</u>
Total Expenditures	<u>10,882</u>	<u>10,882</u>	<u>11,537</u>	<u>(655)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,708</u>	<u>4,708</u>	<u>(9,279)</u>	<u>(13,987)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	14,831	14,831
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>14,831</u>	<u>14,831</u>
<b>Net change in fund balances</b>	<u>4,708</u>	<u>4,708</u>	<u>5,552</u>	<u>844</u>
Fund balances, beginning	<u>28,743</u>	<u>28,743</u>	<u>28,743</u>	<u>-</u>
Fund balances, ending	<u>\$ 33,451</u>	<u>\$ 33,451</u>	<u>\$ 34,295</u>	<u>\$ 844</u>

---

**COMBINING FINANCIAL STATEMENTS  
NONMAJOR ENTERPRISE FUNDS**

---



## **NONMAJOR ENTERPRISE FUNDS**

### **ENTERPRISE FUNDS:**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is to have the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges, or where the County has decided that revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

#### General Flood Control Zone – Salinas Dam

Accounts for the operation of the Salinas dam and pipeline used to deliver water to the City of San Luis Obispo from Santa Margarita Lake.

#### Lopez Flood Control

Accounts for the maintenance, water treatment and water distribution services of the Lopez Dam Flood Control Zone 3, which provides water to south San Luis Obispo County, and the activities of the Lopez Dam Seismic Remediation Project.

#### Golf

Accounts for the operations and maintenance of County-owned golf courses located in Atascadero, Morro Bay, and San Luis Obispo.

#### Lopez Park

Accounts for the accumulation of resources for the repayment of State loans related to the Lopez Lake recreational area.

#### County Service Areas

Accounts for resources used to provide for a variety of services such as street lighting, drainage, sewer, and road maintenance, which are mutually exclusive of the Special Revenue Funds County Service Areas.

**COUNTY OF SAN LUIS OBISPO**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2025 (IN THOUSANDS)**

	General Flood Control Zone - Salinas Dam	Lopez Flood Control	Golf	Lopez Park	County Service Areas	Total
<u>Assets</u>						
Current assets:						
Cash and cash equivalents	\$ 3,716	\$ 7,624	\$ 1,729	\$ 28	\$ 4,503	\$ 17,600
Accounts receivable, net	-	-	38	-	467	505
Inventories	-	-	115	-	-	115
Due from other governments	337	392	4	-	239	972
Prepaid items	-	-	145	-	-	145
Deposits with others	-	-	-	-	86	86
Total current assets	4,053	8,016	2,031	28	5,295	19,423
Noncurrent assets:						
Restricted cash with fiscal agent	-	1	-	-	-	1
Capital assets:						
Nondepreciable						
Land	-	2,155	1,333	-	534	4,022
Construction in progress	-	2,422	240	-	5,214	7,876
Other property	-	1,968	-	-	-	1,968
Depreciable						
Infrastructure, net	-	16,786	4	-	3,110	19,900
Structures and improvements, net	-	29,952	6,710	-	8,705	45,367
Equipment, net	-	281	587	-	438	1,306
Other property, net	-	-	-	-	496	496
Lease assets, net	-	-	248	-	-	248
Total noncurrent assets	-	53,565	9,122	-	18,497	81,184
Total assets	4,053	61,581	11,153	28	23,792	100,607
<u>Deferred Outflows of Resources</u>						
Deferred pensions	-	-	1,147	-	-	1,147
Deferred OPEB	-	-	81	-	-	81
Total deferred outflows of resources	-	-	1,228	-	-	1,228
<u>Liabilities</u>						
Current liabilities:						
Accounts payable	58	773	165	-	566	1,562
Salaries and benefits payable	-	-	64	-	-	64
Deposits from others	-	469	69	-	163	701
Interest payable	-	196	6	-	21	223
Unearned revenue	-	-	-	-	5	5
Accrued vacation and sick leave - current	-	-	134	-	-	134
Lease liability - current	-	-	116	-	-	116
Notes and bonds payable - current	-	2,813	405	-	113	3,331
Total current liabilities	58	4,251	959	-	868	6,136
Noncurrent liabilities:						
Advances from other funds	-	-	121	-	1,839	1,960
Accrued vacation and sick leave	-	-	269	-	-	269
Lease liability	-	-	136	-	-	136
Notes and bonds payable	-	14,294	456	-	5,021	19,771
Net OPEB liability	-	-	151	-	-	151
Net pension liability	-	-	4,727	-	-	4,727
Total noncurrent liabilities	-	14,294	5,860	-	6,860	27,014
Total liabilities	58	18,545	6,819	-	7,728	33,150
<u>Deferred Inflows of Resources</u>						
Deferred pensions	-	-	5	-	-	5
Deferred OPEB	-	-	49	-	-	49
Bond Refunding	-	-	89	-	-	89
Total deferred inflows of resources	-	-	143	-	-	143
<u>Net Position</u>						
Net investment in capital assets	-	36,457	7,920	-	13,006	57,383
Unrestricted	3,995	6,579	(2,501)	28	3,058	11,159
Total net position	\$ 3,995	\$ 43,036	\$ 5,419	\$ 28	\$ 16,064	\$ 68,542

**COUNTY OF SAN LUIS OBISPO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)**

	General Flood Control Zone - Salinas Dam	Lopez Flood Control	Golf	Lopez Park	County Service Areas	Total
<u>Operating revenues</u>						
Charges for services	\$ 1,873	\$ 8,490	\$ 5,702	\$ -	\$ 5,584	\$ 21,649
Other revenues	3	-	2	-	64	69
Total operating revenues	1,876	8,490	5,704	-	5,648	21,718
<u>Operating expenses</u>						
Salaries and benefits	-	-	2,960	-	-	2,960
Services and supplies	1,777	9,510	2,195	-	5,946	19,428
Other charges	-	3	-	-	-	3
Depreciation	-	1,420	514	-	564	2,498
Amortization	-	-	151	-	-	151
Countywide cost allocation	31	98	111	-	130	370
Total operating expenses	1,808	11,031	5,931	-	6,640	25,410
Operating income (loss)	68	(2,541)	(227)	-	(992)	(3,692)
<u>Nonoperating revenues (expenses)</u>						
Property taxes	-	1,582	-	-	694	2,276
Investment income (expense)	184	436	67	1	211	899
Interest expense	-	(647)	(8)	-	(138)	(793)
Aid from governmental agencies	427	137	62	-	491	1,117
Sale of capital assets	-	-	(3)	-	(4)	(7)
Total nonoperating revenues (expenses)	611	1,508	118	1	1,254	3,492
Income (loss) before contributions and transfers	679	(1,033)	(109)	1	262	(200)
Transfers in	-	-	11	-	1,967	1,978
Transfers out	-	-	(66)	-	(8)	(74)
Change in net position	679	(1,033)	(164)	1	2,221	1,704
Net position - beginning, as originally reported	3,316	44,069	5,684	27	13,843	66,939
Change in accounting principle	-	-	(101)	-	-	(101)
Net position - beginning, as restated	3,316	44,069	5,583	27	13,843	66,838
Net position - ending	\$ 3,995	\$ 43,036	\$ 5,419	\$ 28	\$ 16,064	\$ 68,542

**COUNTY OF SAN LUIS OBISPO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)**

	General Flood Control Zone - Salinas Dam	Lopez Flood Control	Golf	Lopez Park	County Service Areas	Total
Cash Flows From Operating Activities						
Receipts from customers and third parties	\$ 1,876	\$ 8,381	\$ 5,766	\$ -	\$ 5,560	\$ 21,583
Payments for goods and services	(1,766)	(8,859)	(2,273)	-	(5,948)	(18,846)
Payments to employees for services	-	-	(2,559)	-	-	(2,559)
Net cash provided (used) by operating activities	110	(478)	934	-	(388)	178
Cash Flows from Noncapital Financing Activities						
Property tax proceeds	-	1,582	-	-	694	2,276
Grants and subsidies to other governmental agencies	126	(251)	55	-	168	98
Advances from other funds	-	-	-	-	474	474
Transfers from other funds	-	-	11	-	1,967	1,978
Transfers to other funds	-	-	(66)	-	(8)	(74)
Net cash provided (used) by noncapital financing activities	126	1,331	-	-	3,295	4,752
Cash Flows from Capital and Related Financing Activities						
Purchases and construction of capital assets	-	(170)	(391)	-	(2,521)	(3,082)
Principal paid on capital debt	-	(2,762)	(423)	-	(110)	(3,295)
Interest paid on capital debt	-	(676)	(25)	-	(138)	(839)
Net cash provided (used) by capital and related financing activities	-	(3,608)	(839)	-	(2,769)	(7,216)
Cash Flows from Investing Activities						
Interest received	184	436	67	1	211	899
Net cash provided (used) by investing activities	184	436	67	1	211	899
Net increase (decrease) in cash and cash equivalents	420	(2,319)	162	1	349	(1,387)
Cash and cash equivalents at beginning of year	3,296	9,944	1,567	27	4,154	18,988
Cash and cash equivalents at end of year	\$ 3,716	\$ 7,625	\$ 1,729	\$ 28	\$ 4,503	\$ 17,601
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	\$ 68	\$ (2,541)	\$ (227)	\$ -	\$ (992)	\$ (3,692)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization expense	-	1,420	665	-	564	2,649
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:						
(Increase) decrease in:						
Receivables, net	-	1	66	-	(71)	(4)
Inventory	-	-	(20)	-	-	(20)
Prepaid items	-	-	149	-	-	149
Deferred outflows - pensions	-	-	8	-	-	8
Deferred outflows - OPEB	-	-	(1)	-	-	(1)
Leases	-	-	(12)	-	-	(12)
Increase (decrease) in:						
Accounts payable	42	673	(101)	-	118	732
Deposits from others	-	80	14	-	11	105
Salaries and benefits payable	-	-	40	-	-	40
Deferred inflows - pensions	-	-	(3)	-	-	(3)
Deferred inflows - OPEB	-	-	(3)	-	-	(3)
Net OPEB liability	-	-	14	-	-	14
Net pension liability	-	-	345	-	-	345
Unearned revenue	-	(111)	-	-	(18)	(129)
Total adjustments	42	2,063	1,161	-	604	3,870
Net cash provided (used) by operating activities	\$ 110	\$ (478)	\$ 934	\$ -	\$ (388)	\$ 178
Noncash Investing, Capital and Financing Activities						
Leases	\$ -	\$ -	\$ 357	\$ -	\$ -	\$ 357



---

**COMBINING FINANCIAL STATEMENTS  
INTERNAL SERVICE FUNDS**

---



## **INTERNAL SERVICE FUNDS**

### **INTERNAL SERVICE FUNDS:**

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments on a cost-reimbursement basis. Internal Service Funds used at the County are listed below:

#### Garage

Accounts for resources used to provide a vehicle fleet of cars, trucks, and law enforcement vehicles for use by various County departments at the lowest possible maintenance and operating costs.

#### Public Works

Accounts for resources used to provide comprehensive engineering services in the form of manpower, equipment and contractual services and supplies to all departments, agencies, and private citizens as requested or required by state law or local ordinance.

#### Insurance Funds

Account for the operations of the County's Workers' Compensation, Protected Self-Insurance, Unemployment, Dental Insurance, and Other Post-Employment Benefits (OPEB) programs.

**COUNTY OF SAN LUIS OBISPO**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2025 (IN THOUSANDS)**

	Garage	Public Works	Combined Insurance (5 Funds)	Total
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 8,354	\$ 27,079	\$ 21,337	\$ 56,770
Accounts receivable, net	6	20	-	26
Inventories	19	857	-	876
Prepaid items	-	11	-	11
Total current assets	8,379	27,967	21,337	57,683
Noncurrent assets:				
Capital assets:				
Structures and improvements, net	214	168	-	382
Equipment, net	8,564	10,283	-	18,847
Lease assets, net	-	512	-	512
SBITA assets, net	-	-	17	17
Total noncurrent assets	8,778	10,963	17	19,758
Total assets	17,157	38,930	21,354	77,441
<u>Deferred Outflows of Resources</u>				
Deferred pensions	816	21,054	-	21,870
Deferred OPEB	68	1,314	-	1,382
Total deferred outflows of resources	884	22,368	-	23,252
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	828	1,212	383	2,423
Salaries and benefits payable	39	995	7	1,041
Deposits from others	3	6,850	1	6,854
Self-insurance liability - current	-	-	5,570	5,570
Lease liability - current	-	126	-	126
SBITA liability - current	-	-	13	13
Accrued vacation and sick leave - current	114	2,615	-	2,729
Total current liabilities	984	11,798	5,974	18,756
Noncurrent liabilities:				
Self-insurance liability	-	-	21,255	21,255
Lease liability	-	430	-	430
SBITA liability	-	-	4	4
Accrued vacation and sick leave	100	2,102	-	2,202
Net OPEB liability	128	2,456	-	2,584
Net pension liability	3,363	86,753	-	90,116
Total noncurrent liabilities	3,591	91,741	21,259	116,591
Total liabilities	4,575	103,539	27,233	135,347
<u>Deferred Inflows of Resources</u>				
Deferred pensions	3	87	-	90
Deferred OPEB	42	804	-	846
Total deferred inflows of resources	45	891	-	936
<u>Net Position</u>				
Net investment in capital assets	8,243	9,799	-	18,042
Unrestricted	5,178	(52,931)	(5,879)	(53,632)
Total net position	\$ 13,421	\$ (43,132)	\$ (5,879)	\$ (35,590)

**COUNTY OF SAN LUIS OBISPO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)**

	Garage	Public Works	Combined Insurance (5 Funds)	Total
<u>Operating revenues</u>				
Charges for services	\$ 9,605	\$ 54,625	\$ 24,888	\$ 89,118
Other revenues	26	187	-	213
Total operating revenues	9,631	54,812	24,888	89,331
<u>Operating expenses</u>				
Salaries and benefits	1,909	47,335	434	49,678
Services and supplies	4,878	10,096	17,763	32,737
Insurance benefit payments	-	-	6,550	6,550
Depreciation	1,738	1,224	-	2,962
Amortization	-	125	13	138
Countywide cost allocation	167	267	421	855
Total operating expenses	8,692	59,047	25,181	92,920
Operating income (loss)	939	(4,235)	(293)	(3,589)
<u>Nonoperating revenues (expenses)</u>				
Investment income (expense)	410	951	1,040	2,401
Interest expense	-	(4)	-	(4)
Sale of capital assets	517	(10)	-	507
Total nonoperating revenues (expenses)	927	937	1,040	2,904
Income (loss) before capital contributions and transfers	1,866	(3,298)	747	(685)
Transfers out	(59)	(1,421)	-	(1,480)
Change in net position	1,807	(4,719)	747	(2,165)
Net position - beginning, as originally reported	11,650	(37,361)	(6,626)	(32,337)
Change in accounting principle	(36)	(1,052)	-	(1,088)
Net position - beginning, as restated	11,614	(38,413)	(6,626)	(33,425)
Net position - ending	\$ 13,421	\$ (43,132)	\$ (5,879)	\$ (35,590)

**COUNTY OF SAN LUIS OBISPO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)**

	Garage	Public Works	Combined Insurance (5 Funds)	Total
Cash Flows From Operating Activities				
Receipts from interfund billings	\$ 9,630	\$ 54,811	\$ 25,376	\$ 89,817
Payments for goods and services	(4,637)	(8,041)	(8,518)	(21,196)
Payments to employees for services	(1,686)	(38,781)	(435)	(40,902)
Payments for insurance benefits	-	-	(5,086)	(5,086)
Payments for premiums	-	-	(9,849)	(9,849)
Net cash provided (used) by operating activities	3,307	7,989	1,488	12,784
Cash Flows from Noncapital Financing Activities				
Transfers to other funds	(59)	(1,421)	-	(1,480)
Net cash provided (used) by noncapital financing activities	(59)	(1,421)	-	(1,480)
Cash Flows from Capital and Related Financing Activities				
Purchases and construction of capital assets	(3,939)	(2,076)	-	(6,015)
Proceeds from sale of capital assets	517	-	-	517
Principal paid on capital debt	-	(121)	(14)	(135)
Interest paid on capital debt	-	(4)	-	(4)
Net cash provided (used) by capital and related financing activities	(3,422)	(2,201)	(14)	(5,637)
Cash Flows from Investing Activities				
Interest received	410	951	1,040	2,401
Net cash provided (used) by investing activities	410	951	1,040	2,401
Net increase (decrease) in cash and cash equivalents	236	5,318	2,514	8,068
Cash and cash equivalents at beginning of year	8,118	21,761	18,823	48,702
Cash and cash equivalents at end of year	\$ 8,354	\$ 27,079	\$ 21,337	\$ 56,770
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 939	\$ (4,235)	\$ (293)	\$ (3,589)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization expense	1,738	1,349	13	3,100
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
(Increase) decrease in:				
Receivables, net	(1)	(1)	488	486
Inventory	(2)	21	-	19
Deferred outflows - pensions	22	(425)	-	(403)
Deferred outflows - OPEB	(1)	(14)	-	(15)
Increase (decrease) in:				
Accounts payable	407	706	(184)	929
Deposits from others	3	1,593	1	1,597
Salaries and benefits payable	9	386	(1)	394
Deferred inflows - pensions	(2)	(47)	-	(49)
Deferred inflows - OPEB	(2)	(52)	-	(54)
Net OPEB liability	13	229	-	242
Net pension liability	184	8,479	-	8,663
Self-insurance liability	-	-	1,464	1,464
Total adjustments	2,368	12,224	1,781	16,373
Net cash provided (used) by operating activities	\$ 3,307	\$ 7,989	\$ 1,488	\$ 12,784

**COUNTY OF SAN LUIS OBISPO**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS - INSURANCE**  
**JUNE 30, 2025 (IN THOUSANDS)**

	Workers' Compensation	Protected Self-Insurance	Unemployment Insurance	Dental Insurance	OPEB	Total
<u>Assets</u>						
Current assets:						
Cash and cash equivalents	\$ 17,377	\$ 2,673	\$ 754	\$ 180	\$ 353	\$ 21,337
Total current assets	17,377	2,673	754	180	353	21,337
Noncurrent assets:						
SBITA assets, net	-	-	-	-	17	17
Total noncurrent assets	-	-	-	-	17	17
Total assets	17,377	2,673	754	180	370	21,354
<u>Liabilities</u>						
Current liabilities:						
Accounts payable	330	4	-	49	-	383
Deposits from others	1	-	-	-	-	1
Salaries and benefits payable	7	-	-	-	-	7
Self-insurance liability	4,068	1,502	-	-	-	5,570
SBITA liability	-	-	-	-	13	13
Total current liabilities	4,406	1,506	-	49	13	5,974
Noncurrent liabilities:						
Self-insurance liability	17,061	4,194	-	-	-	21,255
SBITA liability	-	-	-	-	4	4
Total noncurrent liabilities	17,061	4,194	-	-	4	21,259
Total liabilities	21,467	5,700	-	49	17	27,233
<u>Net Position</u>						
Unrestricted	(4,090)	(3,027)	754	131	353	(5,879)
Total net position	\$ (4,090)	\$ (3,027)	\$ 754	\$ 131	\$ 353	\$ (5,879)

**COUNTY OF SAN LUIS OBISPO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS - INSURANCE**  
**FOR THE YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)**

	Workers' Compensation	Protected Self-Insurance	Unemployment Insurance	Dental Insurance	OPEB	Total
<u>Operating revenues</u>						
Charges for services	\$ 10,339	\$ 10,130	\$ 395	\$ 1,483	\$ 2,541	\$ 24,888
Total operating revenues	10,339	10,130	395	1,483	2,541	24,888
<u>Operating expenses</u>						
Salaries and benefits	434	-	-	-	-	434
Services and supplies	4,918	10,623	105	248	1,869	17,763
Insurance benefit payments	3,969	-	205	1,702	674	6,550
Amortization	-	-	-	-	13	13
Countywide cost allocation	244	174	1	2	-	421
Total operating expenses	9,565	10,797	311	1,952	2,556	25,181
Operating income (loss)	774	(667)	84	(469)	(15)	(293)
<u>Nonoperating revenues (expenses)</u>						
Investment income (expense)	800	165	37	22	16	1,040
Total nonoperating revenues (expenses)	800	165	37	22	16	1,040
Change in net position	1,574	(502)	121	(447)	1	747
Net position - beginning	(5,664)	(2,525)	633	578	352	(6,626)
Net position - ending	<u>\$ (4,090)</u>	<u>\$ (3,027)</u>	<u>\$ 754</u>	<u>\$ 131</u>	<u>\$ 353</u>	<u>\$ (5,879)</u>



**COUNTY OF SAN LUIS OBISPO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS - INSURANCE**  
**FOR THE YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)**

	Workers' Compensation	Protected Self-Insurance	Unemployment Insurance	Dental Insurance	OPEB	Total
Cash Flows From Operating Activities						
Receipts from interfund billings	\$ 10,445	\$ 10,511	\$ 395	\$ 1,483	\$ 2,542	\$ 25,376
Payments for goods and services	(3,288)	(4,913)	(106)	(200)	(11)	(8,518)
Payments to employees for services	(435)	-	-	-	-	(435)
Payments for insurance benefits	(3,323)	820	(205)	(1,703)	(675)	(5,086)
Payments for premiums	(1,812)	(6,179)	-	-	(1,858)	(9,849)
Net cash provided (used) by operating activities	1,587	239	84	(420)	(2)	1,488
Cash Flows from Capital and Related Financing Activities						
Principal paid on capital debt	-	-	-	-	(14)	(14)
Net cash provided (used) by capital and related financing activities	-	-	-	-	(14)	(14)
Cash Flows from Investing Activities						
Interest received (paid)	800	165	37	22	16	1,040
Net cash provided (used) by investing activities	800	165	37	22	16	1,040
Net increase (decrease) in cash and cash equivalents	2,387	404	121	(398)	-	2,514
Cash and cash equivalents at beginning of year	14,990	2,269	633	578	353	18,823
Cash and cash equivalents at end of year	\$ 17,377	\$ 2,673	\$ 754	\$ 180	\$ 353	\$ 21,337
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	\$ 774	\$ (667)	\$ 84	\$ (469)	\$ (15)	\$ (293)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization expense	-	-	-	-	13	13
Changes in assets and liabilities:						
(Increase) decrease in:						
Receivables, net	106	382	-	-	-	488
Increase (decrease) in:						
Accounts payable	63	(296)	-	49	-	(184)
Deposits from others	1	-	-	-	-	1
Salaries and benefits payable	(1)	-	-	-	-	(1)
Self-insurance liability	644	820	-	-	-	1,464
Total adjustments	813	906	-	49	13	1,781
Net cash provided (used) by operating activities	\$ 1,587	\$ 239	\$ 84	\$ (420)	\$ (2)	\$ 1,488



---

**COMBINING FINANCIAL STATEMENTS  
FIDUCIARY FUNDS**

---



## **FIDUCIARY FUNDS**

### **PENSION TRUST:**

The San Luis Obispo County Pension Trust is an independent trust that administers the San Luis Obispo County Employees Retirement Plan on behalf of the County.

### **INVESTMENT TRUST FUNDS:**

These funds are used by the County to account for the assets of legally separate entities who deposit cash with the County Treasurer. These include school and community college districts; other special districts governed by local boards, regional boards, and authorities; courts and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The County combines Investment Trust Funds into four reporting types because of their similar nature: School Districts, Special Districts, Courts, and Other Local Boards.

### **CUSTODIAL FUNDS:**

These funds account for assets held by the County as an agent for various local governments. The County has the following types of Custodial Funds:

#### 1915 Act

Account for temporary holding of funds for tax assessment areas created under the 1915 Improvement Act.

#### Clearing Funds

Serve as a temporary holding fund for subsequent disposition to an outside agency or taxing authority.

#### Other Funds

Account for temporary holding of funds that are not specifically classified in other custodial categories.

**COUNTY OF SAN LUIS OBISPO**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**JUNE 30, 2025 (IN THOUSANDS)**

	Clearing and Revolving Funds (96 Funds)	1915 Act Service Funds (5 Funds)	Other Custodial Funds (25 Funds)	Total
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 120,170	\$ 82	\$ 21,981	\$ 142,233
Taxes for other governments	826	-	-	826
Other assets	3	-	4,369	4,372
Capital assets, net	-	-	15	15
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 120,999</u>	<u>\$ 82</u>	<u>\$ 26,365</u>	<u>\$ 147,446</u>
<b><u>LIABILITIES</u></b>				
Other current liabilities	\$ 78,682	\$ -	\$ 9,445	\$ 88,127
Other long-term liabilities	9	-	-	9
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>\$ 78,691</u>	<u>\$ -</u>	<u>\$ 9,445</u>	<u>\$ 88,136</u>
<b><u>NET POSITION</u></b>				
Restricted for:				
Individuals, organizations, and other governments	<u>\$ 42,308</u>	<u>\$ 82</u>	<u>\$ 16,920</u>	<u>\$ 59,310</u>

**COUNTY OF SAN LUIS OBISPO**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)**

	Clearing and Revolving Funds (96 Funds)	1915 Act Service Funds (5 Funds)	Other Custodial Funds (25 Funds)	Total
<b><u>ADDITIONS</u></b>				
Interest	\$ 4,341	\$ 3	\$ 249	\$ 4,593
Property taxes collected for other governments	259,929	-	-	259,929
Sales taxes collected for other governments	-	-	17,966	17,966
Other Income	23,595	-	5,516	29,111
	<u>287,865</u>	<u>3</u>	<u>23,731</u>	<u>311,599</u>
Total additions				
	<u>287,865</u>	<u>3</u>	<u>23,731</u>	<u>311,599</u>
<b><u>DEDUCTIONS</u></b>				
Administrative expenses	37	-	1	38
Interest expenses	34,797	4	-	34,801
Payments to other local governments	6,123	-	-	6,123
Property taxes distributed to other governments	242,319	44	22,440	264,803
	<u>283,276</u>	<u>48</u>	<u>22,441</u>	<u>305,765</u>
Total deductions				
	<u>283,276</u>	<u>48</u>	<u>22,441</u>	<u>305,765</u>
Change in net position	4,589	(45)	1,290	5,834
Net position - beginning	37,719	127	15,630	53,476
Net position - ending	<u>\$ 42,308</u>	<u>\$ 82</u>	<u>\$ 16,920</u>	<u>\$ 59,310</u>

**COUNTY OF SAN LUIS OBISPO  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
INVESTMENT TRUST FUNDS  
JUNE 30, 2025 (IN THOUSANDS)**

	School Districts (22 Funds)	Special Districts (25 Funds)	Courts (6 Funds)	Other Local Boards (17 Funds)	Total
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ 772,097	\$ 17,580	\$ 2,045	\$ 51,849	\$ 843,571
Total assets	<u>\$ 772,097</u>	<u>\$ 17,580</u>	<u>\$ 2,045</u>	<u>\$ 51,849</u>	<u>\$ 843,571</u>
<b><u>NET POSITION</u></b>					
Net position held in trust for pool participants	<u>\$ 772,097</u>	<u>\$ 17,580</u>	<u>\$ 2,045</u>	<u>\$ 51,849</u>	<u>\$ 843,571</u>
Total Net Position	<u>\$ 772,097</u>	<u>\$ 17,580</u>	<u>\$ 2,045</u>	<u>\$ 51,849</u>	<u>\$ 843,571</u>



**COUNTY OF SAN LUIS OBISPO**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**INVESTMENT TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025 (IN THOUSANDS)**

	School Districts (22 Funds)	Special Districts (25 Funds)	Courts (6 Funds)	Other Local Boards (17 Funds)	Total
<u>Additions</u>					
Contributions to pooled investments	\$ 1,473,641	\$ 13,001	\$ 61,918	\$ 59,377	\$ 1,607,937
Interest	22,525	852	1	1,386	24,764
Total additions	1,496,166	13,853	61,919	60,763	1,632,701
<u>Deductions</u>					
Distributions from investment pool	1,417,352	19,069	61,517	53,563	1,551,501
Total deductions	1,417,352	19,069	61,517	53,563	1,551,501
Change in net position	78,814	(5,216)	402	7,200	81,200
Net position - beginning	693,283	22,796	1,643	44,649	762,371
Net position - ending	<u>\$ 772,097</u>	<u>\$ 17,580</u>	<u>\$ 2,045</u>	<u>\$ 51,849</u>	<u>\$ 843,571</u>



---

**GENERAL FUND  
DETAIL BUDGETARY COMPARISON SCHEDULES**

---



**COUNTY OF SAN LUIS OBISPO**  
**General Fund**  
**Detail Schedule of Expenditures**  
**Budget to Actual Comparison (in thousands)**  
**For the Year Ended June 30, 2025**

Description	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>General Government - Expenditures</u></b>				
<b><u>Legislative and Administrative</u></b>				
Administrative Office:				
Salaries, wages, and benefits	\$ 2,748	\$ 2,748	\$ 2,613	\$ 135
Services and supplies	1,520	5,685	3,583	2,102
Other charges	-	1,008	781	227
Expenditure transfers and reimbursements	(122)	(122)	(127)	5
Total	4,146	9,319	6,850	2,469
Board of Supervisors:				
Salaries, wages, and benefits	1,745	1,878	1,813	65
Services and supplies	348	465	330	135
Expenditure transfers and reimbursements	(71)	(71)	(71)	-
Total	2,022	2,272	2,072	200
Clerk/Recorder:				
Salaries, wages, and benefits	3,085	3,055	2,860	195
Services and supplies	1,496	1,647	1,441	206
Capital outlay	-	288	675	(387)
Expenditure transfers and reimbursements	(1)	(1)	-	(1)
Total	4,580	4,989	4,976	13
Communications & Outreach:				
Salaries, wages, and benefits	279	279	249	30
Services and supplies	42	45	19	26
Capital outlay - leases/SBITAs	-	-	20	(20)
Expenditure transfers and reimbursements	(105)	(105)	(105)	-
Total	216	219	183	36
Total Legislative and Administrative	10,964	16,799	14,081	2,718
<b><u>Finance</u></b>				
Assessor:				
Salaries, wages, and benefits	11,674	11,771	11,056	715
Services and supplies	1,046	1,029	930	99
Capital outlay - leases/SBITAs	-	17	16	1
Total	12,720	12,817	12,002	815
Auditor-Controller-Treasurer-Tax Collector				
Public Administrator:				
Salaries, wages, and benefits	9,581	9,581	9,174	407
Services and supplies	815	953	750	203
Expenditure transfers and reimbursements	(10)	(10)	(16)	6
Total	10,386	10,524	9,908	616
Total Finance	23,106	23,341	21,910	1,431

continued

**COUNTY OF SAN LUIS OBISPO**  
**General Fund**  
**Detail Schedule of Expenditures**  
**Budget to Actual Comparison (in thousands)**  
**For the Year Ended June 30, 2025**

Description	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>General Government - Expenditures</u></b> (continued)				
<u>Counsel</u>				
County Counsel:				
Salaries, wages, and benefits	\$ 4,901	\$ 4,970	\$ 4,720	\$ 250
Services and supplies	1,969	1,900	415	1,485
Expenditure transfers and reimbursement	--	(58)	(75)	17
Total Counsel	6,870	6,812	5,060	1,752
<u>Personnel</u>				
Personnel:				
Salaries, wages, and benefits	6,915	6,822	6,609	213
Services and supplies	3,732	4,109	4,031	78
Expenditure transfers and reimbursement	(1,836)	(1,836)	(1,549)	(287)
Total Personnel	8,811	9,095	9,091	4
Talent Development:				
Salaries, wages, and benefits	311	261	251	10
Services and supplies	378	354	355	(1)
Expenditure transfers and reimbursement	(8)	-	-	-
Total Talent Development	681	615	606	9
Total Personnel	9,492	9,710	9,697	13
<u>Property Management</u>				
Facilities Management:				
Salaries, wages, and benefits	5,763	5,503	5,301	202
Services and supplies	4,725	5,005	4,857	148
Expenditure transfers and reimbursements	(2,121)	(2,121)	(2,303)	182
Total	8,367	8,387	7,855	532
Maintenance Projects:				
Services and supplies	2,714	14,594	4,081	10,513
Expenditure transfers and reimbursements	-	(898)	(6)	(892)
Total	2,714	13,696	4,075	9,621
Central Services				
Salaries, wages, and benefits	2,465	2,558	2,336	222
Services and supplies	3,750	3,760	1,301	2,459
Other charges	103	103	103	-
Capital outlay	-	8	4,046	(4,038)
Expenditure transfers and reimbursements	(620)	(638)	(814)	176
Total	5,698	5,791	6,972	(1,181)
Total Property Management	16,779	27,874	18,902	8,972

continued

**COUNTY OF SAN LUIS OBISPO**  
**General Fund**  
**Detail Schedule of Expenditures**  
**Budget to Actual Comparison (in thousands)**  
**For the Year Ended June 30, 2025**

**General Government - Expenditures** (continued)

**Other General**

Information Technology:

Salaries, wages, and benefits	\$ 15,684	\$ 15,913	\$ 15,336	\$ 577
Services and supplies	7,011	7,283	4,253	3,030
Capital outlay	-	-	6,863	(6,863)
Expenditure transfers and reimbursements	(4,555)	(4,555)	(4,651)	96
Total	<u>18,140</u>	<u>18,641</u>	<u>21,801</u>	<u>(3,160)</u>

Non-Department Financing Uses:

Services and supplies	-	-	33	(33)
Expenditure transfers and reimbursements	(20,702)	(20,702)	(20,751)	49
Total	<u>(20,702)</u>	<u>(20,702)</u>	<u>(20,718)</u>	<u>16</u>

Contributions to Other Agencies:

Services and supplies	1,619	1,660	1,630	30
Total	<u>1,619</u>	<u>1,660</u>	<u>1,630</u>	<u>30</u>

Non-Department Other:

Services and supplies	568	713	477	236
Total	<u>568</u>	<u>713</u>	<u>477</u>	<u>236</u>

Total Other General

	<u>(375)</u>	<u>312</u>	<u>3,190</u>	<u>(2,878)</u>
--	--------------	------------	--------------	----------------

**Total General Government**

	<u>66,836</u>	<u>84,848</u>	<u>72,840</u>	<u>12,008</u>
--	---------------	---------------	---------------	---------------

**Public Protection - Expenditures**

**Judicial**

Court Operations Fund:

Other charges	2,527	2,527	2,437	90
Total	<u>2,527</u>	<u>2,527</u>	<u>2,437</u>	<u>90</u>

District Attorney:

Salaries, wages, and benefits	22,493	22,493	21,187	1,306
Services and supplies	3,071	3,271	2,902	369
Other charges	298	423	405	18
Expenditure transfers and reimbursements	(3)	(3)	-	(3)
Total	<u>25,859</u>	<u>26,184</u>	<u>24,494</u>	<u>1,690</u>

Child Support Services:

Salaries, wages, and benefits	4,350	4,350	3,676	674
Services and supplies	1,456	1,456	1,107	349
Total	<u>5,806</u>	<u>5,806</u>	<u>4,783</u>	<u>1,023</u>

Grand Jury:

Salaries, wages, and benefits	24	24	19	5
Services and supplies	81	81	76	5
Expenditure transfers and reimbursements	(9)	(9)	(3)	(6)
Total	<u>96</u>	<u>96</u>	<u>92</u>	<u>4</u>

continued

**COUNTY OF SAN LUIS OBISPO**  
**General Fund**  
**Detail Schedule of Expenditures**  
**Budget to Actual Comparison (in thousands)**  
**For the Year Ended June 30, 2025**

**Public Protection - Expenditures** (continued)

Judicial (continued)

Public Defender:

Services and supplies	\$ 9,145	\$ 10,270	\$ 9,157	\$ 1,113
Total	<u>9,145</u>	<u>10,270</u>	<u>9,157</u>	<u>1,113</u>
Total Judicial	<u>43,433</u>	<u>44,883</u>	<u>40,963</u>	<u>3,920</u>

Police Protection

Sheriff-Coroner:

Salaries, wages, and benefits	92,657	95,231	92,685	2,546
Services and supplies	21,395	24,919	21,107	3,812
Other charges	148	2,936	751	2,185
Capital outlay	160	3,950	3,552	398
Expenditure transfers and reimbursements	(152)	(154)	(100)	(54)
Total Police Protection	<u>114,208</u>	<u>126,882</u>	<u>117,995</u>	<u>8,887</u>

Detention and Correction

Probation Department:

Salaries, wages, and benefits	25,623	25,623	24,580	1,043
Services and supplies	6,981	8,827	6,566	2,261
Other charges	-	797	294	503
Capital outlay	-	22	-	22
Expenditure transfers and reimbursements	(454)	(454)	(463)	9
Total Detention and Correction	<u>32,150</u>	<u>34,815</u>	<u>30,977</u>	<u>3,838</u>

Fire Protection

County Fire:

Services and supplies	33,471	32,752	26,627	6,125
Other charges	35	1,265	1,230	35
Capital outlay	118	8,221	2,389	5,832
Expenditure transfers and reimbursements	(10)	(10)	(1)	(9)
Total Fire Protection	<u>33,614</u>	<u>42,228</u>	<u>30,245</u>	<u>11,983</u>

Protective Inspection

Agricultural Commissioner:

Salaries, wages, and benefits	7,220	7,220	6,651	569
Services and supplies	1,044	1,068	1,003	65
Other charges	489	539	69	470
Expenditure transfers and reimbursements	(2)	(2)	(2)	-
Total Protective Inspection	<u>8,751</u>	<u>8,825</u>	<u>7,721</u>	<u>1,104</u>

Other Protection

Animal Services:

Salaries, wages, and benefits	2,927	2,701	2,549	152
Services and supplies	1,373	1,706	1,444	262
Capital outlay	-	7	-	7
Total	<u>4,300</u>	<u>4,414</u>	<u>3,993</u>	<u>421</u>

continued



**COUNTY OF SAN LUIS OBISPO**  
**General Fund**  
**Detail Schedule of Expenditures**  
**Budget to Actual Comparison (in thousands)**  
**For the Year Ended June 30, 2025**

**Public Protection - Expenditures** (continued)

Other Protection (continued)

Emergency Services:

Salaries, wages, and benefits	\$ 1,704	\$ 1,784	\$ 1,432	\$ 352
Services and supplies	878	1,299	1,000	299
Other charges	350	672	(92)	764
Capital outlay	-	214	86	128
Total	<u>2,932</u>	<u>3,969</u>	<u>2,426</u>	<u>1,543</u>

Planning Department:

Salaries, wages, and benefits	17,868	17,868	14,091	3,777
Services and supplies	3,084	35,944	3,998	31,946
Other charges	71	7,125	1,155	5,970
Capital outlay	-	-	1,203	(1,203)
Expenditure transfers and reimbursements	(151)	(151)	(198)	47
Total	<u>20,872</u>	<u>60,786</u>	<u>20,249</u>	<u>40,537</u>

Waste Management:

Services and supplies	1,996	2,468	1,921	547
Total	<u>1,996</u>	<u>2,468</u>	<u>1,921</u>	<u>547</u>

Total Other Protection	<u>30,100</u>	<u>71,637</u>	<u>28,589</u>	<u>43,048</u>
------------------------	---------------	---------------	---------------	---------------

<b>Total Public Protection</b>	<u>262,256</u>	<u>329,270</u>	<u>256,490</u>	<u>72,780</u>
--------------------------------	----------------	----------------	----------------	---------------

**Public Ways and Facilities - Expenditures**

Public Works:

Services and supplies	4,024	5,137	3,052	2,085
Other charges	7	353	28	325
Total	<u>4,031</u>	<u>5,490</u>	<u>3,080</u>	<u>2,410</u>

Groundwater Sustainability

Salaries, wages, and benefits	270	270	259	11
Services and supplies	1,919	5,072	2,273	2,799
Other charges	-	800	-	800
Total	<u>2,189</u>	<u>6,142</u>	<u>2,532</u>	<u>3,610</u>

<b>Total Public Ways and Facilities</b>	<u>6,220</u>	<u>11,632</u>	<u>5,612</u>	<u>6,020</u>
---	--------------	---------------	--------------	--------------

**Health and Sanitation - Expenditures**

Health

Public Health:

Salaries, wages, and benefits	36,400	36,518	31,205	5,313
Services and supplies	11,390	14,150	9,403	4,747
Other charges	812	5,462	3,304	2,158
Capital outlay	-	412	(1,162)	1,574
Expenditure transfers and reimbursements	(6,079)	(6,079)	(5,768)	(311)
Total	<u>42,523</u>	<u>50,463</u>	<u>36,982</u>	<u>13,481</u>

continued

**COUNTY OF SAN LUIS OBISPO**  
**General Fund**  
**Detail Schedule of Expenditures**  
**Budget to Actual Comparison (in thousands)**  
**For the Year Ended June 30, 2025**

**Health and Sanitation - Expenditures** (continued)

Health (continued)

Behavioral Health:

Salaries, wages, and benefits	\$ 47,871	\$ 45,226	\$ 37,349	\$ 7,877
Services and supplies	71,883	77,485	71,780	5,705
Other charges	2,416	6,194	3,259	2,935
Capital outlay - leases	-	16	3,979	(3,963)
Expenditure transfers and reimbursements	(1,910)	(1,910)	(1,995)	85
Total	<u>120,260</u>	<u>127,011</u>	<u>114,372</u>	<u>12,639</u>
 Total Health	 <u>162,783</u>	 <u>177,474</u>	 <u>151,354</u>	 <u>26,120</u>
 <b>Total Health and Sanitation</b>	 <u>162,783</u>	 <u>177,474</u>	 <u>151,354</u>	 <u>26,120</u>

**Public Assistance - Expenditures**

Administration

Department of Social Services:

Salaries, wages, and benefits	72,404	71,673	64,175	7,498
Services and supplies	25,047	26,283	23,970	2,313
Other charges	13,051	14,683	11,310	3,373
Capital outlay	68	109	-	109
Expenditure transfers and reimbursements	(650)	(717)	(701)	(16)
Total Administration	<u>109,920</u>	<u>112,031</u>	<u>98,754</u>	<u>13,277</u>

Aid Programs

Aid Foster Care Non-Fed:

Services and supplies	290	290	197	93
Other charges	30,092	30,715	27,259	3,456
Expenditure transfers and reimbursement	-	(107)	(116)	9
Total	<u>30,382</u>	<u>30,898</u>	<u>27,340</u>	<u>3,558</u>

Calworks Assistance:

Other charges	<u>15,284</u>	<u>16,784</u>	<u>16,276</u>	<u>508</u>
Total	<u>15,284</u>	<u>16,784</u>	<u>16,276</u>	<u>508</u>

Total Aid Programs	<u>45,666</u>	<u>47,682</u>	<u>43,616</u>	<u>4,066</u>
--------------------	---------------	---------------	---------------	--------------

General Relief

General Relief:

Other charges	<u>2,004</u>	<u>2,393</u>	<u>2,345</u>	<u>48</u>
Total General Relief	<u>2,004</u>	<u>2,393</u>	<u>2,345</u>	<u>48</u>

continued

**COUNTY OF SAN LUIS OBISPO**  
**General Fund**  
**Detail Schedule of Expenditures**  
**Budget to Actual Comparison (in thousands)**  
**For the Year Ended June 30, 2025**

**Public Assistance - Expenditures** (continued)

Veterans Service

Veterans Service:

Salaries, wages, and benefits	\$ 1,078	\$ 1,125	\$ 1,083	\$ 42
Services and supplies	152	152	126	26
Expenditure transfers and reimbursements	-	(43)	(42)	(1)
Total Veterans Service	<u>1,230</u>	<u>1,234</u>	<u>1,167</u>	<u>67</u>

Other Assistance

Law Enforcement Med Care:

Services and supplies	12,851	12,888	12,317	571
Expenditure transfers and reimbursements	(242)	(242)	(242)	-
Total Other Assistance	<u>12,609</u>	<u>12,646</u>	<u>12,075</u>	<u>571</u>

**Total Public Assistance**

<u>171,429</u>	<u>175,986</u>	<u>157,957</u>	<u>18,029</u>
----------------	----------------	----------------	---------------

**Education - Expenditures**

Agricultural Education

UC Cooperative Extension

Salaries, wages, and benefits	539	539	478	61
Services and supplies	104	104	76	28
Total Agricultural Education	<u>643</u>	<u>643</u>	<u>554</u>	<u>89</u>

**Total Education**

<u>643</u>	<u>643</u>	<u>554</u>	<u>89</u>
------------	------------	------------	-----------

**Recreation and Culture - Expenditures**

Community Parks

Salaries, wages, and benefits	3,985	3,922	3,794	128
Services and supplies	2,804	3,097	2,695	402
Capital outlay	-	10,652	6,728	3,924
Other Charges	110	211	99	112
Expenditure transfers and reimbursements	(91)	(91)	(111)	20
Total Community Parks	<u>6,808</u>	<u>17,791</u>	<u>13,205</u>	<u>4,586</u>

**Total Recreation and Culture**

<u>6,808</u>	<u>17,791</u>	<u>13,205</u>	<u>4,586</u>
--------------	---------------	---------------	--------------

**Debt Service**

Debt service: principal

Debt service: interest

**Total Debt Service**

-	-	7,827	(7,827)
-	-	944	(944)
<u>-</u>	<u>-</u>	<u>8,771</u>	<u>(8,771)</u>

**Total General Fund - Expenditures**

(Before Contingencies)

<u>676,975</u>	<u>797,644</u>	<u>666,783</u>	<u>130,861</u>
----------------	----------------	----------------	----------------

continued

**COUNTY OF SAN LUIS OBISPO**  
**General Fund**  
**Detail Schedule of Expenditures**  
**Budget to Actual Comparison (in thousands)**  
**For the Year Ended June 30, 2025**

**Contingencies**

Appropriation for Contingencies

Contingencies - General Fund:

Appropriation for contingency	\$ 32,920	\$ 28,346	\$ -	\$ 28,346
Total	<u>32,920</u>	<u>28,346</u>	<u>-</u>	<u>28,346</u>
 Total Appropriation for Contingency	 32,920	 28,346	 -	 28,346
 <b>Total Contingency</b>	 32,920	 28,346	 -	 28,346
 <b>Total General Fund Expenditures</b>	 <u>\$ 709,895</u>	 <u>\$ 825,990</u>	 <u>\$ 666,783</u>	 <u>\$ 159,207</u>

Explanation of Differences between Budgetary Outflows and GAAP  
Expenditures

Uses/outflows of resources

Actual amounts (budgetary basis) from the  
Budget to Actual Comparison Schedule

\$ 666,783

Differences - budget to GAAP:

Expenditures by funds no longer meeting the special revenue  
fund classification which are presented with the General  
Fund for financial reporting purposes

13,814

Total expenditures as reported on the Statement of  
Revenues, Expenditures and Changes in Fund  
Balances - Governmental Funds

\$ 680,597

---

## STATISTICAL SECTION

---



COUNTY OF SAN LUIS OBISPO

Statistical Section

This part of the County of San Luis Obispo’s (County) annual comprehensive financial report presents detailed information as a context for understanding this year’s financial statements, note disclosures, and required supplementary information.

	Page
<b>Financial Trends Information</b>	
These schedules contain trend information that may assist the reader in assessing the County’s current financial performance by placing it in historical perspective.....	155
<b>Revenue Capacity Information</b>	
These schedules contain information that may assist the reader in assessing the viability of the County’s two most significant local revenue sources: property taxes and sales taxes .....	160
<b>Debt Capacity Information</b>	
These schedules present information that may assist the reader in analyzing the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.....	165
<b>Demographic and Economic Information</b>	
These schedules offer economic and demographic indicators that are commonly used for financial analysis and that can enhance a reader’s understanding of the County’s present and ongoing financial status .....	168
<b>Operating Information</b>	
These schedules contain service and infrastructure indicators about how the information in the County’s financial statements relates to the services the County provides and the activities it performs .....	170

**County of San Luis Obispo**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(In Thousands)**  
**(UNAUDITED)**

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 1,168,573	\$ 1,178,967	\$ 1,185,073	\$ 1,188,830	\$ 1,202,709	\$ 1,210,972	\$ 1,216,907	\$ 1,229,892	\$ 1,259,302	\$ 1,323,930
Restricted	41,230	64,822	29,836	41,281	66,655	104,024	98,489	173,086	177,598	150,646
Unrestricted	(170,962)	(226,970)	(217,606)	(220,206)	(286,622)	(248,517)	(193,229)	(297,796)	(290,718)	(261,064)
<b>Total governmental activities net position</b>	<u>\$ 1,038,841</u>	<u>\$ 1,016,819</u>	<u>\$ 997,303</u>	<u>\$ 1,009,905</u>	<u>\$ 982,742</u>	<u>\$ 1,066,479</u>	<u>\$ 1,122,167</u>	<u>\$ 1,105,182</u>	<u>\$ 1,146,182</u>	<u>\$ 1,213,512</u>
<b>Business-Type Activities</b>										
Net investment in capital assets	\$ 237,157	\$ 270,246	\$ 283,410	\$ 285,888	\$ 288,781	\$ 283,512	\$ 296,939	\$ 293,062	\$ 307,522	\$ 318,038
Unrestricted	93,158	85,316	73,113	83,039	94,335	110,255	118,114	127,391	126,774	138,231
<b>Total business-Type activities net position</b>	<u>\$ 330,315</u>	<u>\$ 355,562</u>	<u>\$ 356,523</u>	<u>\$ 368,927</u>	<u>\$ 383,116</u>	<u>\$ 393,767</u>	<u>\$ 415,053</u>	<u>\$ 420,453</u>	<u>\$ 434,296</u>	<u>\$ 456,269</u>
<b>Total Primary Government</b>										
Net investment in capital assets	\$ 1,405,730	\$ 1,449,213	\$ 1,468,483	\$ 1,474,718	\$ 1,491,490	\$ 1,494,484	\$ 1,513,846	\$ 1,522,954	\$ 1,566,824	\$ 1,641,968
Restricted	41,230	64,822	29,836	41,281	66,655	104,024	98,489	173,086	177,598	150,646
Unrestricted	(77,804)	(141,654)	(144,493)	(137,167)	(192,287)	(138,262)	(75,115)	(170,405)	(163,944)	(122,833)
<b>Total primary government net position</b>	<u>\$ 1,369,156</u>	<u>\$ 1,372,381</u>	<u>\$ 1,353,826</u>	<u>\$ 1,378,832</u>	<u>\$ 1,365,858</u>	<u>\$ 1,460,246</u>	<u>\$ 1,537,220</u>	<u>\$ 1,525,635</u>	<u>\$ 1,580,478</u>	<u>\$ 1,669,781</u>

Note:

With the implementation of GASB Statement No. 68, which required the presentation of the County's net pension obligation, Unrestricted Net Position became negative.

Source: Statement of Net Position



**County of San Luis Obispo**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(In Thousands)**  
**(UNAUDITED)**

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Program Expenses</b>										
<b>Governmental Activities</b>										
General government	\$ 53,282	\$ 56,390	\$ 56,858	\$ 54,434	\$ 53,926	\$ 55,612	\$ 54,592	\$ 37,088	\$ 67,933	\$ 76,983
Public protection	170,134	187,255	183,814	213,809	241,749	204,861	204,993	254,728	257,497	296,567
Public ways and facilities	33,418	32,098	41,606	34,202	33,199	36,017	35,995	55,375	50,230	48,039
Health and sanitation	88,326	99,150	103,822	119,259	113,463	121,358	132,713	152,565	174,990	178,230
Public assistance	118,089	125,102	122,753	131,432	132,868	134,476	132,751	201,741	168,272	167,421
Education	11,934	12,787	12,754	12,698	14,322	14,213	11,930	15,256	13,756	12,507
Recreation and cultural services	8,702	10,385	8,927	11,891	11,501	10,497	12,310	13,754	14,202	16,152
Interest on long term debt	4,602	4,555	11,840	1,468	7,057	9,645	7,947	11,299	12,529	13,348
Total Governmental Activities Expenses	488,487	527,722	542,374	579,193	608,085	586,679	593,231	741,806	759,409	809,247
<b>Business-Type Activities Expenses</b>										
Airport	6,117	6,391	7,966	8,398	10,133	9,146	11,366	26,498	15,333	18,380
Golf	3,131	3,111	3,297	3,491	3,347	3,869	4,231	4,884	5,500	5,967
State Water Contract	5,848	5,571	5,909	6,973	7,709	6,928	5,924	6,882	7,404	6,244
Nacimiento Water Contract	14,888	14,191	14,044	14,318	13,257	14,816	13,889	14,170	12,571	14,075
Lopez Flood Control	6,220	6,387	7,072	7,004	6,733	7,087	6,941	7,708	8,145	11,718
Lopez Park	4	4	3	3	2	1	-	-	-	-
General Flood Control Zone - Salinas Dam	824	851	1,056	1,142	913	1,170	1,521	1,490	1,847	1,815
County Service Areas	4,065	4,218	4,445	4,747	4,670	4,697	5,636	7,340	6,463	6,796
Los Osos Wastewater	3,807	10,322	10,918	11,544	11,636	11,581	11,663	12,597	11,861	12,316
Total Business-Type Activities Expenses	44,904	51,046	54,710	57,620	58,400	59,295	61,171	81,569	69,124	77,311
Total Primary Government Expenses	\$ 533,391	\$ 578,768	\$ 597,084	\$ 636,813	\$ 666,485	\$ 645,974	\$ 654,402	\$ 823,375	\$ 828,533	\$ 886,558
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Fees, Fines, Charges for Services										
General government	\$ 13,702	\$ 14,839	\$ 12,937	\$ 13,484	\$ 12,967	\$ 15,502	\$ 14,414	\$ 16,808	\$ 13,935	\$ 16,156
Public protection	20,768	21,231	23,666	22,946	21,291	23,552	23,648	25,758	26,358	31,545
Public ways and facilities	9,434	7,462	6,155	5,721	4,797	5,532	4,343	4,974	4,449	4,553
Health and sanitation	7,179	6,757	7,501	7,698	8,571	8,038	8,022	8,130	10,637	19,761
Public assistance	2,107	2,032	1,763	1,194	1,155	926	950	901	1,074	1,249
Education	1,952	1,644	2,006	1,943	2,193	1,622	1,315	2,313	1,278	460
Recreation and cultural services	4,975	5,127	5,592	5,515	4,295	5,714	6,113	6,094	6,229	14,013
Operating Grants and Contributions										
General government	735	748	321	200	685	789	2,058	19,120	13,980	11,665
Public protection	63,528	52,205	58,184	59,592	59,974	67,187	76,907	79,867	81,679	91,133
Public ways and facilities	11,025	9,918	11,506	10,485	11,302	11,073	14,279	22,753	28,316	58
Health and sanitation	61,950	67,626	76,494	76,211	74,699	91,988	107,891	107,717	134,746	135,110
Public assistance	98,414	102,784	105,848	107,758	114,525	113,555	123,834	137,154	139,484	146,186
Education	124	132	173	143	204	219	374	247	374	350
Recreation and cultural services	153	273	671	200	230	271	511	1,794	1,015	1,230
Capital Grants and Contributions										
General government	45	-	349	930	-	-	-	1,000	1,489	1,968
Public protection	4,420	7,820	656	1,197	1,799	3,814	43	-	1,256	1,154
Public ways and facilities	6,031	6,655	8,893	14,361	17,732	12,856	11,993	4,516	10,842	53,371
Health and sanitation	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	267	-	-	-	-	-
Recreation and cultural services	10,804	1,157	191	28	86	189	413	855	1,213	3,371
Total Governmental Activities	317,346	308,410	322,906	329,606	336,772	362,827	397,108	440,001	478,354	533,333

Source: Statement of Activities

(continued)

**County of San Luis Obispo**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(In Thousands)**  
**(UNAUDITED)**

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Business-Type Activities</b>										
Fees, Fines, Charges for Services										
Airport	\$ 5,165	\$ 5,662	\$ 7,158	\$ 8,947	\$ 8,300	\$ 6,140	\$ 9,314	\$ 11,724	\$ 15,131	\$ 16,913
Golf	2,589	2,291	2,584	2,717	2,750	4,376	4,843	4,738	5,327	5,702
State Water Contract	6,846	5,941	6,110	7,656	7,825	7,470	5,691	7,367	7,754	12,502
Nacimiento Water Contract	17,048	15,149	15,709	16,947	16,732	17,458	16,696	15,596	15,723	18,831
Lopez Flood Control	6,530	6,708	6,677	7,148	6,978	6,927	7,451	7,918	7,379	8,490
Lopez Park	-	-	-	-	-	-	-	-	-	-
General Flood Control Zone - Salinas Dam	960	904	909	913	2,884	1,370	1,234	1,380	1,985	1,873
County Service Areas	-	2,301	3,662	3,894	4,492	4,702	4,739	5,500	5,449	5,571
Los Osos Wastewater	3,551	3,620	4,467	5,100	5,245	5,324	7,129	7,425	7,248	7,745
Operating Grants and Contributions										
Airport	126	126	396	328	4,644	7,580	5,823	5,599	2,302	3,936
Golf	-	1,017	-	-	-	105	-	-	-	62
State Water Contract	13	14	14	14	14	15	14	14	18	14
Nacimiento Water Contract	9	-	6	-	-	-	-	-	-	-
Lopez Flood Control	8	-	7	5	5	6	6	6	8	137
Lopez Park	-	-	-	-	-	-	-	-	-	-
General Flood Control Zone - Salinas Dam	-	-	-	26	-	-	-	-	37	427
County Service Areas	295	3	3	13	3	3	3	3	3	491
Los Osos Wastewater	2,810	18	-	-	-	-	-	-	-	-
Capital Grants and Contributions										
Airport	7,069	15,379	2,211	3,139	505	1,138	12,259	-	-	-
Nacimiento Water Contract	-	-	24	-	-	200	-	-	-	-
County Service Areas	-	-	-	-	-	-	-	-	-	-
Los Osos Wastewater	4,157	10,086	2,982	4,860	2,618	2,546	2,847	963	2,333	2,226
Total Business-Type Activities Revenues	57,176	69,219	52,919	61,707	62,995	65,360	78,049	68,233	70,697	84,920
Total Primary Government Revenues	\$ 374,522	\$ 377,629	\$ 375,825	\$ 391,313	\$ 399,767	\$ 428,187	\$ 475,157	\$ 508,234	\$ 549,051	\$ 618,253
<b>Net (Expense)/Revenues</b>										
Governmental Activities	\$ (171,141)	\$ (219,312)	\$ (219,468)	\$ (249,587)	\$ (271,313)	\$ (223,852)	\$ (196,123)	\$ (301,805)	\$ (281,055)	\$ (275,914)
Business-Type Activities	12,272	18,173	(1,791)	4,087	4,595	6,065	16,878	(13,336)	1,573	7,609
Total Primary Government net expense	\$ (158,869)	\$ (201,139)	\$ (221,259)	\$ (245,500)	\$ (266,718)	\$ (217,787)	\$ (179,245)	\$ (315,141)	\$ (279,482)	\$ (268,305)
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>General Revenue and Other Changes in Net Position</b>										
Governmental Activities										
Property taxes	\$ 163,367	\$ 173,153	\$ 180,051	\$ 189,689	\$ 198,927	\$ 208,371	\$ 216,107	\$ 235,064	\$ 245,825	\$ 257,631
Other taxes	21,953	23,072	25,708	27,224	27,878	34,440	41,804	37,417	38,278	37,313
Interest and investment income	4,401	3,289	3,171	12,952	12,849	696	(16,312)	13,395	33,512	37,894
Unrestricted grants	3,140	63	2,740	2,115	3,845	41,157	9,001	5,334	5,567	3,236
Other revenues	-	5	2	35,445	1,144	4,813	1,424	306	558	394
Transfers	(768)	(2,292)	2,267	(625)	(493)	282	(213)	(6,696)	(1,685)	(1,818)
Special item	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	192,093	197,290	213,939	266,800	244,150	289,759	251,811	284,820	322,055	334,650
Business-Type Activities										
Property taxes	4,782	3,814	3,858	3,912	4,043	4,387	4,380	4,944	5,045	5,152
Other taxes	-	-	-	-	-	-	-	-	-	-
Interest and investment income	847	630	1,272	1,590	2,169	405	(1,333)	1,814	4,575	7,013
Other revenues	268	338	-	574	2,889	76	1,148	5,282	965	560
Transfers	768	2,292	(2,267)	625	493	(282)	213	6,696	1,685	1,818
Total Business-Type Activities	6,665	7,074	2,863	6,701	9,594	4,586	4,408	18,736	12,270	14,543
Total Primary Government	\$ 198,758	\$ 204,364	\$ 216,802	\$ 273,501	\$ 253,744	\$ 294,345	\$ 256,219	\$ 303,556	\$ 334,325	\$ 349,193
<b>Change in Net Position</b>										
Governmental Activities	\$ 20,952	\$ (22,022)	\$ (5,529)	\$ 17,213	\$ (27,163)	\$ 65,907	\$ 55,688	\$ (16,985)	\$ 41,000	\$ 58,736
Business-Type Activities	18,937	25,247	1,072	10,788	14,189	10,651	21,286	5,400	13,843	22,152
Total Primary Government	\$ 39,889	\$ 3,225	\$ (4,457)	\$ 28,001	\$ (12,974)	\$ 76,558	\$ 76,974	\$ (11,585)	\$ 54,843	\$ 80,888

Source: Statement of Activities

**County of San Luis Obispo**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(In Thousands)**  
**(UNAUDITED)**

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Fund										
Nonspendable	\$ 3,454	\$ 3,535	\$ 18,511	\$ 19,222	\$ 18,734	\$ 9,861	\$ 6,655	\$ 6,773	\$ 15,242	\$ 22,040
Restricted	2,872	2,649	10,083	12,276	10,915	24,212	26,060	24,607	22,096	29,459
Committed	168,619	164,492	152,501	169,846	175,455	194,669	214,112	224,823	248,486	234,216
Assigned	122,925	126,596	107,145	127,007	119,426	173,558	190,037	199,196	200,660	288,229
Unassigned	-	-	-	-	-	-	-	-	-	-
Total General Fund	<u>\$ 297,870</u>	<u>\$ 297,272</u>	<u>\$ 288,240</u>	<u>\$ 328,351</u>	<u>\$ 324,530</u>	<u>\$ 402,300</u>	<u>\$ 436,864</u>	<u>\$ 455,399</u>	<u>\$ 486,484</u>	<u>\$ 573,944</u>
All Other Governmental Funds										
Nonspendable	\$ 3,776	\$ 3	\$ 24	\$ 36	\$ 4	\$ 6	\$ 9	\$ 9	\$ 18	\$ 18
Restricted	21,317	24,192	24,750	33,496	57,057	58,106	54,520	129,672	129,739	104,012
Committed	61,926	94,904	62,307	66,616	67,593	88,636	96,623	86,728	87,804	93,400
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(3,038)	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 87,019</u>	<u>\$ 119,099</u>	<u>\$ 84,043</u>	<u>\$ 100,148</u>	<u>\$ 124,654</u>	<u>\$ 146,748</u>	<u>\$ 151,152</u>	<u>\$ 216,409</u>	<u>\$ 217,561</u>	<u>\$ 197,430</u>

Source: Balance Sheet - Governmental Funds

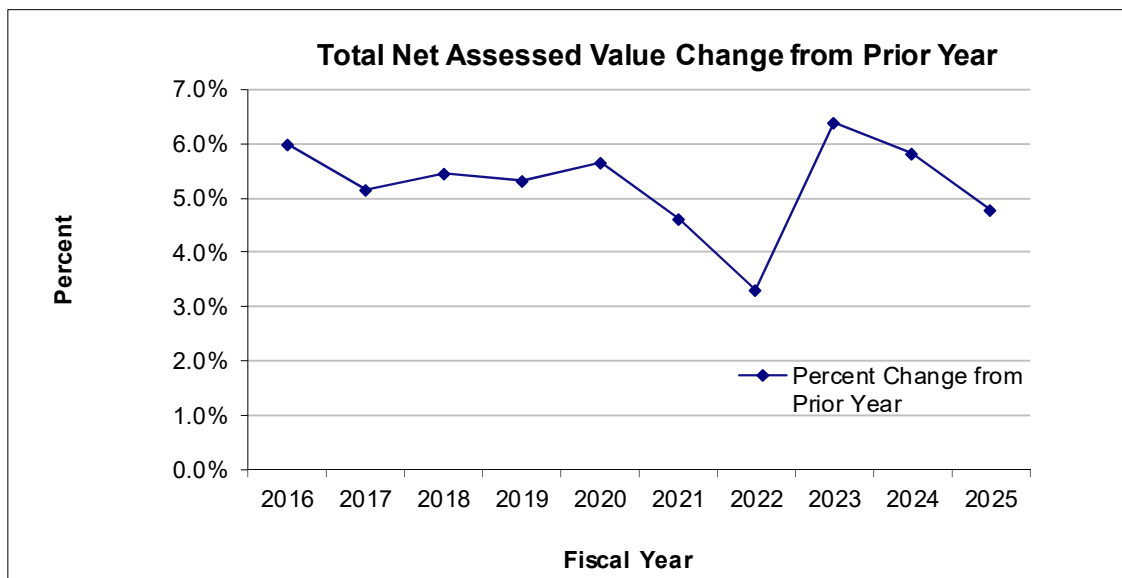
**County of San Luis Obispo**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(In Thousands)**  
**(UNAUDITED)**

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Revenues</b>										
Taxes	\$185,764	\$196,822	\$203,583	\$217,106	\$ 223,041	\$ 243,406	\$ 261,163	\$ 270,790	\$ 281,265	\$ 292,717
Licenses, permits, and franchises	10,539	11,446	11,140	12,133	11,477	12,522	12,597	15,478	14,351	14,141
Fines, forfeitures, and penalties	5,173	4,339	5,977	4,396	3,916	4,352	4,304	4,297	4,889	5,385
Revenues from use of money and property	4,939	3,984	3,779	12,268	12,247	1,084	(14,773)	13,346	32,133	36,091
Aid from governmental agencies	256,490	254,350	262,660	271,961	277,267	348,093	350,382	378,339	408,888	456,721
Charges for current services	46,308	49,460	49,793	47,957	46,712	51,694	49,498	55,512	58,506	64,076
Other revenues	11,504	8,481	6,869	25,278	12,396	13,104	12,734	14,429	14,279	33,800
Total revenues	520,717	528,882	543,801	591,099	587,056	674,255	675,905	752,191	814,311	902,931
<b>Expenditures</b>										
Current:										
General government	54,461	54,918	60,445	54,991	54,078	64,686	63,569	75,027	78,117	86,478
Public protection	156,096	164,839	175,175	185,033	205,162	199,299	212,388	233,444	247,211	269,059
Public ways and facilities	41,044	29,077	42,254	35,267	43,865	37,099	39,124	58,016	53,698	74,325
Health and sanitation	81,591	88,623	99,885	103,512	108,158	117,359	157,490	140,568	168,927	172,187
Public assistance	111,227	113,392	117,066	121,327	131,154	129,141	133,275	188,616	156,910	158,878
Education	10,534	11,560	11,640	12,191	12,769	13,368	15,712	14,199	13,975	13,156
Recreational and cultural services	9,888	9,963	10,358	10,574	11,637	10,976	12,420	16,685	14,297	21,364
Debt service:										
Principal payments	6,788	7,576	50,989	5,093	10,561	5,289	9,137	13,067	14,207	15,117
Interest and fiscal charges	4,687	4,639	11,666	1,204	6,416	7,030	7,895	10,581	12,762	13,362
Debt issuance costs	-	-	-	-	-	-	-	-	-	-
Capital outlay	30,465	11,554	11,828	6,374	7,645	13,795	17,376	14,563	22,986	49,700
Total expenditures	506,781	496,141	591,306	535,566	591,445	598,042	668,386	764,766	783,090	873,626
Excess (deficiency) of revenues over (under) expenditures	13,936	32,741	(47,505)	55,533	(4,389)	76,213	7,519	(12,575)	31,221	29,305
<b>Other Financing Sources</b>										
Proceeds of long-term debt	-	-	-	-	20,384	2,841	-	70,033	-	-
Premium on lease revenue bonds issued	-	-	-	-	4,023	-	-	4,634	-	-
Payment to refunded escrow agent	-	-	-	-	-	-	-	(5,724)	-	-
Leases	-	-	-	-	-	-	30,950	38,935	659	9,571
Subscription-based IT arrangement	-	-	-	-	-	-	-	305	695	8,623
Transfers in	35,803	57,668	54,782	31,633	36,803	37,384	45,602	48,050	48,204	79,518
Transfers out	(35,641)	(58,927)	(51,365)	(30,950)	(36,136)	(36,094)	(45,103)	(59,866)	(48,542)	(79,856)
Total other financing sources and uses	162	(1,259)	3,417	683	25,074	4,131	31,449	96,367	1,016	17,856
Net change in fund balances	\$ 14,098	\$ 31,482	\$ (44,088)	\$ 56,216	\$ 20,685	\$ 80,344	\$ 38,968	\$ 83,792	\$ 32,237	\$ 47,161
Debt Service as a percentage of non-capital expenditures	2.43%	2.77%	11.15%	1.26%	3.00%	2.19%	2.70%	3.41%	3.68%	3.73%

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

**County of San Luis Obispo  
Assessed Valuation  
Last Ten Fiscal Years  
(In Thousands)  
(UNAUDITED)**

Fiscal Year Ended,	Secured	Unsecured	Exemptions	Net Assessed Valuations	Percentage Change from Prior Year	Tax Rate
2016	48,037,099	1,257,845	(1,122,568)	48,172,375	6.0%	1.0037
2017	50,458,742	1,362,539	(1,173,683)	50,647,598	5.1%	1.0040
2018	53,278,739	1,386,183	(1,248,961)	53,415,961	5.5%	1.0040
2019	56,147,148	1,420,625	(1,305,110)	56,262,663	5.3%	1.0040
2020	58,382,427	2,345,033	(1,277,412)	59,450,048	5.7%	1.0040
2021	61,279,618	2,349,231	(1,428,237)	62,200,611	4.6%	1.0040
2022	63,459,055	2,281,455	(1,487,547)	64,252,963	3.3%	1.0040
2023	67,503,193	2,512,544	(1,648,668)	68,367,069	6.4%	1.0040
2024	71,302,780	2,750,976	(1,708,530)	72,345,226	5.8%	1.0036
2025	74,715,508	2,913,353	(1,822,753)	75,806,108	4.8%	1.0037



**Discussion:** Due to Article XIII-A, added to the California Constitution by Proposition 13 in 1978, the County does not track the estimated actual value of all County properties. Proposition 13 fixed the base for valuation of real property at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased to reflect: (1) annual inflation up to two percent; (2) current market value at time of ownership change; and (3) market value for new construction. As a result, similar properties can have substantially different assessed values based on the date of purchase.

Source: County Assessed Values, Exemptions and Growth % Book

**County of San Luis Obispo**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(per \$100 of assessed values)**  
**(UNAUDITED)**

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>County Direct Rates</b>										
General	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
State Water Project	0.00374	0.00400	0.00400	0.00400	0.00400	0.00400	0.00400	0.00400	0.00363	0.00365
Total Direct Rate	1.00374	1.00400	1.00400	1.00400	1.00400	1.00400	1.00400	1.00400	1.00363	1.00365
<b>Cities, Schools, and Special Districts Combined Rates</b>										
Arroyo Grande	0.0756	0.0680	0.1085	0.1051	0.0965	0.0827	0.0840	0.0648	0.0602	0.0515
Atascadero	0.1373	0.1373	0.1373	0.1373	0.1373	0.1373	0.1373	0.1373	0.1293	0.1075
Grover Beach	0.0940	0.1023	0.1599	0.1901	0.1815	0.1677	0.1690	0.1598	0.1553	0.1415
Morro Bay	0.0688	0.0683	0.0683	0.0683	0.0683	0.0614	0.0582	0.0548	0.0519	0.0420
Paso Robles	0.0955	0.0828	0.0828	0.1291	0.1222	0.1160	0.1198	0.1169	0.1119	0.1081
Pismo Beach	0.0700	0.0680	0.1085	0.1051	0.0965	0.0827	0.0840	0.0648	0.0602	0.0515
San Luis Obispo	0.0683	0.0683	0.0683	0.0683	0.0683	0.0583	0.0583	0.0543	0.1033	0.1015

Note: Rates shown represent the most common rates encountered for the tax rate areas within these cities.

Source: County Property Tax Rate Book

**County of San Luis Obispo  
Principal Property Taxpayers  
Current Year and Ten Years Ago  
(In Thousands)  
(UNAUDITED)**

		Fiscal Year 2024-25			Fiscal Year 2015-16		
Taxpayer	Industry	Assessed Value	Rank	Percentage of Total County Assessed Value	Assessed Value	Rank	Percentage of Total County Assessed Value
Pacific Gas & Electric Co.	Utility	\$ 955,576	1	1.26%	\$ 2,683,257	1	5.57%
High Plans Ranch II LLC	Solar Ranch	802,131	2	1.06%	-	-	0.00%
Southern California Gas Co.	Utility	199,049	3	0.26%	81,863	4	0.17%
Justin Vineyard & Winery Inc	Winery	144,666	4	0.19%	-	-	0.00%
Firestone Walker LLC	Brewery	109,766	5	0.14%	-	-	0.00%
CAP VIII - Mustang Village LLC	Apartments	104,238	6	0.14%	78,358	5	0.16%
Treasury Wine Estates Americas Co	Winery	103,476	7	0.14%	-	-	0.00%
E&J Galo Winery/Vineyards	Winery	90,679	8	0.12%	71,920	6	0.15%
Vespera Pismo Beach Holdings	Resort	82,968	9	0.11%	-	-	0.00%
Jamestown Premier	Commercial	82,596	10	0.11%	-	-	0.00%
Phillips 66 Company	Oil Refinery	-	-	0.00%	155,118	2	0.32%
Beringer Wine Estates Company	Winery	-	-	0.00%	90,412	3	0.19%
Pacific Bell Telephone Co	Communications	-	-	0.00%	70,939	7	0.15%
Freeport-McMoran Oil & Gas	Petroleum & Gas	-	-	0.00%	69,100	8	0.14%
Martin Hotel Management	Hotel	-	-	0.00%	64,891	9	0.13%
Sierra Vista Hospital Inc.	Hospital	-	-	0.00%	59,296	10	0.12%
Total		<u>\$ 2,675,144</u>		<u>3.53%</u>	<u>\$ 3,425,154</u>		<u>7.11%</u>
Total County Assessed Value		\$ 75,806,108			\$ 48,172,375		

Sources:

County Property Tax System  
2015-16 San Luis Obispo County Annual Comprehensive Financial Report

**County of San Luis Obispo**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(In Thousands)**  
**(UNAUDITED)**

Collected within the  
Fiscal Year of the Levy

Fiscal Year Ended June 30,	Total Levy for the Fiscal Year	Collected Amount	% of Original Levy	Collections in Subsequent Years*	Delinquent Amount	% of Levy Delinquent
2016	\$ 470,629	\$ 466,465	99.12%	N/A	\$ 4,164	0.88%
2017	495,277	490,890	99.11%	N/A	4,387	0.89%
2018	522,528	517,777	99.09%	N/A	4,751	0.91%
2019	549,869	544,994	99.11%	N/A	4,874	0.89%
2020	573,449	564,422	98.43%	N/A	9,027	1.57%
2021	599,508	592,847	98.89%	N/A	6,660	1.11%
2022	619,518	614,110	99.13%	N/A	5,408	0.87%
2023	661,387	654,754	99.00%	N/A	6,632	1.00%
2024	698,978	690,161	98.74%	N/A	8,817	1.26%
2025	732,558	723,178	98.72%	N/A	9,380	1.28%

Note: Amounts do not include tax collections for bonds or special assessments

\*Collections in subsequent years are not available from the County's current property tax system.

Source: County Property Tax Booklet



**County of San Luis Obispo**  
**Special Assessment Billings and Collections**  
**(In Thousands)**  
**(UNAUDITED)**

Year ended June 30,	Special Assessment Billings	Special Assessment Collected
2016	\$ 3,496	\$ 3,633
2017	3,490	3,577
2018	5,063	5,196
2019	5,058	5,065
2020	5,063	5,106
2021	5,042	5,105
2022	5,061	5,163
2023	5,063	5,063
2024	5,063	5,074
2025	5,062	5,100

Note: The billings and collections shown are for the Special Assessment Bonds related to the Los Osos project for which the County has established redemption funds for the purpose of facilitating bond payment in the case of delinquent accounts.

Source: County Property Tax System

**County of San Luis Obispo**  
**Ratios of Total Debt Outstanding**  
**Last Ten Fiscal Years**  
**(In Thousands)**  
**(UNAUDITED)**

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Governmental Activities</b>										
Certificates of Participation	\$ 22,527	\$ 21,411	\$ 26,135	\$ 24,808	\$ 18,004	\$ 19,619	\$ 18,290	\$ 11,178	\$ 10,813	\$ 10,433
Less deferred amounts:										
For issuance discounts:	(87)	(83)	(79)	(75)	-	-	-	-	-	-
Add deferred amounts:										
For issuance premiums:	1,063	975	886	797	708	619	530	-	-	-
State notes	-	-	2,056	1,901	1,744	1,586	1,426	1,264	1,101	936
Pension Obligation Bonds	145,291	143,890	99,407	96,903	93,733	89,825	85,112	79,516	72,966	64,715
Lease revenue bonds	-	-	-	-	20,380	19,970	19,380	88,803	85,842	82,723
Add deferred amounts:										
For issuance premiums:	-	-	-	-	4,023	3,837	3,652	7,972	7,566	7,160
Assessment Bonds from direct borrowings	-	-	-	-	436	391	344	294	241	185
Leases <sup>1</sup>	-	-	-	-	-	-	92,248	126,334	122,129	125,235
Subscription-based IT arrangements <sup>2</sup>	-	-	-	-	-	-	-	2,614	757	6,261
Total bonds and notes payable	168,794	166,193	128,405	124,334	139,028	135,847	220,982	317,975	301,415	297,648
<b>Business-Type Activities</b>										
Certificates of Participation	17,194	16,470	15,678	14,811	13,908	12,966	14,668	11,471	10,734	9,959
Add deferred amounts:										
For issuance premiums:	393	361	328	295	262	229	196	-	-	-
State Note	86,611	85,674	87,667	84,409	81,079	88,385	84,528	80,701	76,965	73,165
Other Notes	-	-	-	-	-	-	196	166	126	86
Revenue Bonds	177,198	173,535	168,410	164,126	159,841	155,330	150,585	145,595	140,345	134,819
Add deferred amounts:										
For issuance premiums:	10,058	9,623	8,926	8,502	8,077	7,653	7,230	6,805	6,381	5,957
Unamortized outflow on Bond Refinancing	(4,171)	(3,990)	(3,808)	-	-	-	-	-	-	-
General Obligation Bonds	8,760	8,350	7,925	7,485	7,025	6,540	6,030	5,490	4,925	4,330
Add deferred amounts:										
For issuance premiums:	846	790	733	677	620	564	508	452	396	340
Lease Revenue Bonds	-	-	-	-	-	-	-	1,582	1,217	831
Add deferred amounts:										
For issuance premiums:	-	-	-	-	-	-	-	57	43	29
Assessment Bonds	79,396	78,089	76,746	75,358	73,943	72,483	70,978	69,437	67,850	66,218
Leases <sup>1</sup>	-	-	-	-	-	-	250	164	78	290
Subscription-based IT arrangements <sup>2</sup>	-	-	-	-	-	-	-	199	86	-
Total bonds and notes payable	376,285	368,902	362,605	355,663	344,755	344,150	335,169	322,119	309,146	296,024
<b>Total Outstanding Debt</b>	<b>\$ 545,079</b>	<b>\$ 535,095</b>	<b>\$ 491,010</b>	<b>\$ 479,997</b>	<b>\$ 483,783</b>	<b>\$ 479,997</b>	<b>\$ 556,151</b>	<b>\$ 640,094</b>	<b>\$ 610,561</b>	<b>\$ 593,672</b>
Percentage of Personal Income	3.76%	3.58%	3.13%	2.92%	2.80%	2.54%	2.90%	3.13%	2.82%	N/A
Percentage of Assessed Value of Taxable Property <sup>3</sup>	1.13%	1.06%	0.92%	0.85%	0.81%	0.77%	0.87%	0.94%	0.84%	0.78%
Net outstanding debt Per Capita	\$ 1,961	\$ 1,916	\$ 1,753	\$ 1,714	\$ 1,709	\$ 1,701	\$ 1,964	\$ 2,270	\$ 2,168	\$ 2,125

Note: See the Demographic Statistics Schedule for detailed information on personal income and population.

<sup>1</sup> GASB Statement 87 was implemented in FY 2021-22. Prior year leases were not recognized as capital leases pre-GASB 87.

<sup>2</sup> GASB Statement 96 was implemented in FY 2022-23. Prior year subscription-based IT arrangements were not recognized as capital leases pre-GASB 96.

<sup>3</sup> Due to Article XIII-A, added to the California Constitution by Proposition 13 in 1978, the County does not track the estimated actual value of all County properties; therefore, the ratio of net outstanding debt to the estimated actual value of taxable property is unable to be determined; however, the ratio of net outstanding debt to the assessed value of taxable property is determinable and presented in the table.

Source: Notes to the Financial Statements, Note 10

**County of San Luis Obispo**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(In Thousands)**  
**(UNAUDITED)**

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Certificates of Participation	\$ 12,137	\$ 11,326	\$ 10,482	\$ 9,606	\$ 8,693	\$ 7,747	\$ 6,757	\$ 2,740	\$ 2,688	\$ 2,637
Less deferred amounts:										
For issuance discounts:	(87)	(83)	(79)	(75)	-	-	-	-	-	-
Add deferred amounts:										
For issuance premiums:	1,063	975	886	797	708	619	530	-	-	-
Lease Revenue Bonds	-	-	-	-	20,380	19,970	19,380	90,385	87,059	83,554
Add deferred amounts:										
For issuance premiums:	-	-	-	-	4,023	3,837	3,652	8,029	7,609	7,189
General Obligation Bonds	8,760	8,350	7,925	7,485	7,025	6,540	6,030	5,490	4,925	4,330
Add deferred amounts:										
For issuance premiums:	846	790	733	677	620	564	508	452	396	340
State Notes	-	-	2,056	1,901	1,744	1,586	1,426	1,264	1,101	936
Other Notes	-	-	-	-	-	-	196	166	126	86
Assessment Bonds	79,396	78,089	76,746	75,358	73,943	72,483	70,978	69,437	67,850	66,218
Leases <sup>1</sup>	-	-	-	-	-	-	92,498	126,498	122,207	125,525
Subscription-based IT arrangements <sup>2</sup>	-	-	-	-	-	-	-	2,813	843	6,261
Less resources restricted for principal repayment	(2,688)	(2,692)	(2,712)	(8,061)	(30,167)	(23,110)	(17,088)	(90,011)	(93,218)	(68,520)
Net Total General Obligation Debt	<u>\$ 99,427</u>	<u>\$ 96,755</u>	<u>\$ 96,037</u>	<u>\$ 87,688</u>	<u>\$ 86,969</u>	<u>\$ 90,236</u>	<u>\$ 184,867</u>	<u>\$ 217,263</u>	<u>\$ 201,586</u>	<u>\$ 228,556</u>
Percentage of Personal Income	0.69%	0.65%	0.61%	0.53%	0.50%	0.48%	0.96%	1.06%	0.93%	N/A
Percentage of Assessed Value of Taxable Property <sup>1</sup>	0.21%	0.19%	0.18%	0.16%	0.15%	0.15%	0.29%	0.32%	0.28%	0.30%
Net outstanding debt Per Capita	\$ 358	\$ 347	\$ 343	\$ 313	\$ 307	\$ 320	\$ 655	\$ 770	\$ 716	\$ 818

Note: See the Demographic Statistics Schedule for detailed information on personal income and population.

<sup>1</sup> Due to Article XIII-A, added to the California Constitution by Proposition 13 in 1978, the County does not track the estimated actual value of all County properties; therefore, the ratio of net outstanding debt to the estimated actual value of taxable property is unable to be determined; however, the ratio of net outstanding debt to the assessed value of taxable property is determinable and presented in the table.

<sup>1</sup> GASB Statement 87 was implemented in FY 2021-22. Prior year leases were not recognized as capital leases pre-GASB 87.

<sup>2</sup> GASB Statement 96 was implemented in FY 2022-23. Prior year subscription-based IT arrangements were not recognized as capital leases pre-GASB 96.

Source: Notes to the Financial Statements, Note 10

**County of San Luis Obispo**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(In Thousands)**  
**(UNAUDITED)**

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Assessed Value of Property (a)	\$ 48,172,375	\$ 50,647,598	\$ 53,415,961	\$ 56,262,663	\$ 59,450,048	\$ 62,200,611	\$ 64,252,963	\$ 68,367,069	\$ 72,345,226	\$ 75,806,108
Debt Limit, 1.25% of Assessed Value	602,155	633,095	667,700	703,283	743,126	777,508	803,162	854,588	904,315	947,576
<u>Amount of Debt Applicable to Limit</u>										
General Obligation Bonds (b)	9,606	9,140	8,658	7,485	7,025	6,540	6,030	5,490	4,925	4,330
Less: Resources Restricted to Paying Principal	-	-	-	-	-	-	-	-	-	-
Total Debt Applicable	9,606	9,140	8,658	7,485	7,025	6,540	6,030	5,490	4,925	4,330
Legal Debt Margin	\$ 592,549	\$ 623,955	\$ 659,042	\$ 695,798	\$ 736,101	\$ 770,968	\$ 797,132	\$ 849,098	\$ 899,390	\$ 943,246
Total Debt Applicable as a Percentage of the Debt Limit	1.60%	1.44%	1.30%	1.06%	0.95%	0.84%	0.75%	0.64%	0.54%	0.46%

Source:

(a) County Assessed Values, Exemptions and Growth % Book

(b) Notes to the Financial Statements, Note 10

**County of San Luis Obispo**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**(UNAUDITED)**

Calendar Year	Population (1,a)	Personal Income (in thousands) (1,a,f)	Per Capita Income (1,a,g)	Median Age (4,c)	School Enrollment (3,b,d)	Unemployment Rate (2,e)
2016	277,977	\$ 14,552,207	\$ 51,442	39.00	43,117	4.5
2017	279,210	14,937,322	53,006	38.80	43,112	3.6
2018	280,048	15,700,229	55,580	39.60	42,713	3.2
2019	280,101	16,465,164	58,108	39.60	42,673	2.9
2020	283,111	17,270,828	61,004	40.00	42,556	11.5
2021	282,249	18,863,123	66,617	39.50	40,403	5.9
2022	283,159	19,162,980	67,951	40.20	39,857	2.6
2023	282,013	20,481,086	72,721	41.10	39,833	3.5
2024	281,639	21,688,624	77,009	41.00	40,183	3.9
2025	279,337	N/A	N/A	41.20	40,684	4.8

Notes:

N/A = not available

- a. Data for prior calendar years
- b. Data includes kindergarten through grade 12 and Cuesta College
- c. Calendar year 2016 figures are projections based on the American Community Survey 5-Year Estimates
- d. Data for school year ending in the stated calendar year
- e. Data as of June 30, 2025
- f. 2024 personal income was estimated by using the average growth over the last three years, 5.9%.
- g. 2024 per capita income amount is calculated using the estimated personal income amount.

Sources:

- 1. Bureau of Economic Analysis
- 2. State of California Employment Development Department
- 3. California Department of Education & California Community Colleges Chancellor's Office
- 4. U.S. Census Bureau

**County of San Luis Obispo  
Principal Employers  
Current Year and Ten Years Ago  
(UNAUDITED)**

Employer	2025 <sup>2, 3</sup>			2016 <sup>1</sup>		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
County of San Luis Obispo	2,932	1	2.18%	2,800	2	1.99%
Department of State Hospitals - Atascadero	2,300	2	1.71%	2,000	3	1.42%
Cal Poly Partners *	2,000	3	1.48%	1,400	6	1.00%
California Polytechnic State University	1,935	4	1.44%	3,055	1	2.17%
Pacific Gas and Electric Company	1,900	5	1.41%	1,900	5	1.35%
California Men's Colony	1,349	6	1.00%	1,540	4	1.10%
Adventist Health Central Coast **	1,305	7	0.97%	1,272	7	0.90%
Lucia Mar Unified School District	1,234	8	0.92%	1,000	9	0.71%
Compass Health	1,200	9	0.89%	1200	8	0.0085
County Action Partnership of San Luis Obispo County	1,182	10	0.88%	-	-	-
Paso Robles Joint Unified School District	-	-	-	935	10	0.67%
Total Employment Labor Force <sup>4</sup>	134,700			140,600		

Sources:

<sup>1</sup> 2015-16 San Luis Obispo County Annual Comprehensive Financial Report

<sup>2</sup> 2024 Pacific Coast Business Times Book of Lists

<sup>3</sup> 2025-26 County Budget Report

<sup>4</sup> State of California Employment Development Department

\* Previously Cal Poly Corporation

\*\* Previously Tenet Health Central Coast

**County of San Luis Obispo**  
**Full Time Equivalent County Government Employees by Function**  
**Last Ten Fiscal Years**  
**(UNAUDITED)**

Function/Program	2015-16	2016-17	2017-18*	2018-19*	2019-20*	2020-21*	2021-22*	2022-23*	2023-24*	2024-25*
General Government	440.50	430.75	437.50	441.00	455.25	458.00	456.25	460.50	466.00	463.50
Public Protection	848.25	867.00	909.50	912.00	899.75	904.25	907.50	921.50	924.75	937.25
Public Ways and Facilities	207.75	234.75	237.75	246.75	247.75	248.75	249.75	253.75	258.00	261.00
Health and Sanitation	505.50	556.00	536.50	530.00	531.00	530.00	566.00	612.50	628.25	609.50
Public Assistance	524.00	524.00	523.00	522.00	523.50	526.75	527.25	543.25	538.50	553.50
Education	77.50	78.00	77.75	78.00	78.25	78.50	78.50	78.50	79.00	79.25
Recreation and Cultural Services	60.00	61.00	61.00	61.00	61.00	61.00	62.00	62.00	64.00	65.00
Total	<u>2,663.50</u>	<u>2,751.50</u>	<u>2,783.00</u>	<u>2,790.75</u>	<u>2,796.50</u>	<u>2,807.25</u>	<u>2,847.25</u>	<u>2,932.00</u>	<u>2,958.50</u>	<u>2,969.00</u>

Notes:

2016 and 2017 position allocation figures were calculated at the time of budget preparation for the following year.

Figures include limited-term but do not include part-time or contract positions.

\* Position allocation figures are calculated based on the adopted budgets.

Source: County Budget Report

**County of San Luis Obispo**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**(UNAUDITED)**

Function / Department	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Education</b>										
Library:										
Annual number of items circulated per capita	10.5	10.3	11.6	12.1	12.1	7.6	9.7	9.7	7.2	6.5
Annual Expenditure per capita for total Library budget	\$ 36.27	\$ 38.10	\$ 40.36	\$ 40.57	\$ 44.47	\$ 46.78	\$ 47.12	\$ 51.51	\$ 42.69	\$ 52.28
<b>General Government</b>										
Assessor:										
Assessment roll completed by June 30th of each year.	97%	95%	98%	97%	99%	96%	96%	97%	98%	96%
<b>Health and Sanitation</b>										
Health Agency:										
Clients who report reduced, eliminated, or maintained sobriety from alcohol or other drug use upon completion from Drug and Alcohol Services treatment.	92%	94%	94%	95%	98%	96%	97%	94%	96%	92%
Emergency medical service calls from dispatch. <sup>1</sup>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	31,824
<b>Public Assistance</b>										
Social Services:										
Percentage of child abuse/neglect referrals where a response is required within 10 days that were timely. <sup>1</sup>	n/a	91%	95%	95%	94%	92%	94%	92%	98%	99%
Veteran Services:										
Veterans contacted through outreach efforts in the community.	2,969	3,906	5,928	2,630	2,090	1,201	1,946	5,412	3,926	5,084
<b>Public Protection</b>										
District Attorney:										
Adult criminal cases referred to, reviewed, and filed or diverted. <sup>1</sup>	n/a	n/a	n/a	11,622	11,952	11,925	12,069	11,304	11,981	12,298
Planning and Building:										
Total Permits Issued	3,355	3,927	3,542	3,256	3,299	3,624	4,032	4,577	3,472	3,313
Probation:										
Restitution collected and disbursed. <sup>1</sup>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	807,684	851,424	964,535
Sheriff:										
Jail bookings	11,018	11,774	11,324	10,246	8,144	6,235	6,367	7,994	7,023	7,659
Average daily population	603	632	621	636	552	448	462	463	532	573
<b>Public Ways and Facilities</b>										
Roads:										
Pavement Condition Rating for all County roads (70 = "good")	65	66	65	65	60	59	59	60	60	60
<b>Recreation and Cultural Services</b>										
Parks:										
Daily Passes <sup>2</sup>	189,232	230,915	257,220	60,902	59,194	62,559	41,130	51,591	62,562	60,475
Annual Vehicle Passes <sup>2</sup>	9,614	6,504	8,066	3,974	1,823	1,716	1,869	1,727	1,806	1,796
Daily Boat Launches <sup>2</sup>	16,001	16,312	24,340	9,664	11,210	11,810	6,242	6,134	9,187	8,489
Annual Boat Passes <sup>2</sup>	480	1,383	1,353	1,629	1,288	764	403	666	695	558
<b>Airport</b>										
Airport:										
Takeoffs and Landings	71,181	71,001	77,917	82,110	68,067	75,082	82,471	77,084	77,426	67,678
Passenger Enplanements	155,744	180,141	226,588	259,481	215,900	150,065	247,522	305,680	351,674	399,400

<sup>1</sup> Performance measure is new within the last 10 years and data is not available for all 10 years.

<sup>2</sup> In FY 2018-19, the data tracking system was updated to more accurately collect the data. Data prior to FY 2018-19 is not comparable.



**County of San Luis Obispo**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**  
**(UNAUDITED)**

<b>Function/Program</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Education</b>										
Main and branch library facilities <sup>1</sup>	15	15	15	15	15	15	15	15	15	15
<b>Recreation and Cultural Services</b>										
County golf courses	3	3	3	3	3	3	3	3	3	3
Park acreage	13,583	13,583	13,583	13,583	13,841	13,841	13,841	13,841	13,841	14,607
<b>Public Protection</b>										
Correction facility capacities <sup>2, 3</sup>	797	909	909	909	909	909	909	909	845	845
Animal Services Facility	1	1	1	1	1	1	1	1	1	1
<b>Public Ways and Facilities</b>										
Miles of county roads	1,338	1,338	1,339	1,339	1,349	1,349	1,349	1,349	1,349	1,349
<b>Airport</b>										
Number of runways	2	2	2	2	2	2	2	2	2	2

**Notes:**

The majority of County assets are in building and equipment, which are under the functional area of General Government

<sup>1</sup> One main library and 14 branches.

<sup>2</sup> Amount is all holdings actual totals, including Main Jail, Women's Jail, West Housing, West Dorm, Honor Farm, and Weekender Barracks.

<sup>3</sup> Prior to FY 2023-24 the amount reported was the self-rated capacity. Starting in FY 2023-24, the BSCC rated capacity is used.

Source: County department management

