

**CITY OF SAN DIEGO, CALIFORNIA**

**SINGLE AUDIT REPORT**

Year ended June 30, 2025

CITY OF SAN DIEGO, CALIFORNIA

SINGLE AUDIT REPORT  
Year ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Members of City Council  
City of San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of San Diego, California (City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 17, 2025.

Our report includes a reference to other auditors who audited the financial statements of the San Diego Housing Commission, San Diego Convention Center Corporation, Inc., and the Pension (SDCERS) fiduciary fund as described in our report on City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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(Continued)

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Costa Mesa, California  
December 17, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and Members of the City Council  
City of San Diego, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of San Diego, California's (City's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to City's federal programs.

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(Continued)

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matter – Federal Expenditures Not Included in the Compliance Audit***

The City's basic financial statements include the operations of the San Diego Housing Commission (SDHC), which expended \$413,847,408 in federal awards which is not included in the City's accompanying schedule of expenditures of federal awards for the fiscal year ended June 30, 2025. Our compliance audit, described in the "Opinion on Each Major Federal Program," does not include the operations of SDHC because SDHC engaged other auditors to perform an audit in accordance with the Uniform Guidance.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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(Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of San Diego, California (City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 17, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Crowe LLP

Costa Mesa, California  
March 23, 2026

CITY OF SAN DIEGO, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2025

| Federal Grantor/Pass-through Entity/Federal Program Name                               | Grant/Pass-through<br>Number | Federal<br>Assistance<br>Listing Number | Federal<br>Expenditures | Pass-through<br>Awards to<br>Subrecipients |
|--|------------------------------|---|-------------------------|--|
| <b>U.S. Department of Agriculture</b>  |                              |   |                         |  |
| Direct Program   |                              |   |                         |  |
| Inflation Reduction Act Urban & Community Forestry                                     | 24-DG-11052021-228           | 10.727                                  | \$ 1,073,268            | \$ -                                       |
| SNAP Cluster:  |                              |   |                         |  |
| Passed Through County of San Diego   |                              |   |                         |  |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 571567                       | 10.561                                  | 122,403                 | -  |
| <b>Total U.S. Department of Agriculture</b>  |                              |   | <b>1,195,671</b>        | <b>-</b>                                   |
| <b>U.S. Department of Commerce</b>   |                              |   |                         |  |
| Economic Development Cluster:  |                              |   |                         |  |
| Economic Adjustment Assistance:  |                              |   |                         |  |
| Direct Program   |                              |   |                         |  |
| San Diego Regional Consolidated Revolving Loan Fund                                    | 07-57-05269                  | 11.307                                  | \$ 2,134,572            | -  |
| Stormwater Restoration   | 07-79-07563                  | 11.307                                  | 2,094,412               | -  |
| COVID-19 CARES Act Revolving Loan Fund   | 07-79-07601                  | 11.307                                  | 1,159,357               | -  |
| Subtotal Economic Adjustment Assistance  |                              |   | 5,388,341               | -  |
| Subtotal Economic Development Cluster  |                              |   | 5,388,341               | -  |
| Passed Through National Fish and Wildlife Foundation                                   |                              |   |                         |  |
| Office for Coastal Management  | 0318 22 072574               | 11.473                                  | 10,941                  | -  |
| <b>Total U.S. Department of Commerce</b>   |                              |   | <b>5,399,282</b>        | <b>-</b>                                   |

\* Refer to Note 7 for the listing of grant/pass-through numbers for programs with multiple grant awards.

See accompanying notes to the schedule of expenditures of federal awards.

CITY OF SAN DIEGO, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2025

| Federal Grantor/Pass-through Entity/Federal Program Name                                   | Grant/Pass-through<br>Number | Federal<br>Assistance<br>Listing Number | Federal<br>Expenditures  | Pass-through<br>Awards to<br>Subrecipients |
|--|------------------------------|---|--------------------------|--|
| <b>U.S. Department of Housing and Urban Development</b>                                    |                              |   |                          |  |
| CDBG - Entitlement Grants Cluster:   |                              |   |                          |  |
| Direct Program   |                              |   |                          |  |
| Community Development Block Grants/Entitlement Grants                                      | *                            | 14.218                                  | 48,259,265               | 6,753,362                                  |
| COVID-19 Community Development Block Grants/Entitlement Grants                             | B-20-MMV-06-0542             | 14.218                                  | <u>3,250</u>             | <u>1,879</u>                               |
| Subtotal Community Development Block Grants/Entitlement Grants                             |                              |   | <u>48,262,515</u>        | <u>6,755,241</u>                           |
| Subtotal CDBG - Entitlement Grants Cluster   |                              |   | <u>48,262,515</u>        | <u>6,755,241</u>                           |
| Direct Program   |                              |   |                          |  |
| Emergency Solutions Grant Program  | *                            | 14.231                                  | 1,037,981                | 1,031,380                                  |
| Direct Program   |                              |   |                          |  |
| Home Investment Partnerships Program   | *                            | 14.239                                  | 1,363,726                | 1,153,000                                  |
| COVID-19 Home Investment Partnerships Program  | M21-MP060533                 | 14.239                                  | <u>15,129,658</u>        | <u>15,100,347</u>                          |
| Subtotal Home Investment Partnerships Program  |                              |   | <u>16,493,384</u>        | <u>16,253,347</u>                          |
| Direct Program   |                              |   |                          |  |
| Economic Development Initiative, Community Project Funding, and Miscellaneous              | *                            | 14.251                                  | <u>2,658,134</u>         | <u>-</u>                                   |
| <b>Total U.S. Department of Housing and Urban Development</b>                              |                              |   | <b><u>68,452,014</u></b> | <b><u>24,039,968</u></b>                   |
| <b>U.S. Department of the Interior</b>   |                              |   |                          |  |
| Direct Program   |                              |   |                          |  |
| Title XVI Water Reclamation and Reuse  | R24AP00265-00                | 15.504                                  | 192,643                  | -  |
| Passed Through California Department of Parks and Recreation, Division Boating & Waterways |                              |   |                          |  |
| Clean Vessel Act   | C8967492                     | 15.616                                  | <u>225,198</u>           | <u>-</u>                                   |
| <b>Total U.S. Department of the Interior</b>   |                              |   | <b><u>417,841</u></b>    | <b><u>-</u></b>                            |

\* Refer to Note 7 for the listing of grant/pass-through numbers for programs with multiple grant awards.

See accompanying notes to the schedule of expenditures of federal awards.

CITY OF SAN DIEGO, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2025

| Federal Grantor/Pass-through Entity/Federal Program Name              | Grant/Pass-through<br>Number | Federal<br>Assistance<br>Listing Number | Federal<br>Expenditures | Pass-through<br>Awards to<br>Subrecipients |
|---|------------------------------|---|-------------------------|--|
| <b>U.S. Department of Justice</b>                                     |                              |   |                         |  |
| Direct Program  |                              |   |                         |  |
| Comprehensive Forensic DNA Analysis Grant Program                     | 15PBJA-24-GG-02607-DNAX      | 16.036                                  | 157                     | -  |
| Law Enforcement Assistance FBI Crime Laboratory Support               | 15-0200-0-1-751              | 16.301                                  | 25,302                  | -  |
| Missing Children's Assistance   | *                            | 16.543                                  | 591,583                 | 410,738                                    |
| Edward Byrne Memorial Justice Assistance Grant Program                | *                            | 16.738                                  | 303,413                 | -  |
| DNA Backlog Reduction Program   | *                            | 16.741                                  | 277,133                 | -  |
| Equitable Sharing Program   | CA0371100                    | 16.922                                  | 932,718                 | -  |
| Passed Through Center for Justice Innovation                          |                              |   |                         |  |
| Crime Victim Assistance/Discretionary Grants                          | N/A                          | 16.582                                  | 9,988                   | -  |
| Passed Through The California Governor's Office of Emergency Services |                              |   |                         |  |
| Paul Coverdell Forensic Sciences Improvement Grant Program            | *                            | 16.742                                  | 103,343                 | -  |
| <b>Total U.S. Department of Justice</b>                               |                              |   | <b>2,243,637</b>        | <b>410,738</b>                             |
| <b>U.S. Department of Transportation</b>                              |                              |   |                         |  |
| Direct Program  |                              |   |                         |  |
| Airport Improvement Program   | *                            | 20.106                                  | 175,162                 | -  |
| Safe Streets and Roads for All  | 693JJ32340125                | 20.939                                  | 478,170                 | -  |
| Passed Through State Department of Transportation                     |                              |   |                         |  |
| Highway Planning and Construction                                     | *                            | 20.205                                  | 5,141,291               | -  |
| Passed Through San Diego Association of Governments                   |                              |   |                         |  |
| Highway Planning and Construction                                     | S833526                      | 20.205                                  | 153,785                 | -  |
| Subtotal Highway Planning and Construction                            |                              |   | 5,295,076               | -  |
| Highway Safety Cluster:   |                              |   |                         |  |
| Passed Through California Office of Traffic Safety                    |                              |   |                         |  |
| State and Community Highway Safety                                    | *                            | 20.600                                  | 640,881                 | -  |
| National Priority Safety Programs                                     | *                            | 20.616                                  | 457,668                 | -  |
| Subtotal Highway Safety Cluster                                       |                              |   | 1,098,549               | -  |
| Passed Through California Office of Traffic Safety                    |                              |   |                         |  |
| Minimum Penalties for Repeat Offenders for Driving While Intoxicated  | *                            | 20.608                                  | 595,899                 | -  |
| <b>Total U.S. Department of Transportation</b>                        |                              |   | <b>7,642,856</b>        | <b>-</b>                                   |

\* Refer to Note 7 for the listing of grant/pass-through numbers for programs with multiple grant awards.

See accompanying notes to the schedule of expenditures of federal awards.

CITY OF SAN DIEGO, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2025

| Federal Grantor/Pass-through Entity/Federal Program Name                                | Grant/Pass-through<br>Number | Federal<br>Assistance<br>Listing Number | Federal<br>Expenditures | Pass-through<br>Awards to<br>Subrecipients |
|---|------------------------------|---|-------------------------|--|
| <b>U.S. Department of the Treasury</b>  |                              |   |                         |  |
| Direct Programs   |                              |   |                         |  |
| Equitable Sharing Program   | CA0371100                    | 21.016                                  | 1,959,916               | -  |
| Passed Through County of San Diego  |                              |   |                         |  |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds                              | SRA 5979                     | 21.027                                  | 2,342,563               | 2,302,153                                  |
| <b>Total U.S. Department of the Treasury</b>  |                              |   | <b>4,302,479</b>        | <b>2,302,153</b>                           |
| <b>National Endowment for the Humanities</b>  |                              |   |                         |  |
| Passed Through California Humanities  |                              |   |                         |  |
| Promotion of the Humanities Federal/State Partnership                                   | MG24-15                      | 45.129                                  | 7,590                   | -  |
| <b>Total National Endowment for the Humanities</b>                                      |                              |   | <b>7,590</b>            | <b>-</b>                                   |
| <b>U.S. Environmental Protection Agency</b>   |                              |   |                         |  |
| Direct Program  |                              |   |                         |  |
| Water Infrastructure Finance and Innovation (WIFIA)                                     | N17125CA                     | 66.958                                  | 152,769,632             | -  |
| Passed Through California State Water Resources Control Board                           |                              |   |                         |  |
| Capitalization Grants for Clean Water State Revolving Funds                             | D17-01008                    | 66.458                                  | 14,520,108              | -  |
| Capitalization Grants for Drinking Water State Revolving Funds                          | *                            | 66.468                                  | 22,124,750              | -  |
| <b>Total U.S. Environmental Protection Agency</b>                                       |                              |   | <b>189,414,490</b>      | <b>-</b>                                   |
| <b>U.S. Department of Energy</b>  |                              |   |                         |  |
| Direct Program  |                              |   |                         |  |
| Energy Efficiency and Conservation Block Grant Program (EECBG)                          | DE-SE0000595                 | 81.128                                  | 132,813                 | -  |
| <b>Total U.S. Department of Energy</b>  |                              |   | <b>132,813</b>          | <b>-</b>                                   |
| <b>U.S. Department of Health and Human Services</b>                                     |                              |   |                         |  |
| Passed Through California Governor's Office of Emergency Services                       |                              |   |                         |  |
| Family Violence Prevention & Services/Sexual Assault/Rate Crisis<br>Services & Supports | AR22 01 7979                 | 93.497                                  | 2,459                   | -  |
| Passed Through The University of Iowa   |                              |   |                         |  |
| Medical Library Assistance  | S04935-01                    | 93.879                                  | 21,666                  | -  |
| <b>Total U.S. Department of Health and Human Services</b>                               |                              |   | <b>24,125</b>           | <b>-</b>                                   |

\* Refer to Note 7 for the listing of grant/pass-through numbers for programs with multiple grant awards.

See accompanying notes to the schedule of expenditures of federal awards.

CITY OF SAN DIEGO, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2025

| <u>Federal Grantor/Pass-through Entity/Federal Program Name</u>         | <u>Grant/Pass-through<br/>Number</u> | <u>Federal<br/>Assistance<br/>Listing Number</u> | <u>Federal<br/>Expenditures</u> | <u>Pass-through<br/>Awards to<br/>Subrecipients</u> |
|---|--------------------------------------|--|---------------------------------|---|
| <b>U.S. Department of Homeland Security</b>                             |                                      |  |                                 |   |
| Direct Programs   |                                      |  |                                 |   |
| National Urban Search and Rescue (US&R) Response System                 | *                                    | 97.025   | 2,146,940                       | -   |
| Assistance to Firefighters Grant  | EMW-2021-FG-02336                    | 97.044   | 342,275                         | -   |
| Passed Through California Governor's Office of Emergency Services       |                                      |  |                                 |   |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | *                                    | 97.036   | (794,132)                       | -   |
| Hazard Mitigation Grant   | HMGP DR-4482-735-066R                | 97.039   | 473                             | -   |
| Passed Through California Department of Water Resources                 |                                      |  |                                 |   |
| National Dam Safety Program   | 4600014892                           | 97.041   | (16)                            | -   |
| Passed Through County of San Diego                                      |                                      |  |                                 |   |
| Emergency Management Performance Grants                                 | 2023-0006 / 073-00000                | 97.042   | 185,978                         | -   |
| Passed Through the County of San Diego                                  |                                      |  |                                 |   |
| Homeland Security Grant Program   | *                                    | 97.067   | 169,789                         | -   |
| Passed Through California Governor's Office of Emergency Services       |                                      |  |                                 |   |
| Homeland Security Grant Program   | *                                    | 97.067   | 15,815,239                      | 5,433,296   |
| Subtotal Homeland Security Grant Program                                |                                      |  | <u>15,985,028</u>               | <u>5,433,296</u>                                    |
| <b>Total U.S. Department of Homeland Security</b>                       |                                      |  | <b><u>17,866,546</u></b>        | <b><u>5,433,296</u></b>                             |
| <b>Total Expenditures of Federal Awards</b>                             |                                      |  | <b><u>\$ 297,099,344</u></b>    | <b><u>\$ 32,186,155</u></b>                         |

\* Refer to Note 7 for the listing of grant/pass-through numbers for programs with multiple grant awards.

See accompanying notes to the schedule of expenditures of federal awards.

CITY OF SAN DIEGO, CALIFORNIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2025

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**NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all federal award programs of the City of San Diego, California (City). The Schedule excludes the federal award programs of the San Diego Housing Commission (refer to Note 5). Federal awards received directly from federal agencies as well as federal awards passed through other nonfederal agencies, primarily the State of California (State), are included in the Schedule. The City's reporting entity is defined in Note 1.a. in the notes to the City's basic financial statements. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not, present the financial position of the City. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported in the accompanying Schedule are presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in Note 1.c. in the notes to the City's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The negative amount of \$794,132 reported for Assistance Listing Number (ALN) 97.036, Disaster Grants - Public Assistance (Presidentially Declared Disasters), related to net of multiple grants including FEMA-4482-DR-CA/073-66000 and FEMA-4683-DR-CA/073-66000, represents the deobligation of a previously approved amount. The other negative amount reported for Assistance Listing Number (ALN) 97.041, National Dam Safety Program grant number 4600014892, represents an adjustment for a FY24 expense that was determined to be ineligible for reimbursement.

**NOTE 3 – ASSISTANCE LISTING NUMBERS**

The ALNs included in the accompanying Schedule were determined based on the federal program name, review of grant contract information, and the Office of Management and Budget's Catalog of Assistance Listings.

**NOTE 4 – INDIRECT COST RATES**

The City elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance, except for the Inflation Reduction Act Urban & Community Forestry Program granted by U.S. Department of Agriculture (ALN 10.727, grant number 24-DG-11052021-228), Economic Development Initiative, Community Project Funding, and Miscellaneous Program granted by U.S. Department of Housing and Urban Development (ALN 14.251, B-23-CP-CA-0197, and B-23-CP-CA-0251), and Homeland Security Grant Program passed through the California Governor's Office of Emergency Services (ALN 97.067, Homeland Security Grant Program grant numbers 2020-0095/073-66000, 2021-0081/073-66000, and 2022-0043/073-66000).

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(Continued)

CITY OF SAN DIEGO, CALIFORNIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2025

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**NOTE 5 – SAN DIEGO HOUSING COMMISSION (DISCRETELY PRESENTED COMPONENT UNIT)  
FEDERAL EXPENDITURES**

The San Diego Housing Commission (SDHC) federal expenditures of \$413,847,408 are excluded from the City’s Schedule because the SDHC federal expenditures are separately audited by other auditors and reported in a separate Uniform Guidance report.

**NOTE 6 – ECONOMIC ADJUSTMENT ASSISTANCE PROGRAM (ALN 11.307)**

In accordance with guidance provided by the U.S. Department of Commerce contained in the OMB Compliance Supplement, the City has reported federal award expenditures of \$5,388,341. \$3,293,929 out of the \$5,388,341 in the Schedule are for the Revolving Loan Fund (RLF) Program under the Economic Adjustment Assistance program. Expenditures reported in the Schedule were calculated as follows:

|   | San Diego<br>Regional<br>Consolidated RLF | CARES Act RLF |
|---|---|---------------|
| RLF Program Name  | 07-57-05269                               | 07-79-07601   |
| Grant Award Number  | 07-57-05269                               | 07-79-07601   |
| RLF Outstanding as of June 30, 2025   | \$ 268,593                                | \$ 559,387    |
| Cash and investments balance in the RLF as of June 30, 2025   | 3,482,225                                 | 448,863       |
| Administrative expenses paid out of RLF income during the fiscal year ended June 30, 2025                   | 9,892                                     | 22,368        |
| Write Offs in Current Fiscal Year   | 28,802                                    | 128,739       |
| Subtotal  | 3,789,512                                 | 1,159,357     |
| Calculated grant rate (rounded)   | 56.33%                                    | 100.00%       |
| Economic Adjustment Assistance RLF Grant federal award expenditures for the fiscal year ended June 30, 2025 | \$ 2,134,572                              | \$ 1,159,357  |

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(Continued)

CITY OF SAN DIEGO, CALIFORNIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2025

**NOTE 7 – FEDERAL AWARD PROGRAM EXPENDITURES BY GRANT AWARD**

The following table presents the expenditures for the City’s federal award programs when there are multiple grant awards.

| <b>ALN/Federal Program Name/Grant Number</b>  | <b>Federal Expenditures</b> |
|---|-----------------------------|
| <b>ALN 14.218 - Community Development Block Grants/Entitlement Grants</b>                         |                             |
| B-19-MC-06-0542   | \$ 3,288                    |
| B-20-MC-06-0542   | 453,652                     |
| B-21-MC-06-0542   | 960,315                     |
| B-22-MC-06-0542   | 4,947,888                   |
| B-23-MC-06-0542   | 10,658,713                  |
| B-24-MC-06-0542   | 31,235,409                  |
| <b>Total Community Development Block Grants/Entitlement Grants</b>                                | <b>\$ 48,259,265</b>        |
| <b>ALN 14.231 - Emergency Solutions Grant Program</b>   |                             |
| E-22-MC-06-0542   | \$ 122                      |
| E-23-MC-06-0542   | 127,007                     |
| E-24-MC-06-0542   | 910,852                     |
| <b>Total Emergency Solutions Grant Program</b>  | <b>\$ 1,037,981</b>         |
| <b>ALN 14.239 - Home Investment Partnerships Program</b>  |                             |
| M-18-MC-06-0533   | \$ 315                      |
| M20-MC060533  | 1,191,699                   |
| M21-MC060533  | 111,745                     |
| M22-MC060533  | 35,966                      |
| M23MC060533   | 17,769                      |
| M24-MC060533  | 6,232                       |
| <b>Total Home Investment Partnerships Program</b>   | <b>\$ 1,363,726</b>         |
| <b>ALN 14.251 - Economic Development Initiative, Community Project Funding, and Miscellaneous</b> |                             |
| B-22-CP-CA-0148   | \$ 9,882                    |
| B-23-CP-CA-0142   | 1,078,595                   |
| B-23-CP-CA-0197   | 171,718                     |
| B-23-CP-CA-0250   | 1,382,609                   |
| B-23-CP-CA-0251   | 15,330                      |
| <b>Total Economic Development Initiative, Community Project Funding, and Miscellaneous</b>        | <b>\$ 2,658,134</b>         |
| <b>ALN 16.543 – Missing Children’s Assistance</b>   |                             |
| 15PJDP-21-GK-03811-MECP   | \$ 412,073                  |
| 15PJDP-24-GK-04182-MECP   | 179,864                     |
| 2018-MC-FX-K055   | (354)                       |
| <b>Total Missing Children’s Assistance</b>  | <b>\$ 591,583</b>           |
| <b>ALN 16.738 - Edward Byrne Memorial Justice Assistance Grant Program</b>                        |                             |
| 15PBJA-21-GG-01268-JAGX   | \$ 315                      |
| 15PBJA-22-GG-02083-JAGX   | 302,326                     |
| 15PBJA-23-GG-03187-JAGX   | 772                         |
| <b>Total Edward Byrne Memorial Justice Assistance Grant Program</b>                               | <b>\$ 303,413</b>           |

(Continued)

CITY OF SAN DIEGO, CALIFORNIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2025

**NOTE 7 – FEDERAL AWARD PROGRAM EXPENDITURES BY GRANT AWARD (Continued)**

| <b>ALN/Federal Program Name/Grant Number</b>   | <b>Federal Expenditures</b> |
|--|-----------------------------|
| <b>ALN 16.741 - DNA Backlog Reduction Program</b>  |                             |
| 15PBJA-21-GG-03088-DNAX  | \$ 8,076                    |
| 15PBJA-22-GG-01602-DNAX  | 46,370                      |
| 15PBJA-23-GG-01234-DNAX  | 222,687                     |
| <b>Total DNA Backlog Reduction Program</b>   | <b><u>\$ 277,133</u></b>    |
| <b>ALN 16.742 - Paul Coverdell Forensic Sciences Improvement Grant Program</b>           |                             |
| CQ22 18 7919   | \$ 14,521                   |
| CQ23 19 7919   | 88,822                      |
| <b>Total Paul Coverdell Forensic Sciences Improvement Grant Program</b>                  | <b><u>\$ 103,343</u></b>    |
| <b>ALN 20.106 - Airport Improvement Program</b>  |                             |
| 3-06-0211-021-2022   | \$ 59,000                   |
| 3-06-0213-022-2021   | 57,162                      |
| 3-06-0213-023-2022   | 59,000                      |
| <b>Total Airport Improvement Program</b>   | <b><u>\$ 175,162</u></b>    |
| <b>ALN 20.205 - Highway Planning and Construction</b>                                    |                             |
| ATPL-5004(201)   | \$ (20,335)                 |
| BHLO-5004(068)   | 371,035                     |
| BHLO-5004(068)   | 11,189                      |
| BHLS-5004(049)   | 6,399,527                   |
| BHLS-5004(049)   | (3,691,644)                 |
| BRLS-5004(200)   | 20,177                      |
| CPFCDL-5004(218)   | 147,113                     |
| FERPL16-5004(208)  | 31,682                      |
| HPLUL-5004(187)  | 145,954                     |
| HSIPL-5004(207)  | 1,729,334                   |
| HSIPL-5004(209)  | (2,741)                     |
| <b>Total Highway Planning and Construction</b>   | <b><u>\$ 5,141,291</u></b>  |
| <b>ALN 20.600 - State and Community Highway Safety</b>                                   |                             |
| PS24032  | \$ 101,020                  |
| PS25054  | 203,202                     |
| PT24172  | 88,260                      |
| PT25222  | 248,399                     |
| <b>Total State and Community Highway Safety</b>  | <b><u>\$ 640,881</u></b>    |
| <b>ALN 20.608 - Minimum Penalties for Repeat Offenders for Driving While Intoxicated</b> |                             |
| PT24172  | \$ 173,890                  |
| PT25222  | 422,009                     |
| <b>Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated</b>        | <b><u>\$ 595,899</u></b>    |

(Continued)

CITY OF SAN DIEGO, CALIFORNIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2025

**NOTE 7 – FEDERAL AWARD PROGRAM EXPENDITURES BY GRANT AWARD (Continued)**

| ALN/Federal Program Name/Grant Number   | Federal Expenditures        |
|---|-----------------------------|
| <b>ALN 20.616 - National Priority Safety Programs</b>                                       |                             |
| DI23020   | \$ (690)                    |
| DI24019   | 98,852                      |
| DI25032   | 359,506                     |
| <b>Total National Priority Safety Programs</b>  | <b><u>\$ 457,668</u></b>    |
| <br>  |                             |
| <b>ALN 66.468 - Capitalization Grants for Drinking Water State Revolving Funds</b>          |                             |
| D22-02073   | \$ 4,973,616                |
| D23-02008   | \$ 14,367,852               |
| D24-02023   | 2,783,282                   |
| <b>Total Capitalization Grants for Drinking Water State Revolving Funds</b>                 | <b><u>\$ 22,124,750</u></b> |
| <br>  |                             |
| <b>ALN 97.025 - National Urban Search and Rescue (US&amp;R) Response System</b>             |                             |
| EMW-2018-CA-USR-0009  | \$ 9,242                    |
| EMW-2020-CA-00067-S01   | 85,654                      |
| EMW-2021-CA-00062-S01   | 312,881                     |
| EMW-2022-CA-00067-S01   | 478,405                     |
| EMW-2023-CA-05417   | 635,637                     |
| EMW-2023-CA-USR-0009  | 422,892                     |
| EMW-2024-CA-05156   | 202,229                     |
| <b>Total National Urban Search and Rescue (US&amp;R) Response System</b>                    | <b><u>\$ 2,146,940</u></b>  |
| <br>  |                             |
| <b>ALN 97.036 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)</b> |                             |
| FEMA-4482-DR-CA/073-66000   | \$ (999,980)                |
| FEMA-4683-DR-CA/073-66000   | 205,848                     |
| <b>Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)</b>        | <b><u>\$ (794,132)</u></b>  |
| <br>  |                             |
| <b>ALN 97.067 - Homeland Security Grant Program</b>   |                             |
| 2020-0095/073-66000   | \$ 278,192                  |
| 2021-0081/073-66000   | 8,364,877                   |
| 2022-0043/073-66000   | 6,372,679                   |
| 2023-0042/073-66000   | 799,491                     |
| 2021-0081; 073-00000  | 59,212                      |
| 2022-0043; 073-00000  | 15,480                      |
| 2023-0042; 073-00000  | 95,097                      |
| <b>Total Homeland Security Grant Program</b>  | <b><u>\$ 15,985,028</u></b> |

**NOTE 8 – WATER INFRASTRUCTURE FINANCE AND INNOVATION (WIFIA) LOAN AGREEMENT**

In November 2018, the City and the U.S. Environmental Protection Agency (USEPA) executed the WIFIA Program loan in the amount of up to \$614,000,000 payable from the Net System Revenues of the Water Utility Fund for the first phase of the Pure Water project. In September 2020, the City and USEPA executed another agreement to replace the previous agreement, with a majority of the terms staying exactly the same, but with a lower interest rate of 1.29%. Construction is anticipated to be completed in May 2028 with annual principal and interest payments on this loan commencing in August, 2024 through August, 2058. For the fiscal year ended June 30, 2025, the City received and expended \$152,769,632 from the USEPA related to ALN 66.958. The outstanding loan balance as of June 30, 2025 is \$523,450,043.

CITY OF SAN DIEGO, CALIFORNIA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year ended June 30, 2025

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes   X   None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

*Federal Awards*

Internal control over major federal programs:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Significant deficiencies identified not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ Yes   X   No

Identification of major federal programs:

| <u>Federal Assistance Listing Number</u> | <u>Name of Federal Program or Cluster</u>                      |
|--|--|
| 11.307                                   | Economic Adjustment Assistance                                 |
| 20.205                                   | Highway Planning and Construction                              |
| 66.458                                   | Capitalization Grants for Clean Water State Revolving Funds    |
| 66.468                                   | Capitalization Grants for Drinking Water State Revolving Funds |
| 66.958                                   | Water Infrastructure Finance and Innovation (WIFIA)            |

Dollar threshold used to distinguish between type A and type B programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

  X   Yes \_\_\_\_\_ No

(Continued)

CITY OF SAN DIEGO, CALIFORNIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2025

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

CITY OF SAN DIEGO, CALIFORNIA  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year ended June 30, 2025

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**Reference Number:** 2024-001

Assistance Listing Number: 14.218

Federal Program Title: Community Development Block Grants/Entitlement Grants Program

Federal Agency: U.S. Department of Housing and Urban Development

Audit Finding: The City's Economic Development Department (EDD) did not submit the required key data elements in FSRS in a timely manner. The City did not comply with the requirement to report the information no later than the last day of the month following the month in which the subaward/subaward amendment obligation was made or the subcontract award modification was made. There are a total of 31 subawards not reported timely. Of the four (4) subawards selected for compliance testing, the wrong obligation date was reported for each subaward.

Status of Corrective Action: Fully corrected.