Annual Report
for the Fiscal Year Ended June 30, 2025
Dated as of December 22, 2025

Relating to:
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Introduction

This Annual Report (this "Report") is being furnished by the San Diego County Regional Airport Authority (the "Authority") for the purpose of complying with the annual bond disclosure requirements set forth in the Authority's Continuing Disclosure Certificates identified below (collectively, the "Certificates"). In connection with the issuance by the Authority of its revenue bonds identified below (collectively, the "Bonds"), the Authority entered into the Certificates to assist the bond underwriters in compliance with Rule 15c2-12 under the Securities Exchange Act of 1934.

This Report is delivered in satisfaction of the Authority's obligation under the Certificates to provide annual updates of certain historical financial and operating information contained in the Official Statements identified below (collectively, the "Official Statements") that were delivered in conjunction with the Bonds. As required by the Certificates, this Report is filed for the most recently completed fiscal year, which is the Fiscal Year Ended June 30, 2025 ("FYE 2025"). All information provided in this Report is sourced to the Authority unless otherwise attributed.

Bonds	Official Statement Date	Continuing Disclosure Certificate Date*
Senior Special Facilities Revenue Bonds, Series 2014A (Tax-Exempt Non-AMT) and Series 2014B (Federally Taxable) (Consolidated Rental Car Facility Project) ("Series 2014")	February 5, 2014	February 19, 2014
Subordinate Airport Revenue Bonds Series 2017A and Series 2017B ("Series 2017")	July 18, 2017	August 3, 2017
Subordinate Series 2019A and 2019B ("Series 2019")	November 14, 2019	December 11, 2019
Subordinate Airport Revenue Refunding Bonds Series 2020A, 2020B and 2020C ("Series 2020")	March 27, 2020	April 8, 2020
Subordinate Airport Revenue Refunding Bonds Series 2021A, 2021B and 2021C ("Series 2021")	November 17, 2021	December 8, 2021
Senior Airport Revenue Bonds, Series 2023A and 2023B ("Series 2023")	October 3, 2023	October 25, 2023
Senior Airport Revenue Bonds, Series 2025A and 2025B ("Series 2025")	June 17, 2025	July 9, 2025

* Individual Certificates are referred to herein as "Series [Year] Certificate".

Reference is made to the Authority's Financial Report and Independent Auditor's Report for the Fiscal Year ended June 30, 2025 (the "Audited Financial Statements"), a copy of which is filed with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access ("EMMA") website and may be obtained at www.emma.msrb.org., and is incorporated by reference as part of this Report.

Ongoing Capital Improvement Program

The Authority is engaged in a significant, ongoing capital development and improvement program at San Diego International Airport ("SDIA"), which contains two main components: (1) the New T1 program that consists of the replacement of the current Terminal 1 with larger, more efficient facility, certain airfield enhancements and roadway and parking improvements, and a new administration building for the Authority, and (2) the Capital Improvement Program (the "CIP") that addresses airfield safety and capacity, environmental protection, terminal enhancements, landslide infrastructure and access improvements. The current capital program was approved by the board of directors of SDIA on June 5, 2025 and has a budgeted cost of $4.523 billion, of which $3.834 billion is the approved budgeted cost of the New T1 and $688.5 million is the approved budgeted cost of the rolling CIP for fiscal years 2026-2030.

The New T1 is expected to be designed and constructed through Fiscal Year 2028, and all approved open projects of the CIP are anticipated to be completed between Fiscal Years 2026 through 2030. The Authority has entered into agreements for the construction of capital improvements, including work on the New T1, which are subject to adjustment for a variety of circumstances, including, without limitation, higher than anticipated costs of labor and materials or subcontractor bids, changes in scope, unforeseen site conditions and force majeure events. The Authority is actively managing its construction agreements for the New T1 to address the occurrence of adverse impacts that may arise as a result of various factors, including, without limitation, unanticipated levels of inflation, material and/or labor shortages and estimating errors, among other issues. As of October 30, 2025, the New T1 had an approved budget of approximately $3.834 billion, including $125.8 million of program contingencies, of which $2.7 billion has been incurred. There can be no assurances that significant increases in costs of the amounts projected by the Authority will not materially adversely affect the schedule, budget or overall capital development program at SDIA.

On September 23, 2025, the Airport Authority held the grand opening of Phase 1A of the newly constructed Terminal 1. The new, nearly 1 million square foot terminal opened with 19 new gates, with 3 additional gates to be added in the Spring of 2026, and four miles of new roadway including a dual-level roadway that separates arrivals and departures. Demolition of the old Terminal 1 began immediately after the opening to make way for construction of Phase B, which will open in early 2028, bringing the total number of gates in the new terminal to 30. Other completed elements of the New T1 include the administration building, which the Airport Authority began using in October 2023, the first phase of the parking structure which opened in August 2024 when approximately 2,800 spaces were opened for public use, and phase 1 of the new shuttle hold lot which opened in the fall of 2023. In June 2025, the second phase of the parking structure (approximately 2,400 spaces) opened to the public.

Other Matters

Pursuant to the Certificates, the Authority is obligated to provide only the historic annual financial and operating information specified therein. The tables contained and incorporated in this Report reference and updated financial and operating information set out in the Official Statements. To the extent the Authority provides or incorporates information in this Report that the Authority is not obligated under the Certificates to present or update, the Authority may not be obligated to present or update such information in future annual reports.

By providing and incorporating the information in this Report, the Authority does not imply or represent (a) that all information provided and incorporated in this Report is material to investors' decisions regarding investment in the Bonds, (b) the completeness or accuracy of any financial, operational or other information not included or incorporated in this Report or in the Official Statements, (c) that no changes, circumstances or events have occurred since the end of FYE 2025, or (d) that no other information exists which may have a bearing on the Authority's financial condition, the security for the Bonds or an investor's decision to buy, sell or hold the Bonds.

No statement contained or incorporated in this Report should be construed as a prediction or representation about future financial performance of the Authority. Historical results presented and incorporated in this Report, including the historical financial and enplanement figures contained in this Report, may not be indicative of future operating results.

Annual Report – Updated Tables

The following are updated tables provided pursuant to the Certificates.

As of June 30, 2025, the Authority had outstanding the following principal amounts of the Subordinate Obligations and Senior Special Facility Bonds.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUTSTANDING PRINCIPAL AMOUNTS OF THE
SENIOR AIRPORT REVENUE BONDS, SUBORDINATE OBLIGATIONS
AND SENIOR SPECIAL FACILITY BONDS AS OF JUNE 30, 2025
(000's)

	Outstanding Principal Amount
Outstanding Senior Airport Revenue Bonds	
Series 2023 Bonds	$1,059,745
Subtotal	$1,059,745
Outstanding Subordinate Obligations	
Subordinate Series 2021 Bonds	$1,862,860
Subordinate Series 2020 Bonds	$181,230
Subordinate Series 2019 Bonds	$442,090
Subordinate Series 2017 Bonds	$255,145
Subtotal	$3,801,070
Outstanding Senior Special Facility Bonds	
Series 2014 Bonds	$261,970
Subtotal	$261,970
TOTAL	$4,063,040

As of June 30, 2025, the Authority estimated future rental commitments under the Authority's lease arrangements to be as follows.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
FUTURE RENTAL COMMITMENTS
AS OF JUNE 30, 2025

Fiscal Year Ending June 30,	Rental Payments
2026	$ 11,296,394
2027	11,024,701
2028	10,990,821
2029	10,626,099
2030	10,627,692
2031-2035	53,302,741
2036-2040	53,544,685
2041-2045	51,926,126
2046-2050	51,608,335
2051-2055	51,680,838
2056-2060	51,760,592
2061-2065	51,848,321
2066-2069	36,341,921
Total	$ 456,579,266

The following table sets out the Air Carriers Serving San Diego International Airport as of June 30, 2025.

SAN DIEGO INTERNATIONAL AIRPORT
AIR CARRIERS SERVING
SAN DIEGO INTERNATIONAL AIRPORT
(AS OF JUNE 30, 2025)

Scheduled U.S. Carriers	Foreign Flag Carriers	All-Cargo Carriers
Alaska Airlines[1]	Air Canada[8]	21 Air[9]
Allegiant Air[2]	British Airways	ABX Air
American Airlines[3]	Copa Airlines	Ameriflight
Breeze Airways	Japan Airlines	Atlas Air
Delta Air Lines[4]	KLM Royal Dutch Airlines	Federal Express (FedEx)[10]
Frontier Airlines	Lufthansa	IFL Group[11]
Hawaiian Airlines[5]	WestJet Airlines	United Parcel Service
JetBlue Airways		
Southwest Airlines		
Spirit Airlines[6]		
Sun Country Airlines		
United Airlines[7]		

1 Operated by Alaska Airlines and Horizon Air, separately certificated airlines owned by Alaska Air Group, Inc. ("Alaska Air Group") and regional affiliate, SkyWest Airlines.
2 Allegiant Air ceased operations at SAN on September 1 2025.
3 Operated by American Airlines and regional affiliate, SkyWest Airlines.
4 Operated by Delta Air Lines and regional affiliate, SkyWest Airlines.
5 Hawaiian Airlines is a wholly owned subsidiary of Alaska Airlines with each airline maintaining a separate operating and lease agreement and each continue to operate their own brands.
6 Spirit Airlines filed for bankruptcy protection on August 29, 2025, and ceased operating from SDIA on October 23, 2025
7 Operated by United Airlines and regional affiliate, SkyWest Airlines.
8 Operated by affiliates, Air Canada Rouge and Jazz Aviation.
9 21 Air provides service for DHL.
10 Operated by FedEx and its affiliate West Air.
11 IFL Group provides service for FedEx.

The following table sets forth the total domestic and international enplanements at the Airport for the last five Fiscal Years and the total enplanements and deplanements at the Airport for the last five Fiscal Years.

SAN DIEGO INTERNATIONAL AIRPORT
TOTAL ENPLANEMENTS

	Enplanements						Deplanements		Total	
Fiscal Year	Domestic Enplanements	Percent of Total	International Enplanements	Percent of Total	Total Enplanements	Percent Change	Domestic Deplanements	Percent Change	Total Enplanements and Deplanements	Percent Change
2021	4,809,965	99.0%	50,966	1.05%	4,860,931	(47.37)%	4,841,626	(47.46)%	9,702,557	(47.41)%
2022	9,736,802	97.8	216,360	2.17	9,953,162	104.76	9,878,485	104.03	19,831,647	104.40
2023	11,440,757	96.4	426,812	3.60	11,867,569	19.23	11,583,718	17.26	23,451,287	18.25
2024	11,988,077	96.2	479,037	3.84	12,467,114	5.05	12,120,871	4.64	24,587,985	4.85
2025	12,125,338	95.9	518,744	4.10	12,644,082	1.42	12,531,777	3.39	25,175,859	2.39

The following table sets forth information concerning cargo traffic (enplaned and deplaned cargo) over the last five Fiscal Years.

SAN DIEGO INTERNATIONAL AIRPORT
AIR TRAFFIC DATA
FISCAL YEARS 2021-2025

Fiscal Year	Total Operations	Operations Growth
2021	130,017	(31.8)
2022	190,485	46.5
2023	219,945	15.5
2024	223,253	1.5
2025	229,776	2.9

The following table sets forth information concerning cargo traffic (enplaned and deplaned cargo) over the last five Fiscal Years.

SAN DIEGO INTERNATIONAL AIRPORT
HISTORICAL ENPLANED AND DEPLANED
FREIGHT AND U.S. MAIL CARGO
(IN TONS)
FISCAL YEARS 2021-2025

Fiscal Year	Freight	Annual Percentage Change	U.S. Mail	Annual Percentage Change	Total	Annual Percentage Change
2021	143,957	(1.4)%	n/a[1]	n/a	n/a	n/a
2022	143,382	(0.4)	n/a[1]	n/a	n/a	n/a
2023	136,237	(5.0)	n/a[1]	n/a	n/a	n/a
2024	112,715	(17.3)	n/a[1]	n/a	n/a	n/a
2025	103,722	(8.0)	n/a[1]	n/a	n/a	n/a

[1] In accordance with new rules imposed by the U.S. Postal Service, as of August 2019, FedEx ceased reporting U.S. Mail tonnage. Over the last several years, FedEx carried approximately two-thirds of all U.S. Mail out of the Airport.

The following table presents total enplanements for each air carrier serving the Airport for the last five Fiscal Years. For those airlines that (i) were a party to a completed merger or acquisition, (ii) have received a single FAA certificate, and (iii) have completed operational integration, only the surviving entity is presented and the activity for the airlines that are now a part of the surviving airlines are included in the information presented.

SAN DIEGO INTERNATIONAL AIRPORT
ENPLANEMENTS BY AIR CARRIERS
(RANKED ON 2025 RESULTS) [1]

Air Carrier	Fiscal Year 2021	2021 Percent Share	Fiscal Year 2022	2022 Percent Share	Fiscal Year 2023	2023 Percent Share	Fiscal Year 2024	2024 Percent Share	Fiscal Year 2025	2025 Percent Share
Southwest Airlines	1,627,594	33.5%	3,393,713	34.1%	4,190,108	35.3%	4,086,618	32.8%	3,936,989	31.1%
Alaska Airlines[2]	806,949	16.6	1,740,532	17.5	1,940,822	16.4	2,024,726	16.2	2,333,012	18.5
United Airlines[3]	600,216	12.3	1,307,253	13.1	1,458,543	12.3	1,620,694	13.0	1,612,903	12.8
Delta Airlines	567,589	11.7	1,237,530	12.4	1,452,461	12.2	1,590,907	12.8	1,577,262	12.5
American Airlines	767,833	15.8	1,238,336	12.4	1,282,356	10.8	1,469,523	11.8	1,457,414	11.5
Frontier Airlines	180,181	3.7	272,802	2.7	349,379	2.9	449,549	3.6	444,343	3.5
Spirit Airlines	111,604	2.3	168,192	1.7	303,804	2.6	323,698	2.6	356,000	2.8
JetBlue Airways	90,332	1.9	249,217	2.5	285,079	2.4	273,590	2.2	225,536	1.8
Hawaiian Airlines	61,754	1.3	133,525	1.3	148,305	1.2	141,924	1.1	153,650	1.2
Air Canada[4]	-	0.0	43,376	0.4	135,080	1.1	150,385	1.2	130,591	1.0
British Airways	-	0.0	41,417	0.4	91,914	0.8	112,146	0.9	126,838	1.0
Lufthansa	-	0.0	13,695	0.1	47,928	0.4	46,227	0.4	61,774	0.5
WestJet	-	0.0	11,836	0.1	32,290	0.3	42,592	0.3	51,960	0.4
Sun Country Airlines	23,461	0.5	35,962	0.4	41,618	0.4	47,605	0.4	47,256	0.4
Breeze Airways	-	-	-	-	-	-	13,276	0.1	43,517	0.3
Japan Airlines	1,02	0.0	12,784	0.1	31,380	0.3	32,670	0.3	42,223	0.3
Allegiant Air	22,391	0.5	49,355	0.5	75,959	0.6	40,984	0.3	26,798	0.2
Porter Airlines	-	-	-	-	-	-	-	-	10,326	0.1
KLM Royal Dutch Airlines	-	-	-	-	-	-	-	-	5,093	-
Copa Airlines	-	-	-	-	-	-	-	-	597	-
Swoop Inc.	-	-	3,637	-	543	-	-	-	-	-
Total Enplanements[5]	4,860,931	100.0%	9,953,162	100.0%	11,867,569	100.0%	12,467,114	100.0%	12,644,082	100.0%

1 Totals may not add due to rounding.
2 Enplanements are for Alaska and Alaska's regional carrier service provided by Horizon and SkyWest.
3 Enplanements are for United and its regional carrier service provided by SkyWest.
4 Enplanements are for Air Canada Rouge and Jazz Aviation, both affiliates for Air Canada.
5 As a result of the COVID- 19 pandemic and the resulting travel restrictions to foreign countries, Air Canada, British Airways and WestJet did not operate from the Airport in Fiscal Year 2021. Air Canada resumed service from the Airport in August 2021, and British Airways and WestJet resumed service from the Airport in October 2021.

The following table sets forth the total revenue landed weight for the 15 largest air and cargo carriers serving the Airport for the last five Fiscal Years, ranked on Fiscal Year 2025 results.

SAN DIEGO INTERNATIONAL AIRPORT
TOTAL REVENUE LANDED WEIGHT[1, 2]
FISCAL YEARS 2021-2025
(RANKED ON FISCAL YEAR 2025 RESULTS)
(IN THOUSANDS OF LBS.)

Airline/Cargo Carrier	FY2021	FY2022	FY2023	FY2024	FY2025	%
Southwest Airlines	2,277,011	3,688,292	5,001,008	4,758,859	4,642,938	30.8%
Alaska Airlines	1,342,664	1,981,230	2,092,212	2,219,409	2,624,383	17.4
Delta Airlines	1,049,374	1,527,982	1,568,504	1,693,060	1,790,694	11.9
United Airlines	770,742	1,321,399	1,513,743	1,754,551	1,790,401	11.9
American Airlines	917,691	1,238,945	1,317,772	1,498,180	1,556,024	10.3
Frontier Airlines	199,836	264,830	311,884	434,930	456,349	3.0
Spirit Airlines	125,589	165,464	288,873	319,139	370,741	2.5
JetBlue Airways	171,957	292,311	316,168	313,015	274,866	1.8
British Airways	-	98,141	173,266	207,564	254,667	1.7
FedEx Express	466,734	483,403	412,455	326,819	233,727	1.6
Hawaiian Airlines	122,574	211,844	209,839	205,340	221,869	1.5
UPS Airlines	138,926	138,064	137,094	139,418	182,958	1.2
Air Canada	-	54,699	149,232	166,968	147,669	1.0
Lufthansa	-	24,643	98,117	88,077	120,478	0.8
Japan Airlines	32,680	119,120	82,090	86,260	101,500	0.7
Sun Country Airlines	30,643	34,130	37,814	41,756	44,092	0.3
Allegiant Air	38,889	53,883	75,345	38,475	25,479	0.2
Others	86,798	65,703	73,639	109,586	228,465	1.5
Total	7,779,528	11,764,083	13,859,055	14,401,406	15,067,298	100.0%

1 Landed weight is the maximum gross certificated landed weight in one-thousand-pound units as stated in the airlines' flight operational manual.
2 Landed weight is used to calculate landing fees for both airline and general aviation aircraft operated at the airport.

The following table sets forth a summary of the Authority's investments as of June 30, 2025.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
INVESTMENTS
(AS OF JUNE 30, 2025)

Security Type		Market Value as of June 30, 2025	Percentage of Portfolio
U.S. Treasuries	$	415,873,750	41.8%
Medium Term Notes		156,519,438	15.7
U.S. Agency Securities		143,473,799	14.4
Local Area Investment Fund (LAIF)		70,085,566	7.0
San Diego County Investment Pool		48,429,908	4.9
Collateralized Mortgage Obligations		48,160,981	4.8
Cal Trust		45,205,190	4.5
Collateralized Bank Demand Deposits		30,883,646	3.1
Supranationals		24,713,343	2.5
Municipal Bonds		10,364,950	1.0
Total	$	995,986,539	100.0%

The table on the following page summarizes the financial results from operations for the Authority for the last five Fiscal Years (derived from audited financial statements).

SAN DIEGO INTERNATIONAL AIRPORT
STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
(DOLLARS IN THOUSANDS)[1]
FISCAL YEARS 2021-2025

	2021	2022[2]	2023	2024	2025
Operating revenues:					
Airline revenue:					
Landing fees	$ 34,046	$ 35,354	$ 44,741	$ 53,873	$ 59,046
Aircraft parking fees	8,542	8,857	11,189	13,612	15,533
Building rentals	83,090	97,047	129,743	145,169	154,537
Other aviation revenue	8,192	6,518	7,123	8,566	10,011
Concession revenue	41,801	88,138	75,559	79,546	85,159
Parking and ground transportation revenue	27,447	57,076	65,415	72,484	81,569
Ground rentals	19,809	19,651	23,257	23,416	25,367
Other operating revenue	1,680	2,999	3,735	3,222	2,971
Total operating revenues	224,607	315,640	360,762	399,888	434,192
Operating expenses before depreciation and amortization:					
Salaries and benefits	52,922	46,373	51,231	57,444	63,427
Contractual services	24,976	34,491	45,581	52,445	54,886
Safety and security	35,086	34,191	33,043	36,778	39,541
Space rental	64	839	313	467	493
Utilities	11,730	14,193	17,567	19,518	20,497
Maintenance	9,111	10,747	16,417	14,125	16,575
Equipment and systems	424	340	922	544	325
Materials and supplies	450	496	661	650	652
Insurance	1,519	1,741	1,997	2,314	2,579
Employee development and support	442	537	681	731	910
Business development	209	1,781	1,916	2,280	3,129
Equipment rentals and repairs	3,380	3,472	4,010	4,992	5,556
Total operating expenses before depreciation and amortization	140,313	149,201	174,339	192,288	208,569
Income from operations before depreciation and amortization	84,294	166,439	186,423	207,600	225,623
Depreciation and amortization expense	137,496	142,012	131,586	122,174	121,489
Operating income (loss)	(53,202)	24,427	54,837	85,426	104,134
Nonoperating revenues (expenses):					
Passenger facility charges	22,110	40,394	46,755	49,199	49,255
Customer facility charges	15,755	30,332	34,375	35,913	36,479
CARES Act/ACRGP Act Grants	77,219	78,922	-	-	-
Quieter Home Program, net	(3,233)	(2,541)	(2,051)	(1,845)	(1,876)
Other interest income	6,748	11,893	11,145	10,198	9,525
Investment income	2,495	(48,884)	50,882	129,223	114,744
Interest expense	(76,628)	(109,675)	(127,465)	(164,933)	(176,084)
Build America Bonds Rebate	-	-	-	-	
Other revenues (expenses), net	(705)	(13,316)	(1,654)	(3,490)	3,877
Nonoperating revenue, net	43,761	(12,874)	11,987	54,265	35,919
Income before capital grant contributions	(9,441)	11,553	66,824	139,691	140,054
Capital grant contributions	13,932	12,958	52,287	128,361	2,543
Change in net position	4,491	24,511	119,111	268,052	142,597
Prior Period Adjustment	-	-	-	-	-
Net position, beginning of year	885,066	889,557	914,068	1,033,179	$ 1,301,232
Net position, end of year	$ 889,557	$ 914,068	$ 1,033,179	$ 1,301,231	$ 1,443,829

1 Totals may not add due to rounding.
2 Amounts for 2021 were restated as per GASB 87 and 2022 were restated as per GASB 94 and GASB 96.

The following table sets forth the top ten operating revenue providers at the Airport for Fiscal Year 2025.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TOP TEN OPERATING REVENUE PROVIDERS
FISCAL YEAR 2025

	Revenue Provider	Revenues
1.	Southwest Airlines	$ 68,360,708
2.	Alaska Airlines	41,984,385
3.	United Airlines	33,774,730
4.	Delta Airlines	32,937,448
5.	American Airlines	28,309,424
6.	Enterprise Rent-A-Car	27,122,777
7.	Avis Rent-A-Car	24,956,899
8.	Hertz Rent-A-Car	19,941,898
9.	Uber Technologies, Inc	14,247,041
10.	SSP America	9,194,765

The following table sets forth the top ten Revenue Sources at the Airport for Fiscal Year 2025.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TOP TEN OPERATING REVENUE SOURCES
FISCAL YEAR 2025

	Source	Revenue	Percent of Total Operating Revenue
1.	Building Rentals	$ 154,536,766	35.6%
2.	Landing Fees	59,046,158	13.6
3.	Parking Revenue	57,980,665	13.4
4.	Rental Car License Fees	37,248,535	8.6
5.	Terminal Concessions	33,894,334	7.8
6.	Ground Transportation Permits and Citations	23,588,301	5.4
7.	Ground Rentals	21,686,475	5.0
8.	Aircraft Parking Fees	15,532,560	3.6
9.	License Fees - Other	11,000,560	2.5
10.	Common Use System Support Charges	10,270,906	2.4

The following table shows historical debt service coverage for the last five Fiscal Years.

SAN DIEGO INTERNATIONAL AIRPORT
HISTORICAL SENIOR AND SUBORDINATE DEBT SERVICE COVERAGE
FISCAL YEARS 2021-2025

	2021	2022	2023	2024	2025
Senior Bonds					
Revenues[1]	$225,154,340	$321,285,474	$ 397,652,115	$449,402,733	$478,751,920
Operating and Maintenance Expenses	(88,039,540)	(96,134,968)	(177,921,959)	(189,012,370)	(201,602,874)
Net Revenues[2]	$137,114,800	$225,150,506	$219,730,155	$ 260,390,363	$ 277,149,046
Senior Bond Debt Service[3]					
Principal	$ 8,315,000	$ 3,635,598	-	2,235,000	2,865,000
Interest	17,685,100	7,195,563	-	979,238	1,321,282
PFCs used to pay debt service	(11,172,249)	(4,691,941)	-	-	-
CARES Act used to pay debt service	(3,406,934)	(1,539,286)	-	-	-
Total Debt Service for the Senior Bond	$ 11,420,917	$ 4,599,934	$ -	$ 3,214,238	$ 4,186,282
Senior Bonds Debt Service Coverage	12.01x	48.95x	-	81.01x	66.20x
Subordinate Debt					
Subordinate Net Revenues[2]	$125,693,883	$220,550,572	$219,730,155	$ 257,176,125	$272,962,764
Subordinate Annual Debt Service[4]					
Principal	$ 22,315,000	$ 34,040,000	$ 43,385,000	$40,495,000	$ 36,050,000
Interest	41,720,733	48,876,516	56,052,373	59,106,383	56,513,339
Variable Rate Debt[5]	-	-	-	-	
PFCs used to pay debt service	(8,833,085)	(25,313,393)	-	-	-
CARES Act used to pay debt service	(22,593,066)	16,460,714)	-	-	-
Total Subordinate Annual Debt Service	$ 32,609,582	$ 41,142,409	$ 99,437,373	$ 99,601,383	$ 92,563,339
Subordinate Obligations Debt Service Coverage	3.85x	5.36x	2.21x	2.58x	2.95x
Aggregate Debt					
Aggregate Net Revenues	$137,114,800	$225,150,506	$219,730,155	$260,390,363	$277,149,046
Aggregate Annual Debt Service		-			
Principal	30,630,000	37,675,598	43,385,000	42,730,000	38,915,000
Interest	59,405,833	56,072,079	56,052,373	60,085,621	57,834,621
PFC Funds Applied to Debt Service	(20,005,334)	(30,005,334)	-	-	-
CARES Act used to pay debt service	(26,000,000)	(18,000,000)	-	-	-
Total Annual Debt Service	$ 44,030,499	$ 45,742,343	$99,437,373	$ 102,815,621	$96,749,621
Aggregate Obligations Debt Service Coverage	3.11	4.92	2.21	2.53	2.86

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1 Revenues are calculated pursuant to the provisions of the Master Senior Indenture and the Master Subordinate Indenture.
2 Net Revenues and Subordinate Net Revenues are calculated pursuant to the provisions of the Master Senior Indenture and Master Subordinate Indenture, as appropriate.
3 Debt service with respect to the Senior Bonds is calculated pursuant to the provisions of the Master Senior Indenture.
4 Subordinate Annual Debt Service is calculated pursuant to the provisions of the Master Subordinate Indenture.

The following table presents the historical airline costs (landing fees, terminal building rentals and airport police/security reimbursement fees) of operating at the Airport for the past five Fiscal Years.

SAN DIEGO INTERNATIONAL AIRPORT
AIRLINE DERIVED REVENUE PER PASSENGER

Airline Revenues	2021	2022	2023	2024	2025
Joint Use Fees	$55,229,873	$62,362,974	$77,976,937	$88,440,800	$92,994,802
Landing Fees[1]	30,942,421	33,343,343	42,818,143	51,903,963	57,555,750
Terminal Rentals	25,372,323	30,773,369	45,985,824	50,203,857	53,057,996
Common Use Charges	7,369,019	8,230,945	10,950,913	10,094,442	10,270,906
Aircraft Parking Fees[2]	6,859,419	6,885,847	9,064,226	10,995,326	12,652,982
FIS Use Charges	984,860	2,201,290	3,219,300	3,432,130	3,887,320
Incentive Program	(62,080)	(2,078,912)	(2,078,912)	(1,780,592)	(540,376)
Total Airline Revenue	$126,695,834	$141,718,856	$187,936,432	$213,289,926	$229,879,379
Enplaned Passengers	4,860,931	9,953,162	11,867,569	12,467,000	12,644,000
Airline Derived Revenue	$ 26.06	$ 14.24	$ 15.84	$ 17.11	$ 18.18

1 Does not Include landing fees paid by cargo carriers operating at SAN
2 Amount excludes general aviation remote overnight parking.
.

The following table sets forth a summary of the Authority's approved PFC applications through June 30, 2025.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
APPROVED PFC APPLICATIONS

PFC Applications	Approval Date	Amended Approval Amount[1, 2]
1-5, 7, 10, 11 and 13[3,4,5]	Various	$ 438,030,936
8	2010	1,118,567,229
12	2016	43,795,768
Total		$ 1,600,393,933

1 Includes the amount of PFCs the FAA has authorized the Authority to collect and use at the Airport.
2 Authorization to collect PFCs under all of the applications and amendments expires on May 1, 2040, however, such authorization to collect PFCs could expire earlier if the total authorized amount is collected prior to May 1, 2040.
3 The Authority withdrew PFC Application #6.
4 The Authority has closed PFC Applications 1-5, 7, 11 and 13; these applications having been fully funded and the projects they financed having been completed.
5 PFC Application #9 was skipped due to internal FAA system processing.

The following table sets forth a summary of the Authority's Annual Receipt of PFCs for the past five Fiscal Years ended June 30.

SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY
ANNUAL RECEIPT OF PFCS[1]

Fiscal Year	PFCs Collected
2021	$ 22,109,906
2022	40,394,092
2023	46,754,727
2024	49,199,510
2025	49,254,848

1 The information in this table is presented on an accrual basis. Does not include interest earnings.

The following table sets forth the market share of the rental car companies operating at the Airport for Fiscal Year 2025.

SAN DIEGO INTERNATIONAL AIRPORT
MARKET SHARE OF RENTAL CAR BRANDS
FISCAL YEAR 2025

Corporate Entity	Rental Car Brands	Fiscal Year 2025 Share by Gross Revenues
Enterprise Holdings, Inc.	Enterprise, Alamo and National	33.6%
Avis Budget Group, Inc.	Avis, Budget, Payless[1] and Zipcar	32.3%
Hertz Global Holdings, Inc.	Hertz, Dollar and Thrifty	23.8%
Others	FastTrack (NuCar), Fox, Sixt, 3MPUSave, SD Rental Auto and Gitibin & Assoc (Go Rentals)	10.3%

1 Operated as a franchise at the Airport.

The following table sets forth the historical debt service coverage on the Series 2014 Bonds for Fiscal Years 2021 through 2025.

SAN DIEGO INTERNATIONAL AIRPORT
HISTORICAL DEBT SERVICE COVERAGE ON THE SERIES 2014 BONDS

Fiscal Year	CFC Rate	CFCs Collected	Interest Earnings[1]	Transfers from CFC Surplus Account	Total CFCs Available	Balance in Rolling Coverage Fund[2]	Series 2014 Debt Service Requirements	Total Debt Service Coverage
2021	$9.00	15,755,254	855,813	9,540,452	26,151,519	6,575,382	21,917,940	1.49
2022	$9.00	30,333,350	324,938	14,357	30,672,645	6,576,235	21,920,783	1.70
2023	$9.00	34,374,844	1,405,285	-	35,780,129	6,575,173	21,917,242	1.93
2024	$9.00	35,912,592	2,061,329	-	37,973,921	6,575,737	21,919,123	2.03
2025	$9.00	36,479,020	2,639,816	-	39,118,836	6,576,008	21,920,025	2.08

1 Includes earnings on investments in the Senior Reserve Fund, the Rolling Coverage Fund and the CFC Surplus Fund.
2 Includes amount on deposit in the Rolling Coverage Fund at the beginning of each Fiscal Year, up to an amount not to exceed 30% of the Series 2014 Debt Service Requirements for each Fiscal Year.

Further Information

For additional information about the Authority, please see the Official Statements for the Bonds available from EMMA. For further information regarding this Report, you may contact:

Mr. Scott Brickner, Vice President, CFO
San Diego County Regional Airport Authority
2417 McCain Road
San Diego, California 92101

San Diego County Regional Airport Authority

Financial Statements

For the Fiscal Years Ended
June 30, 2025, and 2024

San Diego County Regional Airport Authority Financial Statements
For the Fiscal Years Ended June 30, 2025, and 2024

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Independent Auditor's Report

To the Board of Directors
San Diego County Regional Airport Authority

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of San Diego County Regional Airport Authority (the "Authority") as of and for the years ended June 30, 2025 and 2024 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of San Diego County Regional Airport Authority as of June 30, 2025 and 2024 and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the 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 *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits 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.

To the Board of Directors
San Diego County Regional Airport Authority

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the mana ement's discussion and anal sis and required supplementar information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2025 on our consideration of San Die o Count Re ional Airport Authorit 's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of San Die o Count Re ional Airport Authorit '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 San Diego County Regional Airport Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 31, 2025

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2025, and 2024

INTRODUCTION

The San Diego County Regional Airport Authority (Airport Authority) was established on January 1, 2002, as an independent agency. On January 1, 2003, the operations and assets of San Diego International Airport (SDIA) transferred from the San Diego Unified Port District (District) to the Airport Authority to manage and plan for the future needs and development.

The Airport Authority is an independent, self-sustaining entity that owns and operates SDIA receiving most of its revenues through user fees and rents from airline and non-airline business partners operating at SDIA. Since the Airport Authority is not funded by tax revenues, accounts are maintained in an enterprise fund on the accrual basis of accounting. Under accrual accounting, revenues are recognized as they are earned, and expenses are recognized as a liability as incurred, regardless of the timing of related cash inflows and outflows. Users of SDIA's facilities provide most of the revenues to operate, maintain, and acquire necessary services and facilities.

The purpose of the section is to provide management's overview of the financial performance and activity of the Airport Authority. It is intended to provide an introduction to and assist readers in understanding the basic financial statements of the Airport Authority for the fiscal year ended June 30, 2025 with comparative information for the years ended June 30, 2024 and June 30, 2023.

Overview of the Financial Statements

The financial statements of the Airport Authority consist of the following key components:

> The *Statements of Net Position* present the Airport Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position.
>
> The *Statements of Revenues, Expenses, and Changes in Net Position* present the results of operations, indicating the operating and non-operating revenues and expenses, and the change in net position for the fiscal year.
>
> The *Statements of Cash Flows* present the sources and uses of cash and cash equivalents during the year, classified by operating, non-capital financing, capital and related financing, and investing activities.
>
> The *Notes to the Financial Statements* provide additional detail, disclosure and accounting policies underlying the statements that is essential to providing a full understanding of the financial statements.

This MD&A provides a narrative explanation of these statements and highlights significant factors affecting the Airport Authority's financial results and condition.

SAN DIEGO INTERNATIONAL AIRPORT HIGHLIGHTS (2023-2025)
OPERATIONAL ACTIVITY HIGHLIGHTS

In fiscal year 2025, the Airport Authority showed continued growth, as most major activities performed at or above prior year levels.

The changes in the SDIA's major activities for the three years are as follows:

	FY 2025	FY 2024	FY 2023
Enplaned passengers	**12,644,082**	12,467,206	11,867,569
% change from prior year	**1.4%**	5.1%	19.2%
Total passengers	**25,175,598**	24,586,137	23,560,297
% change from prior year	**2.4%**	4.4%	18.8%
Aircraft operations	**230,613**	223,254	219,952
% change from prior year	**3.3%**	1.5%	15.5%
Freight and mail (in tons)	**116,703**	122,939	137,670
% change from prior year	**-5.1%**	-10.7%	-8.9%
Landed weight (in millions pounds)	**15,069**	14,402	13,256
% change from prior year	**4.6%**	8.6%	12.7%

Overall, a healthy, though guarded economy was reflected in the FY 2025 Airport Activity results. Enplaned passenger traffic saw an increase of 1.4 percent over fiscal year 2024, tapering off from the very strong increases in prior years coming out of the pandemic. Changes in total passengers, aircraft operations and landed weight also had strong increases, while freight and mail activity had a decrease of 5.1%, continuing prior year declines, though less significant.

FINANCIAL HIGHLIGHTS
Statement of Revenues, Expenses and Changes in Net Position

The metric 'Changes in Net Position' is an indicator of whether the Airport Authority's overall financial condition has improved or deteriorated during the fiscal year. Net position saw a substantial increase of 10.9% in fiscal year 2025, following a robust 25.9% rise in fiscal year 2024, driven by the continued growth in air travel.

The following is a summary of the statements of revenues, expenses, and changes in net position (in thousands):

	FY 2025	FY 2024	FY 2023	% Change FY 2025	% Change FY 2024
Operating revenues	**$ 434,192**	$ 399,889	$ 360,762	8.6%	10.8%
Operating expenses	**(330,058)**	(314,462)	(305,926)	-5.0%	-2.8%
Nonoperating revenues (expenses), net	**35,919**	54,265	11,987	-33.8%	352.7%
Capital contributions and grants	**2,543**	128,361	52,287	-98.0%	145.5%
Increase in net position	**142,597**	268,052	119,111	-46.8%	125.0%
Net position, beginning of year	**1,301,232**	1,033,179	914,068	0.0%	0.0%
Net position, end of year	**$ 1,443,829**	$ 1,301,232	$ 1,033,179	11.0%	25.9%

Operating Revenues (in thousands)

	FY 2025	FY 2024	From 2024 to 2025 Increase (Decrease)	% Change
Airline revenue:				
Landing fees	**$ 59,046**	$ 53,873	$ 5,173	9.6%
Aircraft parking fees	**15,533**	13,612	1,920	14.1%
Building rentals	**154,537**	145,169	9,367	6.5%
Other aviation revenue	**10,011**	8,566	1,445	16.9%
Total airline revenue	**239,126**	221,220	17,906	8.1%
Concession revenue	**85,159**	79,546	5,613	7.1%
Parking and ground transportation revenue	**81,569**	72,484	9,085	12.5%
Ground rentals	**25,367**	23,416	1,951	8.3%
Other operating revenue	**2,971**	3,223	(252)	(7.8%)
Total operating revenue	**$ 434,192**	$ 399,889	$ 34,304	8.6%

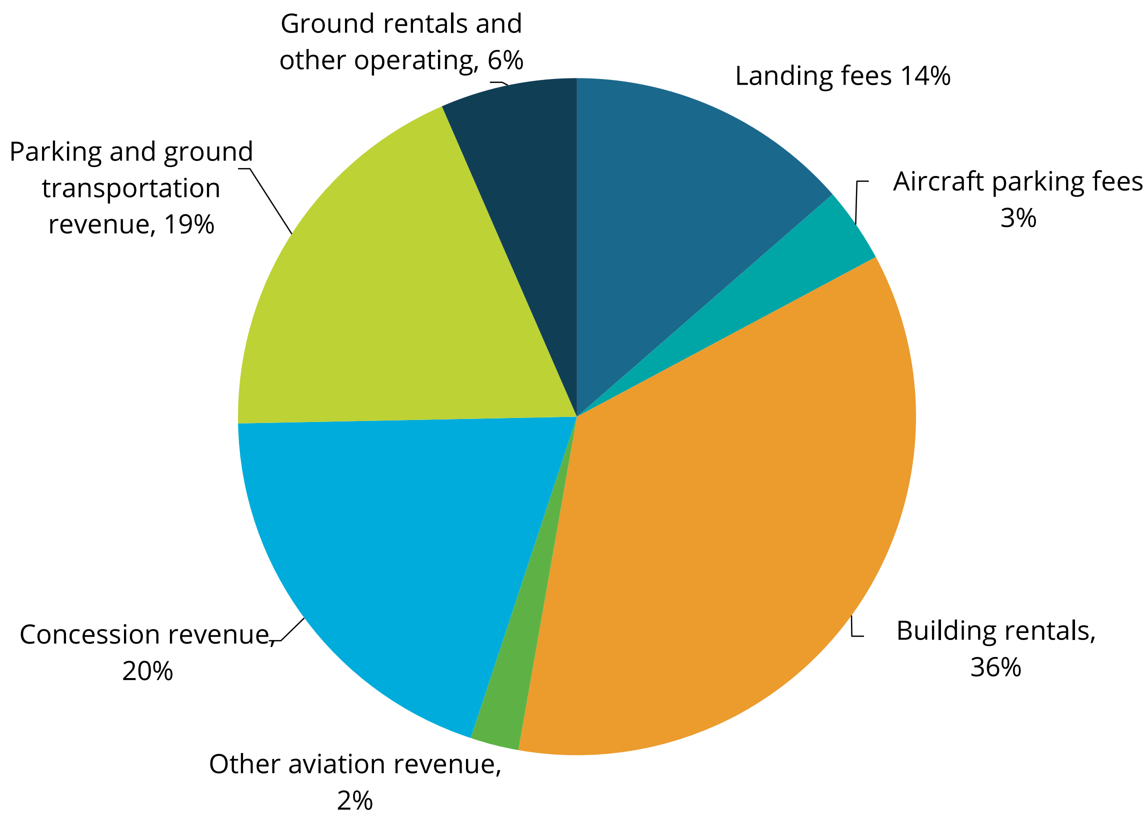
	FY 2024	FY 2023	From 2023 to 2024 Increase (Decrease)	% Change
Airline revenue:				
Landing fees	$ 53,873	$ 44,741	$ 9,131	20.4%
Aircraft parking fees	13,612	11,189	2,423	21.7%
Building rentals	145,169	129,744	15,426	11.9%
Other aviation revenue	8,566	7,123	1,443	20.3%
Total airline revenue	221,220	192,797	28,423	14.7%
Concession revenue	79,546	75,559	3,988	5.3%
Parking and ground transportation revenue	72,484	65,415	7,069	10.8%
Ground rentals	23,416	23,257	158	0.7%
Other operating revenue	3,223	3,735	(512)	(13.7%)
Total operating revenue	$ 399,889	$ 360,762	$ 39,126	10.8%

Fiscal Year 2025 compared to 2024: Total airline revenues increased $17.9 million, or 8.1 percent, predominantly due to an increase in cost recovery from the airlines which is the result of higher debt service costs and an increase in recoverable operating expenses due to the increase in passengers. Concessions revenue increased $5.6 million or 7.1 percent. This included terminal concessions which increased due to higher passenger levels and increased sales prices, while rental car concessions decreased due to lower rental pricing. Parking and ground transportation increased $9.1 million or 12.5 percent due to the higher enplanements and the opening of the new Parking Plaza at Terminal 1.

Fiscal Year 2024 compared to 2023: Total airline revenues increased $28.4 million, or 14.7 percent, predominantly due to the reduction of $20.7 million of pandemic era Federal Relief provided for the benefit of the airlines. In addition, there was an increase in cost recovery from the airlines which is the result of higher debt service costs and an increase in recoverable operating expenses due to the increase in passengers. Concessions revenue (terminal and rental car) increased $4.0 million or 5.3 percent due to increased concessions and car rental sales due to the increase in passengers and an increase in sales per enplaned passenger, combined with a positive change in the timing of the recognition of lease revenue per GASB 87. Parking and ground transportation increased $7.1 million or 10.8 percent due to the higher enplanements and increases in rates.

San Diego County Regional Airport Authority

Operating Revenues by Type



San Diego County Regional Airport Authority

Operating Expenses (in thousands)

	FY 2025	FY 2024	From 2024 to 2025 Increase (Decrease)	% Change
Salaries and benefits	**$ 63,427**	$ 57,444	$ 5,983	10.4%
Contractual services	**54,886**	52,445	2,441	4.7%
Safety and security	**39,541**	36,778	2,764	7.5%
Space rental	**493**	467	27	5.7%
Utilities	**20,497**	19,518	979	5.0%
Maintenance	**16,575**	14,125	2,450	17.3%
Equipment and systems	**325**	544	(220)	(40.3%)
Materials and supplies	**652**	650	2	0.3%
Insurance	**2,579**	2,314	265	11.5%
Employee development and support	**910**	731	179	24.4%
Business development	**3,129**	2,280	850	37.3%
Equipment rentals and repairs	**5,556**	4,992	563	11.3%
Total operating expenses before depreciation and amortization	**208,569**	192,288	16,281	8.5%
Depreciation and amortization	**121,489**	122,175	(686)	(0.6%)
Total operating expense	**$ 330,058**	$ 314,462	$ 15,595	5.0%

	FY 2024	FY 2023	From 2023 to 2024 Increase (Decrease)	% Change
Salaries and benefits	$ 57,444	$ 51,231	$ 6,213	12.1%
Contractual services	52,445	45,581	6,864	15.1%
Safety and security	36,778	33,043	3,735	11.3%
Space rental	467	313	153	48.8%
Utilities	19,518	17,567	1,951	11.1%
Maintenance	14,125	16,417	(2,292)	(14.0%)
Equipment and systems	544	922	(378)	(41.0%)
Materials and supplies	650	661	(11)	(1.6%)
Insurance	2,314	1,997	317	15.9%
Employee development and support	731	681	50	7.3%
Business development	2,280	1,916	364	19.0%
Equipment rentals and repairs	4,992	4,010	982	24.5%
Total operating expenses before depreciation and amortization	192,288	174,339	17,949	10.3%
Depreciation and amortization	122,175	131,586	(9,412)	(7.2%)
Total operating expense	$ 314,462	$ 305,926	$ 8,537	2.8%

Fiscal Year 2025 compared to 2024: Total fiscal year 2025 operating expenses increased by $15.6 million or 5.0 percent.

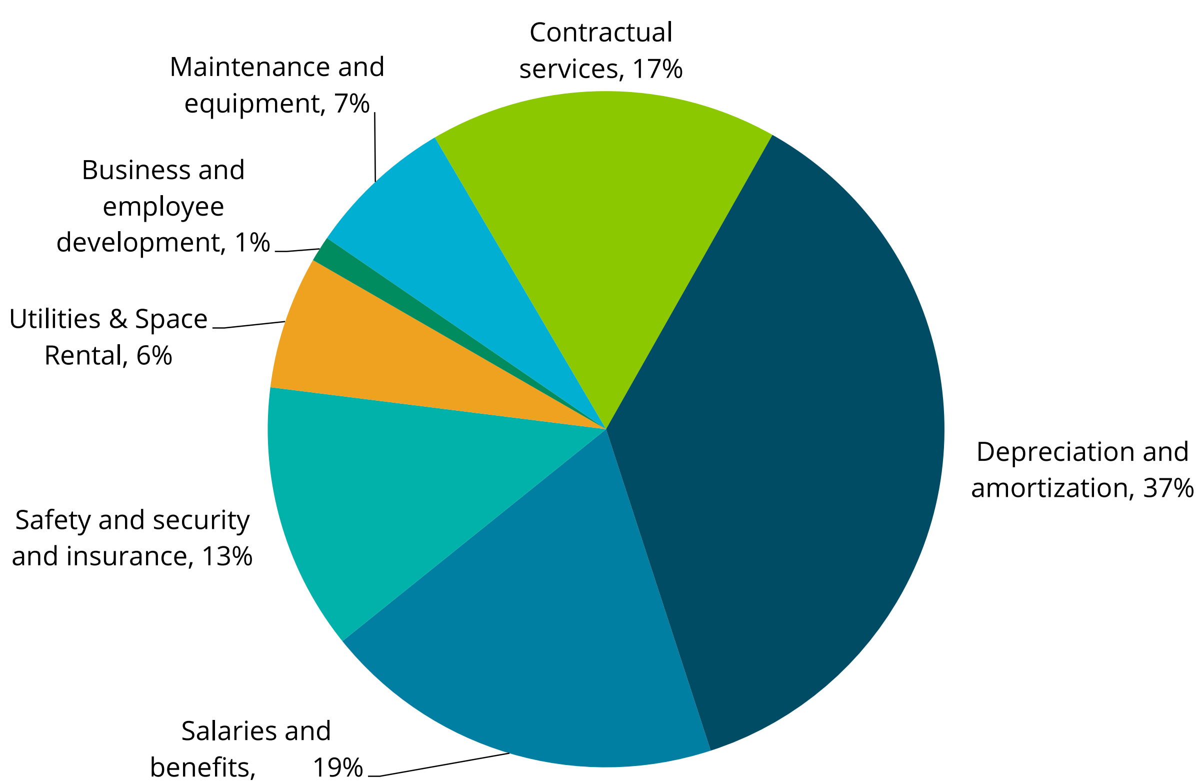
Salaries and benefits increased by $6.0 million or 10.4 percent due to planned wage and benefit increases, and increased head count. Contractual services increased by $2.4 million or 4.7 percent, primarily due to an increase in parking and shuttle operations and Rental Car Center (RCC) bus expenses due to an increase in enplanements. Safety and security increased by $2.8 million or 7.5 percent due to increases in law enforcement. Maintenance expenses increased $2.5 million or 17.3 percent due to contract increases and airfield repairs.

Fiscal Year 2024 compared to 2023: Total fiscal year 2024 operating expenses increased by $8.5 million or 2.8 percent.

Salaries and benefits increased by $6.2 million or 12.1 percent due to planned wage and benefit increases, higher overtime, and increased head count. Contractual services increased by $6.9 million or 15.1 percent, primarily due to an increase in parking and shuttle operations and Rental Car Center (RCC) bus expenses due to an increase in enplanements. Safety and security increased by $3.7 million or 11.3 percent due to increases in law enforcement, Aircraft Rescue and Fire Fighting (ARFF), emergency medical services and security inspection/guard services. Utilities increased by $2.0 million or 11.1 percent due to increased water and electric usage and rates.

Partially offsetting the increase in operating expenses described above, maintenance expenses decreased by $2.3 million or 14.0 percent primarily due to completion of major annual maintenance projects in FY23. Depreciation and amortization decreased by $9.4 million or 7.2 percent as many assets became fully depreciated in the prior and current years.

Operating Expenses by Type



Nonoperating Revenues (Expenses) (in thousands)

	FY 2025	FY 2024	From 2024 to 2025 Increase (Decrease)	From 2024 to 2025 % Change
Passenger facility charges	**$ 49,255**	$ 49,200	$ 55	0.1%
Customer facility charges	**36,479**	35,913	566	1.6%
Quieter Home Program, net	**(1,876)**	(1,845)	(31)	(1.7%)
Other interest income	**9,525**	10,198	(674)	(6.6%)
Investment income (loss)	**114,744**	129,223	(14,479)	(11.2%)
Interest expense, net	**(176,084)**	(164,933)	(11,150)	(6.8%)
Other nonoperating income (expenses)	**3,877**	(3,490)	7,366	211.1%
Nonoperating revenues (expenses), net	**$ 35,919**	$ 54,265	$ (18,346)	(33.8%)

	FY 2024	FY 2023	From 2023 to 2024 Increase (Decrease)	From 2023 to 2024 % Change
Passenger facility charges	$ 49,200	$ 46,755	$ 2,445	5.2%
Customer facility charges	35,913	34,375	1,538	4.5%
Quieter Home Program, net	(1,845)	(2,051)	206	10.0%
Other interest income	10,198	11,145	(947)	(8.5%)
Investment income (loss)	129,223	50,882	78,341	154.0%
Interest expense, net	(164,933)	(127,464)	(37,470)	(29.4%)
Other nonoperating income (expenses)	(3,490)	(1,654)	(1,835)	(111.0%)
Nonoperating revenues (expenses), net	$ 54,265	$ 11,987	$ 42,278	352.7%

Passenger Facility Charges (PFCs) were established by Congress in 1990 as part of the Aviation Safety and Capacity Expansion Act of 1990. In 1995, the Airport Authority received authorization to collect a $3.00 PFC from revenue enplaned passengers, The amount increased to $4.50 in 2003. PFCs are used to pay allowable costs to design and construct eligible Airport capital projects, contribute to the Airport Authority's noise mitigation (Quieter Home Program), or to repay debt service issued to build eligible capital projects. PFCs are collected by the air carriers when passengers purchase their tickets and are remitted to the Airport Authority the month following collection less a $0.11 administration fee. There are currently four active applications which provide the Airport Authority to impose and use PFC revenue through May 1, 2040.

Customer Facility Charges (CFCs) are authorized under Section 1936 of the California Civil Code and regulated under California Government Code Section 50474. The revenues collected have been used to plan and construct a consolidated rental car facility and operate the related ground transportation system. The rental car agencies utilizing the consolidated rental car facility remit to the Airport Authority collection of the fee monthly. The current CFC fee is $9.00 per day, up to five days for rental car transactions that originate at the Rental Car Center. For car rental transactions of non-RCC tenants, the CFC rate is $3.41 per day, up to five days for rental car transactions.

Quieter Home Program includes sound attenuation construction improvements at all eligible single-family and multi-family dwellings and public buildings located in the Year 2020 65 dB Community Noise Equivalent Level contour. The project is eligible for the FAA's Airport Improvement Program (AIP), which awards grants for certain eligible Airport Authority expenditures. The expenses represent the authority's cost, net of the grant funds utilized in the fiscal year.

Other Interest Income includes interest earned on lease receivables and notes receivable.

Investment income (loss) is derived from interest earned by the Airport Authority on investments and includes unrealized gain (loss) on investments.

Interest expense includes interest paid and accrued on bonds, variable debt, and leases.

Other nonoperating income (expense) includes proceeds and expenses for legal settlements, gain (loss) on the sale of assets and other miscellaneous revenue and expenses.

Fiscal Year 2025 compared to 2024: Nonoperating revenues (net) decreased by $18.4 million or 33.8 percent. The increases in PFCs and CFCs are due to an increase in enplaned passengers. Investment income decreased by $14.5 million or 11.2 percent, due primarily to unrealized gains on investments decreasing to $3.8 million compared to $57.7 million in fiscal year 2024. This decrease is offset by $39.4 million due to increased yields on investments and the timing of income recognition on discount bonds. Interest expense increased by $11.2 million or 6.8 percent due to the issuance of new bonds in October 2023 that consequently had a full 12 months impact in fiscal year 2025. Other nonoperating income for fiscal year 2025 of $7.4 million was primarily due to the refund of prior years' Social Security taxes as a result of a Section 218 Agreement vote.

Fiscal Year 2024 compared to 2023: Nonoperating revenues (net) increased by $42.3 million or 352.7 percent. The increases in PFCs and CFCs are due to an increase in enplaned passengers. PFCs increased by $2.4 million or 5.2 percent, and CFCs increased by $1.5 million or 4.5 percent. Investment income increased by $78.3 million or 154.0 percent. Increased balances in bond funds due to issuance of new debt in October 2023 generated an additional $15.6 million in interest earnings while increases in yields on investments added an additional $16.7 million. Interest expense increased by $37.5 million or 29.4 percent due to the issuance of new bonds in October 2023. Unrealized gains on investments increased by $46.0 million during the fiscal year. Other nonoperating expenses increased by $1.8 million or 111.0 percent, primarily due to the loss on disposal of capital assets.

Federal Grant Contributions (in thousands)

			From 2024 to 2025	
	FY 2025	FY 2024	Increase (Decrease)	% Change
Federal grants	**$ 2,543**	$ 128,361	$ (125,818)	(98.0%)

			From 2023 to 2024	
	FY 2024	FY 2023	Increase (Decrease)	% Change
Federal grants	$ 128,361	$ 52,287	$ 76,074	145.5%

Federal Grant Contributions are comprised of Airport Improvement Project (AIP) entitlement and discretionary grants through the Federal Aviation Administration (FAA) and other Federal and state organizations. These funds are recognized as revenue as grants are awarded and work is completed on the eligible projects. Grants decreased by $126 million, or 98%, from $128.4 million to $2.5 million due to higher grant awards in fiscal year 2024 from the Bipartisan Infrastructure Law for the construction of New Terminal 1 and airfield improvements.

In June 2022, the Federal Aviation Administration (FAA) issued a Letter of Intent (LOI) to the Airport Authority to support the construction of a new Taxiway A, the relocation of Taxiway B, and the development of the Terminal 1 and Remain Overnight aprons. The LOI established a total federal funding commitment of $110 million to be distributed through Airport Improvement Program (AIP) Discretionary Grants over a ten-year period from 2022 through 2031.

In 2023 and 2024, the FAA amended the LOI to include additional AIP Entitlement Grants totaling $8.6, increasing the total funding commitment to $118.6 million. These grant awards are contingent upon the Airport Authority's continued compliance with FAA grant requirements and the availability of federal appropriations. The LOI does not constitute a binding obligation but represents the FAA's intent to provide funding as budget authority becomes available.

As of June 30, 2025, the Airport Authority had recognized $38.6 million in capital contributions under the LOI. In addition, $85.3 million in eligible project costs had been incurred and are expected to generate approximately $64.0 million in future grant revenue.

Assets, Liabilities and Net Position (in thousands)

The statements of net position present the financial position of the Airport Authority as of a period in time. The statements include all assets, deferred outflows, liabilities, deferred inflows, and net position of the Airport Authority. A summary comparison of the Airport Authority's assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position as of June 30, 2025, 2024 and 2023, is as follows:

	FY 2025	FY 2024	FY 2023
Assets and Deferred Outflows of Resources			
Current assets	**$ 600,283**	$ 690,779	$ 620,375
Capital and lease assets, net	**4,224,285**	3,661,260	2,795,855
Noncurrent assets	**1,890,693**	2,337,189	2,140,286
Total assets	**6,715,260**	6,689,229	5,556,516
Deferred outflows of resources	**25,511**	21,788	18,040
Total assets & deferred outflows of resources	**6,740,771**	6,711,017	5,574,556
Liabilities and Deferred Inflows of Resources			
Current liabilities	**278,644**	313,079	280,701
Long-term liabilities	**4,664,786**	4,733,096	3,871,111
Total liabilities	**4,943,431**	5,046,175	4,151,812
Deferred inflows of resources	**353,512**	363,611	389,565
Total liabilities & deferred inflows of resources	**5,296,942**	5,409,785	4,541,377
Net Position			
Net investment in capital assets	**519,644**	473,181	320,779
Restricted	**341,609**	266,992	228,233
Unrestricted	**582,575**	561,058	484,167
Total net position	**$ 1,443,829**	$ 1,301,232	$ 1,033,179

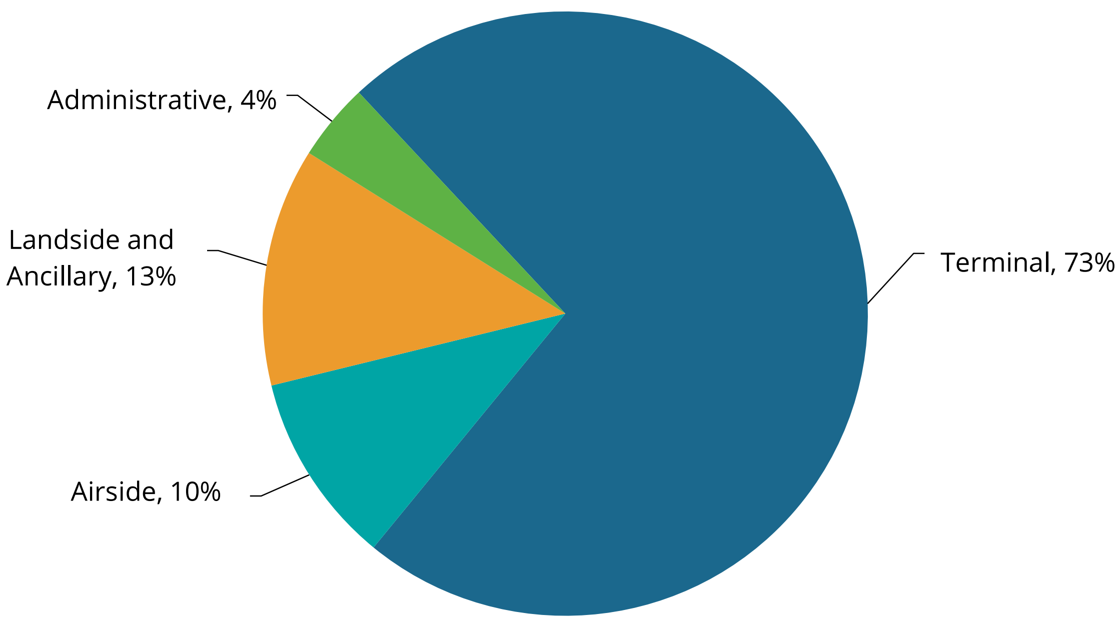
As of June 30, 2025, the Airport Authority's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1,443.8 million. This reflects a $142.5 million or 11.0 percent increase in net position from June 30, 2024. The Airport Authority uses capital and lease assets to provide services to its passengers and other users of SDIA; consequently, these assets cannot be sold or otherwise liquidated. Although the Airport Authority's investment in its capital and lease assets is reported net of related debt, the funds required to repay this debt must be provided annually from operations. The unrestricted net position of $582.6 million as of June 30, 2025, may be used to meet any of the Airport Authority's ongoing obligations. As of June 30, 2025, 2024, and 2023, management has designated unrestricted funds in the amount of $224.2 million, $239.3 million, and $99.0 million, respectively, for capital contract commitments funded by Airport Authority cash, earthquake self-insurance, operating contingency, and major maintenance.

Capital Program

The Capital Program is a rolling five-year program that provides critical improvements and asset additions. The program includes capital projects that address federal security requirements, airfield security and refurbishment, environmental remediation, terminal upgrades, and landside development. Funding sources for the projects include the Federal Aviation Administration's Airport Improvement Program, Transportation Security Agency grants, Passenger Facility Charges, Customer Facility Charges, airport operating revenues, airport revenue bonds, special facility bonds, and short-term borrowing using revolving lines of credit.

The Capital Program FY 2026-2030 Budget is $4.5B. It includes $3.3 billion for terminal projects, which includes the replacement of Terminal 1, $465.9 million for airside projects, $560.9 million for landside and ancillary projects, and $187.7 million for administrative projects.

Capital Program Projects by Type



Additional information about the Airport Authority's capital and lease assets can be found in Note 5 of the financial statements.

Capital Financing and Debt Management

On February 19, 2014, the Airport Authority issued $305.3 million of Series A and B Senior Special Facilities Revenue Bonds (Series 2014 Bonds). The Series 2014 Bonds were issued to finance a portion of the costs of the development and construction of a consolidated rental car facility and related improvements at SDIA, fund a portion of the interest on the Series 2014 Bonds, fund deposits to the senior reserve fund and the rolling coverage fund, and pay the costs of issuance of the Series 2014 Bonds.

The Series 2014 A Bonds were structured as tax-exempt non-AMT term bonds that bear interest at 5.0 percent. The Series 2014 B Bonds were structured as federally taxable bonds that bear interest at rates ranging from 2.5 percent to 5.6 percent and mature in fiscal years 2019 to 2045.

The Series 2014 Bonds are special limited obligations of the Airport Authority, payable solely from and secured by a pledge of the Trust Estate, which includes, among other things, Customer Facility Charges collected from the rental car companies operating at the Airport and remitted to the Trustee. No revenues of the Airport Authority other than the Customer Facility Charges and the Bond Funding Supplemental Consideration (as defined in the Indenture), are pledged to the payment of the Series 2014 Bonds.

On August 3, 2017, the Airport Authority issued $291.2 million of Series A and B Subordinate Airport Revenue Bonds (Series 2017 Bonds). The Series 2017 Bonds were issued to finance certain capital improvements at SDIA including the Terminal 2 Parking Plaza and the Federal Inspection Facility, fund a portion of the interest accruing on the subordinate Series 2017 Bonds, refund $32.6 million of the Airport Authority's outstanding variable rate debt, which was issued during 2017, fund the subordinate reserve fund, and pay the cost of issuance of the subordinate Series 2017 Bonds.

The Series 2017 Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0 percent to 5.0 percent and mature in fiscal years 2019 to 2048. The bonds were issued at a premium of $48.4 million, which is being amortized over the life of the bonds.

On December 11, 2019, the Airport Authority issued $338.8 million of Series A Subordinate Airport Revenue and Revenue Refunding Bonds and $124.9 million of Series B Subordinate Airport Revenue Bonds (Series 2019 Bonds). The Series 2019 Bonds were issued to finance certain capital improvements at SDIA including a new facilities maintenance building and storm water capture and reuse projects, fund a portion of the interest accruing on the Series 2019 Bonds, refund $34.3 million of the Airport Authority's outstanding variable rate debt, fund the Series 2010C Escrow account to refund the 2010C bonds, fund the subordinate reserve fund, and pay the costs of issuance of the Series 2019 Bonds.

The Series 2019 Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0 percent to 5.0 percent and mature in fiscal years 2021 to 2050. The bonds were issued at a premium of $96.9 million, which is being amortized over the life of the bonds. Interest on the Series 2019 Bonds is payable semiannually on January 1 and July 1 of each year.

The Airport Authority issued $241.6 million of Series A, B and C Subordinate Airport Revenue Refunding Bonds (Series 2020 Bonds). The Authority entered into a Forward Delivery Purchase Contract on December 11, 2019, and delivered the Series 2020 Bonds Proceeds on April 8, 2020. Proceeds from the sale of the Series 2020 Bonds were used to fund the Series 2010 A and B Bonds escrow accounts to refund the 2010 A/B bonds and pay the costs of issuance of the Series 2020 Bonds.

The Series 2020 Bonds are structured as serial bonds that bear interest rates of 5.0 percent and mature in fiscal years 2021 to 2041. The bonds were issued at a premium of $49.4 million, which is being amortized over the life of the bonds. Interest on the Series 2020 Bonds is payable semiannually on January 1 and July 1 of each year.

On December 8, 2021, the Airport Authority issued $1,941.7 million of Series A, B and C Subordinate Airport Revenue Bonds (Series 2021 Bonds). The Series 2021 Bonds were issued to finance The New Terminal 1 development at SDIA, fund a portion of the interest accruing on the Series 2021 Bonds, fund the subordinate reserve fund, pay the costs of issuance of the Series 2021 Bonds, and refund the 2013 Series A and B bonds.

The Series 2021 A and B Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0 percent to 5.0 percent and mature in fiscal years 2027 to 2057 and were issued at a premium of $332.4 million, which is being amortized over the life of the bonds. The Series 2021 C Bonds are federally Taxable

Bonds and are structured as serial and term bonds that bear interest at rates ranging from 0.5 percent to 3.1 percent and mature in fiscal years 2023 to 2037.

On October 25, 2023, the Airport Authority issued $1,062.0 million of Series A and B Senior Airport Revenue Bonds (Series 2023 Bonds). The 2023 Bonds were issued to finance a portion of the capital improvements associated with the New T1 program, repay outstanding Subordinate Revolving Obligations, purchase a portion of the Authority's outstanding Airport Revenue Refunding bonds, Series 2021 C which were tendered, fund a portion of the interest accruing on the Series 2023 Bonds, fund deposits to the senior reserve fund, and pay the costs of issuance of the Series 2023 Bonds.

The Airport Authority leases properties from various third parties and uses that space to conduct its operations, the terms of which expire 2024 through 2072. The measurement of the lease payable is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee. Incremental borrowing rates of 1.1 percent to 4.1 percent were used to measure lease payables.

On July 19, 2021, The Airport Authority and Bank of America agreed to a Revolving Credit Agreement for a term of three years. On July 11, 2024, the Board approved an additional three-year continuation of the agreement. The Airport Authority is authorized to issue up to $200.0 million in Subordinate Revolving Obligations. At the end of fiscal years 2025 and 2024, the outstanding balance was $0. These obligations were used to finance New Terminal 1. Obligations incurred under the Revolving Credit Agreement are payable solely from and secured by a pledge of "Subordinate Net Revenues." Subordinate Net Revenues are generally defined as all revenues and other cash receipts of the Airport Authority's Airport operations remaining after Senior Lien payments have been deposited by the Trustee in accordance with the Senior Lien Trust Indenture.

Subsequent to June 30, 2025 fiscal year end, on July 9, 2025 the Airport Authority issued $784.5 million of Series A and B Senior Airport Revenue Bonds (Series 2025 Bonds). The Series 2025 Bonds were issued to finance certain capital improvements at SDIA including construction of the New Terminal 1, fund a portion of the interest accruing on the Series 2025 Bonds, the Senior Series 2023 bonds and the Subordinate Series 2021 Bonds, fund the senior reserve fund, and pay the costs of issuance and underwriting fees of the Series 2025 Bonds. The Series 2025A and B Bonds are structured as both serial and term bonds that bear interest rates ranging from 5.0 percent to 5.25 percent and mature in fiscal years 2029 to 2056.

Additional information about the Airport Authority's long-term debt can be found in Note 6 to the financial statements.

Request for Information

This financial report is designed to provide a general overview of the Airport Authority's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed in writing to the San Diego County Regional Airport Authority Accounting Department, P.O. Box 82776, San Diego, CA 92138. The Accounting Department can also be reached at (619) 400-2806. A copy of the financial report is available at www.san.org

Financial Statements
Statements of Net Position
June 30, 2025, and 2024

Assets and Deferred Outflows of Resources	2025	2024
Current Assets		
Unrestricted:		
Cash and cash equivalents (Note 2)	$ **29,660,121**	$ 11,395,394
Investments (Note 2)	**287,465,752**	223,398,504
Tenant receivables, net	**22,813,395**	22,481,275
Grants receivable	**6,174,427**	66,093,693
Lease receivables, current portion (Note 3)	**14,823,408**	12,684,623
Partnership lease receivables, current portion (Note 3)	**3,341,161**	3,224,507
Note receivable, current portion (Note 4)	**5,262,196**	5,091,865
Other current assets	**29,982,424**	20,976,288
Investments designated for specific capital projects and other commitments (Note 2)	**20,483,039**	88,297,854
Total unrestricted current assets	**420,005,924**	453,644,002
Restricted investments with trustees (Notes 2 and 6)	**180,276,856**	237,135,154
Total current assets	**600,282,780**	690,779,156
Noncurrent Assets		
Restricted assets (Notes 2 and 6):		
Restricted investments not with trustees (Note 2)	**329,466,105**	262,690,274
Restricted investments with trustees (Note 2)	**958,987,319**	1,545,446,754
Passenger facility charges receivable (Note 1)	**8,491,026**	7,555,400
Customer facility charges receivable (Note 1)	**3,540,996**	3,602,772
Total restricted assets	**1,300,485,447**	1,819,295,200
Other noncurrent assets:		
Investments, noncurrent (Note 2)	**118,272,993**	87,179,043
Lease receivables, long-term portion (Note 3)	**132,283,942**	133,775,926
Partnership lease receivables, long-term portion (Note 3)	**121,335,865**	124,677,025
Note receivable, long-term portion (Note 4)	**14,097,213**	19,359,409
Investments designated for specific capital projects and other commitments (Note 2)	**203,671,702**	150,962,139
Other noncurrent assets	**-**	1,940,600
Net OPEB asset (Note 10)	**545,617**	-
Total other noncurrent assets	**590,207,331**	517,894,142
Capital and lease assets (Note 5):		
Nondepreciable assets and leases		
Land and intangible assets	**22,607,594**	22,607,594
Construction in progress	**2,374,388,669**	1,978,692,850
Total nondepreciable assets and leases	**2,396,996,263**	2,001,300,444
Depreciable assets and leases		
Land improvements	**164,482,286**	159,946,387
Lease assets	**240,922,204**	240,922,204
Buildings and structures	**2,218,810,365**	1,946,434,381
Machinery and equipment	**147,849,001**	145,684,582
Runways, roads and parking lots	**634,830,060**	623,926,792
Total depreciable assets and leases	**3,406,893,915**	3,116,914,345
Total capital and lease assets	**5,803,890,179**	5,118,214,790
Less accumulated depreciation and amortization	**(1,579,605,501)**	(1,456,954,783)
Capital and lease assets, net	**4,224,284,678**	3,661,260,007
Total noncurrent assets	**6,114,977,455**	5,998,449,349
Total assets	**6,715,260,235**	6,689,228,505
Deferred outflows of resources:		
Pensions (Note 7 and 8)	**21,730,493**	15,675,611
OPEB (Note 11)	**3,780,390**	6,112,831
Total deferred outflows of resources	**25,510,883**	21,788,442
Total assets and deferred outflows of resources	**6,740,771,117**	6,711,016,947

See Notes to Financial Statements. (Continued)

Statements of Net Position
June 30, 2025, and 2024 (continued)

Liabilities, Deferred Inflows of Resources and Net Position	2025	2024
Current Liabilities		
Payable from unrestricted assets:		
Accounts payable	**16,154,369**	11,855,823
Accrued liabilities	**57,848,694**	40,269,823
Compensated absences, current portion (Note 6)	**4,496,526**	3,979,522
Other current liabilities	**16,572,613**	15,771,809
Lease and subscription liabilities, current portion (Note 6)	**2,829,863**	3,641,649
Long-term debt, current portion (Note 6)	**465,484**	424,940
Total payable from unrestricted assets	**98,367,549**	75,943,566
Payable from restricted assets:		
Accounts payable	**5,680,284**	6,543,110
Accrued liabilities	**32,420,290**	83,970,013
Long-term debt, current portion (Note 6)	**46,355,000**	49,775,000
Accrued interest on variable rate debt and bonds (Note 6)	**95,821,281**	96,847,031
Total payable from restricted assets	**180,276,856**	237,135,154
Total current liabilities	**278,644,405**	313,078,720
Long-Term Liabilities		
Compensated absences, net of current portion (Note 6)	**1,161,349**	1,294,194
Other noncurrent liabilities	**1,395,396**	1,529,455
Lease and subscription liabilities, long-term portion (Note 6)	**221,533,654**	224,363,516
Long-term debt, net of current portion (Note 6)	**4,422,384,426**	4,494,329,905
Net pension liability (Note 7 and 8)	**18,311,416**	11,205,430
Net OPEB liability (Note 11)	**-**	373,345
Total long-term liabilities	**4,664,786,241**	4,733,095,845
Total liabilities	**4,943,430,645**	5,046,174,565
Deferred inflows of resources		
Pensions (Note 7 and 8)	**1,391,507**	2,579,580
OPEB (Note 11)	**711,586**	2,252,387
Gain on refunding	**16,848,668**	17,621,969
Leases (Note 3)	**131,819,976**	130,610,304
Partnership leases (Note 3)	**202,740,028**	210,546,494
Total deferred inflows of resources	**353,511,764**	363,610,733
Total liabilities and deferred inflows of resources	**5,296,942,409**	5,409,785,298
Net Position		
Net investment in capital assets	**519,644,414**	473,181,264
Restricted:		
Debt Service	**64,125,904**	46,534,895
Construction	**254,949,034**	195,355,745
OPEB	**545,617**	-
Operation and maintenance expenses	**19,765,678**	22,879,023
Small business bond guarantee	**2,223,000**	2,222,300
Total restricted net position	**341,609,233**	266,991,964
Unrestricted net position	**582,575,061**	561,058,421
Total net position	**$ 1,443,828,709**	$ 1,301,231,649

See Notes to Financial Statements.

Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2025, and 2024

	2025	2024
Operating revenues:		
Airline revenue:		
Landing fees	**$ 59,046,158**	$ 53,872,890
Aircraft parking fees	**15,532,560**	13,612,115
Building rentals	**154,536,766**	145,169,422
Other aviation revenue	**10,010,765**	8,565,776
Total aviation revenue	**239,126,248**	221,220,204
Concession revenue	**85,159,453**	79,546,483
Parking and ground transportation revenue	**81,568,966**	72,483,690
Ground and non-airline terminal rentals	**25,366,814**	23,415,604
Other operating revenue	**2,970,777**	3,222,526
Total operating revenues	**434,192,258**	399,888,507
Operating expenses before depreciation and amortization:		
Salaries and benefits (Notes 6, 7, 8 and 9)	**63,426,802**	57,443,969
Contractual services (Note 13)	**54,885,656**	52,444,843
Safety and security	**39,541,449**	36,777,849
Space rental	**493,322**	466,604
Utilities	**20,496,773**	19,518,127
Maintenance	**16,574,904**	14,125,325
Equipment and systems	**324,638**	544,183
Materials and supplies	**652,011**	649,954
Insurance	**2,578,844**	2,313,614
Employee development and support	**909,640**	731,129
Business development	**3,129,443**	2,279,873
Equipment rentals and repairs	**5,555,683**	4,992,262
Total operating expenses before depreciation and amortization	**208,569,166**	192,287,734
Income from operations before depreciation and amortization	**225,623,093**	207,600,774
Depreciation and amortization expense	**121,488,601**	122,174,556
Operating income	**$ 104,134,491**	$ 85,426,218

See Notes to Financial Statements. (Continued)

Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2025, and 2024 (continued)

	2025	2024
Nonoperating revenues (expenses):		
Passenger facility charges	**$ 49,254,848**	$ 49,199,510
Customer facility charges	**36,479,020**	35,912,592
Quieter Home Program grant revenue (Note 1)	**15,683,394**	19,519,516
Quieter Home Program expenses (Note 1)	**(17,559,849)**	(21,364,762)
Other Interest Income	**9,524,810**	10,198,358
Investment income (loss)	**114,743,999**	129,222,692
Interest expense (Note 6)	**(176,083,510)**	(164,933,379)
Other revenues (expenses), net	**3,876,674**	(3,489,563)
Nonoperating revenues (expenses), net	**35,919,386**	54,264,964
Income before capital contributions	**140,053,877**	139,691,182
Capital contributions (Note 1)	**2,543,183**	128,361,097
Change in net position	**142,597,060**	268,052,278
Net position, beginning of year, as restated	**1,301,231,649**	1,033,179,370
Net position, end of year	**$ 1,443,828,709**	$ 1,301,231,649

See Notes to Financial Statements.

Statements of Cash Flows
For the Fiscal Years Ended June 30, 2025, and 2024

	2025	2024
Cash Flows From Operating Activities		
Receipts from customers	$ 427,671,076	$ 393,894,618
Payments to suppliers	(135,779,479)	(141,632,160)
Payments to employees	(63,441,149)	(60,061,473)
Other receipts (payments)	9,379,170	3,681,991
Net cash provided by operating activities	237,829,618	195,882,976
Cash Flows From Noncapital Financing Activities		
Other nonoperating receipts (payments)	-	1,322,229
Settlement receipts (payments)	(620,996)	266,041
Quieter Home Program grant receipts	26,468,862	18,552,759
Quieter Home Program payments	(17,559,849)	(21,364,762)
Net cash provided by (used in) noncapital financing activities	8,288,016	(1,223,733)
Cash Flows From Capital and Related Financing Activities		
Capital outlay	(737,029,040)	(980,192,079)
Other interest income	9,524,810	10,198,358
Federal grants received (excluding Quieter Home Program)	51,676,981	82,397,907
Proceeds from passenger facility charges	48,319,222	48,679,470
Proceeds from customer facility charges	36,540,795	35,479,334
Payment of principal on bonds and commercial paper	(49,775,000)	(50,055,000)
Proceeds from issuance of Series 2023 Bonds	-	934,421,739
Payment on note payable	(424,940)	(387,927)
Interest and debt fees paid	(203,007,555)	(157,550,535)
Net cash used in capital and related financing activities	(844,174,728)	(77,008,734)
Cash Flows From Investing Activities		
Sales and maturities of investments	2,544,436,382	3,225,914,153
Purchases of investments	(2,044,155,101)	(3,434,769,079)
Interest received on investments and note receivable	110,948,674	71,564,604
Principal payments received on notes receivable	5,091,865	4,926,819
Net cash provided by (used in) investing activities	616,321,820	(132,363,503)
Net increase (decrease) in cash and cash equivalents	18,264,727	(14,712,994)
Cash and cash equivalents, beginning of year	11,395,394	26,108,388
Cash and cash equivalents, end of year	$ 29,660,121	$ 11,395,394

See Notes to Financial Statements. (Continued)

Statements of Cash Flows
For the Fiscal Years Ended June 30, 2025, and 2024 (continued)

	2025	2024
Reconciliation of Operating Income to Net Cash Provided by		
Operating Activities		
Operating income	$ 104,134,491	$ 85,426,218
Adjustments to reconcile operating income to net cash provided		
by operating activities:		
Depreciation and amortization expense	121,488,601	122,174,556
Other Nonoperating Revenue	4,466,831	-
Change in pensions/OPEB liability/asset	6,187,024	3,936,560
Change in deferred outflows related to pensions/OPEB	(3,722,441)	(3,748,547)
Change in deferred inflows related to pensions/OPEB	(2,728,875)	(1,571,748)
Change in deferred inflows related to leases	1,209,672	(17,312,167)
Change in deferred inflows related to partnership leases	(7,806,466)	(15,251,130)
Changes in assets and liabilities:		
Receivables, net	(332,120)	(1,609,164)
Other assets	(7,065,537)	(3,162,116)
Accounts payable	4,298,546	8,155,952
Accrued liabilities	17,578,871	(11,560,502)
Compensated absences	384,160	179,344
Lease receivables	(1,063,944)	32,220,662
Other liabilities	800,804	(1,994,941)
Net cash provided by operating activities	**$ 237,829,618**	$ 195,882,976
Noncash investing, Capital and Financing Activities		
Additions to capital assets included in accounts payable	$ 38,100,575	$ 90,513,123
Additions to lease liabilities		(2,618,306)
Unrealized gain (loss) on investments	3,795,326	57,658,088
Noncash Investing activites related to Series 2023 Bond Issuance		
Series 2023 principal additions	-	(136,399,915)
Series 2023A bond discount recorded	-	9,890,516
Series 2023B bond premium recorded	-	(2,867,254)
Refunding of Series 2021C bond principal	-	40,435,000
Deferred refunding gain on Series 2021C bond principal	-	8,841,654
Refunding of revolving letter of credit	-	80,100,000

See Notes to Financial Statements.

Notes to Financial Statements

NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity: The San Diego County Regional Airport Authority (the Airport Authority), an autonomous public agency, was established in accordance with, Assembly Bill 93 (2001), as modified by Senate Bill 1896 (2002), which together comprise the *San Diego County Regional Airport Authority Act* (the Act). The Act required, among other things, the transfer of the assets and operations of the San Diego International Airport (SDIA) from the San Diego Unified Port District (the District) to the Airport Authority. Effective January 1, 2003, all airport operations and certain related assets and liabilities were transferred to the Airport Authority, pursuant to the Act and the Memorandum of Understanding (MOU) dated January 1, 2002, between the Airport Authority and the District, which implemented the Act. Senate Bill 10 (SB 10), the *San Diego County Regional Airport Authority Reform Act*, was effective January 1, 2008.

Responsibilities of the Airport Authority include, among other things, the operation, maintenance, development, management, and regulation of SDIA and its facilities. In addition, the Airport Authority has the responsibility to plan or to expand the existing SDIA. Under one of the requirements of SB 10, the Airport Authority completed a Regional Aviation Strategic Plan and the Airport Authority prepared and adopted an Airport Multimodal Accessibility Plan. In addition, the Airport Authority acts as the Airport Land Use Commission within San Diego County.

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the basic financial statements should include all organizations, agencies, boards, commissions, and authorities for which the Airport Authority is financially accountable. The Airport Authority has also considered all other potential organizations for which the nature and significance of their relationships with the Airport Authority are such that exclusion would cause the Airport Authority's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. Based on these criteria, there are no other organizations or agencies which should be included in these basic financial statements.

The Airport Authority is governed by a nine-member, appointed Board of Directors (Board), representing all areas of San Diego County and three additional members serving as non-voting, ex-officio Board members. Three Board members are appointed by the Mayor of the City of San Diego (the City). Two Board members are appointed by the San Diego County Board of Supervisors. The remaining four Board members are each appointed by the mayors of the following defined jurisdictions: the east county cities, south county cities, north coastal area cities and north county inland cities. The Board members serve three-year terms in accordance with California SB 10.

Measurement focus and basis of accounting: The accounting policies of the Airport Authority conform to accounting principles generally accepted in the United States of America applicable to state and local government agencies, and as such, the Airport Authority is accounted for as a proprietary fund. The basic financial statements presented are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This measurement focus emphasizes the determination of the change in Airport Authority net position.

Use of estimates: The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, as well as the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: For purposes of the statements of cash flows, cash and cash equivalents includes unrestricted (including designated) cash on hand, demand deposits, and investment securities with original maturities of three months or less from the date of acquisition.

Investments: Investments in the state and county investment pools are recorded at net asset value and money market mutual funds and non-negotiable certificates of deposit are recorded at amortized cost. All other investments are stated at fair value based on quoted market prices.

Tenant receivables: Tenant receivables are carried at the original invoice amount for fixed-rent tenants and at estimated invoice amount for concession (variable) tenants, less an estimate made for doubtful receivables for both fixed-rent and concession tenants. Management determines the allowance for doubtful accounts by evaluating individual tenant receivables and considering a tenant's financial condition and credit history and current economic conditions. Tenant receivables are written off when deemed uncollectible. Recoveries of tenant receivables previously written off are recorded when received.

Federal grants: Outlays for airport capital improvements and certain airport nonoperating expenses, primarily those relating to the Airport Authority's Quieter Home Program, are subject to reimbursement from federal grant programs. Funding provided from government grants is considered earned as the related approved capital outlays or expenses are incurred. Costs claimed for reimbursement are subject to audit and acceptance by the granting agency.

Airport Improvement Program (AIP) Grants are authorized and disbursed by the FAA under the Airway Improvement Act of 1982, as amended, which provides funding for airport planning and development projects at airports included in the National Plan of Integrated Airport Systems. As such, the AIP grants must be used to pay for the allowable costs of approved projects. For the fiscal years ended June 30, 2025, and 2024, the Airport Authority recovered $2.5 million and $128.4 million, respectively, for approved capital projects; and $15.7 million and $19.5 million, respectively, for the Quieter Home Program.

Passenger facility charges (PFC): The PFC program is authorized by the *Aviation Safety and Capacity Expansion Act of 1990* (the Expansion Act). In accordance with the Expansion Act, the Airport Authority's AIP Passenger Entitlement Apportionment is reduced by certain percentages, dependent upon the level of PFC received by the Airport Authority.

In accordance with the program, PFC revenue must be used to pay allowable costs for approved capital projects, contribute to the Airport Authority's noise mitigation (Quieter Home Program), or to repay debt service issued to build eligible capital projects. As of June 30, 2025, and 2024, accrued PFC receivables totaled $8.4 million and $7.6 million respectively, and there were $213.4 million and $158.4 million PFC amounts collected but not yet applied for approved capital projects as of June 30, 2025, and 2024, respectively.

On May 20, 2003, the FAA approved an increase in the Airport Authority's PFC charge per enplaned passenger from $3.00 to $4.50, beginning August 2003. Currently, there are four active applications that allow the Airport Authority to impose and use $1.2 billion in PFC revenue through May 2040.

The latest application was approved by the FAA in February 2019 (as amended in August 2020) providing collection authority with a charge effective date through May 2040. In accordance with the FAA Reauthorization Act of 2024, airports imposing a $4.50 collection level are required to reduce AIP Passenger Entitlement Apportionment to 60 percent.

Customer facility charges (CFC): The Airport Authority received approval in May 2009 from the State of California under Section 1936 of the California Civil Code to impose a $10.00 CFC per contract on rental cars at SDIA.

In accordance with the program, the CFC revenue must be used to pay allowable costs for approved capital projects and operate the related ground transportation system. The current CFC rate, which has been in effect since January 1, 2017, is $9.00 per day for a maximum of five days. As of June 30, 2025, and 2024, accrued CFC receivables totaled $3.5 million and $3.6 million, respectively. CFC amounts collected, including interest, but not yet applied for approved capital projects as of June 30, 2025, and 2024, were $29.2 million, and $25.8 million, respectively.

Deferred Outflows/Inflows of Resources: In addition to assets and liabilities, the statement of net position may report a separate section for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and deferred inflows of resources represent an acquisition of net assets that applies to future periods, and as such will not be recognized as flows of resources (expenses/revenues) until then.

- Employer Contributions – Pensions and OPEB– These contributions are those made after the measurement date through the fiscal year end (July 1st – June 30th) resulting in a cash outlay not yet recognized under GASB 68 or GASB 75. This amount is deferred and recognized in the following fiscal year. This item is presented as a deferred outflow of resources.
- Investment difference – Pensions and OPEB – These amounts represent the difference in projected and actual earnings on pension/OPEB plan assets. These differences are deferred and amortized over a closed five-year period. This item can be presented as both a deferred outflow and deferred inflow of resources and is combined annually as a single net unamortized balance.
- Experience difference – Pensions and OPEB – These amounts represent the difference in expected and actual pension/OPEB experience. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period. This item can be presented as both a deferred outflow and deferred inflow of resources but may not be shown net if there are unamortized balances for categories.
- Assumption changes – Pensions and OPEB – These amounts represent the difference resulting from a change in assumptions used to measure the underlying net pension/OPEB liability/asset. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period. This item can be presented as both a deferred outflow and deferred inflow of resources but may not be shown net if there are unamortized balances for categories.
- Debt Refunding - These amounts represent the gain or loss from the refunding of debt. These differences are deferred and recognized as interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. This item can be presented as both a deferred outflow and deferred inflow of resources but may not be shown net if there are unamortized balances for categories.
- Leases and Partnership Leases – Represents the initial value of lease receivable under GASB 87 and GASB 94 systematically reduced and recognized as lease revenue over the term of the lease. Deferred inflow of resources is initially measured as the initial amount of the receivable, adjusted for payments received at or before the agreement commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the agreement term.

Capital, lease, and subscription assets: Capital assets are recorded at cost, except for capital assets contributed by third parties, which are recorded at acquisition value as of the date of acquisition. The Airport Authority capitalizes incremental overhead costs associated with the construction of capital assets. Capital assets are defined by the Airport Authority as assets with an initial, individual cost of more than $5,000 and an initial useful life of one year or greater.

Lease and subscription based technology assets are initially recorded as the sum of 1) the amount of the initial measurement of the lease or subscription liability, 2) lease or subscription payments made at or before the commencement of the term, less any incentives received from the vendor at or before the commencement of the term, and 3) initial direct costs that are ancillary charges necessary to place the asset into service. Lease and subscription assets are amortized on a straight-line basis over the shorter of the term or useful life of the underlying asset.

The Airport Authority recognizes lessee-financed improvements as capital assets based upon the asset's estimated value at the time the asset reverts to the Airport Authority.

Depreciation is computed by use of the straight-line method over the following estimated useful lives:

Asset Category	Useful Life (Years)
Land improvements	10-40
Runways, roadways and parking lots	
Lighting, security and minor improvements	3-10
Airfield and parking lots and improvements	15-25
Drainage systems, pedestrian bridges	20-30
Roadways, bridges and infrastructure	25-50
Buildings and structures	
Passenger loading bridges, security systems, general upgrades and remodels	3-25
Baggage handling systems, HVAC, structural improvements, fuel and storage facility	12-20
Buildings and smart curb improvements	20-50
Works of art	5-30
Machinery and equipment	
Vehicles and emergency vehicles	3-15
Office furniture and equipment	5-20
Communication and electronic systems	3-20

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are expensed as incurred. Major outlays for capital assets and improvements are capitalized as construction-in-progress as projects are constructed.

Capital asset impairment: The Airport Authority's capital assets include property, equipment, and infrastructure assets. A capital asset is considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstances is outside the normal life cycle of the capital asset. The Airport Authority evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Common indicators of impairment include evidence of physical damage where restoration efforts are needed to restore service utility, enactment or approval of laws or regulations setting standards that the capital asset would not be able to meet, technological development or evidence of obsolescence, a change in the manner or expected duration of use of a capital asset or construction stoppage. The Airport Authority reports the effects of capital asset impairments in its financial statements when they occur and accounts for insurance recoveries in the same manner. The Airport Authority's management has determined that no impairments of capital assets currently exist.

Retentions payable: The Airport Authority enters into construction contracts that may include retention provisions such that a certain percentage of the contract amount is held for payment until completion of the contract and acceptance by the Airport Authority. The Airport Authority's policy is to record the retention payable only after completion of the work and acceptance of the contractor invoices have occurred. Retentions payable on completed contracts are included with accounts payable on the accompanying statements of net position. Amounts related to unpaid retentions on uncompleted contracts are included in accrued liabilities.

Compensated absences: All employees of the Airport Authority earn annual leave that is paid upon termination or retirement. Annual leave is accrued at current rates of compensation and based on assumptions concerning the probability that certain employees will become eligible to receive these benefits in the future. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Bond discounts, premiums, and issuance costs: Bond discounts and premiums are deferred and amortized over the term of the respective bonds using the effective interest method. Bond issuance costs are expensed as incurred.

Airport Authority net position: Net investment in capital assets consists of capital and lease assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net investment in capital assets includes unspent debt proceeds.

Restricted net position represents amounts that are appropriated or legally segregated for a specific purpose. The Airport Authority's net position is reported as restricted when there are limitations imposed on its use, either through the enabling legislation adopted by the Airport Authority or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Unrestricted net position as of June 30, 2025, and 2024 includes designations of net position that represent tentative management plans that are subject to change, consisting of:

	2025	2024
Operating contingency	**$ 2,000,000**	$ 2,000,000
Insurance contingency	**15,279,942**	14,559,942
Capital projects and other commitments	**20,483,039**	88,297,854
Major maintenance	**186,391,760**	134,402,197
Total designated net position	**$ 224,154,741**	$ 239,259,992

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

Revenue and expense recognition: Revenues from airlines, concessionaires, lessees, and parking are reported as operating revenues. Operating expenses include the cost of administering the airport system, including depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions and grants.

Concentrations: A significant portion of the Airport Authority's earnings and revenues are directly or indirectly attributed to the activity of a number of major airlines. The Airport Authority's earnings and revenues could be materially and adversely affected should any of these major airlines discontinue operations and should the Airport Authority be unable to replace those airlines with similar activity. The level of operations is determined based upon the relative share of enplaned passengers.

The five largest airlines in terms of enplaned passengers are as follows:

	2025	2024
Southwest Airlines	**31.1%**	32.8%
Alaska Airlines	**18.5%**	16.2%
United Airlines	**12.8%**	13.0%
Delta Airlines	**12.5%**	12.8%
American Airlines	**11.5%**	11.8%

Defined Benefit Pension Plan: The Airport Authority has a single-employer defined benefit pension plan (Plan) administered through San Diego City Employee Retirement System (SDCERS). For purposes of measuring the net pension liability (asset), deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Additionally, the Airport Authority has a single-employer defined benefit preservation of benefit pension plan administered through SDCERS. 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 Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Plan: The Airport Authority provides an agent multiple-employer defined benefit postemployment benefit plan (the OPEB Plan). The OPEB Plan funds are managed by California Public Employees Retirement System (CalPERS) under the California Employer's Retiree Benefit Trust (CERBT) fund. For purposes of measuring the net OPEB liability (asset), deferred outflows of resources, and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the 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 the OPEB Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Accounting pronouncements adopted: The Airport Authority has adopted and implemented the following GASB statements during the year ended June 30, 2025:

- GASB Statement No. 101, Compensated Absences, effective for the Airport Authority's year ending June 30, 2025.
- GASB Statement No. 102, Certain Risk Disclosures, effective for the Airport Authority's year ending June 30, 2025.

Accounting pronouncements issued but not yet adopted: GASB has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the Airport Authority:

- GASB Statement No. 103, Financial Reporting Model Improvements, effective for the Airport Authority's year ending June 30, 2026.
- GASB Statement No. 104, Disclosure of Certain Capital Assets, effective for the Authority's year ending June 30, 2026.

Reclassifications: Certain reclassifications have been made to the 2024 financial statements to conform to the 2025 presentation. The reclassifications had no effect on the changes in net position.

NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Summary of Cash, Cash Equivalents, and Investments: Cash, cash equivalents and investments are reported in the accompanying statements of net position as follows at June 30:

	2025	2024
Unrestricted and Undesignated:		
Cash and cash equivalents	**$ 29,660,121**	$ 11,395,394
Current investments	**287,465,752**	223,398,504
Noncurrent investments	**118,272,993**	87,179,043
Total unrestricted and undesignated	**435,398,867**	321,972,941
Designated for specific capital projects and other commitments:		
Current investments	**20,483,039**	88,297,854
Noncurrent investments	**203,671,702**	150,962,139
Total designated	**224,154,741**	239,259,992
Restricted:		
Current investments, with trustees	**180,276,856**	237,135,154
Noncurrent investments, not with trustees	**329,466,105**	262,690,274
Noncurrent investments, with trustees	**958,987,319**	1,545,446,754
Total restricted investments	**1,468,730,279**	2,045,272,182
Total cash, cash equivalents and investments	**$ 2,128,283,887**	$ 2,606,505,115

The components of restricted cash, cash equivalents and investments at June 30, are summarized below:

	2025	2024
Restricted investments:		
Bond reserves:		
Operation and maintenance reserve subaccount	**$ 59,297,036**	$ 47,991,378
Operation and maintenance subaccount	**19,765,678**	22,879,023
Renewal and replacement account	**5,400,000**	5,400,000
Total bonds reserves	**84,462,714**	76,270,401
Passenger facility charges unapplied	**213,491,812**	158,418,961
Customer facility charges unapplied	**29,425,199**	25,778,612
Small business development bond guarantee	**2,223,000**	2,222,300
2013 Series debt service account	**(0)**	171
2013 Series debt service reserve fund	**-**	26
2014 Renew and Replace	**11,131,702**	16,653,598
2014 Rolling coverage fund	**7,866,822**	7,565,169
2014 Series debt service account	**19,797,329**	14,622,861
2014 Series debt service reserve fund	**23,173,587**	23,184,057
2017 Series debt service account	**13,329,503**	12,684,639
2017 Series debt service reserve fund	**15,671,899**	15,350,424
2019 Series CAP Interest Fund	**89**	57
2019 Series Construction Fund	**7,510,686**	17,164,583
2019 Series Debt Services Account	**17,500,690**	17,612,795
2019 Series Debt Services Reserve Fund	**31,405,233**	30,578,906
2020 Series Debt Services Account	**16,555,761**	21,421,030
2020 Series Debt Services Reserve Fund	**32,846,415**	31,916,591
2021 Series CAP Interest Fund	**38,579,499**	103,154,587
2021 Series Construction Fund	**77,476,194**	370,387,083
2021 Series Debt Services Reserve Fund	**115,643,970**	112,347,764
2021 Series Debt Services Account	**24,170,268**	20,655,558
2023 Series CAP Interest Fund	**31,193,766**	81,799,209
2023 Series Construction Fund	**573,567,651**	808,385,736
2023 Series Cost of Issuance	**-**	71,481
2023 Series Debt Services Reserve Fund	**77,809,892**	74,032,088
2023 Series Debt Services Account	**3,896,597**	2,993,492
Total restricted investments	**$ 1,468,730,279**	$ 2,045,272,182

Investments authorized in accordance with California Government Code Section 53601 and under the provisions of the Airport Authority’s investment policy: The table that follows identifies the investment types that are authorized by the Airport Authority’s investment policy and State Government Code. The table also identifies certain provisions of the Airport Authority’s investment policy that address interest rate risk, credit risk, and concentration of credit risk.

This table does not address investments of bond proceeds held by the bond trustee that are governed by provisions of debt agreements of the Airport Authority, in addition to the general provisions of the Airport Authority’s investment policy and State Government Code.

Authorized Investment Type	Maximum Maturity	Minimum Quality Requirements	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury obligations	5 years	N/A	None	None
U.S. agency securities	5 years	N/A	None	None
Non-U.S. Securities	5 years	AA	30 percent	10 percent
Bankers’ acceptances	180 days	AAA/Aaa	40 percent	5 percent
Commercial paper	270 days	A-1; P-1; F-1	25 percent	5 percent
Negotiable certificates of deposit	5 years	A	30 percent	5 percent
Medium-term notes	5 years	A	20 percent	5 percent
Money market mutual funds	N/A	AAA/Aaa	20 percent	5 percent
Repurchase agreements	1 year	A	None	None
Local Agency Investment Fund	N/A	N/A	None	$75 million
San Diego County Investment Pool	N/A	N/A	None	$75 million
Local Government Investment Pool	N/A	N/A	None	$75 million
U.S. State and California agency	5 years	A	20 percent	5 percent
Placement service certificates of deposits	3 years	N/A	30 percent	5 percent
Time certificates of deposit	3 years	*	20 percent	5 percent
Bank deposits	N/A	*	None	None
Asset-Backed Securities	5 years	AA	10 Percent	5 percent
Mortgage Backed Securities	5 years	AA	10 Percent	5 percent
Mortgage Pass-through Securities	5 years	AA	10 Percent	5 percent
Collaterallized Mortgage Obligation	5 years	AA	10 Percent	5 percent

* Financial institution must have at least an overall satisfactory rating under the *Community Reinvestment Act* for meeting the credit needs of California communities in its most recent evaluation. Collateralization required per Cal. Gov. Code Section 53630 et seq.

Investments in state and county investment pools: The Airport Authority is a voluntary participant in the Local Agency Investment Fund (LAIF), the Investment Trust of California (CalTRUST), and the San Diego County Investment Pool (SDCIP). The Airport Authority’s investments in these pools are reported in the accompanying financial statements at fair value based on the Airport Authority’s pro rata share of the net asset value (in accordance with GASB Statement No. 72) provided by the respective pools for the entire pool portfolio (in relation to the net asset value of that portfolio). The balance available for withdrawal is based on the accounting records maintained by each pool. None of these funds are subject to significant withdrawal restrictions, limitations on redemptions, there are no redemption notice periods, nor are there any unfunded commitments.

Investments in money market mutual funds: The Authority invests in various money market mutual funds. The money market mutual funds are valued at amortized cost. There are no limitations or restrictions on withdrawals for these funds.

Investments authorized by debt agreements: Investments held by the bond trustee are governed by the provisions of the debt agreement, in addition to the general provisions of the California Government Code and the Airport Authority's investment policy. The table below identifies the investment types that are authorized for investments held by the bond trustee, according to the Master Trust Indenture. In the event of a conflict between the Airport Authority's investment policy and permitted investments associated with any Airport Authority debt issuance, the debt agreement shall control. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Minimum Quality Requirements	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury obligations	None	N/A	None	None
U.S. agency securities	None	N/A	None	None
State Obligations	None	AAA/Aaa	None	None
Commercial paper	None	A-1; P-1; F-1	None	None
Negotiable certificates of deposit	None	AAA/Aaa	None	None
Long term and Medium-term notes	None	ratings	None	None
Money market mutual funds	None	ratings	None	None
Municipal bonds	None	ratings	None	None
Repurchase agreements	None	BBB*	None	None
Investment agreements	None	N/A	None	None
Local Agency Investment Fund	None	N/A	None	None
San Diego County Investment Pool	None	N/A	None	None
Deposit accounts	None	N/A	None	None

Any other investment which is a permitted investment of the Authority in accordance with the laws of the State.

*Investment requires collateralization

The primary objective of the Airport Authority's investment policy is to invest public funds in a manner that will provide the highest security of the funds under management while meeting the daily cash flow demands of the Airport Authority. Assets of the Airport Authority that are not bond proceeds, which are invested in securities as permitted in the bond indenture, are described in the preceding table. In addition, there are various credit criteria as defined in the Airport Authority's investment policy as depicted in the previous section entitled "Investments authorized in accordance with California Government Code Section 53601 and under the provisions of the Airport Authority's investment policy."

Investments held by Trustee: The Airport Authority has monies held by trustees pledged for the security and payment of certain debt instruments, the payment of bond interest during construction and the payment of capital project costs.

Disclosures related to interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, investments with longer maturities have greater fair value sensitivity to changes in market interest rates. One of the ways the Airport Authority manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities. These staggered maturities also provide consistent cash flow and fulfill liquidity needs for operations. The Airport Authority monitors interest rate risk inherent in its portfolio by measuring the segmented time distribution of its portfolio. The Airport Authority has no specific limitations with respect to this metric.

Custodial credit risk (deposits): Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Airport Authority maintains deposits at several institutions in order to minimize custodial credit risk. These deposits are collateralized by various instruments such as U.S. government securities (guaranteed) or U.S. agency securities (government sponsored). California Government Code requires that a financial institution secure deposits made by a state or local government by pledging securities in an undivided collateral pool held by a depository regulated under state law. The fair value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure Airport Authority deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured deposits.

Insurance through the Federal Deposit Insurance Corporation (FDIC) may be applicable to the first $250,000 of institutional deposit accounts, with any balance above this amount covered by the collateralization requirement. Certificates of deposit held by the Airport Authority’s third-party custodians are fully insured by the FDIC, as the individual amounts do not exceed the FDIC-insured limits or are collateralized in accordance with the California Government Code.

Custodial credit risk (investments): Custodial credit risk for investments is the risk that the Airport Authority will not be able to recover the value of its investments in the event of a counterparty failure. The Airport Authority uses third-party banks’ custody and safekeeping services for its registered investment securities. Securities are held in custody at third-party banks registered in the name of the Airport Authority and are segregated from securities owned by those institutions or held in custody by those institutions.

Disclosures related to credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. California Government Code Section 53601 (as referenced previously in this note) limits the types of investment instruments that may be purchased by the Airport Authority.

San Diego County Regional Airport Authority

The maturity ranges and credit ratings for the Airport Authority's investment securities as of June 30 are presented in the following tables:

	2025				
		Investment Maturities (in Years)			
Investment Type	Total	0-1	1-2	2-5	Ratings
Investments subject to credit and interest rate risk:					
U.S. Treasury obligations	$ 413,372,426	$ 124,595,055	$ 110,224,213	$ 178,553,158	AA+
U.S. Agency securities	7,888,640	-	7,888,640	-	AAA
U.S. Agency securities	150,402,505	24,018,065	34,638,335	91,746,105	AA+
U.S. Agency securities	32,050,915	-	9,823,000	22,227,915	Not rated
Non-U.S. Securities	24,405,720	-	-	24,405,720	AAA
Medium-term notes	3,545,150	-	-	3,545,150	Not rated
Medium-term notes	4,978,300	4,978,300	-	-	AAA
Medium-term notes	23,199,690	-	2,919,540	20,280,150	AA+
Medium-term notes	15,333,675	2,003,300	2,938,780	10,391,595	AA
Medium-term notes	22,227,660	-	1,972,760	20,254,900	AA-
Medium-term notes	38,438,065	-	3,995,120	34,442,945	A+
Medium-term notes	40,043,805	12,513,750	-	27,530,055	A
Medium-term notes	6,905,240	4,961,600	1,943,640	-	A-
Municipal Bonds	10,177,500	-	-	10,177,500	AA-
Negotiable Certificates of deposit	2,223,000	2,223,000	-	-	Not rated
Money market mutual funds	751,802,931	751,802,931	-	-	AAA
Local Agency Investment Fund	70,467,983	70,467,983	-	-	Not rated
San Diego County Investment Pool	140,922,734	140,922,734	-	-	AAA
San Diego County Inv. Pool-Treasury	297,308,604	297,308,604	-	-	AAA
CalTrust Fund	45,205,190	45,205,190	-	-	AA
CalTrust Fund	-	-	-	-	A+
Total investments subject to credit and interest rate risk:	2,100,899,733	1,481,000,513	176,344,028	443,555,193	
Total Investments	$ 2,100,899,733				

	2024				
		Investment Maturities (in Years)			
Investment Type	Total	0-1	1-2	2-5	Ratings
Investments subject to credit and interest rate risk:					
U.S. Treasury obligations	$ 311,471,011	$ 63,462,205	$ 97,054,062	$ 150,954,744	AAA
U.S. Agency securities	209,476,365	69,574,423	23,747,826	116,154,116	AAA
U.S. Agency securities	-	-	-	-	A-1+
U.S. Agency securities	-	-	-	-	Not rated
Non-U.S. Securities	19,480,989	5,438,488	-	14,042,501	AAA
Non-U.S. Securities	-	-	-	-	A
Medium-term notes	16,740,227	6,880,166	4,876,023	4,984,038	AAA
Medium-term notes	-	-	-	-	AA+
Medium-term notes	14,909,481	-	1,987,371	12,922,110	AA
Medium-term notes	25,295,528	11,688,296	6,687,262	6,919,971	AA-
Medium-term notes	39,977,746	9,342,545	10,414,148	20,221,053	A+
Medium-term notes	15,597,331	13,732,011	-	1,865,320	A
Medium-term notes	-	-	-	-	A-
Municipal Bonds	-	-	-	-	AA+
Negotiable Certificates of deposit	2,223,000	2,223,000	-	-	Not rated
Money market mutual funds	515,656,295	515,656,295	-	-	AAA
Local Agency Investment Fund	69,182,101	69,182,101	-	-	Not rated
San Diego County Investment Pool	165,233,413	165,233,413	-	-	AAA
San Diego County Inv. Pool-Treasury	1,147,318,734	1,147,318,734	-	-	AAA
CalTrust Fund	43,283,361	43,283,361	-	-	AA
CalTrust Fund	-	-	-	-	A+
Total investments subject to credit and interest rate risk:	2,595,845,583	2,123,015,039	144,766,692	328,063,852	
Total Investments	$ 2,595,845,583				

Concentration of credit risk: The investment policy of the Airport Authority contains no limitations on the amount that can be invested by any one issuer beyond that stated in the table provided earlier in this note. The Airport Authority requires a diversified investment portfolio to avoid risk of losses resulting from an over-concentration of assets in a specific maturity, issuer, or class of securities. The Airport Authority had no concentrations of credit risk at June 30, 2025, and 2024.

Foreign currency risk: The Airport Authority's investment policy does not allow investments in foreign securities.

Fair Value of Assets: The Airport Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the asset. **Level 1** inputs are quoted prices in active markets for identical assets or liabilities; **Level 2** inputs are observable other inputs; **Level 3** inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at the fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2025 and 2024:

June 30, 2025	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. Treasury obligations	$ 413,372,426	$ -	$ 413,372,426	$ -
U.S. Agency securities	190,342,060	-	190,342,060	-
Non-U.S. Securities	24,405,720	-	24,405,720	-
Negotiable certificates of deposit	2,223,000	-	2,223,000	-
Municipal Bonds	10,177,500	-	10,177,500	-
Medium-term notes	154,671,585	-	154,671,585	-
Total investments by fair value level	795,192,291	$ -	$ 795,192,291	$ -
Investments measured at amortized cost				
Money market mutual funds	751,802,931			
Investments measured at net asset value				
CalTrust Fund	45,205,190			
Local Agency Investment Fund	70,467,983			
San Diego County Investment Pool	140,922,734			
San Diego County Inv. Pool-Treasury	297,308,604			
Total investments	$ 2,100,899,733			

June 30, 2024	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. Treasury obligations	$ 311,471,011	$ -	$ 311,471,011	$ -
U.S. agency securities	209,476,365	-	209,476,365	-
Non-U.S. Securities	19,480,989	-	19,480,989	-
Negotiable certificates of deposit	2,223,000	-	2,223,000	-
Municipal Bonds	-	-	-	-
Medium-term notes	112,520,313	-	112,520,313	-
Total investments by fair value level	655,171,678	$ -	$ 655,171,678	$ -
Investments measured at amortized cost				
Money market mutual funds	515,656,295			
Investments measured at net asset value				
CalTrust Fund	43,283,361			
Local Agency Investment Fund	69,182,101			
San Diego County Investment Pool	165,233,413			
San Diego County Inv. Pool-Treasury	1,147,318,734			
Total investments	$ 2,595,845,583			

NOTE 3. LEASES AND PUBLIC-PRIVATE PARTNERSHIPS

Lease Receivable

The Airport Authority leases a portion of its property to various third parties who use the space to conduct their operations on the Airport grounds, the terms of which expire fiscal years 2026 through 2046. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee. A number of leases have a maximum possible term of 12 months (or less), including options to extend, regardless of their probability of being exercised. Those payments are recognized as inflows of resources based on the payment provisions of the lease contracts and are therefore excluded from the schedule in this section.

Concession lease receivables for space within the terminals are typically based on the minimum annual guarantee plus a minimum 3 percent annual escalation, less rent holidays. As of June 30, 2025, there are 62 terminal food services and retail concession locations open.

The Airport Authority's CFC revenues and Bonds funded construction of the Rental Car Center facility (RCC), which was completed and placed in service on January 20, 2016. The RCC facility sits on 24.85 acres of land and houses all the major and many small operator rental car tenants. The land rent leases for the RCC commenced on the opening date of the facility and are non-cancellable. Once the Bonds are repaid or defeased, in addition to land rent, the rental car operators will also pay facility rent.

Various other leasing arrangements are in place for Airport Authority owned buildings, ground, and support spaces. Payments for these leases are generally based on total square footage being leased and an established rate, with periodic increases based on the Consumer Price Index.

Short-term lease payments are recognized as inflows of resources based on the payment provisions of the lease contract and are therefore not included in the lease receivable balances below.

The Airport Authority reports lease receivables with a carrying amount of $147.1 million and $146.5 million as of June 30, 2025, and 2024, respectively, and a deferred inflow of resources in the amount of $132.0 million and $130.6 million as of June 30, 2025, and 2024, respectively, related to these agreements. The deferred inflow of resources will be recognized as revenue over the terms of the agreements.

Revenue recognized under lease contracts during the years present value of payments ended June 30, 2025, and 2024, was $16.4 million and $22.3 million, respectively, which includes both lease revenue and interest. The Airport recognized lease revenue of $9.4 million and $9.2 million, for the years ended June 30, 2025, and 2024, respectively, for variable payments not previously included in the measurement of the lease receivable.

The following is a schedule by year of minimum payments to be received under the Airport Authority's leases that are included in the measurement of the lease receivable as of June 30, 2025:

Years Ending June 30,	Principal	Interest	Total
2026	$ 14,823,408	$ 4,329,317	$ 19,152,725
2027	14,324,801	4,048,623	18,373,424
2028	11,485,020	3,818,265	15,303,285
2029	9,754,422	3,606,761	13,361,183
2030	5,942,620	3,425,677	9,368,297
2031 - 2035	26,997,144	14,435,062	41,432,206
2036 - 2040	25,698,323	9,790,573	35,488,896
2041 - 2045	31,112,846	4,358,769	35,471,615
2044 - 2046	6,968,766	123,176	7,091,942
Total	$ 147,107,350	$ 47,936,223	$ 195,043,573

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

Regulated Leases

The Airport Authority leases a portion of its property to air carriers and other aeronautical users, whose leases meet the definition of a regulated lease as defined in GASB 87, and therefore are only subject to the disclosure requirements. The terms of the regulated leases expire 2024 through 2033.

Certain capital assets, such as loading bridges, airfield, and building space are leased to airlines as part of the Airport Authority's Airline Operating Lease Agreement (AOLA). On July 1, 2019, the Airport Authority entered into the current ten-year AOLA with passenger airlines and cargo carriers operating at SDIA. The AOLAs cover the use of and rate-setting mechanisms for the airfield and terminal facilities at SDIA. Under the terms of the AOLA, landing fees and aircraft parking fees are calculated based on a residual rate-setting methodology, in which all costs of the facility and services are recovered from the airlines, and the airlines assume the financial risk. Terminal rental rates are based on a compensatory rate-setting methodology, in which the airlines each pay for only the actual cost of facilities and services they use; financial risk and control is assumed by the airport. The AOLA also includes signatory and non-signatory rate structures. Air Carriers that signed a non-signatory agreement are charged a 120 percent premium on all signatory rates, fees, and charges, except for the Federal Inspection Services (FIS) fee, which all airlines pay the same rate for use of the immigration and customs facilities. Signatory carriers are required to pay a minimum amount each year ($500,000 for passenger carriers, and $250,000 for cargo carriers). The agreement has no provisions that grant the airlines direct approval rights over capital projects, with the limited exception of certain transportation projects that exceed a $350 million threshold, as defined in the AOLA. It also allows flexibility to meet the demands of changing airline activity and to accommodate new entrant carriers. Terms of the new agreement financially support execution of the New Terminal 1, formerly referred to as the Airport Development Program. The Airport Authority does provide for preferential or exclusive use of certain assets to air carriers. As of June 30, 2025, 44 of the 59 terminal and cargo aircraft parking positions were subject to preferential use and 99,489 square feet of the 445,210 square feet of airline designated space was subject to exclusive use. As of June 30, 2024, 44 of the 59 terminal and cargo aircraft parking positions were subject to preferential use and 99,489 square feet of the 445,210 square feet of airline designated space was subject to exclusive use.

The Airline Support Building (ASB) is an Airport Authority facility leased by carriers to process belly cargo. A portion of the lease payments increase annually based on CPI. Substantially all buildings and improvements in these leases are for the exclusive use of the four airline tenants.

The Airport Authority recognized fixed revenue under regulated lease contracts of $10.7 million and $10.6 million for the fiscal years ended June 30, 2025, and 2024, respectively. Variable lease revenue not previously included in the future minimum payments under its regulated leases were $217.2 million and $182.5 million, for the years ended June 30, 2025, and 2024, respectively.

The following is a schedule by year of expected future minimum payments to be received under the Airports regulated leases as of June 30, 2025:

Years Ending June 30,	Total Future
2026	$ 9,270,656
2027	9,551,937
2028	9,843,950
2029	10,147,173
2030	2,697,052
2031 - 2035	2,821,197
Total	$ 44,331,965

Public-Private and Public-Public Partnerships

The Airport Authority has entered into various noncancelable, public-private partnership (PPP) arrangements that meet the definition of a service concession arrangement in which the operators will operate and maintain the Airport Authority's assets for terms of which expire 2049 through 2050. At the end of the arrangements, operations will be transferred to the Airport Authority. The measurement of the related partnership lease receivable is based on the present value of future payments expected to be received during the PPP term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any PPP incentives payable to the operator. Incremental borrowing rates of 1.1 percent to 3.8 percent were used to measure PPP receivables.

Signature Flight Support is the exclusive lessee of the Fixed Base Operator (FBO) leasehold at SDIA, with their lease expiring April 30, 2049. Ground rent at the FBO increases annually based on the Consumer Price Index (CPI) but cannot drop below the base rent escalation. Substantially all buildings and improvements in this lease are for exclusive use of this tenant and transfer to the Airport Authority at the end of the agreement.

SAN Fuel Company, LLC has a 30-year lease agreement to operate and maintain the fuel facilities at SDIA, which expires May 31, 2050. In addition, the agreement provides for the construction of fuel storage tanks, airlines fueling operations facility (AFO) and a hydrant fuel system for Terminals 1 and 2. Construction of the fuel storage tanks and AFO were completed in fiscal year 2023. The hydrant fuel system will be completed and placed into service upon the completion of the New Terminal 1. All assets constructed are owned by the Airport Authority. Payments for the ground portion of this lease increase every five years, starting in 2025, based on CPI. Substantially all buildings and improvements in this lease are for the exclusive use of this tenant.

The Airport Authority reports partnership leases receivable with a carrying amount of $124.7 million and $127.9 million as of June 30, 2025, and 2024, respectively, and a deferred inflow of resources in the amount of $202.7 million and $210.5 million as of June 30, 2025, and 2024, respectively, related to these agreements. The deferred inflow of resources will be recognized as revenue over the terms of the agreements. Revenue recognized under the PPP arrangements during fiscal years ended June 30, 2025, and 2024, was $9.4 million and $9.5 million, respectively, which includes both PPP revenue and interest. There are no variable payments not previously included in the measurement of the PPP receivable.

The following is a schedule by year of minimum payments to be received under the Airport Authority's Public-Private Partnerships that are included in the measurement of the lease receivable as of June 30, 2025:

Years Ending June 30,	Principal	Interest	Total
2026	$ 3,341,161	$ 4,383,223	$ 7,724,384
2027	3,462,035	4,262,349	7,724,384
2028	3,587,282	4,137,102	7,724,384
2029	3,717,060	4,007,324	7,724,384
2030	3,851,533	3,872,851	7,724,384
2031 - 2035	21,451,326	17,170,592	38,621,918
2036 - 2040	25,622,675	12,999,244	38,621,919
2041 - 2045	30,605,168	8,016,750	38,621,918
2046 - 2050	29,038,786	2,206,825	31,245,611
Total	$ 124,677,026	$ 61,056,260	$ 185,733,286

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

NOTE 4. NOTES RECEIVABLE

As part of the transfer of airport operations from the District to the Airport Authority, and pursuant to the associated MOU, the District issued a $50.0 million unsecured promissory note to the Airport Authority. According to an agreement with the District that commenced on January 1, 2006, the note will be amortized over 25 years, maturing on December 31, 2030. The note is subordinate to all bond indebtedness of the District and carried a rate of 5.5 percent per annum through October 31, 2021. An amendment to that agreement reduced the rate to 3.6 percent per annum, effective November 1, 2021, reducing the monthly payment. At June 30, 2025, and 2024, the balance of the note receivable was $16.9 million and $19.7 million, respectively.

As part of the contracts to lease space in the Airline Support Building (ASB), tenants were given the option to issue a note receivable to the Airport Authority in order to fund tenant improvements to their space. Four airlines and one non-airline tenant exercised this option and issued notes for a combined total of $13.4 million commencing July 1, 2021, for a period of 5 years carrying the estimated thirty-year revenue bond index rate of 2.5 percent per annum through June 30, 2026. At June 30, 2025, and 2024, the balance of the note receivable was $2.4 million and $4.8 million, respectively.

The required principal payments owed from the District and ASB notes receivable for the fiscal years ending June 30 are as follows:

Years Ending June 30,	ASB	District	Total
2026	$ 2,429,662	$ 2,832,535	$ 5,262,197
2027	-	2,937,084	2,937,084
2028	-	3,045,492	3,045,492
2029	-	3,157,901	3,157,901
2030	-	3,274,459	3,274,459
2031	-	1,682,277	1,682,277
Total	$ 2,429,662	$ 16,929,748	$ 19,359,409

NOTE 5. CAPITAL ASSETS AND LEASES

The following tables show the increases and decreases in capital and right-to-use lease assets, and their associated accumulated depreciation for the years ending June, 30, 2025 and 2024.

	Balance at July 1, 2024	Increases	Decreases	**Balance at June 30, 2025**
Nondepreciable assets and leases:				
Land	$ 22,167,594	$ -	$ -	$ 22,167,594
Construction in progress	1,978,692,850	684,891,903	(289,196,084)	2,374,388,669
Intangible asset	440,000	-	-	440,000
Total nondepreciable assets and leases	2,001,300,444	684,891,903	(289,196,084)	2,396,996,263
Depreciable assets and leases:				
Land improvements	159,946,387	4,535,899	-	164,482,286
Land improvements - right-to-use lease assets	240,922,204	-	-	240,922,204
Buildings and structures	1,946,434,381	272,375,984	-	2,218,810,365
Machinery and equipment	145,684,582	2,667,842	(503,423)	147,849,001
Runways, roads and parking lots	623,926,792	10,982,642	(79,374)	634,830,060
Total capital and lease assets being depreciated/amortized	3,116,914,345	290,562,368	(582,798)	3,406,893,915
Less accumulated depreciation and amortization for:				
Land improvements	(63,452,922)	(6,303,949)	-	(69,756,871)
Building and structures	(914,847,782)	(78,259,636)	-	(993,107,417)
Right-to-use lease assets	(24,290,688)	(6,541,055)	-	(30,831,743)
Machinery and equipment	(101,599,540)	(8,698,069)	409,122	(109,888,487)
Runways, roads and parking lots	(352,763,851)	(23,257,132)	-	(376,020,984)
Total accumulated depreciation and amortization	(1,456,954,783)	(123,059,840)	409,122	(1,579,605,501)
Total capital and lease assets being depreciated/amortized, net	1,659,959,562	167,502,527	(173,675)	1,827,288,414
Capital and lease assets, net	$ 3,661,260,007	$ 852,394,430	$ (289,369,759)	$ 4,224,284,678

	Balance at July 1, 2023	Increases	Decreases	Balance at June 30, 2024
Nondepreciable assets and leases:				
Land	$ 22,167,594		$ -	$ 22,167,594
Construction in progress	1,145,357,693	990,972,834	(157,637,677)	1,978,692,850
Intangible asset	440,000	-	-	440,000
Total nondepreciable assets and leases	1,167,965,287	990,972,834	(157,637,677)	2,001,300,444
Depreciable assets and leases:				
Land improvements	160,111,604		(165,216)	159,946,387
Land improvements - right-to-use lease assets	238,768,276	2,618,306	(464,378)	240,922,204
Buildings and structures	1,883,717,140	136,875,206	(74,157,966)	1,946,434,381
Machinery and equipment	139,202,241	12,839,918	(6,357,577)	145,684,582
Runways, roads and parking lots	630,577,748	9,111,899	(15,762,854)	623,926,792
Total capital and lease assets being depreciated/amortized	3,052,377,008	161,445,329	(96,907,991)	3,116,914,345
Less accumulated depreciation and amortization for:				
Land improvements	(57,537,607)	(6,080,531)	165,216	(63,452,922)
Building and structures	(911,278,157)	(77,095,334)	73,525,709	(914,847,782)
Right-to-use lease assets	(17,945,010)	(6,531,429)	185,751	(24,290,688)
Machinery and equipment	(98,563,939)	(9,392,758)	6,357,157	(101,599,540)
Runways, roads and parking lots	(339,162,538)	(24,645,744)	11,044,430	(352,763,851)
Total accumulated depreciation and amortization	(1,424,487,252)	(123,745,795)	91,278,264	(1,456,954,783)
Total capital and lease assets being depreciated/amortized, net	1,627,889,756	37,699,534	(5,629,727)	1,659,959,562
Capital and lease assets, net	$ 2,795,855,043	$ 1,028,672,368	$ (163,267,404)	$ 3,661,260,007

Depreciation expense and increase in accumulated depreciation for the fiscal years ending June, 30, 2025 and 2024 amounted to $117.6 million and $117.2 million, respectively. The amortization of right-to-use lease assets in the same periods amounted to $5.0 million each year. In both years, $1.6 million of depreciation expense was charged to capital improvement projects in accordance with GASB 87.

NOTE 6. LONG-TERM LIABILITIES

The following is a summary of changes in the long-term liability activity for the years ended June 30, 2025, and 2024:

	Principal Balance at June 30, 2024	Additions /New Issuances	Reductions/ Repayments	**Principal Balance at June 30, 2025**	Due Within One Year
Variable rate debt - Direct borrowing					
Revolving LOC	$ -	$ -	$ -	**$ -**	$ -
Total variable rate debt	-	-	-	**-**	-
Bonds payable					
Series 2014 Bonds	269,015,000	-	(7,045,000)	**261,970,000**	7,440,000
Series 2017 Bonds	261,010,000	-	(5,865,000)	**255,145,000**	6,155,000
Series 2019 Bonds	448,490,000	-	(6,400,000)	**442,090,000**	5,615,000
Series 2020 Bonds	197,235,000	-	(16,005,000)	**181,230,000**	11,275,000
Series 2021 Bonds	1,875,085,000	-	(12,225,000)	**1,862,860,000**	13,005,000
Series 2023 Bonds	1,061,980,000	-	(2,235,000)	**1,059,745,000**	2,865,000
Bond premiums, net	426,578,230	-	(25,124,995)	**401,453,235**	-
Total bonds payable	4,539,393,230	-	(74,899,995)	**4,464,493,235**	46,355,000
Lease Liabilities	228,005,166	-	(3,641,649)	**224,363,516**	2,829,863
Note Payable - Direct borrowing					
CRDC	5,136,616	-	(424,940)	**4,711,675**	465,484
Total debt obligations	4,772,535,011	-	(78,966,585)	**4,693,568,427**	49,650,347
Compensated absences	5,273,715	4,880,685	(4,496,526)	**5,657,875**	4,496,526
Total long-term liabilities	$ 4,777,808,726	$ 4,880,685	$ (83,463,110)	**$ 4,699,226,301**	$ 54,146,873

	Principal Balance at June 30, 2023	Additions /New Issuances	Reductions/ Repayments	Principal Balance at June 30, 2024	Due Within One Year
Variable rate debt - Direct borrowing					
Revolving LOC	$ 80,100,000	$ -	$ (80,100,000)	$ -	$ -
Total variable rate debt	80,100,000	-	(80,100,000)	-	-
Bonds payable					
Series 2014 Bonds	275,685,000	-	(6,670,000)	269,015,000	7,045,000
Series 2017 Bonds	266,595,000	-	(5,585,000)	261,010,000	5,865,000
Series 2019 Bonds	454,585,000	-	(6,095,000)	448,490,000	6,400,000
Series 2020 Bonds	212,475,000	-	(15,240,000)	197,235,000	16,005,000
Series 2021 Bonds	1,931,985,000	-	(56,900,000)	1,875,085,000	12,225,000
Series 2023 Bonds	-	1,061,980,000	-	1,061,980,000	2,235,000
Bond premiums	459,468,592	291,193	(33,181,555)	426,578,230	-
Total bonds payable	3,600,793,592	1,062,271,193	(123,671,555)	4,539,393,230	49,775,000
Lease Liabilities	229,180,542	2,618,306	(3,793,683)	228,005,166	3,641,649
Subscription Liabilities		-			
Note Payable - Direct borrowing					
CRDC	5,524,543	-	(387,927)	5,136,616	424,940
Total debt obligations	3,915,598,677	1,064,889,500	(207,953,166)	4,772,535,011	53,841,589
Compensated absences	5,094,372	4,158,865	(3,979,522)	5,273,715	3,979,522
Total long-term liabilities	$ 3,920,693,049	$ 1,069,048,365	$ (211,932,687)	$ 4,777,808,726	$ 57,821,111

Senior Lien Series 2023 Bonds: On October 25, 2023, the Airport Authority issued $1,062.0 million of Series A and B Senior Airport Revenue Bonds (Series 2023 Bonds). The 2023 Bonds were issued to finance a portion of the capital improvements associated with the New T1 program, repay outstanding Subordinate Revolving Obligations, purchase a portion of the Authority's outstanding Airport Revenue Refunding bonds, Series 2021 C which were tendered, fund a portion of the interest accruing on the Series 2023 Bonds, fund deposits to the senior reserve fund and pay the costs of issuance of the Series 2023 Bonds.

The Series 2023 A Bonds were structured as governmental and non-AMT term bonds that bear interest at 5.0 percent. The Series B bonds were structured as private activity and AMT term bonds that bear interest at rates ranging from 5.0 percent to 5.25 percent. The Series A and Series B bonds were issued at a premium of $2.9 million and a discount of $9.9 million, respectively. The premium and discount is amortized over the life of the bonds. The interest on the Series 2023 Bonds is payable semiannually on January 1 and July 1 of each year.

Interest for the fiscal years ended June 30, 2025, and 2024 amounted to $53.9 million and $36.9 million, respectively, including accrued interest of $27.0 million and $27.0 million, respectively. The principal balance on the Series 2023 Bonds as of June 30, 2025, and 2024 was $1,059.7 million and $1,062.0 million, respectively.

The required debt service payments for the Series 2023 Bonds for the years ending June 30 are as follows:

Years Ending June 30,	Principal	Interest	Total
2026	$ 2,865,000	$ 53,863,038	$ 56,728,038
2027	-	53,791,412	53,791,412
2028	-	53,791,413	53,791,413
2029	14,450,000	53,430,162	67,880,162
2030	15,170,000	52,689,663	67,859,663
2031 - 2035	92,100,000	250,480,750	342,580,750
2036 - 2040	117,575,000	223,433,575	341,008,575
2041 - 2045	159,865,000	188,533,937	348,398,937
2046 - 2050	185,055,000	145,638,188	330,693,188
2051 - 2055	236,170,000	93,173,387	329,343,387
2056 - 2059	236,495,000	25,567,594	262,062,594
	$ 1,059,745,000	$ 1,194,393,119	$ 2,254,138,119

The senior Series 2023 Bonds are special obligations of the Airport Authority, payable solely from and secured by (a) a pledge of net revenues, which include certain income and revenue received by the Airport Authority from the operation of the airport system, less all amounts that are required to pay the operation and maintenance expenses of the airport system and (b) certain funds and accounts held by the senior trustee under the senior indenture.

As senior lien bonds, the Series 2023 Bonds require that charges for services be set each fiscal year at rates sufficient to produce pledged revenues at least 125 percent times the senior debt service for that year. In addition, the Series 2023 Bonds require the Airport Authority to maintain a debt service reserve account with the bond trustee and to reserve certain additional amounts in the Airport Authority's books. On June 30, 2025, and 2024, the amount held by the trustee was $686.5 million and $967.3 million, respectively, which included the July 1 payment, a debt service reserve fund, construction fund, and a capitalized interest fund. The total additional amounts held by the Airport Authority for Operating and Maintenance, and Renewal and Replacements reserves for fiscal years 2025 and 2024 was $84.5 million and $76.3 million, respectively. The public ratings of the Series 2023 Bonds as of June 30, 2025, are Aa3/AA- by Moody's Investors Service and Fitch Ratings.

Subordinate Lien Series 2017 Bonds: The Airport Authority issued $291.2 million of Series A and B Subordinate Airport Revenue Bonds (Series 2017 Bonds) on August 3, 2017. The Series 2017 Bonds were issued to finance certain capital improvements at SDIA including the Terminal 2 Parking Plaza and the FIS facility, fund a portion of the interest accruing on the Series 2017 Bonds, refund $32.6 million of the Airport Authority's outstanding variable rate debt, fund the subordinate reserve fund and pay the costs of issuance of the Series

2017 Bonds. The Series 2017 Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0 percent to 5.0 percent and mature in fiscal years 2019 to 2048. The bonds were issued at a premium of $48.4 million which is being amortized over the life of the bonds. Interest on the Series 2017 Bonds is payable semiannually on January 1 and July 1 of each year.

Interest for the fiscal years ended June 30, 2025, and 2024 amounted to $12.8 million and $13.1 million, respectively, including accrued interest of $6.4 million and $6.5 million, respectively. The principal balance on the Series 2017 Bonds as of June 30, 2025, and 2024 was $255.1 million and $261.0 million, respectively.

The required debt service payments for the Series 2017 Bonds for the fiscal years ending June 30 are as follows:

Years Ending June 30,	Principal	Interest	Total
2026	$ 6,155,000	$ 12,603,375	$ 18,758,375
2027	6,465,000	12,287,875	18,752,875
2028	6,790,000	11,956,500	18,746,500
2029	7,130,000	11,608,500	18,738,500
2030	7,485,000	11,243,125	18,728,125
2031 - 2035	43,430,000	50,062,500	93,492,500
2036 - 2040	55,425,000	37,764,125	93,189,125
2041 - 2045	70,755,000	22,066,625	92,821,625
2046 - 2048	51,510,000	3,947,000	55,457,000
	$ 255,145,000	$ 173,539,625	$ 428,684,625

Subordinate Lien Series 2019 Bonds: The Airport Authority issued $338.8 million of Series A Subordinate Airport Revenue and Revenue Refunding Bonds and $124.9 million of Series B Subordinate Airport Revenue Bonds on December 11, 2019 (Series 2019 Bonds). The Series 2019 Bonds were issued to finance certain capital improvements at SDIA including a new facilities maintenance building and storm water capture and reuse projects, fund a portion of the interest accruing on the Series 2019 Bonds, refund $34.3 million of the Airport Authority's outstanding variable rate debt, fund the Series 2010C Escrow account, fund the subordinate reserve fund, and pay the costs of issuance of the Series 2019 Bonds. The Series 2019 Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0 percent to 5.0 percent and mature in fiscal years 2021 to 2050. The bonds were issued at a premium of $96.9 million which is being amortized over the life of the bonds. Interest on the Series 2019 Bonds is payable semiannually on January 1 and July 1 of each year.

Interest for the fiscal years ended June 30, 2025, and 2024 amounted to $21.3 million and $21.6 million, respectively, including accrued interest of $10.6 million and $10.8 million, respectively. The principal balance on the Series 2019 Bonds as of June 30, 2025, and 2024 was $442.1 million and $448.5 million, respectively.

The required debt service payments for the Series 2019 Bonds for the fiscal years ending June 30 are as follows:

Years Ending June 30,	Principal	Interest	Total
2026	$ 5,615,000	$ 21,274,350	$ 26,889,350
2027	5,895,000	20,993,600	26,888,600
2028	6,195,000	20,698,850	26,893,850
2029	6,500,000	20,389,100	26,889,100
2030	6,825,000	20,064,100	26,889,100
2031 - 2035	87,365,000	91,611,250	178,976,250
2036 - 2040	156,590,000	62,613,300	219,203,300
2041 - 2045	87,365,000	30,044,300	117,409,300
2046 - 2050	79,740,000	12,349,500	92,089,500
	$ 442,090,000	$ 300,038,350	$ 742,128,350

Subordinate Lien Series 2020 Bonds: The Airport Authority issued $241.6 million of Series A, B and C Subordinate Airport Revenue Refunding Bonds (Series 2020 Bonds). The Airport Authority entered into a Forward Delivery Purchase Contract on December 11, 2019, and delivered the Series 2020 Bonds Proceeds on April 8, 2020. Proceeds from the sale of the Series 2020 Bonds were used to fund the Series 2010 A and B bonds escrow accounts and pay the costs of issuance of the Series 2020 Bonds. The Series 2020 Bonds are structured as serial bonds that bear interest rates of 5.0 percent and mature in fiscal years 2021 to 2041. The bonds were issued at a premium of $49.4 million, which is being amortized over the life of the bonds. Interest on the Series 2020 Bonds is payable semiannually on January 1 and July 1 of each year.

Interest for the fiscal years ended June 30, 2025, and 2024 amounted to $9.1 million and $9.7 million, respectively, including accrued interest of $4.5 million and $4.9 million, respectively. The principal balance on the Series 2020 Bonds as of June 30, 2025, and 2024 was $181.2 million and $197.2 million, respectively.

The required debt service payments for the Series 2020 Bonds for the fiscal years ending June 30 are as follows:

Years Ending June 30,	Principal	Interest	Total
2026	$ 11,275,000	$ 9,061,500	$ 20,336,500
2027	11,830,000	8,497,750	20,327,750
2028	12,425,000	7,906,250	20,331,250
2029	13,050,000	7,285,000	20,335,000
2030	13,705,000	6,632,500	20,337,500
2031 - 2035	64,075,000	23,085,000	87,160,000
2036 - 2040	44,565,000	9,478,500	54,043,500
2041	10,305,000	515,250	10,820,250
	$ 181,230,000	$ 72,461,750	$ 253,691,750

Subordinate Lien Series 2021 Bonds: The Airport Authority issued $1,941.7 million of Series A, B and C Subordinate Airport Revenue and Revenue Refunding Bonds (Series 2021 Bonds). The Series 2021 Bonds were issued to finance certain capital improvements at SDIA including construction of the New Terminal 1, fund a portion of the interest accruing on the Series 2021 Bonds, fund the Series 2013 Escrow account, fund the subordinate reserve fund, and pay the costs of issuance of the Series 2021 Bonds. The Series 2021A and B Bonds are structured as serial bonds that bear interest rates ranging from 4.0 percent to 5.0 percent and mature in fiscal years 2027 to 2057. The Series A and B bonds were issued at a premium of $332.4 million, which is being amortized over the life of the bonds. The Series 2021 C Bonds are federally Taxable Bonds and are structured as serial and term bonds that bear interest at rates ranging from 0.5 percent to 3.1 percent and mature in fiscal years 2023 to 2037. The 2021C Series participated in a tender offer as part of the 2023 Series issuance. A total of $40.4 million par value 2021C were tendered. As a result of the refunding, the Airport Authority reduced its total debt service requirements, which resulted in an economic gain (difference between the present value of the debt service payments on the old and the new debt) of approximately $3.0 million. Interest on the Series 2021 Bonds is payable semiannually on January 1 and July 1 of each year.

Interest for the fiscal years ended June 30, 2025, and 2024 amounted to $80.7 million and $80.8 million, respectively, including accrued interest of $40.1 million and $40.1 million, respectively. The principal balance on the Series 2021 Bonds as of June 30, 2025, and 2024 was $1,862.9 million and $1,875.1 million, respectively.

The required debt service payments for the Series 2021 Bonds for the fiscal years ending June 30 are as follows:

Years Ending June 30,	Principal	Interest	Total
2026	$ 13,005,000	$ 80,623,540	$ 93,628,540
2027	10,310,000	80,278,592	90,588,592
2028	10,830,000	79,750,092	90,580,092
2029	11,375,000	79,194,967	90,569,967
2030	11,940,000	78,612,092	90,552,092
2031 - 2035	118,110,000	379,997,620	498,107,620
2036 - 2040	187,560,000	347,401,289	534,961,289
2041 - 2045	338,800,000	298,782,591	637,582,591
2046 - 2050	343,010,000	228,018,600	571,028,600
2051 - 2055	541,125,000	132,284,875	673,409,875
2056 - 2057	276,795,000	12,996,375	289,791,375
	$ 1,862,860,000	$ 1,797,940,633	$ 3,660,800,633

The subordinate Series Bonds are special obligations of the Airport Authority, payable solely from and secured by (a) a pledge of subordinate net revenues, which include certain income and revenue received by the Airport Authority from the operation of the airport system, less all amounts that are required to pay the operation and maintenance expenses of the airport system and all amounts necessary to pay debt service on and fund the reserves for the senior bonds; and (b) certain funds and accounts held by the subordinate trustee under the subordinate indenture. The subordinate Series Bonds were issued with a pledge of and lien on subordinate net revenues.

As subordinate lien bonds, the Series 2017, 2019, 2020 and 2021 Bonds require that charges for services be set each fiscal year at rates sufficient to produce pledged revenues at least 110 percent times the subordinate debt service for that year. In addition, the subordinate Bonds require the Airport Authority to maintain a reserve account with the bond trustee. On June 30, 2025, and 2024, the amount held by the trustee was $391.4 million and $753.3 million, respectively, which included the July 1 payment, a debt service reserve fund, construction fund, and a capitalized interest fund. The public ratings of the Subordinate Series Bonds as of June 30, 2025, are A/A1/A+ by Standard & Poor’s, Moody’s Investors Service and Fitch Ratings.

For the year ended June 30, 2025, the net revenues pledged for senior and subordinate lien debt service was $273.5 million compared to the net debt service (senior and subordinate lien principal and interest) of $96.8 million. At June 30, 2025, the remaining principal and interest payments required to repay the bonds through 2058 totaled $7,339.4 million.

Senior Lien Special Facilities Revenue Bonds, Series 2014: On February 19, 2014, the Airport Authority issued $305.3 million of Series A and B Senior Special Facilities Revenue Bonds (Series 2014 Bonds). The Series 2014 Bonds were issued to finance a portion of the costs of the development and construction of a consolidated rental car facility and related improvements at SDIA, fund a portion of the interest accruing on the Series 2014 Bonds, fund deposits to the senior reserve fund and pay the costs of issuance of the Series 2014 Bonds.

The Series 2014 A Bonds were structured as tax-exempt and non-AMT term bonds that bear interest at 5.0 percent. The Series 2014 B Bonds were structured as federally taxable bonds that bear interest at rates ranging from 2.5 percent to 5.6 percent. The bonds were issued at a premium of $0.6 million, which is amortized over the life of the bonds. Interest on the Series 2014 Bonds is payable semiannually on January 1 and July 1 of each year.

Interest for the fiscal years ended June 30, 2025, and 2024 amounted to $14.5 million and $14.9 million, respectively, including accrued interest of $7.2 million and $7.4 million, respectively. The principal balance on the Series 2014 Bonds as of June 30, 2025, and 2024 was $262.0 million and $269.0 million, respectively.

The Series 2014 Bonds are special limited obligations of the Airport Authority, payable solely from and secured by a pledge of the Trust Estate, which includes, among other things, customer facility charges collected from the rental car companies operating at the Airport and remitted to the Trustee. No revenues of the Airport Authority other than the customer facility charges and the Bond Funding Supplemental Consideration (as defined in the bond indenture), are pledged to the payment of the Series 2014 Bonds.

The Series 2014 Bonds require the Airport Authority to maintain a debt service reserve account with the bond trustee and to reserve certain additional amounts in the Airport Authority's net position, as shown previously in the notes. For the fiscal years ended June 30, 2025, and 2024, the amount held by the trustee was $62.0 million and $62.0 million, respectively, which included the July 1 payment, the debt service reserve fund, the renewal and replace fund, and the rolling coverage fund.

The public ratings of the Senior Series Special Facility 2014 Bonds as of June 30, 2025, are A-/A3 by Standard & Poor's and Moody's Investors Service.

The required debt service payments for the Series 2014 Bonds for the fiscal years ending June 30 are as follows:

Years Ending June 30,	Principal	Interest	Total
2026	$ 7,440,000	$ 14,271,928	$ 21,711,928
2027	7,855,000	13,844,127	21,699,127
2028	8,295,000	13,392,412	21,687,412
2029	8,760,000	12,915,383	21,675,383
2030	9,250,000	12,411,644	21,661,644
2031 - 2035	54,610,000	53,459,401	108,069,401
2036 - 2040	71,690,000	35,900,395	107,590,395
2041 - 2045	94,070,000	12,987,626	107,057,626
	$ 261,970,000	$ 169,182,916	$ 431,152,916

Interest expense on the Series 2014, 2017, 2019, 2020, 2021, and 2023 Bonds for fiscal years ended June 30, 2025, and June 30, 2024, of $192.2 million and $177.0 million, respectively, was offset by bond premium amortization of $ 25.1 million in fiscal year 2025 and $25.9 million in fiscal year 2024.

Subordinate Short-Term Debt Program: On July 11, 2024, The Airport Authority and Bank of America entered into an amended Revolving Obligation agreement. The revolving credit agreement is for the term of three years and authorized the Airport Authority to issue up to $200.0 million in Subordinate Revolving Obligations. At the end of fiscal years 2024 and 2025 the Airport Authority had no outstanding balances related to this program. Obligations incurred under the Revolving Credit Agreement are payable solely from and secured by a pledge of “Subordinate Net Revenues.” Subordinate Net Revenues are generally defined as all revenues and other cash receipts of the Airport Authority’s Airport operations remaining after Senior Lien payments have been deposited by the Trustee in accordance with the Senior Lien Trust Indenture.

Letter of credit and reimbursement agreement: In fiscal year 2025, the Airport Authority maintained a $2.0 million line of credit held with US Bank, which is collateralized with a Treasury bond. This line is utilized to issue letters of credit to surety companies who are partnering with the Airport Authority to provide bonding assistance to contractors accepted into the bonding assistance program at the Airport Authority. As of June 30, 2025, nothing had been drawn on the line of credit and there are no outstanding letters of credit.

The Airport Authority had the following used and unused balances in line of credit type debt instruments as of June 30, 2025, and 2024:

	June 30, 2025		June 30, 2024	
	Used	Unused	Used	Unused
Revolving line of credit	$ -	$200,000,000	$ -	$200,000,000
Line of credit	$ -	2,000,000	$ -	2,000,000
	$ -	$ 202,000,000	$ -	$ 202,000,000

Event of Default: In the event of default of all general airport revenue bonds issued by the Airport Authority, acceleration is not a remedy. For the Letter of Credit and Reimbursement Agreement, an event of default could result in either an acceleration or an interest rate increase of 3.0 to 7.0 percent in addition to the base rate. Other than this, there are no significant finance-related consequences in the event of default on other debt instruments. The Airport Authority’s Letter of Credit and Reimbursement Agreement is collateralized with a $2.2 million Treasury bond. Excluding general airport revenue bonds, special facility bonds, and leases, no other assets have been pledged or collateralized for any other debt instruments. General Airport revenue bonds are secured by a pledge of Net Revenues which are generally defined as all revenues and other cash receipts of the Airport Authority’s operations less amounts required to pay for operations and maintenance expenses of the airport (net revenues do not include cash received from PFCs, CFCs or Federal Grants). The special facility bonds are secured by a pledge of the Trust Estate.

Note Payable

Receiving Distribution Center lease: The Airport Authority entered into an installment purchase agreement for a receiving and distribution center (RDC) in fiscal year 2013. This agreement has been determined to be a note payable and requires monthly lease payments of $73.1 thousand. The Airport Authority will become the owner of the RDC at the conclusion of the 20-year installment purchase agreement.

The following is a schedule of future lease payments applicable to the RDC installment purchase agreement, and the net present value of the future lease payments on June 30, 2025:

Years Ending June 30,	Amount
2026	$ 877,298
2027	877,298
2028	877,298
2029	877,298
2030	877,298
2031-2033	2,120,136
Total Lease Payments	6,506,626
Less amount representing interest	(1,794,950)
Present value of future lease payments	$ 4,711,676

Lease Liabilities

The Airport Authority leases properties from the District and smaller third parties and uses that space to conduct its operations, the terms of which expire 2026 through 2072. The measurement of the lease payable is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee. The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases. Incremental borrowing rates of 1.1 percent to 4.1 percent were used to measure lease payables. Lease liabilities recorded under lease contracts as of June 30, 2025, and 2024, were $224.4 million and $228.0 million, respectively.

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

Years Ending June 30,	Principal	Interest	Total
2026	2,829,863	8,466,532	11,296,394
2027	2,645,398	8,379,303	11,024,701
2028	2,701,099	8,289,721	10,990,821
2029	2,427,028	8,199,071	10,626,099
2030	2,520,945	8,106,746	10,627,692
2031-2035	14,292,010	39,010,732	53,302,741
2036-2040	17,481,468	36,063,217	53,544,685
2041-2045	19,347,847	32,578,280	51,926,126
2046-2050	23,036,984	28,571,351	51,608,335
2051-2055	27,969,444	23,711,394	51,680,838
2056-2060	33,950,346	17,810,246	51,760,592
2061-2065	41,201,827	10,646,494	51,848,321
2066-2069	33,959,258	2,382,663	36,341,921
	$224,363,517	$232,215,750	$456,579,266

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

NOTE 7. DEFINED BENEFIT PLANS

Introduction: The Airport Authority has two defined benefit pension plans which cumulatively represent the net pension liability or asset, related deferred inflows and deferred outflows of resource balances as reported on the statement of net position. The below schedule represents aggregating information as of and for the years ended June 30, 2025, and 2024:

	Defined Benefit Plan GASB 68	Preservation of Benefits Trust Plan GASB 73	Total
Balances as of and for the year ended 6/30/2025			
Net pension liability	16,684,974	1,626,442	18,311,416
Deferred outflows of resources	21,250,582	479,911	21,730,493
Deferred inflows of resources	770,171	621,335	1,391,506
Balances as of and for the year ended 6/30/2024			
Net pension liability	10,244,143	961,287	11,205,430
Deferred outflows of resources	15,525,408	150,203	15,675,611
Deferred inflows of resources	1,540,344	1,039,236	2,579,580

Plan description: The Airport Authority's single-employer defined benefit pension plan (Plan), administered by SDCERS, provides service retirement, disability benefits, death benefits and survivor benefits to Plan members and beneficiaries. SDCERS is a multi-employer public employee retirement system that acts as a common investment and administrative agent for three separate single-employer defined benefit pension plans for the City, the District, and Airport Authority.

From January 1, 2003, through June 30, 2007, SDCERS administered a qualified employer defined benefit plan for the City, the District and Airport Authority. However, as of July 1, 2007, the City, the District, and the Airport Authority plans were separated into independent, qualified, single-employer governmental defined benefit plans, and trusts. The assets of the three separate plans and trusts were pooled in the SDCERS Group Trust, which was established as of July 1, 2007. SDCERS invests and administers the Group Trust as a common investment fund and accounts separately for the proportional interest of each plan and trust that participates in the Group Trust.

SDCERS is governed by a 13-member Board, responsible for the administration of retirement benefits for the City, the District, and the Airport Authority and for overseeing the investment portfolio of the retirement system's trust fund. The Board is comprised of seven appointed members, four active members, one retired member, and one ex-officio member.

SDCERS acts as a common, independent investment and administrative agent for the City, the District and the Airport Authority, whose plans cover all eligible employees. In a defined benefit plan, pension benefits are actuarially determined by a member's age at retirement, number of years of service credit and final compensation, typically based on the highest salary earned over a one-year or three-year period. Airport Authority members who are participants under the California Public Employees' Pension Reform Act (PEPRA) are subject to pensionable compensation caps.

The San Diego City Charter Section 144 and San Diego Municipal Code Sections 24.0100 et seq. assign the authority to establish and amend the benefit provisions of the plans that participate in SDCERS to the SDCERS

Board. The SDCERS Board issues a publicly available financial report that includes financial statements and required supplementary information for SDCERS. The financial report may be found on the San Diego City Employees' Retirement System website at www.sdcers.org.

Benefits provided: The Airport Authority provides retirement, disability, and death benefits. There are two types of participants, the classic participants and the PEPRA participants. A classic participant means any member who is not a PEPRA participant. A PEPRA participant is any member hired on or after January 1, 2013, who has never been a member of a public retirement system or who had a break in service of more than six months before their Airport Authority hire date.

The classic participant retirement benefit is calculated by using monthly salary amounts based on the highest continuous twenty-six bi-weekly pay periods divided by 12. The eligibility of the classic participants begins at age 62 with five years of service, or age 55 with 20 years of service.

The PEPRA participant's benefit is calculated by using monthly salary amounts based on the highest thirty-six consecutive months divided by 36. Base salary cannot exceed 100 percent of the Social Security contribution and benefit base, indexed to the CPI-U. The eligibility of the PEPRA participants begins at age 52 with five years of service.

The Airport Authority provides monthly payments for the life of the member, with 50 percent continuance to the eligible spouse or registered-domestic partner upon the member's death. If there is no eligible spouse, the member may receive either a lump sum payment equal to the accumulated surviving spouse contributions or an actuarially equivalent annuity. Members may also choose to receive a reduced lifetime monthly benefit and, upon death, leave more than 50 percent to their spouse or registered domestic partner, or to provide a continuance to a non-spouse.

Employees with ten years of continuous service are eligible to receive non-industrial disability and employees with no service requirement can receive industrial disability.

The death benefit for non-industrial death before the employee is eligible to retire is a refund of the employee contributions, with interest plus one month's salary for each completed year of service to a maximum of six months' salary. A non-industrial death benefit after the employee is eligible to retire from service is 50 percent of earned benefit payable to eligible surviving spouse, domestic partner, or dependent child under 21 years of age. The industrial death benefit is 50 percent of the final average compensation preceding death, payable to eligible surviving spouse, domestic partner, or dependent child under 21 years of age.

As of the measurement dates June 30, 2024, and June 30, 2023, Plan membership was as follows:

	2024	2023
Active employees	395	364
Inactive employees entitled to but not yet receiving benefits	208	196
Inactive employees or beneficiaries currently receiving benefits	213	199
Total	816	759

Contributions: SDCERS uses actuarial developed methods and assumptions to determine what level of contributions are required to achieve and maintain an appropriate funded status for the Plan. The actuarial process uses a funding method that attempts to create a pattern of contributions that is both stable and predictable. The actual employer and member contribution rates in effect each year are based upon actuarial valuations performed by an independent actuary and adopted by the SDCERS Board annually.

San Diego County Regional Airport Authority

The actuarial valuation is completed as of June 30, of each year. Once accepted by the SDCERS Board, the approved rates for the Airport Authority apply to the fiscal year beginning 12 months after the valuation date. For June 30, 2025, the actuarially determined contribution rates for plan sponsors and members were developed in the June 30, 2024, actuarial valuation. The funding objective of SDCERS is to fully fund the plan's actuarially accrued liability with contributions, which over time will remain as a level percent of payroll for the Airport Authority. Under this approach, the contribution rate is based on the normal cost rate and an amortization of any unfunded actuarial liability.

For the years ended June 30, 2025, and 2024, employees contributed $3.8 million and $3.7 million, respectively, and the Airport Authority contributed $9.2 million and $7.9 million, respectively, to the Plan. Under the Plan, the Airport Authority pays a portion of the classic participant's contribution, referred to as the "off-set." The offset is equal to 7.0 percent or 8.5 percent of the general classic members' base compensation and 9.9 percent of the executive classic members' base compensation. These contributions are included in the employee contribution. There is no offset for PEPRA participants.

Net Pension Liability (Asset): The Airport Authority's net pension liability as of June 30, 2025, is measured as the total pension liability, less the pension plan's fiduciary net position. The total pension liability as of June 30, 2025, is measured as of June 30, 2024. The annual valuation used is as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. A summary of the principal assumptions and methods used to determine the net pension liability (asset) follows.

Actuarial Assumptions: The total pension liability in the June 30, 2023 and June 30, 2024 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2025	June 30, 2024
Valuation date	June 30, 2023	June 30, 2022
Measurement date	June 30, 2024	June 30, 2023
Actuarial cost method	Entry-age normal funding method	Entry-age normal funding method
Asset valuation method	Expected value with smoothing	Expected value with smoothing
Actuarial assumptions:		
Investment rate of return [(1)]	6.50%	6.50%
Inflation Rate	3.00%	3.05%
Interest Credited to Member Contributions	6.50%	6.50%
Projected salary increase [(2)]	3.25%, plus merit component	3.05%, plus merit component
Cost-of-living adjustment	2.0% per annum, compounded	1.9% per annum, compounded
Termination rate [(3)]	2.0% - 18.0%	2.0% - 18.0%
Disability rate [(4)]	0.01% - 0.20%	0.01% - 0.20%
Mortality [(5)]	SOA Pub-2010 Mortality Tables	SOA Pub-2010 Mortality Tables

[(1)] Net of investment expense

[(2)] Merit component based on years of service ranging from 4.75% to 0.25%

[(3)] Based on years of service

[(4)] Based on age

[(5)] All active and retired healthy members based on SOA Pub-2010 Public Retirement Plans Mortality Tables. Disabled annuitants based on the sex distinct CalPERS Industrial Related Disability Retirees Mortality Table

Further details about the actuarial assumptions can be found in the SDCERS June 30, 2024 and June 30, 2023 actuarial reports.

Discount Rate: For the June 30, 2024 and June 30, 2023 actuarial valuations, the discount rates used to measure the total pension liability was 6.5 percent. Based on plan funding expectations, no actuarial projection of cash flows was made as 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 the projected benefit payments to determine the total pension liability (asset).

The long-term expected rate of return estimates for equity and fixed income are developed using a geometric (long-term compounded) building block approach: 1) expected returns based on observable information in the equity and fixed income markets and consensus estimates for major economic and capital market inputs, such as earnings and inflation, and 2) where necessary, judgment-based modifications are made to these inputs. Return assumptions for other assets classes are based on historical returns, current market characteristics, and professional judgements from SDCERS general investment consultant specialist research teams. Best estimates of geometric long-term real rates and nominal rates of return for each major asset class as of June 30,2024 are summarized below:

Asset Class	Target Allocation	Long-term Expected Real Rates of Return	Long-term Expected Nominal Rates of Return
Domestic equity	18.0%	4.5%	6.9%
International equity	12.0%	4.5%	6.9%
Global equity	6.0%	4.7%	7.1%
Domestic fixed income	22.0%	2.4%	4.8%
Return-Seeking Fixed Income	5.0%	4.9%	7.3%
Real estate	11.0%	4.0%	6.4%
Private equity	10.0%	6.9%	9.4%
Infrastructure	4.0%	5.0%	7.4%
Private Debt	5.0%	5.6%	8.0%
Diversifying	4.0%	3.2%	5.6%
Opportunity fund	3.0%	5.4%	7.9%
	100.0%		

Changes in the Net Pension Liability (Asset): Changes in the total pension liability, plan fiduciary net position and the net pension liability through the year ended June 30, 2025, were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2024	$ 287,458,835	$ 277,214,692	$ 10,244,143
Changes for the year:			
Service cost	7,979,893	-	7,979,893
Interest on total pension liability	18,614,363	-	18,614,363
Difference between expected and			-
actual experience	5,608,954	-	5,608,954
Changes in assumptions	5,504,534	-	5,504,534
Employer contributions	-	8,010,734	(8,010,734)
Member contributions	-	3,730,545	(3,730,545)
Net investment income	-	19,966,331	(19,966,331)
Benefit payments	(10,182,604)	(10,182,604)	-
Administrative expense	-	(440,697)	440,697
Net changes	27,525,140	21,084,309	6,440,831
Balances as of June 30, 2025	$ 314,983,975	$ 298,299,001	$ 16,684,974

Changes in the total pension liability (asset), plan fiduciary net position and the net pension liability through the year ended June 30, 2024, were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances as of June 30, 2023	$ 268,067,970	$ 262,484,284	$ 5,583,686
Changes for the year:			
Service cost	7,147,242	-	7,147,242
Interest on total pension liability	17,355,715	-	17,355,715
Difference between expected and			-
actual experience	4,182,916	-	4,182,916
Changes in assumptions	-	-	-
Employer contributions	-	7,742,583	(7,742,583)
Member contributions	-	3,494,204	(3,494,204)
Net investment income	-	13,293,511	(13,293,511)
Benefit payments	(9,295,008)	(9,295,008)	-
Administrative expense	-	(504,882)	504,882
Net changes	19,390,865	14,730,408	4,660,457
Balances as of June 30, 2024	$ 287,458,835	$ 277,214,692	$ 10,244,143

Sensitivity of the Net Pension Liability (Asset) to Discount Rate Changes: The following presents the resulting net pension liability (asset) calculated using the discount rate of 6.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate for the fiscal years ended June 30, 2025:

	Discount Rate		
	1% Decrease 5.50%	Current 6.50%	1% Increase 7.50%
Total pension liability	$ 357,888,915	$ 314,983,975	$ 279,991,330
Plan fiduciary net position	298,299,001	298,299,001	298,299,001
Net pension liability (asset)	$ 59,589,914	$ 16,684,974	$ (18,307,671)
Plan fiduciary net position as a percentage of the total pension liability	83.3%	94.7%	106.5%

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Plan: For the years ended June 30, 2025 and June 30, 2024, the Airport Authority recognized pension expense, as measured in accordance with GASB 68, of $9.2 million and $6.5 million, respectively. At June 30, 2025 and June 30, 2024, the Airport Authority reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

For June 30, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,298,173	$ 770,171
Changes in assumptions	4,128,400	-
Net difference between projected and actual earnings	1,605,865	-
Employer contributions made subsequent to June 30, 2024 measurement date	9,218,144	-
Total	$ 21,250,582	$ 770,171

For June 30, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,322,361	$ 1,540,344
Changes in assumptions	1,353,401	-
Net difference between projected and actual earnings	2,910,962	-
Employer contributions made subsequent to June 30, 2023 measurement date	7,938,684	-
Total	$ 15,525,408	$ 1,540,344

The deferred outflows of resources at June 30, 2024 and June 30, 2023 resulting from Airport Authority contributions subsequent to the measurement date and prior to year-end will be recognized as a reduction of the net pension liability in fiscal years 2026 and 2025.

Other amounts reported as deferred outflows/inflows of resources related to the plan at June 30, 2025, will be recognized in pension expense as follows:

Years ended June 30,	
2025	(106,093)
2026	8,549,239
2027	3,187,755
2028	(368,634)
	$ 11,262,267

NOTE 8. PRESERVATION OF BENEFITS TRUST PLAN

Plan description: The Airport Authority's single-employer defined benefit pension plan established as the preservation of benefits and trust plan (POB), administered by SDCERS, provides benefits to POB members and beneficiaries. The POB was established on January 1, 2003, for the purpose of providing benefits to POB members in excess of San Diego City Charter, Code Section 415(b) limitations. Information regarding SDCERS is included in Note 7.

The San Diego City Charter Section 144 and San Diego Municipal Code Sections 24.1601 et seq. assign the authority to establish and amend the benefit provisions of the plans that participate in SDCERS to the SDCERS Board.

Benefits provided: Retirement benefits are provided to POB members with retirement benefits in excess of Code Section 415(b) who have participated in in the Plan since establishment of the POB. Participation ends for a portion of a plan year in which the retirement benefit of a retiree or beneficiary is not limited by Code Section 415(b) or when all benefit obligations to the retiree or beneficiary have been satisfied. Benefit payments are equal to the amount of retirement income that would have been payable, less the amount payable by the Plan. Benefit payments for the years ended June 30, 2025, and June 30, 2024, were $7.5 thousand and $9.1 thousand, respectively. The POB is unfunded and provides benefits on an annual basis as determined by SDCERS. There are no assets accumulated in trust for this plan.

As of the measurement dates of June 30, 2024, and 2023, Plan membership was as follows:

	2024	2023
Active employees	1	2
Inactive employees or beneficiaries currently receiving benefits	1	1
Total	2	3

Total Pension Liability: The Airport Authority's total pension liability as of June 30, 2025 and June 30, 2024, was $1.6 million and $961 thousand, respectively. The pension liability as of June 30, 2025, is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. A summary of the principal assumptions and methods used to determine the net pension liability follow.

Actuarial Assumptions: The total pension liability in the June 30, 2025, and June 30, 2024, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2025	June 30, 2024
Valuation date	June 30, 2024	June 30, 2023
Measurement date	June 30, 2024	June 30, 2023
Actuarial cost method	Entry-age normal	Entry-age normal
Actuarial assumptions:		
Discount rate	3,93%	3.65%
Price Inflation rate	3.00%	3.05%
Interest credited to member contributions	6.50%	6.50%
Projected salary increases [(1)]	3.25%, plus merit component	3.05%, plus merit component

[(1)] Merit component based on years of service ranging from 4.75% to 0.25%

Changes in the Total Pension Liability: Changes in the total pension liability through the year ended June 30, 2025, was as follows:

Balances as of June 30, 2024	$	961,287
Changes for the year:		
Service cost		42,413
Interest on total pension liability		35,609
Difference between expected and actual exper		623,963
Changes in assumptions		(23,292)
Benefit payments		(13,538)
Net changes		665,155
Balances as of June 30, 2025	$	1,626,442

Changes in the total pension liability through the year ended June 30, 2024, was as follows:

Balances as of June 30, 2023	$	1,614,123
Changes for the year:		
Service cost		39,567
Interest on total pension liability		57,310
Difference between expected and actual exper		(702,599)
Changes in assumptions		(17,243)
Benefit payments		(29,871)
Net changes		(652,836)
Balances as of June 30, 2024	$	961,287

Sensitivity of the Total Pension Liability to Discount Rate Changes: The following presents the resulting total pension liability calculated using the discount rate of 3.93 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate for the fiscal year ended June 30, 2025:

	1% Decrease 2.93%	Current Rate 3.93%	1% Increase 4.93%
Total pension liability	$ 1,929,818	$ 1,626,442	$ 1,385,527

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the POB: For the year ended June 30, 2025, and 2024, the Airport Authority recognized pension expense (income), as measured in accordance with GASB 73, of $(70.4) thousand and $(175.6) thousand. At June 30, 2025 and June 30, 2024, the Airport Authority reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

For June 30, 2025		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	467,972	$	485,808
Changes in assumptions		4,424		135,527
Employer contributions subsequent to June 30, 2024 measurement date		7,515		-
Total	$	479,911	$	621,335

For June 30, 2024		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	-	$	807,428
Changes in assumptions		141,140		231,808
Employer contributions subsequent to June 30, 2023 measurement date		9,063		-
Total	$	150,203	$	1,039,236

The deferred outflows of resources, at June 30, 2025, and June 30, 2024, resulting from Airport Authority contributions subsequent to the measurement date and prior to year-end will be recognized as a reduction of the net pension liability in fiscal years 2026 and 2025, respectively.

Amounts reported as deferred outflows/inflows of resources related to the plan will be recognized in pension expense as follows:

Years ended June 30,		
2026	$	(269,315)
2027		(29,791)
2028		150,167
	$	(148,939)

NOTE 9. DEFINED CONTRIBUTION PENSION PLAN

The Authority contributes to the San Diego Regional Airport Authority 401(a) Plan. The 401(a) Plan is a defined contribution pension plan for all eligible employees who are hired on or after January 1, 2024 who do not participate in the Authority's defined benefit pension plan. The benefits are administered by a trustee selected by the Authority.

Benefit terms, including contribution requirements, for the 401(a) Plan are established, and may be amended, by the Board of Directors. For each employee in the plan, the Authority is required to contribute 8 percent of eligible annual salary to an individual employee account. Employees become vested in employer contributions and earnings on employer contributions after completion of three years of creditable service with the Authority. Nonvested Authority contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the plan's administrative expenses.

The plan is administered by the Airport Authority and contracted to an unrelated financial institution. Under the terms of the plan, all contributed amounts and income attributable to the investment of the contributed amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are held in trust for employees. Employee assets held in the 401(a) Plan are not the property of the Airport Authority and are not subject to the claims of the Airport Authority's general creditors. Accordingly, employee assets are not reflected in the Airport Authority's financial statements.

For the years ended June 30, 2025, and 2024, employees contributed $123.2 thousand and $8.5 thousand, respectively, and the Airport Authority contributed $155.7 thousand and $17.5 thousand, respectively, to the Plan.

NOTE 10. EMPLOYEES' DEFERRED COMPENSATION PLAN

The Airport Authority offers its employees a deferred compensation plan, which was created in accordance with Internal Revenue Code (IRC) Section 457, (457(b) Plan). The 457(b) Plan, which is available to all full-time Airport Authority employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, total disability, death, or unforeseeable emergency.

The 457(b) Plan is administered by the Airport Authority and contracted to an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are held in trust for employees. Employee assets to be held in the 457(b) Plan are not the property of the Airport Authority and are not subject to the claims of the Airport Authority's general creditors. Accordingly, employee assets are not reflected in the Airport Authority's financial statements.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS

The Airport Authority provides an agent multiple-employer defined benefit postemployment benefit plan (the OPEB Plan). The OPEB Plan provides post-retirement medical, dental, vision and life insurance benefits for nonunion employees hired prior to May 1, 2006, and union employees hired prior to October 1, 2008. The employees are eligible for these benefits if they retire from active employment after age 55 with 20 years of service or age 62 with five years of service.

Plan description: As of May 8, 2009, the Board approved entering into an agreement with the California Employer's Retiree Benefit Trust (CERBT) fund. This is managed by California Public Employees Retirement System (CalPERS). CalPERS administers pension and health benefits for over two million California public employees, retirees, and their families. CalPERS was founded in 1932 and is the largest public pension fund in the United States. As of June 30, 2024, CalPERS managed $502.9 billion in assets for nearly 2,900 California employers. In 1988 and 2007, enabling statutes and regulations were enacted which permitted CalPERS to form the CERBT fund, an irrevocable Section 115 Trust, for the purpose of receiving employer contributions that will prefund health and other postemployment benefit costs for retirees and their beneficiaries. Financial statements for CERBT may be obtained from CalPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

Funding policy: CERBT requires a valuation of the liabilities and annual costs for benefits by an approved actuarial consulting firm. It is the Airport Authority's intent to budget and prefund the actuarially determined contributions (ADCs). As of May 9, 2009, the agreement with CERBT was approved. The retirees' contribution rate was raised from 5 percent to 10 percent of plan costs for single coverage and the entire cost of vision benefits, lowering the OPEB liabilities of the Airport Authority. Annually, the Airport Authority's goal is to fund

100 percent of the actuarially calculated ADC for its OPEB. During the fiscal years ended June 30, 2025, and 2024, the Airport Authority's contributions were $1.3 million and $1.1 million, respectively.

A measurement date of June 30, 2024, and 2023, was used for the June 30, 2025, and June 30, 2024 OPEB assets and expenses. The information that follows was determined as of a valuation date of June 30, 2024, and June 30, 2023, respectively.

Membership in the OPEB by membership class at June 30, 2024, and 2023, is as follows:

	2024	2023
Active employees	96	112
Inactive employees entitled to but not receiving benefits	-	-
Inactive employees or beneficiaries currently receiving benefits	125	110
Total	221	222

Actuarial Assumptions: The total OPEB liability in the June 30, 2023 and June 30, 2021 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	June 30, 2023	June 30, 2021
Contribution Policy	Authority contributes full ADC	Authority contributes full ADC
Inflation	2.50%	2.50%
Projected salary increase	2.75%	2.75%
Investment rate of return	5.25%; Expected Authority contributions projected to keep sufficient plan assets to pay all benefits from trust	5.25%; Expected Authority contributions projected to keep sufficient plan assets to pay all benefits from trust
Actuarial cost method	Entry Age Normal Level Percent of Pay	Entry Age Normal Level Percent of Pay
Asset valuation method	Market value of assets	Market value of assets
Retirement age	SDCERS 2015-2022 Experience Study	SDCERS 2015-2022 Experience Study
Mortality	CalPERS 2000-2019 Experience Study	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021	Mortality projected fully generational with Scale MP-2021
Medical Trend	Non-Medicare - 8.5% for 2025, decreasing to an ultimate rate of 3.45% in 2076; Medicare - 7.5% for next year, decreasing to an ultimate rate of 3.45% in 2076	Non-Medicare -8.5% for 2025, decreasing to an ultimate rate of 3.45% in 2076; Medicare - 7.5% for 2022, decreasing to an ultimate rate of 3.45% in 2076
Healthcare Participation of Future Retirees	90%	90%
Spousal Assumption for Future Retirees	Currently covered - 2-party coverage if currently have 2 party or family coverage; Currently waived - 50% cover spouses at retirement	Currently covered - 2-party coverage if currently have 2 party or family coverage; Currently waived - 50% cover spouses at retirement

The long-term expected rate of return on the OPEB Plan investments was based primarily on historical returns on plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information. The target allocation and best estimates of rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rates of Return
Global Equity	23%	4.56%
Long US Treasuries	11%	0.29%
Mortgage-Backed Securities	11%	0.49%
Investment Grade Corporates	9%	1.56%
High Yeild	9%	3.00%
Sovereigns	11%	2.76%
TIPS	9%	-0.08%
Comodities	3%	1.22%
REITs	14%	4.06%
	100%	
Assumed Long-Term Rate of Inflation		2.50%
Expected Long-Term Net Rate of Return		5.25%

Discount Rate: The discount rate used to measure the net OPEB liability (asset) at June 30, 2025, and June 30, 2024, was 5.25 percent. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the net OPEB liability.

Changes in the Net OPEB Liability (Asset): Changes in the total OPEB liability, plan fiduciary net position, and the net OPEB asset through the year ended June 30, 2025, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability/ (Asset)
Balances as of June 30, 2024	$ 30,932,097	$ 30,558,752	$ 373,345
Changes for the year:			
Service cost	468,371	-	468,371
Interest on total OPEB liability	1,619,662	-	1,619,662
Difference between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Employer contributions	-	1,099,493	(1,099,493)
Member contributions	-	-	-
Net investment income	-	1,917,257	(1,917,257)
Benefit payments	(1,099,493)	(1,099,493)	-
Administrative expense	-	(9,755)	9,755
Net changes	988,540	1,907,502	(918,962)
Balances as of June 30, 2025	$ 31,920,637	$ 32,466,254	$ (545,617)

Changes in the total OPEB liability, plan fiduciary net position and the net OPEB liability (asset) through the year ended June 30, 2024, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability/ (Asset)
Balances as of June 30, 2023	$ 30,537,516	$ 30,093,110	$ 444,406
Changes for the year:			
Service cost	517,853	-	517,853
Interest on total OPEB liability	1,604,101	-	1,604,101
Difference between expected and actual experience	(2,744,688)	-	(2,744,688)
Changes in assumptions	2,019,463	-	2,019,463
Employer contributions	-	1,002,148	(1,002,148)
Member contributions	-	-	-
Net investment income	-	474,185	(474,185)
Benefit payments	(1,002,148)	(1,002,148)	-
Administrative expense	-	(8,543)	8,543
Net changes	394,581	465,642	(71,061)
Balances as of June 30, 2024	$ 30,932,097	$ 30,558,752	$ 373,345

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate and Health Care Cost Trend Rates: The net OPEB liability (asset) of the Airport Authority has been calculated using a discount rate of 5.25 percent. The following presents the net OPEB liability (asset) using a discount rate 1 percent higher and 1 percent lower than the current discount rate.

	1% Decrease 4.25%	Current Rate 5.25%	1% Increase 6.25%
Net OPEB liability (asset)	$ 3,825,847	$ (545,617)	$ (4,154,970)

The net OPEB liability (asset) of the Airport Authority has been calculated using health care cost trend rates of 8.5 percent decreasing to 3.45 percent in 2076 and thereafter for non-Medicare and 7.5 percent decreasing to 3.45 percent in 2076 for Medicare. The following presents the net OPEB liability (asset) using health care cost trend rates 1 percent higher and 1 percent lower than the current health care cost trend rates.

	1% Decrease	Trend Rate	1% Increase
Net OPEB liability (asset)	$ (4,465,611)	$ (545,617)	$ 4,202,898

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the OPEB: For the years ended June 30, 2025, and 2024, the Airport Authority recognized OPEB expense (income), as measured in accordance with GASB 75, of $1.2 million and $1.4 million, respectively, and reported deferred inflows of resources and deferred outflows of resources related to the OPEB from the following sources:

For June 30, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual experience	$ -	$ 711,586
Changes in assumptions	523,565	-
Net difference between projected and actual earnings	1,965,590	-
Employer contributions made subsequent to June 30, 2024 measurement date	1,291,235	-
Total	$ 3,780,390	$ 711,586

For June 30, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual experience	$ -	$ 2,252,387
Changes in assumptions	1,924,189	-
Net difference between projected and actual earnings	3,089,144	-
Employer contributions made subsequent to June 30, 2023 measurement date	1,099,493	-
Total	$ 6,112,826	$ 2,252,387

The deferred outflows of resources at June 30, 2025, and June 30, 2024, related to OPEB resulting from Airport Authority contributions subsequent the measurement date and prior to year-end will be recognized as a reduction to the net OPEB liability in fiscal years 2026 and 2025, respectively.

Amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2025, related to the OPEB will be recognized in OPEB expense as follows:

Years ended June 30,		
2026	$	443,605
2027		1,238,140
2028		158,459
2029		(62,635)
	$	1,777,569

NOTE 12. RISK MANAGEMENT

The Airport Authority has a comprehensive Risk Management Program comprised of commercial insurance, self-insurance, loss mitigation/prevention, loss control, and claims administration. The Airport Authority's coverage includes a variety of retentions or deductibles.

Commercially issued insurance:

- The Airport Authority maintains a minimum of $500 million in limits for general liability insurance.
- The Airport Authority maintains a property insurance policy with minimum limits of $750 million providing all risk and flood coverage for physical assets.
- The Airport Authority also maintains policies for workers' compensation, commercial auto, fiduciary liability, privacy and network security, crime, and public entity and employment practices liability, among others.

Self-insurance: Due to the exorbitant cost of earthquake insurance, the Airport Authority self-insures for losses due to earthquake damage. Effective July 1, 2007, the Airport Authority removed the purchase of commercial earthquake insurance from the Risk Management Program and increased reliance on the laws designed to assist public entities through the Federal Emergency Management Agency and the California Disaster Assistance Act. As of June 30, 2025, and 2024, the Airport Authority has designated $15.3 million and $14.6 million, respectively, from its net position, as an insurance contingency.

A $2.0 million reserve has been established within unrestricted net position by the Airport Authority's management to respond to uninsured and underinsured catastrophic losses. This fund is maintained pursuant to Board action only; there is no requirement that it be maintained.

Loss prevention: The Airport Authority has an active loss prevention program, staffed by a full-time risk manager, one risk analyst, a safety manager and two safety analysts. In addition, third party loss control engineers conduct safety surveys on an annual basis. Employees receive regular safety training and claims are monitored using a claims information system.

During fiscal year 2025, there were no significant reductions in insurance coverage from the prior year. For each of the past three fiscal years, settlements have not exceeded insurance coverage.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Commitments: As of June 30, 2025, and 2024, the Airport Authority had significant commitments for capital expenditures and other matters as described below:

The Airport Authority has funds which have been classified as current assets, primarily for the unpaid contractual portion of capital projects that are currently in progress and will not be funded by grants or additional debt but will be funded through Airport Authority cash. These amounts are for the estimated cost of capital projects that have been authorized by the Board for construction planning to proceed and for the contractual costs of upgrading certain major equipment. At June 30, 2025, and 2024, these funds totaled approximately $20.5 million and $88.3 million, respectively, and are classified on the accompanying statements of net position as investments designated for specific capital projects and other commitments.

Under the Airport Authority's enabling act (California Public Utilities Code section 170062(f)) (The Act), the San Diego Unified Port District Harbor Police have the exclusive contract for law enforcement services at San Diego International Airport during the time the Airport continues to operate in its current location. In accordance with the Act, the Airport Authority and the District are parties to a Police Services Agreement whereby the Airport Authority purchases police services from the District. During the years ended June 30, 2025, and 2024, the Airport Authority expensed $25.3 million and $22.3 million, respectively, for these services.

In fiscal year 2024, the Authority entered into a $140 million contract with AECOM Technical Services, Inc. for on-call program management, staffing support, and consulting services. The contract term is three years, with the option for two one-year extensions. As of June 30, 2025, $35.7 million had been expended under this contract.

In fiscal year 2025, the Authority entered into a $56 million contract with SP Plus Corporation, for parking management services. The contract term is three years, with the option for two one-year extensions. As of June 30, 2025, $8.7 million had been expended under the contract.

In fiscal year 2023, the Authority entered into a $70.0 million contract with Ace Parking III, LLC for airport shuttle services. The contract term is three years, with the option for two one-year extensions. As of June 30, 2025, $26.9 million has been spent for shuttle services.

In fiscal year 2022, the Authority entered into a $103.0 million contract with SP Plus Corporation to transport rental car companies' customers between the Rental Car Center facility and the terminals. The contract scope also includes the operation, management, and maintenance of the shuttle vehicles. The contract term is three years, with the option for two one-year extensions. As of June 30, 2025, 39.6 million has been spent for shuttle services.

In fiscal year 2021, the Board approved an $80.0 million contract with Turner-Flatiron, A Joint Venture for the design-build of a terminal and roadways. In fiscal year 2022, the Board approved an additional $2.5 billion. As of June 30, 2025, $2.2 billion had been spent and the contract is scheduled for completion in early fiscal year 2028.

In fiscal year 2020, the Board approved a $35.0 million contract with Jacobs Engineering Group, Inc. to provide Airside-Landside Engineering consulting services. As of June 30, 2025, $31.5 million had been spent and the contract is scheduled for completion in fiscal year 2026.

Contingencies: As of June 30, 2025, the Airport Authority is subject to contingencies arising from matters as described below:

The Airport Authority has leases and operating agreements with various tenants. These agreements typically include provisions requiring the tenants/operators to indemnify the Airport Authority for any damage to property or losses to the Airport Authority as a result of the tenant's operations. Also, the leases and operating agreements typically require the Airport Authority to be named as an additional insured under certain insurance policies of the tenants/operators. The Airport Authority also tenders these claims to its own insurers once they become asserted claims. When these types of claims are asserted against the Airport Authority, the Airport Authority not only vigorously opposes them but also vigorously seeks contribution and/or indemnity from all tenants/operators involved, from the tenants'/operators' insurers and from its own insurers. The

Airport Authority's legal counsel cannot predict the net exposure to the Airport Authority with respect to these matters, or the probability or remoteness of any outcome.

The Airport Authority invests in various investment securities. Investment securities are exposed to various risks such as interest rate risk, market risks and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of net position.

NOTE 14. SUBSEQUENT EVENTS

On July 9, 2025, the Airport Authority issued $784.5 million of Series A and B Senior Airport Revenue Bonds (Series 2025 Bonds). The Series 2025 Bonds were issued to finance certain capital improvements at SDIA including construction of the New Terminal 1, fund a portion of the interest accruing on the Series 2025 Bonds, the Senior Series 2023 bonds and the Subordinate Series 2021 Bonds, fund the senior reserve fund, and pay the costs of issuance and underwriting fees of the Series 2025 Bonds. The Series 2025A and B Bonds are structured as both serial and term bonds that bear interest rates ranging from 5.0 percent to 5.25 percent and mature in fiscal years 2029 to 2056.

On September 10, 2025, the Airport Authority purchased the 1.88-acre property located at 3298 Kettner Blvd in San Diego for $36.5 million cash. The property includes a five-story parking garage and an additional surface lot that have a total of 827 parking stalls, The property was purchased to expand parking capacity.

On September 23, 2025, the Airport Authority held the grand opening of Phase 1A of the newly constructed Terminal 1. The new, nearly 1 million square foot terminal opened with 19 new gates, with 3 additional gates to be added in the Spring of 2026. It replaces the 336 thousand square foot, 58-year old Terminal 1 with a modern, world class facility designed to elevate the passenger experience and meet the growing travel demands of the San Diego region. Demolition of the old Terminal 1 began immediately after the opening to make way for construction of Phase B, which will open in early 2028, bringing the total number of gates in the new terminal to 30.

The New Terminal 1 Project encompasses a $3.8 billion project that includes in addition to the new terminal, a new airfield and apron improvements, a five-story close-in parking garage and more than four miles of new roadway that includes dual-level roadway that separates arrivals and departures. The project is funded by Airport Revenue Bonds, Passenger Facility Charges, Federal grants and airport cash.

On October 1, 2025, the federal government entered a shutdown due to the absence of an approved federal budget. The shutdown is affecting key federal agencies that support airport operations, including the FAA and TSA. As of the date of issuance of these financial statements, the shutdown had not resulted in a material impact on the Authority's operations or customer experience. However, a prolonged shutdown could adversely affect operating revenues and financial results. Management will continue to monitor the situation for any potential effects.

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Required Supplementary Information (Unaudited)

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios

Defined Benefit Plan

Last 10 fiscal years (plan year reported in subsequent fiscal year)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service cost	**$ 7,979,893**	$ 7,147,242	$ 6,980,223	$ 7,970,646	$ 7,857,035	$ 7,632,696	$ 7,390,428	$ 6,996,180	$ 6,205,263	$ 6,154,579
Interest (includes interest on service cost)	**18,614,363**	17,355,715	16,489,161	15,693,834	14,257,205	13,355,418	12,621,226	11,416,679	10,277,610	9,327,538
Differences between expected and actual experience	**5,608,954**	4,182,916	(1,288,936)	(2,239,695)	925,862	(645,462)	(2,630,285)	3,975,029	(2,178,527)	345,661
Effect of changes of assumptions	**5,504,534**	-	-	-	6,767,000	-	6,416,088	5,871,218	10,473,890	-
Benefit payments, including refunds of member contributions	**(10,182,604)**	(9,295,008)	(8,578,375)	(8,820,959)	(6,733,942)	(6,429,659)	(4,462,751)	(4,669,787)	(3,023,391)	(2,482,523)
Net change in total pension liability	**27,525,140**	19,390,865	13,602,073	12,603,826	23,073,160	13,912,993	19,334,706	23,589,319	21,754,845	13,345,255
Total pension liability - beginning	**287,458,835**	268,067,970	254,465,897	241,862,071	218,788,911	204,875,918	185,541,212	161,951,893	140,197,048	126,851,793
Total pension liability - ending	**$ 314,983,975**	$ 287,458,835	$ 268,067,970	$ 254,465,897	$ 241,862,071	$ 218,788,911	$ 204,875,918	$ 185,541,212	$ 161,951,893	$ 140,197,048
Plan Fiduciary Net Position:										
Contributions - employer	**$ 8,010,734**	$ 7,742,583	$ 9,181,680	$ 8,596,163	$ 8,424,834	$ 7,848,712	$ 7,318,546	$ 5,480,984	$ 4,047,780	$ 3,897,545
Contributions - employee	**3,730,545**	3,494,204	3,070,398	3,125,138	3,321,661	3,178,464	3,162,781	2,990,317	2,967,269	2,840,236
Net investment income	**19,966,331**	13,293,511	(4,188,463)	53,140,343	390,013	12,086,349	14,036,710	19,480,875	1,651,283	4,390,185
Benefit payments, including refunds of member contributions	**(10,182,604)**	(9,295,008)	(8,578,375)	(8,820,959)	(6,733,942)	(6,429,659)	(4,462,751)	(4,669,786)	(3,023,391)	(2,482,523)
Administrative expense	**(440,697)**	(504,882)	(461,899)	(423,018)	(386,698)	(359,095)	(350,408)	(325,042)	(318,817)	(332,290)
Net change in plan fiduciary net position	**21,084,309**	14,730,408	(976,659)	55,617,667	5,015,868	16,324,771	19,704,878	22,957,348	5,324,124	8,313,153
Plan fiduciary net position - beginning	**277,214,692**	262,484,284	263,460,943	207,843,276	202,827,408	186,502,637	166,797,759	143,840,411	138,516,287	130,203,134
Plan fiduciary net position - ending	**$ 298,299,001**	$ 277,214,692	$ 262,484,284	$ 263,460,943	$ 207,843,276	$ 202,827,408	$ 186,502,637	$ 166,797,759	$ 143,840,411	$ 138,516,287
Net pension liability (asset) - ending	**$ 16,684,974**	$ 10,244,143	$ 5,583,686	$ (8,995,046)	$ 34,018,795	$ 15,961,503	$ 18,373,281	$ 18,743,453	$ 18,111,482	$ 1,680,761
Plan fiduciary net position as a percentage of the total pension liability	**94.70%**	96.44%	97.92%	103.53%	85.93%	92.70%	91.03%	89.90%	88.82%	98.80%
Covered payroll	**$ 35,607,167**	$ 32,528,943	$ 30,809,714	$ 33,328,788	$ 32,828,449	$ 31,584,841	$ 31,628,301	$ 31,131,795	$ 29,189,357	$ 27,955,455
Net pension liability as a percentage of covered payroll	**46.86%**	31.49%	18.12%	(26.99%)	103.63%	50.54%	58.09%	60.21%	62.05%	6.01%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2025

Significant Assumption Changes: The following were significant changes in assumption for the year presented in the schedule above.

2025 - Based in the results of the 2023 Actuarial Experience Study, the Cost-of-Living Adjustment increased from 1.9% to 2.0%. Additionally, price inflation and wage inflation assumptions were updated.

2021 – Based on the results of a comprehensive experience study, the base mortality assumptions were updated.

2019 – The discount rate was reduced from 6.75% to 6.50%.

2018 – The discount rate was reduced from 7.00% to 6.75%.

2017 – Based on the results of a comprehensive experience study, the base mortality assumptions were updated. Additionally, the discount rate was reduced from 7.125% to 7.0%, and the wage inflation assumption was reduced by 0.125%, bringing it down to 3.05%.

Changes of benefit terms: There were no significant changes of benefit terms for the plan years shown.

Schedule of Contributions

Defined Benefit Plan

Last 10 fiscal years (dollars in thousands)

	2025	2024	2023	2022	2021
Actuarially determined contribution	**$ 6,052**	$ 4,960	$ 4,944	$ 6,570	$ 6,125
Contributions in relation to the actuarially determined contribution	**9,218**	7,939	7,664	9,102	8,522
Contribution deficiency (excess)	**$ (3,166)**	$ (2,979)	$ (2,720)	$ (2,532)	$ (2,397)
Covered payroll	**$ 38,564**	$ 35,607	$ 32,529	$ 30,810	$ 33,329
Contributions as a percentage of covered payroll	**23.90%**	22.30%	23.56%	29.54%	25.57%

	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 6,159	$ 5,740	$ 5,416	$ 3,765	$ 3,666
Contributions in relation to the actuarially determined contribution	8,356	7,783	7,247	5,421	3,948
Contribution deficiency (excess)	$ (2,197)	$ (2,043)	$ (1,831)	$ (1,656)	$ (282)
Covered payroll	$ 32,828	$ 31,585	$ 31,628	$ 31,132	$ 29,189
Contributions as a percentage of covered payroll	25.45%	24.64%	22.91%	17.41%	13.53%

* This schedule is presented for the fiscal year.

Schedule of Changes in the Net Pension Liability and Related Ratios
Preservation of Benefits Trust
Last 9 fiscal years (plan year reported in subsequent fiscal year)

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability									
Service cost	**$ 42,413**	$ 39,567	$ 68,342	$ 88,557	$ 55,276	$ 49,343	$ 51,774	$ 60,994	$ 29,270
Interest cost	**35,609**	57,310	51,359	54,559	62,061	64,133	53,311	35,323	34,173
Differences between expected and actual experience	**623,963**	(702,599)	(381,597)	(195,545)	(57,318)	(64,295)	193,013	388,329	-
Changes of assumptions	**(23,292)**	(17,243)	(437,754)	22,116	661,465	109,070	(89,712)	(214,765)	272,579
Benefit Payments	**(13,538)**	(29,871)	(59,667)	(41,662)	(43,301)	(47,081)	(31,329)	-	
Net Change in Total Pension Liability	**665,155**	(652,836)	(759,317)	(71,975)	678,183	111,170	177,057	269,881	336,022
Total pension liability -beginning	**961,287**	1,614,123	2,373,440	2,445,415	1,767,232	1,656,062	1,479,005	1,209,124	873,102
Total pension liability - ending	**$ 1,626,442**	$ 961,287	$ 1,614,123	$ 2,373,440	$ 2,445,415	$ 1,767,232	$ 1,656,062	$ 1,479,005	$ 1,209,124
Covered employee payroll	**$ 35,607,167**	$ 32,528,943	$ 30,809,714	$ 33,328,788	$ 32,828,449	$ 31,584,841	$ 31,628,301	$ 31,131,795	$ 29,189,357
Net Pension Liability as a percentage of payroll	**4.57%**	2.96%	5.24%	7.12%	7.45%	5.60%	5.24%	4.75%	4.14%

Note to schedule: This schedule is intended to display the most recent 10 years of data for the annual changes in the total pension liability. Until such time has elapsed after implementing GASB Statement No. 74, this schedule will only present information from the years that are available.

Schedule of Contributions
Preservation of Benefits Trust
Last 8 fiscal years (in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	**$ -**	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the actuarially determined contribution	**8**	**9**	21	52	43	41	45	57
Contribution deficiency (excess)	**$ (8)**	**$ (9)**	$ (21)	$ (52)	$ (43)	$ (41)	$ (45)	$ (57)
Covered payroll	**$ 38,564**	**$ 35,607**	$ 32,529	$ 30,810	$ 33,329	$ 32,828	$ 31,585	$ 31,628
Contributions as a percentage of covered employee payroll	**0.02%**	0.03%	0.06%	0.17%	0.13%	0.13%	0.14%	0.18%

* This schedule is presented for the fiscal year.

Note to schedule: This schedule is intended to display the most recent 10 years of data for the annual pension contributions. Until such time has elapsed after implementing GASB Statement No. 73, this schedule will only present information from the years that are available.

Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios

Other Postemployment Benefits

Last 8 fiscal years (plan year reported in subsequent fiscal year)

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	**$ 468,371**	$ 517,853	$ 570,006	$ 446,233	$ 501,198	$ 449,596	$ 436,501	$ 411,052
Interest cost	**1,619,662**	1,604,101	1,546,979	1,829,473	1,739,459	1,883,080	1,772,578	1,606,959
Difference between expected and actual experience	**-**	(2,744,688)		(3,669,756)	-	(169,582)	-	-
Changes of Assumptions	**-**	2,019,463		4,568,725	-	(1,531,369)	-	766,830
Benefit Payments	**(1,099,493)**	(1,002,148)	(951,488)	(919,462)	(784,845)	(775,225)	(622,425)	(451,189)
Net Change in Total OPEB Liability	**988,540**	394,581	1,165,497	2,255,213	1,455,812	(143,500)	1,586,654	2,333,652
Total OPEB Liability (Beginning)	**30,932,097**	30,537,516	29,372,019	27,116,806	25,660,994	25,804,494	24,217,840	21,884,188
Total OPEB Liability (Ending)	**$ 31,920,637**	$ 30,932,097	$ 30,537,516	$ 29,372,019	$ 27,116,806	$ 25,660,994	$ 25,804,494	$ 24,217,840
Plan Fiduciary Net Position								
Contributions—Employer	**$ 1,099,493**	$ 1,002,148	$ 951,488	$ 919,462	$ 784,845	$ 775,225	$ 622,425	$ 2,012,419
Net Investment Income	**1,917,257**	474,185	(3,627,823)	4,973,926	982,113	1,604,058	1,896,351	2,175,582
Benefit Payments	**(1,099,493)**	(1,002,148)	(951,488)	(919,462)	(784,845)	(775,225)	(622,425)	(451,189)
Administrative Expense	**(9,755)**	(8,543)	(8,562)	(10,452)	(13,580)	(5,611)	(12,568)	(10,578)
Net Change in Plan Fiduciary Net Position	**1,907,502**	465,642	(3,636,385)	4,963,474	968,533	1,598,447	1,883,783	3,726,234
Plan Fiduciary Net Position (Beginning)	**30,558,752**	30,093,110	33,729,495	28,766,021	27,797,488	26,199,041	24,315,258	20,589,024
Plan Fiduciary Net Position (Ending)	**$ 32,466,254**	$ 30,558,752	$ 30,093,110	$ 33,729,495	$ 28,766,021	$ 27,797,488	$ 26,199,041	$ 24,315,258
Net OPEB Liability (Asset)	**$ (545,617)**	$ 373,345	$ 444,406	$ (4,357,476)	$ (1,649,215)	$ (2,136,494)	$ (394,547)	$ (97,418)
Net Position as a percentage of OPEB liability	**101.71%**	98.79%	98.54%	114.84%	106.08%	108.33%	101.53%	100.40%
Covered employee payroll	**$ 13,259,814**	$ 14,296,047	$ 14,296,047	$ 12,786,000	$ 14,608,940	$ 13,869,000	$ 16,625,857	$ 16,141,609
Net OPEB Asset as a Percentage of Payroll	**(4.11%)**	2.61%	3.11%	(34.08%)	(11.29%)	(15.40%)	(2.37%)	(0.60%)

Note to schedule: This schedule is intended to display the most recent 10 years of data for the annual charges in the net OPEB liability (asset). Until such time has elapsed after implementing information GASB Statement No. 75, this schedule will only present from the years that are available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2025

Significant Assumption Changes: The following were significant changes in assumption for the year presented in the schedule above.

2024 – Medical trend assumptions increased 2.0% to 8.5% for non-Medicare, and 1.85% to 7.5% for Medicare.

2022 - The discount rate and long-term expected rate of return on assets were reduced from 6.75% to 5.25%.

2020 - Reduction of the discount rate from 7.28% to 6.75%. The addition of a DROP assumption and other changes due to change in actuary and systems.

2018 - Increase in future plan participation assumption. Changes in spouse assumption. Update to the mortality assumption.

Changes of benefit terms: There were no significant changes of benefit terms for the plan years shown.

Schedule of Contributions

Other Postemployment Benefits

Last 7 fiscal years (dollars in thousands)

	2025	2024	2023	2022	2021	2020	2019
Actuarially determined contribution	**$ 512**	$ 581	$ 264	$ 326	$ 365	$ 427	$ 486
Contributions in relation to the actuarially determined contribution	**1,291**	1,099	1,002	951	919	785	339
Contribution deficiency (excess)	**$ (779)**	$ (518)	$ (738)	$ (625)	$ (554)	$ (358)	$ 147
Covered employee payroll	**$12,049**	$13,260	$14,296	$14,494	$12,786	$14,609	$13,869
Contributions as a percentage of covered employee payroll	**10.71%**	8.29%	7.01%	6.56%	7.19%	5.37%	2.44%

* This schedule is presented for the fiscal year.

Note to schedule: This schedule is intended to display the most recent 10 years of data for the annual OPEB contributions. Until such time has elapsed after implementing GASB Statement No. 75, this schedule will only present information from the years that are available.