



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL
YEARS ENDED**

**JUNE 30, 2020 &
JUNE 30, 2019**



CARPINTERIA
Sanitary District

DISTRICT STAFF

Craig Murray, P.E.— General Manager
Kim Garcia — District Administrator

5300 Sixth Street
Carpinteria, CA 93013
(805) 684-7214
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CARPINTERIA SANITARY DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Years Ended
June 30, 2020 and 2019

Carpinteria, California

Prepared by the Finance Department

Carpinteria Sanitary District
Comprehensive Annual Financial Report
For the Fiscal Years Ended June 30, 2020 and 2019

TABLE OF CONTENTS

	PAGE
I. INTRODUCTORY SECTION	
Letter of Transmittal	i - iv
Demographic and Economic Information	v
Organizational Chart	vi
Certificate of Achievement for Excellence in Financial Reporting	vii
II. FINANCIAL SECTION	
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 12
Basic Financial Statements	
Statements of Net Position - Proprietary Fund	13 - 14
Statements of Revenues, Expenses and Changes in Net Position - Proprietary Fund	15
Statements of Cash Flows - Proprietary Fund	16 - 17
Statements of Fiduciary Net Position - Fiduciary Funds	18
Statements of Changes in Fiduciary Net Position – Fiduciary Funds	19
Notes to the Financial Statements	20 - 51
Required Supplemental Information	
California Public Employees' Retirement System	
Schedule of Proportionate Share of the Net Pension Liability	52
Schedule of Contributions	53
Supplementary Information	
Schedule of Revenues and Expenses - Modified Accrual Basis - Budget and Actual	54-55
III. STATISTICAL SECTION	
Financial Trends:	
Statement of Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources and Net Position - Proprietary Fund	56
Net Position by Component	57
Revenue and Gross Capital Contribution	58
Change in Net Position	59

Carpinteria Sanitary District
Comprehensive Annual Financial Report
For the Fiscal Years Ended June 30, 2020 and 2019

TABLE OF CONTENTS - Continued

	PAGE
III. STATISTICAL SECTION - Continued	
Operating Expenses by Department	60
Operating and Non-Operating Expenses	61
Financial Trend Data	62
Capital Assets Summary - Last Ten Fiscal Years	63-64
Capital Improvement Projects Expenditures	65
Revenue Capacity:	
Sewer Service Charge (SSC) Summary	66
Ten Highest Non-Residential Rate Payers	67
History of Residential Sewer Service Charges	68
Debt:	
Ratio of Annual Debt Service to Total Expenditures	69
Debt Service Ratio	70
Ratio of Outstanding Debt	71
2012 Wastewater Revenue Bonds - Debt Service Schedule	72
Demographic and Economic Information:	
Demographic and Economic Statistics	73
Principal Employers	74
Operating Information:	
Full-Time District Employees by Function	75
Treatment Plant Flow Data	76
Collection System Statistics	77
Quality of Effluent	78
Bio-Solids Produced	79

INTRODUCTORY SECTION



CARPINTERIA
Sanitary District

5300 Sixth Street
Carpinteria, CA 93013

Phone (805) 684-7214 • Fax (805) 684-

November 3, 2020

Mr. Mike Damron, President
Board of Directors
Carpinteria Sanitary District

SUBJECT: Comprehensive Annual Financial Report – June 30, 2020 and 2019

Dear President Damron:

This letter transmits the Comprehensive Annual Financial Report (CAFR) for the Carpinteria Sanitary District for the fiscal years ended June 30, 2020 and 2019.

State law requires that the accounts and fiscal affairs of all government entities be examined annually by an independent certified public accountant. The District's independent auditing firm, Teaman, Ramirez & Smith, Inc. has audited the District's financial statements, examined internal control, and issued an unmodified opinion that the financial statements for the 2019/20 fiscal year are fairly presented in conformity with generally accepted accounting principles. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable assurance rather than absolute that the financial statements are free of any misstatements. This opinion, along with the basic financial statements of the District, are hereby submitted and included in the financial section of this report in fulfillment of the above requirement.

Responsibility for accuracy of data and fairness of presentation, including all footnotes and disclosures, rests with District management. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District. The audit provides users with a reasonable assurance that the information presented is free from material misstatements.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found in the Financial Section of this document, immediately following the report of the independent auditor.

ORGANIZATION OVERVIEW

The Carpinteria Sanitary District provides wastewater collection, treatment and disposal for the City of Carpinteria and neighboring unincorporated portions of Santa Barbara County. The District was originally formed in April of 1928 and has grown to serve approximately 16,500 permanent residents and a large visiting population.

The District has five board members that are elected at large and a General Manager who serves as Chief Executive Officer. The District Board of Directors meets on the first and third Tuesday of each month at 5:30 p.m. in the District's Administrative Offices. The District Board of Directors, committee members, and support staff are as follows:

BOARD OF DIRECTORS

Michael Damron	President
Debbie Murphy	President Pro Tem
Lin Graf	Secretary
Mike Modugno	Secretary Pro Tem
Gerald Velasco	Treasurer

STANDING COMMITTEES

Finance Committee

Gerald Velasco	Chairperson
Lin Graf	Member

Personnel Committee

Debbie Murphy	Chairperson
Michael Damron	Member

Public Relations Committee

Mike Modugno	Chairperson
Debbie Murphy	Member

Local Utilities Committee

Lin Graf	Member
Mike Modugno	Member

DISTRICT SUPPORT STAFF

Craig Murray, P.E.	General Manager
Kim Garcia	District Administrator
Mark Bennett	Operations Manager

DISTRICT LEGAL COUNSEL

Anthony Trembley	Legal Counsel – Law Office of Anthony H. Trembley
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FINANCIAL INFORMATION

The Comprehensive Annual Financial Report includes all financial activities of the District and the Statement of Fiduciary Assets and Liabilities of the Agency Fund (Assessment District 2007-1).

The District's accounting records are maintained on an accrual basis. Revenues are recorded when measurable and available. Expenditures are recorded when the liability is incurred. The annual budget serves as the foundation for the District's financial planning and control. The budget is to be adopted annually by resolution, generally in June of each year for the following 12 month period. The District's budget provides a fiscal guideline for each department, as well as an annual framework for capital improvements throughout the District. To ensure funds are available for approved capital projects, the Board of Directors authorizes a transfer from the general fund to the Capital Improvement Program (CIP) fund as a part of the budget process.

The District's investment policy establishes three key objectives for placement of agency funds. In order of importance these objectives are: safety (preservation of principal), liquidity, and overall return. Accordingly, the Board has identified the California Local Agency Investment Fund (LAIF) as the District's primary investment vehicle. Investing in LAIF additionally satisfies all debt service indentures for the reserve fund.

The District is a member of the California Sanitation Risk Management Authority (CSRMA), a joint powers agency made up of over 60 wastewater agencies throughout the State. CSRMA implements self-insured pools for general liability and workers' compensation insurance and, through a program administrator and broker, provides other forms of insurance to its members. The District benefits significantly through CSRMA participation when compared to obtaining coverage in the open market.

OTHER FINANCIAL INFORMATION

In 1993, the District issued \$19,250,000 in municipal revenue bonds known as the "1993 Capital Facilities Revenue Securities" to fund a major upgrade to its wastewater treatment facility. In 2003, the District refinanced the outstanding debt with lower interest rates. Again in 2012, taking advantage of a favorable municipal interest rate environment, the District refinanced the outstanding debt and concurrently issued \$4.5M in long term debt to fund the Aerobic Digester Replacement Project. Currently, annual bond payments are approximately \$1.18M in aggregate. The schedule of debt service payments is available in the statistical section of the CAFR. Bond payments are due in February and August of each year. The coupon rates range between 2% and 5% per year.

One of the principal bond covenants for the outstanding obligation requires the District to maintain revenue to debt coverage ratio of 1.25. This means that the District must set rates, fees and charges for the services provided to its customers that, when added to the projected property tax revenue for a given fiscal year, total revenue is at least equal to 125% of the aggregate amount of principal and interest on the Bonds and any parity obligations coming due and payable during that year.

Assessment District No. 2007-1 was formed by the District in 2008 to fund the South Coast Beach Communities Septic to Sewer Project. In March 2009, the District issued and sold approximately \$6M in limited obligation improvement bonds, secured by properties within Assessment District 2007-1 whose owners opted for long term financing. The assessment bonds were refunded in July 2012 to achieve lower interest rates. The District collects annual assessments from participating property owners to pay the debt service on the outstanding bonds.

FINANCIAL CONDITION AND LONG RANGE PLANNING

The District began the current fiscal year (2020/2021) with cash and cash equivalents balance of approximately \$11.0M and a current liability of approximately \$1.1M. Annual revenue of approximately \$6.8M is projected, with an estimated operating, non-operating, and capital improvement expenditures totaling approximately \$10.2M, excluding depreciation. The projected ending balance of cash and cash equivalents for FY 2020/21 will be approximately \$8.0M, assuming all authorized capital improvements are completed and paid for.

Sewer service charges, which are the District's primary source of revenue, are collected by the County of Santa Barbara and County of Ventura through the property tax billing system. Approximately ten percent of regular District revenue comes from allocated increment of secured and unsecured property tax. Permanent reapportionment, although currently prohibited by the State Constitution, would have serious implications to the District's financial condition. The District has been able to meet the 125% debt ratio set forth as a covenant of its long term revenue bond debt obligation each year, without exception.

During 2016/17 FY, an updated rate study was performed that recommended an incremental sewer service charge increase of 4% per year for five years commencing in FY 2017/18. Based on the comprehensive study, the structured rate increases were approved by the District's Board of Directors with adoption of Ordinance No. 15. Sewer service charge revenue is expected to increase proportional to the 4 percent annual rate increases through FY 2021/22.

The financial condition of the District will continue to be carefully monitored by District staff and the Board of Directors. Long range financial planning and careful budgeting are crucial to maintaining the financial health of the organization.

AWARDS AND ACKNOWLEDGEMENTS

The Carpinteria Sanitary District is proud to participate in the Comprehensive Annual Financial Report (CAFR) process. The District has been recognized with an award of merit from the Government Finance Officers Association (GFOA) each year since 2010.

Preparation of this report was accomplished through the team effort of the District's Administration Department. We wish to express our thanks and appreciation to the President, members of the Board of Directors, and staff for their leadership, interest, and continued support in planning and conducting the financial and wastewater operations of the District in a responsible and prudent manner in the best interests of the customers of the District.

Respectfully submitted,
CARPINTERIA SANITARY DISTRICT



Craig M. Murray, P.E.
General Manager

CARPINTERIA SANITARY DISTRICT

Demographic & Economic Information

District Overview

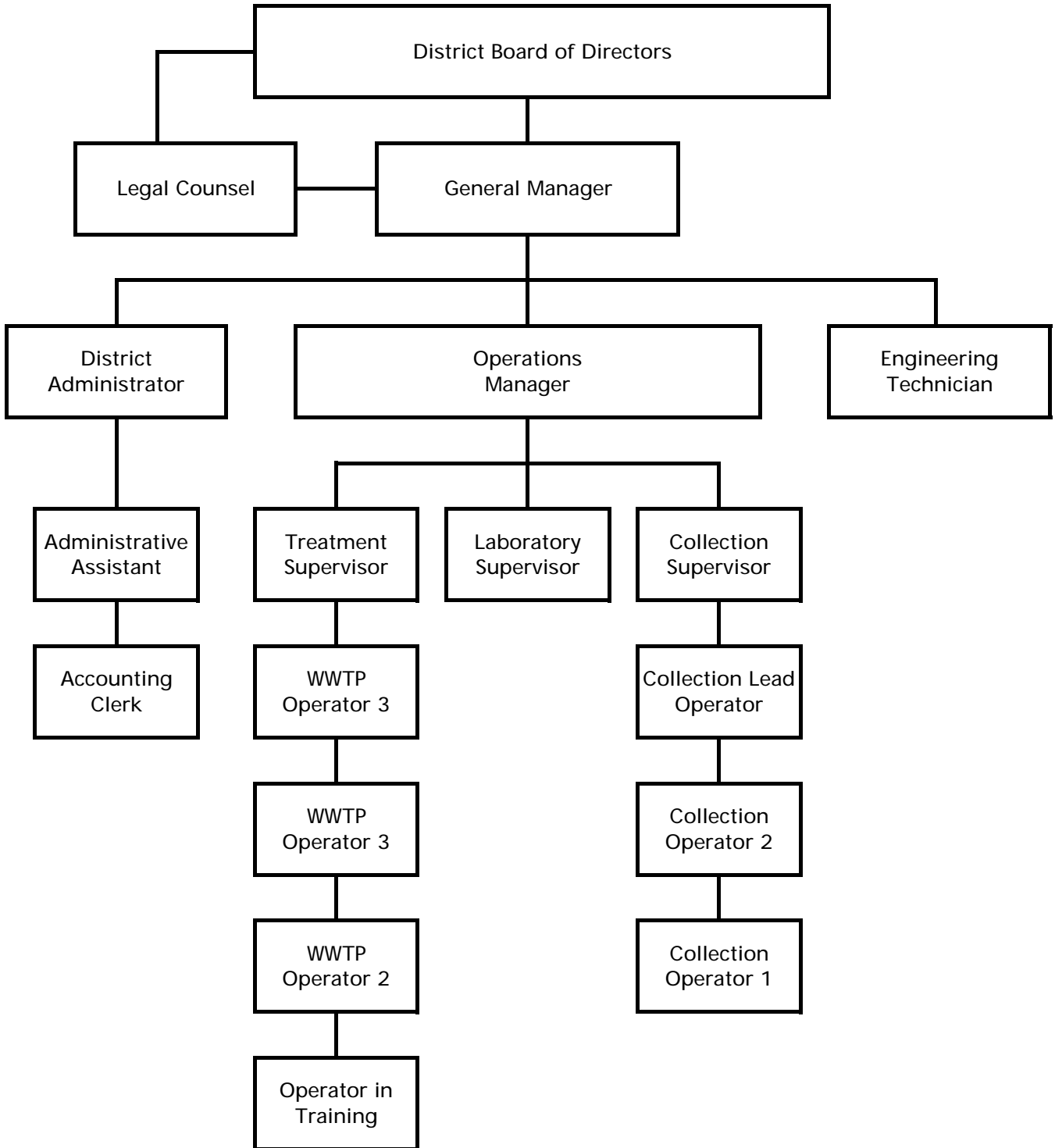
The Carpinteria Sanitary District was formed in April 1928 for the purpose of providing sewage facilities and related services to properties located within the District. The District is located in the southern part of Santa Barbara County. The District's service area includes the City of Carpinteria and outlying unincorporated areas, including a small portion of unincorporated area in Ventura County.

Nature of Services:

The District provides wastewater collection and treatment for 6,313 residential units and about 500 non-residential customers.

Miles of sewer:	45 miles (excluding house laterals)
Miles of Force Mains:	2.74
Miles of Low Pressure Sewer:	2.03
Number of Pumping Station:	8
Types of Terrain:	Level along ocean sloping 2-3 degrees toward foothills
Treatment Plant Capacity:	2.5 MGD
Fees Per Ordinance 15:	Residential: \$676.35 annually Non-Residential: Classified into six classes; charges range between \$10.30 – 15.41 per 1000 gal with a minimum charge of \$676.35 per parcel
Population in 2020:	16,336
Businesses in 2020:	580
Rainfall in 2019/20:	11.33 inches
Crime:	The number of violent crimes recorded in 2019/20 was 3. The number of murders and homicides was 0.
Local Festival:	Avocado Festival in October (canceled in 2020)

**CARPINTERIA SANITARY DISTRICT
ORGANIZATIONAL CHART
FY 2019/20**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Carpinteria Sanitary District
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Board of Directors
Carpinteria Sanitary District
Carpinteria, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and aggregate remaining fund information of the Carpinteria Sanitary District (the "District"), as of June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America as well as the accounting systems prescribed by the State Controller's Office and state regulations governing special districts; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's *Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2020 and 2019, and the respective changes in its financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Emphasis of Matter

Change in Accounting Principle

As described in Note 2 to the basic financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statements No. 84, *Fiduciary Activities* and No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the California Public Employees' Retirement System Schedule of Proportionate Share of Net Pension Liability on page 52 and the California Public Employees' Retirement System Schedule of the Contributions on page 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Carpinteria Sanitary District's basic financial statements. The introductory section, supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and the statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Teaman Ramirez & Smith, Llc.

Riverside, California
October 28, 2020



Management's Discussion and Analysis (MD&A)

Fiscal Year 2019/20

This section of the financial statements for the Carpinteria Sanitary District is a narrative overview of the financial activities during the 2019/20 fiscal year (FY). The information presented here is to be considered in conjunction with additional information provided in the letter of transmittal located in the introductory section of this report.

The Carpinteria Sanitary District provides wastewater collection, treatment and disposal for the City of Carpinteria and neighboring unincorporated portions of Santa Barbara and Ventura Counties. The District was originally formed in 1928 and has grown to serve approximately 16,500 permanent residents and a large visiting population.

Financial Highlights

- On June 30, 2020, the assets and deferred outflows of the District exceeded its liabilities and deferred inflows by \$35,884,639. Of this amount, \$26,838,006 is comprised of restricted reserves and net investment in capital assets. The remaining \$9,046,633 is unrestricted. At the end of the prior fiscal year, on June 30, 2019, the assets of the District were \$34,972,542 greater than its liabilities, with \$8,747,706 unrestricted.
- During FY 2019/20, the District's net position increased by \$912,097, or about 2.6 percent. The increase reflects a \$567,510 increase in capital assets and an increase of \$298,927 in unrestricted net position. This gain in capital assets results from new infrastructure and equipment, offset by a reduction in construction in progress. This reflects completion of several capital construction projects during the fiscal year and their subsequent transfer to capital assets.
- The District's current liabilities, which include upcoming debt service obligations, wages payable, and outstanding accounts payable, increased by \$35,545, or 3.1 percent, during FY 2019/20.
- Long term liabilities, which consist of outstanding bond debt, compensated absences, and net pension liability decreased by \$576,785, or 5.3 percent, over the prior fiscal year.
- Debt service payments in FY 2019/20 totaled \$1,181,306, including principal and interest. The debt service payment represents approximately 18 percent of the District's operating revenue and conforms with applicable debt ratio covenants.

- In FY 2019/2020, the District Board approved the creation of a Section 115 Trust Agreement with Benefit Trust Company as the Trustee, and Keenan and Associates as Trust Administrator. The Section 115 Trust was established with the intention to set aside monies to fund the District's long term pension obligations. Contributions are irrevocable and are considered expenses at the time they are transferred to the trust. While this form of restricted trust does not directly reduce the District's actuarially determined unfunded pension obligation stated by CalPERS and reported pursuant to GASB 68 requirements, it does commit funds to offset a significant portion of this liability.

Overview of the Basic Financial Statements

This Management Discussion and Analysis (MD&A) is a key element of the District's annual audited financial statements that are prepared in accordance with the Governmental Accounting Standards Board Statement 34 (GASB 34). The MD&A also includes other supplementary information to the basic financial statements.

The District's accounting system is configured as an enterprise fund, similar to private sector accounting systems. Operating expenses are stated as expenses and capital expenses are capitalized and depreciated over the life of the item in accordance with District fiscal policy.

In accordance with GASB 34, the District's financial statements include:

- **Statements of Net Position**

The statements of net position includes all of the District's assets, deferred outflows, liabilities, and deferred inflows, and provides information about the nature and amount of investments in resources (assets) and the obligations to creditors (liabilities). The District's financial statements include a line item that reflects the agency's net pension liability as of June 30, 2020 and for the previous year. Reporting this liability is a requirement set forth in GASB 68 that has been in place since 2015. The reported net pension liability is determined by an actuarial valuation study performed by CalPERS.

- **Statements of Revenues, Expenses and Changes in Net Position**

The statement of revenues, expenses, and changes in net position measure the success of the District's operations during the reporting period. The District's supplemental revenue, which includes property tax, and other miscellaneous income, is also reported in this section.

- **Statements of Cash Flows**

The financial statement also considers and presents cash flow information for the fiscal year. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations and investments during the fiscal year.

Statements of Net Position

The District's net position increased by 2.6 percent during FY 2019/20 to a total of \$35,884,639. Of the assets on hand at the end of the reporting period, \$26,838,006 was restricted in net investment in capital assets. The remaining \$9,046,633 was unrestricted. The following table provides a summary of the District's assets, deferred outflows, liabilities and deferred inflows as compared to the two prior fiscal years.

CARPINTERIA SANITARY DISTRICT							
Statements of Net Position - Condensed							
		2020	2019	2018	Change 2019/20	Change 2018/19	% 2019/20
ASSETS							
	Current Assets	\$ 11,295,052	\$ 10,741,949	\$ 8,836,894	\$ 553,103	\$1,905,055	5.1%
	Restricted Assets	302,004	256,345	1,090,906	45,659	(834,561)	17.8%
	Capital Assets	35,810,046	36,069,993	36,043,177	(259,947)	26,816	-0.7%
	Total Assets	47,407,102	47,068,287	45,970,977	338,815	1,097,310	0.7%
DEFERRED OUTFLOWS OF RESOURCES							
	Deferred Pension	672,110	634,297	779,595	37,813	(145,298)	6.0%
	Total Deferred Outflows of Resources	672,110	634,297	779,595	37,813	(145,298)	6.0%
LIABILITIES							
	Current Liabilities	1,197,761	1,162,216	1,156,053	35,545	6,163	3.1%
	Long Term Liabilities	10,335,592	10,912,377	11,781,485	(576,785)	(869,108)	-5.3%
	Total Liabilities	11,533,353	12,074,593	12,937,538	(541,240)	(862,945)	-4.5%
DEFERRED INFLOWS OF RESOURCES							
	Deferred Gain on Refunding	604,044	631,501	658,958	(27,457)	(27,457)	-4.3%
	Deferred Pension	57,176	23,948	132,420	33,228	(108,472)	138.8%
	Total Deferred Inflows of Resources	661,220	655,449	791,378	5,771	(135,929)	0.9%
NET POSITION							
	Net Investment in Capital Assets	26,536,002	25,968,492	25,139,219	567,510	829,273	2.2%
	Restricted for Debt Service	6,497	150	988,181	6,347	(988,031)	4231.3%
	Restricted for Construction	295,507	256,194	102,725	39,313	153,469	15.3%
	Unrestricted	9,046,633	8,747,706	6,791,531	298,927	1,956,175	3.4%
	Total Net Position	35,884,639	34,972,542	33,021,656	912,097	1,950,886	2.6%

The District's current unrestricted assets, which reflect the agency's available cash and cash equivalent balance, increased by \$298,927, or 3.4 percent, during the fiscal year. The increases are attributable to positive cash flows resulting from the normal variance between operating revenues and operating expenses.

Restricted assets increased by \$613,170, or 2.34 percent, during the fiscal year. This was due to completion of a number of capital projects during the fiscal year and expenditures on ongoing significant capital projects.

CAPITAL ASSETS

The following table provides detail on the District's net capital assets as of June 30, 2020 with comparative data for the prior years.

	June 30,	June 30,	June 30,	Changes	Changes
	2020	2019	2018	2019/20	2018/19
Assets Not Depreciated					
Land	\$233,619	\$233,619	\$233,619	\$0	\$0
Capital Improvement Projects (in progress)	1,439,717	725,432	224,369	714,285	501,063
Assets Being Depreciated					
Capital Assets	55,889,462	55,783,118	55,200,146	106,344	582,972
Accumulated Depreciation	(21,752,752)	(20,672,176)	(19,614,957)	(1,080,576)	(1,057,219)
Total Net Capital Assets	\$35,810,046	\$36,069,993	\$36,043,177	(\$259,947)	\$26,816

The District continues to review its capital asset inventory each year and remove the items that are obsolete and are no longer in use, or have been declared surplus and disposed of.

The District purchases and constructs capital assets throughout the year. When capital improvements and/or procurements are completed, related expenditures are recorded as Capital Improvement Projects (CIP). In the year of completion, the project is transferred into the appropriate capital asset classification. During FY 2019/20, the District's capital assets increased by \$106,344 or 0.2 percent.

During FY 2019/20, the District completed several capital projects including: Disinfection Monitoring Unit Enclosures, the purchase of a CCTV Camera Vertical Extender and Influent Pump Station Valve Replacement. The Administration Building Replacement Project is a significant capital upgrade that remains in progress. In addition, there several other capital projects that carried over into next fiscal year, including but not limited to: Sewer System Hydraulic Model Update, Carpinteria Avenue Inverted Siphon Relocation Project, Outfall Diffuser Replacement Project, Foul Air Ducting Replacement, Climbing Bar Screen and Wetwell Rehabilitation at Lift Stations 1, 2 and 3.

The District has a number of capital improvement projects that are currently in progress. The table below provides a list of ongoing projects at the end of respected fiscal year. Additional information is available on page 34 of the financial statements.

CAPITAL IMPROVEMENT PROJECTS (CIP) EXPENDITURES					
Projects	June 30,2020	June 30,2019	June 30,2018	Change 2019/2020	Change 2018/2019
Admin Building Replacement Project	312,459	164,460	124,876	147,999	39,584
Flood Wall Repair	605,650	551,147	0	54,503	551,147
Sewer System Hydraulic Model Update	9,825	9,825	62,757	0	(52,932)
Emergency Generator Replacements					
Carpinteria Avenue Inverted Siphon Relocation	7,703				
Collection System Rehabilitation Project - Phase 3	426,778				
Outfall Diffuser Replacement Project	77,302	0	0	77,302	0
Total Construction in Progress	\$1,439,717	\$725,432	\$187,634	\$279,804	\$537,799

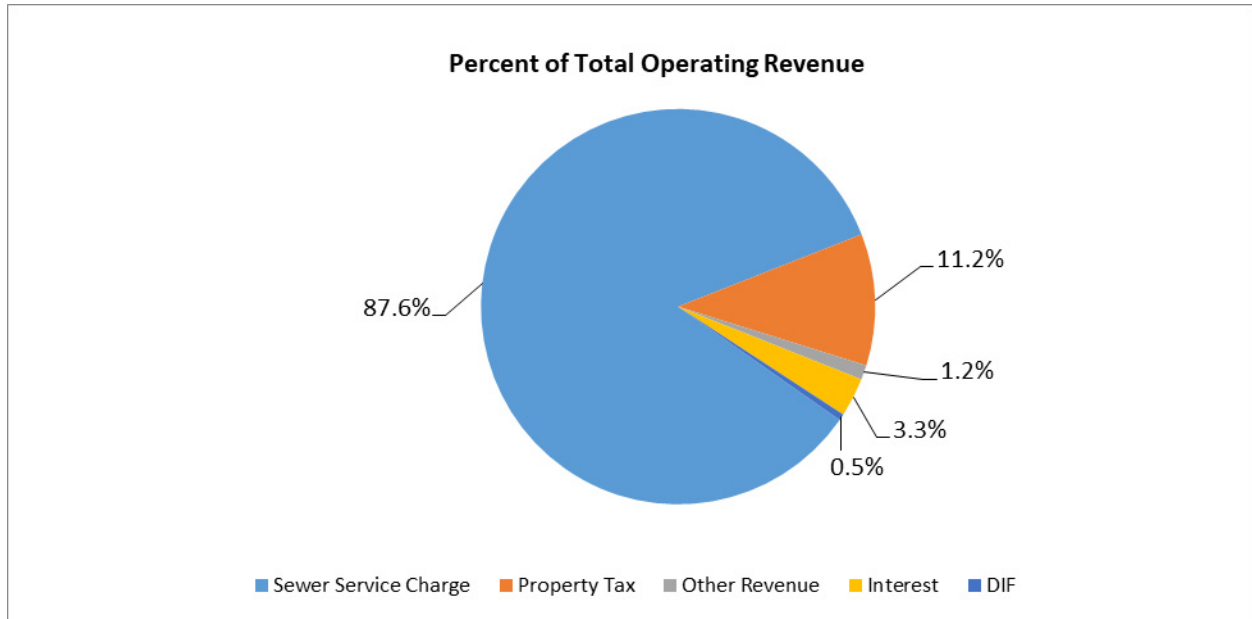
Statements of Revenues, Expenses and Changes in Net Position

The District's net position as of the end of FY 2019/20 increased by \$912,097. The following chart and table provides detail on revenues, expenses and change in net position.

CARPINTERIA SANITARY DISTRICT							
Statements of Revenues, Expenses and Changes in Net Position							
	2020	2019	2018	Change 2019/20	Change 2018/19	% Change 2019/20	
OPERATING REVENUES							
Sewer Service Charge (SSC)	\$ 5,477,437	\$ 5,242,985	\$ 5,108,684	\$ 234,452	\$ 134,301	4.5%	
Development Impact Fees (DIF)	34,265	152,000	23,000	(117,735)	129,000	-77.5%	
Other Services	23,731	72,635	132,606	(48,904)	(59,971)	-67.3%	
Total Operating Revenues	5,535,433	5,467,620	5,264,290	67,813	203,330	1.2%	
Operating Expenses							
Salaries and Wages	1,558,086	1,456,171	1,465,961	101,915	(9,790)	7.0%	
Employees Benefits	1,517,973	739,045	777,311	778,928	(38,266)	105.4%	
General Operating Expenses	190,078	194,228	167,906	(4,150)	26,322	-2.1%	
Environment and Monitoring	42,661	33,660	30,872	9,001	2,788	26.7%	
Utilities	203,067	186,423	173,898	16,644	12,525	8.9%	
Sludge Disposal	91,280	101,628	92,161	(10,348)	9,467	-10.2%	
Supplies and Equipment	177,669	177,643	150,275	26	27,368	0.0%	
Repairs and Maintenance	222,081	136,250	272,875	85,831	(136,625)	63.0%	
Professional and Contract Services	127,780	237,818	125,353	(110,038)	112,465	-46.3%	
Depreciation and Amortization	1,053,124	1,062,269	1,037,821	(9,145)	24,448	-0.9%	
Other Expenses	29,887	32,863	16,872	(2,976)	15,991	-9.1%	
Total Operating Expenses	5,213,686	4,357,998	4,311,305	855,688	46,693	19.6%	
Operating Income (Loss)	321,747	1,109,622	952,985	(787,875)	156,637	-71.0%	
NON-OPERATING REVENUES (EXPENSES)							
Interest Earnings	207,232	220,067	124,232	(12,835)	95,835	-5.8%	
Taxes and Assessments	699,158	659,940	653,501	39,218	6,439	5.9%	
Reimbursements	53,656	345,917	158,092	(292,261)	187,825	N/A	
Interest Expense	(369,696)	(397,946)	(428,735)	28,250	30,789	-7.1%	
Gain (Loss) on Sale of Capital Assets	0	13,286	19,409	(13,286)	(6,123)	-100.0%	
Total Non-Operating Revenue (Expense)	590,350	841,264	526,499	(250,914)	314,765	-29.8%	
Income (Loss) Before Capital Contributions	912,097	1,950,886	1,479,484	(1,038,789)	471,402	-53.2%	
Change in Net Position	912,097	1,950,886	1,479,484	(1,038,789)	471,402	-53.2%	
Net Position at Beginning of Year	34,972,542	33,021,656	31,542,172	1,950,886	1,479,484	5.9%	
Net Position at End of Year	\$ 35,884,639	\$ 34,972,542	\$ 33,021,656	\$ 912,097	\$ 1,950,886	2.6%	

REVENUE

The District receives revenue from five discrete sources each year, categorized in the above Statement of Revenues, Expenses and Changes in Net Position as operating revenue and non-operating revenue. The figure below shows the breakdown of the District's combined revenue on a percentage basis.



As previously mentioned, the District utilizes an enterprise system to account for the operations of the District. This allows the District to determine that the costs of providing service, including depreciation and amortization expenses, are being recovered through user charges and property tax revenue.

The total revenue from Sewer Service Charges (SSC) collected in FY 2019/20 was \$5,477,437, which represents an increase of \$234,452 over the previous year. The increase in revenue is attributed to a 4 percent serial rate increase commencing in fiscal year 2017/18 and continuing for the subsequent 5 years. SSC revenue represented 87.6 percent of the District's operating revenue for FY 2019/20.

Revenue in the Property Tax category has increased in the past two years as property values have increased and generated higher property tax revenue. Interest earnings decreased slightly from the prior year, as interest rates for reserve deposits held in the Local Agency Investment Fund (LAIF) dipped sharply in the fourth quarter of the fiscal year.

EXPENSES

The District's operating expenses for FY 2019/20 increased by \$855,688, or 19.6 percent from the prior year. The following table provides additional details on the District's annual operating expenses, as compared to FY 2018/19.

Expense Category	FY 2019/20 Actual Expenses	FY 2018/19 Actual Expenses	Amount Increase (Decrease)	Percentage Increase (Decrease)	Comments/Justification
Salaries & Wages	\$ 1,558,086	\$ 1,456,171	\$ 101,915	7.0%	Costs increased after Board approved salary adjustment in December 2019.
Employee Benefits	\$ 1,517,973	\$ 739,045	\$ 778,928	105.4%	Overall employee benefit increased modestly. Significant increase is attributed to the Board decision to contribute to Section 115 Trust to address the CalPERS UAL.
General Operating Expenses	\$ 190,078	\$ 194,228	\$ (4,150)	-2.1%	Operating expenses decreased modestly. A reduction in the Workers compensation ex-mod affected this expense category.
Environment & Monitoring	\$ 42,661	\$ 33,660	\$ 9,001	26.7%	The increases in this category resulted from an annual testing/reporting requirement.
Utilities	\$ 203,067	\$ 186,423	\$ 16,644	8.9%	An increase in all utility costs contributed to the overall increase in spending in this category.
Biosolids Disposal	\$ 91,280	\$ 101,628	\$ (10,348)	-10.2%	A decrease in biosolids tonnage hauled off-site and a decrease in the fuel surcharge contributed to the reduction in this category.
Supplies & Equipment	\$ 177,669	\$ 177,643	\$ 26	0.0%	Expenses remained flat.
Repairs & Maintenance	\$ 222,081	\$ 136,250	\$ 85,831	63.0%	Overall costs were higher than last year, but in line with budgeted events.
Professional & Contract Services	\$ 127,780	\$ 237,818	\$ (110,038)	-46.3%	The significant decrease in this category resulted from reduced legal fees related to an appeal of a FEMA Letter of Map Revision for Carpinteria Creek.
Depreciation & Amortization	\$ 1,053,124	\$ 1,062,269	\$ (9,145)	-0.9%	This category remained flat.
Other Expenses	\$ 29,887	\$ 32,863	\$ (2,976)	-9.1%	An overall modest decrease in these categories.
Totals	\$ 5,213,686	\$ 4,357,998	\$ 855,688	19.6%	Total Increase

DEBT ADMINISTRATION

During FY 2012/13, the District took advantage of a favorable interest rate environment and completed a refunding transaction for the outstanding 2003 Revenue Refinancing Bonds. The District Board concurrently authorized issuance of an additional \$4,500,000 in new municipal bonds to finance the Aerobic Digester Replacement Project. While the term of the prior debt was not extended, the new debt was amortized over thirty years. The District's 2012 Wastewater Revenue Bonds have an annual debt service obligation that is approximately \$1,180,000 through 2026. The payment will decrease to approximately \$240,000 per year for the subsequent seventeen annual periods.

The District's outstanding long term indebtedness as of June 30, 2020 is \$7,840,000. Interest rates for the 2012 Wastewater Revenue Bonds range between 2 to 5 percent per year. The schedule of payments is available in the statistical section of the financial statements. For more detailed information, also refer to Note 7 of the Financial Statements.

In FY 2008/09 the District issued \$6,053,439 in Limited Obligation Improvement Bonds to provide a long term funding mechanism for homeowners participating in a large septic to sewer conversion project. The Bonds are secured by assessments levied on parcels within the Assessment District. The Bonds are not general obligations of the District. Therefore, these bonds are not reflected as debt in the District's financials statements. During FY 2012/13, the District also refinanced these Limited Obligation Bonds with significantly lower interest rates. The refinancing reduced the debt service payments by approximately \$95,000 per year. NBS Local Government Solutions has been the bond administrator for the Assessment District since inception. Administration fees are added to the yearly assessments and levied to properties participating in the financing.

As of the end of FY 2019/20, the District has no other long or short term debt. The District Board of Directors generally intends to continue with a "pay-as-you-go" approach for funding to fund capital improvements projects. However, it is anticipated that the upcoming Administration Building Replacement Project will be partially debt financed.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate within the City of Carpinteria is reported to be 11.5 percent, which reflects a significant increase from the prior year. The increase is attributed to the ongoing COVID-19 pandemic.
- Interest earnings from the District's investments remain low. Interest rates crept up during the first part of the fiscal year, but dropped sharply in the second half of the year as a result of monetary policy changes by the Federal Government in response to the COVID-19 pandemic. Rates are projected to remain low for the near term.
- While inflation is not rampant, the cost of goods and services is projected to increase modestly in the coming year based on economic forecasts. Construction costs remain high at this time.

- During 2016/17 FY, a new rate and fee study was performed that recommended an incremental increase in sewer service charges of 4% per year for five years commencing 2019/20. Based on the comprehensive rate and fee study, the structured rate increases were approved by the District's Board of Directors. Sewer service charges revenue are expected to increase proportional to the 4 percent annual rate increases through FY 2021/22. The revenue adjustments were necessary to fund operating expenses, capital expenses and debt service obligations while meeting ratio requirements set forth in outstanding bond covenants.

Contacting the District's Financial Management

This financial report is designed to provide the District's customers, creditors and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Kim Garcia, the District Administrator, in writing at 5300 Sixth Street, Carpinteria, CA 93013, or by telephone at (805) 684-7214, extension 11.

BASIC FINANCIAL STATEMENTS

Carpinteria Sanitary District
Statements of Net Position
Proprietary Fund
June 30, 2020 and 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and Investments	\$ 10,979,431	\$ 10,491,645
Restricted Cash and Investments	302,004	256,345
Interest Receivable	36,202	63,107
Accounts Receivable	189,331	138,300
Prepaid Items	77,225	37,840
Inventory	12,863	11,057
Total Current Assets	11,597,056	10,998,294
Capital Assets:		
Depreciable:		
Equipment and Infrastructure	53,544,979	53,462,412
Buildings	2,344,483	2,320,706
Less Accumulated Depreciation	(21,752,752)	(20,672,176)
Non-Depreciable:		
Construction in Progress	1,439,717	725,432
Land	233,619	233,619
Net Capital Assets	35,810,046	36,069,993
Total Assets	47,407,102	47,068,287
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Actuarial Pension Costs	672,110	634,297
Total Deferred Outflows of Resources	672,110	634,297

The accompanying notes are an integral part of these statements.

Carpinteria Sanitary District
Statements of Net Position
Proprietary Fund - Continued
June 30, 2020 and 2019

	2020	2019
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 59,881	\$ 72,892
Accrued Salaries and Benefits	88,641	64,960
Deposits Payable	5,962	4,462
Accrued Interest	153,068	164,734
Due to Property Owners	37,321	37,276
Compensated Absences Payable - Current Portion	22,888	17,892
Current Portion of Long-Term Debt	830,000	800,000
Total Current Liabilities	1,197,761	1,162,216
Long-Term Liabilities:		
Compensated Absences Payable	129,935	101,385
Long-Term Debt, Net of Current Portion	7,840,000	8,670,000
Net Pension Liability	2,365,657	2,140,992
Total Long-Term Liabilities	10,335,592	10,912,377
Total Liabilities	11,533,353	12,074,593
DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Refunding	604,044	631,501
Deferred Actuarial Pension Costs	57,176	23,948
Total Deferred Inflows of Resources	661,220	655,449
NET POSITION		
Net Investment in Capital Assets	26,536,002	25,968,492
Restricted for Debt Service	6,497	150
Restricted for Construction	295,507	256,194
Unrestricted	9,046,633	8,747,706
Total Net Position	\$ 35,884,639	\$ 34,972,542

The accompanying notes are an integral part of these statements.

Carpinteria Sanitary District
Statements of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
Years Ended June 30, 2020 and 2019

	2020	2019
OPERATING REVENUES		
District Sewer Service Charges	\$ 5,477,437	\$ 5,242,985
Development Impact Fees	34,265	152,000
Other Services	23,731	72,635
Total Operating Revenues	5,535,433	5,467,620
OPERATING EXPENSES		
Salaries and Wages	1,558,086	1,456,171
Employee Benefits	1,517,973	739,045
General Operating Expenses	190,078	194,228
Environmental and Monitoring	42,661	33,660
Utilities	203,067	186,423
Sludge Disposal	91,280	101,628
Supplies and Equipment	177,669	177,643
Repairs and Maintenance	222,081	136,250
Professional and Contract Services	127,780	237,818
Depreciation and Amortization	1,053,124	1,062,269
Other Expenses	29,887	32,863
Total Operating Expenses	5,213,686	4,357,998
Operating Income (Loss)	321,747	1,109,622
NON-OPERATING REVENUES (EXPENSES)		
Investment Earnings	207,232	220,067
Taxes and Assessments	699,158	659,940
Reimbursements	53,656	345,917
Interest Expense	(369,696)	(397,946)
Gain (Loss) on Sale of Capital Assets		13,286
Total Non-operating Revenues (Expenses)	590,350	841,264
Change in Net Position	912,097	1,950,886
Net Position at Beginning of Year	34,972,542	33,021,656
Net Position at End of Year	\$ 35,884,639	\$ 34,972,542

The accompanying notes are an integral part of these statements.

Carpinteria Sanitary District
Statements of Cash Flows
Proprietary Fund
Years Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 5,426,406	\$ 5,295,907
Payments to Suppliers	(1,137,205)	(1,091,142)
Payments to Employees	(2,798,752)	(2,230,444)
Other Receipts	57,996	224,635
Net Cash Provided (Used) by Operating Activities	1,548,445	2,198,956
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property Taxes	699,158	659,940
Net Cash Provided (Used) by Noncapital Financing Activities	699,158	659,940
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Reimbursements	53,656	345,917
Purchases of Capital Assets	(820,645)	(1,116,542)
Proceeds from Sale of Capital Assets	-	13,286
Principal Paid on Long-Term Debt	(800,000)	(775,000)
Interest Paid on Long-Term Debt	(381,306)	(410,807)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,948,295)	(1,943,146)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	234,137	194,689
Net Cash Provided (Used) by Investing Activities	234,137	194,689
Net Increase (Decrease) in Cash and Cash Equivalents	533,445	1,110,439
Cash and Cash Equivalents - Beginning of the Year	10,747,990	9,637,551
Cash and Cash Equivalents - End of the Year	\$ 11,281,435	\$ 10,747,990
Cash and Investments	\$ 10,979,431	\$ 10,491,645
Restricted Cash and Investments	302,004	256,345
	\$ 11,281,435	\$ 10,747,990

The accompanying notes are an integral part of these statements.

Carpinteria Sanitary District
Statements of Cash Flows
Proprietary Fund - Continued
Years Ended June 30, 2020 and 2019

	2020	2019
Reconciliation of Operating Income (Loss) to Net Cash		
Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ 321,747	\$ 1,109,622
Adjustments to Reconcile Operating Income to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation and Amortization	1,053,124	1,062,269
Change in Assets and Liabilities:		
Accounts Receivable	(51,031)	52,922
Prepaid Items	(39,385)	14,544
Inventory	(1,806)	(2,143)
Deferred Pension Outflows	(37,813)	145,298
Accounts Payable	(13,011)	(7,492)
Deposits Payable	1,500	4,462
Accrued Salaries and Benefits	23,681	2,667
Compensated Absences	33,546	(37,425)
Net Pension Liability	224,665	(37,296)
Deferred Pension Inflows	33,228	(108,472)
	<u>\$ 1,548,445</u>	<u>\$ 2,198,956</u>
Net Cash Provided By Operating Activities		

The accompanying notes are an integral part of these statements.

Carpinteria Sanitary District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Pension Trust Fund</u>	<u>Custodial Fund</u>
ASSETS		
Cash and Investments	\$ 498,968	\$ -
Cash and Investments with Fiscal Agent	<u>-</u>	<u>450,984</u>
Total Assets	<u>498,968</u>	<u>450,984</u>
LIABILITIES		
Other Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
NET POSITION		
Restricted for:		
Pensions	498,968	-
Assessment District	<u>-</u>	<u>450,984</u>
Total Net Position	<u><u>\$ 498,968</u></u>	<u><u>\$ 450,984</u></u>

The accompanying notes are an integral part of these statements.

Carpinteria Sanitary District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Pension Trust Fund	Custodial Fund
ADDITIONS		
Employer Contributions	\$ 500,000	\$ -
Investment Earnings:		
Net Increase (Decrease) in Fair Value of Investments	(8,042)	-
Interest Income	7,605	161
Total Investment Earnings	(437)	161
Less Investment Costs	(595)	-
Net Investment Earnings	(1,032)	161
Assessments	-	307,843
 Total Additions	 498,968	 308,004
DEDUCTIONS		
Administrative Expenses	-	7,750
Debt Service Payments	-	289,261
 Total Deductions	 -	 297,011
 Net Increase (Decrease) in Fiduciary Net Position	 498,968	 10,993
Net Position at Beginning of Year	-	439,991
Net Position at End of Year	\$ 498,968	\$ 450,984

The accompanying notes are an integral part of these statements.

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

1) REPORTING ENTITY

The Carpinteria Sanitary District was formed in April 1928 for the purpose of providing sewage facilities and related services to properties located within the District. The District is located in the southern part of Santa Barbara County, California, and generally comprises the City of Carpinteria and adjoining areas. The District is governed by a board of directors consisting of five members elected at large. The directors serve without compensation except for nominal fees paid for attendance at District board and committee meetings.

The Board of Directors meets the first and third Tuesday of each month. The District's reporting entity is defined as follows: (a) the primary government (District), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Accounting Policies

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants (AICPA).

B) Basis of Accounting

Separate financial statements are provided for the proprietary fund and the agency fund. The proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The District reports the following major enterprise fund:

The *Sewer Utility Fund* accounts for the activities of the District's sewer operations.

Additionally, the District reports a custodial fund to account for money received by the District as an agent for individuals, other governments and other entities. Specifically, the District accounts for activities of the Assessment District 2007-1 in the custodial fund because the resources of those funds are not available to support the District's own operations. The Pension Trust Fund is a Section 115 Trust, see Note 9 for additional information. The custodial fund is reported using the accrual basis of accounting.

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Basis of Accounting - Continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

C) Budget

The District prepares an annual budget which estimates major sources of revenue to be received during the fiscal year, as well as estimated expenditures needed for operation of District facilities.

D) Cash, Cash Equivalents and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments of the District are reported at fair value.

E) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the District's enterprise fund. Capital assets are defined by the District as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year.

As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the District values these capital assets at acquisition value of the item at the date of its donation.

Construction in Progress - The District occasionally constructs capital assets for its own use in the plant operations and within its sewer collection system. The costs associated with these projects are accumulated in a construction in progress account while the project is being developed. Once the project

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E) Capital Assets - Continued

is completed, the entire cost of the constructed assets are transferred to the capital assets account and depreciated over the estimated useful life of the capital assets.

Interest incurred during the construction period of an asset is capitalized as part of the cost.

Capital assets are depreciated over their estimated useful lives (ranging from 5-75 years) under the straight-line method of depreciation according to the following schedule:

Office Furniture	5 years
Pumping and Filters	15 years
Treatment Plant Structures	40 years
Meters, Manholes, Trunk Lines	50 years
Ocean Outfall Lines	75 years

F) Inventory and Prepaid Items

Inventory is valued at cost (first-in, first-out) and consist of expendable supplies. The cost of such inventories are recorded as expenses when consumed rather than when purchased.

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

G) Compensated Absences

Employees are entitled to accumulate up to 60 working days of sick leave, at the rate of eight hours per month. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District.

Employees are also entitled to accumulate vacation leave at a rate of two to four weeks per year, depending on the number of years of service completed. Such accumulated leave cannot exceed two and one-half times the employees' annual entitlement. All vacation pay is accrued when incurred in the financial statements.

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H) Property Taxes

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien Date	March 1	
Levy Year	July 1 to June 30	
Due Dates	November 1	1 st Installment
	February 1	2 nd Installment
Delinquent Dates	December 10	1 st Installment
	April 10	2 nd Installment

Under California law, property taxes are assessed and collection by counties up to 1% of assessed value, plus other increases approved by voters. Property tax revenues are pooled and then allocated to cities and districts based on complex formulas prescribed by state statutes.

During the fiscal year ended June 30, 1994, the District adopted the “Teeter Plan” as described in the Revenue and Taxation Code. Under this plan, the District is guaranteed 99.6% of the secured property taxes each year. The District is also assured of receiving 95% of the unsecured property taxes for each fiscal year by July 31 of the following fiscal year. The remaining 5% is placed in a Tax Loss Reserve Fund which will be used to offset future tax sale losses incurred by the County. Additionally, the District is assured of receiving 100% of its sewer service charges for each fiscal year by July 31 of the following year.

In 2014, the District installed a low pressure sewer system to serve 35 residential parcels located in Ventura County. Sewer service charges for these customers are billed through the Ventura County property tax system, although payment is not guaranteed by a “Teeter Plan” as it is in Santa Barbara County.

I) Sewer Service Charges

The District’s Sewer Service Charges (SSC) are determined pursuant to District Ordinance No. 15, which was developed and adopted based on a comprehensive wastewater rate and fee study in fiscal year 2016-17. It established a series of 4.0% increases for five years commencing fiscal year 2017-18. The residential SSC’s are based on a flat rate and non-residential SSC’s are based on water usage and wastewater characteristics. Additionally, the non-residential rate includes a minimum charge of one equivalent residential dwelling unit (EDU) per parcel. The EDU rate for fiscal years 2019-20 and 2018-19 was \$676.35 and \$650.33, respectively.

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The District collects Sewer Service Charges (SSC) from users via the Santa Barbara County and Ventura County assessor's tax rolls.

J) Long-Term Liabilities

In the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond gain and losses on refunding are deferred and amortized over the life of the bonds using the effective interest method.

K) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

Significant estimates used in preparing these financial statements include useful lives of capitalized assets, investments, and net pension liability. It is at least reasonably possible that the significant estimates used will change within the next year.

L) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has deferred outflow of resources relating to pension benefits.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has a deferred gain on refunding resulting from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District also has deferred inflows of resources relating to pension benefits that will be recognized in pension expense in future periods.

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

M) Net Position

GASB No. 63 requires that the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted. Net position classified as net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding principal of related debt. Restricted net position is the net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

N) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Carpinteria Sanitary District's California Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. 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.

O) Implementation of New Accounting Pronouncements

For the year ended June 30, 2020, the District implemented the following Governmental Accounting Standards Board (GASB) Pronouncements:

Governmental Accounting Standard Board Statement No. 84

In January of 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This statement was issued to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes. This statement establishes the criteria for identifying fiduciary activities which should be reported in a fiduciary fund in the basic financial statements. The fiduciary funds that should be reported, if applicable: a) pensions trust funds, b) investment trust funds, c) private purpose trust funds, d) custodial funds. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. The District has implemented this statement and is reflected in the financial statements.

Governmental Accounting Standard Board Statement No. 95

In May of 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides which are as follows:

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

O) Implementation of New Accounting Pronouncements - Continued

- a. Statement 83 - Reporting periods beginning after June 15, 2019.
- b. Statement 84 and Implementation Guide 2019-2 - Reporting periods beginning after December 15, 2019.
- c. Statement 87 and Implementation Guide 2019-3 - Fiscal years beginning after June 15, 2021, and all reporting periods thereafter.
- d. Statement 88 - Reporting periods beginning after June 15, 2019.
- e. Statement 89 - Reporting periods beginning after December 15, 2020.
- f. Statement 90 - Reporting periods beginning after December 15, 2019.
- g. Statement 91 - Reporting periods beginning after December 15, 2021.
- h. Statement 92, paragraphs 6 and 7 - Fiscal years beginning after June 15, 2021.
- i. Statement 92, paragraphs 8, 9, and 12 - Reporting periods beginning after June 15, 2021.
- j. Statement 92, paragraph 10 - Government acquisitions occurring in reporting periods beginning after June 15, 2021.
- k. Statement 93, paragraphs 13 and 14 - Fiscal years beginning after June 15, 2021, and all reporting periods thereafter.
- l. Implementation Guide 2017-3, Questions 4.484 and 4.491 - The first reporting period in which the measurement date of the (collective) net OPEB liability is on or after June 15, 2019.
- m. Implementation Guide 2017-3, Questions 4.85, 4.103, 4.108, 4.109, 4.225, 4.239, 4.244, 4.245, and 5.1-5.4 - Actuarial valuations as of December 15, 2018, or later.
- n. Implementation Guide 2018-1 - Reporting periods beginning after June 15, 2019.
- o. Implementation Guide 2019-1 - Reporting periods beginning after June 15, 2020.

Statement No. 95 is effective immediately. The District has elected to delay certain provisions in the GASB Statements as allowed by GASB Statement No. 95.

3) CASH AND INVESTMENTS

Cash and Investments as of June 30, 2020 and June 30, 2019 are classified in the accompanying financial statements as follows:

	2020	2019
Statement of Net Position:		
Cash and Investments	\$ 10,979,431	\$ 10,491,645
Restricted Cash and Investments	302,004	256,345
Statement of Fiduciary Net Position		
Restricted Cash and Investments	949,952	439,991
Total Cash and Investments	\$ 12,231,387	\$ 11,187,981

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

3) CASH AND INVESTMENTS – Continued

Cash and Investments as of June 30, 2020 and June 30, 2019 consist of the following:

	2020	2019
Cash on Hand	\$ 200	\$ 200
Deposits with Financial Institutions	394,428	622,587
Investments	11,678,636	10,411,110
Investments with Fiscal Agent	158,123	154,084
Total Cash and Investments	\$ 12,231,387	\$ 11,187,981

Investments Authorized by the District’s Investment Policy

The District’s investment policy authorizes investments selected on the basis of credit worthiness, financial strength, experience, and minimal capitalization. The District shall select only licensed brokers and dealers in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers, or other applicable self-regulatory organizations. The District is prohibited from investing in any funds in inverse floaters, range notes, interest-only strips derived from mortgage pools, or any investment which may result in a zero interest accrual if held to maturity. It is the District policy to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities.

The primary objectives of the District’s investment activities in priority order are: safety, liquidity, and return on investments. Investments shall be chosen with judgement and care, considering the probable safety of their capital as well as the probable income to be derived. Although the District has pre-authorized investment categories per Resolution No. R-330, the only investments in practice are those in the local government investment pool administered by the State of California (LAIF) and the Santa Barbara County Investment Pool.

Investments Authorized by the District Section 115 Trust

Investments of the Trust are governed by the provisions of the District’s Section 115 Trust Agreement. rather than the general provisions of the District’s investment policy, but are invested in accordance with the California Government Code.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees, are governed by the provisions of the debt agreements, rather than the general provisions of the California Government Code or the District’s investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

3) CASH AND INVESTMENTS - Continued

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Investment Fund (LAIF)	N/A	None	None
Santa Barbara County Investment Pool	N/A	None	None
Money Market Mutual Funds	N/A	None	None

Disclosures Relating 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, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market rates. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk. One of the ways that the District 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 so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2020 and 2019:

June 30, 2020

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
LAIF	\$ 11,174,164	\$ 11,174,164	\$	\$	\$
Santa Barbara Investment Pool	5,504	5,504			
Mutual Funds	498,968	498,968			
Investments with Fiscal Agent:					
LAIF	151,626	151,626			
Money Market	6,497	6,497			
Total	<u>\$ 11,836,759</u>	<u>\$ 11,836,759</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

3) CASH AND INVESTMENTS - Continued

Disclosures Relating to Interest Rate Risk - Continued

June 30, 2019

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
LAIF	\$ 10,404,824	\$ 10,404,824	\$	\$	\$
Santa Barbara Investment Pool	6,286	6,286			
Investments with Fiscal Agent:					
LAIF	153,934	153,934			
Money Market	150	150			
Total	\$ 10,565,194	\$ 10,565,194	\$ 0	\$ 0	\$ 0

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code and the District's investment policy, and the actual rating as of June 30, 2020 and 2019 for each investment type.

June 30, 2020

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End		
				AAA	Aa	Not Rated
LAIF	\$ 11,174,164	N/A	\$	\$	\$	\$ 11,174,164
Santa Barbara Investment Pool	5,504	N/A				5,504
Mutual Funds	498,968	N/A				498,968
Investments with Fiscal Agent:						
LAIF	151,626	N/A				151,626
Money Market	6,497	N/A				6,497
Total	\$ 11,836,759		\$ 0	\$ 0	\$ 0	\$ 11,836,759

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

3) CASH AND INVESTMENTS - Continued

Disclosures Relating to Interest Rate Risk - Continued

June 30, 2019

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End		
				AAA	Aa	Not Rated
LAIF	\$ 10,404,824	N/A	\$	\$	\$	\$ 10,404,824
Santa Barbara Investment Pool	6,286	N/A				6,286
Investments with Fiscal Agent:						
LAIF	153,934	N/A				153,934
Money Market	150	N/A				150
Total	\$ 10,565,194		\$ 0	\$ 0	\$ 0	\$ 10,565,194

Concentration of Credit Risk

The investment policy of the District contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represent 5% or more of total District investments.

Custodial Credit Risk

The 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 California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2020, and June 30, 2019, the District had deposits with financial institutions in excess of federal depository insurance limits of \$270,824 and \$150,500, respectfully, held in collateralized accounts.

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

3) CASH AND INVESTMENTS - Continued

Investments with Fiscal Agent - Restricted Assets

Investments held and invested by fiscal agents on behalf of the District are pledged for payment or security of certain long-term debt issuances and construction projects. Fiscal agents are mandated by bond indentures as to the types of investments in which debt proceeds can be invested. The investments predominately consist of Governments securities which are held in book entry form by the trustee.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at the amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

All temporary investments are with the Local Agency Investment Fund (LAIF) administered by the State Treasurer's Office. The yield of LAIF for the quarter ended June 30, 2020 and 2019 was 1.93% and 2.57%, respectively. The estimated amortized cost and fair value of the LAIF Pool at June 30, 2019 was \$105,814,483,092 and \$101,607,078,218 at June 30, 2020. The District's share of the Pool at June 30, 2020 was approximately 0.0097 percent and June 30, 2019 was approximately 0.0098 percent.

The LAIF is a special fund of the California State Treasury through which local governments may pool investments. Each district may invest up to \$75,000,000 in the Fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. Investments in LAIF are secured by the full faith and credit of the State of California. Included in LAIF's investment portfolio are certain derivative securities or similar products in the form of structured notes and asset-backed securities totaling \$1,675,408,000 for June 30, 2020 and \$977,182,000 for June 30, 2019. LAIF's (and the District's) exposure to risk (credit, market or legal) is not currently available.

4) FAIR VALUE MEASUREMENTS

Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurements and Application, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 given the highest priority and Level 3 the lowest priority. The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

4) FAIR VALUE MEASUREMENTS - Continued

Level 2 inputs are inputs other than quoted prices included within *Level 1* that are observable for the asset or liability, either directly or indirectly. *Level 2* inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level 3 inputs are unobservable inputs for the asset or liability.

Fair value of assets measured on a recurring basis at June 30, 2020, are as follows:

June 30, 2020	<u>Fair Value</u>	<u>Uncategorized</u>
LAIF	\$ 11,174,164	\$ 11,174,164
Santa Barbara Investment Pool	5,504	5,504
Mutual Funds	498,968	
Investments with Fiscal Agent:		
LAIF	151,626	151,626
Money Market	<u>6,497</u>	<u>6,497</u>
TOTALS	<u>\$ 11,836,759</u>	<u>\$ 11,337,791</u>

Fair value of assets measured on a recurring basis at June 30, 2019, are as follows:

June 30, 2019	<u>Fair Value</u>	<u>Uncategorized</u>
LAIF	\$ 10,404,824	\$ 10,404,824
Santa Barbara Investment Pool	6,286	6,286
Investments with Fiscal Agent:		
LAIF	153,934	153,934
Money Market	<u>150</u>	<u>150</u>
TOTALS	<u>\$ 10,565,194</u>	<u>\$ 10,565,194</u>

Investments do not fall under the fair value hierarchy (i.e. uncategorized) as there is no active market for the investments.

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

5) RESTRICTED ASSETS

Certain proceeds of the enterprise fund revenue bonds and Assessment District Bonds are classified as restricted assets on the statement of net position because their uses are limited by applicable bond covenants. For the fiscal years ended June 30, 2020 and June 30, 2019, the following amounts are restricted:

	2020	2019
Proprietary Fund (District)		
Construction Fund:		
Cash and Investments for the District's Construction Activities	\$ 37,321	\$ 37,276
Development Impact Fees:		
Cash and Investments for Future Capital Improvements	258,186	218,918
2012 Refunding Bonds:		
Cash and Investments for Bond Principal and Interest Payments	6,497	150
	\$ 302,004	\$ 256,344
Fiduciary Funds		
Cash and Investments with Fiscal Agent	\$ 450,984	\$ 439,991
Cash and Investments	498,968	
Total Cash and Investments	\$ 949,952	\$ 439,991

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

6) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital Assets, Not Depreciated:					
Land	\$ 233,619	\$	\$	\$	\$ 233,619
Construction in Progress	725,432	714,285			1,439,717
Total Capital Assets, Not Depreciated	959,051	714,285	0	0	1,673,336
Capital Assets, Being Depreciated:					
Buildings	2,320,706	23,777			2,344,483
Laboratory and Safety Equipment	45,085				45,085
Transportation Equipment	1,073,232	14,220			1,087,452
Office Furniture	362,219				362,219
Plant Equipment	27,827,810	68,351			27,896,161
Ocean Outfall Lines	301,369				301,369
Underground Lines	23,852,697				23,852,697
Total Capital Assets, Being Depreciated	55,783,118	106,348	0	0	55,889,466
Less Accumulated Depreciation For:					
Buildings	(1,369,662)	(83,919)			(1,453,581)
Laboratory and Safety Equipment	(39,957)	(893)			(40,850)
Transportation Equipment	(478,004)	(34,382)			(512,386)
Office Furniture	(248,263)	(15,396)			(263,659)
Plant Equipment	(11,108,729)	(595,927)			(11,704,656)
Ocean Outfall Lines	(190,028)	(7,218)			(197,246)
Underground Lines	(7,237,533)	(342,845)			(7,580,378)
Total Accumulated Depreciation	(20,672,176)	(1,080,580)	0	0	(21,752,756)
Total Capital Assets, Being Depreciated, Net	35,110,942	(974,232)	0	0	34,136,710
Total Capital Assets, Net	\$ 36,069,993	\$ (259,947)	\$ 0	\$ 0	\$ 35,810,046

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

6) CAPITAL ASSETS - Continued

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital Assets, Not Depreciated:					
Land	\$ 233,619	\$	\$	\$	\$ 233,619
Construction in Progress	224,369	1,116,542		(615,479)	725,432
Total Capital Assets, Not Depreciated	457,988	1,116,542	0	(615,479)	959,051
Capital Assets, Being Depreciated:					
Buildings	2,320,706				2,320,706
Laboratory and Safety Equipment	45,085				45,085
Transportation Equipment	992,832		(32,507)	112,907	1,073,232
Office Furniture	362,219				362,219
Plant Equipment	27,325,238			502,572	27,827,810
Ocean Outfall Lines	301,369				301,369
Underground Lines	23,852,697				23,852,697
Total Capital Assets, Being Depreciated	55,200,146	0	(32,507)	615,479	55,783,118
Less Accumulated Depreciation For:					
Buildings	(1,287,328)	(82,334)			(1,369,662)
Laboratory and Safety Equipment	(38,668)	(1,289)			(39,957)
Transportation Equipment	(465,756)	(44,755)	32,507		(478,004)
Office Furniture	(232,867)	(15,396)			(248,263)
Plant Equipment	(10,515,201)	(593,528)			(11,108,729)
Ocean Outfall Lines	(182,810)	(7,218)			(190,028)
Underground Lines	(6,892,327)	(345,206)			(7,237,533)
Total Accumulated Depreciation	(19,614,957)	(1,089,726)	32,507	0	(20,672,176)
Total Capital Assets, Being Depreciated, Net	35,585,189	(1,089,726)	0	615,479	35,110,942
Total Capital Assets, Net	\$ 36,043,177	\$ 26,816	\$ 0	\$ 0	\$ 36,069,993

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

6) CAPITAL ASSETS - Continued

Construction in Progress

Project	2020	2019
Admin Building Replacement Design	\$ 312,459	\$ 164,460
Emergency Generator Replacements		
Flood Wall Rehabilitation	605,650	551,147
Sewer System Hydraulic Update	9,825	9,825
Carpinteria Ave Inverted Siphon Relocation	7,703	
Collection System Rehabilitation Project Phase 3	426,778	
Outfall Diffuser Replacement Project	77,302	
Total Construction in Progress	\$ 1,439,717	\$ 725,432

7) LONG-TERM LIABILITIES

Long-term liabilities for the year ended June 30, 2020 are as follows:

	Beginning Balance	Additions/ Amortization	Retirements	Ending Balance	Due Within One Year	Long-Term Portion
2012 Wastewater Revenue Bonds	\$ 9,470,000	\$	\$ (800,000)	\$ 8,670,000	\$ 830,000	\$ 7,840,000
Compensated Absences	119,277	51,204	(17,891)	152,823	22,888	129,935
Total Long-Term Liabilities	\$ 9,589,277	\$ 51,204	\$ (817,891)	\$ 8,822,823	\$ 852,888	\$ 7,969,935

Long-term liabilities for the year ended June 30, 2019 are as follows:

	Beginning Balance	Additions/ Amortization	Retirements	Ending Balance	Due Within One Year	Long-Term Portion
2012 Wastewater Revenue Bonds	\$10,245,000	\$	\$ (775,000)	\$ 9,470,000	\$ 800,000	\$ 8,670,000
Compensated Absences	156,702	9,585	(47,010)	119,277	17,892	101,385
Total Long-Term Liabilities	\$ 10,401,702	\$ 9,585	\$ (822,010)	\$ 9,589,277	\$ 817,892	\$ 8,771,385

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

7) LONG-TERM LIABILITIES - Continued

2012 Wastewater Revenue Bonds

In December 2012, the District issued \$13,630,000 2012 Wastewater Revenue Bonds due in annual installments of \$135,000 to \$1,050,000 beginning August 1, 2013 and continuing through August 1, 2042. The bonds bear interest varying from 2.00% to 5.00%. The bonds are to provide financing for the construction of capital assets for the District and to refund the prior bonds. Principal and interest on the bonds are payable February 1st and August 1st of each year.

The annual requirements to amortize the 2012 revenue bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 830,000	\$ 350,763	\$ 1,180,763
2022	865,000	316,863	1,181,863
2023	905,000	276,938	1,181,938
2024	950,000	230,563	1,180,563
2025	1,000,000	181,813	1,181,813
2026-2030	1,630,000	505,413	2,135,413
2031-2035	825,000	358,931	1,183,931
2036-2040	985,000	207,463	1,192,463
2041-2043	680,000	36,225	716,225
Total	<u>\$ 8,670,000</u>	<u>\$ 2,464,972</u>	<u>\$ 11,134,972</u>

Revenues Pledged

The District has pledged a portion of future sewer revenues and a portion of investment earnings to repay the District's Wastewater Revenue Series 2012. The District's Bonds are payable solely from sewer revenues and a portion of investment earnings. Total principal and interest remaining on the Wastewater Bonds are \$11,134,972, payable through fiscal year 2043. For the current year, principal and interest paid by the sewer revenues and investment earnings were \$800,000 and \$381,362.

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

8) DEFINED BENEFIT PENSION PLAN

A) General Information about the Pension Plan

Plan Description

All full time employees are eligible to participate in the Carpinteria Sanitary District’s Miscellaneous Employee Pension Plan (the “Plan”), a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). Individual employers may sponsor more than one rate plan in the miscellaneous risk pool. The District sponsors two miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and local government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Eligible employees hired after January 1, 2013 that, are considered new members as defined by the Public Employees’ Pension Reform Act (PEPRA) are participating in the PEPRA Miscellaneous Plan.

Benefits Provided

CalPERS, provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service as discussed above. Members with five years of total service are eligible to retire at age 50 or 52 if in the PEPRA Miscellaneous Plan with statutorily reduced benefits. An optional benefit regarding sick leave was adopted. Any unused sick leave accumulates at the time of retirement will be converted to credited service at a rate of 0.004 years of service for each day of sick leave. All members are eligible for non-duty disability benefits after 10 years of service. The system also provides for the Optional Settlement 2W Death Benefit, as well as the 1959 Survivor Benefit. The cost of living adjustments for all plans are applied as specified by the Public Employees’ Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2020 and 2019 are summarized as follows:

Hire Date	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Benefit Formula	2% @ 55	2% @ 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50 - 63	52 - 65
Monthly Benefits, as a % of Eligible	1.4% to 2.4%	1.4% to 2.4%
Required Employee Contribution Rates	8%	6.25%
June 30, 2020:		
Required Employer Contribution Rates	10.221%	6.985%
June 30, 2019:		
Required Employer Contribution Rates	9.409%	6.842%

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

8) DEFINED BENEFIT PENSION PLAN - Continued

A) General Information about the Pension Plan - Continued

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Carpinteria Sanitary District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The contributions to the Plan for the year ended June 30, 2020 and 2019 were \$351,406 and \$306,396, respectively.

B) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2020, and 2019, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability	
	2020	2019
Miscellaneous	\$ 2,365,657	\$ 2,140,992

The District's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures.

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

8) DEFINED BENEFIT PENSION PLAN - Continued

B) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued

The District's proportion of the net pension liability was based on a projection of their long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2019 was as follows:

June 30, 2020	<u>Miscellaneous</u>	June 30, 2019	<u>Miscellaneous</u>
Proportion - June 30, 2019	0.05681%	Proportion - June 30, 2018	0.05526%
Proportion - June 30, 2020	0.05907%	Proportion - June 30, 2019	0.05681%
Change - Increase (Decrease)	0.00227%	Change - Increase (Decrease)	0.00155%

For the year ended June 30, 2020, the District recognized pension expense of \$571,486. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 351,406	\$
Differences between actual and expected experience	151,575	
Changes in assumptions	72,817	
Change in Employer's Proportion	94,188	
Differences between the Employer's Contributions and Proportionate Share of Contributions	2,124	(15,817)
Differences between projected and actual investment earnings		(41,359)
	<u> </u>	<u> </u>
Total	<u>\$ 672,110</u>	<u>\$ (57,176)</u>

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

8) DEFINED BENEFIT PENSION PLAN - Continued

B) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued

\$351,406 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Amount
2021	\$ 215,509
2022	8,703
2023	30,959
2024	8,357
2025	
Thereafter	
	\$ 263,528

For the year ended June 30, 2019, the District recognized pension expense of \$305,926. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 306,396	\$
Differences between actual and expected experience	54,192	
Changes in assumptions	184,260	
Change in Employer's Proportion	74,086	
Differences between Employer's Contributions and Proportionate Share of Contributions	4,778	(23,948)
Differences between projected and actual investment earnings	10,585	
Adjustment due to differences in proportions		
Total	\$ 634,297	\$ (23,948)

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

8) DEFINED BENEFIT PENSION PLAN - Continued

B) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued

\$306,397 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Amount
2020	\$ 224,590
2021	149,012
2022	(50,392)
2023	(19,257)
2024	
Thereafter	
	\$ 303,953

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry Age and Service ⁽¹⁾
Investment Rate of Return	7.15% ⁽²⁾
Mortality	CalPERS Membership Data ⁽³⁾
Post Retirement Benefit Increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

⁽¹⁾ Depending on age, service and type of employment

⁽²⁾ Net of pension plan investment expenses, including inflation

⁽³⁾ The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

8) DEFINED BENEFIT PENSION PLAN - Continued

B) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued

Actuarial Assumptions - Continued

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry Age and Service ⁽¹⁾
Investment Rate of Return	7.15% ⁽²⁾
Mortality	CalPERS Membership Date
Post Retirement Benefit Increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

⁽¹⁾ Depending on age, service and type of employment

⁽²⁾ Net of pension plan investment expenses, including inflation

⁽³⁾ The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for all Plans. To determine whether the municipal bond rate should be used in the calculation of a discount rate for all plans, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

8) DEFINED BENEFIT PENSION PLAN - Continued

B) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued

Discount Rate - Continued

calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrator expense. The 7.00 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2019. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least 2019-20 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administration expenses.

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

8) DEFINED BENEFIT PENSION PLAN - Continued

B) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued

Discount Rate - Continued

The expected real rates of return by asset class are as followed.

Asset Class ⁽¹⁾	Assumed Asset Allocation	Real Return Years 1 - 10 ⁽²⁾	Real Return Years 11+ ⁽³⁾
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	--	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	--	(0.92)%
Total	100%		

⁽¹⁾ In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

⁽²⁾ An expected inflation of 2.00% used for this period.

⁽³⁾ An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for all Plans, calculated using the discount rate for all Plans, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	
	2020	2019
<i>1% Decrease</i>	6.15%	6.15%
<i>Net Pension Liability</i>	\$ 3,747,349	\$ 3,437,437
<i>Current Discount Rate</i>	7.15%	7.15%
<i>Net Pension Liability</i>	\$ 2,365,657	\$ 2,140,992
<i>1% Increase</i>	8.15%	8.15%
<i>Net Pension Liability</i>	\$ 1,225,168	\$ 1,070,799

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

8) DEFINED BENEFIT PENSION PLAN - Continued

B) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

C) Payable to Pension Plan

At June 30, 2020 and 2019, the District reported payable of \$7,755 and \$8,239, respectively, which is included in accrued salaries and benefits, for the outstanding amount of contributions to the pension plan required for the years ended June 30, 2020 and 2019.

9) SECTION 115 TRUST

In fiscal year 2019-20, the District Board approved the creation of a Section 115 Trust Agreement with Benefit Trust Company, Trustee, and Keenan and Associates, Trust Administrator. The Section 115 Trust was established as a means to set aside monies to fund the District's pension obligations. Contributions to the Section 115 Trust are irrevocable, the assets are dedicated to providing benefits to plan members, and the assets are protected from creditors of the District. The purpose of the creation of the Section 115 Trust was to address the District's pension obligations by accumulating assets to reduce the net pension liability. However, in accordance with generally accepted accounting principles, the assets in the Section 115 Trust are not considered to have present service capacity as plan assets and are therefore considered assets of the District rather than pension plan assets as presented in the Statement of Fiduciary Net Position. Accordingly, the Section 115 Trust's assets are recorded as fiduciary custodial fund in the Statement of Fiduciary Net Position rather than assets of the pension plan during the measurement of the net pension liability. The assets held in trust will be considered pension plan assets at the time they are transferred out of the Trust into the pension plan.

10) COMMITMENTS

The Carpinteria Unified School District pays sewer service charges for the Carpinteria High School and the Canalino School based on \$1.00 per the average daily attendance for the school year. It is estimated that this is less than the amount that would normally be billed.

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

11) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The District participates in the liability insurance program organized by the California Sanitation Risk Management Authority (CSRMA). CSRMA is a Joint Powers Authority (JPA) created to provide a self-insurance program to wastewater agencies in the State of California.

CSRMA provides liability, property and workers' compensation insurance for approximately 46 wastewater agencies for losses in excess of the member districts' specified self-insurance retention levels. Individual claims (and aggregate public liability and property claims) in excess of specified levels are covered by excess insurance policies purchased from commercial carriers. CSRMA is governed by a board composed of members from participating districts. The board controls the operations of CSRMA, including selection of management and approval of operating budgets, independent of any influence by the members beyond their representation on the board. Each member shares surpluses and deficiencies proportionately to its participation in CSRMA. Premiums paid to CSRMA include retrospective adjustments based on actual experience during the period of coverage. Settled claims have been immaterial and no claims liabilities have been reported in these financial statements as of June 30, 2020 and June 30, 2019.

12) GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED BUT NOT EFFECTIVE

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2020, that have effective dates that may impact future financial presentation:

Governmental Accounting Standard Board Statement No. 87

In June of 2017, GASB issued Statement No. 87, *Leases*. The intent of this statement is to improve accounting and financial reporting for government leases by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

12) GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED BUT NOT EFFECTIVE

Governmental Accounting Standard Board Statement No. 90

In August of 2018, GASB issued Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*. This Statement was issued to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for fiscal years beginning after December 15, 2018. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standard Board Statement No. 91

In May of 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This statement was issued to improve financial reporting for certain debt obligations. It allowed entities to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for fiscal years beginning December 15, 2020. The impact of the implementation of this statement to the District's financial statements has not been assessed at this time.

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

12) GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED BUT NOT EFFECTIVE – Continued

Governmental Accounting Standard Board Statement No. 92

In January of 2020, GASB issued Statement No. 92, Omnibus 2020. This statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This includes GASB Statement No. 87, GASB Statement No. 73, GASB Statement No. 74, GASB Statement No. 84 and the measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition as well as other specific provisions. The requirements related to GASB Statement No. 87 are effective upon the issuance date of Statement No. 92. All other requirements are effective for reporting periods beginning after June 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for paragraphs 6-10 and 12 for reporting periods beginning after June 15, 2021. The District has elected not to early implement GASB No. 92 and has not determined its effect on the District's financial statements.

Governmental Accounting Standard Board Statement No. 93

In March of 2020, GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objective of this statement is to address those and other accounting and financial reporting implications that results from the replacement of an Interbank Offered Rates (IBOR). The removal of the London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements are effective for reporting periods beginning after June 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for paragraphs 13 and 14 for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. The District has elected not to early implement GASB No. 93 and has not determined its effect on the District's financial statements.

Governmental Accounting Standard Board Statement No. 94

In March of 2020, GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The District has elected not to early implement GASB No. 94 and has not determined its effect on the District's financial statements.

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

12) GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED BUT NOT EFFECTIVE- Continued

Governmental Accounting Standard Board Statement No. 96

In May of 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangement (SBITAs) for government end users (governments). Statement No. 95 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The District has elected not to early implement GASB No. 96 and has not determined its effect on the District's financial statements.

Governmental Accounting Standard Board Statement No. 97

In June of 2020, GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The objective of this statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined pension and OPEB plans as fiduciary component units; and (3) enhance the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. All other requirements are effective for fiscal years beginning after June 15, 2021. The District has elected not to early implement GASB No. 97 and has not determined its effect on the District's financial statements.

13) ASSESSMENT DISTRICT BONDS

In February 2009, the District issued \$6,053,439 in Assessment District No. 2007-1 Limited Obligation Improvement Bonds to finance the acquisition and construction of public sanitary sewer improvements serving property within the Assessment District. The Bonds are secured by assessments levied on parcels within the Assessment District. The Bonds are not general obligations of the District. Neither, the faith and credit of the District, nor of either county nor, the State or any related political subdivision, is pledged to the payment of the Bonds. Therefore, these Bonds are not reflected as debt in the District's financial statements. In July 2012, the Assessment District bonds were refinanced through the issuance of bonds. As of June 30, 2020 and 2019, the remaining balance on the bonds was \$3,685,000 and \$3,975,000, respectively.

Carpinteria Sanitary District
Notes to the Financial Statements
Years Ended June 30, 2020 and 2019

14) CONTINGENCIES

Litigation

Certain claims, suits and complaints arising in the ordinary course of operation have been filed or are pending against the District. In the opinion of management and counsel, all such matters are adequately covered by insurance, or if not so covered, are without merit or are of such kind, or involved such amounts, as would not have significant effect on the financial position or results of operations of the District if disposed of unfavorably.

15) REIMBURSEMENTS

For June 30, 2020 and 2019, the District received \$53,656 and \$345,917, respectively, in reimbursements from the Federal Emergency Management Agency and State of California Office of Emergency Services (OES) for charges incurred for emergency repairs and construction.

REQUIRED SUPPLEMENTARY INFORMATION

**Carpinteria Sanitary District
California Public Employees' Retirement System
Schedule of Proportionate Share of the Net Pension Liability
Cost Sharing Defined Benefit Pension Plan
Last Ten Years*
As of June 30, 2020**

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.02130%	\$ 1,325,377	\$ 1,359,103	97.52%	81.47%
2016	0.054908%	\$ 1,376,393	\$ 1,336,008	103.02%	81.62%
2017	0.05573%	\$ 1,837,681	\$ 1,381,084	133.06%	77.10%
2018	0.05526%	\$ 2,178,288	\$ 1,364,983	159.58%	76.27%
2019	0.05681%	\$ 2,140,992	\$ 1,382,028	154.92%	77.69%
2020	0.05908%	\$ 2,365,657	\$ 1,408,741	167.93%	77.73%

Notes to Schedule:

*Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

**Carpinteria Sanitary District
California Public Employees' Retirement System
Schedule of Contributions
Last Ten Years*
As of June 30, 2020**

Fiscal Year	Contractually Required Contribution (Actuarially Determined)	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 148,254	\$ (148,254)	\$ -	\$ 1,336,008	11.10%
2016	\$ 157,281	\$ (157,281)	\$ -	\$ 1,381,084	11.39%
2017	\$ 274,973	\$ (274,973)	\$ -	\$ 1,364,983	20.14%
2018	\$ 283,155	\$ (283,155)	\$ -	\$ 1,382,028	20.49%
2019	\$ 306,396	\$ (306,396)	\$ -	\$ 1,408,741	21.75%
2020	\$ 351,406	\$ (351,406)	\$ -	\$ 1,433,667	24.44%

*Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

SUPPLEMENTARY INFORMATION

Carpinteria Sanitary District
Schedule of Revenues and Expenses - Modified Accrual Basis
Budget and Actual
Year Ended June 30, 2020

	Budget Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
OPERATING REVENUES				
District Sewer Service Charges	\$ 5,526,302	\$ 5,526,302	\$ 5,477,437	\$ (48,865)
Development Impact Fees	-	-	34,265	34,265
Other Services	100,000	100,000	23,731	(76,269)
Total Revenues	<u>5,626,302</u>	<u>5,626,302</u>	<u>5,535,433</u>	<u>(90,869)</u>
OPERATING EXPENSES				
Salaries and Wages	724,430	724,430	1,558,086	(833,656)
Employee Benefits	901,570	901,570	1,517,973	(616,403)
General Operating Expenses	237,900	237,900	190,078	47,822
Environmental and Monitoring	55,500	55,500	42,661	12,839
Utilities	186,880	186,880	203,067	(16,187)
Sludge Disposal	100,000	100,000	91,280	8,720
Supplies and Equipment	248,500	248,500	177,669	70,831
Repairs and Maintenance	220,700	220,700	222,081	(1,381)
Professional and Contract Services	249,800	249,800	127,780	122,020
Other Expenses	68,204	68,204	29,889	38,315
Total Operating Expenses	<u>2,993,484</u>	<u>2,993,484</u>	<u>4,160,564</u>	<u>(1,167,080)</u>
Operating Income (Loss)	<u>2,632,818</u>	<u>2,632,818</u>	<u>1,374,869</u>	<u>(1,257,949)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment Earnings	(100,000)	100,000	207,232	107,232
Taxes and Assessments	(681,354)	681,354	699,158	17,804
Reimbursements	(500,000)	(500,000)	53,656	553,656
Debt Service	(1,181,360)	(1,181,360)	(1,169,696)	11,664
Capital Improvements	(5,080,000)	(5,080,000)	(1,327,115)	3,752,885
Gain (Loss) on Sale of Capital Assets	-	-	-	-
Total Non-operating Revenues (Expenses)	<u>(7,542,714)</u>	<u>(5,980,006)</u>	<u>(1,536,765)</u>	<u>4,443,241</u>
Change in Net Position	<u>\$ (4,909,896)</u>	<u>\$ (3,347,188)</u>	<u>(161,896)</u>	<u>\$ 3,185,292</u>
Net Position at Beginning of Year			<u>34,972,542</u>	
Net Position at End of Year			<u>34,810,646</u>	
Reconciling Difference Between Budgetary Basis and Accounting Principles Generally Accepted in the United States of America (US GAAP)				
Principal Payments			800,000	
Depreciation and Amortization Expenses			(1,053,124)	
Capital Improvements			1,327,115	
			<u>1,073,991</u>	
Net Position at End of Fiscal Year (US GAAP Basis)			<u>\$ 35,884,637</u>	

Carpinteria Sanitary District
Schedule of Revenues and Expenses - Modified Accrual Basis
Budget and Actual
Year Ended June 30, 2019

	Budget Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
OPERATING REVENUES				
District Sewer Service Charges	\$ 5,220,800	\$ 5,220,800	\$ 5,242,985	\$ 22,185
Development Impact Fees	-	-	152,000	152,000
Other Services	71,000	71,000	72,635	1,635
Total Revenues	5,291,800	5,291,800	5,467,620	175,820
OPERATING EXPENSES				
Salaries and Wages	799,300	799,300	1,456,171	(656,871)
Employee Benefits	797,700	797,700	739,045	58,655
General Operating Expenses	208,600	208,600	194,228	14,372
Environmental and Monitoring	55,500	55,500	33,660	21,840
Utilities	187,700	187,700	186,423	1,277
Sludge Disposal	90,000	90,000	101,628	(11,628)
Supplies and Equipment	222,500	222,500	177,643	44,857
Repairs and Maintenance	240,100	240,100	136,250	103,850
Professional and Contract Services	293,400	293,400	237,818	55,582
Other Expenses	94,200	94,200	32,863	61,337
Total Operating Expenses	2,989,000	2,989,000	3,295,729	(306,729)
Operating Income (Loss)	2,302,800	2,302,800	2,171,891	(130,909)
NON-OPERATING REVENUES (EXPENSES)				
Investment Earnings	(70,000)	70,000	220,067	150,067
Taxes and Assessments	(650,700)	650,700	659,940	9,240
Reimbursements	-	-	345,917	345,917
Debt Service	(1,185,900)	(1,185,900)	(1,172,946)	12,954
Capital Improvements	(4,622,422)	(4,622,422)	(1,116,542)	3,505,880
Gain (Loss) on Sale of Capital Assets	-	-	13,286	13,286
Total Non-operating Revenues (Expenses)	(6,529,022)	(5,087,622)	(1,050,278)	4,037,344
Change in Net Position	\$ (4,226,222)	\$ (2,784,822)	1,121,613	\$ 3,906,435
Net Position at Beginning of Year			33,021,656	
Net Position at End of Year			34,143,269	
Reconciling Difference Between Budgetary Basis and Accounting Principles Generally Accepted in the United States of America (US GAAP)				
Principal Payments			775,000	
Depreciation and Amortization Expenses			(1,062,269)	
Capital Improvements			1,116,542	
			829,273	
Net Position at End of Fiscal Year (US GAAP Basis)			\$ 34,972,542	

STATISTICAL SECTION

Statistical Schedules

The Statistical Schedules in this section provide additional understanding and insights as to what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends	56 - 65
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	66 - 68
These schedules contain information to help the reader assess the factors affecting the District's ability to fund its wastewater treatment operations.	
Debt	69 - 72
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt.	
Demographic and Economic Information	73 - 74
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	75 - 79
These schedules contain information about the District's operation and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	

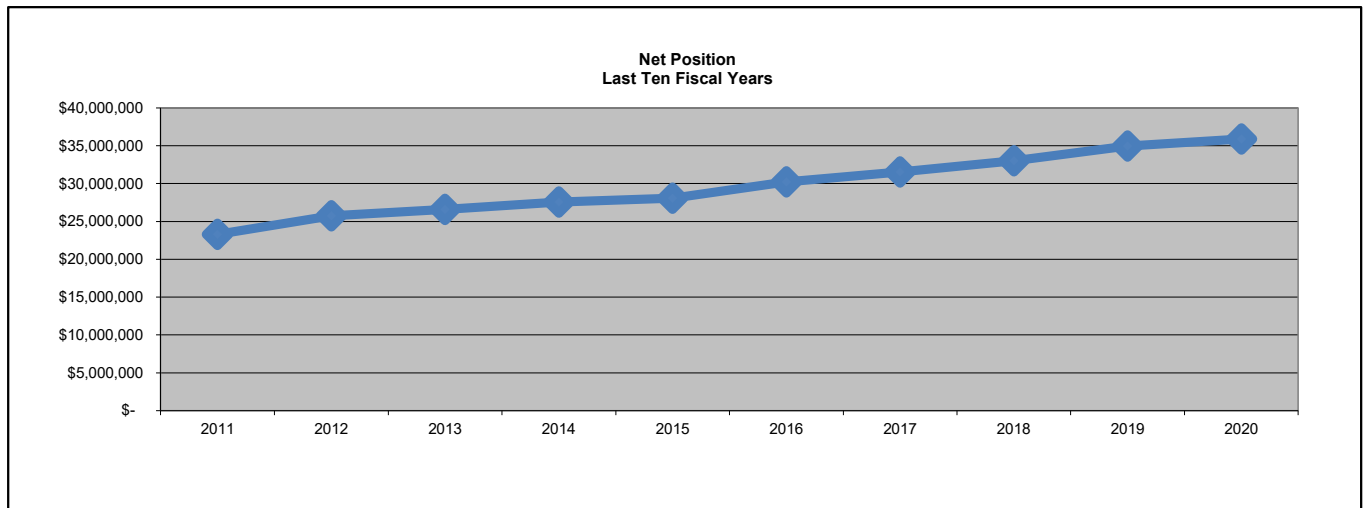
Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports of the relevant year.

CARPINTERIA SANITARY DISTRICT

Statement of Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources & Net Position - Proprietary Fund Last Ten Fiscal Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Current Assets	\$ 8,834,241	\$ 9,242,172	\$ 10,676,745	\$ 9,311,061	\$ 9,078,823	\$ 8,645,818	\$ 9,034,872	\$ 8,836,894	\$ 10,741,949	\$ 11,295,052
Restricted Assets	9,199,802	7,497,740	9,221,968	7,704,386	1,264,804	1,245,568	1,052,501	1,090,906	256,345	302,004
Capital Assets	16,740,696	16,367,583	20,550,305	21,042,306	25,813,083	26,610,300	34,944,129	35,818,808	35,344,561	34,370,329
Construction In Progress	1,599,162	5,577,199	1,434,122	5,355,236	7,538,758	8,484,063	295,580	224,369	725,432	1,439,717
Other Assets	282,622	262,435	-	-	-	-	-	-	-	-
Deferred Outflows of Resources	-	-	-	-	154,985	115,126	599,895	779,595	634,297	672,110
Totals	\$ 36,656,523	\$ 38,947,129	\$ 41,883,140	\$ 43,412,989	\$ 43,850,453	\$ 45,100,875	\$ 45,926,977	\$ 46,750,572	\$ 47,702,584	\$ 48,079,212
Current Liabilities	1,387,821	1,868,452	1,304,882	2,561,656	1,484,653	1,433,453	1,336,758	1,156,053	1,162,216	1,197,761
Noncurrent Liabilities	11,962,167	11,326,960	13,177,880	12,505,601	13,140,483	12,473,274	12,203,271	11,781,485	10,912,377	10,335,592
Total Liabilities	13,349,988	13,195,412	14,482,762	15,067,257	14,625,136	13,906,727	13,540,029	12,937,538	12,074,593	11,533,353
Deferred Inflows of Resources	-	-	796,240	768,784	1,162,539	984,931	844,776	791,378	655,449	661,220
Net Position	\$ 23,306,535	\$ 25,751,717	\$ 26,604,138	\$ 27,576,948	\$ 28,062,778	\$ 30,209,217	\$ 31,542,172	\$ 33,021,656	\$ 34,972,542	\$ 35,884,639

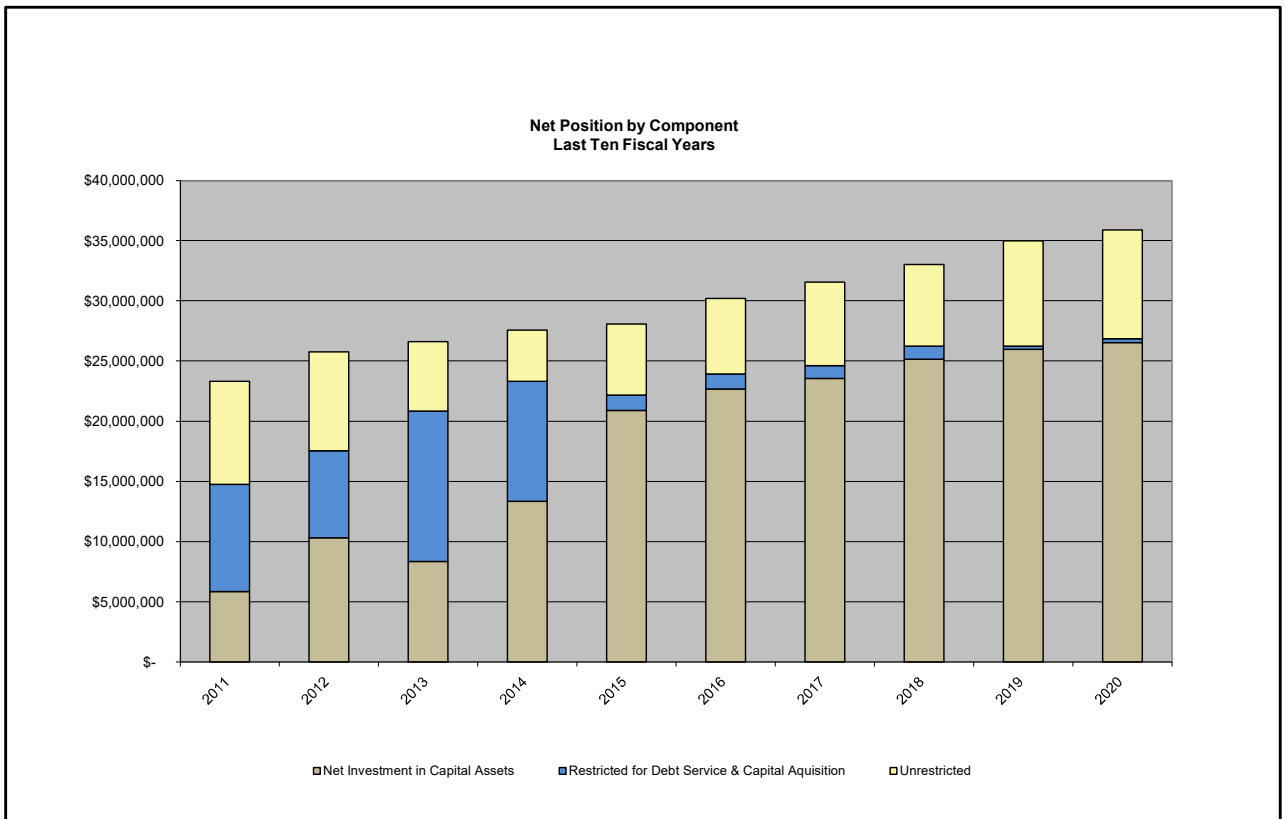


Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Net Position by Component Last Ten Fiscal Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Investment in Capital Assets	\$ 5,843,018	\$ 10,318,366	\$ 8,354,427	\$ 13,332,542	\$ 20,905,514	\$ 22,675,492	\$ 23,563,293	\$ 25,139,219	\$ 25,968,492	\$ 26,536,002
Restricted for Debt Service & Capital Acquisition	8,912,950	7,223,247	12,484,432	9,966,308	1,264,804	1,245,568	1,052,501	1,090,906	256,344	302,004
Unrestricted	8,550,567	8,210,104	5,765,279	4,278,098	5,892,460	6,288,157	6,926,378	6,791,531	8,747,706	9,046,633
Total Net Position	\$ 23,306,535	\$ 25,751,717	\$ 26,604,138	\$ 27,576,948	\$ 28,062,778	\$ 30,209,217	\$ 31,542,172	\$ 33,021,656	\$ 34,972,542	\$ 35,884,639

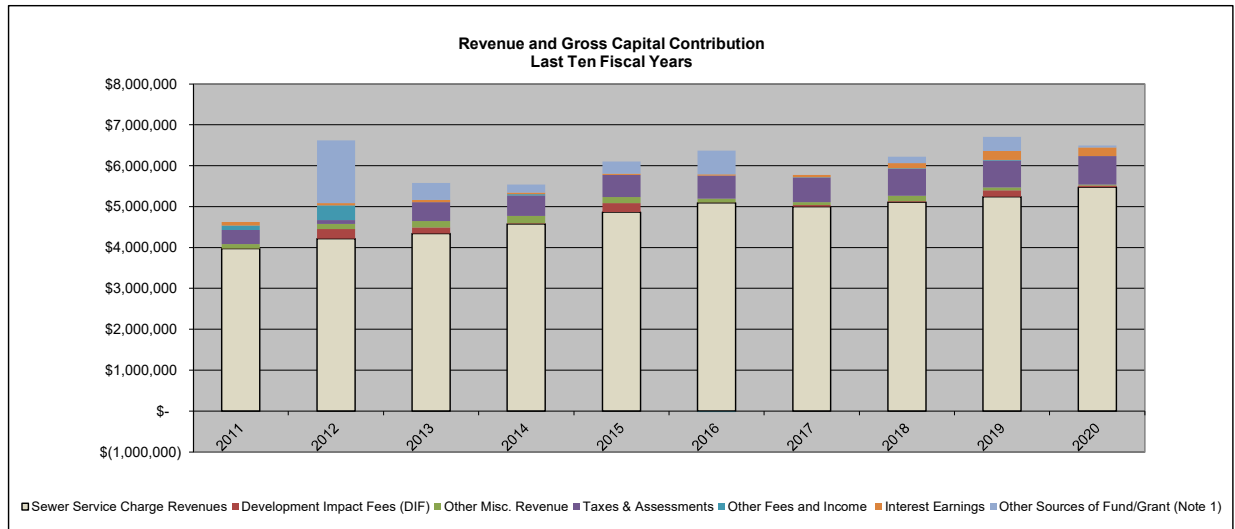


Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Revenue and Gross Capital Contribution Last Ten Fiscal Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Operating Revenues	Sewer Service Charge Revenues	\$ 3,973,417	\$ 4,213,459	\$ 4,338,000	\$ 4,571,978	\$ 4,867,209	\$ 5,088,433	\$ 4,996,907	\$ 5,108,684	\$ 5,242,985	\$ 5,477,437
	Development Impact Fees (DIF)	2,400	237,805	149,408	21,293	213,244	12,352	42,008	23,000	152,000	34,265
	Other Misc. Revenue	105,118	123,408	156,884	180,914	152,168	89,585	71,452	132,606	72,635	23,731
Non-operating Revenues	Taxes & Assessments	347,357	94,524	464,158	500,680	538,836	567,264	600,143	653,501	659,940	699,158
	Other Fees and Income	111,055	361,213	-	28,368	-	(25,171)	3,664	19,409	13,286	-
	Interest Earnings	79,890	56,996	51,250	38,292	31,868	33,972	59,809	124,232	220,067	207,232
	Other Sources of Fund/Grant (Note 1)	-	1,533,264	417,984	195,906	299,192	577,251	-	158,092	345,917	53,656
Totals	\$ 4,619,237	\$ 6,620,669	\$ 5,577,684	\$ 5,537,431	\$ 6,102,517	\$ 6,343,686	\$ 5,773,983	\$ 6,219,524	\$ 6,706,830	\$ 6,495,479	



Note 1:

In 2009, the District received \$7,673,297 capital contribution from Assessment District 2007-1 bond proceeds.

In 2010, the District received \$623,000 capital contribution for dedication of infrastructure.

In 2012, the District had a rate adjustment.

In 2018, the District recovered disaster monies from FEMA

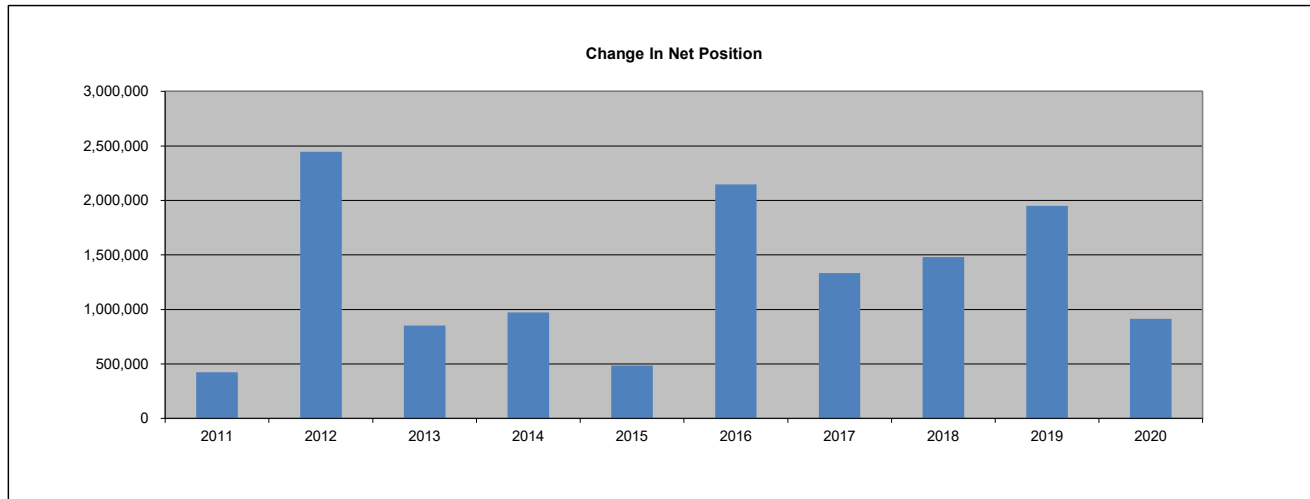
In 2019, the District recovered disaster monies from FEMA

Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Change in Net Position Last Ten Fiscal Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating Revenue	\$ 4,080,935	\$ 4,574,672	\$ 4,644,292	\$ 4,774,185	\$ 5,232,621	\$ 5,190,370	\$ 5,110,367	\$ 5,264,290	\$ 5,467,620	\$ 5,535,433
Non-operating Revenue	538,302	2,045,997	933,392	763,246	869,896	1,178,487	659,952	935,825	1,239,210	960,046
Total Revenues	4,619,237	6,620,669	5,577,684	5,537,431	6,102,517	6,368,857	5,770,319	6,200,115	6,706,830	6,495,479
Operating Expenses	3,625,508	3,626,979	3,685,562	4,025,607	4,215,878	4,038,557	3,983,264	4,311,305	4,357,998	5,213,686
Non-operating Expenses	570,778	548,508	1,039,701	539,014	1,400,809	183,861	454,100	409,326	397,946	369,696
Total Expenses	4,196,286	4,175,487	4,725,263	4,564,621	5,616,687	4,222,418	4,437,364	4,720,631	4,755,944	5,583,382
Change in Net Position	422,951	2,445,182	852,421	972,810	485,830	2,146,439	1,332,955	1,479,484	1,950,886	912,097
Beginning Net Position	22,866,711	23,289,662	25,734,844	26,587,265	27,560,075	28,045,905	30,192,344	31,542,172	33,021,656	34,972,542
Ending Net Position	\$ 23,289,662	\$ 25,734,844	\$ 26,587,265	\$ 27,560,075	\$ 28,045,905	\$ 30,192,344	\$ 31,525,299	\$ 33,021,656	\$ 34,972,542	\$ 35,884,639



Note 1:

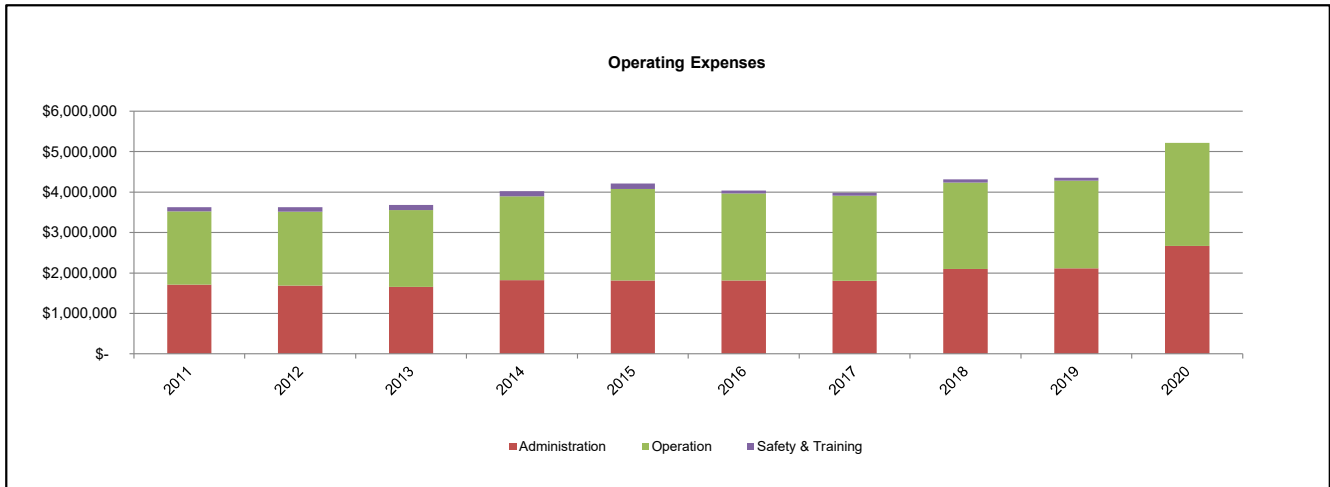
In 2009, the District received \$7,673,297 capital contribution from Assessment District 2007-1 bond proceeds.
 In 2015, beginning net assets was restated for GASB 68 and capitalized interest by (\$573,454)

Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Operating Expenses By Department Last Ten Fiscal Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration	\$ 1,714,279	\$ 1,689,632	\$ 1,656,982	\$ 1,826,807	\$ 1,813,324	\$ 1,815,377	\$ 1,804,289	\$ 2,096,667	\$ 2,112,368	\$ 2,670,548
Operation	1,808,682	1,823,989	1,896,003	2,066,563	2,262,675	2,152,797	2,104,949	2,138,840	2,172,228	2,543,139
Safety & Training	102,547	113,358	132,577	132,237	139,879	70,383	74,026	75,798	73,403	0
Totals	\$ 3,625,508	\$ 3,626,979	\$ 3,685,562	\$ 4,025,607	\$ 4,215,878	\$ 4,038,557	\$ 3,983,264	\$ 4,311,305	\$ 4,357,998	\$ 5,213,686

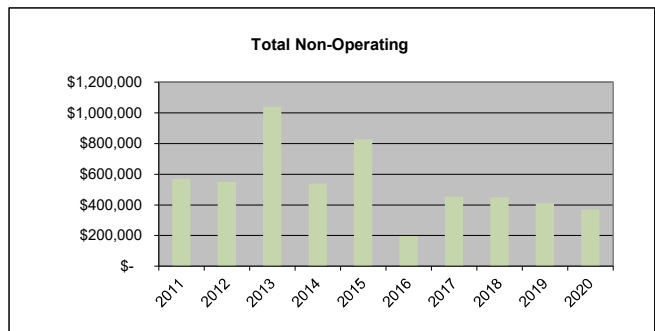
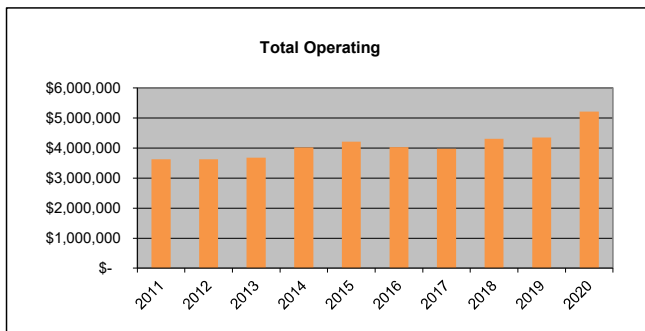


Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Operating & Non-Operating Expenses Last Ten Fiscal Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Salaries and Benefits	\$ 1,819,914	\$ 1,813,517	\$ 1,896,058	\$ 2,085,557	\$ 2,139,565	\$ 2,081,622	\$ 1,969,325	\$ 2,243,272	\$ 2,195,216	\$ 3,076,059
General Operating Expenses	157,954	171,996	199,424	193,093	236,290	160,016	190,061	167,906	194,228	190,078
Environmental and Monitoring	26,861	37,878	32,058	75,685	37,856	39,733	35,862	30,872	33,660	42,661
Utilities	218,500	196,309	213,416	233,785	250,797	219,774	186,421	173,898	186,423	203,067
Sludge Disposal	111,243	94,425	108,369	106,177	106,675	87,217	92,614	92,161	101,628	91,280
Supplies and Equipment	161,003	144,738	162,164	137,581	222,407	171,712	161,670	150,275	177,643	177,669
Repairs and Maintenance	125,308	142,639	141,642	103,163	156,972	200,187	187,758	272,875	136,250	222,081
Professional Services	74,368	109,114	98,359	156,521	181,753	101,317	199,694	125,353	237,818	127,780
Depreciation Expense	915,991	904,467	823,612	922,417	845,436	962,963	945,949	1,037,821	1,062,269	1,053,124
Other Expenses	14,366	11,896	10,460	11,628	38,127	14,016	13,910	16,872	32,863	29,887
Total Operating	\$ 3,625,508	\$ 3,626,979	\$ 3,685,562	\$ 4,025,607	\$ 4,215,878	\$ 4,038,557	\$ 3,983,264	\$ 4,311,305	\$ 4,357,998	\$ 5,213,687
Interest Expense	570,778	548,508	547,261	539,014	212,542	170,850	457,764	428,735	397,946	369,696
Other	-	-	492,440	-	614,813	25,171	(3,664)	19,409	13,286	-
Total Non-Operating	\$ 570,778	\$ 548,508	\$ 1,039,701	\$ 539,014	\$ 827,355	\$ 196,021	\$ 454,100	\$ 448,144	\$ 411,232	\$ 369,696

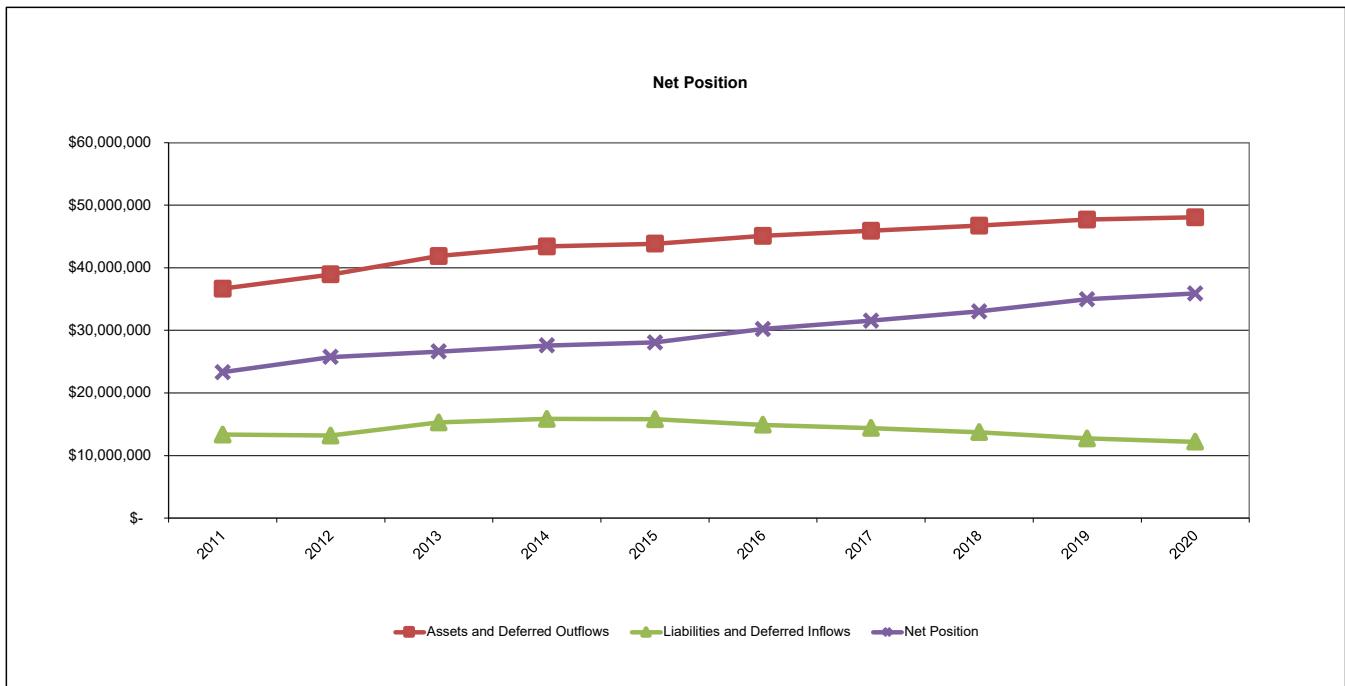


Note 1: Non-Operating Expenses ("Other" Category) includes gain or loss on disposal of capital assets
 Note 2: In 2013, Bond Issuance Costs were fully amortized as the result of refinancing.
 Note 3: In 2015, lower Interest expense due to Interest Capitalization
 Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Financial Trend Data Last Ten Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assets and Deferred Outflows	\$ 36,656,523	\$ 38,947,129	\$ 41,883,140	\$ 43,412,989	\$ 43,850,453	\$ 45,100,875	\$ 45,926,975	\$ 46,750,572	\$ 47,702,584	\$ 48,079,212
Liabilities and Deferred Inflows	13,349,988	13,195,412	15,279,002	15,836,041	15,787,675	14,891,658	14,384,803	13,728,916	12,730,042	12,194,573
Net Position	\$ 23,306,535	\$ 25,751,717	\$ 26,604,138	\$ 27,576,948	\$ 28,062,778	\$ 30,209,217	\$ 31,542,172	\$ 33,021,656	\$ 34,972,542	\$ 35,884,639



Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Capital Assets Summary
Last Ten Fiscal Years

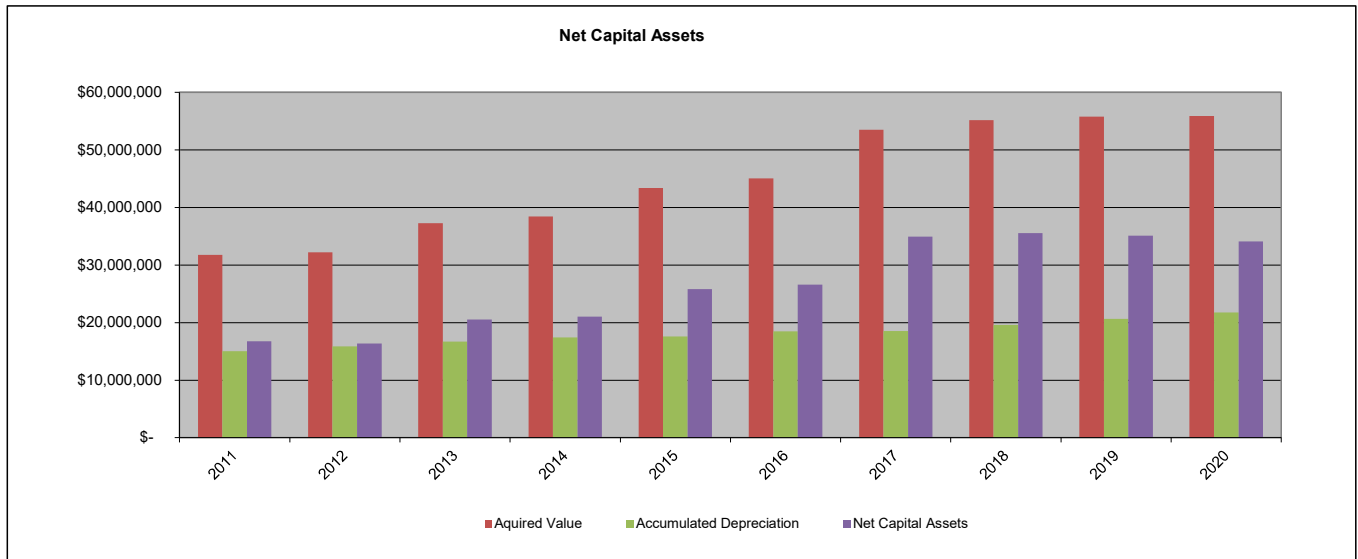
	Aquired Value	Accumulated Depreciation	Aquired Value	Accumulated Depreciation	Aquired Value	Accumulated Depreciation	Aquired Value	Accumulated Depreciation	Aquired Value	Accumulated Depreciation
	6/30/2011	6/30/2011	6/30/2012	6/30/2012	6/30/2013	6/30/2013	6/30/2014	6/30/2014	6/30/2015	6/30/2015
Land	233,619	-	233,619	-	233,619	-	233,619	-	233,619	-
Lab & Safety Equipment	261,352	61,352	67,288	62,144	67,288	63,331	78,410	66,001	45,085	34,382
Building	2,455,068	851,771	2,501,697	949,167	2,501,697	1,053,494	2,521,265	1,152,739	2,305,736	1,039,112
Autos & Mobile Equipment	676,938	431,471	676,938	482,936	676,938	518,485	865,842	332,695	865,842	370,432
Ocean Outfall	217,846	135,731	301,369	138,918	301,369	146,282	301,369	153,646	301,369	161,010
Plant	17,907,081	7,594,505	18,235,150	8,079,623	18,351,008	8,580,031	18,413,472	9,087,295	18,355,299	9,075,930
Underground Lines	9,095,439	4,984,434	9,095,439	5,149,359	14,005,444	5,322,395	14,936,435	5,582,700	20,138,107	5,857,326
Office Equipment & Furniture	1,117,724	965,108	1,117,724	999,494	1,125,651	1,028,691	1,112,569	1,045,598	1,157,979	1,051,761
Totals	31,965,067	15,024,372	32,229,224	15,861,640	37,263,014	16,712,708	38,462,980	17,420,674	43,403,036	17,589,953
Net of Capital Assets	<u>16,940,696</u>		<u>16,367,583</u>		<u>20,550,305</u>		<u>21,042,306</u>		<u>25,813,083</u>	
	Aquired Value	Accumulated Depreciation	Aquired Value	Accumulated Depreciation	Aquired Value	Accumulated Depreciation	Aquired Value	Accumulated Depreciation	Aquired Value	Accumulated Depreciation
	6/30/2016	6/30/2016	6/30/2017	6/30/2017	6/30/2018	6/30/2018	6/30/2019	6/30/2019	6/30/2020	6/30/2020
Land	233,619	-	233,619	-	233,619	-	233,619	-	233,619	-
Lab & Safety Equipment	45,085	36,090	45,085	37,379	45,085	38,668	45,085	39,957	45,085	40,850
Building	2,305,736	1,126,608	2,320,706	1,204,839	2,320,706	1,287,328	2,320,706	1,369,662	2,344,483	1,453,581
Autos & Mobile Equipment	865,842	413,401	933,155	420,522	992,832	465,756	1,073,232	478,004	1,087,452	512,386
Ocean Outfall	301,369	168,374	301,369	175,592	301,369	182,810	301,369	190,028	301,369	197,246
Plant	18,454,854	9,519,832	27,301,979	9,947,238	27,325,238	10,515,201	27,827,810	11,108,729	27,896,161	11,704,656
Underground Lines	21,787,550	6,239,856	22,014,000	6,564,964	23,852,697	6,892,327	23,852,697	7,237,533	23,852,697	7,580,378
Office Equipment & Furniture	1,084,461	964,055	362,219	217,471	362,219	232,867	362,219	248,263	362,219	263,659
Totals	45,078,516	18,468,216	53,512,131	18,568,005	55,433,766	19,614,957	56,016,737	20,672,176	56,123,085	21,752,756
Net of Capital Assets	<u>26,610,300</u>		<u>34,944,127</u>		<u>35,818,809</u>		<u>35,344,561</u>		<u>34,370,329</u>	

Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Capital Assets Summary Last Ten Fiscal Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Aquired Value	\$ 31,765,068	\$ 32,229,224	\$ 37,263,014	\$ 38,462,981	\$ 43,403,036	\$ 45,078,516	\$ 53,512,132	\$ 55,200,146	\$ 55,783,118	\$ 55,889,462
Accumulated Depreciation	15,024,372	15,861,641	16,712,709	17,420,675	17,589,953	18,468,216	18,568,005	19,614,957	20,672,176	21,752,752
Net Capital Assets	\$ 16,740,696	\$ 16,367,583	\$ 20,550,305	\$ 21,042,306	\$ 25,813,083	\$ 26,610,300	\$ 34,944,127	\$ 35,585,189	\$ 35,110,942	\$ 34,136,710

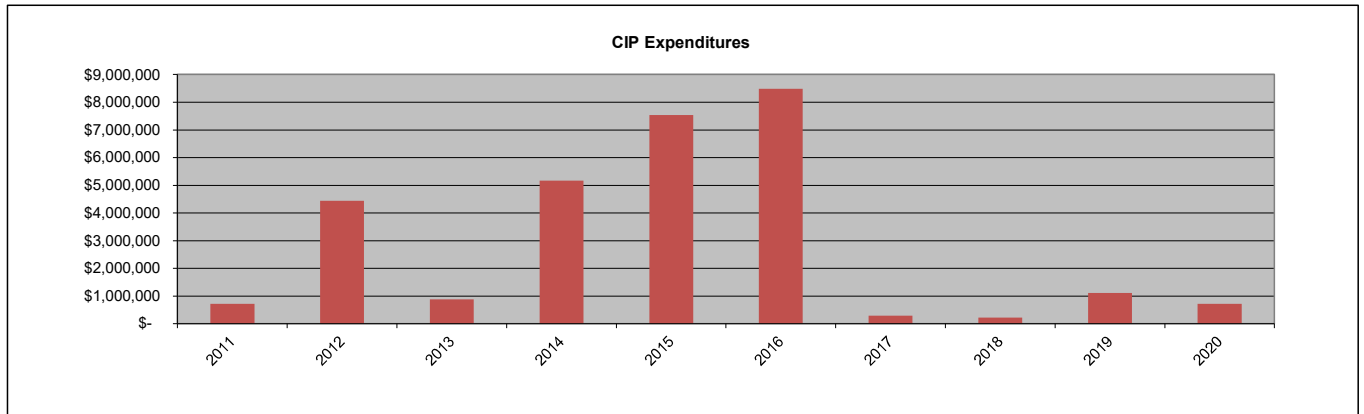


Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Capital Improvement Projects Expenditures Last Ten Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CIP Expenditures	\$ 714,596	\$ 4,442,194	\$ 882,786	\$ 5,174,906	\$ 7,538,758	\$ 8,484,063	\$ 295,580	\$ 224,369	\$ 1,116,542	\$ 714,285

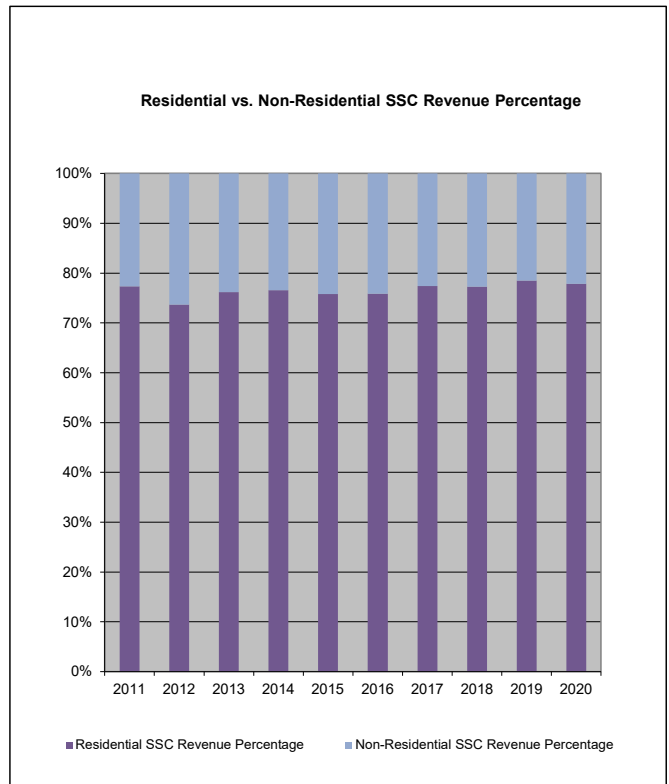
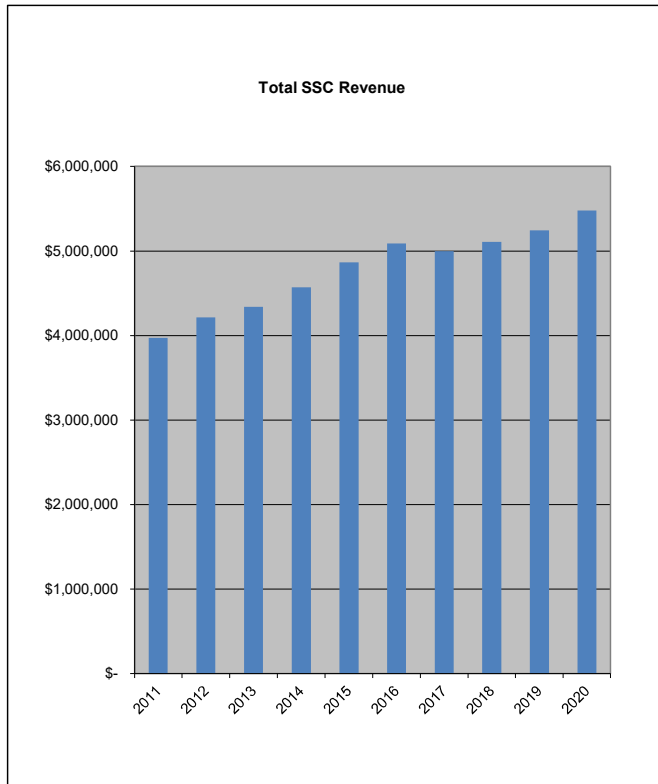


Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Sewer Service Charge (SSC) Summary Last Ten Fiscal Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of Residential Units	6,002	6,113	6,158	6,226	6,279	6,284	6,290	6,293	6,300	6,313
Residential SSC Revenue	\$ 3,073,024	\$ 3,104,549	\$ 3,306,213	\$ 3,501,652	\$ 3,690,231	\$ 3,859,381	\$ 3,868,830	\$ 3,949,013	\$ 4,115,743	\$ 4,269,687
SSC Revenue Percentage	77.3%	73.7%	76.2%	76.6%	75.8%	75.8%	77.4%	77.3%	78.5%	77.9%
No. of Non-Residential Customers	552	552	530	525	525	536	520	520	580	580
Non-Residential SSC Revenue	\$ 900,393	\$ 1,108,910	\$ 1,031,787	\$ 1,070,326	\$ 1,176,978	\$ 1,229,052	\$ 1,128,077	\$ 1,159,671	\$ 1,127,242	\$ 1,211,298
SSC Revenue Percentage	22.7%	26.3%	23.8%	23.4%	24.2%	24.2%	22.6%	22.7%	21.5%	22.1%
Total SSC Revenue	\$ 3,973,417	\$ 4,213,459	\$ 4,338,000	\$ 4,571,978	\$ 4,867,209	\$ 5,088,433	\$ 4,996,907	\$ 5,108,684	\$ 5,242,985	\$ 5,480,984



Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANTIARY DISTRICT

Ten Highest Non-Residential Rate Payers - Sewer Service Charge (SSC) Last Six Fiscal Years

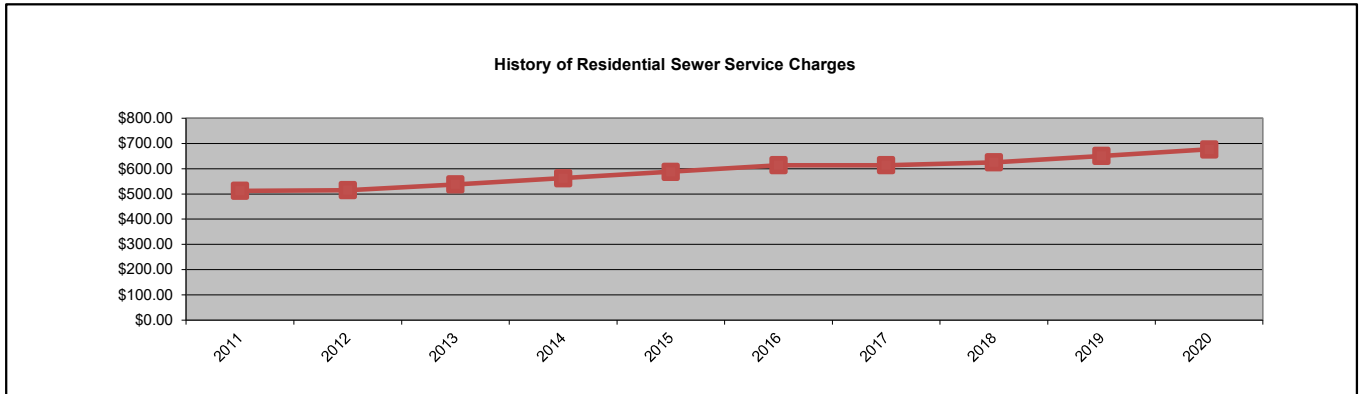
2019/2020				2018/2019			
Parcel Number	Property Address	SSC Charge	% of total Non-Residential	Parcel Number	Property Address	SSC Charge	% of total Non-Residential
001-070-063	1000 Casitas Pass Road	\$ 81,882	6.76%	001-070-063	1000 Casitas Pass Road	\$ 73,930	6.97%
001-070-009	5606 Carpinteria Ave.	\$ 55,714	4.60%	001-070-009	5606 Carpinteria Ave.	\$ 51,606	4.87%
004-036-024	4558 Carpinteria Ave.	\$ 50,959	4.21%	004-036-024	4558 Carpinteria Ave.	\$ 44,495	4.20%
001-070-039	5550 Carpinteria Ave.	\$ 43,111	3.56%	001-070-039	5550 Carpinteria Ave.	\$ 43,740	4.13%
004-013-016	4200 Via Real	\$ 40,429	3.34%	004-013-016	4200 Via Real	\$ 39,883	3.76%
003-520-003	State of California/State Park	\$ 38,730	3.20%	003-520-003	State of California/State Park	\$ 38,816	3.66%
001-190-038	1000 Cindy Lane	\$ 28,717	2.37%	001-190-038	1000 Cindy Lane	\$ 25,851	2.44%
001-070-060	1025 Casitas Pass Road	\$ 26,961	2.23%	001-070-060	1025 Casitas Pass Road	\$ 21,930	2.07%
003-510-001	State of California/State Park	\$ 23,639	1.95%	003-510-001	State of California/State Park	\$ 19,118	1.80%
001-190-085	4416 Via Real	\$ 18,316	1.51%	001-190-085	4416 Via Real	\$ 18,917	1.78%
Total Ten Rate Payers		\$ 408,458	33.72%	Total Ten Rate Payers		\$ 378,286	35.69%
Total Non-Residential		\$ 1,211,298		Total Non-Residential		\$ 1,059,990	
2017/2018				2016/2017			
Parcel Number	Property Address	SSC Charge	% of total Non-Residential	Parcel Number	Property Address	SSC Charge	% of total Non-Residential
001-070-063	1000 Casitas Pass Road	\$ 71,306	5.89%	001-070-063	1000 Casitas Pass Road	\$ 60,900	5.75%
001-070-009	5606 Carpinteria Ave.	\$ 49,476	4.08%	001-070-009	5606 Carpinteria Ave.	\$ 48,600	4.58%
004-036-024	4558 Carpinteria Ave.	\$ 50,817	4.20%	004-036-024	4558 Carpinteria Ave.	\$ 46,998	4.43%
001-070-039	5550 Carpinteria Ave.	\$ 46,266	3.82%	003-520-003	State of California/State Park	\$ 46,931	4.43%
004-013-016	4200 Via Real	\$ 41,205	3.40%	001-070-039	5550 Carpinteria Ave.	\$ 42,384	4.00%
003-520-003	State of California/State Park	\$ 45,045	3.72%	004-013-016	4200 Via Real	\$ 39,704	3.75%
001-190-038	1000 Cindy Lane	\$ 24,628	2.03%	001-190-038	1000 Cindy Lane	\$ 22,258	2.10%
001-070-060	1025 Casitas Pass Road	\$ 19,335	1.60%	001-070-060	1025 Casitas Pass Road	\$ 21,023	1.98%
003-510-001	State of California/State Park	\$ 20,190	1.67%	001-170-019	5585 Carpinteria Ave.	\$ 18,061	1.70%
001-190-085	1170 Mark Avenue	\$ 16,876	1.39%	003-510-001	State of California/State Park	\$ 16,929	1.60%
Total Ten Rate Payers		\$ 385,144	31.80%	Total Ten Rate Payers		\$ 363,788	34.32%
Total Non-Residential		\$ 1,153,982		Total Non-Residential		\$ 1,128,077	
2015/2016				2014/2015			
Parcel Number	Property Address	SSC Charge	% of total Non-Residential	Parcel Number	Property Address	SSC Charge	% of total Non-Residential
001-070-063	1000 Casitas Pass Road	\$ 61,754	5.10%	001-070-063	1000 Casitas Pass Road	\$ 58,347	5.50%
003-520-003	State of California/State Park	\$ 53,857	4.45%	001-070-009	5606 Carpinteria Ave.	\$ 52,120	4.92%
001-070-009	5606 Carpinteria Ave.	\$ 52,605	4.34%	003-520-003	State of California/State Park	\$ 47,283	4.46%
004-036-024	4558 Carpinteria Ave.	\$ 47,711	3.94%	004-036-024	4558 Carpinteria Ave.	\$ 43,235	4.08%
001-070-039	5550 Carpinteria Ave.	\$ 44,168	3.65%	001-070-039	5550 Carpinteria Ave.	\$ 41,506	3.92%
004-013-016	4200 Via Real	\$ 40,605	3.35%	004-105-007	5045 Sixth Street	\$ 39,134	3.69%
004-105-007	5045 Sixth Street	\$ 27,562	2.28%	004-013-016	4200 Via Real	\$ 37,708	3.56%
001-070-060	1025 Casitas Pass Road	\$ 26,173	2.16%	001-070-060	1025 Casitas Pass Road	\$ 25,972	2.45%
001-190-038	1000 Cindy Lane	\$ 22,341	1.84%	003-263-028	850 Linden Ave.	\$ 25,449	2.40%
003-263-028	850 Linden Ave.	\$ 21,940	1.81%	001-190-038	1000 Cindy Lane	\$ 20,677	1.95%
Total Ten Rate Payers		\$ 398,714	32.92%	Total Ten Rate Payers		\$ 391,431	36.93%
Total Non-Residential		\$ 1,229,052		Total Non-Residential		\$ 1,163,156	

Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

History of Residential Sewer Service Charges Last Ten Fiscal Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual SSC	\$512.00	\$515.00	\$538.18	\$562.40	\$587.71	\$614.16	\$614.16	\$625.31	\$650.33	\$676.35
Monthly Rate	\$42.67	\$42.92	\$44.85	\$46.87	\$48.98	\$51.18	\$51.18	\$52.11	\$54.19	\$56.36

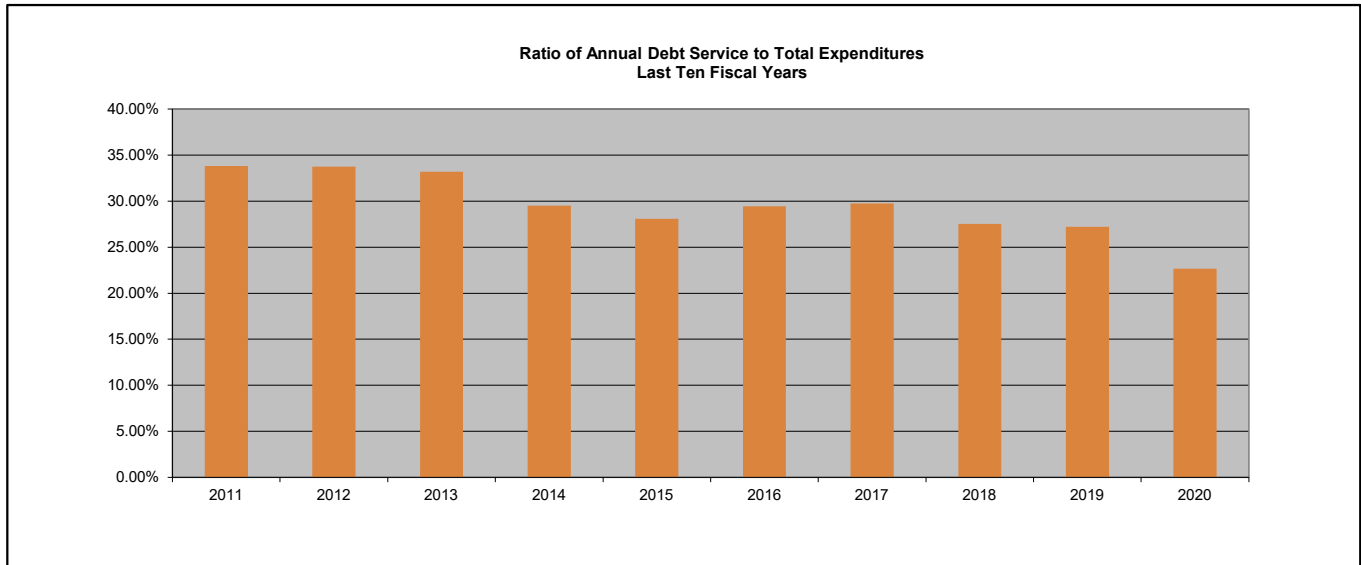


Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Ratio of Annual Debt Service to Total Expenditures Last Ten Fiscal Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Principal	\$ 655,000	\$ 675,000	\$ 675,000	\$ 565,000	\$ 670,000	\$ 690,000	\$ 715,000	\$ 745,000	\$ 775,000	\$ 800,000
Interest	570,778	548,508	548,508	622,698	514,038	498,563	470,463	441,263	410,863	381,306
Total Debt Service	1,225,778	1,223,508	1,223,508	1,187,698	1,184,038	1,188,563	1,185,463	1,186,263	1,185,863	1,181,306
Total Operating Expense	\$ 3,625,508	\$ 3,626,979	\$ 3,685,562	\$ 4,025,607	\$ 4,215,878	\$ 4,038,557	\$ 3,983,264	\$ 4,311,305	\$ 4,357,998	\$ 5,213,686
Ratio of Debt Service to Total Operating Expense	33.81%	33.73%	33.20%	29.50%	28.09%	29.43%	29.76%	27.52%	27.21%	22.66%

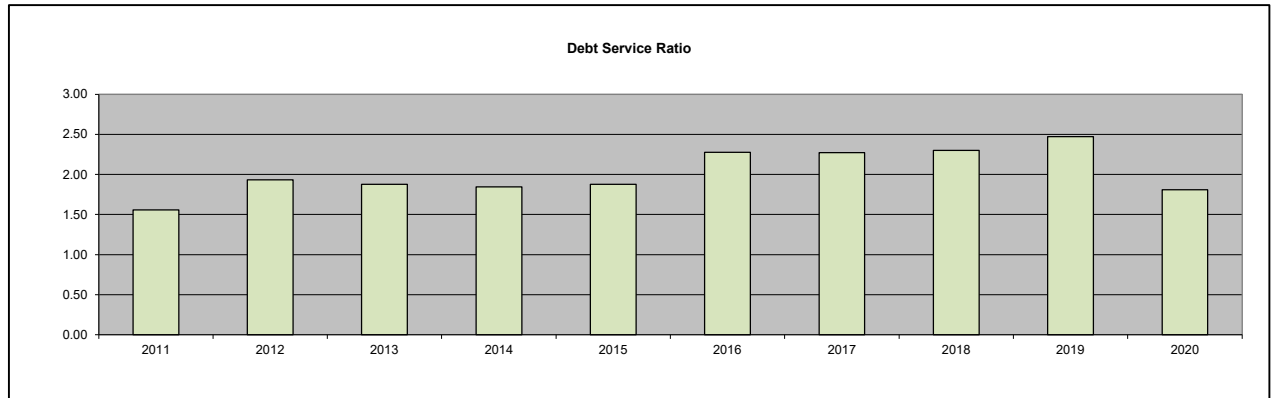


Interest stated on the table excludes interest capitalization.
Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Debt Service Ratio
Last Ten Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Sewer Service Charge Revenues	\$ 3,973,417	\$ 4,213,459	\$ 4,338,000	\$ 4,571,978	\$ 4,867,209	\$ 5,088,433	\$ 4,996,907	\$ 5,108,684	\$ 5,242,985	\$ 5,477,437
Taxes & Assessments	454,875	455,737	464,158	500,680	538,836	567,264	600,143	653,501	659,940	679,112
Other Fees and Income	111,055	361,213	306,292	202,207	365,412	101,937	113,460	155,606	224,635	78,041
Interest Earnings	79,890	56,996	51,250	38,292	31,868	33,972	59,809	124,232	220,067	214,838
Totals	4,619,237	5,087,405	5,159,700	5,313,157	5,803,325	5,791,606	5,770,319	6,042,023	6,347,627	6,449,428
Other Sources of Fund/Grant/Dedications (1)	-	1,533,264	417,984	224,274	299,192	577,251	-	158,092	345,917	53,656
Total Revenues	\$ 4,619,237	\$ 6,620,669	\$ 5,577,684	\$ 5,537,431	\$ 6,102,517	\$ 6,368,857	\$ 5,770,319	\$ 6,200,115	\$ 6,693,544	\$ 6,503,084
Operating Expenses										
Salaries and Wages	1,288,896	1,270,199	1,305,214	1,418,164	1,542,723	1,427,156	1,463,517	1,465,961	1,456,171	1,558,086
Employee Benefits	531,018	543,318	590,844	667,393	596,842	654,466	505,808	777,311	739,045	1,517,973
General Operating Expenses	157,954	171,996	199,424	193,093	236,290	160,016	190,061	167,906	194,228	190,078
Environmental and Monitoring	26,861	37,878	32,058	75,685	37,856	39,733	35,862	30,872	33,660	42,661
Utilities	218,500	196,309	213,416	233,785	250,797	219,774	186,421	173,898	186,423	203,067
Sludge Disposal	111,243	94,425	108,369	106,177	106,675	87,217	92,614	92,161	101,628	91,280
Supplies and Equipment	161,003	144,738	162,164	137,581	222,407	171,712	161,670	150,275	177,643	177,669
Repairs and Maintenance	125,308	142,639	141,642	103,163	156,972	200,187	187,758	272,875	136,250	222,081
Professional and Contract Services	74,368	109,114	98,359	156,521	181,753	101,317	199,694	125,353	237,818	127,780
Depreciation and Amortization	915,991	904,467	823,612	922,417	845,436	962,963	945,949	1,037,821	1,062,269	1,053,124
Other Expenses	14,366	11,896	10,460	11,628	38,127	14,016	13,910	16,872	32,863	29,887
Total Operating Expenses (2)	\$ 3,625,508	\$ 3,626,979	\$ 3,685,562	\$ 4,025,607	\$ 4,215,878	\$ 4,038,557	\$ 3,983,264	\$ 4,311,305	\$ 4,357,998	\$ 5,213,687
Operating Exp. Inc.(Dec.)	-0.6%	0.0%	1.6%	9.2%	4.7%	-4.2%	-5.5%	6.8%	9.4%	20.9%
Revenue in Excess of Oper. Exp.	993,729	2,993,690	1,892,122	1,511,824	1,886,639	2,330,300	1,787,055	1,888,810	2,335,546	1,289,397
Scheduled Installment Payment	1,225,778	1,223,508	1,223,508	1,187,698	1,184,038	1,188,563	1,185,463	1,186,263	1,172,946	1,181,306
Capital Improvement Projects (CIP)	\$ 714,596	\$ 4,442,194	\$ 882,786	\$ 5,174,906	\$ 7,538,758	\$ 8,484,063	\$ 295,580	\$ 224,369	\$ 725,432	\$ 426,778
Debt Services Ratio (>1.25%), (3)	1.56	1.93	1.88	1.84	1.87	2.27	2.27	2.30	2.47	1.81



(1) - Other Source of Fund/Grant is excluded from Debt Services Ratio calculation.
 (2) - Depreciation and amortization expenses are excluded from Debt Services Ratio calculation.
 (3) - Ratio is calculated according to the 2012 Wastewater Revenue Refinancing Bonds agreement.
 Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Ratio of Outstanding Debt - 2012 Wastewater Revenue Bond
Last Ten Fiscal Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Current Outstanding Debt	\$ 655,000	\$ 675,000	\$ 565,000	\$ 670,000	\$ 690,000	\$ 715,000	\$ 745,000	\$ 775,000	\$ 800,000	\$ 830,000
Long Term Outstanding Debt	\$ 11,233,851	\$ 10,558,851	\$ 13,065,000	\$ 12,395,000	\$ 11,705,000	\$ 10,990,000	\$ 10,245,000	\$ 9,470,000	\$ 8,670,000	\$ 7,840,000
Total Outstanding Debt	\$ 11,888,851	\$ 11,233,851	\$ 13,630,000	\$ 13,065,000	\$ 12,395,000	\$ 11,705,000	\$ 10,990,000	\$ 10,245,000	\$ 9,470,000	\$ 8,670,000
Median Family Income	\$ 69,143	\$ 72,235	\$ 72,297	\$ 72,270	\$ 70,113	\$ 60,273	\$ 60,618	\$ 65,467	\$ 72,901	\$ 76,651
Debt as a Percentage of Median Family Income	0.582%	0.643%	0.530%	0.553%	0.566%	0.515%	0.552%	0.639%	0.770%	0.884%
Population	14,528	14,103	13,076	13,099	13,442	13,794	13,928	13,943	13,849	16,702
Debt per Capita	\$ 818	\$ 797	\$ 1,042	\$ 997	\$ 922	\$ 849	\$ 789	\$ 735	\$ 684	\$ 519
Personal Income, Total	\$600,006,400	\$411,352,400	\$422,376,600	\$589,455,000	\$639,839,200	\$685,561,800	\$695,007,200	\$748,739,100	\$508,119,810	\$743,339,212
Debt Outstanding Percentage	2.0%	2.7%	3.2%	2.2%	1.9%	1.7%	1.6%	1.4%	1.9%	1.2%
Per Capita Personal Income	\$ 41,300	\$ 29,168	\$ 32,302	\$ 45,000	\$ 47,600	\$ 49,700	\$ 49,900	\$ 53,700	\$ 36,690	\$ 44,506
Unemployment Rate	5.2%	5.8%	8.2%	8.8%	5.4%	4.7%	4.9%	4.9%	3.9%	11.5%

Source: County of Santa Barbara
California Department of Finance
City of Carpinteria
District's Financial Data

CARPINTERIA SANITARY DISTRICT

2012 Wastewater Revenue Bonds-Debt Service Schedule

Date	Principal	Interest	Semiannual Payment	Fiscal Total
8/1/2013	\$ 565,000.00	\$ 356,466.52	\$ 921,466.52	
2/1/2014		\$ 266,231.25	\$ 266,231.25	\$ 1,187,697.77
8/1/2014	\$ 670,000.00	\$ 266,231.25	\$ 936,231.25	
2/1/2015		\$ 256,181.25	\$ 256,181.25	\$ 1,192,412.50
8/1/2015	\$ 690,000.00	\$ 256,181.25	\$ 946,181.25	
2/1/2016		\$ 242,381.25	\$ 242,381.25	\$ 1,188,562.50
8/1/2016	\$ 715,000.00	\$ 242,381.25	\$ 957,381.25	
2/1/2017		\$ 228,081.25	\$ 228,081.25	\$ 1,185,462.50
8/1/2017	\$ 745,000.00	\$ 228,081.25	\$ 973,081.25	
2/1/2018		\$ 213,181.25	\$ 213,181.25	\$ 1,186,262.50
8/1/2018	\$ 775,000.00	\$ 213,181.25	\$ 988,181.25	
2/1/2019		\$ 197,681.25	\$ 197,681.25	\$ 1,185,862.50
8/1/2019	\$ 800,000.00	\$ 197,681.25	\$ 997,681.25	
2/1/2020		\$ 183,681.25	\$ 183,681.25	\$ 1,181,362.50
8/1/2020	\$ 830,000.00	\$ 183,681.25	\$ 1,013,681.25	
2/1/2021		\$ 167,081.25	\$ 167,081.25	\$ 1,180,762.50
8/1/2021	\$ 865,000.00	\$ 167,081.25	\$ 1,032,081.25	
2/1/2022		\$ 149,781.25	\$ 149,781.25	\$ 1,181,862.50
8/1/2022	\$ 905,000.00	\$ 149,781.25	\$ 1,054,781.25	
2/1/2023		\$ 127,156.25	\$ 127,156.25	\$ 1,181,937.50
8/1/2023	\$ 950,000.00	\$ 127,156.25	\$ 1,077,156.25	
2/1/2024		\$ 103,406.25	\$ 103,406.25	\$ 1,180,562.50
8/1/2024	\$ 1,000,000.00	\$ 103,406.25	\$ 1,103,406.25	
2/1/2025		\$ 78,406.25	\$ 78,406.25	\$ 1,181,812.50
8/1/2025	\$ 1,050,000.00	\$ 78,406.25	\$ 1,128,406.25	
2/1/2026		\$ 52,156.25	\$ 52,156.25	\$ 1,180,562.50
8/1/2026	\$ 135,000.00	\$ 52,156.25	\$ 187,156.25	
2/1/2027		\$ 49,456.25	\$ 49,456.25	\$ 236,612.50
8/1/2027	\$ 145,000.00	\$ 49,456.25	\$ 194,456.25	
2/1/2028		\$ 46,556.25	\$ 46,556.25	\$ 241,012.50
8/1/2028	\$ 150,000.00	\$ 46,556.25	\$ 196,556.25	
2/1/2029		\$ 44,306.25	\$ 44,306.25	\$ 240,862.50
8/1/2029	\$ 150,000.00	\$ 44,306.25	\$ 194,306.25	
2/1/2030		\$ 42,056.25	\$ 42,056.25	\$ 236,362.50
8/1/2030	\$ 155,000.00	\$ 42,056.25	\$ 197,056.25	
2/1/2031		\$ 39,731.25	\$ 39,731.25	\$ 236,787.50
8/1/2031	\$ 160,000.00	\$ 39,731.25	\$ 199,731.25	
2/1/2032		\$ 37,331.25	\$ 37,331.25	\$ 237,062.50
8/1/2032	\$ 165,000.00	\$ 37,331.25	\$ 202,331.25	
2/1/2033		\$ 34,356.25	\$ 34,356.25	\$ 236,687.50
8/1/2033	\$ 170,000.00	\$ 34,856.25	\$ 204,856.25	
2/1/2034		\$ 32,200.00	\$ 32,200.00	\$ 237,056.25
8/1/2034	\$ 175,000.00	\$ 32,200.00	\$ 207,200.00	
2/1/2035		\$ 29,137.50	\$ 29,137.50	\$ 236,337.50
8/1/2035	\$ 185,000.00	\$ 29,137.50	\$ 214,137.50	
2/1/2036		\$ 25,900.00	\$ 25,900.00	\$ 240,037.50
8/1/2036	\$ 190,000.00	\$ 25,900.00	\$ 215,900.00	
2/1/2037		\$ 22,575.00	\$ 22,575.00	\$ 238,475.00
8/1/2037	\$ 195,000.00	\$ 22,575.00	\$ 217,575.00	
2/1/2038		\$ 19,162.50	\$ 19,162.50	\$ 236,737.50
8/1/2038	\$ 205,000.00	\$ 19,162.50	\$ 224,162.50	
2/1/2039		\$ 15,575.00	\$ 15,575.00	\$ 239,737.50
8/1/2039	\$ 210,000.00	\$ 15,575.00	\$ 225,575.00	
2/1/2040		\$ 11,900.00	\$ 11,900.00	\$ 237,475.00
8/1/2040	\$ 220,000.00	\$ 11,900.00	\$ 231,900.00	
2/1/2041		\$ 8,050.00	\$ 8,050.00	\$ 239,950.00
8/1/2041	\$ 225,000.00	\$ 8,050.00	\$ 233,050.00	
2/1/2042		\$ 4,112.50	\$ 4,112.50	\$ 237,162.50
8/1/2042	\$ 235,000.00	\$ 4,112.50	\$ 239,112.50	\$ 239,112.50
Totals	\$ 13,630,000.00	\$ 5,812,591.52	\$ 19,442,591.52	\$ 19,442,591.52

Source: Official Statement-Carpinteria Sanitary District 2012 Wastewater Revenue Bonds

CARPINTERIA SANITARY DISTRICT

Demographics and Economic Statistics Last Ten Fiscal Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Population	14,103	13,076	13,099	13,442	13,547	13,928	13,943	13,849	16,336	16,702
Personal Income Total	\$ 442,650,761	\$ 422,376,600	\$ 589,455,000	\$ 639,839,200	\$ 673,285,900	\$ 715,759,920	\$ 748,739,100	\$ 508,119,810	\$ 692,728,080	\$ 743,339,212
Per Capita Personal Income	\$ 31,387	\$ 32,302	\$ 45,000	\$ 47,600	\$ 49,700	\$ 51,390	\$ 53,700	\$ 36,690	\$ 42,405	\$ 44,506
Unemployment Rate	5.8%	8.2%	6.3%	5.4%	4.7%	4.9%	4.3%	3.9%	3.4%	11.5%

Source: CA HomeTownLocator which uses GNIS and ESRI demographic models to collect data. (As of July 1, 2020)
 Unemployment rate - www.bls.gov for Santa Barbara County (As of June 2020)

CARPINTERIA SANITARY DISTRICT

Principal Employers (Ten Largest)
Last Five Fiscal Years (Unaudited)

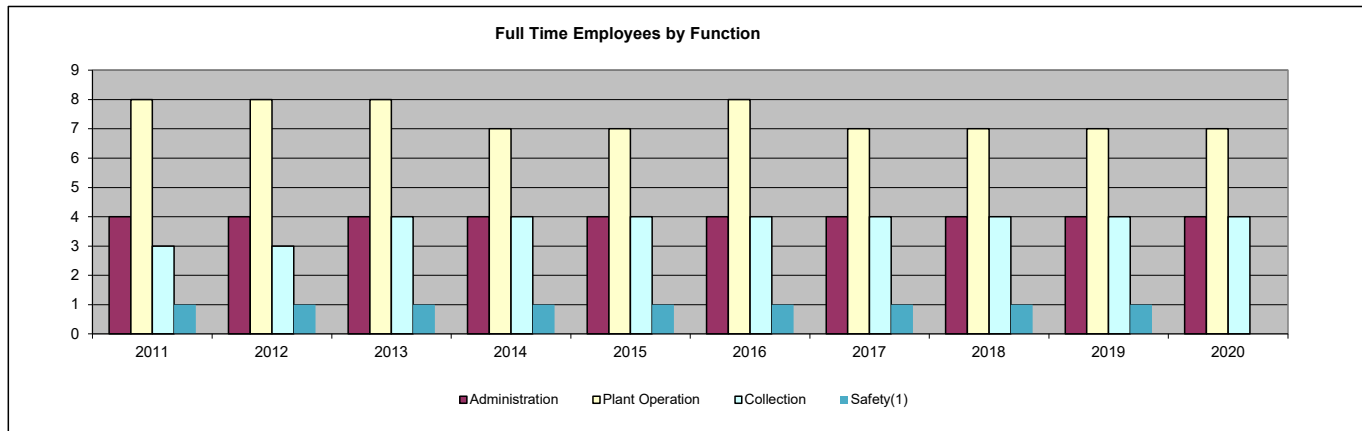
Fiscal Year Ended June 30, 2020				Fiscal Year Ended June 30, 2019			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
Procore				Procore	850	1	9.14%
Agilent (formerly DAKO)				Agilent (formerly DAKO)	400	2	4.30%
Carpinteria Unified School District				Carpinteria Unified School District	365	3	3.92%
Linkedin				Linkedin	312	4	3.35%
Nusil Technology				Nusil Technology	284	5	3.05%
Gigavac				Gigavac	232	6	2.49%
Plan Member				Plan Member	168	7	1.81%
Bega US				Bega US	160	8	1.72%
Continental Auto Systems				Continental Auto Systems	125	9	1.34%
AGIA, Inc.				AGIA, Inc.	120	10	1.29%
Total	0		0.00%	Total	3016		32.43%
Fiscal Year Ended June 30, 2018				Fiscal Year Ended June 30, 2017			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
Procore	838	1	9.21%	Procore	545	1	3.41%
Carpinteria Unified School District	350	2	3.85%	Nusil Technology	356	2	2.23%
Linkedin	330	3	3.63%	Carpinteria Unified School District	323	3	2.02%
Agilent (formerly DAKO)	300	4	3.30%	Linkedin	284	4	1.78%
Gigavac	280	5	3.08%	Agilent	250	5	1.56%
Nusil Technology	275	6	3.02%	AGIA, Inc.	223	6	1.39%
Bega US	153	7	1.68%	Astro Aerospace	147	7	0.92%
AGIA, Inc.	118	8	1.30%	Gigavac	133	8	0.83%
Albertsons	104	9	1.14%	Bega US	120	9	0.75%
Plan Member	85	10	0.93%	Albertsons	118	10	0.74%
Total	2833		31.13%	Total	2499		15.62%
Fiscal Year Ended June 30, 2016				Fiscal Year Ended June 30, 2015			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
Procore	455	1	2.84%	Nusil Technology	403	1	2.52%
Nusil Technology	403	2	2.52%	Carpinteria Unified School District	339	2	2.12%
Linkedin	400	3	2.50%	Lynda.com	300	3	1.88%
Carpinteria Unified School District	349	4	2.18%	DAKO Corporation	250	4	1.56%
DAKO Corporation	250	5	1.56%	AGIA, Inc.	210	5	1.31%
AGIA, Inc.	212	6	1.33%	Bega Lighting	130	6	0.81%
Albertsons	120	7	0.75%	Gigavac	119	7	0.74%
Gigavac	119	8	0.74%	Albertsons	110	8	0.69%
Bega Lighting	110	9	0.69%	CKE (Carl Karcher Enterprises)	110	9	0.69%
Freudenberg Medical, Inc.	90	10	0.56%	Helix Medical, Inc.	90	10	0.56%
Total	2508		15.68%	Total	2061		12.88%

Source: City of Carpinteria Website - http://www.carpinteria.ca.us/edd/top_employers.shtml

CARPINTERIA SANITARY DISTRICT

Full-Time District Employees by Function Last Ten Fiscal Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration	4	4	4	4	4	4	4	4	4	4
Plant Operation	8	8	8	7	7	8	7	7	7	7
Collection	3	3	4	4	4	4	4	4	4	4
Safety(1)	1	1	1	1	1	1	1	1	1	0
Totals	16	16	17	16	16	17	16	16	16	15



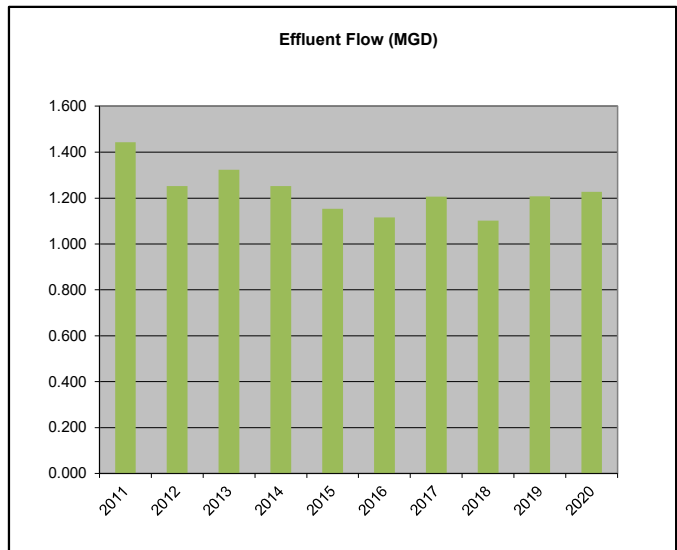
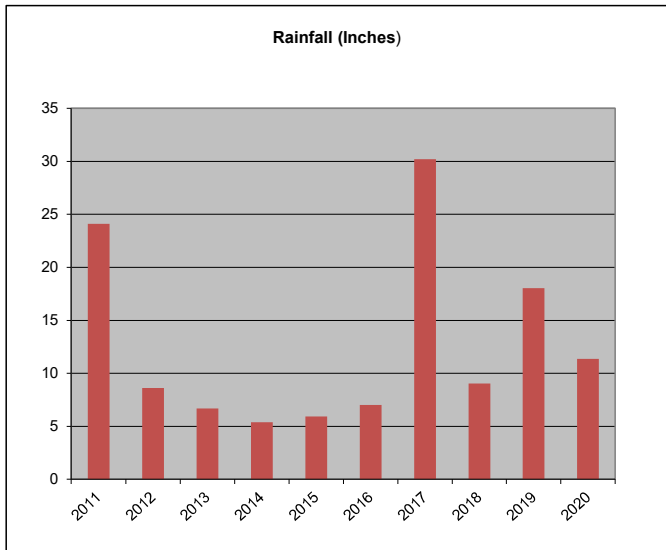
Note 1: Safety position eliminated in March 2019

Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Treatment Plant Flow Data Last Ten Fiscal Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Rainfall (inches)	24.1	8.63	6.68	5.39	5.94	7.03	30.21	9.04	18.02	11.37
Effluent Flow (MGD)	1.443	1.253	1.323	1.253	1.153	1.116	1.206	1.102	1.208	1.227

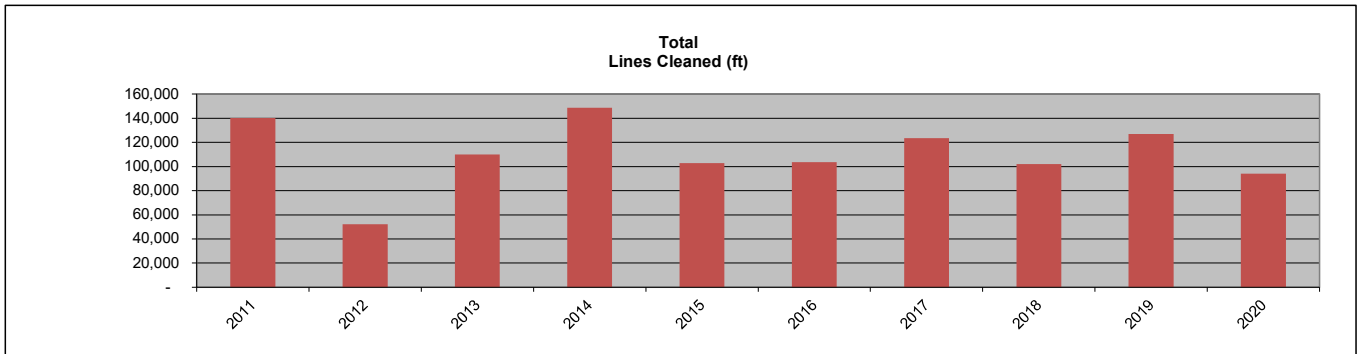


Source: Carpinteria Sanitary District Wastewater Management Data

CARPINTERIA SANITARY DISTRICT

Collection System Statistics - Pipeline Hydro Cleaning Last Ten Fiscal Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Cleaned (ft)	140,241	52,145	110,036	148,648	102,912	103,785	123,607	102,021	127,061	94,054
Monthly Average (ft)	11,687	4,345	9,170	12,387	8,576	8,649	10,301	8,502	10,588	7,838

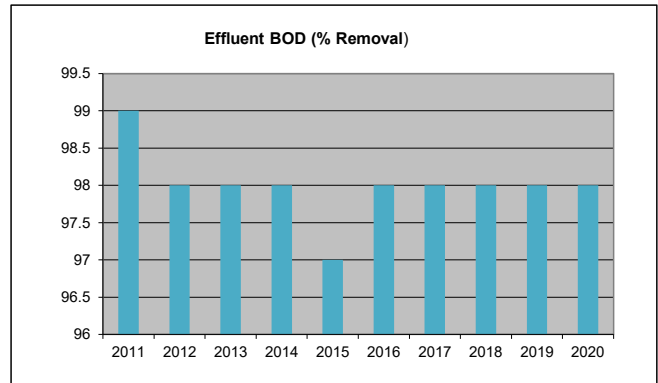
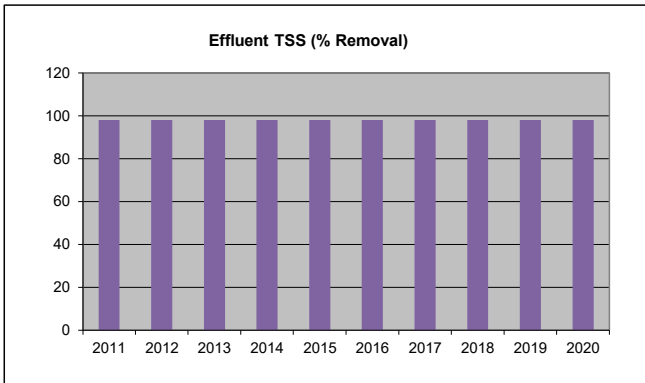
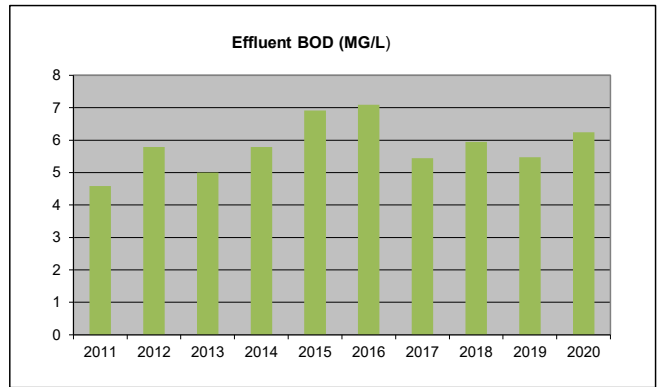
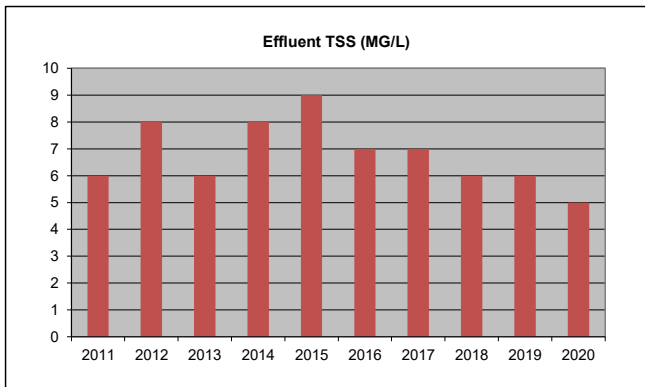


Source: Carpinteria Sanitary District Wastewater Management Database

CARPINTERIA SANITARY DISTRICT

Quality of Effluent - Final Effluent Monthly Average Last Ten Fiscal Year

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Effluent TSS (MG/L)	6	8	6	8	9	7	7	6	6	5
Effluent BOD (MG/L)	4.59	5.79	5	5.79	6.92	7.09	5.45	5.95	5.47	6.24
Effluent TSS (% Removal)	98	98	98	98	98	98	98	98	98	98
Effluent BOD (% Removal)	99	98	98	98	97	98	98	98	98	98

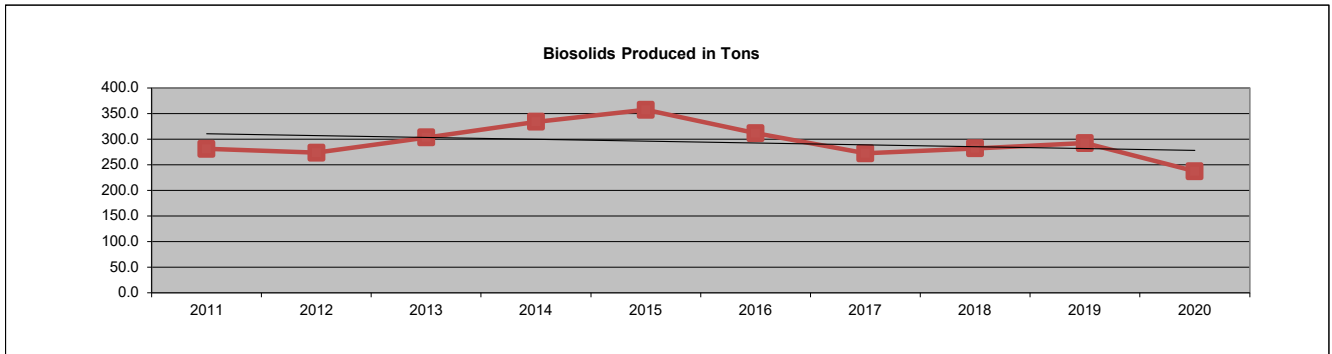


Source: Carpinteria Sanitary District

CARPINTERIA SANITARY DISTRICT

Bio-Solids Produced Last Ten Years

Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Biosolids Produced in Tons	281.1	273.8	303.3	333.9	357.5	311.7	272.2	282.1	292.2	237.5



Source: Carpinteria Sanitary District