



November 7, 2023

Mike Modugno, President
Board of Directors
Carpinteria Sanitary District

SUBJECT: Annual Comprehensive Financial Report – June 30, 2023 and 2022

Dear President Modugno:

This letter transmits the Annual Comprehensive Financial Report (ACFR) for the Carpinteria Sanitary District for the fiscal years ended June 30, 2023 and 2022.

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, Fechter & Company has audited the District's financial statements, examined internal control, and issued an unmodified opinion that the financial statements for the 2022/23 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 13,500 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

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

STANDING COMMITTEES

Finance Committee

Lin Graf	Chairperson
Michael Damron	Member

Personnel Committee

Gerald Velasco	Chairperson
Michael Damron	Member

Public Relations Committee

Debbie Murphy	Chairperson
Lin Graf	Member

Local Utilities Committee

Lin Graf	Chairperson
Debbie Murphy	Member

Recycled Water Committee

Gerald Velasco	Chairperson
Mike Modugno	Member

DISTRICT SUPPORT STAFF

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

DISTRICT LEGAL COUNSEL

Karl Berger	Legal Counsel - Hensley Law Group
-------------	-----------------------------------

FINANCIAL INFORMATION

The Annual Comprehensive Financial Report includes all financial activities of the District and the Statement of Fiduciary Assets and Liabilities of the Custodial Funds (Pension Trust Fund and 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 District 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 partially 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.

On December 15, 2020, the District adopted Resolution No. R-342, formally approving a loan agreement with J.P. Morgan Chase Bank, N.A, to finance the Administration Building Replacement Project. This private placement public financing agreement provides a fixed interest rate of 1.77 percent over a 15-year term. In parity with the 2012 revenue bonds, a debt coverage ratio of 1.25 also applies to this long-term debt.

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 (2023/2024) with cash and cash equivalents balance of approximately \$13.0M and a current liability of approximately \$1.7M. Annual revenue of approximately \$7.2M is projected, with an estimated operating, non-operating, and capital improvement expenditures totaling approximately \$9.2M, excluding depreciation. The projected ending balance of cash and cash equivalents for FY 2023/24 will be approximately \$7.8M, 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 2021/22 FY, an updated rate study was performed that recommended an incremental sewer service charge increase of 3% per year for five years commencing in FY 2022/23. Based on the comprehensive study, the structured rate increases were approved by the District's Board of Directors with adoption of Ordinance No. 17. Sewer service charge revenue is expected to increase proportional to the 3 percent annual rate increases through FY 2026/27.

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

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Carpinteria Sanitary District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 13th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

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



Kim Garcia
District Administrator

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 6,315 residential units and about 550 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 Stations:	8
Types of Terrain:	Level along ocean sloping 2-3 degrees toward foothills
Treatment Plant Capacity:	2.5 MGD
Fees Per Ordinance 17:	Residential: \$754.72 annually Non-Residential: Classified into six classes; charges range between \$11.65 – \$18.20 per 1000 gal with a minimum charge of \$754.72 per parcel
Population in 2023:	13,197
Businesses in 2023:	580
Rainfall in 2022/23:	26.77 inches
Crime:	The number of violent crimes recorded in 2022/23 was 15. The number of murders and homicides was 0.
Local Festival:	Avocado Festival in October

ANNUAL COMPREHENSIVE FINANCIAL REPORT



**FOR THE FISCAL YEARS ENDED
JUNE 30, 2023 & JUNE 30, 2022**

DISTRICT STAFF

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



CARPINTERIA
Sanitary District

5300 Sixth Street | Carpinteria, CA 93013 | (805) 684-7214

CARPINTERIA SANITARY DISTRICT

**ANNUAL FINANCIAL REPORT
with
Independent Auditor's Report Thereon**

June 30, 2023

**CARPINTERIA SANITARY DISTRICT
Annual Financial Report**

June 30, 2023

Table of Contents

	<u>Pages</u>
Independent Auditor's Report.....	1-3
Management's Discussion and Analysis (Unaudited)	4-11
Basic Financial Statements	
Statements of Net Position - Proprietary Fund	12
Statements of Fiduciary Net Position.....	13
Statements of Revenues, Expenses and Changes in Net Position - Proprietary Fund.....	14
Statements of Changes in Fiduciary Net Position.....	15
Statements of Cash Flows - Proprietary Fund	16-17
Notes to Financial Statements.....	18-43
Required Supplementary Information (Unaudited):	
Required Supplementary Information - Pensions.....	44
Other Reporting Required by <i>Government Auditing Standards</i>:	
Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards.....	45-46

**CARPINTERIA SANITARY DISTRICT
Annual Financial Report**

June 30, 2023

Statistical Schedules (Unaudited)

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>Pages</u>
Financial Trends	48 - 57

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	58 - 60
------------------------	---------

These schedules contain information to help the reader assess the factors affecting the District's ability to fund its wastewater treatment operations.

Debt	61 - 65
------------	---------

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	66 - 67
--	---------

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	68 - 72
-----------------------------	---------

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.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Carpinteria Sanitary District
Carpinteria, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary fund information of the Carpinteria Sanitary District, as of June 30, 2023 and 2022 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary fund information of Carpinteria Sanitary District, as of June 30, 2023 and 2022, and the respective changes in 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Carpinteria Sanitary District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Carpinteria Sanitary District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Carpinteria Sanitary District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Carpinteria Sanitary District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, the California Public Employees' Retirement System Schedule of Proportionate Share of Net Pension Liability and the California Public Employees' Retirement System Schedule of the Contributions on page 45 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2024, on our consideration of the Carpinteria Sanitary 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Carpinteria Sanitary District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Carpinteria Sanitary District's internal control over financial reporting and compliance.

Fechter & Company,
Certified Public Accountants

Sacramento, California
February 26, 2024 2023

CARPINTERIA SANITARY DISTRICT

Management's Discussion and Analysis June 30, 2023

This section of the financial statements for the Carpinteria Sanitary District is a narrative overview of the financial activities during the fiscal years ended June 30, 2023 and 2022. 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 13,000 permanent residents and a large visiting population.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2023

- At June 30, 2023, the assets and deferred outflows of the District exceeded its liabilities and deferred inflows by \$40,898,665. Of this amount, \$4,076,801 is restricted and \$29,715,671 represents the District's net investment in capital assets. The remaining \$7,106,193 is unrestricted. At the end of the prior fiscal year, on June 30, 2022, the assets of the District were \$39,344,717 greater than its liabilities, with 9,273,056 being reported as unrestricted.
- During the fiscal year ended June 30, 2023, the District's net position increased by \$1,553,948, or about 3.9%. The increase is the net result of a \$335,140 increase in assets, an increase of \$290,121 in liabilities and a net \$32,501 decrease in deferred inflows/outflows.
- The District's current liabilities, which include upcoming debt service obligations, wages payable, and outstanding accounts payable, decreased by \$208,819, or 11.7%, at June 30, 2023. These decreases follow an increase in 2022 of \$237,203 or 15.3%.
- Long term liabilities, which consist of outstanding bond debt, note payable, compensated absences, and net pension liability increased by \$498,940 or 4.5%. This follows 2021/22 where these amounts decreased by \$2,391,660, or 17.8%. The overall change is the result of completion of projects and the paydown of principal on outstanding debt coupled with the current year pension activity under GASB 68.
- Debt service payments, including principal and interest, on outstanding bonds totaled \$1,439,734 in 2022/23 and \$1,181,862 in 2021/22. The debt service payments represent approximately 23% and 20% of the District's operating revenue respectively and conform with applicable debt ratio covenants.

CARPINTERIA SANITARY DISTRICT

Management's Discussion and Analysis
June 30, 2023

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 include 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 which was \$3,070,008 as of June 30, 2023 and \$1,351,807 as of June 30, 2022. 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.

CARPINTERIA SANITARY DISTRICT

Management's Discussion and Analysis June 30, 2023

Statements of Net Position

The District's net position increased by 3.9% during the 2022/23 fiscal year to \$40,898,665 which follows an increase of 6.7% during fiscal 2021/22 to a total of \$39,344,717. Of the assets on hand at June 30, 2023, \$29,715,671 was restricted in net investment in capital assets, debt service \$6,177 and \$4,070,624 for future construction. The remaining \$7,106,193 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.

Summary of Net Position is as follows at June 30, 2023, 2022 and 2021

	2023	Dollar Change	Percentage Change	2022	Dollar Change	Percentage Change	2021
Assets:							
Current assets	\$ 10,155,413	\$ (2,210,713)	(17.9%)	\$ 12,366,126	\$ 2,796,840	29.2%	\$ 9,569,286
Restricted assets	4,076,801	2,911,148	249.7%	1,165,653	(4,580,080)	(79.7%)	5,745,733
Long-term assets	39,288,713	(365,295)	(0.9%)	39,654,008	3,237,632	8.9%	36,416,376
Total Assets	<u>53,520,927</u>	<u>335,140</u>	0.6%	<u>53,185,787</u>	<u>1,454,392</u>	2.8%	<u>51,731,395</u>
Deferred Outflows:	1,506,765	738,215	96.1%	768,550	(17,989)	(2.3%)	786,539
Liabilities:							
Current liabilities	1,573,775	(208,819)	(11.7%)	1,782,594	237,203	15.3%	1,545,391
Long-term liabilities	11,577,762	498,940	4.5%	11,078,822	(2,391,660)	(17.8%)	13,470,482
Total Liabilities	<u>13,151,537</u>	<u>290,121</u>	2.3%	<u>12,861,416</u>	<u>(2,154,457)</u>	(14.3%)	<u>15,015,873</u>
Deferred Inflows:	977,489	(770,716)	(44.1%)	1,748,205	1,120,341	178.4%	627,864
Net Position:							
Net investment in capital assets	29,715,671	809,663	2.8%	28,906,008	982,520	3.5%	27,923,488
Restricted for debt services	6,177	309	5.3%	5,868	4	0.1%	5,864
Restricted for construction	4,070,624	2,910,839	251.0%	1,159,785	817,300	238.6%	342,485
Unrestricted	7,106,193	(2,166,863)	(23.4%)	9,273,056	670,696	7.8%	8,602,360
	<u>\$ 40,898,665</u>	<u>\$ 1,553,948</u>	3.9%	<u>\$ 39,344,717</u>	<u>\$ 2,470,520</u>	6.7%	<u>\$ 36,874,197</u>

The District's current unrestricted assets, which reflect the agency's available cash and cash equivalent balance, decreased by \$2,210,713, or 17.9%, during the year ended June 30, 2023 compared to a \$2,796,840 increase during the year ended June 30, 2022.

In 2022/223 with the Administration building completion, the District was able to increase restricted cash by \$2,911,148 or 249.7% compared to the prior year when restricted assets decreased by \$4,580,080, or 79.7%.

CARPINTERIA SANITARY DISTRICT

Management's Discussion and Analysis June 30, 2023

Capital Assets

The following table provides detail on the District's net capital assets as of June 30, 2023 with comparative data for the prior years.

	<u>June 30, 2023</u>	<u>Change</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>June 30, 2021</u>
Land	\$ 233,619	\$ -	\$ 233,619	\$ -	\$ 233,619
Capital Improvement Projects	88,370	(4,283,024)	4,371,394	2,217,189	2,154,205
	<u>\$ 321,989</u>		<u>\$ 4,605,013</u>		<u>\$ 2,387,824</u>
Underground Lines	24,442,867	48,975	24,393,892	93,175	24,300,717
Lab Equipment	43,694	4,202	39,492	-	39,492
Safety Equipment	5,593	-	5,593	-	5,593
Ocean Outfall	542,005	-	542,005	-	542,005
Buildings	6,785,590	4,794,727	1,990,863	-	1,990,863
Plant Equipment	30,283,316	125,200	30,158,116	2,042,068	281,604,8
Mobile Equipment	1,168,665	39,110	1,129,555	23,487	1,106,068
Office furniture and fixtures	359,263	-	359,263	(9,537)	368,800
	<u>63,630,993</u>		<u>58,618,779</u>		<u>56,469,586</u>
Accumulated depreciation	(24,664,269)	(1,094,485)	(23,569,784)	(1,128,750)	(22,441,034)
Net depreciable property	<u>38,966,724</u>		<u>35,048,995</u>		<u>34,028,552</u>
Total capital assets	<u>\$ 39,288,713</u>		<u>\$ 39,654,008</u>		<u>\$ 36,416,376</u>

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.

The District purchases and constructs capital assets throughout the year. When capital improvements and/or procurements are completed and related expenditures made, the amounts are recorded as Capital Improvement Projects (CIP). In the year of completion, the project is transferred into the appropriate capital asset classification. During the year ended June 30, 2023, the District's capital assets increased by \$914,789 or 1.5%.

During the year ended June 30, 2023, the District completed several capital projects including:

- Administration Building Replacement Project
- Lab and Breakroom Improvements Project
- Collection Department Truck Replacement
- CCTV All-Electric Vehicle
- Lift Station No. 6 Force Main Realignment
- Scum Trough Replacement
- Odor Control Scrubber Fan Replacement

CARPINTERIA SANITARY DISTRICT

Management's Discussion and Analysis June 30, 2023

CAPTIAL ASSETS (CONTINUED)

The table below provides a list of ongoing projects at the end of each of the three most current fiscal years. Additional information is available on page 35 of the financial statements.

Projects in process	June 30, 2023	June 30, 2022	June 30, 2021
Administration Building Replacement Project	\$ -	\$ 4,232,058	\$ 1,524,630
Flood Wall Embankment Repair Project	-	-	614,884
Carpinteria Ave Inverted Siphon Relocation	10,461	10,461	10,461
Switchgear Replacement	-	-	4,230
Lab and Breakroom Improvements	-	105,983	-
Accounting management software	13,708	13,708	-
Force Main Realignment	64,201	9,184	-
	<u>\$ 88,370</u>	<u>\$ 4,371,394</u>	<u>\$ 2,154,205</u>

Statements of Revenues, Expenses and Changes in Net Position

The District's net position at June 30, 2023 increased by \$1,553,950 which followed a \$2,470,520 increase during 2022. The following chart and table provide details on revenues, expenses and changes in net position for the three years ending June 30, 2023.

Statements of Revenues, Expenses and Changes in Net Position for the Years Ended June 30, 2023, 2022 and 2021

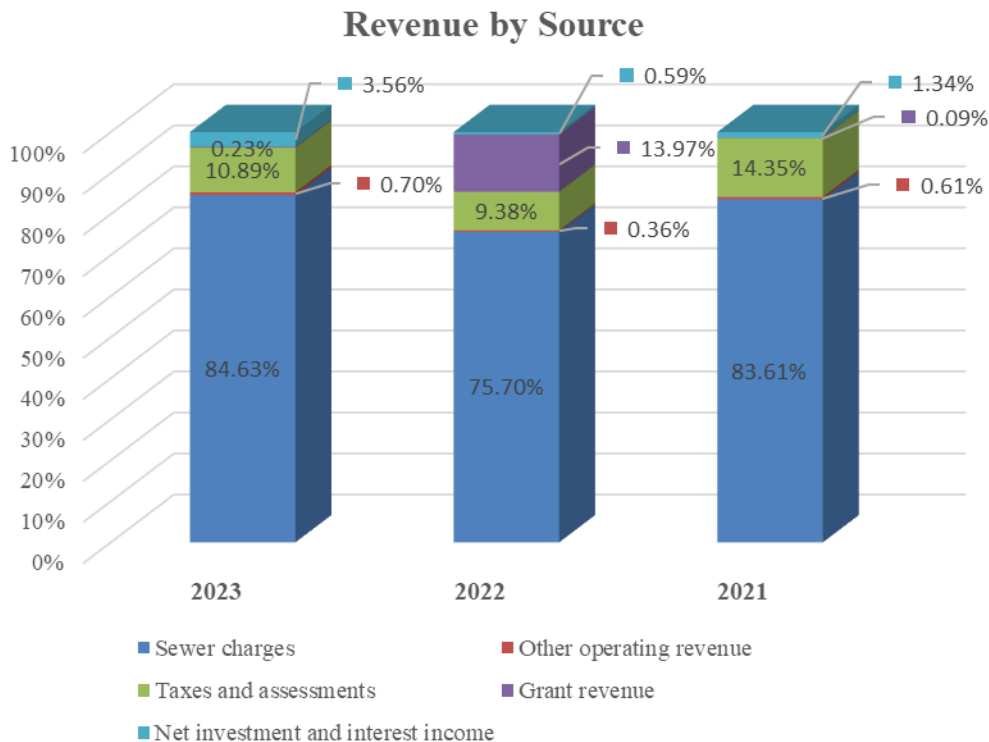
	2023	Dollar Change	Percentage Change	2022	Dollar Change	Percentage Change	2021
Revenues:							
Operating revenues	\$ 6,241,234	\$ 258,861	4%	\$ 5,982,373	\$ 134,473	2%	\$ 5,847,900
Non-Operating Revenues	1,073,317	(809,759)	(43%)	1,883,076	1,107,665	143%	775,411
Total Revenues	<u>7,314,551</u>	<u>(550,898)</u>	<u>(7%)</u>	<u>7,865,449</u>	<u>1,242,138</u>	<u>19%</u>	<u>6,623,311</u>
Expenses:							
Operating expenses	5,682,607	630,588	12%	5,052,019	(264,192)	(5%)	5,316,211
Non-Operating Expenses	279,036	(80,212)	(22%)	359,248	(3,042)	(1%)	362,290
Total Expenses	<u>5,961,643</u>	<u>550,376</u>	<u>10%</u>	<u>5,411,267</u>	<u>(267,234)</u>	<u>(5%)</u>	<u>5,678,501</u>
Change in position before capital contribution	1,352,908	(1,101,274)	(45%)	2,454,182	1,509,372	160%	944,810
Capital contribution	<u>201,042</u>	<u>184,704</u>	<u>1131%</u>	<u>16,338</u>	<u>(28,410)</u>	<u>(63%)</u>	<u>44,748</u>
Change in Net Position	1,553,950	(916,570)	(37%)	2,470,520	1,480,962	150%	989,558
Beginning Net Position	<u>39,344,717</u>	<u>2,470,520</u>	<u>7%</u>	<u>36,874,197</u>	<u>989,558</u>	<u>3%</u>	<u>35,884,639</u>
Ending Net Position	<u>\$ 40,898,667</u>	<u>\$ 1,553,950</u>	<u>4%</u>	<u>\$ 39,344,717</u>	<u>\$ 2,470,520</u>	<u>7%</u>	<u>\$ 36,874,197</u>

CARPINTERIA SANITARY DISTRICT

Management's Discussion and Analysis June 30, 2023

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 fiscal year June 30, 2023 was \$6,190,354, which represents an increase of \$236,321 over the previous year's amount of \$5,954,033. The increase in revenue is attributed to a 3% serial rate increase commencing in fiscal year 2022/23 and continuing for the subsequent 5-years (2026/27). SSC revenue represented 84.63% of the District's operating revenue for fiscal year 2022/23 up from 75.70% in 21/22 and 83.61% in 2020/21. Grant revenue decreased significantly in 2023 as the result of the FEMA grant received for the Flood Wall Emergency Repair project in 2022 not repeating in 2023.

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) remained low throughout the fiscal year ending at 0.75% at June 30, 2023.

CARPINTERIA SANITARY DISTRICT

Management's Discussion and Analysis June 30, 2023

EXPENSES

The District's operating expenses for fiscal year ended June 30, 2023 increased by \$630,588 or 12.48% from the prior year. The following table provides additional details on the District's annual operating expenses, compared to fiscal year ended June 30, 2022.

Expense Category	Year Ended		\$	%	Comments/Justification
	June 30, 2023	June 30, 2022	Increase (Decrease)	Increase (Decrease)	
Salaries and wages	\$ 1,707,534	\$ 1,686,319	\$ 21,215	1.26%	
Employee benefits	1,186,609	873,423	313,186	35.86%	
General operating expenses	314,264	292,588	21,676	7.41%	
Environmental and monitoring	52,359	54,088	(1,729)	-3.20%	
Utilities	300,196	259,251	40,945	15.79%	
Sludge disposal	147,982	125,588	22,394	17.83%	
Supplies and equipment	154,028	151,831	2,197	1.45%	
Repairs and maintenance	286,372	229,250	57,122	24.92%	
Professional and contract services	227,209	204,211	22,998	11.26%	
Depreciation expense	1,280,088	1,159,404	120,684	10.41%	
Other expenses	25,966	16,066	9,900	61.62%	
Total operating expenses	\$ 5,682,607	\$ 5,052,019	630,588	12.48%	

DEBT ADMINISTRATION

In December 2020, the District completed a public financing transaction with J.P. Morgan Chase Bank, N.A. to finance its Administration Building Replacement Project. The Board authorized the \$4M financing with adoption of Resolution No. R-342. The financing, which closed successfully on December 18, 2020, resulted in a fixed interest rate of 1.77% over a 15- year term, with annual debt service payments of approximately \$300,000. Additional details can be found in footnote 7 to the financial statements.

During fiscal year 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. During fiscal year 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.

CARPINTERIA SANITARY DISTRICT

Management's Discussion and Analysis June 30, 2023

The District's outstanding long-term indebtedness as of June 30, 2023 is \$8,369,000. This is inclusive of the District's new \$4M loan. 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.

During fiscal year 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 financial statements. During fiscal year 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.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate within the City of Carpinteria is reported to be 3.8%, which reflects a continuing trend of tight labor markets. The District is experiencing serious challenges hiring qualified staff given this situation, coupled with exorbitant housing costs in the region.
- While inflation has been rampant, the cost of goods and services is projected to stabilize in the coming year based on economic forecasts. Construction costs remain high at this time.
- During 2021/22 FY, a new rate and fee study was performed that recommended an incremental increase in sewer service charges of 3% per year for five years commencing during fiscal year 2022/23. 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 3% annual rate increases through fiscal year 2026/27. 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. In recent years, cost escalation has exceeded projections made in the fee study.

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, California 93013, or by telephone at (805) 684-7214, extension 111.

BASIC FINANCIAL STATEMENTS

CARPINTERA SANITARY DISTRICT
STATEMENTS OF NET POSITION - PROPRIETARY FUND
June 30, 2023 and 2022

	2023	2022
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 9,191,138	\$ 11,449,848
Cash and cash equivalents-restricted	4,076,801	1,165,653
Accounts receivable:		
Accounts receivable	809,197	828,977
Interest receivable	94,795	-
Chemical inventory	11,716	8,470
Prepaid expenses	48,566	78,832
Total current assets	14,232,213	13,531,780
Non-current Assets:		
Capital assets, net	39,288,713	39,654,008
TOTAL ASSETS	53,520,926	53,185,788
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	1,506,765	768,550
LIABILITIES		
Current Liabilities:		
Accounts payable	140,385	390,785
Accrued payroll	40,391	36,286
Accrued Interest	133,789	152,643
Accrued compensated absences, current portion	25,210	20,521
Due to Bond Holders	-	37,359
Current portion long-term debt	1,234,000	1,145,000
Total current liabilities	1,573,775	1,782,594
Long-Term Liabilities:		
Long-term debt, net of current portion	8,369,000	9,603,000
Accrued compensated absences	138,754	124,015
Net pension liability	3,070,008	1,351,807
Total long-term liabilities	11,577,762	11,078,822
TOTAL LIABILITIES	13,151,537	12,861,416
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	455,815	1,199,074
Deferred gain on refunding	521,674	549,131
TOTAL DEFERRED INFLOWS OF RESOURCES	977,489	1,748,205
NET POSITION		
Investment in capital assets, net of related debt	29,715,671	28,906,008
Restricted for debt services	6,177	5,868
Restricted for construction	4,070,624	1,159,785
Unrestricted	7,106,193	9,273,056
TOTAL NET POSITION	\$ 40,898,665	\$ 39,344,717

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

CARPINTERA SANITARY DISTRICT
STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2023 and 2022

	<u>Pension Trust Fund</u>		<u>Assessment District 2007-1</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash and cash equivalents-restricted				
Current Assets:				
Cash and investments	\$ 781,410	\$ 718,920	\$ -	\$ -
Cash and investments with Fiscal Agent	-	-	456,220	463,497
 Total assets	 <u>781,410</u>	 <u>718,920</u>	 <u>456,220</u>	 <u>463,497</u>
 NET POSITION				
Net position	<u>\$ 781,409</u>	<u>\$ 718,920</u>	<u>\$ 414,855</u>	<u>\$ 463,496</u>

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

CARPINTERIA SANITARY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - PROPRIETARY FUND
FOR THE YEARS ENDED
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
Sewer charges	\$ 6,190,354	\$ 5,954,033
Other revenues	50,880	28,340
Total operating revenues	<u>6,241,234</u>	<u>5,982,373</u>
Operating Expenses:		
Salaries and wages	1,707,534	1,686,319
Employee benefits	1,186,609	873,423
General operating expenses	314,264	292,588
Environmental and monitoring	52,359	54,088
Utilities	300,196	259,251
Sludge disposal	147,982	125,588
Supplies and equipment	154,028	151,831
Repairs and maintenance	286,372	229,250
Professional and contract services	227,209	204,211
Depreciation expense	1,280,088	1,159,404
Cost of issuance	-	-
Other expenses	25,966	16,066
Total operating expenses	<u>5,682,607</u>	<u>5,052,019</u>
Income from operations	<u>558,627</u>	<u>930,354</u>
Non-Operating Revenue (Expense):		
Taxes and assessments	796,442	737,939
Grant revenue	16,812	1,098,712
Net investment and interest income	260,061	46,425
Interest expense	(294,734)	(343,448)
Gain (Loss) on disposal of assets	15,698	(15,800)
Total non-operating revenue	<u>794,279</u>	<u>1,523,828</u>
Change in net position before capital contributions	1,352,906	2,454,182
Development impact fees	201,042	16,338
Change in net position	<u>1,553,948</u>	<u>2,470,520</u>
Net position at beginning of year	<u>39,344,717</u>	<u>36,874,197</u>
Net position at end of year	<u>\$ 40,898,665</u>	<u>\$ 39,344,717</u>

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

CARPINTERIA SANITARY DISTRICT
Statements of Changes in Fiduciary Net Position
June 30, 2023 and 2022

	Pension Trust Fund		Assessment District 2007-1	
	2023	2022	2023	2022
Additions:				
Employer contributions	\$ -	\$ -	\$ -	\$ -
Investment earnings:				
Net (Decrease) Increase in Fair Value of Investments	33,947	(227,112)	-	-
Interest income	30,743	56,226	169	77
Total investment earnings	<u>64,690</u>	<u>(170,886)</u>	<u>169</u>	<u>77</u>
Assessments	-	-	303,339	309,359
Total additions	<u>64,690</u>	<u>(170,886)</u>	<u>303,508</u>	<u>309,436</u>
Operating Expenses:				
Investment costs	2,201	2,597	9,536	3,961
Debt Service Payments	-	-	342,613	293,625
Total deductions	<u>2,201</u>	<u>2,597</u>	<u>352,149</u>	<u>297,586</u>
Net (Decrease) Increase in Fiduciary Net Position	62,489	(173,483)	(48,641)	11,850
Net position at beginning of year	<u>718,920</u>	<u>892,403</u>	<u>463,496</u>	<u>451,646</u>
Net position at end of year	<u>\$ 781,409</u>	<u>\$ 718,920</u>	<u>\$ 414,855</u>	<u>\$ 463,496</u>

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

CARPINTERA SANITARY DISTRICT
STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEARS ENDED
JUNE 30, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities:		
Cash received from user charges	\$ 6,261,014	\$ 5,975,184
Cash paid for operating expenses	(1,712,328)	(1,066,191)
Cash payments to employees	(2,653,311)	(2,691,760)
Net Cash Provided By Operating Activities	1,895,375	2,217,233
Cash Flows From Non-Capital Financing Activities:		
Cash received for taxes and assessments	796,442	737,939
Net Cash Provided By Non-Capital Financing Activities	796,442	737,939
Cash Flows From Capital Financing Activities:		
Capital contributions from development impact fees	201,042	16,338
Proceeds from grants	16,812	289,515
Purchases of capital assets	(914,793)	(4,423,034)
Proceeds from sale of capital assets	15,698	10,199
Payents to bondholders	(37,359)	-
Principal paid on long-term debt	(1,145,000)	(1,092,000)
Interest paid on long-term debt	(341,045)	(394,025)
Net Cash Used By Capital Financing Activities	(2,204,645)	(5,593,007)
Cash Flows From Investing Activities:		
Investment income received	165,266	58,278
Net Cash Provided (Used) By Investing Activities	165,266	58,278
Increase (Decrease) In Cash And Cash Equivalents	652,438	(2,579,557)
Cash and cash equivalents, beginning of the year	12,615,501	15,195,058
Cash and cash equivalents, end of the year	\$ 13,267,939	\$ 12,615,501

(Continued)

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

CARPINTERA SANITARY DISTRICT
STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEARS ENDED
JUNE 30, 2023 and 2022

(Continued)

Reconciliation of Operating Income to

Net Cash Provided by Operating Activities:

Operating income	\$ 558,627	\$ 930,354
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	1,280,088	1,159,403
Accounts receivable	19,780	(7,189)
Prepaid expenses and inventory	27,020	8,215
Accounts payable	(250,400)	263,254
Accrued salaries	4,105	(54,054)
Compensated absences	19,428	(4,786)
Pension assets and liabilities	236,727	(77,964)
Net cash provided by operating activities	<u>\$ 1,895,375</u>	<u>\$ 2,217,233</u>

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

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements June 30, 2023 and 2022

Note 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.

Note 2: Summary of Significant Accounting Policies

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).

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 Financial Statements June 30, 2023 and 2022

Note 2: Summary of Significant Accounting Policies (continued)

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.

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.

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.

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 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.

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements June 30, 2023 and 2022

Note 2: Summary of Significant Accounting Policies (continued)

Capital Assets - Continued

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

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.

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.

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:

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements June 30, 2023 and 2022

Note 2: Summary of Significant Accounting Policies (continued)

Property Taxes (continued)

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.

Sewer Service Charges

The District’s Sewer Service Charges (SSC) are determined pursuant to District Ordinance No. 17, which was developed and adopted based on a comprehensive wastewater rate and fee study in fiscal year 2021/22. The SSC established a series of 3.0% increases for five years commencing fiscal year 2022/23. 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 2022/23 and 2021/22 was \$754.72 and \$731.55, respectively.

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

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements June 30, 2023 and 2022

Note 2: Summary of Significant Accounting Policies (continued)

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.

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.

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.

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.

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements June 30, 2023 and 2022

Note 2: Summary of Significant Accounting Policies (continued)

Net Position (continued)

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.

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.

Leases

For the years ended June 30, 2023 and 2022, the District implemented Governmental Accounting Standards Board (GASB) Pronouncement 87 *Leases*. The impact was minimal since the District does not have any arrangements that meet the conditions to be recorded as a lease.

New Accounting Pronouncements

The following table presents Governmental Accounting Standards Board (GASB) Pronouncements that will be implemented in upcoming years.

GASB Statement Number	Official Title	Effective Fiscal Year Ended
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	June 30, 2023
96	<i>Subscription-Based Information Technology Arrangements</i>	June 30, 2023
99	<i>Omnibus 2022</i>	June 30, 2023
100	<i>Accounting Changes and Error Corrections</i>	June 30, 2024
101	<i>Compensated Absences</i>	June 30, 2024

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements
June 30, 2023 and 2022

Note 3: Cash and Investments

Cash and Investments as of June 30, 2023 and June 30, 2022 are classified in the accompanying financial statements as follows:

	<u>2023</u>	<u>2022</u>
Statement of Net Position-Enterprise Fund		
Cash on Hand	\$ 200	\$ 200
Deposits with financial institutions	484,591	390,834
Investments in LAIF	12,775,005	12,219,291
Cash at County	1,966	(692)
Cash with Fiscal Agent	<u>6,177</u>	<u>5,868</u>
Total Enterprise fund	13,267,939	12,615,501
Statements of Net Position-Fiduciary Funds		
Deposits with financial institutions	343,737	302,373
Cash with Fiscal Agent	<u>893,893</u>	<u>880,044</u>
Total Fiduciary Funds	<u>1,237,630</u>	<u>1,182,417</u>
	<u>\$ 14,505,569</u>	<u>\$ 13,797,918</u>

Cash and Investments as of June 30, 2023 and June 30, 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 9,191,138	\$ 11,449,848
Cash and cash equivalents-restricted	4,076,801	1,165,653
Cash and cash equivalents Fiduciary funds	<u>1,237,630</u>	<u>1,182,417</u>
	<u>\$ 14,505,569</u>	<u>\$ 13,797,918</u>

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.

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements June 30, 2023 and 2022

Note 3: Cash and Investments (continued)

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment One Issuer</u>
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.

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements
June 30, 2023 and 2022

Note 3: Cash and Investments (continued)

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, 2023 and 2022:

June 30, 2023	Carrying	Remaining Maturity (in Months)		
		12 Months	13 to 24	25 to 60 Months
<u>Investment Type</u>	<u>Amount</u>	<u>or Less</u>	<u>Months</u>	<u>25 to 60 Months</u>
LAIF	\$12,775,005	\$12,775,005	\$ -	\$ -
Mutual Funds	781,410	781,410	-	-
Investments with Fiscal Agent:				
LAIF	112,483	112,483	-	-
Money Market	<u>6,177</u>	<u>6,177</u>	<u>-</u>	<u>-</u>
Total	<u>\$13,675,075</u>	<u>\$13,675,075</u>	<u>\$ -</u>	<u>\$ -</u>

June 30, 2022	Carrying	Remaining Maturity (in Months)		
		12 Months	13 to 24	25 to 60 Months
<u>Investment Type</u>	<u>Amount</u>	<u>or Less</u>	<u>Months</u>	<u>25 to 60 Months</u>
LAIF	\$12,219,291	\$12,219,291	\$ -	\$ -
Mutual Funds	718,920	718,920	-	-
Investments with Fiscal Agent:				
LAIF	161,124	161,124	-	-
Money Market	<u>5,868</u>	<u>5,868</u>	<u>-</u>	<u>-</u>
Total	<u>\$13,105,203</u>	<u>\$13,105,203</u>	<u>\$ -</u>	<u>\$ -</u>

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements June 30, 2023 and 2022

Note 3: Cash and Investments (continued)

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, 2023 and 2022 for each investment type.

<u>Investment Type</u>	Carrying Amount	Minimum Legal Rating	Exempt from Disclosure	Ratings as of Year End		
				AAA	Aa	Not Rated
June 30, 2023						
LAIF	\$12,775,005	N/A	\$ -	\$ -	\$ -	\$12,775,005
Mutual Funds	781,410	N/A	-	-	-	781,410
Investments with Fiscal Agent:						
LAIF	112,483	N/A	-	-	-	112,483
Money Market	6,177	N/A	-	-	-	6,177
Total	\$13,675,075		\$ -	\$ -	\$ -	\$13,675,075
June 30, 2022						
<u>Investment Type</u>	Carrying Amount	Minimum Legal Rating	Exempt from Disclosure	AAA	Aa	Not Rated
LAIF	\$12,219,291	N/A	\$ -	\$ -	\$ -	\$12,219,291
Mutual Funds	718,920	N/A	-	-	-	718,920
Investments with Fiscal Agent:						
LAIF	161,124	N/A	-	-	-	161,124
Money Market	5,868	N/A	-	-	-	5,868
Total	\$13,105,203		\$ -	\$ -	\$ -	\$13,105,203

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.

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements June 30, 2023 and 2022

Note 3: Cash and Investments (continued)

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, 2023, and June 30, 2022, the District had deposits with financial institutions in excess of federal depository insurance limits of \$328,328 and \$193,207, respectfully, held in collateralized accounts.

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.

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements June 30, 2023 and 2022

Note 3: Cash and Investments (continued)

Investment in State Investment Pool

All temporary investments are with the Local Agency Investment Fund (LAIF) administered by the State Treasurer's Office. The average annual yield of LAIF for the years ended June 30, 2023 and 2022 was 2.17% and 0.37%, respectively. The estimated amortized cost and fair value of the LAIF Pool at June 30, 2023 was \$177,045,532,802 and \$231,867,874,451 at June 30, 2022. The District's share of the Pool at June 30, 2023 was approximately 0.007162% and at June 30, 2022 was approximately 0.005325%.

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 \$4,959,042,070 for June 30, 2023 and \$4,401,660,000 for June 30, 2022. LAIF's (and the District's) exposure to risk (credit, market or legal) is not currently available.

Note 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.

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:

Quoted prices for similar assets or liabilities in active markets.

Quoted prices for identical or similar assets or liabilities in markets that are not active.

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).

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.

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements
June 30, 2023 and 2022

Note 4: Fair Value Measurements (continued)

Fair value of assets measured on a recurring basis at June 30, 2023 and 2022, are as follows:

June 30, 2023

Investment Type	Carrying Amount	Uncategorized
LAIF	\$ 12,775,005	\$ 12,775,005
Mutual Funds	781,410	781,410
Investments with Fiscal Agent:		
LAIF	112,483	112,483
Money Market	<u>6,177</u>	<u>6,177</u>
 Total	 <u><u>\$ 13,675,075</u></u>	 <u><u>\$ 13,675,075</u></u>

June 30, 2022

Investment Type	Carrying Amount	Uncategorized
LAIF	\$ 12,219,291	\$ 12,219,291
Mutual Funds	718,920	718,920
Investments with Fiscal Agent:		
LAIF	161,124	161,124
Money Market	<u>5,868</u>	<u>5,868</u>
 Total	 <u><u>\$ 13,105,203</u></u>	 <u><u>\$ 13,105,203</u></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 Financial Statements
June 30, 2023 and 2022

Note 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, 2022 and June 30, 2021, the following amounts are restricted:

June 30, 2023	<u>Fair Value</u>	<u>Uncategorized</u>
Propriety Fund		
Construction Fund:		
Cash and investments restricted for the District's Construction Activities	\$ -	\$ -
Development impact fees:		
Cash and investments restricted for future capital improvements	-	-
2012 refunding bonds:		
Cash and investments restricted for bond principal and interest payments	<u>6,177</u>	<u>6,177</u>
Total Propriety Fund	<u>\$ 6,177</u>	<u>\$ 6,177</u>
 Fiduciary Funds		
Cash and investments with fiscal agent	\$ 112,483	\$ 112,483
Cash and investments	343,737	343,737
Total Fiduciary Funds	<u>\$ 456,220</u>	<u>\$ 456,220</u>
 June 30, 2022		
	<u>Fair Value</u>	<u>Uncategorized</u>
Propriety Fund		
Construction Fund:		
Cash and investments restricted for the District's Construction Activities	\$ 37,359	\$ 37,359
Development impact fees:		
Cash and investments restricted for future capital improvements	322,860	322,860
2012 refunding bonds:		
Cash and investments restricted for bond principal and interest payments	5,868	5,868
Total Fiduciary Funds	<u>\$ 366,087</u>	<u>\$ 366,087</u>

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements June 30, 2023 and 2022

Note 6: Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Additions	Disposals	Transfers	Balance June 30, 2023
Capital assets, not depreciated					
Land	\$ 233,619	\$ -	\$ -	\$ -	\$ 233,619
Construction in progress	4,371,394	511,704	-	(4,794,728)	88,370
Total capital assets, not depreciated	<u>4,605,013</u>	<u>511,704</u>	<u>-</u>	<u>(4,794,728)</u>	<u>321,989</u>
Capital assets					
Buildings	1,990,863	-	-	4,794,728	6,785,591
Laboratory and Safety Equipment	45,085	10,048	(5,846)	-	49,287
Transportation Equipment	1,129,556	218,862	(179,753)	-	1,168,665
Office Furniture	359,263	-	-	-	359,263
Plant Equipment	30,158,117	125,199	-	-	30,283,316
Ocean Outfall Lines	542,005	-	-	-	542,005
Underground Lines	24,393,892	48,980	-	-	24,442,872
Total capital assets at cost	<u>58,618,781</u>	<u>403,089</u>	<u>(185,599)</u>	<u>4,794,728</u>	<u>63,630,999</u>
Accumulated depreciation	<u>(23,569,786)</u>	<u>(1,280,088)</u>	<u>185,599</u>	<u>-</u>	<u>(24,664,275)</u>
Net capital assets	<u>35,048,995</u>	<u>(876,999)</u>	<u>-</u>	<u>4,794,728</u>	<u>38,966,724</u>
Total capital assets, net	<u>\$ 39,654,008</u>	<u>\$ (365,295)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,288,713</u>

Depreciation charged to expense totaled \$1,280,088 for the year ended June 30, 2023.

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Additions	Disposals	Transfers	Balance June 30, 2022
Capital assets, not depreciated					
Land	\$ 233,619	\$ -	\$ -	\$ -	\$ 233,619
Construction in progress	2,154,205	4,126,245	-	(1,909,056)	4,371,394
Total capital assets, not depreciated	<u>2,387,824</u>	<u>4,126,245</u>	<u>-</u>	<u>(1,909,056)</u>	<u>4,605,013</u>
Capital assets					
Buildings	1,990,863	-	-	-	1,990,863
Laboratory and Safety Equipment	45,085	-	-	-	45,085
Transportation Equipment	1,106,068	68,559	(45,071)	-	1,129,556
Office Furniture	368,800	-	(9,537)	-	359,263
Plant Equipment	28,116,048	135,057	(2,044)	1,909,056	30,158,117
Ocean Outfall Lines	542,005	-	-	-	542,005
Underground Lines	24,300,717	93,175	-	-	24,393,892
Total capital assets at cost	<u>56,469,586</u>	<u>296,791</u>	<u>(56,652)</u>	<u>1,909,056</u>	<u>58,618,781</u>
Accumulated depreciation	<u>(22,441,034)</u>	<u>(1,159,404)</u>	<u>30,652</u>	<u>-</u>	<u>(23,569,786)</u>
Net capital assets	<u>34,028,552</u>	<u>(862,613)</u>	<u>(26,000)</u>	<u>1,909,056</u>	<u>35,048,995</u>
Total capital assets, net	<u>\$ 36,416,376</u>	<u>\$ 3,263,632</u>	<u>\$ (26,000)</u>	<u>\$ -</u>	<u>\$ 39,654,008</u>

Depreciation charged to expense totaled \$1,159,404 for the year ended June 30, 2022.

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements
June 30, 2023 and 2022

Note 6: Capital Assets (continued)

Construction in Progress

<u>Projects in process</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Administration Building Replacement Project	\$ -	\$ 4,232,058
Flood Wall Embankment Repair Project	-	-
Carpinteria Ave Inverted Siphon Relocation	10,461	10,461
Switchgear Replacement	-	-
Lab and Breakroom Improvements	-	105,983
Accounting management software	13,708	13,708
Force Main Realignment	64,201	9,184
	<u>\$ 88,370</u>	<u>\$ 4,371,394</u>

Note 7: Long-Term Debt

Long-term debt activity for the year ended June 30, 2023 is as follows:

	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Retirements/ Amortization</u>	<u>Balance at June 30, 2023</u>	<u>Due Within One Year</u>
2012 Revenue Bonds	\$ 6,975,000	\$ -	(905,000)	\$ 6,070,000	\$ 950,000
Construction Loan	3,773,000	-	(240,000)	3,533,000	244,000
Unamortized Premium	549,131	-	(27,457)	521,674	-
	<u>\$ 11,297,131</u>	<u>\$ -</u>	<u>\$(1,172,457)</u>	<u>\$ 10,124,674</u>	<u>\$ 1,194,000</u>

Long-term debt activity for the year ended June 30, 2022 is as follows:

	<u>Balance at June 30, 2021</u>	<u>Additions</u>	<u>Retirements/ Amortization</u>	<u>Balance at June 30, 2022</u>	<u>Due Within One Year</u>
2012 Revenue Bonds	\$ 7,840,000	\$ -	(865,000)	\$ 6,975,000	\$ 905,000
Construction Loan	4,000,000	-	(227,000)	3,773,000	240,000
Unamortized Premium	576,588	-	(27,457)	549,131	-
	<u>\$ 12,416,588</u>	<u>\$ -</u>	<u>\$(1,119,457)</u>	<u>\$ 11,297,131</u>	<u>\$ 1,145,000</u>

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements June 30, 2023 and 2022

Note 7: Long-Term Debt (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.

Direct Borrowing - Loan Payable

On December 1, 2020, the District entered into a loan agreement with JPMorgan Chase Bank, N.A. in the amount of \$4,000,000, bearing 1.77% interest to finance the replacement of the District's Administration Building. Annual principal payments through August 1, 2035 range from \$227,000 to \$302,000, paid semi-annually. In the event of default, any outstanding amounts could be declared immediately due. Principal and interest on the loan are payable February 1st and August 1st of each year. The balance of the loan was \$3,533,000 at June 30, 2023 and \$3,773,000 as of June 30, 2022.

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

Year Ending June 30	Principal	Interest	Total
2024	\$ 1,194,000	\$ 269,376	\$ 1,463,376
2025	1,248,000	219,554	1,467,554
2026	1,303,000	162,879	1,465,879
2027	392,000	149,083	541,083
2028	407,000	138,774	545,774
2029-2033	2,160,000	553,352	2,713,352
2034-2038	1,804,000	314,731	2,118,731
2039-2043	1,095,000	82,469	1,177,469
	\$ 9,603,000	\$ 1,890,217	\$ 11,493,217

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 \$7,590,906, payable through fiscal year 2043. For the current year, principal and interest paid by the sewer revenues and investment earnings were \$905,000 and \$257,533.

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements
June 30, 2023 and 2022

Note 8: Compensated Absences

The following is a summary of the activity in Compensated Absences for the years ended June 30, 2023 and 2022:

<u>Fiscal Year Ended</u>	<u>Beginning of Fiscal Year</u>	<u>Additions</u>	<u>Usage</u>	<u>End of Fiscal Year</u>	<u>Due within 60 Days</u>	<u>Long Term Portion</u>
June 30, 2023	\$ 144,536	\$ -	\$ 19,428	\$ 163,964	\$ 25,210	\$ 138,754
June 30, 2022	\$ 149,322	\$ -	\$ 4,786	\$ 144,536	\$ 20,521	\$ 124,015

Note 9: Defined Benefit Pension Plan

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.

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements June 30, 2023 and 2022

General Information about the Pension Plan (continued)

The rate plan provisions and benefits in effect at June 30, 2023 and 2022 are summarized as follows:

	Miscellaneous Plan	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
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 - 63
Monthly benefits, as a % of eligible compensation	1.4% to 2.4%	1.0 % to 2.5%
Required employee contribution rates	8%	6.75%
Required employer contribution rates:		
2023	10.870%	7.470%
2022	10.880%	7.590%

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, 2023 and 2022 were \$271,499 and \$459,419, respectively.

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

As of June 30, 2023, and 2022, 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	
	2023	2022
Miscellaneous	\$ 3,070,008	\$ 1,351,807

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements
June 30, 2023 and 2022

Note 9: Defined Benefit Pension Plan (continued)

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, 2022, 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, 2021 rolled forward to June 30, 2022 using standard update procedures.

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, 2023 and 2022 was as follows:

June 30, 2023	<u>Miscellaneous</u>	June 30, 2022	<u>Miscellaneous</u>
Proportion - June 30, 2022	0.07119%	Proportion - June 30, 2021	0.06153%
Proportion - June 30, 2023	0.06561%	Proportion - June 30, 2022	0.07119%
Change - Increase (Decrease)	-0.00558%	Change - Increase (Decrease)	0.00966%

For the year ended June 30, 2023, the District recognized pension expense of \$719,862 compared to \$399,858 during the year ended June 30, 2022. At June 30, 2023 and 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

	<u>June 30, 2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 314,586	\$ -
Differences between expected and actual experience	61,652	41,292
Net differences between projected and actual earnings on plan investments	562,344	-
Difference between employer's contributions and employer's proportionate share of contributions	20,882	385,122
Changes in employer's proportion	48,763	29,400
Pension contributions subsequent to measurement date	480,135	-
Total	\$ 1,488,362	\$ 455,814
	<u>June 30, 2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 271,499	\$ -
Differences between expected and actual experience	151,591	-
Changes in assumptions	-	-
Changes in employer's proportion	105,970	-
Difference between employer's contributions and employer's proportionate share of contributions	33,166	19,018
Net differences between projected and actual earnings on plan investments	-	1,180,056
Total	\$ 562,226	\$ 1,199,074

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements
June 30, 2023 and 2022

Note 8: Defined Benefit Pension Plan (continued)

At June 30, 2022 \$271,499 was 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, 2023. Similarly, at June 30, 2021 \$459,419 was reported as deferred outflows of resources related to contributions subsequent to the measurement date that has been recognized as a reduction of the net pension liability during the current fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ended June 30</u>	<u>Total</u>
2024	125,276
2025	74,708
2026	8,479
2027	343,949
Thereafter	<u>-</u>
	<u>\$ 552,412</u>

Actuarial Assumptions – The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry Age Normal Cost Method
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.50%
Payroll growth	3.00%
Projected salary increase	Varies by entry age and service (1)
Investment rate of return	6.90% (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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements June 30, 2023 and 2022

Note 8: Defined Benefit Pension Plan (continued)

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

Discount Rate – The discount rate used to measure the total pension liability was 6.90% 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 calculation is not necessary. The long term expected discount rate of 6.90% 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 6.90% 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 6.92%. 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 2023. 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 2020-21 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 Financial Statements
June 30, 2023 and 2022

Note 8: Defined Benefit Pension Plan (continued)

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.

<u>Asset Class(1)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10(2)</u>	<u>Real Return Years 11 + (3)</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

(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 one percentage point lower or one percentage point higher than the current rate:

	<u>Miscellaneous</u>	
	<u>2023</u>	<u>2022</u>
<i>1% Decrease</i>	5.90%	6.15%
<i>Net Pension Liability</i>	\$4,852,190	\$2,919,930
<i>Current Discount Rate</i>	6.90%	7.15%
<i>Net Pension Liability</i>	\$3,070,008	\$1,351,807
<i>1% Increase</i>	7.90%	8.15%
<i>Net Pension Liability</i>	\$1,603,713	\$ 55,462

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements June 30, 2023 and 2022

Note 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.

Note 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.

Note 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, 2023 and 2022.

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements June 30, 2023 and 2022

Note 12: 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 located in parts of Ventura and Santa Barbara Counties. 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, 2023 and 2022, the remaining balance on the bonds was \$3,309,000 and \$3,440,000 respectively.

Note 13: 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.

Note 14: Reimbursements

For June 30, 2023 and 2022, the District received \$0 and \$289,515, 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. The District is still owed \$809,197 in reimbursement funds for the emergency repairs completed in 2022.

Note 15: Appropriations Limit

In November, 1979, the voters of the State of California approved Proposition 4, commonly known as the Gann Initiative. The Proposition created Article XIII B of the State Constitution placing limits on the amount of revenue which can be spent by all entities of government. Prop 4 became effective for the 1980/81 fiscal year, but the formula for calculating the limits was based on the 1978/79 "base year" revenues. In June 1990 the voters approved Prop 111, which provided adjustment formulas for local agencies to utilize in adjusting their annual Appropriations Limit. Prop. 111 required an annual review of Limit calculations. The Appropriations Limitations imposed by Propositions 4 and 111 creates a restriction on the amount of revenue which may be appropriated in any fiscal year. The Limit is based on actual appropriations during the 1978/79 fiscal year, and is increased each year using the growth of population and inflation. Not all revenues are restricted by the Limit, only those which are referred to as "proceeds of taxes."

CARPINTERIA SANITARY DISTRICT

Notes to Financial Statements June 30, 2023 and 2022

Note 15: Appropriations Limit (Continued)

The District's Gann Limit is calculated as follows:

	<u>June 30, 2022</u>	<u>June 30, 2023</u>
Prior Year Appropriation Limit	\$ 4,477,643	\$ 4,725,704
Change in California Per Capita Income	1.0573	1.0880
Change in District's Population	0.9952	0.9884
Change in County Population	0.9982	0.9816
Multiplying Factor (Larger of District or County population growth multiplied by income growth)	1.0554	1.0680
New Appropriation Limit	<u>\$ 4,725,704</u>	<u>\$ 5,047,052</u>
Property Tax Collected	<u>671,426</u>	<u>684,855</u>
Under Limit	<u><u>\$ 4,054,278</u></u>	<u><u>\$ 4,362,198</u></u>

Note 16: Subsequent Events and Management Review

Subsequent events have been evaluated through February 26, 2024, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**Carpinteria Sanitary District
California Public Employees' Retirement System
Required Supplemental Information
June 30, 2023**

Schedule of Proportionate Share of the Net Pension Liability
Cost Sharing Defined Benefit Pension Plan
Last Ten Years*

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 Total Pension Liability
2015	0.02130%	\$ 1,325,377	\$ 1,359,103	97.52%	81.47%
2016	0.05491%	\$ 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%
2021	0.06153%	\$ 2,595,558	\$ 1,501,479	172.87%	77.71%
2022	0.05949%	\$ 1,351,807	\$ 1,670,852	80.91%	81.23%
2023	0.06095%	\$ 3,070,008	\$ 1,665,500	184.33%	81.23%

Schedule of Contributions
Cost Sharing Defined Benefit Pension Plan
Last Ten Years*

Fiscal Year	Contractually Required Contribution (Actuarially Determined)	Contributions in Realted to the Actuarly 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	24.51%
2021	\$ 459,419	\$ 459,419	\$ -	\$ 1,501,479	30.60%
2022	\$ 271,499	\$ 271,499	\$ -	\$ 1,670,852	16.25%
2023	\$ 683,299	\$ 683,299	\$ -	\$ 1,665,500	41.03%

Notes to Schedules:

*Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

Board of Directors
Carpinteria Sanitary District
Carpinteria, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and fiduciary funds of Carpinteria Sanitary District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Carpinteria Sanitary District basic financial statements, and have issued our report thereon dated February 26, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Board of Directors
Carpinteria Sanitary District
Carpinteria, California

Purpose of This Report

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

Fechter & Company,
Certified Public Accountants

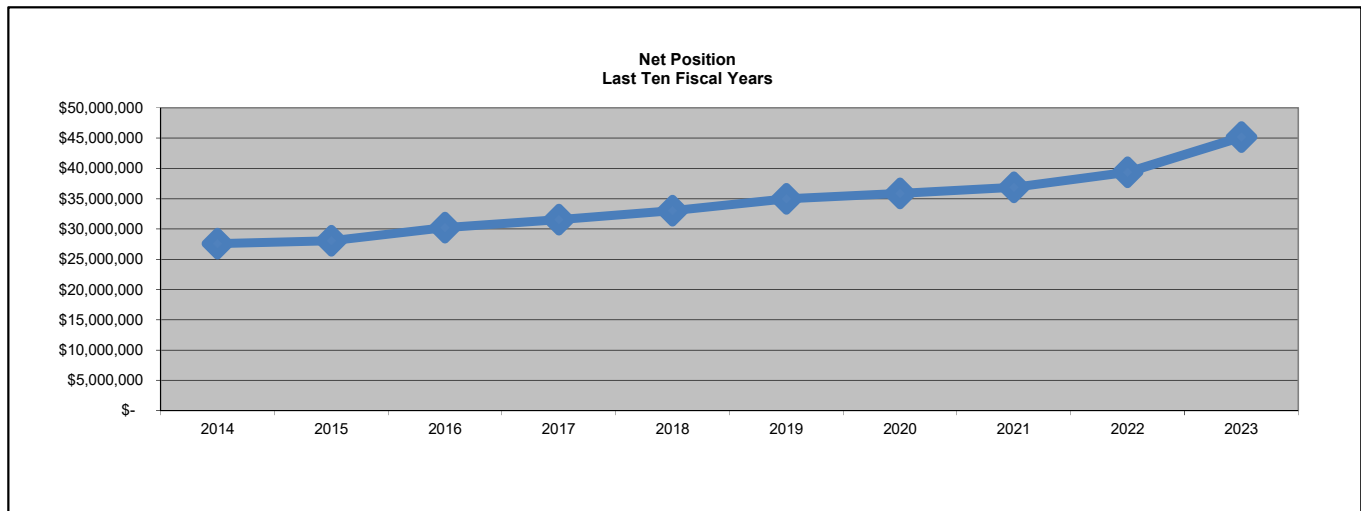
Sacramento, California
February 26, 2024

STATISTICAL SECTION

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Current Assets	\$ 9,311,061	\$ 9,078,823	\$ 8,645,818	\$ 9,034,872	\$ 8,836,894	\$ 10,741,949	\$ 11,295,052	\$ 14,966,669	\$ 12,366,127	\$ 10,155,412
Restricted Assets	7,704,386	1,264,804	1,245,568	1,052,501	1,090,906	256,345	302,004	348,349	1,165,653	4,076,801
Capital Assets	21,042,306	25,813,083	26,610,300	34,944,129	35,818,808	35,344,561	34,370,329	34,262,171	35,282,614	39,200,343
Construction In Progress	5,355,236	7,538,758	8,484,063	295,580	224,369	725,432	1,439,717	2,154,205	4,371,394	4,371,394
Other Assets	0	0	0	0	0	0	0	0	0	0
Deferred Outflows of Resources	-	154,985	115,126	599,895	779,595	634,297	672,110	786,539	768,550	1,506,765
Totals	\$ 43,412,989	\$ 43,850,453	\$ 45,100,875	\$ 45,926,977	\$ 46,750,572	\$ 47,702,584	\$ 48,079,212	\$ 52,517,933	\$ 53,954,338	\$ 59,310,715
Current Liabilities	2,561,656	1,484,653	1,433,453	1,336,758	1,156,053	1,162,216	1,197,761	1,545,390	1,782,594	1,573,775
Noncurrent Liabilities	12,505,601	13,140,483	12,473,274	12,203,271	11,781,485	10,912,377	10,335,592	13,470,482	11,078,822	11,577,762
Total Liabilities	15,067,257	14,625,136	13,906,727	13,540,029	12,937,538	12,074,593	11,533,353	15,015,872	12,861,416	13,151,537
Deferred Inflows of Resources	768,784	1,162,539	984,931	844,776	791,378	655,449	661,220	627,864	1,748,205	977,489
Net Position	\$ 27,576,948	\$ 28,062,778	\$ 30,209,217	\$ 31,542,172	\$ 33,021,656	\$ 34,972,542	\$ 35,884,639	\$ 36,874,197	\$ 39,344,717	\$ 45,181,689

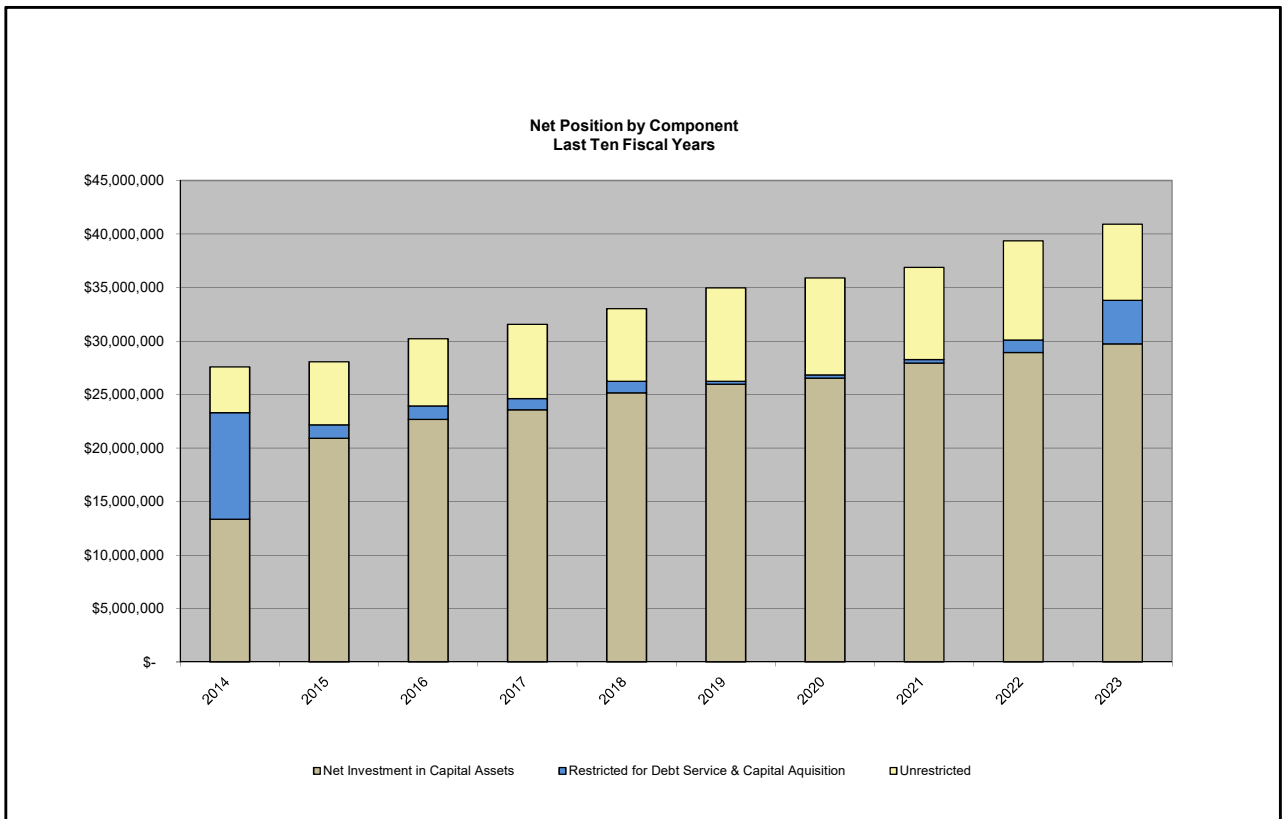


Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Net Position by Component Last Ten Fiscal Years

Fiscal Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net Investment in Capital Assets	\$ 13,332,542	\$ 20,905,514	\$ 22,675,492	\$ 23,563,293	\$ 25,139,219	\$ 25,968,492	\$ 26,536,002	\$ 27,923,488	\$ 28,906,008	\$ 29,715,671
Restricted for Debt Service & Capital Acquisition	9,966,308	1,264,804	1,245,568	1,052,501	1,090,906	256,344	302,004	348,349	1,165,653	4,076,801
Unrestricted	4,278,098	5,892,460	6,288,157	6,926,378	6,791,531	8,747,706	9,046,633	8,602,360	9,273,056	7,106,193
Total Net Position	\$ 27,576,948	\$ 28,062,778	\$ 30,209,217	\$ 31,542,172	\$ 33,021,656	\$ 34,972,542	\$ 35,884,639	\$ 36,874,197	\$ 39,344,717	\$ 40,898,665

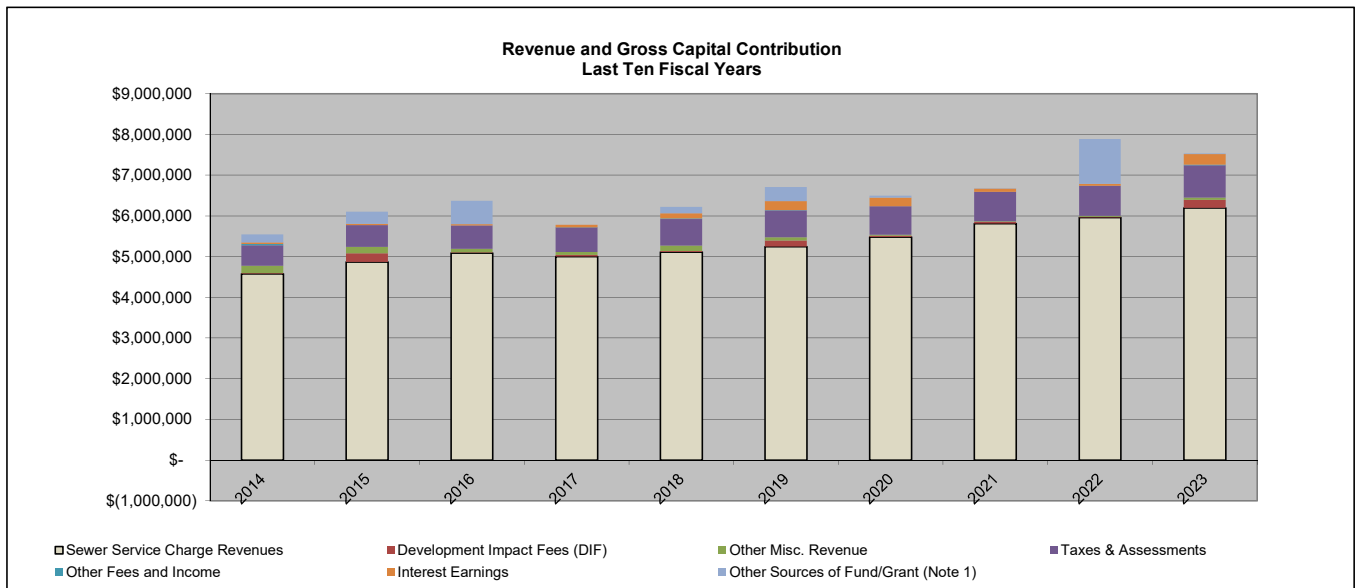


Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Revenue and Gross Capital Contribution Last Ten Fiscal Years

Fiscal Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Operating Revenues	Sewer Service Charge Revenues	\$ 4,571,978	\$ 4,867,209	\$ 5,088,433	\$ 4,996,907	\$ 5,108,684	\$ 5,242,985	\$ 5,477,437	\$ 5,805,885	\$ 5,954,033	\$ 6,190,354
	Development Impact Fees (DIF)	21,293	213,244	12,352	42,008	23,000	152,000	34,265	44,748	16,338	201,042
	Other Misc. Revenue	180,914	152,168	89,585	71,452	132,606	72,635	23,731	16,356	28,340	50,880
Non-operating Revenues	Taxes & Assessments	500,680	538,836	567,264	600,143	653,501	659,940	699,158	721,897	737,939	796,442
	Other Fees and Income	28,368	-	(25,171)	3,664	19,409	13,286	-	(16,271)	(15,800)	15,698
	Interest Earnings	38,292	31,868	33,972	59,809	124,232	220,067	207,232	73,196	46,425	260,061
	Other Sources of Fund/Grant (Note 1)	195,906	299,192	577,251	-	158,092	345,917	53,656	5,976	1,098,712	16,812
Totals	\$ 5,537,431	\$ 6,102,517	\$ 6,343,686	\$ 5,773,983	\$ 6,219,524	\$ 6,706,830	\$ 6,495,479	\$ 6,651,787	\$ 7,865,987	\$ 7,531,289	



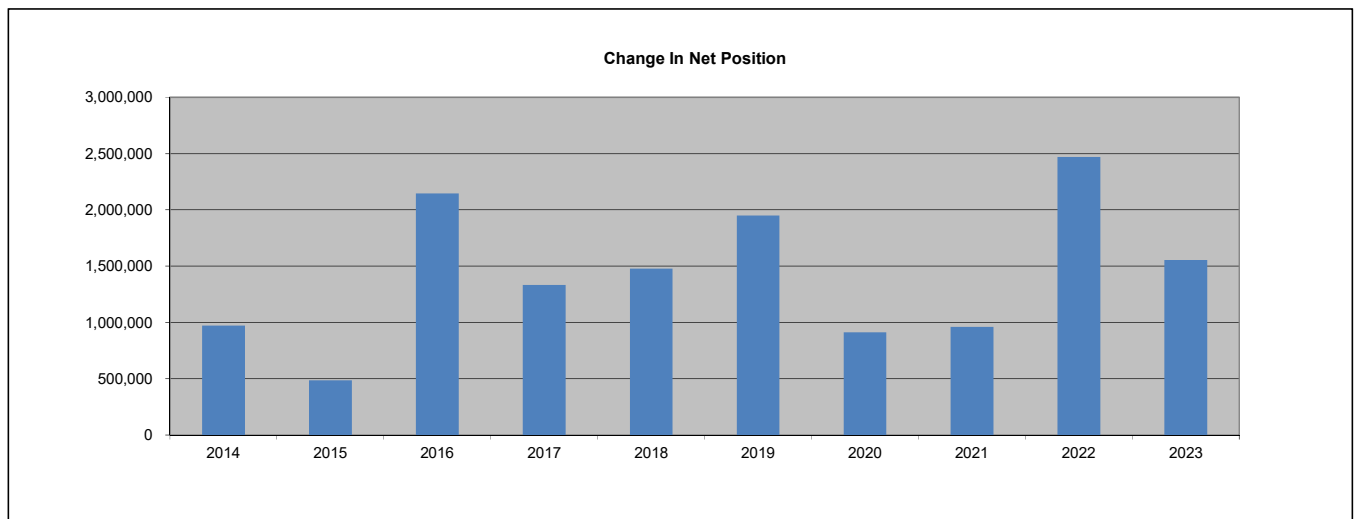
Note 1:

In 2018-2022, 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating Revenue	\$ 4,774,185	\$ 5,232,621	\$ 5,190,370	\$ 5,110,367	\$ 132,606	\$ 5,467,620	\$ 5,535,433	\$ 5,866,989	\$ 5,982,373	\$ 6,241,234
Non-operating Revenue	763,246	869,896	1,178,487	659,952	935,825	1,239,210	960,046	784,798	1,899,414	1,274,357
Total Revenues	5,537,431	6,102,517	6,368,857	5,770,319	1,068,431	6,706,830	6,495,479	6,651,787	7,881,787	7,515,591
Operating Expenses	4,025,607	4,215,878	4,038,557	3,983,264	4,311,305	4,357,998	5,213,686	5,316,210	5,052,019	5,682,607
Non-operating Expenses	539,014	1,400,809	183,861	454,100	409,326	397,946	369,696	373,476	359,248	279,036
Total Expenses	4,564,621	5,616,687	4,222,418	4,437,364	4,720,631	4,755,944	5,583,382	5,689,686	5,411,267	5,961,643
Change in Net Position	972,810	485,830	2,146,439	1,332,955	1,479,484	1,950,886	912,097	962,101	2,470,520	1,553,948
Beginning Net Position	26,604,138	27,576,948	28,062,778	30,209,217	31,542,172	33,021,656	34,972,542	35,884,639	36,874,197	39,344,717
Ending Net Position	\$ 27,576,948	\$ 28,062,778	\$ 30,209,217	\$ 31,542,172	\$ 33,021,656	\$ 34,972,542	\$ 35,884,639	\$ 36,874,197	\$ 39,344,717	\$ 40,898,665



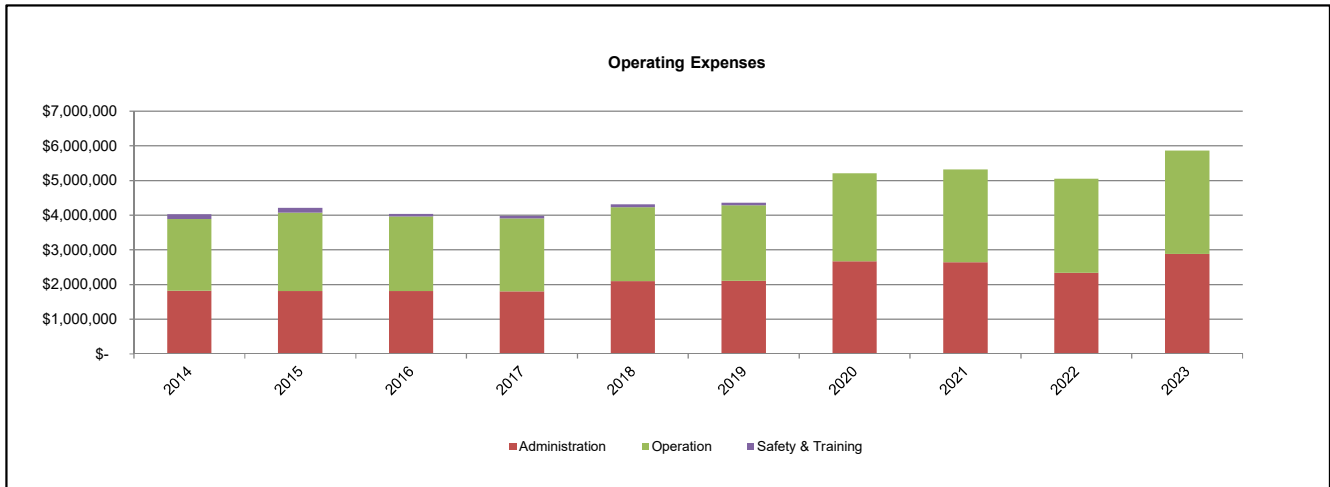
Note 1:
In 2015, beginning net assets was restated for GASB 68 and capitalized interest by (\$573,454)

Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Operating Expenses By Department Last Ten Fiscal Years

Fiscal Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administration	\$ 1,826,807	\$ 1,813,324	\$ 1,815,377	\$ 1,804,289	\$ 2,096,667	\$ 2,112,368	\$ 2,670,548	\$ 2,640,795	\$ 2,340,670	\$ 2,888,462
Operation	2,066,563	2,262,675	2,152,797	2,104,949	2,138,840	2,172,228	2,543,139	2,675,416	2,711,349	2,977,054
Safety & Training	132,237	139,879	70,383	74,026	75,798	73,403	0	0	0	0
Totals	\$ 4,025,607	\$ 4,215,878	\$ 4,038,557	\$ 3,983,264	\$ 4,311,305	\$ 4,357,998	\$ 5,213,686	\$ 5,316,211	\$ 5,052,019	\$ 5,865,517

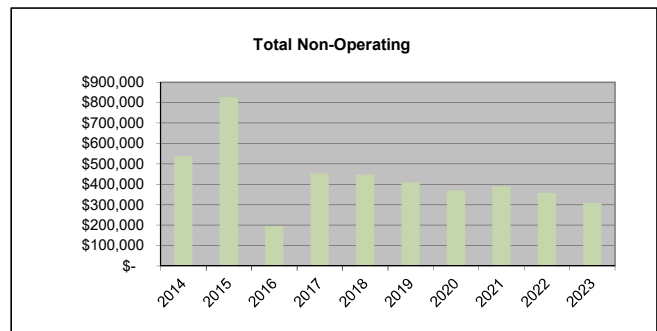
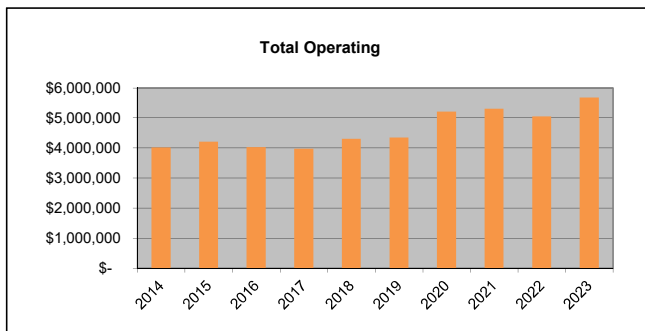


Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Operating & Non-Operating Expenses Last Ten Fiscal Years

Fiscal Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Salaries and Benefits	\$ 2,085,557	\$ 2,139,565	\$ 2,081,622	\$ 1,969,325	\$ 2,243,272	\$ 2,195,216	\$ 3,076,059	\$ 2,905,923	\$ 2,559,742	\$ 2,894,143
General Operating Expenses	193,093	236,290	160,016	190,061	167,906	194,228	190,078	267,016	292,588	314,264
Environmental and Monitoring	75,685	37,856	39,733	35,862	30,872	33,660	42,661	81,761	54,088	52,359
Utilities	233,785	250,797	219,774	186,421	173,898	186,423	203,067	231,890	259,251	300,196
Sludge Disposal	106,177	106,675	87,217	92,614	92,161	101,628	91,280	95,341	125,588	147,982
Supplies and Equipment	137,581	222,407	171,712	161,670	150,275	177,643	177,669	159,170	151,831	154,028
Repairs and Maintenance	103,163	156,972	200,187	187,758	272,875	136,250	222,081	231,948	229,250	286,372
Professional Services	156,521	181,753	101,317	199,694	125,353	237,818	127,780	144,547	204,212	227,209
Depreciation Expense	922,417	845,436	962,963	945,949	1,037,821	1,062,269	1,053,124	1,104,266	1,159,403	1,280,088
Other Expenses	11,628	38,127	14,016	13,910	16,872	32,863	29,887	94,348	16,066	25,966
Total Operating	\$ 4,025,607	\$ 4,215,878	\$ 4,038,557	\$ 3,983,264	\$ 4,311,305	\$ 4,357,998	\$ 5,213,687	\$ 5,316,210	\$ 5,052,019	\$ 5,682,607
Interest Expense	539,014	212,542	170,850	457,764	428,735	397,946	369,696	373,476	343,448	294,734
Other	-	614,813	25,171	(3,664)	19,409	13,286	-	16,271	15,800	15,698
Total Non-Operating	\$ 539,014	\$ 827,355	\$ 196,021	\$ 454,100	\$ 448,144	\$ 411,232	\$ 369,696	\$ 389,747	\$ 359,248	\$ 310,432

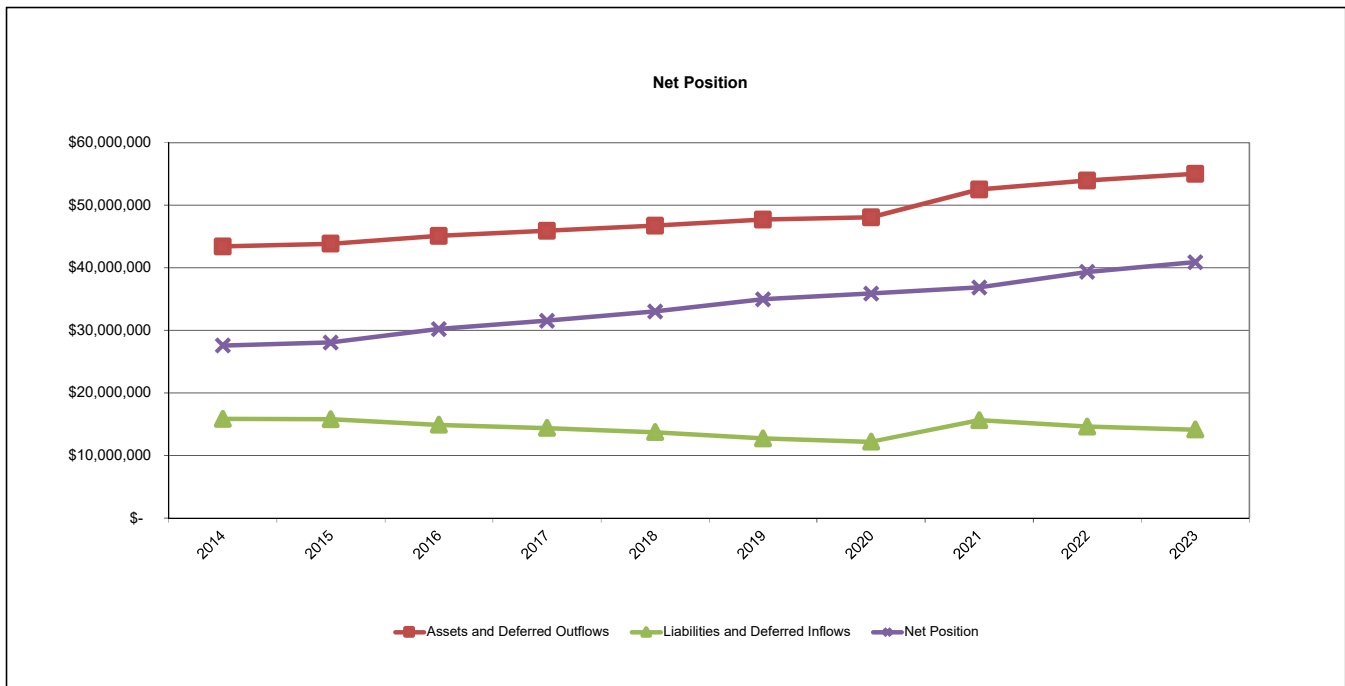


Note 1: Non-Operating Expenses ("Other" Category) includes gain or loss on disposal of capital assets
 Note 2: In 2015, lower Interest expense due to Interest Capitalization
 Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Financial Trend Data Last Ten Years

Fiscal Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assets and Deferred Outflows	\$ 43,412,989	\$ 43,850,453	\$ 45,100,875	\$ 45,926,975	\$ 46,750,572	\$ 47,702,584	\$ 48,079,212	\$ 52,517,933	\$ 53,954,338	\$ 55,027,691
Liabilities and Deferred Inflows	15,836,041	15,787,675	14,891,658	14,384,803	13,728,916	12,730,042	12,194,573	15,643,736	14,609,621	14,129,026
Net Position	\$ 27,576,948	\$ 28,062,778	\$ 30,209,217	\$ 31,542,172	\$ 33,021,656	\$ 34,972,542	\$ 35,884,639	\$ 36,874,197	\$ 39,344,717	\$ 40,898,665



Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Capital Assets Summary
Last Ten Fiscal Years

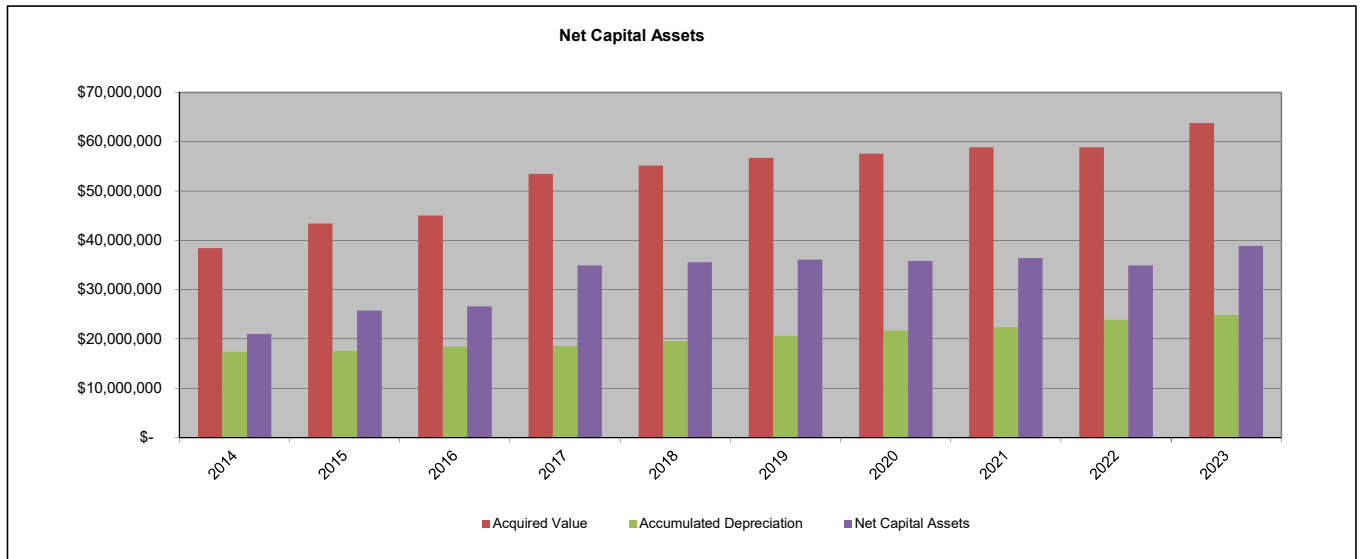
	Acquired Value	Accumulated Depreciation	Acquired Value	Accumulated Depreciation	Acquired Value	Accumulated Depreciation	Acquired Value	Accumulated Depreciation	Acquired Value	Accumulated Depreciation
	6/30/2014	6/30/2014	6/30/2015	6/30/2015	6/30/2016	6/30/2016	6/30/2017	6/30/2017	6/30/2018	6/30/2018
Land	233,619	-	233,619	-	233,619	-	233,619	-	233,619	-
Lab & Safety Equipment	78,410	66,001	45,085	34,382	45,085	36,090	45,085	37,379	45,085	38,668
Building	2,521,265	1,152,739	2,305,736	1,039,112	2,305,736	1,126,608	2,320,706	1,204,839	2,320,706	1,287,328
Autos & Mobile Equipment	865,842	332,695	865,842	370,432	865,842	413,401	933,155	420,522	992,832	465,756
Ocean Outfall	301,369	153,646	301,369	161,010	301,369	168,374	301,369	175,592	301,369	182,810
Plant	18,413,472	9,087,295	18,355,299	9,075,930	18,454,854	9,519,832	27,301,979	9,947,238	27,325,238	10,515,201
Underground Lines	14,936,435	5,582,700	20,138,107	5,857,326	21,787,550	6,239,856	22,014,000	6,564,964	23,852,697	6,892,327
Office Equipment & Furniture	1,112,569	1,045,598	1,157,979	1,051,761	1,084,461	964,055	362,219	217,471	362,219	232,867
Totals	38,462,980	17,420,674	43,403,036	17,589,953	45,078,516	18,468,216	53,512,131	18,568,005	55,433,766	19,614,957
Net of Capital Assets	<u>21,042,306</u>		<u>25,813,083</u>		<u>26,610,300</u>		<u>34,944,127</u>		<u>34,944,127</u>	
	Acquired Value	Accumulated Depreciation	Acquired Value	Accumulated Depreciation	Acquired Value	Accumulated Depreciation	Acquired Value	Accumulated Depreciation	Acquired Value	Accumulated Depreciation
	6/30/2019	6/30/2019	6/30/2020	6/30/2020	6/30/2021	6/30/2021	6/30/2022	6/30/2022	6/30/2023	6/30/2023
Land	233,619	-	233,619	-	233,619	-	233,619	-	233,619	-
Lab & Safety Equipment	45,085	39,957	45,085	40,850	45,085	41,642	45,085	42,437	49,286	38,055
Building	2,320,706	1,369,662	2,344,483	1,453,581	1,990,863	1,172,159	1,990,863	1,252,448	6,785,590	1,434,801
Autos & Mobile Equipment	1,073,232	478,004	1,087,452	512,386	1,106,068	547,232	1,129,555	563,091	1,168,665	421,915
Ocean Outfall	301,369	190,028	301,369	197,246	542,005	181,661	542,005	193,691	542,005	205,721
Plant	27,827,810	11,108,729	27,896,161	11,704,656	28,116,048	12,307,697	30,158,116	13,242,782	30,283,316	13,897,744
Underground Lines	23,852,697	7,237,533	23,852,697	7,580,378	24,300,717	7,928,760	24,393,892	8,363,714	24,393,892	8,611,610
Office Equipment & Furniture	362,219	248,263	362,219	263,659	368,800	261,883	359,263	273,878	359,263	295,411
Totals	56,016,737	20,672,176	56,123,085	21,752,756	56,703,205	22,441,034	58,852,398	23,932,041	63,815,637	24,905,257
Net of Capital Assets	<u>35,818,809</u>		<u>35,344,561</u>		<u>34,370,329</u>		<u>34,920,357</u>		<u>38,910,380</u>	

Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Capital Assets Summary Last Ten Fiscal Years

Fiscal Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Acquired Value	\$ 38,462,981	\$ 43,403,036	\$ 45,078,516	\$ 53,512,132	\$ 55,200,146	\$ 56,742,169	\$ 57,562,800	\$ 58,857,410	\$ 58,852,398	\$ 63,815,637
Accumulated Depreciation	17,420,675	17,589,953	18,468,216	18,568,005	19,614,957	20,672,176	21,752,753	22,441,034	23,932,041	24,905,257
Net Capital Assets	\$ 21,042,306	\$ 25,813,083	\$ 26,610,300	\$ 34,944,127	\$ 35,585,189	\$ 36,069,993	\$ 35,810,047	\$ 36,416,376	\$ 34,920,357	\$ 38,910,380

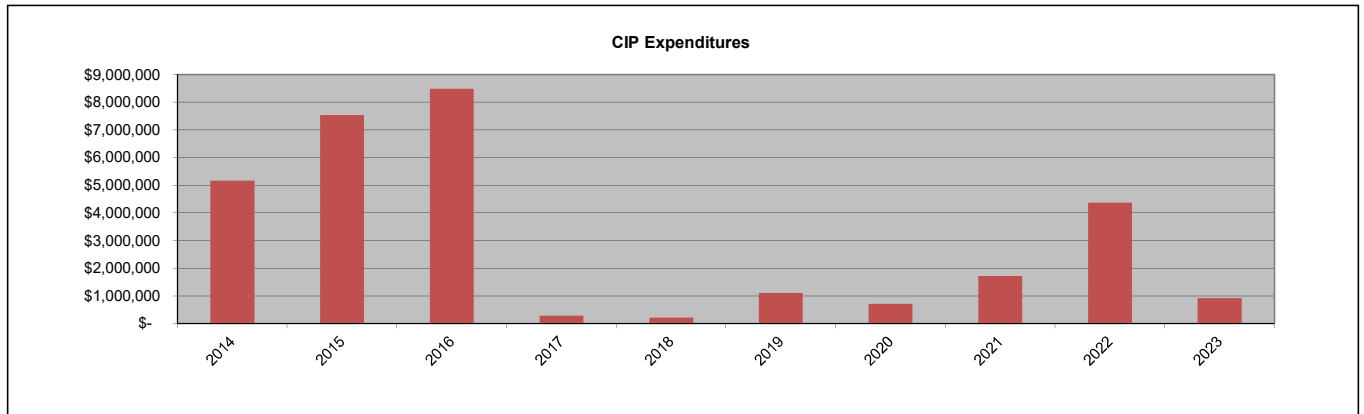


Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Capital Improvement Projects Expenditures Last Ten Years

Fiscal Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
CIP Expenditures	\$ 5,174,906	\$ 7,538,758	\$ 8,484,063	\$ 295,580	\$ 224,369	\$ 1,116,542	\$ 714,285	\$ 1,728,893	\$ 4,371,394	\$ 923,973

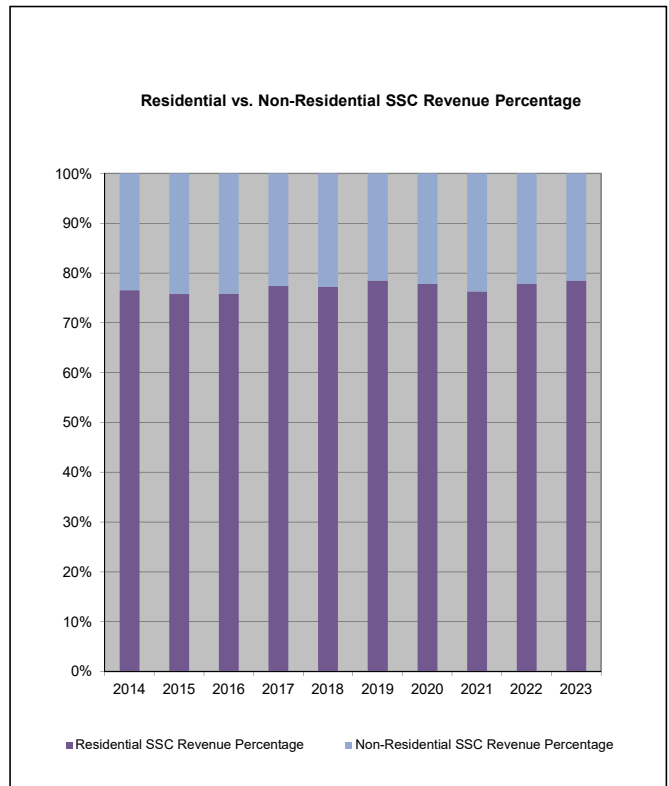
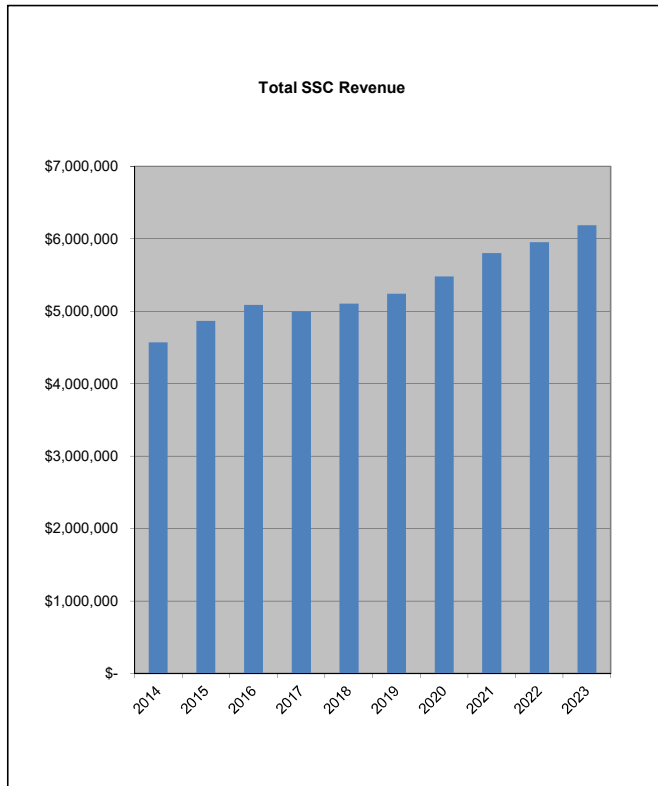


Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Sewer Service Charge (SSC) Summary Last Ten Fiscal Years

Fiscal Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of Residential Units	6,226	6,279	6,284	6,290	6,293	6,300	6,313	6,301	6,338	6,402
Residential Residential SSC Revenue	\$ 3,501,652	\$ 3,690,231	\$ 3,859,381	\$ 3,868,830	\$ 3,949,013	\$ 4,115,743	\$ 4,269,687	\$ 4,429,890	\$ 4,636,316	\$ 4,831,734
SSC Revenue Percentage	76.6%	75.8%	75.8%	77.4%	77.3%	78.5%	77.9%	76.3%	77.9%	78.5%
Non-Residential No. of Non-Residential Customers	525	525	536	520	520	580	580	555	554	554
Non-Residential Non-Residential SSC Revenue	\$ 1,070,326	\$ 1,176,978	\$ 1,229,052	\$ 1,128,077	\$ 1,159,671	\$ 1,127,242	\$ 1,211,298	\$ 1,375,995	\$ 1,317,717	\$ 1,358,620
SSC Revenue Percentage	23.4%	24.2%	24.2%	22.6%	22.7%	21.5%	22.1%	23.7%	22.1%	21.5%
Total SSC Revenue	\$ 4,571,978	\$ 4,867,209	\$ 5,088,433	\$ 4,996,907	\$ 5,108,684	\$ 5,242,985	\$ 5,480,984	\$ 5,805,885	\$ 5,954,033	\$ 6,190,354



CARPINTERIA SANTIARY DISTRICT

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

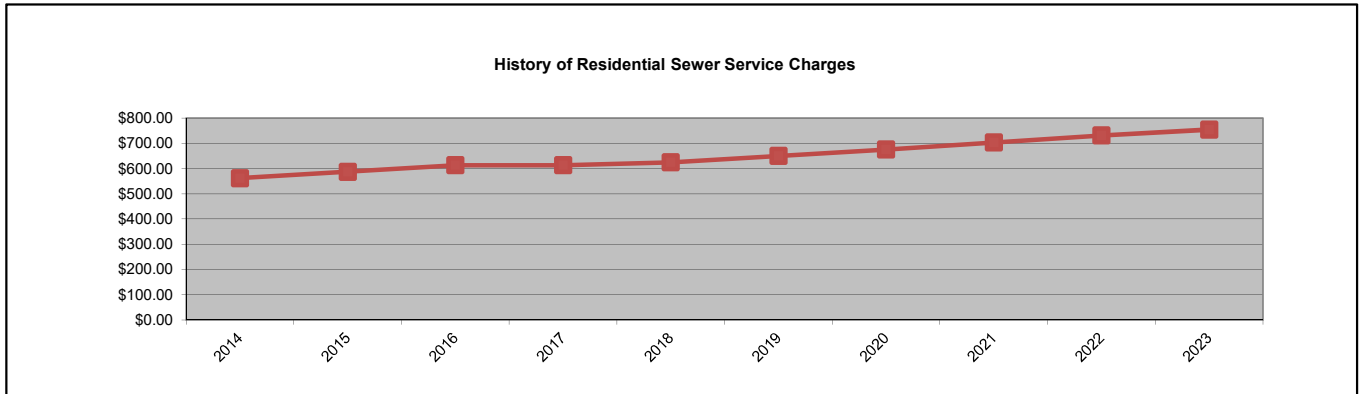
2022/2023				2021/2022			
Parcel Number	Property Address	SSC Charge	% of total Non-Residential	Parcel Number	Property Address	SSC Charge	% of total Non-Residential
001-070-063	1000 Casitas Pass Road	\$ 98,116	7.22%	001-070-063	1000 Casitas Pass Road	\$ 95,696	7.02%
001-070-009	5606 Carpinteria Ave.	\$ 77,364	5.69%	001-070-009	5606 Carpinteria Ave.	\$ 71,171	5.22%
004-036-024	4558 Carpinteria Ave.	\$ 54,155	3.99%	004-036-024	4558 Carpinteria Ave.	\$ 56,728	4.16%
001-070-039	5550 Carpinteria Ave.	\$ 40,938	3.01%	004-013-016	4200 Via Real	\$ 40,353	2.96%
004-013-016	4200 Via Real	\$ 39,934	2.94%	001-070-039	5550 Carpinteria Ave.	\$ 37,651	2.76%
001-190-038	1000 Cindy Lane	\$ 33,700	2.48%	001-190-038	1000 Cindy Lane	\$ 32,017	2.35%
003-510-001	State of California/State Park	\$ 30,675	2.26%	003-510-001	State of California/State Park	\$ 28,195	2.07%
001-070-060	4416 Via Real	\$ 29,766	2.19%	001-070-060	4416 Via Real	\$ 28,605	2.10%
003-520-003	State of California/State Park	\$ 23,877	1.76%	003-101-018	5585 Carpinteria Ave	\$ 21,346	1.57%
003-101-018	5585 Carpinteria Ave	\$ 22,753	1.67%	003-520-003	State of California/State Park	\$ 23,877	1.75%
Total Ten Rate Payers		\$ 451,279	33.22%	Total Ten Rate Payers		\$ 435,639	31.95%
Total Non-Residential		\$ 1,358,620		Total Non-Residential		\$ 1,363,647	
2020/2021				2019/2020			
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	\$ 91,050	6.91%	001-070-063	1000 Casitas Pass Road	\$ 81,882	5.95%
001-070-009	5606 Carpinteria Ave.	\$ 61,591	4.67%	001-070-009	5606 Carpinteria Ave.	\$ 55,714	4.05%
004-036-024	4558 Carpinteria Ave.	\$ 56,844	4.31%	004-036-024	4558 Carpinteria Ave.	\$ 50,959	3.70%
004-013-016	4200 Via Real	\$ 40,429	3.07%	001-070-039	5550 Carpinteria Ave.	\$ 43,111	3.13%
001-070-039	5550 Carpinteria Ave.	\$ 38,877	2.95%	004-013-016	4200 Via Real	\$ 40,429	2.94%
003-520-003	State of California/State Park	\$ 38,730	2.94%	003-520-003	State of California/State Park	\$ 37,590	2.73%
001-190-038	1000 Cindy Lane	\$ 28,717	2.18%	001-190-038	1000 Cindy Lane	\$ 27,834	2.02%
001-070-060	1025 Casitas Pass Road	\$ 26,961	2.05%	001-070-060	1025 Casitas Pass Road	\$ 26,961	1.96%
003-101-018	4416 Via Real	\$ 24,792	1.88%	003-510-001	State of California/State Park	\$ 22,621	1.64%
003-510-001	State of California/State Park	\$ 23,639	1.79%	001-190-085	4416 Via Real	\$ 18,316	1.33%
Total Ten Rate Payers		\$ 431,630	32.76%	Total Ten Rate Payers		\$ 405,416	29.46%
Total Non-Residential		\$ 1,317,717		Total Non-Residential		\$ 1,375,995	
2018/2019				2017/2018			
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	\$ 73,930	6.10%	001-070-063	1000 Casitas Pass Road	\$ 71,306	6.33%
001-070-009	5606 Carpinteria Ave.	\$ 51,606	4.26%	001-070-009	5606 Carpinteria Ave.	\$ 49,476	4.39%
004-036-024	4558 Carpinteria Ave.	\$ 44,495	3.67%	004-036-024	4558 Carpinteria Ave.	\$ 50,817	4.51%
001-070-039	5550 Carpinteria Ave.	\$ 43,740	3.61%	001-070-039	5550 Carpinteria Ave.	\$ 46,266	4.10%
004-013-016	4200 Via Real	\$ 39,883	3.29%	004-013-016	4200 Via Real	\$ 41,205	3.66%
003-520-003	State of California/State Park	\$ 38,816	3.20%	003-520-003	State of California/State Park	\$ 45,045	4.00%
001-190-038	1000 Cindy Lane	\$ 25,851	2.13%	001-190-038	1000 Cindy Lane	\$ 24,628	2.18%
001-070-060	1025 Casitas Pass Road	\$ 21,930	1.81%	001-070-060	1025 Casitas Pass Road	\$ 19,335	1.72%
003-510-001	State of California/State Park	\$ 19,118	1.58%	003-510-001	State of California/State Park	\$ 20,190	1.79%
001-190-085	4416 Via Real	\$ 18,917	1.56%	001-190-085	1170 Mark Avenue	\$ 16,876	1.50%
Total Ten Rate Payers		\$ 378,286	31.23%	Total Ten Rate Payers		\$ 385,144	34.17%
Total Non-Residential		\$ 1,211,298		Total Non-Residential		\$ 1,127,242	

Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

History of Residential Sewer Service Charges Last Ten Fiscal Years

Fiscal Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Annual SSC	\$562.40	\$587.71	\$614.16	\$614.16	\$625.31	\$650.33	\$676.35	\$703.41	\$731.55	\$754.72
Monthly Rate	\$46.87	\$48.98	\$51.18	\$51.18	\$52.11	\$54.19	\$56.36	\$58.62	\$60.96	\$62.89

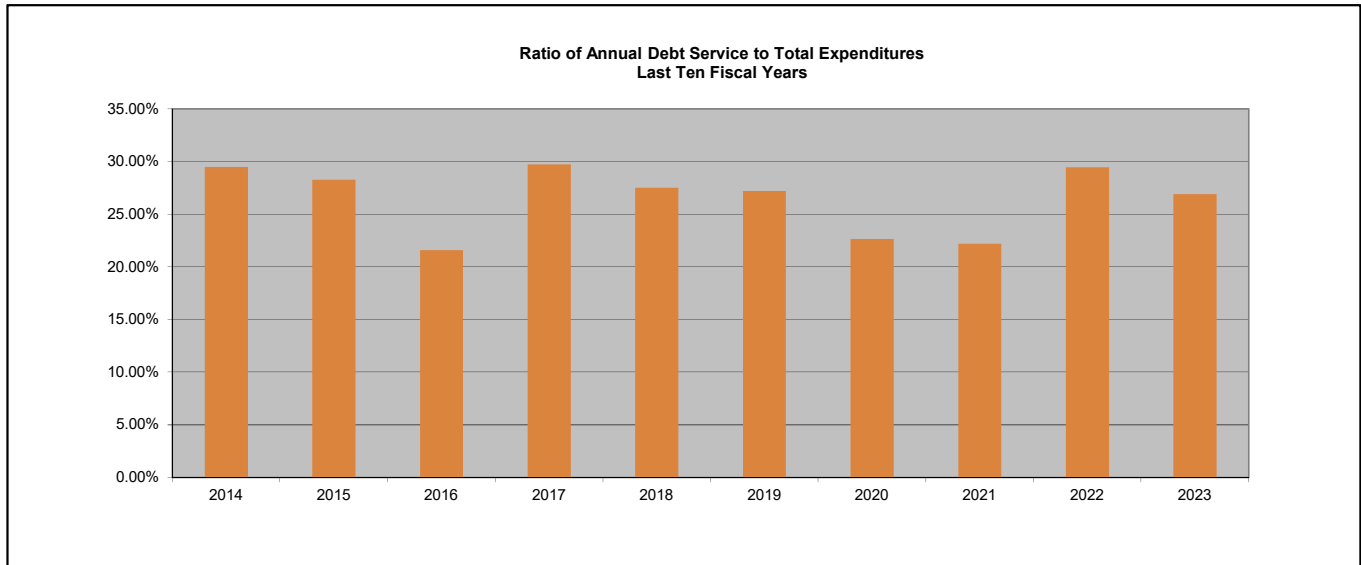


Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

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

Fiscal Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Principal	\$ 565,000	\$ 670,000	\$ 690,000	\$ 715,000	\$ 745,000	\$ 775,000	\$ 800,000	\$ 830,000	\$ 1,145,000	\$ 1,234,000
Interest	622,698	522,413	182,350	469,624	441,094	410,807	381,306	350,741	343,448	294,734
Total Debt Service	1,187,698	1,192,413	872,350	1,184,624	1,186,094	1,185,807	1,181,306	1,180,741	1,488,448	1,528,734
Total Operating Expense	\$ 4,025,607	\$ 4,215,878	\$ 4,038,557	\$ 3,983,264	\$ 4,311,305	\$ 4,357,998	\$ 5,213,686	\$ 5,316,210	\$ 5,052,019	\$ 5,682,607
Ratio of Debt Service to Total Operating Expense	29.50%	28.28%	21.60%	29.74%	27.51%	27.21%	22.66%	22.21%	29.46%	26.90%

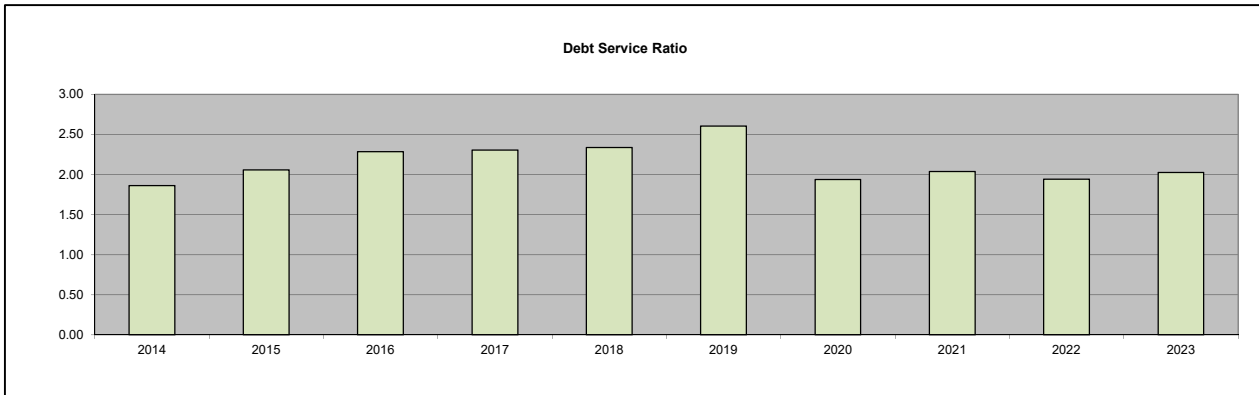


Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Debt Service Ratio Last Ten Years

Fiscal Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sewer Service Charge Revenues	\$ 4,571,978	\$ 4,867,209	\$ 5,088,433	\$ 4,996,907	\$ 5,108,684	\$ 5,242,985	\$ 5,477,437	\$ 5,805,885	\$ 5,954,033	\$ 6,190,354
Taxes & Assessments	500,680	538,836	567,264	600,143	653,501	659,940	679,112	696,239	737,939	796,442
Other Fees and Income	202,207	365,412	101,937	113,460	155,606	224,635	78,041	86,762	44,678	251,922
Interest Earnings	38,292	31,868	33,972	59,809	124,232	220,067	214,838	73,196	46,425	260,061
Totals	5,313,157	5,803,325	5,791,606	5,770,319	6,042,023	6,347,627	6,449,428	6,662,082	6,783,075	7,498,779
Other Sources of Fund/Grant/Dedications (1)	224,274	299,192	577,251	-	158,092	345,917	53,656	5,976	1,098,712	16,812
Total Revenues	\$ 5,537,431	\$ 6,102,517	\$ 6,368,857	\$ 5,770,319	\$ 6,200,115	\$ 6,693,544	\$ 6,503,084	\$ 6,668,058	\$ 7,881,787	\$ 7,515,591
Salaries and Wages	1,418,164	1,542,723	1,427,156	1,463,517	1,465,961	1,456,171	1,558,086	1,609,140	1,686,319	1,707,534
Employee Benefits	667,393	596,842	654,466	505,808	777,311	739,045	1,517,973	1,296,783	873,423	1,186,609
General Operating Expenses	193,093	236,290	160,016	190,061	167,906	194,228	190,078	267,016	292,588	314,264
Environmental and Monitoring	75,685	37,856	39,733	35,862	30,872	33,660	42,661	81,761	54,088	52,359
Utilities	233,785	250,797	219,774	186,421	173,898	186,423	203,067	231,890	259,251	300,196
Sludge Disposal	106,177	106,675	87,217	92,614	92,161	101,628	91,280	95,341	125,588	147,982
Supplies and Equipment	137,581	222,407	171,712	161,670	150,275	177,643	177,669	159,170	151,831	154,028
Repairs and Maintenance	103,163	156,972	200,187	187,758	272,875	136,250	222,081	231,948	229,250	286,372
Professional and Contract Services	156,521	181,753	101,317	199,694	125,353	237,818	127,780	144,547	204,212	227,209
Depreciation and Amortization	922,417	845,436	962,963	945,949	1,037,821	1,062,269	1,053,124	1,104,266	1,159,403	1,280,088
Other Expenses	11,628	38,127	14,016	13,910	16,872	32,863	29,887	94,348	16,066	25,966
Total Operating Expenses (2)	\$ 4,025,607	\$ 4,215,878	\$ 4,038,557	\$ 3,983,264	\$ 4,311,305	\$ 4,357,998	\$ 5,213,687	\$ 5,316,210	\$ 5,052,019	\$ 5,682,607
Operating Exp. Inc.(Dec.)	9.2%	4.7%	-4.2%	-1.4%	8.2%	1.1%	19.6%	2.0%	-5.0%	12.5%
Revenue in Excess of Oper. Exp.	1,511,824	1,886,639	2,330,300	1,787,055	1,888,810	2,335,546	1,289,397	1,351,848	2,829,768	1,832,984
Scheduled Installment Payment	1,187,698	1,184,038	1,188,563	1,185,463	1,186,263	1,172,946	1,181,306	1,203,476	1,488,448	1,528,734
Capital Improvement Projects (CIP)	\$ 5,174,906	\$ 7,538,758	\$ 8,484,063	\$ 295,580	\$ 1,868,748	\$ 725,432	\$ 426,778	\$ 1,728,892	\$ 4,371,394	\$ 923,973
Debt Services Ratio (>1.25%), (3)	1.86	2.05	2.29	2.31	2.33	2.60	1.94	2.04	1.94	2.03



(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 and Installment Loan Agreement 2020

Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Ratio of Outstanding Debt Last Ten Fiscal Years

Fiscal Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Current Outstanding Debt	\$ 565,000	\$ 670,000	\$ 690,000	\$ 715,000	\$ 745,000	\$ 775,000	\$ 800,000	\$ 1,092,000	\$ 1,145,000	\$ 1,194,000
Long Term Outstanding Debt	13,065,000	12,395,000	11,705,000	10,990,000	10,245,000	9,470,000	8,670,000	10,748,000	11,297,131	10,124,674
Total Outstanding Debt	13,630,000	13,065,000	12,395,000	11,705,000	10,990,000	10,245,000	9,470,000	11,840,000	12,442,131	11,318,674
Median Family Income	72,297	72,270	70,113	60,273	60,618	65,467	72,901	76,651	78,349	78,349
Debt as a Percentage of Median Family Income	0.53%	0.55%	0.57%	0.51%	0.55%	0.64%	0.77%	0.65%	0.63%	0.69%
Population	13,076	13,099	13,442	13,794	13,928	13,943	13,849	16,462	13,154	13,197
Debt per Capita	\$ 1,042	\$ 997	\$ 922	\$ 849	\$ 789	\$ 735	\$ 684	\$ 719	\$ 946	\$ 858
Personal Income, Total	\$422,376,600	\$589,455,000	\$639,839,200	\$685,561,800	\$695,007,200	\$748,739,100	\$508,119,810	\$766,026,246	\$663,869,226	\$685,544,559
Debt Outstanding Percentage	3.2%	2.2%	1.9%	1.7%	1.6%	1.4%	1.9%	1.5%	1.9%	1.7%
Per Capita Personal Income	\$ 32,302	\$ 45,000	\$ 47,600	\$ 49,700	\$ 49,900	\$ 53,700	\$ 36,690	\$ 46,533	\$ 50,469	\$ 51,947
Unemployment Rate	8.2%	8.8%	5.4%	4.7%	4.9%	4.9%	3.9%	5.9%	3.6%	3.8%

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

CARPINTERIA SANITARY DISTRICT

2012 Wastewater Revenue Bond - 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

Administraton Building Replacement Project Installment Loan - Debt Service Schedule

Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
8/1/2021	\$ 227,000.00	1.77%	\$ 43,856.67	\$ 270,856.67	
2/1/2022			33,391.05	33,391.05	
6/30/2022					304,247.72
8/1/2022	240,000.00	1.77%	33,391.05	273,391.05	
2/1/2023			31,267.05	31,267.05	
6/30/2023					304,658.10
8/1/2023	244,000.00	1.77%	31,267.05	275,267.05	
2/1/2024			29,107.65	29,107.65	
6/30/2024					304,374.70
8/1/2024	248,000.00	1.77%	29,107.65	277,107.65	
2/1/2025			26,912.85	26,912.85	
6/30/2025					304,020.50
8/1/2025	253,000.00	1.77%	26,912.85	279,912.85	
2/1/2026			24,673.80	24,673.80	
6/30/2026					304,586.65
8/1/2026	257,000.00	1.77%	24,673.80	281,673.80	
2/1/2027			22,399.35	22,399.35	
6/30/2027					304,073.15
8/1/2027	262,000.00	1.77%	22,399.35	284,399.35	
2/1/2028			20,080.65	20,080.65	
6/30/2028					304,480.00
8/1/2028	266,000.00	1.77%	20,080.65	286,080.65	
2/1/2029			17,726.55	17,726.55	
6/30/2029					303,807.20
8/1/2029	271,000.00	1.77%	17,726.55	288,726.55	
2/1/2030			15,328.20	15,328.20	
6/30/2030					304,054.75
8/1/2030	276,000.00	1.77%	15,328.20	291,328.20	
2/1/2031			12,885.60	12,885.60	
6/30/2031					304,213.80
8/1/2031	281,000.00	1.77%	12,885.60	293,885.60	
2/1/2031			10,398.75	10,398.75	
6/30/2032					304,284.35
8/1/2032	286,000.00	1.77%	10,398.75	296,398.75	
2/1/2033			7,867.65	7,867.65	
6/30/2033					304,266.40
8/1/2033	291,000.00	1.77%	7,867.65	298,867.65	
2/1/2034			5,292.30	5,292.30	
6/30/2034					304,159.95
8/1/2034	296,000.00	1.77%	5,292.30	301,292.30	
2/1/2035			2,672.70	2,672.70	
6/30/3035					303,965.00
8/1/2035	302,000.00	1.77%	2,672.70	304,672.70	
6/30/2036					304,672.70
Totals	\$ 4,000,000.00		\$ 563,864.97	\$ 4,563,864.97	\$ 4,563,864.97

Source:2020 Loan Agreement

CARPINTERIA SANITARY DISTRICT

Demographics and Economic Statistics Last Ten Fiscal Years

Fiscal Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Population	13,442	13,547	13,928	13,943	13,849	16,336	16,702	16,462	13,154	13,197
Personal Income Total	\$ 639,839,200	\$ 673,285,900	\$ 715,759,920	\$ 748,739,100	\$ 508,119,810	\$ 692,728,080	\$ 743,339,212	\$ 766,026,246	\$ 663,869,226	\$ 685,544,559
Per Capita Personal Income	\$ 47,600	\$ 49,700	\$ 51,390	\$ 53,700	\$ 36,690	\$ 42,405	\$ 44,506	\$ 46,533	\$ 50,469	\$ 51,947
Unemployment Rate	5.4%	4.7%	4.9%	4.3%	3.9%	3.4%	11.5%	5.9%	3.6%	3.8%

Source: CA HomeTownLocator which uses GNIS and ESRI demographic models to collect data. (As of July 1, 2023)
 Unemployment rate - www.bls.gov for Santa Barbara County (As of June 2023)

CARPINTERIA SANITARY DISTRICT

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

Fiscal Year Ended June 30, 2023				Fiscal Year Ended June 30, 2022			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
Procore	850	1	9.14%	Procore	850	1	9.14%
Agilent (formerly DAKO)	408	2	4.39%	Agilent (formerly DAKO)	400	2	4.30%
Carpinteria Unified	322	3	3.46%	Carpinteria Unified	365	3	3.92%
LinkedIn	240	4	2.58%	LinkedIn	312	4	3.35%
Plan Member Services	185	5	1.99%	Nusil Technology	284	5	3.05%
Bega US	167	6	1.80%	Gigavac	232	6	2.49%
Freudenberg Medical, LLC	163	7	1.75%	Bega US	160	7	1.72%
Jimenez Nursery	115	8	1.24%	Continental Auto Systems	121	8	1.30%
Albertsons	94	9	1.01%	AGIA, Inc.	120	9	1.29%
Gigavac	92	10	0.99%	Albertsons	120	10	1.29%
Total	2636		40.55%	Total	2964		45.60%

Fiscal Year Ended June 30, 2021				Fiscal Year Ended June 30, 2020			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
Procore	865	1	9.30%	Procore			
Agilent (formerly DAKO)	418	2	4.49%	Agilent (formerly DAKO)			
LinkedIn	340	3	3.66%	LinkedIn			
Carpinteria Unified	310	4	3.33%	Carpinteria Unified	Due to the Novel Corona Virus, COVID - 19, many employers have elected to allow employees to work remotely and are therefore not recording number of employees within the City limits.		
Nusil Technology	288	5	3.10%				
Gigavac	248	6	2.67%				
Bega US	166	7	1.78%				
AGIA, Inc.	121	8	1.30%				
Continental Auto Systems	116	9	1.25%	Continental Auto Systems			
Albertsons	100	10	1.08%	Albertsons			
Total	2972		45.72%	Total			

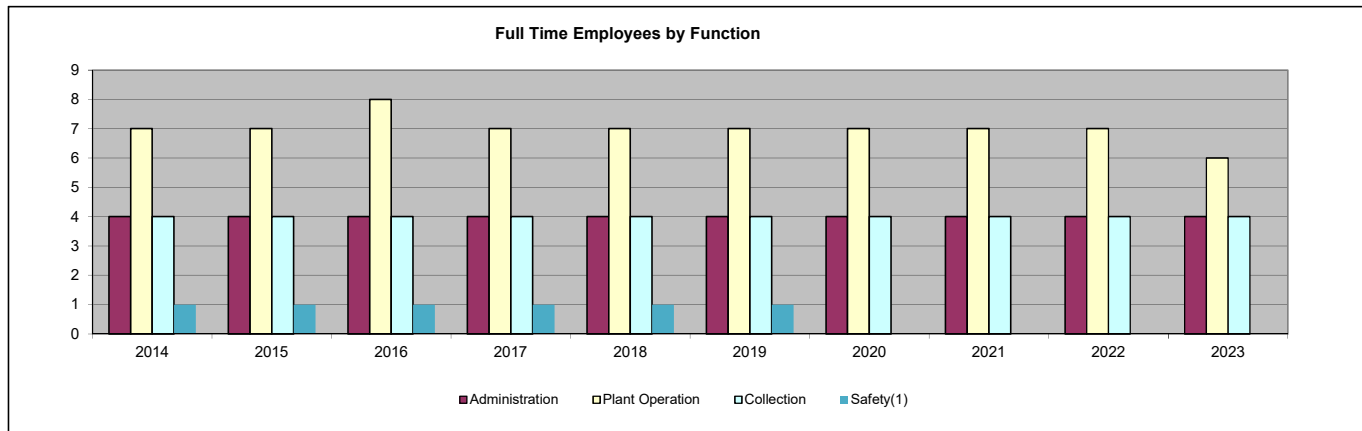
Fiscal Year Ended June 30, 2019				Fiscal Year Ended June 30, 2018			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
Procore	850	1	9.14%	Procore	838	1	9.21%
Agilent (formerly DAKO)	400	2	4.30%	Carpinteria Unified School District	350	2	3.85%
Carpinteria Unified School District	365	3	3.92%	LinkedIn	330	3	3.63%
LinkedIn	312	4	3.35%	Agilent (formerly DAKO)	300	4	3.30%
Nusil Technology	284	5	3.05%	Gigavac	280	5	3.08%
Gigavac	232	6	2.49%	Nusil Technology	275	6	3.02%
Plan Member	168	7	1.81%	Bega US	153	7	1.68%
Bega US	160	8	1.72%	AGIA, Inc.	118	8	1.30%
Continental Auto Systems	125	9	1.34%	Albertsons	104	9	1.14%
AGIA, Inc.	120	10	1.29%	Plan Member	85	10	0.93%
Total	3016		32.43%	Total	2833		31.13%

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administration	4	4	4	4	4	4	4	4	4	4
Plant Operation	7	7	8	7	7	7	7	7	7	6
Collection	4	4	4	4	4	4	4	4	4	4
Safety(1)	1	1	1	1	1	1	0	0	0	0
Totals	16	16	17	16	16	16	15	15	15	14



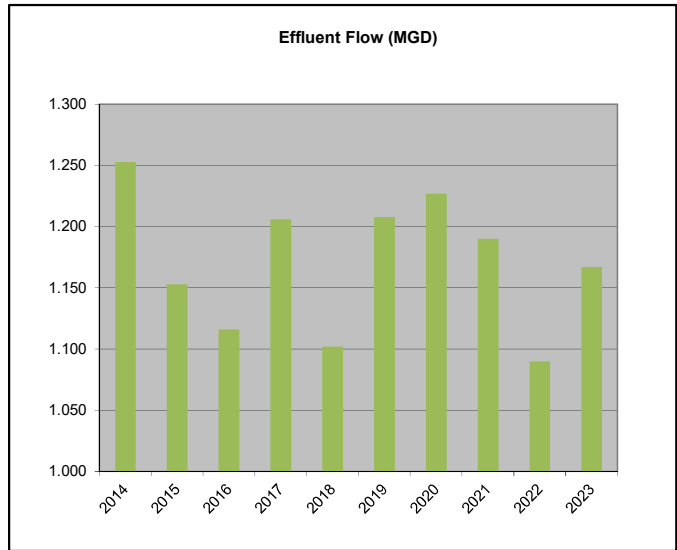
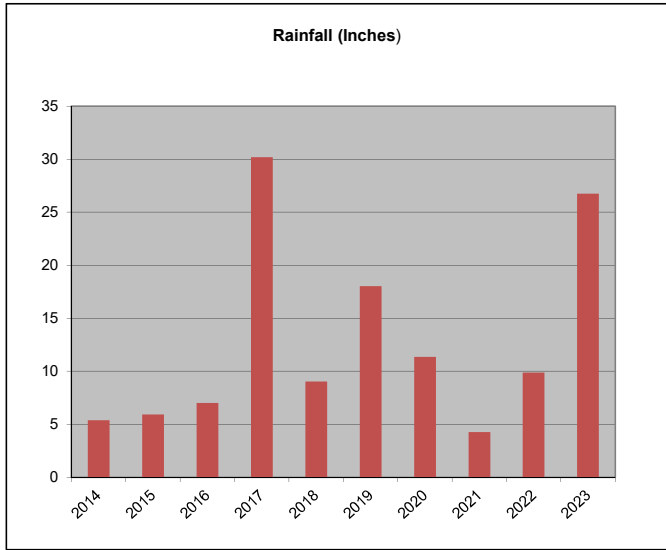
Note 1: Safety position eliminated in March 2019

Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Treatment Plant Flow Data Last Ten Fiscal Years

Fiscal Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Annual Rainfall (inches)	5.39	5.94	7.03	30.21	9.04	18.02	11.37	4.28	9.88	26.77
Effluent Flow (MGD)	1.253	1.153	1.116	1.206	1.102	1.208	1.227	1.190	1.090	1.167

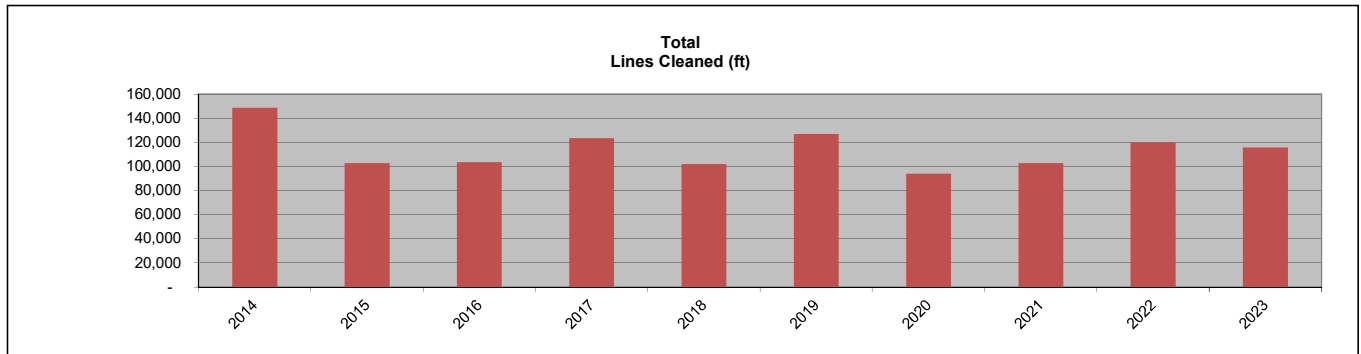


Source: Carpinteria Sanitary District Wastewater Management Data

CARPINTERIA SANITARY DISTRICT

Collection System Statistics - Pipeline Hydro Cleaning Last Ten Fiscal Years

Fiscal Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Cleaned (ft.)	148,648	102,912	103,785	123,607	102,021	127,061	94,054	102,912	120,071	115,982
Monthly Average (ft.)	12,387	8,576	8,649	10,301	8,502	10,588	7,838	8,576	10,006	9,665

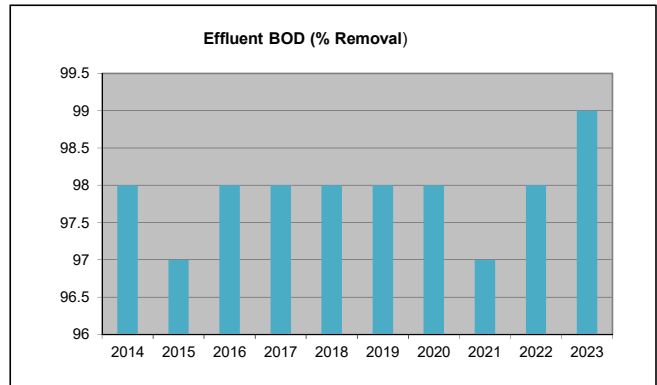
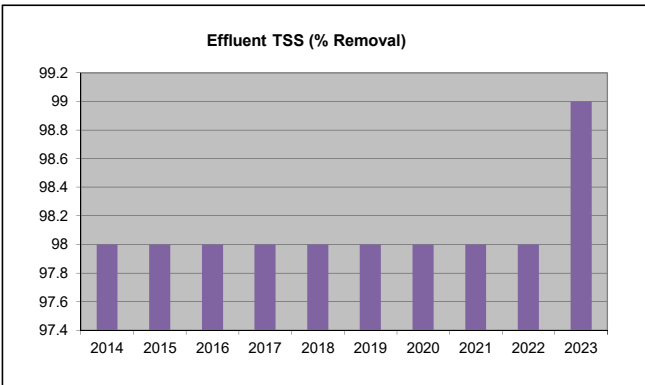
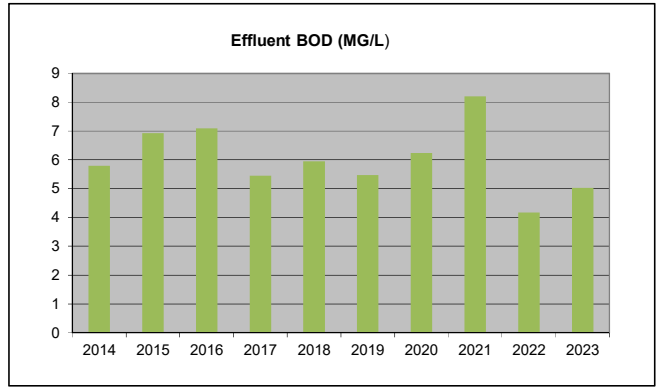
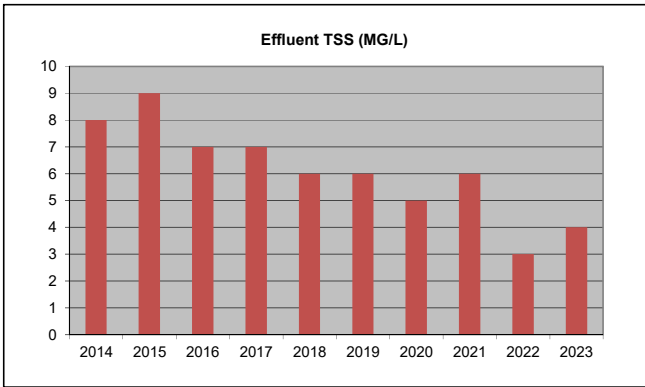


Source: Carpinteria Sanitary District Wastewater Management Database

CARPINTERIA SANITARY DISTRICT

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

Fiscal Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Effluent TSS (MG/L)	8	9	7	7	6	6	5	6	3	4
Effluent BOD (MG/L)	5.79	6.92	7.09	5.45	5.95	5.47	6.24	8.2	4.17	5.03
Effluent TSS (% Removal)	98	98	98	98	98	98	98	98	98	99
Effluent BOD (% Removal)	98	97	98	98	98	98	98	97	98	99

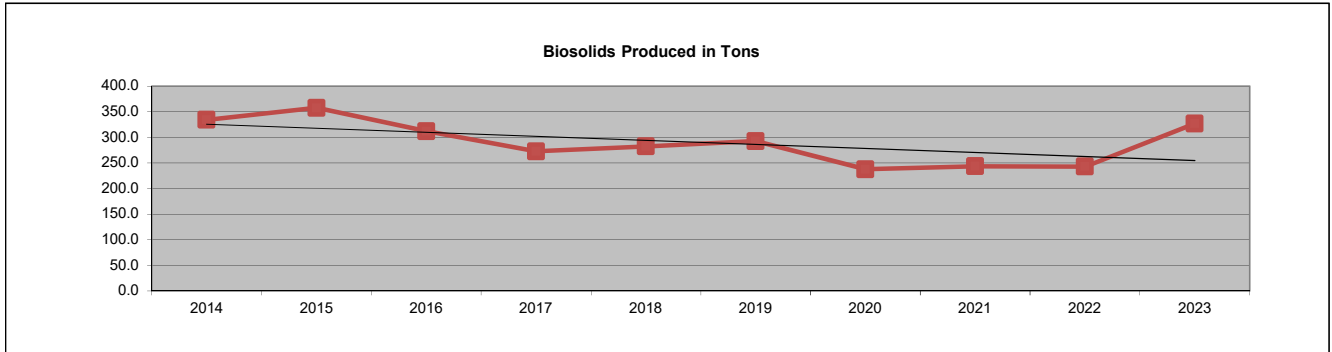


Source: Carpinteria Sanitary District

CARPINTERIA SANITARY DISTRICT

Bio-Solids Produced Last Ten Years

Fiscal Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Biosolids Produced in Tons	333.9	357.5	311.7	272.2	282.1	292.2	237.5	243.4	242.8	326.9



Source: Carpinteria Sanitary District