



**CARPINTERIA**  
Sanitary District

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November 18, 2025

Gerald Velasco, President  
Board of Directors  
Carpinteria Sanitary District

**SUBJECT: Annual Comprehensive Financial Report – June 30, 2025 and 2024**

Dear President Velasco:

This letter transmits the Annual Comprehensive Financial Report (ACFR) for the Carpinteria Sanitary District for the fiscal years ended June 30, 2025 and 2024.

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 2024/25 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 12,700 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**

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

### **STANDING COMMITTEES**

#### **Finance Committee**

Mike Damron	Chairperson
Lin Graf	Member

#### **Personnel Committee**

Debbie Murphy	Chairperson
Mike Damron	Member

#### **Public Relations Committee**

Mike Modugno	Chairperson
Debbie Murphy	Member

#### **Local Utilities Committee**

Mike Damron	Chairperson
Lin Graf	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	Burke, Williams & Sorensen LLP
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## **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 a modified 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) and California Cooperative Liquid Assets Securities System (CLASS) as the District's investment vehicles. Investing in both LAIF and CLASS 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 (2025/2026) with cash and cash equivalents balance of approximately \$11.7M and a current liability of approximately \$1.8M. Annual revenue of approximately \$7.2M is projected, with an estimated operating, non-operating, and capital improvement expenditures totaling approximately \$7.7M, excluding depreciation. The projected ending balance of cash and cash equivalents for FY 2025/26 will be approximately \$10.9M, 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. 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: \$800.70 annually (FY24/25)  Non-Residential: Classified into six classes; charges range between \$12.00 – \$18.75 per 1000 gal with a minimum charge of \$800.70 per parcel(FY24/25)
Population in 2025:	12,904
Businesses in 2025:	557
Rainfall in 2024/25:	7.9 inches
Crime:	The number of violent crimes recorded in 2024/25 was 24. The number of murders and homicides was 0.
Local Festival:	Avocado Festival in October



**FECHTER  
& COMPANY**  
Certified Public Accountants

**CARPINTERIA SANITARY DISTRICT**

**ANNUAL FINANCIAL REPORT**

**with**

**Independent Auditor's Report Thereon**

**June 30, 2025 and 2024**

**CARPINTERIA SANITARY DISTRICT**  
**Annual Financial Report**

**June 30, 2025 and 2024**

**Table of Contents**

	<u>Pages</u>
Independent Auditor's Report.....	1-3
Management's Discussion and Analysis (Unaudited).....	4-11
<b>Basic Financial Statements</b>	
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.....	18-47
<b>Required Supplementary Information (Unaudited):</b>	
Required Supplementary Information - Pensions.....	48
<b>Other Reporting Required by <i>Government Auditing Standards</i>:</b>	
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 <i>Government Auditing Standards</i> .....	49-50

**CARPINTERIA SANITARY DISTRICT**  
**Annual Financial Report**

**June 30, 2025 and 2024**

**Other Information (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 .....	51 - 60
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 .....	61 - 63
These schedules contain information to help the reader assess the factors affecting the District’s ability to fund its wastewater treatment operations.	
Debt .....	64 - 68
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 .....	69 - 70
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 .....	71 - 75
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 annual financial reports of the relevant years.



## 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, 2025 and 2024 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, 2025 and 2024, 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 Contributions on page 48 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 if 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 October \_\_, 2025, 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  
October \_\_, 2025

# CARPINTERIA SANITARY DISTRICT

## Management's Discussion and Analysis (Unaudited) June 30, 2025 and 2024

This section of the financial statements for the Carpinteria Sanitary District (the District) is a narrative overview of the financial activities during the fiscal years ended June 30, 2025 and 2024. 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 12,700 permanent residents and a large visiting population.

### FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2025

- At June 30, 2025, the assets and deferred outflows of the District exceeded its liabilities and deferred inflows by \$43,424,095. Of this amount, \$3,529,470 is restricted and \$30,285,984 represents the District's net investment in capital assets. The remaining \$9,608,641 is unrestricted. At the end of the prior fiscal year, on June 30, 2024, the assets and deferred outflows of the District were \$42,403,454 greater than its liabilities and deferred inflows, with \$9,610,089 being reported as unrestricted.
- During the fiscal year ended June 30, 2025, the District's net position increased by \$1,020,641, or about 2.4%. The increase is the net result of a \$84,280 increase in assets, a decrease of \$1,089,704 in liabilities and a net \$274,341 decrease in deferred inflows/outflows.
- The District's current liabilities, which include upcoming debt service obligations, wages payable, and outstanding accounts payable, increased by \$297,053, or 19.7%, at June 30, 2025. These increases follow a decrease in 2024 of \$63,192, or 4.0%.
- Long-term liabilities, which consist of outstanding bond debt, note payable, compensated absences, and net pension liability decreased by \$1,386,757 or 13.1%. This follows 2024 where these amounts decreased by \$976,174 or 8.4%. 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 \$1,465,000 in 2025 and \$1,352,423 in 2024. The debt service payments represent approximately 22% and 21% of the District's operating revenue respectively and conform with applicable debt ratio covenants.

# CARPINTERIA SANITARY DISTRICT

## Management's Discussion and Analysis (Unaudited) June 30, 2025 and 2024

### 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 \$3,247,634 as of June 30, 2025 and \$3,306,071 as of June 30, 2024. 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 statements 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 statements also consider and present 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 (Unaudited) June 30, 2025 and 2024

### STATEMENTS OF NET POSITION

The District's net position increased by 2.4% during the 2025 fiscal year to \$43,424,095 which follows an increase of 3.7% during fiscal 2024 to a total of \$42,403,453. Of the assets on hand at June 30, 2025, \$30,285,984 was invested in capital assets. Further amounts were restricted as debt service for \$6,746 and future construction for \$3,522,724. The remaining \$9,608,641 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, 2025, 2024, and 2023

	2025	Dollar Change	Percentage Change	2024	Dollar Change	Percentage Change	2023
<b>Assets:</b>							
Current assets	\$ 12,706,148	\$ 310,191	2.5%	\$ 12,395,957	\$ 2,240,545	22.1%	\$ 10,155,412
Restricted assets	3,529,470	1,030,859	41.3%	2,498,611	(1,578,190)	(38.7%)	4,076,801
Long-term assets	37,446,984	(1,256,770)	(3.2%)	38,703,754	(584,959)	(1.5%)	39,288,713
Total Assets	53,682,602	84,280	0.2%	53,598,322	77,396	0.1%	53,520,926
<b>Deferred Outflows:</b>	1,261,263	(213,842)	(14.5%)	1,475,105	(31,660)	(2.1%)	1,506,765
<b>Liabilities:</b>							
Current liabilities	1,807,636	297,053	19.7%	1,510,583	(63,192)	(4.0%)	1,573,775
Long-term liabilities	9,214,831	(1,386,757)	(13.1%)	10,601,588	(976,174)	(8.4%)	11,577,762
Total Liabilities	11,022,467	(1,089,704)	(9.0%)	12,112,171	(1,039,366)	(7.9%)	13,151,537
<b>Deferred Inflows:</b>	497,303	(60,499)	(10.8%)	557,802	(419,687)	(42.9%)	977,489
<b>Net Position:</b>							
Net investment in capital assets	30,285,984	(8,770)	(0.0%)	30,294,754	579,083	1.9%	29,715,671
Restricted for debt services	6,746	569	9.2%	6,177	-	0.0%	6,177
Restricted for construction	3,522,724	1,030,290	41.3%	2,492,434	(1,578,190)	(38.8%)	4,070,624
Unrestricted	9,608,641	(1,448)	(0.0%)	9,610,089	2,503,896	35.2%	7,106,193
	<u>\$ 43,424,095</u>	<u>\$ 1,020,641</u>	2.4%	<u>\$ 42,403,454</u>	<u>\$ 1,504,789</u>	3.7%	<u>\$ 40,898,665</u>

The District's current unrestricted assets, which includes the agency's available unrestricted cash and cash equivalent balance, increased by \$310,191, or 2.5%, during the year ended June 30, 2025 compared to a \$2,503,895 increase during the year ended June 30, 2024.

In 2025, the District increased restricted cash by \$1,030,859 or 41.3% compared to the prior year when restricted assets decreased by \$1,578,190 or 38.7%.

# CARPINTERIA SANITARY DISTRICT

## Management's Discussion and Analysis (Unaudited) June 30, 2025 and 2024

### CAPITAL ASSETS

The following table provides detail on the District's net capital assets as of June 30, 2025 with comparative data for the prior years.

	<u>June 30, 2025</u>	<u>Change</u>	<u>June 30, 2024</u>	<u>Change</u>	<u>June 30, 2023</u>
Land	\$ 233,619	\$ -	\$ 233,619	\$ -	\$ 233,619
Capital improvement projects	<u>401,655</u>	269,106	<u>132,549</u>	44,179	<u>88,370</u>
	<u>635,274</u>		<u>366,168</u>		<u>321,989</u>
Underground lines	24,725,175	-	24,725,175	282,303	24,442,872
Laboratory equipment	27,105	-	27,105	(16,589)	43,694
Safety equipment	-	-	-	(5,593)	5,593
Ocean outfall	542,005	-	542,005	-	542,005
Buildings	7,041,582	(26,592)	7,068,174	282,583	6,785,591
Plant equipment	30,164,386	83,356	30,081,030	(202,286)	30,283,316
Transportation equipment	1,195,210	26,540	1,168,670	5	1,168,665
Office furniture and fixtures	386,281	-	386,281	27,018	359,263
	<u>64,081,744</u>		<u>63,998,440</u>		<u>63,630,999</u>
Accumulated depreciation	(27,270,034)	(1,609,186)	(25,660,848)	(996,579)	(24,664,269)
Net depreciable property	<u>36,811,710</u>		<u>38,337,592</u>		<u>38,966,730</u>
Total capital assets	<u>\$ 37,446,984</u>		<u>\$ 38,703,760</u>		<u>\$ 39,288,719</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, 2025, the District's total net investment in capital assets decreased by \$1,256,776 or 3.2%.

During the year ended June 30, 2025, the District completed several capital projects including:

- Vehicle Replacement – 2007 Ford Focus & 2013 Ford F-150
- Lift Station Pumping and Control System Redundancy Project
- Influent Structural Improvement Project

# CARPINTERIA SANITARY DISTRICT

## Management's Discussion and Analysis (Unaudited) June 30, 2025 and 2024

### 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 32 of the financial statements.

Projects in process	June 30, 2025	June 30, 2024	June 30, 2023
Carpinteria Ave Inverted Siphon Relocation	10,461	10,461	10,461
Accounting Management Software	13,748	13,748	13,708
Lift Station No. 2 Force Main Realignment	-	1,460	64,201
Belt Filter Press Replacement	288,368	106,880	-
Lift Station No.3 Wetwell Rehabilitation	14,946	-	-
Battery Energy Storage Project	74,132	-	-
	<u>\$ 401,655</u>	<u>\$ 132,549</u>	<u>\$ 88,370</u>

### Statements of Revenues, Expenses, and Changes in Net Position

The District's net position at June 30, 2025 increased by \$1,020,641 which followed a \$1,504,788 increase during 2024. The following chart and table provide details on revenues, expenses, and changes in net position for the three years ending June 30, 2025.

#### Statements of Revenues, Expenses and Changes in Net Position for the Years Ended June 30, 2025, 2024, and 2023

	2025	Dollar Change	Percentage Change	2024	Dollar Change	Percentage Change	2023
Revenues:							
Operating revenues	\$ 6,526,403	\$ 156,494	2%	\$ 6,369,909	\$ 128,675	2%	\$ 6,241,234
Non-operating revenues	1,660,126	318,505	24%	1,341,621	268,306	25%	1,073,315
Total Revenues	8,186,529	474,999	6%	7,711,530	396,981	5%	7,314,549
Expenses:							
Operating expenses	7,603,346	1,636,633	27%	5,966,713	284,106	5%	5,682,607
Non-operating expenses	185,564	(54,468)	(23%)	240,032	(39,004)	(14%)	279,036
Total Expenses	7,788,910	1,582,165	25%	6,206,745	245,102	4%	5,961,643
Transfer from pension trust fund	461,420	461,420	100%	-	-	0%	-
Change in position before capital contribution	859,039	(645,746)	(43%)	1,504,785	151,879	11%	1,352,906
Capital contribution	216,602	216,602	100%	-	(201,042)	(100%)	201,042
Change in Net Position	1,075,641	(429,144)	(29%)	1,504,785	(49,163)	(3%)	1,553,948
Beginning Net Position	42,403,454	1,504,785	4%	40,898,669	1,553,952	4%	39,344,717
Cumulative effective adjustment	(55,000)	(55,000)	100%	-	-	0%	-
Beginning Net Position	42,348,454	(55,000)	(0%)	42,403,454	1,504,789	4%	40,898,665
Ending Net Position	<u>\$ 43,424,095</u>	<u>\$ 1,020,641</u>	2%	<u>\$ 42,403,454</u>	<u>\$ 1,504,789</u>	4%	<u>\$ 40,898,665</u>

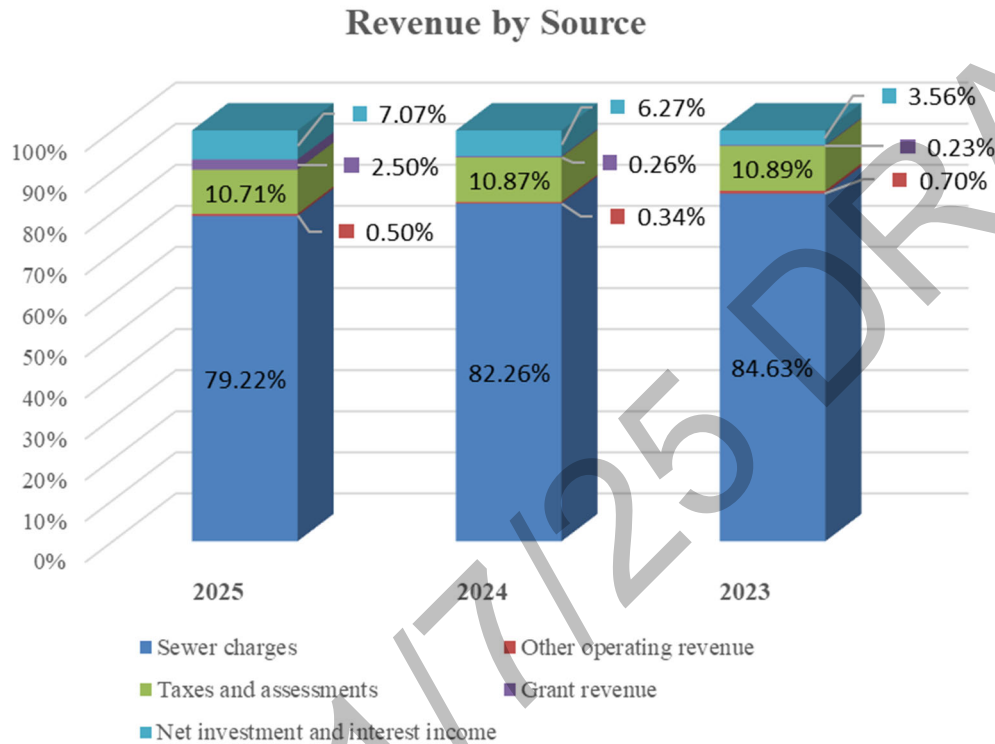


# CARPINTERIA SANITARY DISTRICT

## Management's Discussion and Analysis (Unaudited) June 30, 2025 and 2024

### 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 accounts for the activities as an enterprise fund. 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, 2025 was \$6,485,116, which represents an increase of \$141,461 over the previous year's amount of \$6,343,655. 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 79.22% of the District's operating revenue for fiscal year 2024/25 down from 82.26% in 2023/24 and down from 84.63% in 2022/23.

Revenue in the Property Tax category has stabilized in the past two years as property values have stabilized and generated higher property tax revenue. Interest earnings increased from the prior year, as interest rates for reserve deposits held in the Local Agency Investment Fund (LAIF) and California CLASS decreased throughout the fiscal year ending at 4.39% at June 30, 2025.

## CARPINTERIA SANITARY DISTRICT

### Management's Discussion and Analysis (Unaudited) June 30, 2025 and 2024

#### EXPENSES

The District's operating expenses for fiscal year ended June 30, 2025 increased by \$1,636,633 or 27.43% from the prior year. The following table provides additional details on the District's annual operating expenses, compared to fiscal year ended June 30, 2024.

Expense Category	Year Ended June 30, 2025	Year Ended June 30, 2024	\$ Increase (Decrease)	% Increase (Decrease)
Salaries and wages	\$ 2,098,776	\$ 1,898,174	\$ 200,602	10.57%
Employee benefits	2,172,443	882,409	1,290,035	146.19%
General operating expenses	363,892	317,287	46,605	14.69%
Environmental and monitoring	57,056	73,105	(16,049)	-21.95%
Utilities	321,940	329,069	(7,129)	-2.17%
Sludge disposal	166,446	162,963	3,483	2.14%
Supplies and equipment	233,283	246,914	(13,631)	-5.52%
Repairs and maintenance	335,023	566,020	(230,997)	-40.81%
Professional and contract services	173,017	151,062	21,955	14.53%
Depreciation expense	1,665,233	1,323,311	341,922	25.84%
Other expenses	16,237	16,400	(163)	-0.99%
Total operating expenses	\$ 7,603,346	\$ 5,966,713	1,636,633	27.43%

#### 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 \$4,000,000 financing with adoption of Resolution No. R-342. The financing, which closed successfully on December 18, 2020, resulted in a loan with 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 Note 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. 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 (Unaudited) June 30, 2025 and 2024**

### **DEBT ADMINISTRATION (CONTINUED)**

The District's outstanding long-term indebtedness as of June 30, 2025 is \$7,161,000. This is inclusive of the District's \$4,000,000 loan for the construction of the administration building. 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. The District remains current on all debt obligations which have been financed with operations.

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

- Regional housing costs and ongoing inflationary effects continue to impact the District's ability to find and retain qualified professional staff. Although fully staffed as of this reporting period, there is significant pressure to remain competitive in the market, as peer agencies increase base salaries and expand employee benefits. The result is anticipated escalation of labor related costs, potentially exceeding indexed inflation rates.
- The cost of goods and services continues to escalate. There has been no diminution from the sharp increases experienced following the COVID-19 pandemic, and construction costs continue to exceed budget estimates, particularly those for long range capital plans. District staff remain focused on cost control and value based procurement strategies to keep expenditures in line with budgeted
- During FY 2021/22, 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 FY 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 FY 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.
- Retirement of a series of revenue bonds, with the final installment payment in August 2025, will positively effect the District's fiscal position going forward. A comprehensive financial planning effort is anticipated in FY 2025/26 to assess rate and revenue needs beyond FY 2026/27.

### **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**

**CARPINTERIA SANITARY DISTRICT**  
**STATEMENTS OF NET POSITION - PROPRIETARY FUND**  
**JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 11,767,392	\$ 11,372,383
Cash and cash equivalents-restricted	3,529,470	2,498,611
Accounts receivable:		
Accounts receivable	809,197	809,197
Interest receivable	49,526	143,409
Chemical inventory	26,211	26,211
Prepaid expenses	53,822	44,757
Total current assets	<u>16,235,618</u>	<u>14,894,568</u>
Non-Current Assets:		
Capital assets, net	37,446,984	38,703,754
Total Assets	<u>53,682,602</u>	<u>53,598,322</u>
<b>Deferred outflows of resources</b>		
Deferred outflows related to pensions	1,261,263	1,475,105
<b>Liabilities</b>		
Current Liabilities:		
Accounts payable	206,475	97,567
Accrued payroll	87,729	27,583
Accrued Interest	91,878	112,223
Accrued compensated absences, current portion	118,554	25,210
Current portion long-term debt	1,303,000	1,248,000
Total current liabilities	<u>1,807,636</u>	<u>1,510,583</u>
Long-Term Liabilities:		
Long-term debt, net of current portion	5,858,000	7,161,000
Accrued compensated absences	109,197	134,517
Net pension liability	3,247,634	3,306,071
Total long-term liabilities	<u>9,214,831</u>	<u>10,601,588</u>
Total Liabilities	<u>11,022,467</u>	<u>12,112,171</u>
<b>Deferred inflows of resources</b>		
Deferred inflows related to pension	30,542	63,584
Deferred gain on refunding	466,761	494,218
Total deferred inflows of resources	<u>497,303</u>	<u>557,802</u>
<b>Net Position</b>		
Investment in capital assets, net of related debt	30,285,984	30,294,754
Restricted for debt services	6,746	6,177
Restricted for construction	3,522,724	2,492,434
Unrestricted	9,608,641	9,610,089
Total Net Position	<u>\$ 43,424,095</u>	<u>\$ 42,403,454</u>

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

**CARPINTERIA SANITARY DISTRICT  
STATEMENTS OF FIDUCIARY NET POSITION  
JUNE 30, 2025 AND 2024**

	<u>Pension Trust Fund</u>		<u>Assessment District 2007-1</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<b>Assets</b>				
Current Assets:				
Cash and investments	\$ 493,987	\$ 881,710	\$ 467,377	\$ 456,933
Cash with fiscal agent	-	-	-	-
Total assets	<u>493,987</u>	<u>881,710</u>	<u>467,377</u>	<u>456,933</u>
<b>Liabilities</b>				
Due to bond holders	-	-	80,721	80,469
Total liabilities	<u>-</u>	<u>-</u>	<u>80,721</u>	<u>80,469</u>
<b>Net position</b>				
Unrestricted	<u>493,987</u>	<u>881,710</u>	<u>386,656</u>	<u>376,464</u>
Total Net position	<u><u>\$ 493,987</u></u>	<u><u>\$ 881,710</u></u>	<u><u>\$ 386,656</u></u>	<u><u>\$ 376,464</u></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, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>Operating Revenues:</b>		
Sewer charges	\$ 6,485,116	\$ 6,343,655
Other revenues	41,287	26,254
Total operating revenues	6,526,403	6,369,909
<b>Operating Expenses:</b>		
Salaries and wages	2,098,776	1,898,174
Employee benefits	2,172,443	882,409
General operating expenses	363,892	317,287
Environmental and monitoring	57,056	73,105
Utilities	321,940	329,069
Sludge disposal	166,446	162,963
Supplies and equipment	233,283	246,914
Repairs and maintenance	335,023	566,020
Professional and contract services	173,017	151,062
Depreciation expense	1,665,233	1,323,311
Other expenses	16,237	16,400
Total operating expenses	7,603,346	5,966,713
Income from operations	(1,076,943)	403,196
<b>Non-Operating Revenue (Expense):</b>		
Taxes and assessments	876,691	837,858
Grant revenue	204,787	20,039
Net investment and interest income	578,648	483,724
Interest expense	(189,543)	(240,032)
Gain (Loss) on disposal of assets	3,979	-
Total non-operating revenue	1,474,562	1,101,589
Transfer from pension trust fund	461,420	-
Change in net position before capital contributions	859,039	1,504,785
Development impact fees	216,602	-
Change in net position	1,075,641	1,504,785
Net position at beginning of year	42,403,454	40,898,669
Cumulative effective adjustment - (Note 17)	(55,000)	-
Net position at beginning of year, restated	42,348,454	40,898,669
Net position at end of year	<u>\$ 43,424,095</u>	<u>\$ 42,403,454</u>

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

**CARPINTERIA SANITARY DISTRICT**  
**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**JUNE 30, 2025 AND 2024**

	Pension Trust Fund		Assessment District 2007-1	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<b>Additions:</b>				
Investment earnings:				
Net increase in fair value of investments	\$ 39,515	\$ 73,369	\$ -	\$ -
Interest income	36,606	29,368	5,907	7,922
Total investment earnings	<u>76,121</u>	<u>102,737</u>	<u>5,907</u>	<u>7,922</u>
Assessments	-	-	295,472	297,152
Total additions	<u>76,121</u>	<u>102,737</u>	<u>301,379</u>	<u>305,074</u>
<b>Operating Expenses:</b>				
Investment costs	2,424	2,436	7,595	7,048
Debt service payments	-	-	283,592	336,417
Transfer to proprietary fund	461,420	-	-	-
Total deductions	<u>463,844</u>	<u>2,436</u>	<u>291,187</u>	<u>343,465</u>
Net (decrease) increase in fiduciary net position	(387,723)	100,301	10,192	(38,391)
Net position at beginning of year	<u>881,710</u>	<u>781,409</u>	<u>376,464</u>	<u>414,855</u>
Net position at end of year	<u><u>\$ 493,987</u></u>	<u><u>\$ 881,710</u></u>	<u><u>\$ 386,656</u></u>	<u><u>\$ 376,464</u></u>

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



**CARPINTERIA SANITARY DISTRICT**  
**STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEARS ENDED**  
**JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>Cash Flows From Operating Activities:</b>		
Cash received from user charges	\$ 6,526,403	\$ 6,369,909
Cash paid for operating expenses	(1,567,051)	(1,916,324)
Cash payments to employees	(4,075,686)	(2,922,135)
<b>Net cash provided by operating activities</b>	<u>883,666</u>	<u>1,531,450</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>		
Cash received for taxes and assessments	<u>876,691</u>	<u>837,858</u>
<b>Net cash provided by non-capital financing activities</b>	<u>876,691</u>	<u>837,858</u>
<b>Cash Flows From Capital Financing Activities:</b>		
Capital contributions from development impact fees	216,602	-
Proceeds from grants	204,787	20,042
Purchases of capital assets	(408,463)	(738,352)
Proceeds from sale of capital assets	3,979	-
Transfer in from section 115 pension trust	461,420	-
Principal paid on long-term debt	(1,248,000)	(1,194,000)
Interest paid on long-term debt	(237,345)	(289,054)
<b>Net cash used in capital financing activities</b>	<u>(1,007,020)</u>	<u>(2,201,364)</u>
<b>Cash Flows From Investing Activities:</b>		
Investment income received	<u>672,531</u>	<u>435,110</u>
<b>Net cash provided by investing activities</b>	<u>672,531</u>	<u>435,110</u>
<b>Net increase in cash and cash equivalents</b>	1,425,868	603,054
<b>Cash and cash equivalents, beginning of the year</b>	<u>13,870,994</u>	<u>13,267,940</u>
<b>Cash and cash equivalents, end of the year</b>	<u><u>\$ 15,296,862</u></u>	<u><u>\$ 13,870,994</u></u>
<b>Supplementary information:</b>		
Cash and cash equivalents	\$ 11,767,392	\$ 11,372,383
Cash and cash equivalents-restricted	3,529,470	2,498,611
<b>Total Cash and cash equivalents</b>	<u><u>\$ 15,296,862</u></u>	<u><u>\$ 13,870,994</u></u>

(Continued)

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

**CARPINTERIA SANITARY DISTRICT**  
**STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEARS ENDED**  
**JUNE 30, 2025 AND 2024**

**(Continued)**

**Reconciliation of operating income to net cash provided by  
operating activities**

Operating Income (Loss)	\$ (1,076,943)	\$ 403,196
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	1,665,233	1,323,311
Prepaid expenses and inventory	(9,065)	(10,686)
Accounts payable	108,908	(42,818)
Accrued salaries	60,146	(12,808)
Compensated absences	13,024	(4,237)
Pension assets and liabilities	122,363	(124,508)
Net cash provided by operating activities	<u>\$ 883,666</u>	<u>\$ 1,531,450</u>

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

# CARPINTERIA SANITARY DISTRICT

## Notes to Financial Statements June 30, 2025 and 2024

### 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, 2025 and 2024

### **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 is 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, 2025 and 2024

### 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 is 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. The District accrues a liability for sick time based on the time that is more likely than not to be used.

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, 2025 and 2024

### 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 <sup>st</sup> Installment
	February 1	2 <sup>nd</sup> Installment
Delinquent Dates	December 10	1 <sup>st</sup> Installment
	April 10	2 <sup>nd</sup> Installment

Under California law, property taxes are assessed and collected 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 2025 and 2024 was \$777.37 and \$754.72, respectively.

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

# CARPINTERIA SANITARY DISTRICT

## Notes to Financial Statements June 30, 2025 and 2024

### 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, 2025 and 2024

### 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, 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, 2025 and 2024, 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.

<b>GASB Statement Number</b>	<b>Official Title</b>	<b>Effective Fiscal Year Ended</b>
103	<i>Financial Reporting Model Improvements</i>	June 30, 2026



# CARPINTERIA SANITARY DISTRICT

## Notes to Financial Statements June 30, 2025 and 2024

### Note 3: Cash and Investments

Cash and Investments as of June 30, 2025 and June 30, 2024 are classified in the accompanying financial statements as follows:

	2025	2024
Statement of Net Position-Enterprise Fund		
Cash on hand	\$ 200	\$ 200
Deposits with financial institutions	481,167	265,341
Investments in LAIF	5,153,242	13,597,310
Investments in CLASS	9,653,541	-
Cash at County	1,966	1,966
Cash with Fiscal Agent	6,746	6,177
Total Enterprise fund	15,296,862	13,870,994
Statements of Net Position-Fiduciary Funds		
Deposits with financial institutions	302,438	297,705
Cash with Fiscal Agent	658,926	1,040,938
Total Fiduciary Funds	961,364	1,338,643
	<u>\$ 16,258,226</u>	<u>\$ 15,209,637</u>

Cash and cash equivalents as of June 30, 2025 and June 30, 2024 consist of the following:

	2025	2024
Cash and cash equivalents	\$ 11,767,392	\$ 11,372,383
Cash and cash equivalents-restricted	3,529,470	2,498,611
Cash and cash equivalents Fiduciary funds	961,364	1,338,643
	<u>\$ 16,258,226</u>	<u>\$ 15,209,637</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, 2025 and 2024

### Note 3: Cash and Investments (continued)

#### Investments Authorized by the District's Investment Policy (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-373, the only investments in practice are those in the local government investment pool administered by the State of California Local Agency Investment Fund (LAIF), California Cooperative Liquid Assets Securities System (CLASS), and the Santa Barbara County Investment Pool.

#### Investments Authorized by the District Section 115 Trust (the 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
California CLASS	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 short term and long-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, 2025 and 2024

### Note 3: Cash and Investments (continued)

#### Disclosures Relating to Interest Rate Risk (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, 2025 and 2024:

<b>June 30, 2025</b>		Remaining Maturity (in Months)		
Investment Type	Carrying Amount	12 Months or Less	13 to 24 Months	25 to 60 Months
LAIF	\$ 5,153,242	\$ 5,153,242	\$ -	\$ -
CLASS	9,653,541	9,653,541	-	-
Mutual Funds	493,987	493,987	-	-
Investments with Fiscal Agent:				
LAIF	164,939	164,939	-	-
Money Market	6,746	6,746	-	-
Total	<u>\$15,472,455</u>	<u>\$15,472,455</u>	<u>\$ -</u>	<u>\$ -</u>

<b>June 30, 2024</b>		Remaining Maturity (in Months)		
Investment Type	Carrying Amount	12 Months or Less	13 to 24 Months	25 to 60 Months
LAIF	\$13,597,310	\$13,597,310	\$ -	\$ -
Mutual Funds	881,710	881,710	-	-
Investments with Fiscal Agent:				
LAIF	159,228	159,228	-	-
Money Market	6,177	6,177	-	-
Total	<u>\$14,644,425</u>	<u>\$14,644,425</u>	<u>\$ -</u>	<u>\$ -</u>

# CARPINTERIA SANITARY DISTRICT

## Notes to Financial Statements June 30, 2025 and 2024

### 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, 2025 and 2024 for each investment type.

#### June 30, 2025

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt from Disclosure	Ratings as of Year End		
				AAA	Aa	Not Rated
LAIF	\$ 5,153,242	N/A	\$ -	\$ -	\$ -	\$ 5,153,242
CLASS	9,653,541	N/A	-	-	-	9,653,541
Mutual Funds	493,987	N/A	-	-	-	493,987
Investments with Fiscal Agent:						
LAIF	164,939	N/A	-	-	-	164,939
Money Market	6,746	N/A	-	-	-	6,746
Total	<u>\$ 15,472,455</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,472,455</u>

#### June 30, 2024

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt from Disclosure	Ratings as of Year End		
				AAA	Aa	Not Rated
LAIF	\$ 13,597,310	N/A	\$ -	\$ -	\$ -	\$ 13,597,310
Mutual Funds	881,710	N/A	-	-	-	881,710
Investments with Fiscal Agent:						
LAIF	159,228	N/A	-	-	-	159,228
Money Market	6,177	N/A	-	-	-	6,177
Total	<u>\$ 14,644,425</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,644,425</u>

#### 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, 2025 and 2024

### **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, 2025, and June 30, 2024, the District had deposits with financial institutions in excess of federal depository insurance limits of \$283,605 and \$63,046, 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, 2025 and 2024

### **Note 3: Cash and Investments (continued)**

#### Investment in State Investment Pool (continued)

All temporary investments are with the LAIF administered by the State Treasurer's Office. The average annual yield of LAIF for the years ended June 30, 2025 and 2024 was 4.41% and 3.31%, respectively. The estimated amortized cost and fair value of the LAIF Pool at June 30, 2025 was \$178,130,508,152 and \$178,040,738,100 at June 30, 2024. The District's share of the Pool at June 30, 2025 and June 30, 2024 was approximately 0.002893% and 0.008171%, respectively.

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 \$6,786,772,361 for June 30, 2025 and \$5,341,222,143 for June 30, 2024. LAIF's (and the District's) exposure to risk (credit, market or legal) is not currently available.

#### Investment in California CLASS

The District is a voluntary participant in the California CLASS Prime investment pool (Pool). The fair value of the District's investment in the 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 California Class for the entire California Class portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by California Class, which are recorded on an amortized cost basis.

The average annual yield of CLASS for the years ended June 30, 2025 was 5.11%. The estimated amortized cost and fair value of the Pool at June 30, 2025 was \$1,792,879,896. The District's share of the Pool at June 30, 2025 and was approximately 0.5384%.

Investments in the Pool are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest.

# CARPINTERIA SANITARY DISTRICT

## Notes to Financial Statements June 30, 2025 and 2024

### 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, 2025 and 2024

### Note 4: Fair Value Measurements (continued)

Fair value of assets measured on a recurring basis at June 30, 2025 and 2024, are as follows:

#### June 30, 2025

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Uncategorized</u>
LAIF	\$ 5,153,242	\$ 5,153,242
CLASS	9,653,541	9,653,541
Mutual Funds	493,987	493,987
Investments with Fiscal Agent:		
LAIF	164,939	164,939
Money Market	<u>6,746</u>	<u>6,746</u>
Total	<u>\$ 15,472,455</u>	<u>\$ 15,472,455</u>

#### June 30, 2024

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Uncategorized</u>
LAIF	\$ 13,597,310	\$ 13,597,310
Mutual Funds	881,710	881,710
Investments with Fiscal Agent:		
LAIF	159,228	159,228
Money Market	<u>6,177</u>	<u>6,177</u>
Total	<u>\$ 14,644,425</u>	<u>\$ 14,644,425</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, 2025 and 2024

### 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 year ended June 30, 2025, the following amounts are restricted:

<b>June 30, 2025</b>	<u>Fair Value</u>	<u>Uncategorized</u>
<b>Propriety Fund</b>		
<b>Construction Fund:</b>		
Cash and investments restricted for the District's Construction Activities	\$ 3,491,739	\$ 3,491,739
<b>Development impact fees:</b>		
Cash and investments restricted for future capital improvements	30,985	30,985
<b>2012 refunding bonds:</b>		
Cash and investments restricted for bond principal and interest payments	6,746	6,746
 Total Propriety Fund	<u>\$ 3,529,470</u>	<u>\$ 3,529,470</u>
 <b>Fiduciary Funds</b>		
Cash and investments with fiscal agent	\$ 164,939	\$ 164,939
Cash and investments	302,438	302,438
 Total Fiduciary Funds	<u>\$ 467,377</u>	<u>\$ 467,377</u>

# CARPINTERIA SANITARY DISTRICT

## Notes to Financial Statements June 30, 2025 and 2024

### Note 5: Restricted Assets (continued)

For the fiscal year ended June 30, 2024, the following amounts are restricted:

June 30, 2024	<u>Fair Value</u>	<u>Uncategorized</u>
<b>Propriety Fund</b>		
<b>Construction Fund:</b>		
Cash and investments restricted for the District's Construction Activities	\$ 2,490,000	\$ 2,490,000
<b>Development impact fees:</b>		
Cash and investments restricted for future capital improvements	2,434	2,434
<b>2012 refunding bonds:</b>		
Cash and investments restricted for bond principal and interest payments	<u>6,177</u>	<u>6,177</u>
Total Propriety Fund	<u>\$ 2,498,611</u>	<u>\$ 2,498,611</u>
<b>Fiduciary Funds</b>		
Cash and investments with fiscal agent	\$ 159,228	\$ 159,228
Cash and investments	297,705	297,705
Total Fiduciary Funds	<u>\$ 456,933</u>	<u>\$ 456,933</u>

# CARPINTERIA SANITARY DISTRICT

## Notes to Financial Statements June 30, 2025 and 2024

### Note 6: Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance June 30, 2024	Additions	Disposals	Transfers	Balance June 30, 2025
Capital assets, not depreciated					
Land	\$ 233,619	\$ -	\$ -	\$ -	\$ 233,619
Construction in progress	132,549	270,566	(1,460)	-	401,655
Total capital assets, not depreciated	366,168	270,566	(1,460)	-	635,274
Capital assets					
Buildings	7,068,174	-	(26,592)	-	7,041,582
Laboratory and safety equipment	27,105	-	-	-	27,105
Transportation equipment	1,168,665	62,387	(35,847)	5	1,195,210
Office furniture	386,281	-	-	-	386,281
Plant equipment	30,081,030	83,356	-	-	30,164,386
Ocean outfall lines	542,005	-	-	-	542,005
Underground lines	24,725,180	-	-	(5)	24,725,175
Total capital assets at cost	63,998,440	145,743	(62,439)	-	64,081,744
Accumulated depreciation	(25,660,848)	(1,665,233)	56,047	-	(27,270,034)
Net depreciable capital assets	38,337,592	(1,519,490)	(6,392)	-	36,811,710
Total capital assets, net	\$ 38,703,760	\$ (1,248,924)	\$ (7,852)	\$ -	\$ 37,446,984

Depreciation charged to sewer operating expense totaled \$1,665,233 for the year ended June 30, 2025.

# CARPINTERIA SANITARY DISTRICT

## Notes to Financial Statements June 30, 2025 and 2024

### Note 6: Capital Assets (continued)

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Disposals	Transfers	Balance June 30, 2024
Capital assets, not depreciated					
Land	\$ 233,619	\$ -	\$ -	\$ -	\$ 233,619
Construction in progress	88,370	302,659	-	(258,479)	132,549
Total capital assets, not depreciated	321,989	302,659	-	(258,479)	366,168
Capital assets					
Buildings	6,785,591	24,104	-	258,479	7,068,174
Laboratory and safety equipment	49,287	-	(22,182)	-	27,105
Transportation equipment	1,168,665	-	-	-	1,168,665
Office furniture	359,263	43,042	(16,024)	-	386,281
Plant equipment	30,283,316	86,240	(288,526)	-	30,081,030
Ocean outfall lines	542,005	-	-	-	542,005
Underground lines	24,442,872	282,308	-	-	24,725,180
Total capital assets at cost	63,630,999	435,694	(326,732)	258,479	63,998,440
Accumulated depreciation	(24,664,275)	(1,323,305)	326,732	-	(25,660,848)
Net depreciable capital assets	38,966,724	(887,611)	-	258,479	38,337,592
Total capital assets, net	\$ 39,288,713	\$ (584,952)	\$ -	\$ -	\$ 38,703,760

Depreciation charged to sewer operating expense totaled \$1,323,311 for the year ended June 30, 2024.

#### Construction in Progress

Projects in process	June 30, 2025	June 30, 2024
Carpinteria Ave Inverted Siphon Relocation	10,461	10,461
Accounting Management Software	13,748	13,748
Lift Station No. 2 Force Main Realignment	-	1,460
Belt Filter Press Replacement	288,368	106,880
Lift Station No.3 Wetwell Rehabilitation	14,946	-
Battery Energy Storage Project	74,132	-
	<u>\$ 401,655</u>	<u>\$ 132,549</u>

# CARPINTERIA SANITARY DISTRICT

## Notes to Financial Statements June 30, 2025 and 2024

### Note 7: Long-Term Debt

Long-term debt activity for the year ended June 30, 2025 is as follows:

	Balance at June 30, 2024	Additions	Retirements/ Amortization	Balance at June 30, 2025	Due Within One Year
2012 Revenue Bonds	\$ 5,120,000	\$ -	\$ (1,000,000)	\$ 4,120,000	\$ 1,050,000
Construction Loan	3,289,000	-	(248,000)	3,041,000	253,000
Unamortized Premium	494,218	-	(27,457)	466,761	-
	<u>\$ 8,903,218</u>	<u>\$ -</u>	<u>\$ (1,275,457)</u>	<u>\$ 7,627,761</u>	<u>\$ 1,303,000</u>

Long-term debt activity for the year ended June 30, 2024 is as follows:

	Balance at June 30, 2023	Additions	Retirements/ Amortization	Balance at June 30, 2024	Due Within One Year
2012 Revenue Bonds	\$ 6,070,000	\$ -	\$ (950,000)	\$ 5,120,000	\$ 1,000,000
Construction Loan	3,533,000	-	(244,000)	3,289,000	248,000
Unamortized Premium	521,674	-	(27,456)	494,218	-
	<u>\$ 10,124,674</u>	<u>\$ -</u>	<u>\$ (1,221,456)</u>	<u>\$ 8,903,218</u>	<u>\$ 1,248,000</u>

# CARPINTERIA SANITARY DISTRICT

## Notes to Financial Statements June 30, 2025 and 2024

### Note 7: Long-Term Debt (continued)

#### 2012 Wastewater Revenue Bonds

In December 2012, the District issued \$13,630,000 in 2012 Wastewater Revenue Bonds with payments 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 1<sup>st</sup> and August 1<sup>st</sup> 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 1<sup>st</sup> and August 1<sup>st</sup> of each year. The balance of the loan was \$3,041,000 at June 30, 2025 and \$3,289,000 as at June 30, 2024.

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

Year Ending June 30	Principal	Interest	Total
2026	\$ 1,303,000	\$ 162,879	\$ 1,465,879
2027	392,000	149,083	541,083
2028	407,000	138,774	545,774
2029	416,000	129,535	545,535
2030	421,000	120,333	541,333
2031-2035	2,255,000	454,283	2,709,283
2036-2040	1,287,000	198,880	1,485,880
2041-2043	680,000	26,308	706,308
	<u>\$ 7,161,000</u>	<u>\$ 1,380,075</u>	<u>\$ 8,541,075</u>

#### Revenues Pledged

The District has pledged a portion of future sewer revenues and a portion of investment earnings to repay the District's Wastewater Revenue Series 2012. The District's Bonds are payable solely from sewer revenues and a portion of investment earnings. Total principal and interest remaining on the Wastewater Bonds are \$5,228,531, payable through fiscal year 2043. For the current year, principal and interest paid by the sewer revenues and investment earnings were \$1,000,000 and \$160,979.

# CARPINTERIA SANITARY DISTRICT

## Notes to Financial Statements June 30, 2025 and 2024

### Note 8: Compensated Absences

The following is a summary of the activity in Compensated Absences for the years ended June 30, 2025 and 2024:

<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, 2025	\$ 159,727	\$ 93,235	\$ -	\$ 227,751	\$ 118,554	\$ 109,197
June 30, 2024	\$ 163,964	\$ -	\$ (4,237)	\$ 159,727	\$ 25,210	\$ 134,517

### 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, 2025 and 2024

### Note 9: Defined Benefit Pension Plan (continued)

#### General Information about the Pension Plan (continued)

The rate plan provisions and benefits in effect at June 30, 2025 and 2024 are summarized as follows:

	<u>Miscellaneous Plan</u>	
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
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:		
2025	10.870%	7.470%
2024	10.870%	7.470%

**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, 2025 and 2024 were \$504,505 and \$480,135, respectively.

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

As of June 30, 2025, and 2024, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>	
	<u>2025</u>	<u>2024</u>
Miscellaneous	\$ 3,247,634	\$ 3,306,071



# CARPINTERIA SANITARY DISTRICT

## Notes to Financial Statements June 30, 2025 and 2024

### Note 9: Defined Benefit Pension Plan (continued)

#### Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (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, 2025, 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, 2024 rolled forward to June 30, 2025 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, 2025 and 2024 was as follows:

June 30, 2025		June 30, 2024	
	<u>Miscellaneous</u>		<u>Miscellaneous</u>
Proportion - June 30, 2024	0.06612%	Proportion - June 30, 2023	0.06561%
Proportion - June 30, 2025	0.06715%	Proportion - June 30, 2024	0.06612%
Change - Increase (Decrease)	0.00103%	Change - Increase (Decrease)	0.00051%

For the years ended June 30, 2025 and June 30, 2024, the District recognized pension expense of \$379,997 and \$716,862, respectively.

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

	<u>June 30, 2025</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 83,471	\$ -
Differences between expected and actual experience	280,788	10,956
Net differences between projected and actual earnings on plan investments	186,964	-
Difference between employer's contributions and employer's proportionate share of contributions	81,871	7,771
Changes in employer's proportion	9,428	11,815
Pension contributions subsequent to measurement date	618,741	-
Total	<u>\$ 1,261,263</u>	<u>\$ 30,542</u>

# CARPINTERIA SANITARY DISTRICT

## Notes to Financial Statements June 30, 2025 and 2024

### Note 9: Defined Benefit Pension Plan (continued)

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

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 199,605	\$ -
Differences between expected and actual experience	168,890	26,200
Net differences between projected and actual earnings on plan investments	535,283	-
Difference between employer's contributions and employer's proportionate share of contributions	39,967	18,873
Changes in employer's proportion	26,855	18,511
Pension contributions subsequent to measurement date	504,505	-
Total	\$ 1,475,105	\$ 63,584

At June 30, 2025, \$618,741 was reported as deferred outflows of resources related to contributions subsequent to the measurement date and was be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Similarly, at June 30, 2024, \$504,505 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 in the year ended June 30, 2024.

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>
2025	\$ 209,487
2026	445,935
2027	20,627
2029	(64,070)
Thereafter	-
	<u>\$ 611,979</u>

# CARPINTERIA SANITARY DISTRICT

## Notes to Financial Statements June 30, 2025 and 2024

### Note 9: Defined Benefit Pension Plan (continued)

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

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2025 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation date	June 30, 2023
Measurement date	June 30, 2024
Actuarial cost method	Entry Age Normal Cost Method
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
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.

**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% 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.

# CARPINTERIA SANITARY DISTRICT

## Notes to Financial Statements June 30, 2025 and 2024

### Note 9: Defined Benefit Pension Plan (continued)

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

**Discount Rate (continued)** – 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 it has changed its 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, 2025 and 2024

### Note 9: 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.

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10 (1,2)
Global Equity - cap-weighted	30.00%	4.54%
Global Equity - non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021-22 Asset Liability Management study.

**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:

	Miscellaneous	
	2025	2024
1% Decrease	5.90%	5.90%
Net Pension Liability	\$5,173,363	\$5,176,732
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$3,247,634	\$3,306,071
1% Increase	7.90%	7.90%
Net Pension Liability	\$1,662,475	\$1,766,355

**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, 2025 and 2024

### **Note 10: 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 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 11: 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 using current rates.

### **Note 12: 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, 2025 and 2024.

# CARPINTERIA SANITARY DISTRICT

## Notes to Financial Statements June 30, 2025 and 2024

### **Note 13: Assessment District Bonds**

In February 2009, the District issued \$6,053,439 in Assessment District No. 2007-1 Limited Obligation Improvement Bonds to finance the acquisition and construction of public sanitary sewer improvements serving property within the Assessment District. The Bonds are secured by assessments levied on parcels within the Assessment District 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, 2025 and 2024, the remaining balance on the bonds was \$2,960,000 and \$3,095,000, respectively.

### **Note 14: Contingencies**

#### Litigation

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

### **Note 15: Reimbursements**

The District has outstanding reimbursements from the Federal Emergency Management Agency and State of California Office of Emergency Services (OES) for charges incurred for emergency repairs and construction. No amounts were received during the years ended June 30, 2025 and 2024. As of June 30, 2025, the District is still owed \$809,197 in reimbursement funds for the emergency repairs completed in 2022.

### **Note 16: 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 Limits imposed by Propositions 4 and 111 create 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, 2025 and 2024

### Note 16: Appropriations Limit (Continued)

The District's Gann Limit is calculated as follows:

	<u>June 30, 2024</u>	<u>June 30, 2025</u>
Prior Year Appropriation Limit	\$ 5,047,052	\$ 5,195,940
Change in California Per Capita Income	1.0520	0.9480
Change in District's Population	0.9880	0.9880
Change in County Population	0.9760	0.9760
Multiplying Factor		
(Larger of District or County population growth multiplied by income growth)	1.0265	0.9366
New Appropriation Limit	<u>\$ 5,195,940</u>	<u>\$ 4,866,517</u>
Property Tax Collected	<u>837,858</u>	<u>876,691</u>
Under Limit	<u>\$ 4,358,082</u>	<u>\$ 3,989,826</u>

### Note 17: Accounting Changes

#### Change in Accounting Principles

In June 2022, the GASB issued Statement No. 101, Compensated Absences. The guidance in this statement amended the existing disclosure requirements for compensated absences. Under the new guidance, governments will be allowed to disclose only the net change in compensated absences liability. The new standard is effective for fiscal years beginning after December 15, 2023. The District implemented this standard as of July 1, 2024. The implementation of this standard required the District to post a cumulative effect adjustment. It was not practicable to apply this adjustment prior to July 1, 2024 due to the estimates involved in adjusting prior periods. The effects of the adjustment increased the opening balance of compensated absences by \$55,000, and decreased unrestricted net position by \$55,000.

#### Change in Accounting Estimate

For the year ended June 30, 2025, the District changed the useful life estimates for certain plant infrastructure assets. The District reviewed the actual life of this infrastructure and determined that a new useful life more accurately reflected how this infrastructure is used and replaced. The change is being applied prospectively, beginning July 1, 2024. The effect of this change in the current period is an increase of \$314,882 in depreciation expenses and a corresponding decrease in changes in net position for proprietary fund activities.

### Note 18: Subsequent Events and Management Review

Subsequent events have been evaluated through October \_\_, 2025, the date the financial statements were available to be issued.



**CARPINTERIA SANITARY DISTRICT**

Notes to Financial Statements  
June 30, 2025 and 2024

DRAFT 11/17/25 DRAFT

**REQUIRED SUPPLEMENTARY INFORMATION**

**Carpinteria Sanitary District  
California Public Employees' Retirement System  
Required Supplemental Information  
June 30, 2025**

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
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%
2024	0.06612%	\$ 3,306,070	\$ 1,910,653	173.03%	77.96%
2025	0.06715%	\$ 3,247,634	\$ 2,065,642	157.22%	79.91%

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

Fiscal Year	Contractually Required Contribution (Actuarially Determined)	Contributions Related to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
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%
2024	\$ 504,505	\$ 504,505	\$ -	\$ 1,910,653	26.40%
2025	\$ 618,741	\$ 1,454,495	\$ (835,754)	\$ 2,065,642	29.95%

**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, 2025, and the related notes to the financial statements, which collectively comprise Carpinteria Sanitary District basic financial statements, and have issued our report thereon dated October \_\_, 2025.

**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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

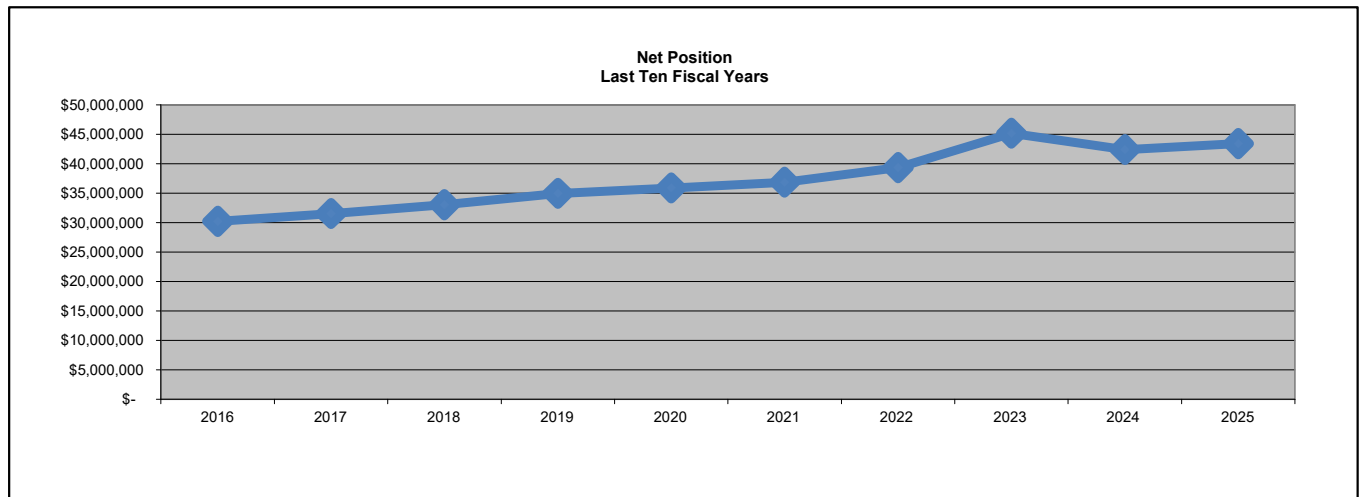
Fechter & Company,  
Certified Public Accountants

Sacramento, California  
October \_\_, 2025

## 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Current Assets	\$ 8,645,818	\$ 9,034,872	\$ 8,836,894	\$ 10,741,949	\$ 11,295,052	\$ 14,966,669	\$ 12,366,127	\$ 10,155,412	\$ 12,395,957	\$ 12,706,148
Restricted Assets	1,245,568	1,052,501	1,090,906	256,345	302,004	348,349	1,165,653	4,076,801	2,498,611	3,529,470
Capital Assets	26,610,300	34,944,129	35,818,808	35,344,561	34,370,329	34,262,171	35,282,614	39,200,343	38,571,205	37,045,329
Construction In Progress	8,484,063	295,580	224,369	725,432	1,439,717	2,154,205	4,371,394	4,371,394	139,336	401,655
Other Assets	0	0	0	0	0	0	0	0	0	0
Deferred Outflows of Resources	115,126	599,895	779,595	634,297	672,110	786,539	768,550	1,506,765	1,475,105	1,261,263
Totals	\$ 45,100,875	\$ 45,926,977	\$ 46,750,572	\$ 47,702,584	\$ 48,079,212	\$ 52,517,933	\$ 53,954,338	\$ 59,310,715	\$ 55,080,214	\$ 54,943,865
Current Liabilities	1,433,453	1,336,758	1,156,053	1,162,216	1,197,761	1,545,390	1,782,594	1,573,775	1,510,583	1,807,636
Noncurrent Liabilities	12,473,274	12,203,271	11,781,485	10,912,377	10,335,592	13,470,482	11,078,822	11,577,762	10,601,588	9,214,831
Total Liabilities	13,906,727	13,540,029	12,937,538	12,074,593	11,533,353	15,015,872	12,861,416	13,151,537	12,112,171	11,022,467
Deferred Inflows of Resources	984,931	844,776	791,378	655,449	661,220	627,864	1,748,205	977,489	557,802	497,303
Net Position	\$ 30,209,217	\$ 31,542,172	\$ 33,021,656	\$ 34,972,542	\$ 35,884,639	\$ 36,874,197	\$ 39,344,717	\$ 45,181,689	\$ 42,410,241	\$ 43,424,095

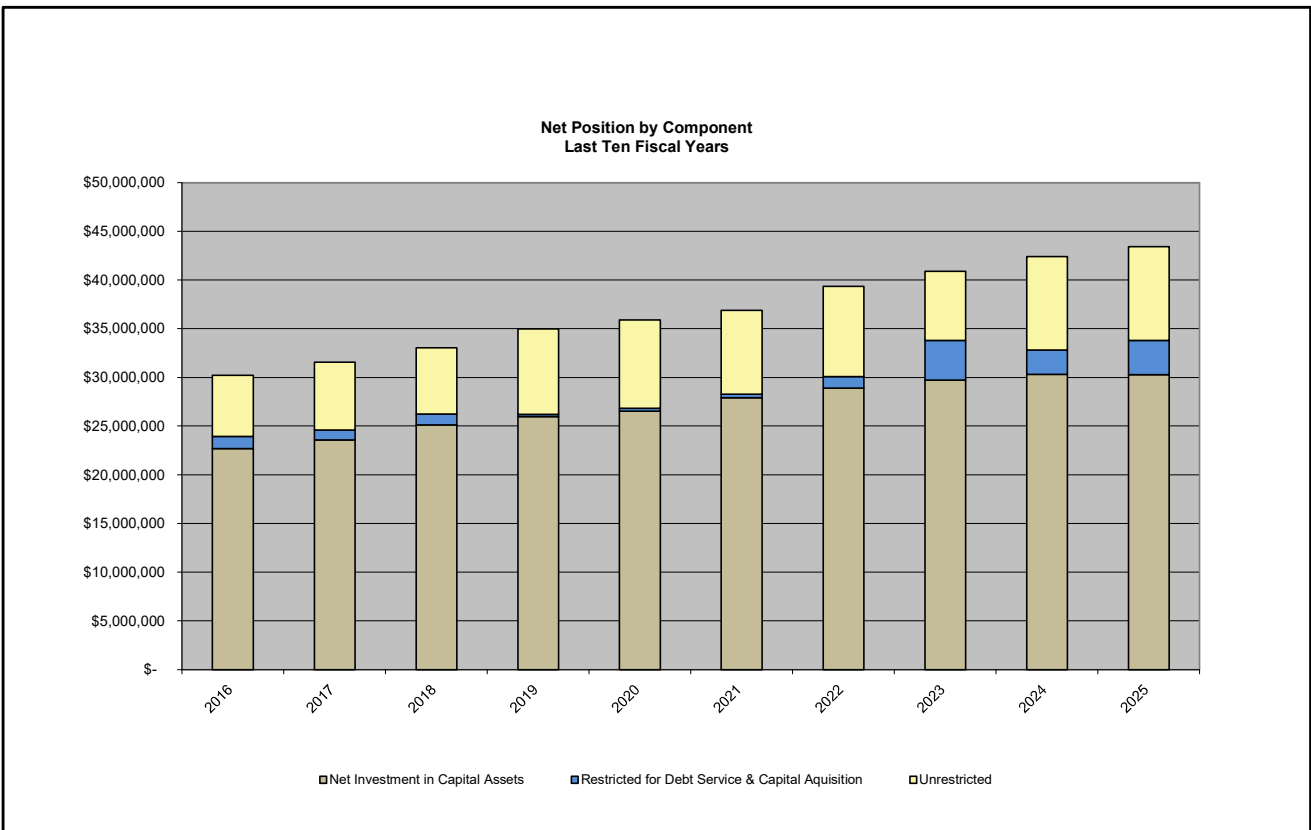


Source: Carpinteria Sanitary District Financial Management

## CARPINTERIA SANITARY DISTRICT

### Net Position by Component Last Ten Fiscal Years

Fiscal Year Ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net Investment in Capital Assets	\$ 22,675,492	\$ 23,563,293	\$ 25,139,219	\$ 25,968,492	\$ 26,536,002	\$ 27,923,488	\$ 28,906,008	\$ 29,715,671	\$ 30,294,754	\$ 30,285,984
Restricted for Debt Service & Capital Acquisition	1,245,568	1,052,501	1,090,906	256,344	302,004	348,349	1,165,653	4,076,801	2,498,611	3,529,470
Unrestricted	6,288,157	6,926,378	6,791,531	8,747,706	9,046,633	8,602,360	9,273,056	7,106,193	9,610,088	9,608,641
Total Net Position	\$ 30,209,217	\$ 31,542,172	\$ 33,021,656	\$ 34,972,542	\$ 35,884,639	\$ 36,874,197	\$ 39,344,717	\$ 40,898,665	\$ 42,403,453	\$ 43,424,095



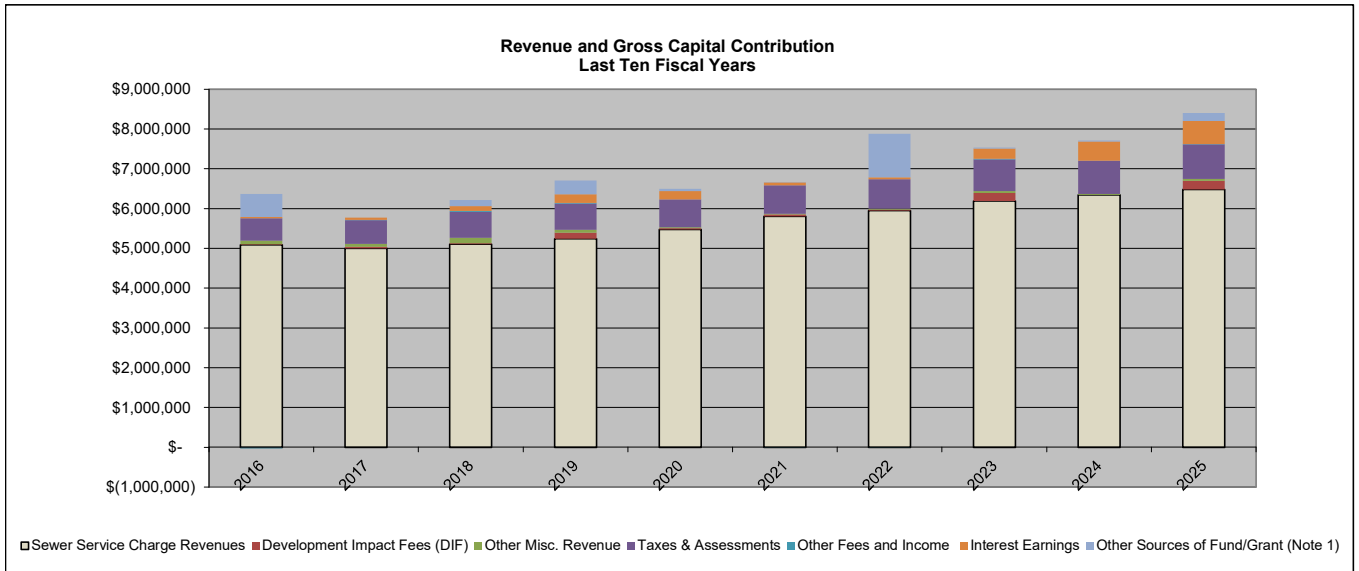
Source: Carpinteria Sanitary District Financial Management



## CARPINTERIA SANITARY DISTRICT

### Revenue and Gross Capital Contribution Last Ten Fiscal Years

Fiscal Year Ended June 30		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating Revenues	Sewer Service Charge Revenues	\$ 5,088,433	\$ 4,996,907	\$ 5,108,684	\$ 5,242,985	\$ 5,477,437	\$ 5,805,885	\$ 5,954,033	\$ 6,190,354	\$ 6,343,655	\$ 6,485,116
	Development Impact Fees (DIF)	12,352	42,008	23,000	152,000	34,265	44,748	16,338	201,042	-	216,602
	Other Misc. Revenue	89,585	71,452	132,606	72,635	23,731	16,356	28,340	50,880	26,254	41,287
Non-operating Revenues	Taxes & Assessments	567,264	600,143	653,501	659,940	699,158	721,897	737,939	796,442	837,858	876,691
	Other Fees and Income	(25,171)	3,664	19,409	13,286	-	(16,271)	(15,800)	15,698	-	3,979
	Interest Earnings	33,972	59,809	124,232	220,067	207,232	73,196	46,425	260,061	483,724	578,648
Other Sources of Fund/Grant (Note 1)		577,251	-	158,092	345,917	53,656	5,976	1,098,712	16,812	20,042	204,787
Totals		\$ 6,343,686	\$ 5,773,983	\$ 6,219,524	\$ 6,706,830	\$ 6,495,479	\$ 6,651,787	\$ 7,865,987	\$ 7,531,289	\$ 7,711,533	\$ 8,407,110



**Note 1:**

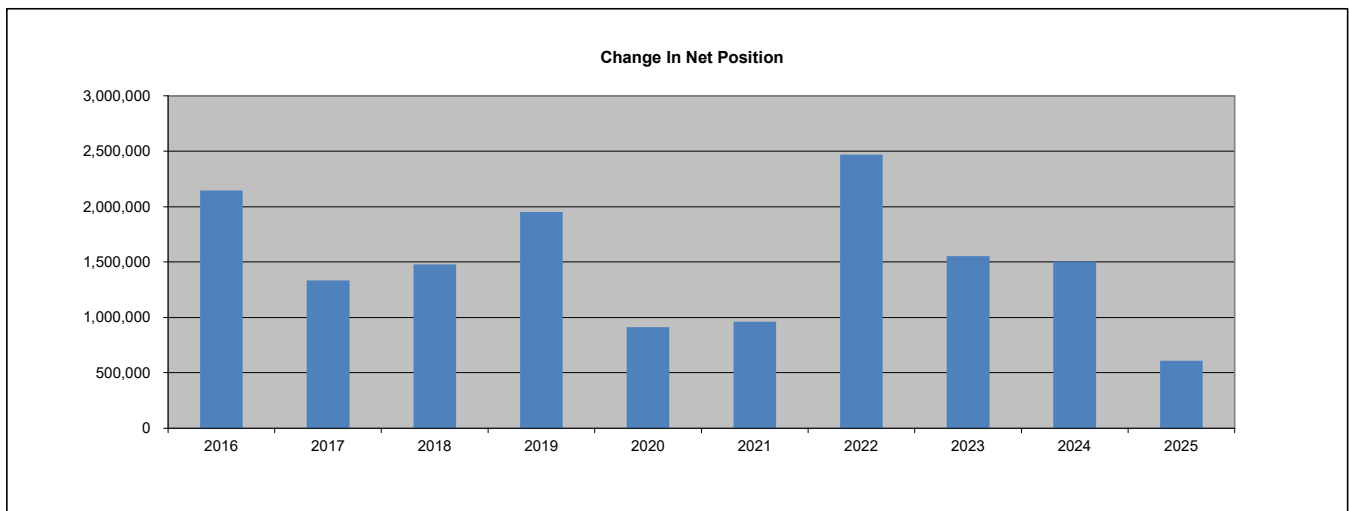
In 2018-2022, the District recovered disaster monies from FEMA

Source: Carpinteria Sanitary District Financial Management

## CARPINTERIA SANITARY DISTRICT

### Change in Net Position Last Ten Fiscal Years

Fiscal Year Ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating Revenue	\$ 5,190,370	\$ 5,110,367	\$ 132,606	\$ 5,467,620	\$ 5,535,433	\$ 5,866,989	\$ 5,982,373	\$ 6,241,234	\$ 6,369,909	\$ 6,526,403
Non-operating Revenue	1,178,487	659,952	935,825	1,239,210	960,046	784,798	1,899,414	1,274,357	1,341,624	1,876,728
Total Revenues	6,368,857	5,770,319	1,068,431	6,706,830	6,495,479	6,651,787	7,881,787	7,515,591	7,711,533	8,403,131
Operating Expenses	4,038,557	3,983,264	4,311,305	4,357,998	5,213,686	5,316,210	5,052,019	5,682,607	5,966,714	7,603,346
Non-operating Expenses	183,861	454,100	409,326	397,946	369,696	373,476	359,248	279,036	240,032	189,543
Total Expenses	4,222,418	4,437,364	4,720,631	4,755,944	5,583,382	5,689,686	5,411,267	5,961,643	6,206,746	7,792,889
Change in Net Position	2,146,439	1,332,955	1,479,484	1,950,886	912,097	962,101	2,470,520	1,553,948	1,504,787	610,242
Beginning Net Position	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	42,403,452
Ending Net Position	\$ 30,209,217	\$ 31,542,172	\$ 33,021,656	\$ 34,972,542	\$ 35,884,639	\$ 36,874,197	\$ 39,344,717	\$ 40,898,665	\$ 42,403,452	\$ 43,013,694



**Note 1:**

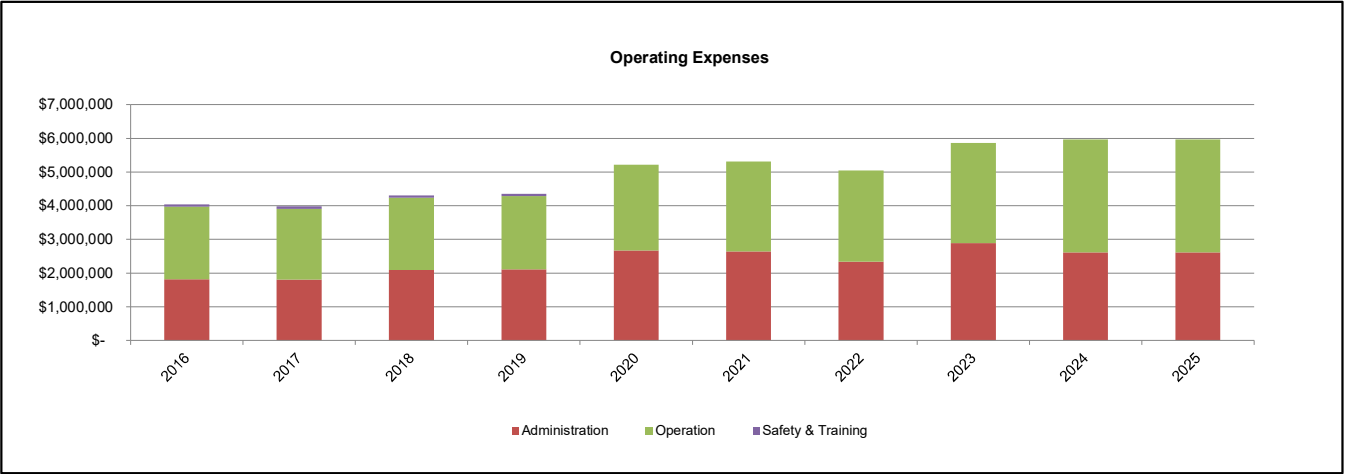
In 2015, beginning net assets was restated for GASB 68 and capitalized interest by (\$573,454)

Source: Carpinteria Sanitary District Financial Management

# CARPINTERIA SANITARY DISTRICT

## Operating Expenses By Department Last Ten Fiscal Years

Fiscal Year Ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Administration	\$ 1,815,377	\$ 1,804,289	\$ 2,096,667	\$ 2,112,368	\$ 2,670,548	\$ 2,640,795	\$ 2,340,670	\$ 2,888,462	\$ 2,619,290	\$ 2,619,290
Operation	2,152,797	2,104,949	2,138,840	2,172,228	2,543,139	2,675,416	2,711,349	2,977,054	3,347,424	3,347,424
Safety & Training	70,383	74,026	75,798	73,403	-	0	0	0	0	0
Totals	\$ 4,038,557	\$ 3,983,264	\$ 4,311,305	\$ 4,357,998	\$ 5,213,686	\$ 5,316,211	\$ 5,052,019	\$ 5,865,517	\$ 5,966,714	\$ 5,966,714

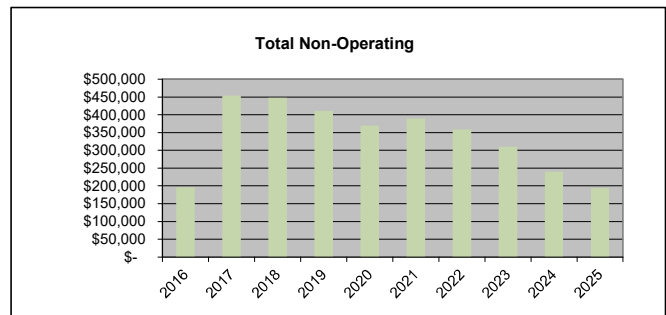
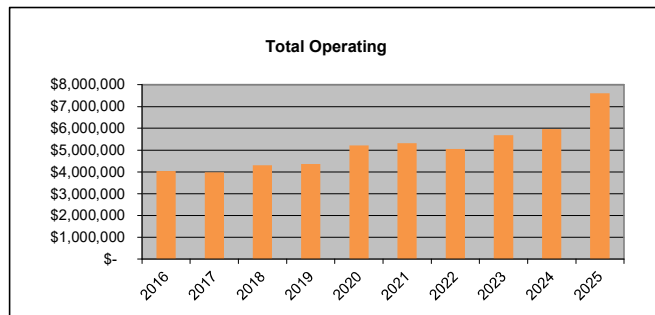


Source: Carpinteria Sanitary District Financial Management

# CARPINTERIA SANITARY DISTRICT

## Operating & Non-Operating Expenses Last Ten Fiscal Years

Fiscal Year Ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Salaries and Benefits	\$ 2,081,622	\$ 1,969,325	\$ 2,243,272	\$ 2,195,216	\$ 3,076,059	\$ 2,905,923	\$ 2,559,742	\$ 2,894,143	\$ 2,780,583	\$ 4,271,219
General Operating Expenses	160,016	190,061	167,906	194,228	190,078	267,016	292,588	314,264	317,287	363,892
Environmental and Monitoring	39,733	35,862	30,872	33,660	42,661	81,761	54,088	52,359	73,105	57,056
Utilities	219,774	186,421	173,898	186,423	203,067	231,890	259,251	300,196	329,069	321,940
Sludge Disposal	87,217	92,614	92,161	101,628	91,280	95,341	125,588	147,982	162,963	166,446
Supplies and Equipment	171,712	161,670	150,275	177,643	177,669	159,170	151,831	154,028	246,914	233,283
Repairs and Maintenance	200,187	187,758	272,875	136,250	222,081	231,948	229,250	286,372	566,020	335,023
Professional Services	101,317	199,694	125,353	237,818	127,780	144,547	204,212	227,209	151,062	173,017
Depreciation Expense	962,963	945,949	1,037,821	1,062,269	1,053,124	1,104,266	1,159,403	1,280,088	1,323,311	1,665,233
Other Expenses	14,016	13,910	16,872	32,863	29,887	94,348	16,066	25,966	16,400	16,237
<b>Total Operating</b>	<b>\$ 4,038,557</b>	<b>\$ 3,983,264</b>	<b>\$ 4,311,305</b>	<b>\$ 4,357,998</b>	<b>\$ 5,213,687</b>	<b>\$ 5,316,210</b>	<b>\$ 5,052,019</b>	<b>\$ 5,682,607</b>	<b>\$ 5,966,714</b>	<b>\$ 7,603,346</b>
Interest Expense	170,850	457,764	428,735	397,946	369,696	373,476	343,448	294,734	240,032	189,543
Other	25,171	(3,664)	19,409	13,286	-	16,271	15,800	15,698	-	3,979
<b>Total Non-Operating</b>	<b>\$ 196,021</b>	<b>\$ 454,100</b>	<b>\$ 448,144</b>	<b>\$ 411,232</b>	<b>\$ 369,696</b>	<b>\$ 389,747</b>	<b>\$ 359,248</b>	<b>\$ 310,432</b>	<b>\$ 240,032</b>	<b>\$ 193,522</b>

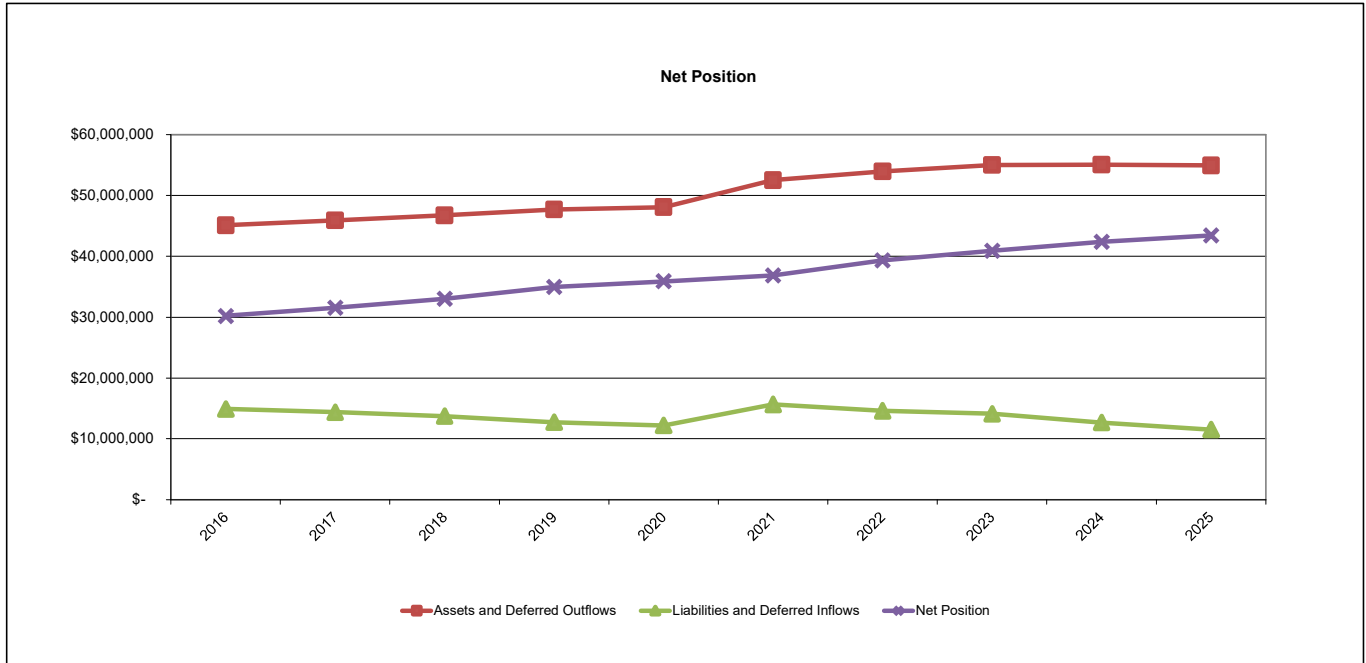


Note 1: Non-Operating Expenses ("Other" Category) includes gain or loss on disposal of capital assets  
Note 2: In 2015, lower Interest expense due to Interest Capitalization  
Source: Carpinteria Sanitary District Financial Management

## CARPINTERIA SANITARY DISTRICT

### Financial Trend Data Last Ten Years

Fiscal Year Ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Assets and Deferred Outflows	\$ 45,100,875	\$ 45,926,975	\$ 46,750,572	\$ 47,702,584	\$ 48,079,212	\$ 52,517,933	\$ 53,954,338	\$ 55,027,691	\$ 55,073,427	\$ 54,943,865
Liabilities and Deferred Inflows	14,891,658	14,384,803	13,728,916	12,730,042	12,194,573	15,643,736	14,609,621	14,129,026	12,669,973	11,519,770
Net Position	\$ 30,209,217	\$ 31,542,172	\$ 33,021,656	\$ 34,972,542	\$ 35,884,639	\$ 36,874,197	\$ 39,344,717	\$ 40,898,665	\$ 42,403,454	\$ 43,424,095

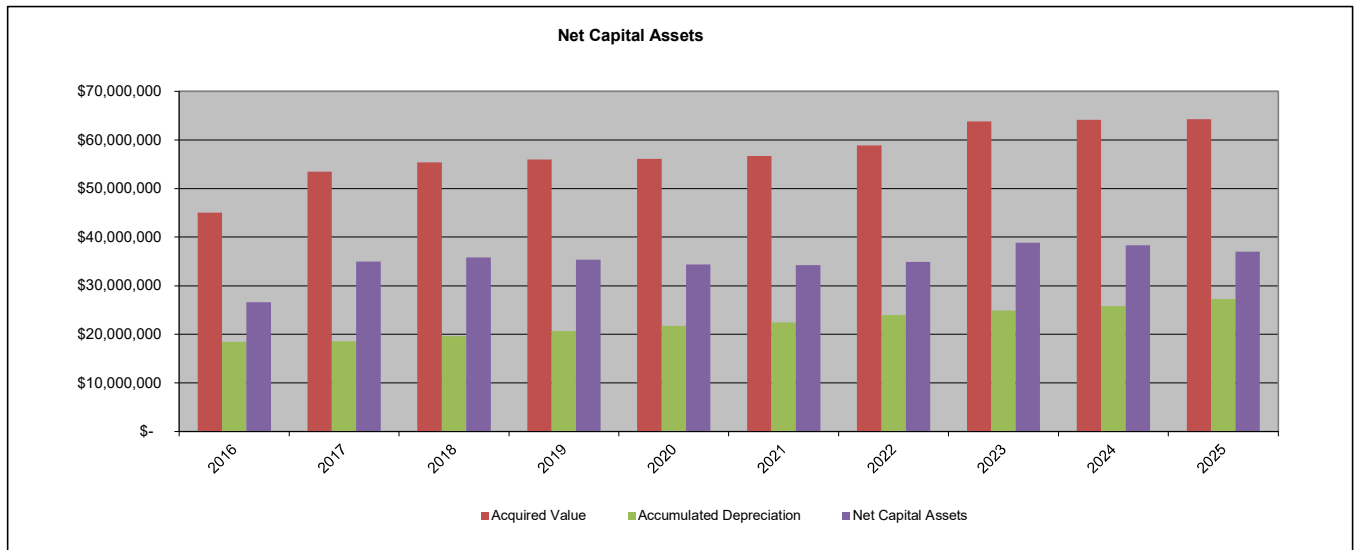


Source: Carpinteria Sanitary District Financial Management

## CARPINTERIA SANITARY DISTRICT

### Capital Assets Summary Last Ten Fiscal Years

Fiscal Year Ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Acquired Value	\$ 45,078,516	\$ 53,512,131	\$ 55,433,766	\$ 56,016,737	\$ 56,123,085	\$ 56,703,205	\$ 58,852,398	\$ 63,815,637	\$ 64,156,486	\$ 64,266,388
Accumulated Depreciation	18,468,216	18,568,005	19,614,957	20,672,176	21,752,756	22,441,034	23,932,041	24,905,257	25,811,542	27,267,096
Net Capital Assets	\$ 26,610,300	\$ 34,944,126	\$ 35,818,809	\$ 35,344,561	\$ 34,370,329	\$ 34,262,171	\$ 34,920,357	\$ 38,910,380	\$ 38,344,945	\$ 36,999,292



Source: Carpinteria Sanitary District Financial Management

# CARPINTERIA SANITARY DISTRICT

## Capital Assets Summary Last Ten Fiscal Years

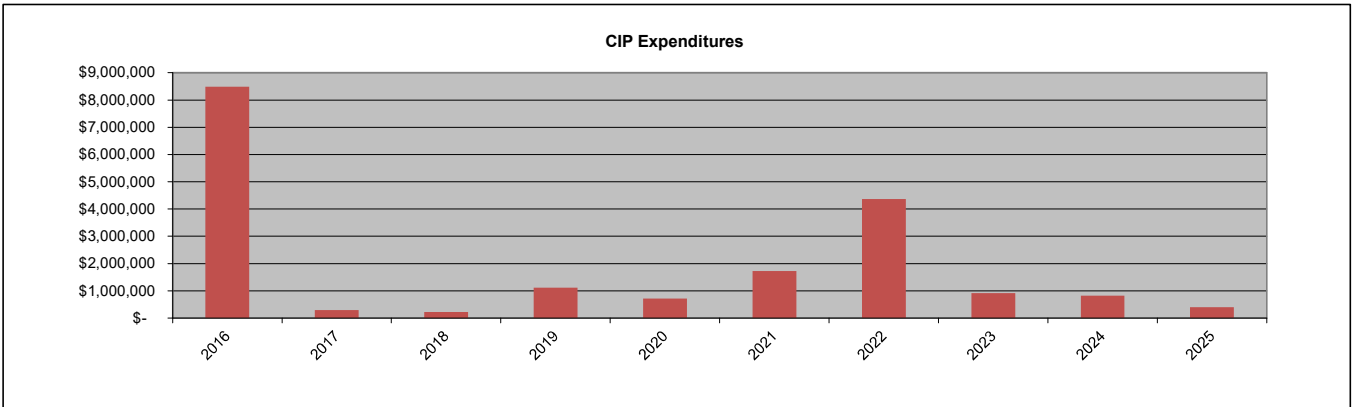
	Acquired Value	Accumulated Depreciation	Acquired Value	Accumulated Depreciation	Acquired Value	Accumulated Depreciation	Acquired Value	Accumulated Depreciation	Acquired Value	Accumulated Depreciation
	6/30/2016	6/30/2016	6/30/2017	6/30/2017	6/30/2018	6/30/2018	6/30/2019	6/30/2019	6/30/2020	6/30/2020
Land	233,619	-	233,619	-	233,619	-	233,619	-	233,619	-
Lab & Safety Equipment	45,085	36,090	45,085	37,379	45,085	38,668	45,085	39,957	45,085	40,850
Building	2,305,736	1,126,608	2,320,706	1,204,839	2,320,706	1,287,328	2,320,706	1,369,662	2,344,483	1,453,581
Autos & Mobile Equipment	865,842	413,401	933,155	420,522	992,832	465,756	1,073,232	478,004	1,087,452	512,386
Ocean Outfall	301,369	168,374	301,369	175,592	301,369	182,810	301,369	190,028	301,369	197,246
Plant	18,454,854	9,519,832	27,301,979	9,947,238	27,325,238	10,515,201	27,827,810	11,108,729	27,896,161	11,704,656
Underground Lines	21,787,550	6,239,856	22,014,000	6,564,964	23,852,697	6,892,327	23,852,697	7,237,533	23,852,697	7,580,378
Office Equipment & Furniture	1,084,461	964,055	362,219	217,471	362,219	232,867	362,219	248,263	362,219	263,659
Totals	45,078,516	18,468,216	53,512,131	18,568,005	55,433,766	19,614,957	56,016,737	20,672,176	56,123,085	21,752,756
Net of Capital Assets	<u>26,610,300</u>		<u>34,944,127</u>		<u>34,944,127</u>		<u>35,818,809</u>		<u>35,344,561</u>	
	Acquired Value	Accumulated Depreciation	Acquired Value	Accumulated Depreciation	Acquired Value	Accumulated Depreciation	Acquired Value	Accumulated Depreciation	Acquired Value	Accumulated Depreciation
	6/30/2021	6/30/2021	6/30/2022	6/30/2022	6/30/2023	6/30/2023	6/30/2024	6/30/2024	6/30/2025	6/30/2025
Land	233,619	-	233,619	-	233,619	-	233,619	-	233,619	-
Lab & Safety Equipment	45,085	41,642	45,085	42,437	49,286	38,055	27,105	17,338	27,105	17,478
Building	1,990,863	1,172,159	1,990,863	1,252,448	6,785,590	1,434,801	7,041,581	1,598,679	7,041,581	1,796,328
Autos & Mobile Equipment	1,106,068	547,232	1,129,555	563,091	1,168,665	421,915	1,168,665	485,519	1,195,210	594,909
Ocean Outfall	542,005	181,661	542,005	193,691	542,005	205,721	542,005	205,721	542,005	227,073
Plant	28,116,048	12,307,697	30,158,116	13,242,782	30,283,316	13,897,744	30,081,030	14,245,488	30,164,387	14,918,787
Underground Lines	24,300,717	7,928,760	24,393,892	8,363,714	24,393,892	8,611,610	24,676,200	8,953,574	24,676,200	9,369,159
Office Equipment & Furniture	368,800	261,883	359,263	273,878	359,263	295,411	386,282	305,224	386,282	343,361
Totals	56,703,205	22,441,034	58,852,398	23,932,041	63,815,637	24,905,257	64,156,486	25,811,542	64,266,388	27,267,096
Net of Capital Assets	<u>34,370,329</u>		<u>34,920,357</u>		<u>38,910,380</u>		<u>38,344,945</u>		<u>36,999,292</u>	

Source: Carpinteria Sanitary District Financial Management

**CARPINTERIA SANITARY DISTRICT**

Capital Improvement Projects Expenditures  
Last Ten Years

Fiscal Year Ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
CIP Expenditures	\$ 8,484,063	\$ 295,580	\$ 224,369	\$ 1,116,542	\$ 714,285	\$ 1,728,893	\$ 4,371,394	\$ 923,973	\$ 827,847	\$ 408,463



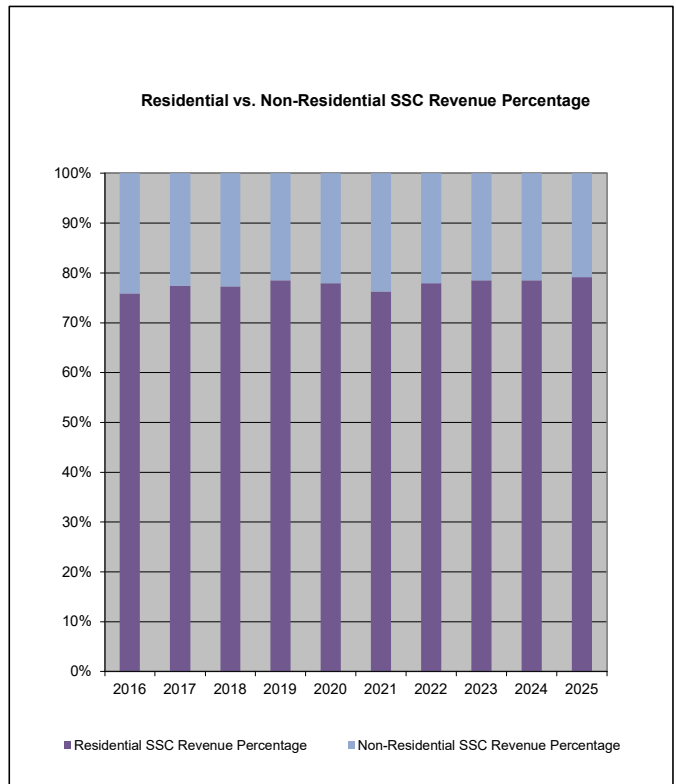
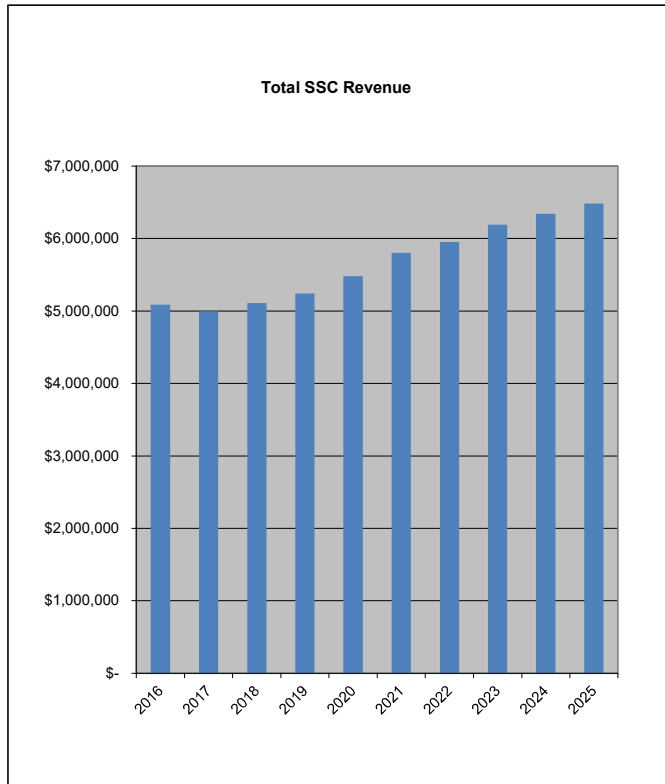
Source: Carpinteria Sanitary District Financial Management



## CARPINTERIA SANITARY DISTRICT

### Sewer Service Charge (SSC) Summary Last Ten Fiscal Years

Fiscal Year Ended June 30		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Residential	Number of Residential Units	6,284	6,290	6,293	6,300	6,313	6,301	6,338	6,402	6,405	6,412
	Residential SSC Revenue	\$ 3,859,381	\$ 3,868,830	\$ 3,949,013	\$ 4,115,743	\$ 4,269,687	\$ 4,429,890	\$ 4,636,316	\$ 4,831,734	\$ 4,979,094	\$ 5,134,088
	SSC Revenue Percentage	75.8%	77.4%	77.3%	78.5%	77.9%	76.3%	77.9%	78.5%	78.5%	79.2%
Non-Residential	No. of Non-Residential Customers	536	520	520	580	580	555	554	554	557	557
	Non-Residential SSC Revenue	\$ 1,229,052	\$ 1,128,077	\$ 1,159,671	\$ 1,127,242	\$ 1,211,298	\$ 1,375,995	\$ 1,317,717	\$ 1,358,620	\$ 1,364,561	\$ 1,351,028
	SSC Revenue Percentage	24.2%	22.6%	22.7%	21.5%	22.1%	23.7%	22.1%	21.5%	21.5%	20.8%
Total SSC Revenue		\$ 5,088,433	\$ 4,996,907	\$ 5,108,684	\$ 5,242,985	\$ 5,480,984	\$ 5,805,885	\$ 5,954,033	\$ 6,190,354	\$ 6,343,655	\$ 6,485,116



Source: Carpinteria Sanitary District Financial Management

## CARPINTERIA SANTIARY DISTRICT

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

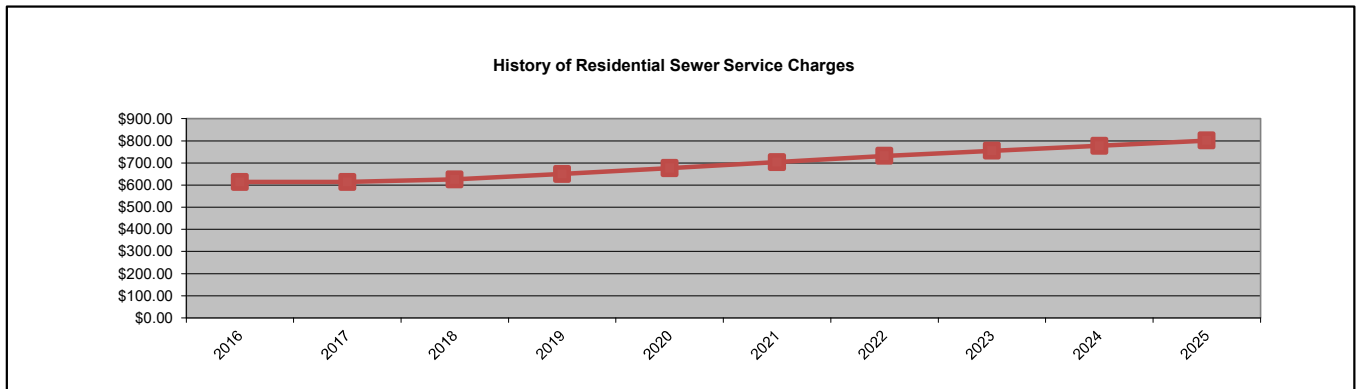
2024/2025				2023/2024			
Parcel Number	Property Address	SSC Charge	<u>% of total</u> Non-Residential	Parcel Number	Property Address	SSC Charge	<u>% of total</u> Non-Residential
001-070-063	1000 Casitas Pass Road	\$ 105,972	7.84%	001-070-063	1000 Casitas Pass Road	\$ 104,523	7.66%
001-070-009	5606 Carpinteria Ave.	\$ 83,436	6.18%	001-070-009	5606 Carpinteria Ave.	\$ 84,397	6.18%
004-036-024	4558 Carpinteria Ave.	\$ 59,247	4.39%	004-036-024	4558 Carpinteria Ave.	\$ 57,761	4.23%
001-070-039	5550 Carpinteria Ave.	\$ 43,789	3.24%	001-070-039	5550 Carpinteria Ave.	\$ 42,181	3.09%
004-013-016	4200 Via Real	\$ 42,314	3.13%	004-013-016	4200 Via Real	\$ 40,744	2.99%
001-190-038	1000 Cindy Lane	\$ 34,315	2.54%	001-190-038	1000 Cindy Lane	\$ 36,106	2.65%
003-510-001	State of California/State Park	\$ 33,390	2.47%	003-101-018	5585 Carpinteria Ave	\$ 31,904	2.34%
001-190-085	1170 Mark Ave	\$ 28,543	2.11%	003-510-001	State of California/State Park	\$ 30,030	2.20%
003-520-003	State of California/State Park	\$ 25,715	1.90%	001-070-060	4416 Via Real	\$ 23,376	1.71%
001-070-060	1025 Casitas Pass Road	\$ 24,986	1.85%	003-520-003	State of California/State Park	\$ 21,286	1.56%
Total Ten Rate Payers		\$ 481,708	35.65%	Total Ten Rate Payers		\$ 472,308	34.61%
Total Non-Residential		\$ 1,351,028		Total Non-Residential		\$ 1,364,561	
2022/2023				2021/2022			
Parcel Number	Property Address	SSC Charge	<u>% of total</u> Non-Residential	Parcel Number	Property Address	SSC Charge	<u>% of total</u> 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	<u>% of total</u> Non-Residential	Parcel Number	Property Address	SSC Charge	<u>% of total</u> 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	

Source: Carpinteria Sanitary District Financial Management

## CARPINTERIA SANITARY DISTRICT

### History of Residential Sewer Service Charges Last Ten Fiscal Years

Fiscal Year Ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual SSC	\$614.16	\$614.16	\$625.31	\$650.33	\$676.35	\$703.41	\$731.55	\$754.72	\$777.37	\$800.70
Monthly Rate	\$51.18	\$51.18	\$52.11	\$54.19	\$56.36	\$58.62	\$60.96	\$62.89	\$64.78	\$66.73

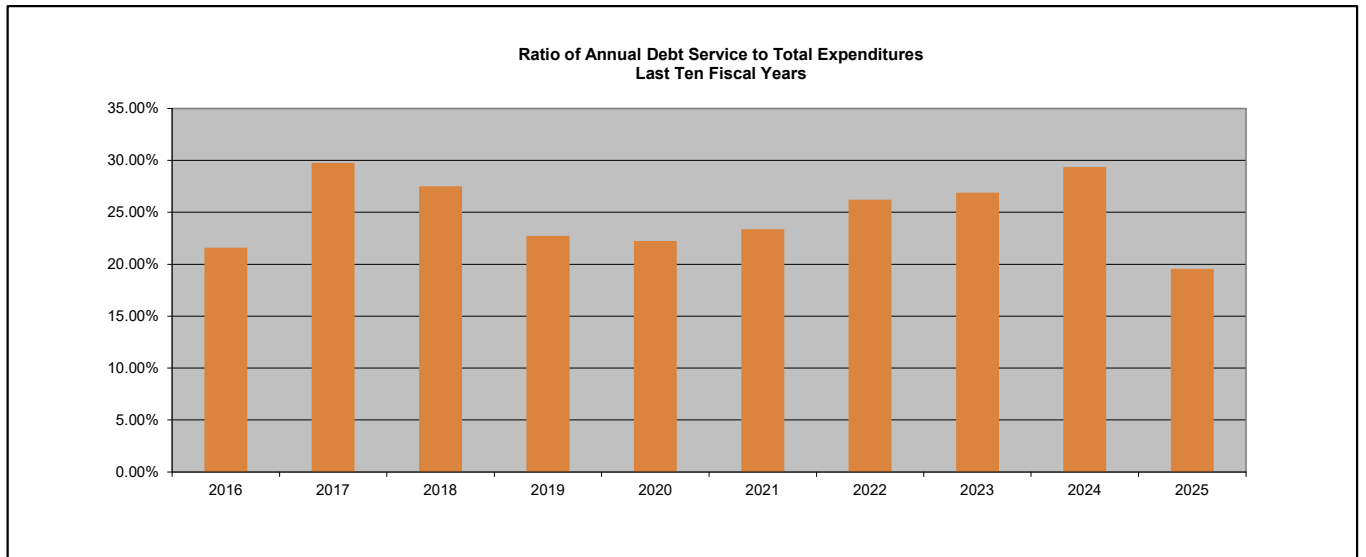


Source: Carpinteria Sanitary District Financial Management

## CARPINTERIA SANITARY DISTRICT

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

Fiscal Year Ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Principal	\$ 690,000	\$ 715,000	\$ 745,000	\$ 775,000	\$ 800,000	\$ 830,000	\$ 1,145,000	\$ 1,234,000	\$ 1,510,583	\$ 1,248,000
Interest	182,350	469,624	441,094	410,807	381,306	350,741	343,448	294,734	240,032	237,345
Total Debt Service	872,350	1,184,624	1,186,094	1,185,807	1,181,306	1,180,741	1,488,448	1,528,734	1,750,615	1,485,345
Total Operating Expense	\$ 4,038,557	\$ 3,983,264	\$ 4,311,305	\$ 5,213,686	\$ 5,316,210	\$ 5,052,019	\$ 5,682,607	\$ 5,682,607	\$ 5,966,714	\$ 7,603,346
Ratio of Debt Service to Total Operating Expense	21.60%	29.74%	27.51%	22.74%	22.22%	23.37%	26.19%	26.90%	29.34%	19.54%

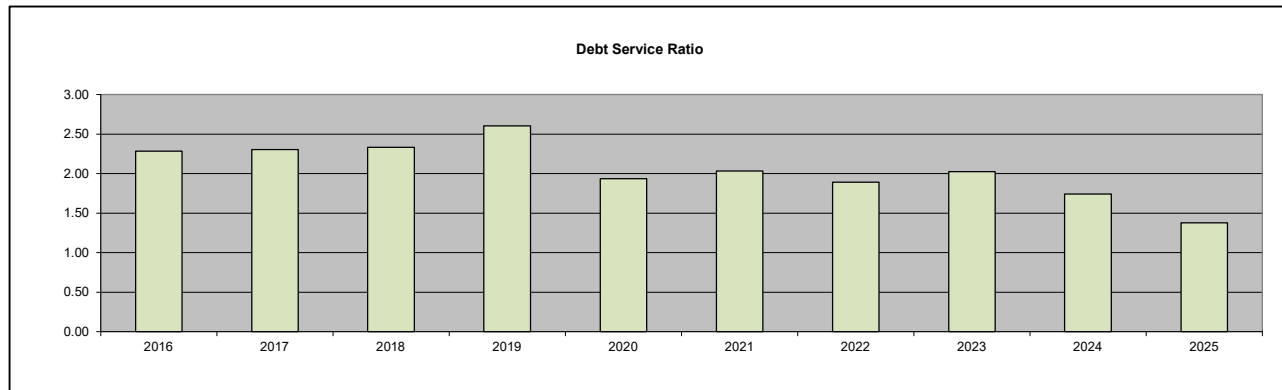


Source: Carpinteria Sanitary District Financial Management

# CARPINTERIA SANITARY DISTRICT

## Debt Service Ratio Last Ten Years

Fiscal Year Ended June 30		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues	Sewer Service Charge Revenues	\$ 5,088,433	\$ 4,996,907	\$ 5,108,684	\$ 5,242,985	\$ 5,477,437	\$ 5,805,885	\$ 5,954,033	\$ 6,190,354	\$ 6,343,655	\$ 6,485,116
	Taxes & Assessments	567,264	600,143	653,501	659,940	679,112	696,239	737,939	796,442	837,858	876,691
	Other Fees and Income	101,937	113,460	155,606	224,635	78,041	86,762	44,678	251,922	26,254	41,287
	Interest Earnings	33,972	59,809	124,232	220,067	214,838	73,196	46,425	260,061	483,724	578,648
	Totals	5,791,606	5,770,319	6,042,023	6,347,627	6,449,428	6,662,082	6,783,075	7,498,779	7,691,491	7,981,742
	Other Sources of Fund/Grant/Dedications (1)	577,251	-	158,092	345,917	53,656	5,976	1,098,712	16,812	20,042	204,787
Total Revenues		\$ 6,368,857	\$ 5,770,319	\$ 6,200,115	\$ 6,693,544	\$ 6,503,084	\$ 6,668,058	\$ 7,881,787	\$ 7,515,591	\$ 7,711,533	\$ 8,186,529
Operating Expenses	Salaries and Wages	1,427,156	1,463,517	1,465,961	1,456,171	1,558,086	1,609,140	1,686,319	1,707,534	1,898,174	2,098,776
	Employee Benefits	654,466	505,808	777,311	739,045	1,517,973	1,296,783	873,423	1,186,609	882,409	2,172,443
	General Operating Expenses	160,016	190,061	167,906	194,228	190,078	267,016	292,588	314,264	317,287	363,892
	Environmental and Monitoring	39,733	35,862	30,872	33,660	42,661	81,761	54,088	52,359	73,105	57,056
	Utilities	219,774	186,421	173,898	186,423	203,067	231,890	259,251	300,196	329,069	321,940
	Sludge Disposal	87,217	92,614	92,161	101,628	91,280	95,341	125,588	147,982	162,963	166,446
	Supplies and Equipment	171,712	161,670	150,275	177,643	177,669	159,170	151,831	154,028	246,914	233,283
	Repairs and Maintenance	200,187	187,758	272,875	136,250	222,081	231,948	229,250	286,372	566,020	335,023
	Professional and Contract Services	101,317	199,694	125,353	237,818	127,780	144,547	204,212	227,209	151,062	173,017
	Depreciation and Amortization	962,963	945,949	1,037,821	1,062,269	1,053,124	1,104,266	1,159,403	1,280,088	1,323,311	1,665,233
	Other Expenses	14,016	13,910	16,872	32,863	29,887	94,348	16,066	25,966	16,400	16,237
	Total Operating Expenses (2)	\$ 4,038,557	\$ 3,983,264	\$ 4,311,305	\$ 4,357,998	\$ 5,213,687	\$ 5,316,210	\$ 5,052,019	\$ 5,682,607	\$ 5,966,714	\$ 7,603,346
	Operating Exp. Inc.(Dec.)	-4.2%	-1.4%	8.2%	1.1%	19.6%	2.0%	-5.0%	12.5%	5.0%	27.4%
	Revenue in Excess of Oper. Exp.	2,330,300	1,787,055	1,888,810	2,335,546	1,289,397	1,351,848	2,829,768	1,832,984	1,744,819	583,183
	Scheduled Installment Payment	1,188,563	1,185,463	1,186,263	1,172,946	1,181,306	1,203,476	1,528,734	1,528,734	1,750,615	1,485,345
	Capital Improvement Projects (CIP)	\$ 8,484,063	\$ 295,580	\$ 1,868,748	\$ 725,432	\$ 426,778	\$ 1,728,892	\$ 923,973	\$ 923,973	\$ 827,847	\$ 408,463
	Debt Services Ratio (>1.25%), (3)	2.29	2.31	2.33	2.60	1.94	2.04	1.89	2.03	1.74	1.38



(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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Current Outstanding Debt	\$ 690,000	\$ 715,000	\$ 745,000	\$ 775,000	\$ 800,000	\$ 1,092,000	\$ 1,145,000	\$ 1,194,000	\$ 1,510,583	\$ 1,807,636
Long Term Outstanding Debt	11,705,000	10,990,000	10,245,000	9,470,000	8,670,000	10,748,000	11,297,131	10,124,674	10,601,588	9,214,831
Total Outstanding Debt	12,395,000	11,705,000	10,990,000	10,245,000	9,470,000	11,840,000	12,442,131	11,318,674	12,112,171	11,022,467
Median Family Income	70,113	60,273	60,618	65,467	72,901	76,651	78,349	101,672	104,233	104,233
Debt as a Percentage of Median Family Income	0.57%	0.51%	0.55%	0.64%	0.77%	0.65%	0.63%	0.90%	0.86%	0.95%
Population	13,442	13,794	13,928	13,943	13,849	16,462	13,154	13,197	12,744	12,904
Debt per Capita	\$ 922	\$ 849	\$ 789	\$ 735	\$ 684	\$ 719	\$ 946	\$ 858	\$ 950	\$ 854
Personal Income, Total	\$639,839,200	\$685,561,800	\$695,007,200	\$748,739,100	\$508,119,810	\$766,026,246	\$663,869,226	\$685,544,559	\$666,549,432	\$759,606,864
Debt Outstanding Percentage	1.9%	1.7%	1.6%	1.4%	1.9%	1.5%	1.9%	1.7%	1.8%	1.5%
Per Capita Personal Income	\$ 47,600	\$ 49,700	\$ 49,900	\$ 53,700	\$ 36,690	\$ 46,533	\$ 50,469	\$ 51,947	\$ 52,303	\$ 58,866
Unemployment Rate	5.4%	4.7%	4.9%	4.9%	3.9%	5.9%	3.6%	3.8%	5.3%	4.7%

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	
6/30/2035					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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Population	13,928	13,943	13,849	16,336	16,702	16,462	13,154	13,197	12,744	12,904
Personal Income Total	\$ 715,759,920	\$ 748,739,100	\$ 508,119,810	\$ 692,728,080	\$ 743,339,212	\$ 766,026,246	\$ 663,869,226	\$ 685,544,559	\$ 666,549,432	\$ 759,606,864
Per Capita Personal Income	\$ 51,390	\$ 53,700	\$ 36,690	\$ 42,405	\$ 44,506	\$ 46,533	\$ 50,469	\$ 51,947	\$ 52,303	\$ 58,866
Unemployment Rate	4.9%	4.3%	3.9%	3.4%	11.5%	5.9%	3.6%	3.8%	5.3%	4.7%

Source: CA HomeTownLocator which uses GNIS and ESRI demographic models to collect data. (As of July 1, 2025)  
Unemployment rate - [www.bls.gov](http://www.bls.gov) for Santa Barbara County (As of June 2025)

## CARPINTERIA SANITARY DISTRICT

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

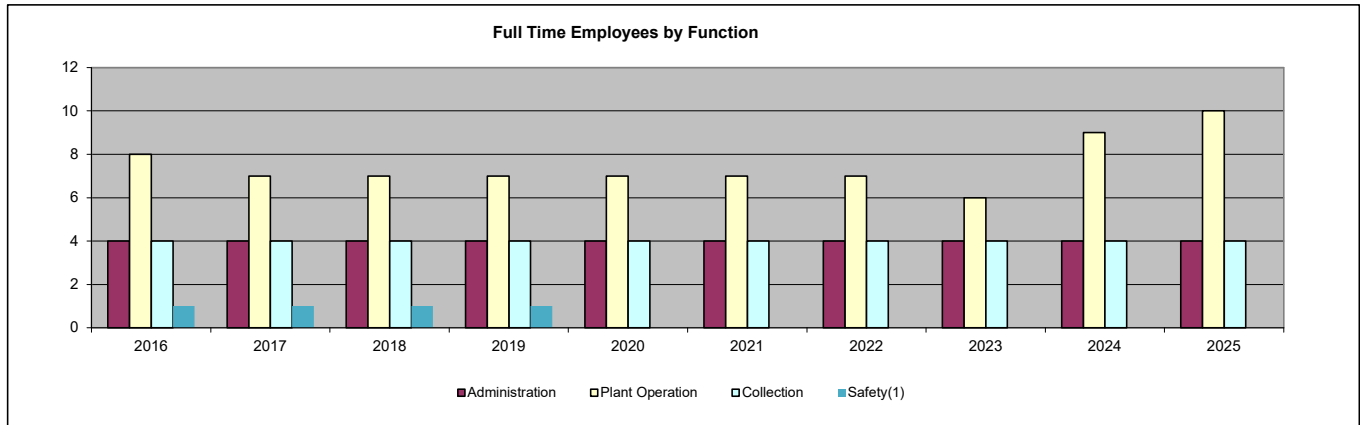
Fiscal Year Ended June 30, 2025				Fiscal Year Ended June 30, 2024			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
Procore	850	1	9.14%	Procore	850	1	9.14%
Agilent (formerly DAKO)	400	2	4.30%	Agilent (formerly DAKO)	408	2	4.39%
Carpinteria Unified	365	3	3.92%	Carpinteria Unified	322	3	3.46%
LinkedIn	312	4	3.35%	LinkedIn	240	4	2.58%
Gigavac	232	5	2.49%	Plan Member Services	185	5	1.99%
Plan Member Services	168	6	1.81%	Bega US	167	6	1.80%
Bega US	160	7	1.72%	Freudenberg Medical, LLC	163	7	1.75%
Albertsons	120	8	1.29%	Jimenez Nursery	115	8	1.24%
Jimenez Nursery	115	9	1.24%	Albertsons	94	9	1.01%
Freudenberg Medical	90	10	0.97%	Gigavac	92	10	0.99%
Total	2812		43.26%	Total	2636		40.55%
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%	Nusil Technology			
Gigavac	248	6	2.67%	Gigavac			
Bega US	166	7	1.78%	Bega US			
AGIA, Inc.	121	8	1.30%	AGIA, Inc.			
Continental Auto Systems	116	9	1.25%	Continental Auto Systems			
Albertsons	100	10	1.08%	Albertsons			
Total	2972		45.72%	Total			

Source: City of Carpinteria Website - [http://www.carpinteria.ca.us/edd/top\\_employers.shtml](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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Administration	4	4	4	4	4	4	4	4	4	4
Plant Operation	8	7	7	7	7	7	7	6	9	10
Collection	4	4	4	4	4	4	4	4	4	4
Safety(1)	1	1	1	1	0	0	0	0	0	0
Totals	17	16	16	16	15	15	15	14	17	18



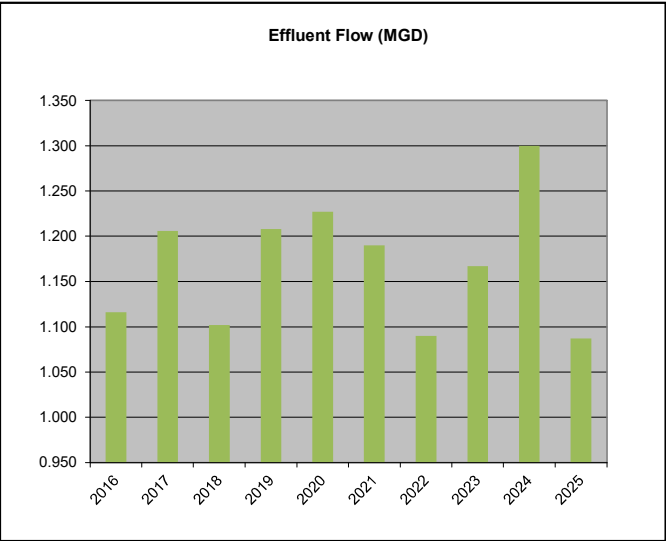
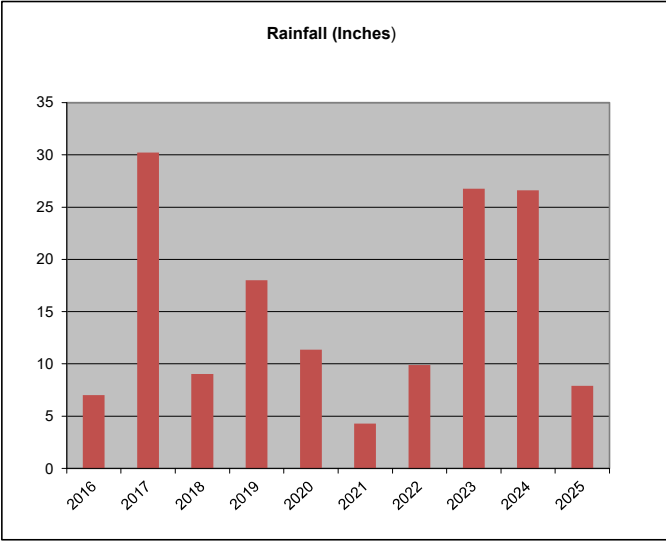
Note 1: Safety position eliminated in March 2019

Source: Carpinteria Sanitary District Financial Management

# CARPINTERIA SANITARY DISTRICT

## Treatment Plant Flow Data Last Ten Fiscal Years

Fiscal Year Ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual Rainfall (inches)	7.03	30.21	9.04	18.02	11.37	4.28	9.88	26.77	26.61	7.9
Effluent Flow (AMGD)	1.116	1.206	1.102	1.208	1.227	1.190	1.090	1.167	1.300	1.087

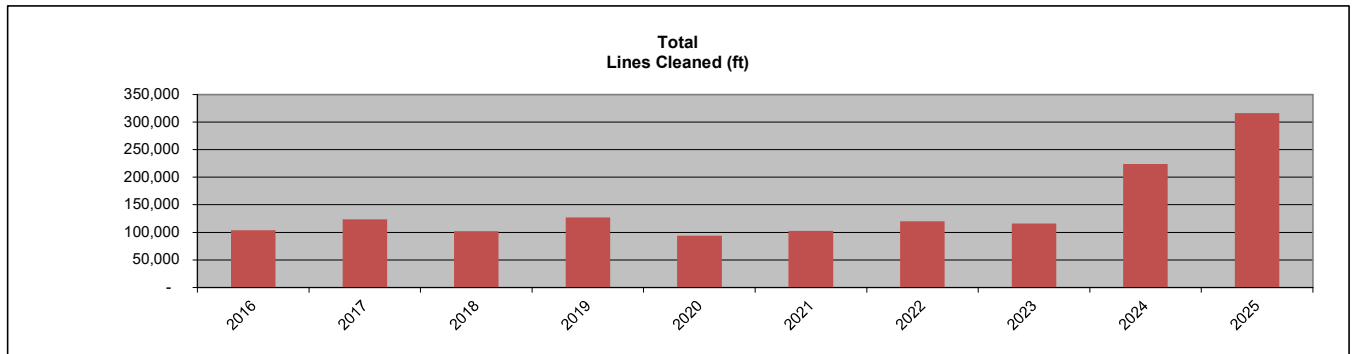


Source: Carpinteria Sanitary District Wastewater Management Data

## CARPINTERIA SANITARY DISTRICT

### Collection System Statistics - Pipeline Hydro Cleaning Last Ten Fiscal Years

Fiscal Year Ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Cleaned (ft.)	103,785	123,607	102,021	127,061	94,054	102,912	120,071	115,982	223,795	316,294
Monthly Average (ft.)	8,649	10,301	8,502	10,588	7,838	8,576	10,006	9,665	18,650	26,358

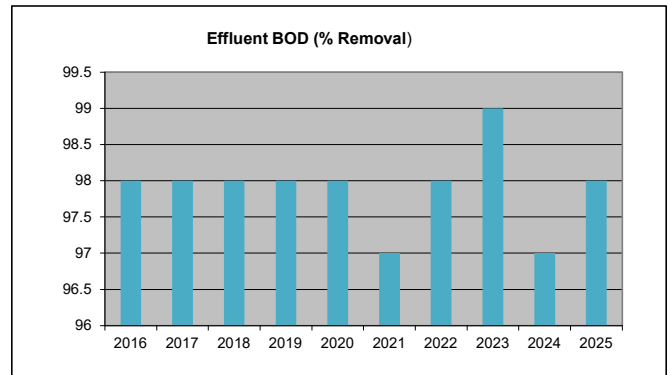
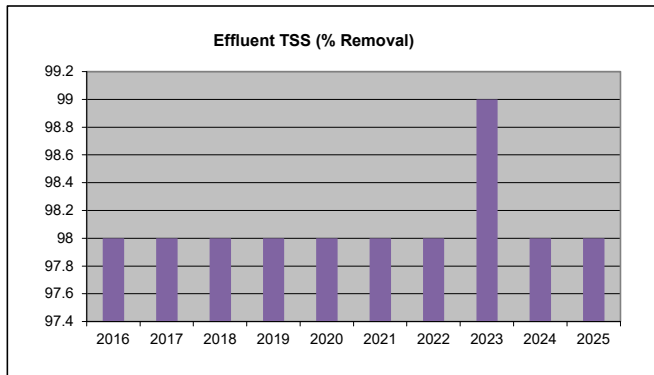
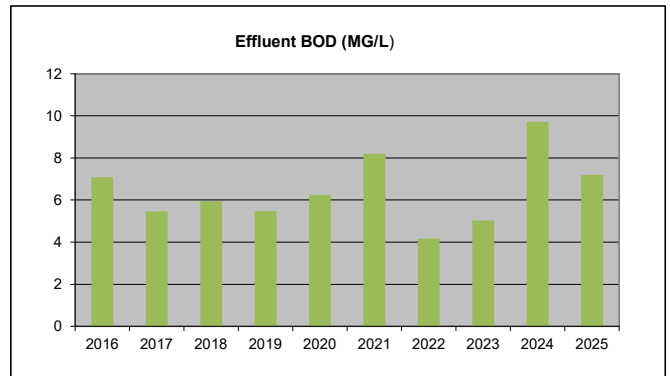
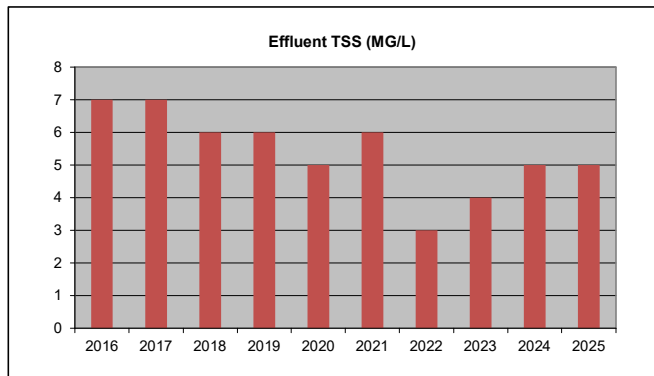


Source: Carpinteria Sanitary District Wastewater Management Database

## CARPINTERIA SANITARY DISTRICT

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

Fiscal Year Ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Effluent TSS (MG/L)	7	7	6	6	5	6	3	4	5	5
Effluent BOD (MG/L)	7.09	5.45	5.95	5.47	6.24	8.2	4.17	5.03	9.71	7.18
Effluent TSS (% Removal)	98	98	98	98	98	98	98	99	98	98
Effluent BOD (% Removal)	98	98	98	98	98	97	98	99	97	98

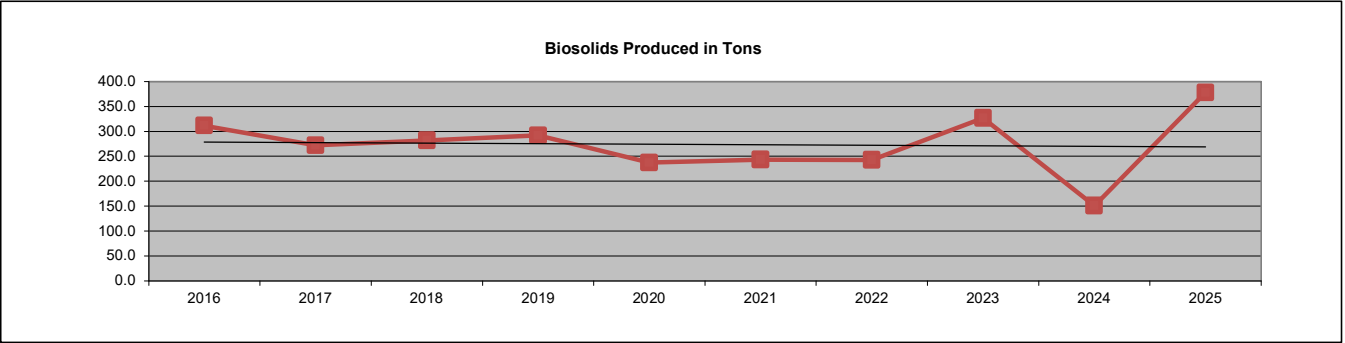


Source: Carpinteria Sanitary District

CARPINTERIA SANITARY DISTRICT

Bio-Solids Produced  
Last Ten Years

Fiscal Year Ended June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Biosolids Produced in Tons	311.7	272.2	282.1	292.2	237.5	243.4	242.8	326.9	151.0	378.0



Source: Carpinteria Sanitary District