



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 |
|-------------|--------------------------------|

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

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CARPINTERIA SANITARY DISTRICT
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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.

Board of Directors
Carpinteria Sanitary District
Carpinteria, California

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.

Board of Directors
Carpinteria Sanitary District
Carpinteria, California

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

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.

| | June 30, 2025 | Change | June 30, 2024 | Change | June 30, 2023 |
|-------------------------------|----------------------|-------------|----------------------|-----------|----------------------|
| 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

CAPITAL 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 | - | - |
| | <hr/> <u>\$ 401,655</u> | <hr/> <u>\$ 132,549</u> | <hr/> <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

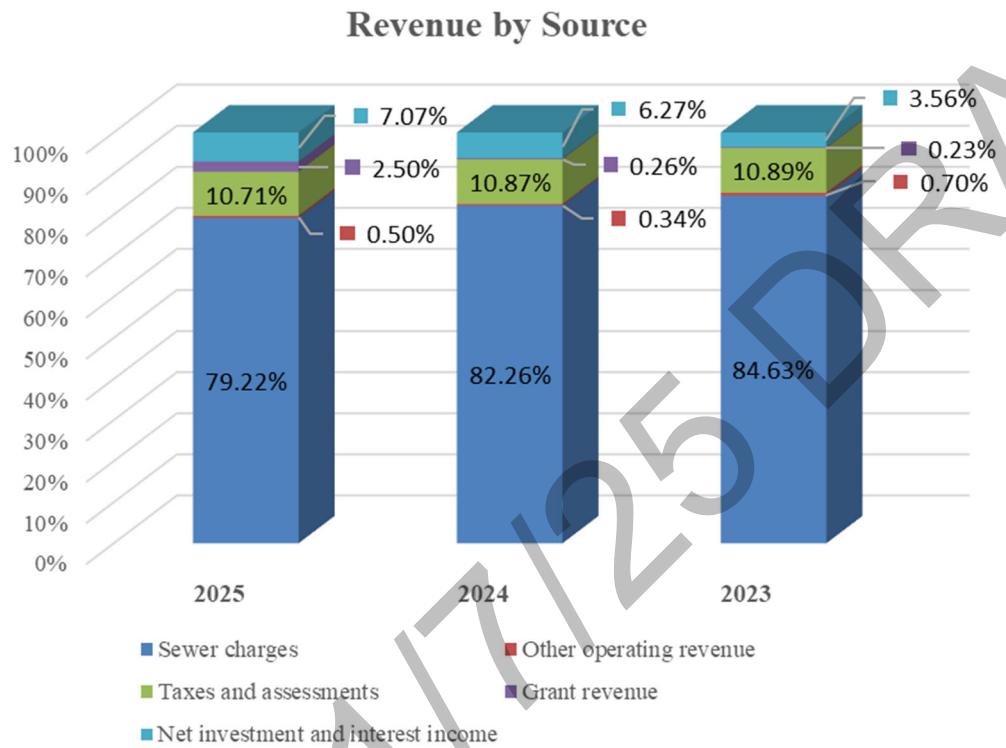
| | 2025 | Dollar Change | Percentage Change | 2024 | Dollar Change | Percentage Change | 2023 |
|--|----------------------------|---------------------------|-------------------|----------------------------|---------------------------|-------------------|----------------------------|
| Revenues: | | | | | | | |
| 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 | <hr/> <u>8,186,529</u> | <hr/> <u>474,999</u> | 6% | <hr/> <u>7,711,530</u> | <hr/> <u>396,981</u> | 5% | <hr/> <u>7,314,549</u> |
| 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 | <hr/> <u>7,788,910</u> | <hr/> <u>1,582,165</u> | 25% | <hr/> <u>6,206,745</u> | <hr/> <u>245,102</u> | 4% | <hr/> <u>5,961,643</u> |
| 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 | <hr/> <u>42,348,454</u> | <hr/> <u>(55,000)</u> | (0%) | <hr/> <u>42,403,454</u> | <hr/> <u>1,504,789</u> | 4% | <hr/> <u>40,898,665</u> |
| Ending Net Position | <hr/> <u>\$ 43,424,095</u> | <hr/> <u>\$ 1,020,641</u> | 2% | <hr/> <u>\$ 42,403,454</u> | <hr/> <u>\$ 1,504,789</u> | 4% | <hr/> <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 finance 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

DRAFT 7/7/25 DRAFT

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

| | 2025 | 2024 |
|---|----------------------|----------------------|
| Assets | | |
| 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> |
| Deferred outflows of resources | | |
| Deferred outflows related to pensions | 1,261,263 | 1,475,105 |
| Liabilities | | |
| 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> |
| Deferred inflows of resources | | |
| 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> |
| Net Position | | |
| 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

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

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

| | 2025 | 2024 |
|---|----------------------|----------------------|
| Operating Revenues: | | |
| Sewer charges | \$ 6,485,116 | \$ 6,343,655 |
| Other revenues | 41,287 | 26,254 |
| Total operating revenues | <u>6,526,403</u> | <u>6,369,909</u> |
| Operating Expenses: | | |
| 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 | <u>7,603,346</u> | <u>5,966,713</u> |
| Income from operations | (1,076,943) | 403,196 |
| Non-Operating Revenue (Expense): | | |
| 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 | <u>1,474,562</u> | <u>1,101,589</u> |
| 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 | |
|---|--------------------|-------------------|----------------------------|-------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Additions: | | | | |
| 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> |
| Operating Expenses: | | | | |
| 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>\$ 493,987</u> | <u>\$ 881,710</u> | <u>\$ 386,656</u> | <u>\$ 376,464</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

| | 2025 | 2024 |
|--|---------------------|---------------------|
| Cash Flows From Operating Activities: | | |
| 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) |
| | <hr/> 883,666 | <hr/> 1,531,450 |
| Net cash provided by operating activities | <hr/> | <hr/> |
| Cash Flows From Non-Capital Financing Activities: | | |
| Cash received for taxes and assessments | 876,691 | 837,858 |
| | <hr/> 876,691 | <hr/> 837,858 |
| Cash Flows From Capital Financing Activities: | | |
| 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) |
| | <hr/> 1,007,020 | <hr/> 2,201,364 |
| Net cash used in capital financing activities | <hr/> | <hr/> |
| Cash Flows From Investing Activities: | | |
| Investment income received | 672,531 | 435,110 |
| | <hr/> 672,531 | <hr/> 435,110 |
| Net increase in cash and cash equivalents | 1,425,868 | 603,054 |
| Cash and cash equivalents, beginning of the year | <hr/> 13,870,994 | <hr/> 13,267,940 |
| Cash and cash equivalents, end of the year | <hr/> \$ 15,296,862 | <hr/> \$ 13,870,994 |
| Supplementary information: | | |
| Cash and cash equivalents | \$ 11,767,392 | \$ 11,372,383 |
| Cash and cash equivalents-restricted | 3,529,470 | 2,498,611 |
| Total Cash and cash equivalents | <hr/> \$ 15,296,862 | <hr/> \$ 13,870,994 |

(Continued)

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> |

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 st Installment |
| | February 1 | 2 nd Installment |
| Delinquent Dates | December 10 | 1 st Installment |
| | April 10 | 2 nd Installment |

Under California law, property taxes are assessed and 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.

| GASB Statement Number | Official Title | Effective Fiscal Year Ended |
|--------------------------|---|--------------------------------|
| 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 |
| | \$ 16,258,226 | \$ 15,209,637 |

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 |
| | \$ 16,258,226 | \$ 15,209,637 |

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.

| Authorized Investment Type | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment One Issuer |
|--------------------------------------|------------------|---------------------------------|-------------------------------|
| 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:

| Investment Type | Carrying Amount | Remaining Maturity (in Months) | | |
|--------------------------------|---------------------|--------------------------------|-----------------|-----------------|
| | | 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> |
| Investment Type | Carrying Amount | Remaining Maturity (in Months) | | |
| | | 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 | | Ratings as of Year End | | | | |
|--------------------------------|----------------------|------------------------|------------------------|-------------|-------------|----------------------|
| Investment Type | Carrying Amount | Minimum Legal Rating | Exempt from Disclosure | 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 | | Ratings as of Year End | | | | |
|--------------------------------|----------------------|------------------------|------------------------|-------------|-------------|----------------------|
| Investment Type | Carrying Amount | Minimum Legal Rating | Exempt from Disclosure | 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 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

| Investment Type | Carrying Amount | Uncategorized |
|--------------------------------|----------------------|----------------------|
| 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> |

June 30, 2024

| Investment Type | Carrying Amount | Uncategorized |
|--------------------------------|----------------------|----------------------|
| 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> |

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:

| June 30, 2025 | <u>Fair Value</u> | <u>Uncategorized</u> |
|--|---------------------|----------------------|
| Proprietary Fund | | |
| Construction Fund: | | |
| Cash and investments restricted for the District's Construction Activities | \$ 3,491,739 | \$ 3,491,739 |
| Development impact fees: | | |
| Cash and investments restricted for future capital improvements | 30,985 | 30,985 |
| 2012 refunding bonds: | | |
| Cash and investments restricted for bond principal and interest payments | 6,746 | 6,746 |
| Total Proprietary Fund | <u>\$ 3,529,470</u> | <u>\$ 3,529,470</u> |
| Fiduciary Funds | | |
| 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> |
|--|---------------------|----------------------|
| Proprietary Fund | | |
| Construction Fund: | | |
| Cash and investments restricted for the District's Construction Activities | \$ 2,490,000 | \$ 2,490,000 |
| Development impact fees: | | |
| Cash and investments restricted for future capital improvements | 2,434 | 2,434 |
| 2012 refunding bonds: | | |
| Cash and investments restricted for bond principal and interest payments | 6,177 | 6,177 |
| Total Proprietary Fund | <u>\$ 2,498,611</u> | <u>\$ 2,498,611</u> |
| Fiduciary Funds | | |
| 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 | | | | Balance |
|--|-----------------------------|------------------------------|--------------------------|--------------------|-----------------------------|
| | June 30, 2024 | Additions | Disposals | Transfers | June 30, 2025 |
| Capital assets, not depreciated | | | | | |
| Land | \$ 233,619 | \$ - | \$ - | \$ - | \$ 233,619 |
| Construction in progress | <u>132,549</u> | <u>270,566</u> | <u>(1,460)</u> | <u>-</u> | <u>401,655</u> |
| Total capital assets, not depreciated | <u>366,168</u> | <u>270,566</u> | <u>(1,460)</u> | <u>-</u> | <u>635,274</u> |
| 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 | <u>63,998,440</u> | <u>145,743</u> | <u>(62,439)</u> | <u>-</u> | <u>64,081,744</u> |
| Accumulated depreciation | (25,660,848) | (1,665,233) | 56,047 | - | (27,270,034) |
| Net depreciable capital assets | <u>38,337,592</u> | <u>(1,519,490)</u> | <u>(6,392)</u> | <u>-</u> | <u>36,811,710</u> |
| Total capital assets, net | <u>\$ 38,703,760</u> | <u>\$ (1,248,924)</u> | <u>\$ (7,852)</u> | <u>\$ -</u> | <u>\$ 37,446,984</u> |

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 | Additions | Disposals | Transfers | Balance |
|--|----------------------|---------------------|------------------|------------------|----------------------|
| | June 30, 2023 | | | | 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 | - |
| | \$ 401,655 | \$ 132,549 |

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 1st and August 1st of each year.

Direct Borrowing - Loan Payable

On December 1, 2020, the District entered into a loan agreement with JPMorgan Chase Bank, N.A. in the amount of \$4,000,000, bearing 1.77% interest to finance the replacement of the District's Administration Building. Annual principal payments through August 1, 2035 range from \$227,000 to \$302,000, paid semi-annually. In the event of default, any outstanding amounts could be declared immediately due. Principal and interest on the loan are payable February 1st and August 1st of each year. The balance of the loan was \$3,041,000 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:

| Fiscal Year Ended | Beginning of Fiscal Year | Additions | Usage | End of Fiscal Year | Due within 60 Days | Long Term Portion |
|-------------------|-----------------------------|-----------|------------|-----------------------|-----------------------|----------------------|
| 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> | |
|---|---------------------------------|------------------------------------|
| Hire date | <u>Prior to January 1, 2013</u> | <u>On or after January 1, 2013</u> |
| 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:

| | Proportionate Share of Net Pension Liability | |
|---------------|---|--------------|
| | <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 | Miscellaneous | June 30, 2024 | Miscellaneous |
|------------------------------|---------------|------------------------------|---------------|
| 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:

| | June 30, 2025 | |
|---|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| 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 | \$ 1,261,263 | \$ 30,542 |

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 | <u>504,505</u> | <u>-</u> |
| Total | <u>\$ 1,475,105</u> | <u>\$ 63,584</u> |

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:

| | Fiscal Year Ended June 30 | Total |
|------------|---------------------------|-------------------|
| 2025 | \$ 209,487 | |
| 2026 | 445,935 | |
| 2027 | 20,627 | |
| 2029 | (64,070) | |
| Thereafter | <u>-</u> | |
| | | <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 XIIIIB 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 | 837,858 | 876,691 |
| 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 7/7/25 DRAFT

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT 7/7/25 DRAFT

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 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*

DRAFT 7/7/25 DRAFT

**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.

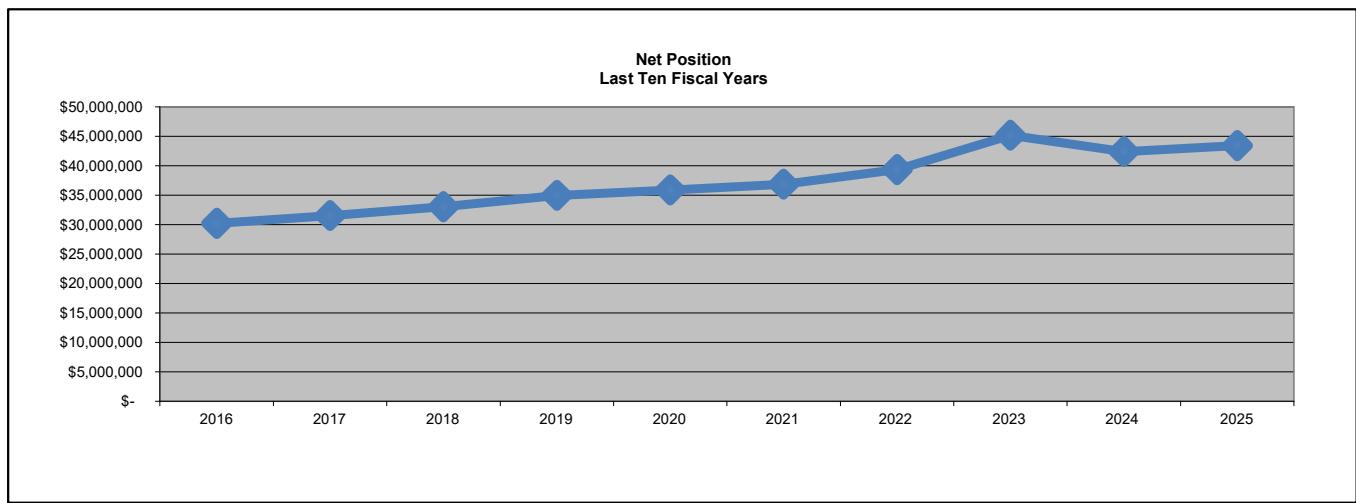
Fechter & Company,
Certified Public Accountants

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 |

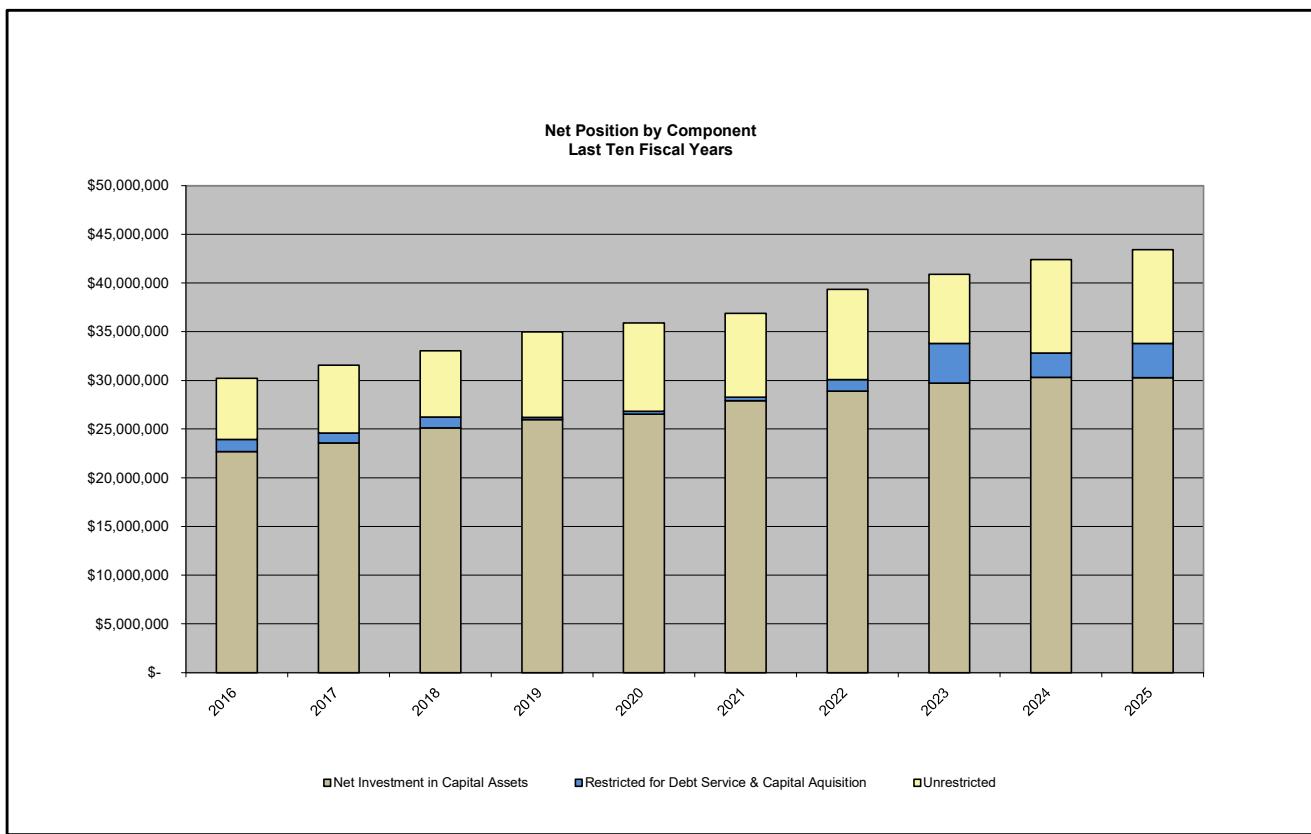


Source: Carpinteria Sanitary District Financial Management

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 |



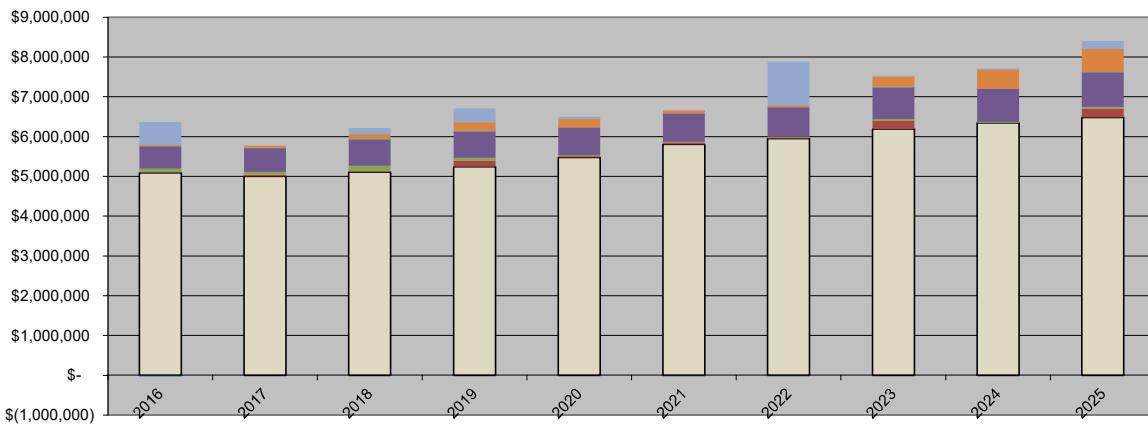
Source: Carpinteria Sanitary District Financial Management

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 | |
| Taxes & Assessments | 567,264 | 600,143 | 653,501 | 659,940 | 699,158 | 721,897 | 737,939 | 796,442 | 837,858 | 876,691 | |
| Non-operating Revenues | | | | | | | | | | | |
| 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 | |

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



■ Sewer Service Charge Revenues ■ Development Impact Fees (DIF) ■ Other Misc. Revenue ■ Taxes & Assessments ■ Other Fees and Income ■ Interest Earnings ■ Other Sources of Fund/Grant (Note 1)

Note 1:

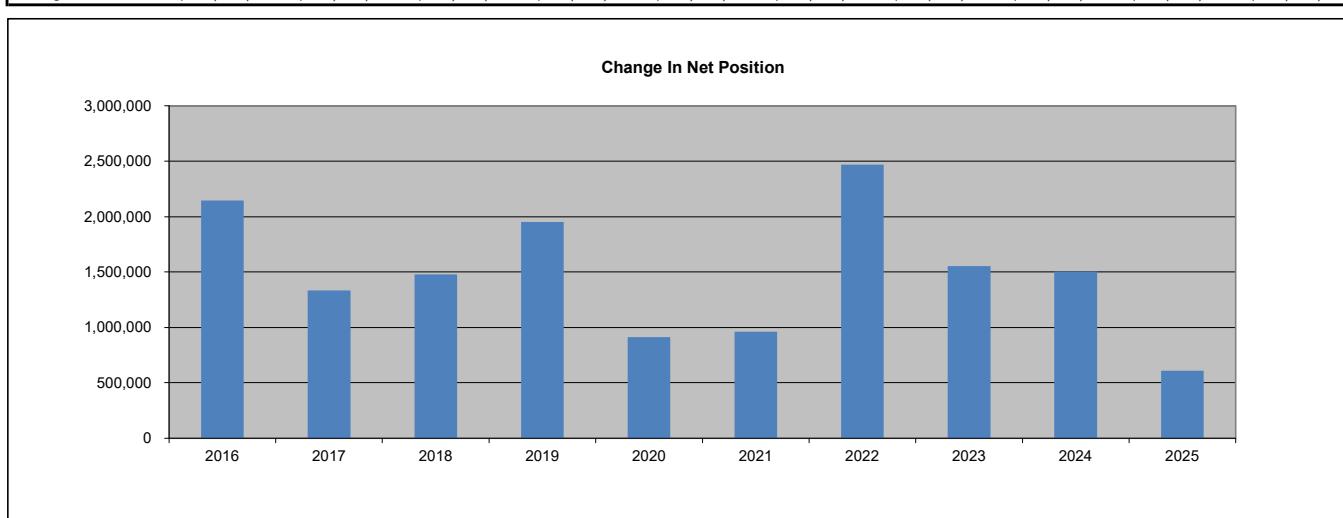
In 2018-2022, the District recovered disaster monies from FEMA

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:

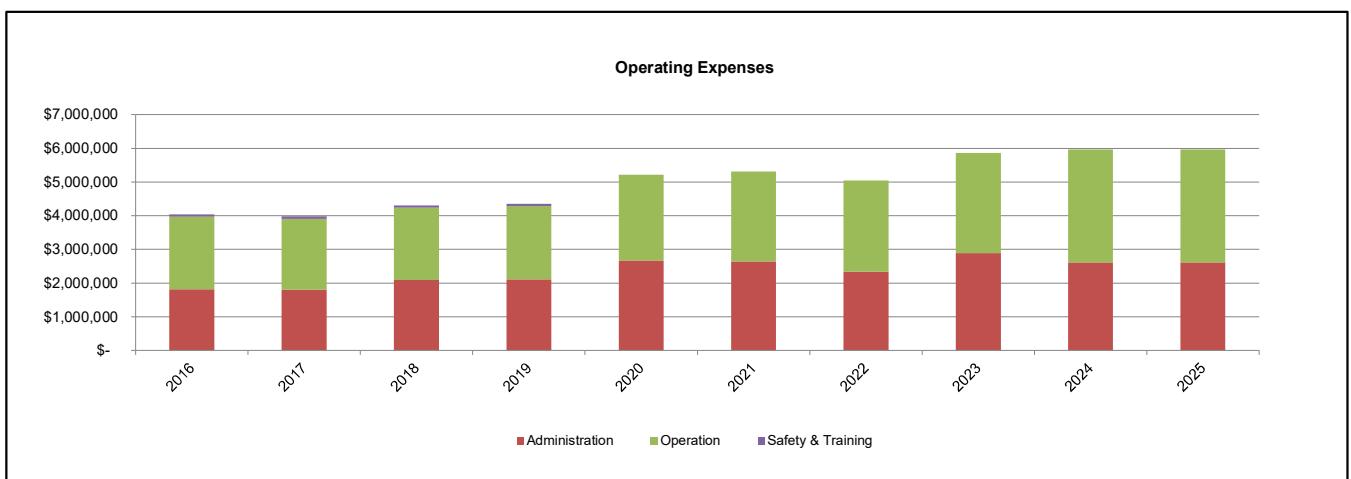
In 2015, beginning net assets was restated for GASB 68 and capitalized interest by (\$573,454)

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

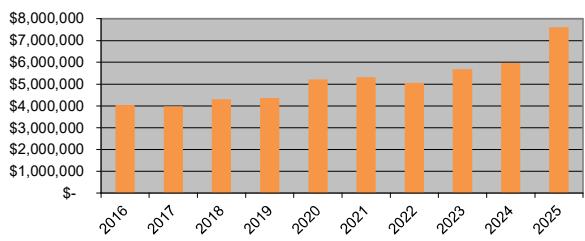
CARPINTERIA SANITARY DISTRICT

Operating & Non-Operating Expenses

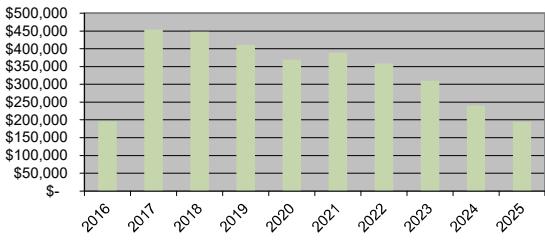
Last Ten Fiscal Years

| 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 |
| Total Operating | \$ 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 |
| 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 |
| Total Non-Operating | \$ 196,021 | \$ 454,100 | \$ 448,144 | \$ 411,232 | \$ 369,696 | \$ 389,747 | \$ 359,248 | \$ 310,432 | \$ 240,032 | \$ 193,522 |

Total Operating



Total Non-Operating



Note 1: Non-Operating Expenses ("Other" Category) includes gain or loss on disposal of capital assets

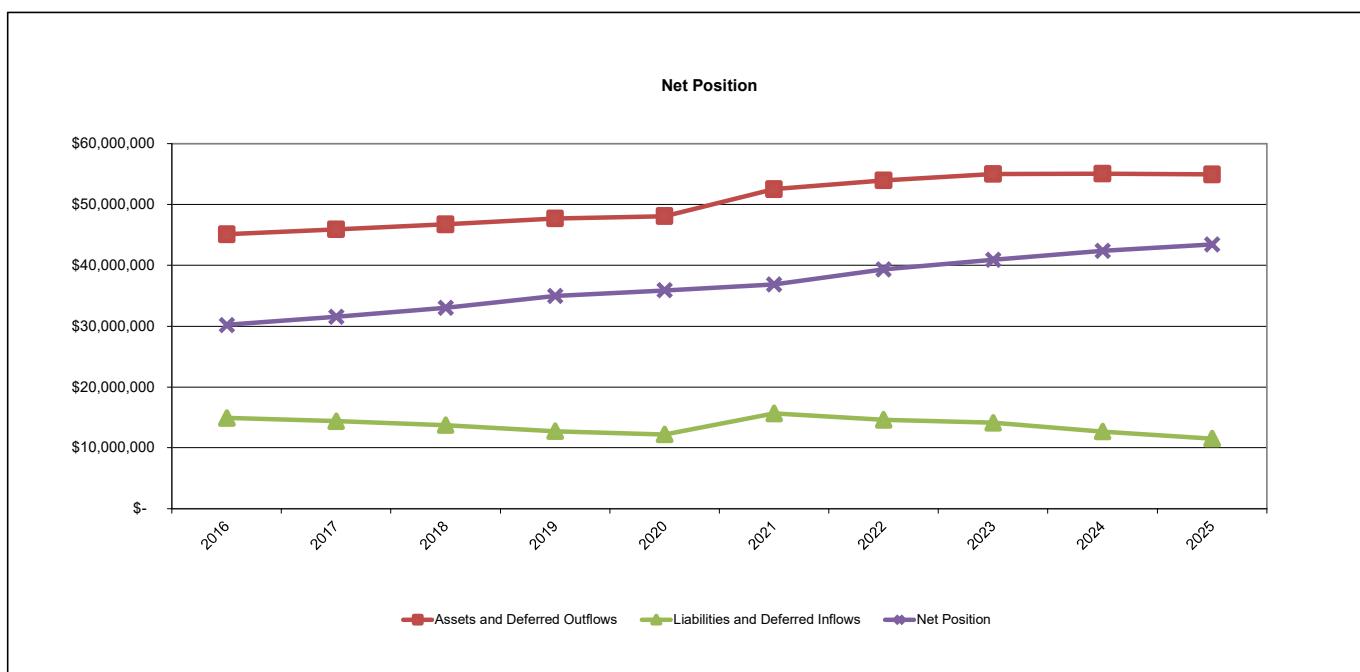
Note 2: In 2015, lower Interest expense due to Interest Capitalization

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 |

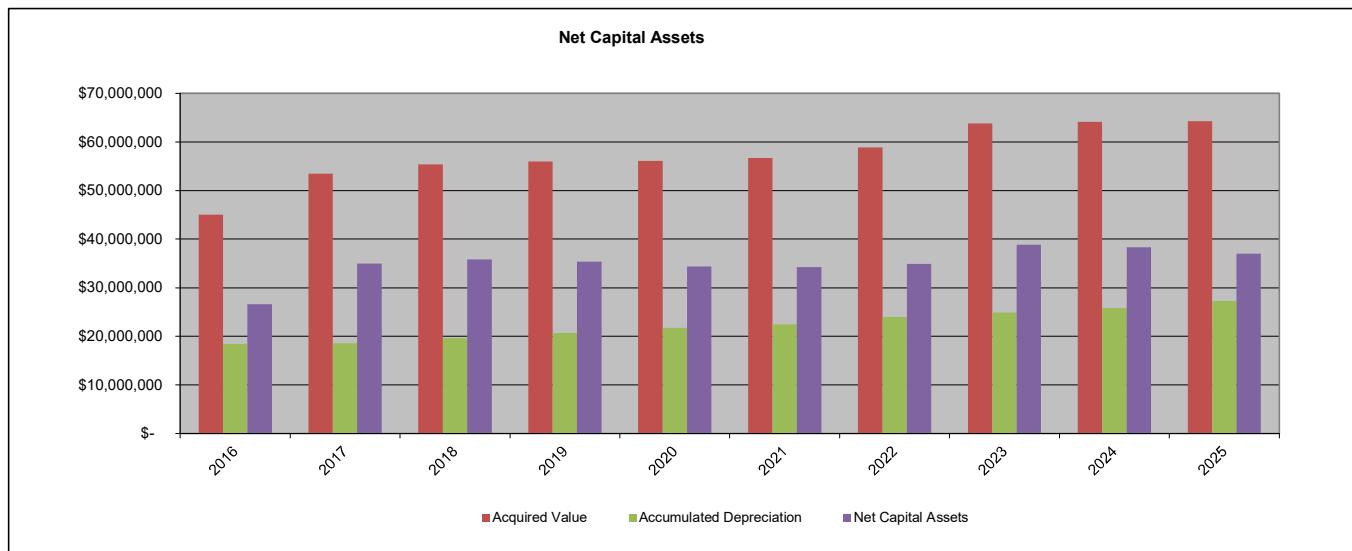


Source: Carpinteria Sanitary District Financial Management

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

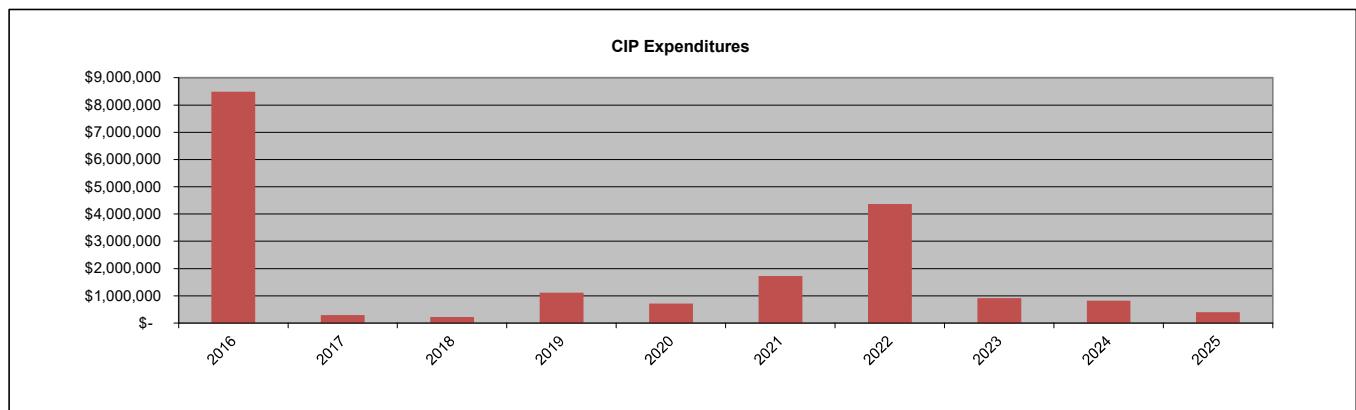
| | Acquired Value | Accumulated Depreciation |
|------------------------------|-------------------|-----------------------------|-------------------|-----------------------------|-------------------|-----------------------------|-------------------|-----------------------------|-------------------|-----------------------------|
| | 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> | |
| | 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 |



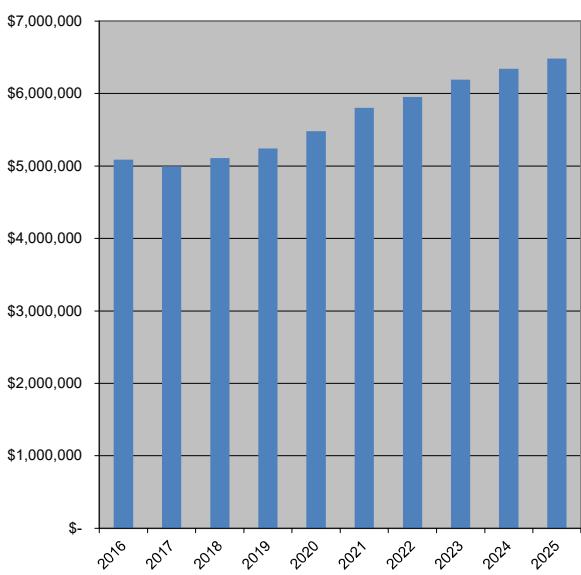
Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

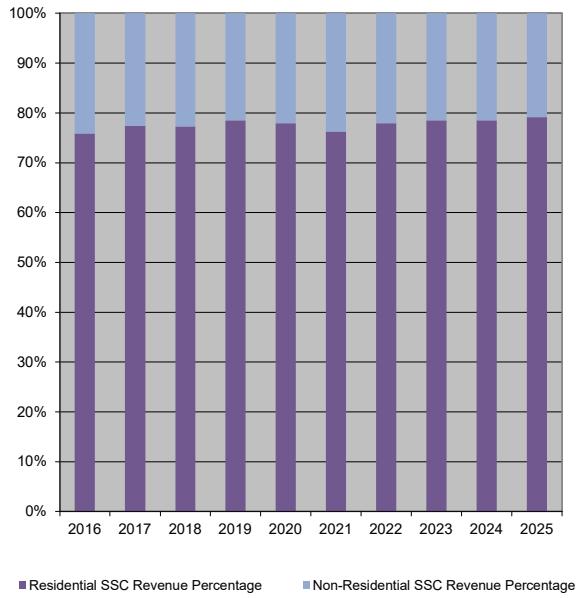
Sewer Service Charge (SSC) Summary Last Ten Fiscal Years

| 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% |
| | 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 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

Total SSC Revenue



Residential vs. Non-Residential SSC Revenue Percentage



Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

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

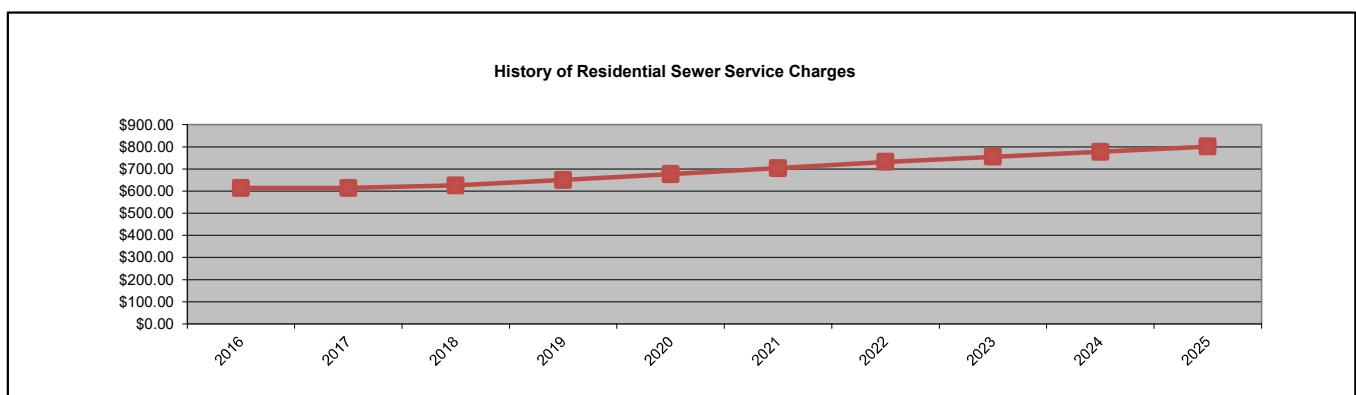
| 2024/2025 | | | | 2023/2024 | | | |
|-----------------------|--------------------------------|--------------|------------|-----------------------|--------------------------------|--------------|------------|
| Parcel Number | Property Address | SSC Charge | % of total | Parcel Number | Property Address | SSC Charge | % of total |
| 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 | % of total | Parcel Number | Property Address | SSC Charge | % of total |
| 001-070-063 | 1000 Casitas Pass Road | \$ 98,116 | 7.22% | 001-070-063 | 1000 Casitas Pass Road | \$ 95,696 | 7.02% |
| 001-070-009 | 5606 Carpinteria Ave. | \$ 77,364 | 5.69% | 001-070-009 | 5606 Carpinteria Ave. | \$ 71,171 | 5.22% |
| 004-036-024 | 4558 Carpinteria Ave. | \$ 54,155 | 3.99% | 004-036-024 | 4558 Carpinteria Ave. | \$ 56,728 | 4.16% |
| 001-070-039 | 5550 Carpinteria Ave. | \$ 40,938 | 3.01% | 004-013-016 | 4200 Via Real | \$ 40,353 | 2.96% |
| 004-013-016 | 4200 Via Real | \$ 39,934 | 2.94% | 001-070-039 | 5550 Carpinteria Ave. | \$ 37,651 | 2.76% |
| 001-190-038 | 1000 Cindy Lane | \$ 33,700 | 2.48% | 001-190-038 | 1000 Cindy Lane | \$ 32,017 | 2.35% |
| 003-510-001 | State of California/State Park | \$ 30,675 | 2.26% | 003-510-001 | State of California/State Park | \$ 28,195 | 2.07% |
| 001-070-060 | 4416 Via Real | \$ 29,766 | 2.19% | 001-070-060 | 4416 Via Real | \$ 28,605 | 2.10% |
| 003-520-003 | State of California/State Park | \$ 23,877 | 1.76% | 003-101-018 | 5585 Carpinteria Ave | \$ 21,346 | 1.57% |
| 003-101-018 | 5585 Carpinteria Ave | \$ 22,753 | 1.67% | 003-520-003 | State of California/State Park | \$ 23,877 | 1.75% |
| Total Ten Rate Payers | | \$ 451,279 | 33.22% | Total Ten Rate Payers | | \$ 435,639 | 31.95% |
| Total Non-Residential | | \$ 1,358,620 | | Total Non-Residential | | \$ 1,363,647 | |
| 2020/2021 | | | | 2019/2020 | | | |
| Parcel Number | Property Address | SSC Charge | % of total | Parcel Number | Property Address | SSC Charge | % of total |
| 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 |

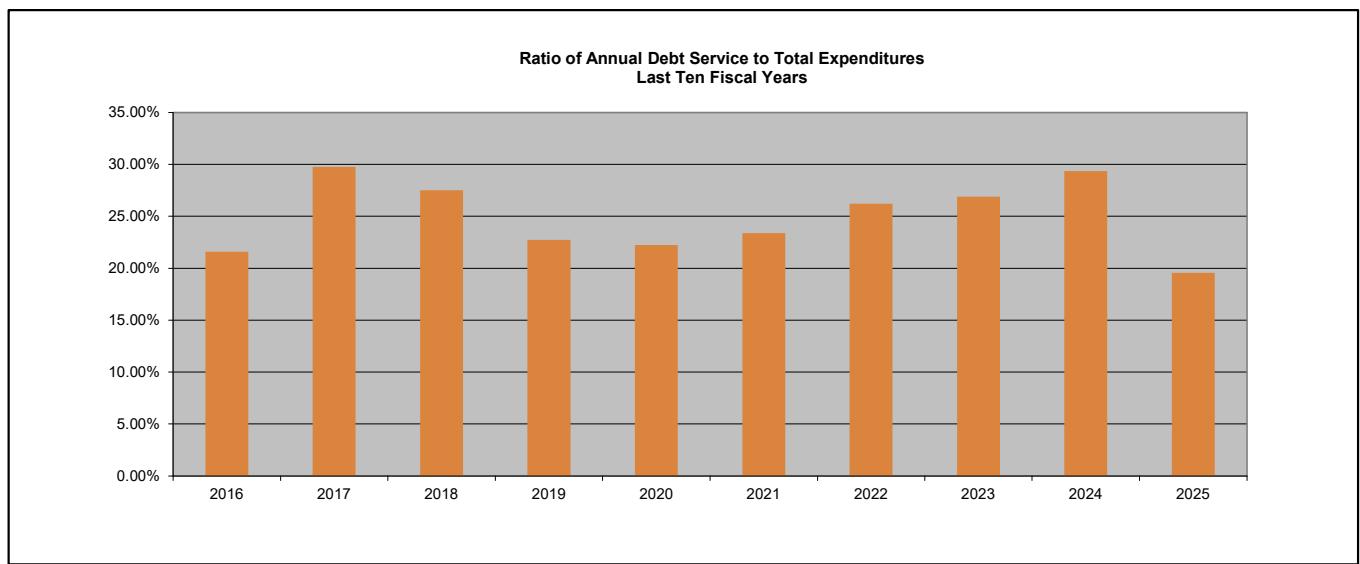


Source: Carpinteria Sanitary District Financial Management

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% |



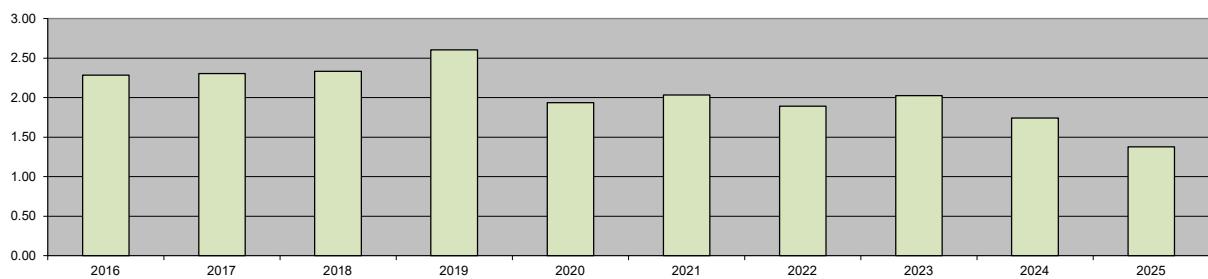
Source: Carpinteria Sanitary District Financial Management

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 |
| | 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 |
| Operating Expenses | 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 | | | | | | | | | | | |

Debt Service Ratio



(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

Administrator 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 HomeTownLocater which uses GNIS and ESRI demographic models to collect data. (As of July 1, 2025)
Unemployment rate - 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 | | | |

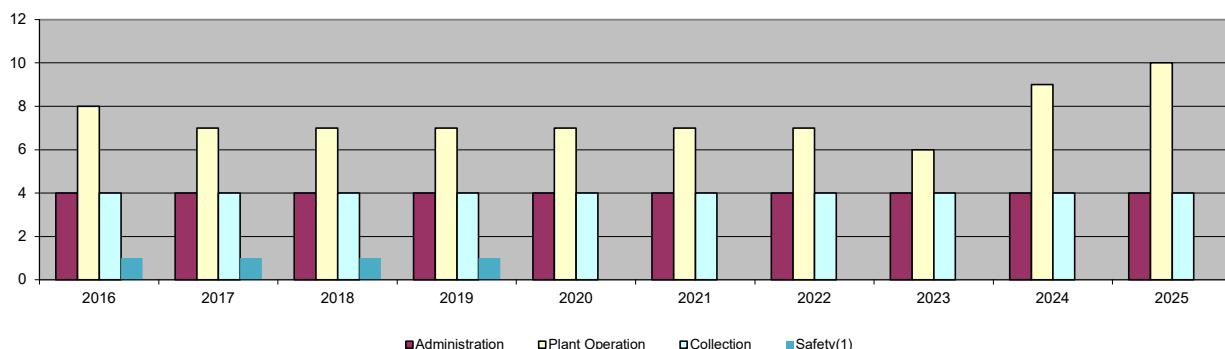
Source: City of Carpinteria Website - http://www.carpinteria.ca.us/edd/top_employers.shtml

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 |

Full Time Employees by Function



Note 1: Safety position eliminated in March 2019

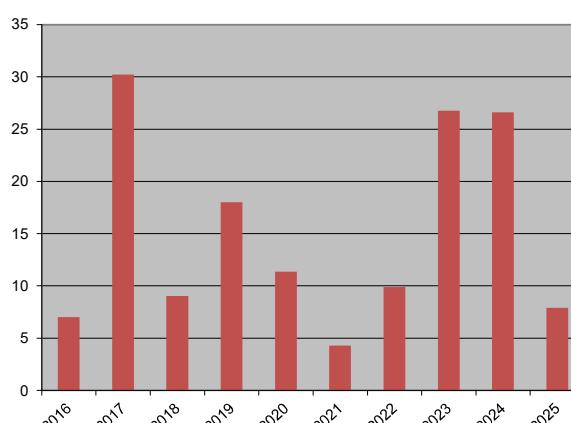
Source: Carpinteria Sanitary District Financial Management

CARPINTERIA SANITARY DISTRICT

Treatment Plant Flow Data Last Ten Fiscal Years

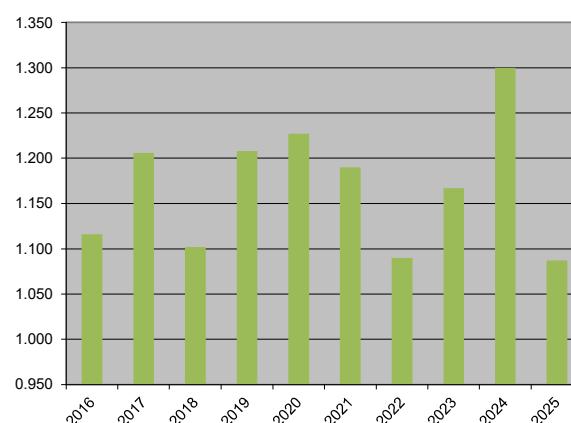
| Fiscal Year Ended June 30 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Annual Rainfall (inches) | 7.03 | 30.21 | 9.04 | 18.02 | 11.37 | 4.28 | 9.88 | 26.77 | 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 |

Rainfall (Inches)



| Year | Rainfall (inches) |
|------|-------------------|
| 2016 | 7.03 |
| 2017 | 30.21 |
| 2018 | 9.04 |
| 2019 | 18.02 |
| 2020 | 11.37 |
| 2021 | 4.28 |
| 2022 | 9.88 |
| 2023 | 26.77 |
| 2024 | 26.61 |
| 2025 | 7.9 |

Effluent Flow (MGD)



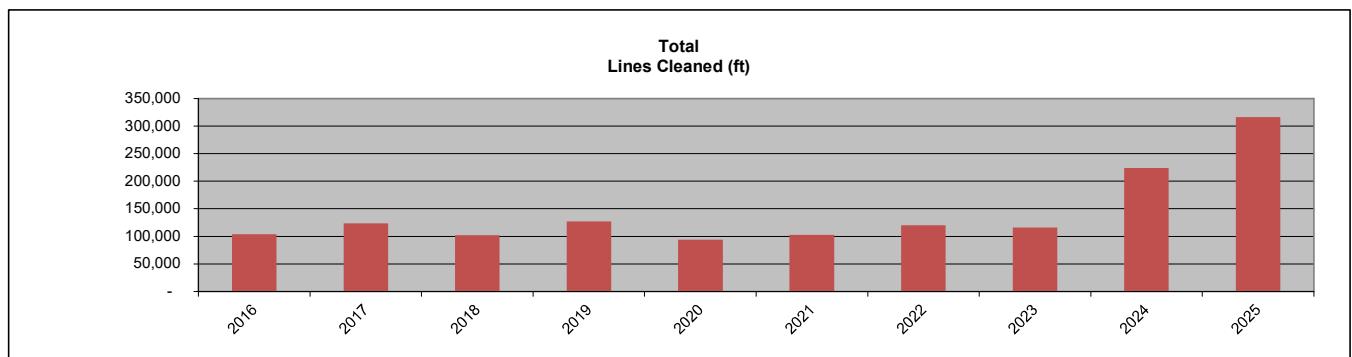
| Year | Flow (MGD) |
|------|------------|
| 2016 | 1.116 |
| 2017 | 1.206 |
| 2018 | 1.102 |
| 2019 | 1.208 |
| 2020 | 1.227 |
| 2021 | 1.190 |
| 2022 | 1.090 |
| 2023 | 1.167 |
| 2024 | 1.300 |
| 2025 | 1.087 |

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 |

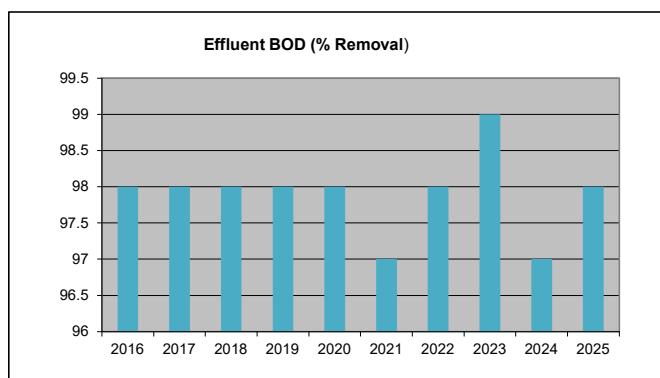
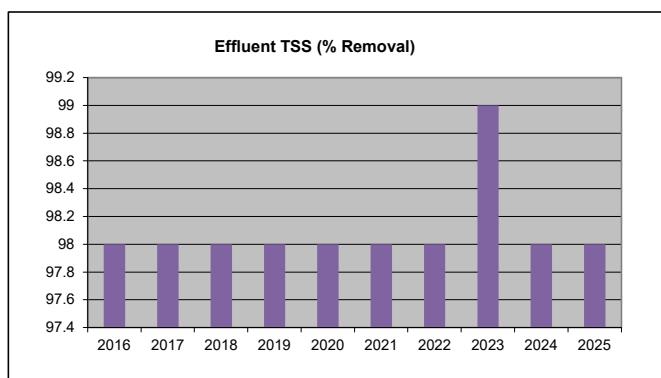
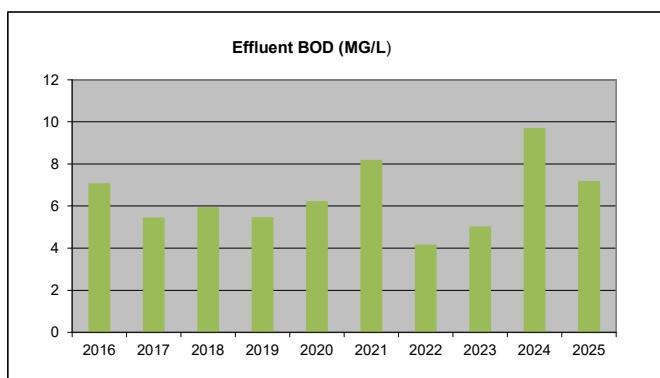
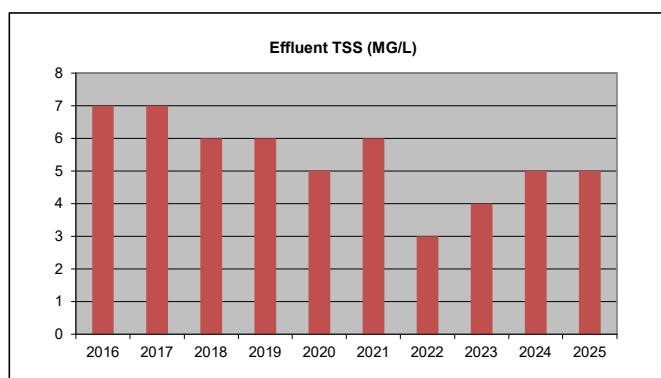


Source: Carpinteria Sanitary District Wastewater Management Database

CARPINTERIA SANITARY DISTRICT

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

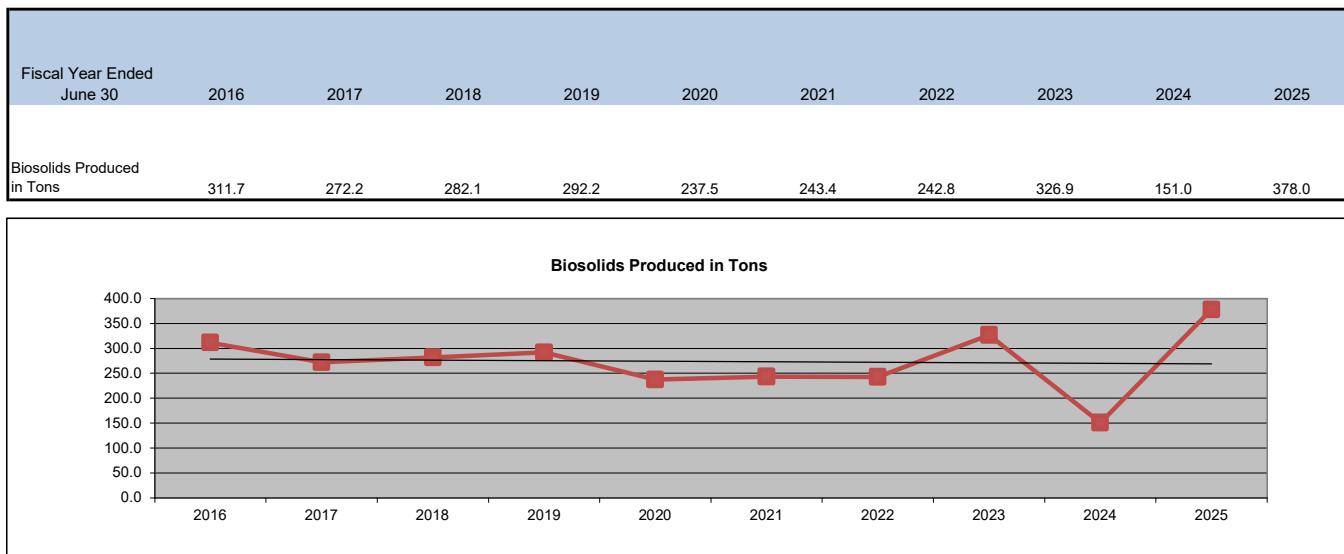
| Fiscal Year Ended June 30 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|------------------------------|------|------|------|------|------|------|------|------|------|------|
| Effluent TSS (MG/L) | 7 | 7 | 6 | 6 | 5 | 6 | 3 | 4 | 5 | 5 |
| Effluent BOD (MG/L) | 7.09 | 5.45 | 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



Source: Carpinteria Sanitary District