



Annual Comprehensive Financial Report

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

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CAMROSA WATER DISTRICT

Board of Directors

Eugene F. West, President

Andrew F. Nelson, Vice-President

Jeffrey C. Brown, Director

Timothy H. Hoag, Director

Terry L. Foreman, Director

BUILDING WATER
SELF-RELIANCE

General Manager

Norman Huff

Prepared By:

Tamara Sexton, Deputy General Manager/Finance

and

Sandra Llamas, Senior Accountant

Camrosa Water District

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

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Introductory Section

October 28, 2025

Members of the Board of Directors and Citizens of Camrosa Water District

Board of Directors
 Andrew F. Nelson
 Division 1
 Jeffrey C. Brown
 Division 2
 Timothy H. Hoag
 Division 3
 Eugene F. West
 Division 4
 Terry L. Foreman
 Division 5
General Manager
 Norman Huff

Letter of Transmittal

It is our pleasure to submit Camrosa Water District's Annual Financial Report for the fiscal year ending June 30, 2025 (FY2024-25). This report was prepared pursuant to the guidelines set forth by the Governmental Accounting Standards Board (GASB).

District staff prepared this financial report in conjunction with an unmodified opinion issued by the independent audit firm CliftonLarsonAllen LLP. The Independent Auditor's Report is located at the front of the Financial Section of this document. Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction to, and overview and analysis of, the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

This report consists of management's representations concerning the finances of Camrosa Water District. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with generally accepted accounting practices (GAAP). Because the cost of internal control should not outweigh its benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. Management asserts that to the best of our knowledge, this financial report is complete and reliable in all material aspects.

Board of Directors

The Camrosa Water District is an independent special district, which operates under the authority of Division 12 of the California Water Code. The District is governed by a five-member Board of Directors, elected at large from five geographical "divisions" within the District's service area. The District's Board of Directors meets on the second and fourth Tuesdays of each month. Meetings are publicly noticed, and residents are welcome to attend.

Director	Title	Division	Expiration of Term	Occupation
Eugene F. West	President	Division 4	November 2028	Attorney
Andrew F. Nelson	Vice-President	Division 1	November 2026	Healthcare Research
Jeffrey C. Brown	Director	Division 2	November 2026	Investment Consultant
Terry L. Foreman	Director	Division 5	November 2026	Geologist/Hydrogeologist
Timothy H. Hoag	Director	Division 3	November 2028	Pharmacist/Teacher

General Manager

Daily operation of the District falls under the responsibility of the General Manager, Norman Huff. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. As General Manager, Mr. Huff is responsible for the general oversight of the production and distribution of potable and non-potable water, as well as wastewater collection, treatment, and water recycling at the District's Water Reclamation Facility.

The District employs a full-time staff of 28 employees as of June 30, 2025.

District Services and Management

Currently, the District provides three classes of water (potable, non-potable, and recycled) to a population of more than 32,700 people through approximately 11,464 equivalent service connections, which includes three master-metered communities. The majority of these connections are residential with the remainder serving commercial, industrial, and agricultural.

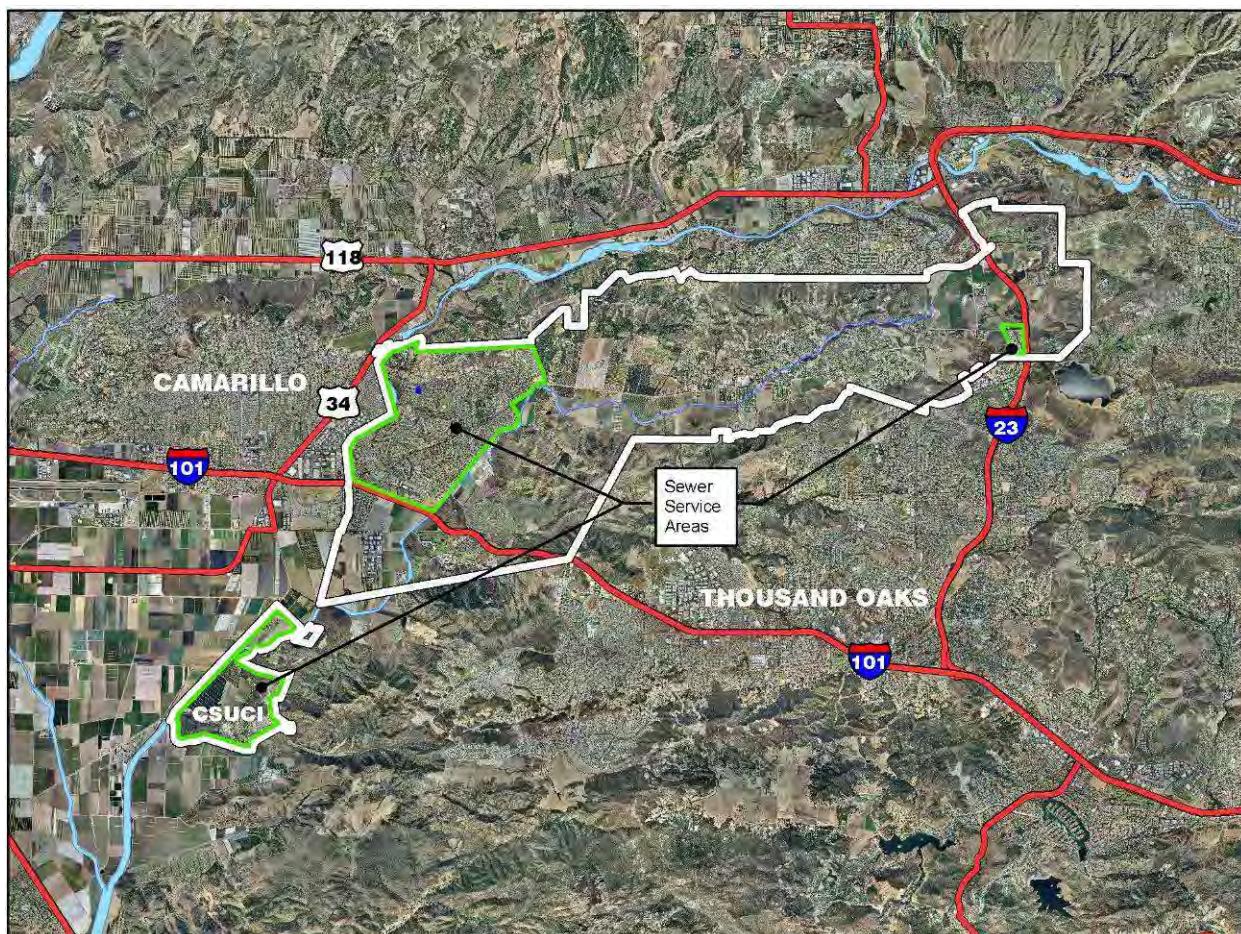


Figure 1 – District Boundaries

Potable water is a blend of imported State Water Project (SWP) water from the Sacramento-San Joaquin Delta and local groundwater; non-potable water is a combination of diverted surface water and local groundwater; and recycled water is tertiary-treated product from the Camrosa Water Reclamation Facility (CWRF) and Camarillo Sanitary District. Imported water accounts for approximately 48% of potable supplies. The remaining 52% is groundwater that is treated, blended, and then pumped into the distribution system. In FY2024-25 the District delivered 6,701 acre-feet (AF) of potable water, 4,425 AF of non-potable water, and 420 AF of recycled water,

totaling 11,545 AF to its customers. An additional 4,773 AF of non-potable water, and 2,263 AF of recycled water was delivered to Pleasant Valley County Water District (PVCWD).

Residential customers make up approximately 90% (number of metered connections) of the District's customer base and consume approximately 45% of the water provided annually by the District.

Wastewater service is limited to 9,258 equivalent dwelling units (EDUs), including California State University of Channel Islands (CSUCI), a portion of the City of Camarillo, and a sliver of the City of Thousand Oaks. The remainder of the District is either served by the Camarillo Sanitary District or on private septic systems.

Strategic Plan and Goals

Water and wastewater service providers face an evolving landscape of diverse challenges as they strive to provide clean, safe, reliable, and affordable services to their communities. Navigating this dynamic and complex array of challenges requires a proactive approach, including strategic planning, leveraging technological advancements, and substantial investment to ensure the delivery of safe, reliable, and affordable services that our customers desire today and into the future.

Recent experience has shown that imported water costs have increased, as expected, but so has its unreliability. Between climatic, legislative, litigatory, and political pressures on the State Water Project, it no longer represents a dependable water supply as it once did. At the same time, the cost of producing local water has also increased, driven by an ever-increasing demand for a limited supply, an ever-expanding regulatory environment, and the high costs of new wells, treatment facilities, and pipelines.

At its core, strategic planning enables Camrosa to anticipate and prepare for future demands, risks, and opportunities, rather than merely reacting to crises as they arise. By identifying short- and long-term goals and mapping out the necessary steps to achieve them, Camrosa can ensure that we are equipped to meet the needs of our community both now and in the future.

In support of a robust planning process, the District held four strategic planning workshops in the Spring of 2022 and adopted the 2022 Strategic Plan in the Summer of 2022.

The 2022 Strategic Plan identified five strategic vision goals:

- Water Supply Independence
- Infrastructure Integrity
- Prudent Financial Management
- Public Trust
- Service Excellence Through Organizational Development

As part of the Budget development process for FY2025-26, the Board and staff developed specific Strategic Plan-related goals to be accomplished this fiscal year. These goals are:

- Complete the development of and adopt an *Integrated Master Plan* for Local Water Supply Alternatives and Infrastructure Integrity Projects that includes:
 - a Local Water Supply Alternatives 5-year Implementation Plan,
 - an Infrastructure Integrity 15-year Implementation Plan,
 - comprehensive funding opportunities and fiscal impact analysis,
 - and the integration of partner relationships and related long-term resource security.

- Create and implement a robust public outreach campaign to engage the public concerning the *Integrated Master Plan*.
- Develop and adopt a *Comprehensive Water Resources Allocation Policy* that preserves and enhances existing available resources and uses them to the greatest benefit of District customers, while also exploring opportunities to develop new resources.
- Place a renewed focus on the retention of Camrosa's talented and dedicated team members through positive engagement and professional development while filling all allocated positions with individuals who share the Camrosa vision for excellence.

Mission and Vision Statement

Revised Mission and Vision Statements were established as part of the 2022 Strategic Plan. The *Mission Statement* reflects the District's responsibility to provide reliable, safe, and cost-effective water and wastewater services. The *Vision Statement* connotes a higher purpose founded on visionary leadership and a deep commitment to enriching the lives of those we serve.

Our Mission

"The mission of Camrosa Water District is to provide reliable, safe, and cost-effective water and wastewater services."

Our Vision

"Camrosa Water District preserves and improves the quality of life for our customers through innovative leadership and exceptional customer service."

Economic Condition and Outlook

The California Water Crisis

California's water supply crisis is the outcome of decades of substandard State water policy. California has prioritized perpetual demand management and stretching depleted supplies with conservation policies instead of seizing opportunities to develop new supplies or maximizing the capture of abundant supply in wet years through the development of additional storage reservoirs and modernized conveyance. The California Department of Water Resources (DWR) stood by while litigants and legislators whittled away its ability to effectively manage resources or maintain and improve the State Water Project infrastructure. Equally culpable is the Metropolitan Water District (MWD) which has failed to invest in reliable supplies and adequate conveyance. MWD has applied a portion of every dollar it has ever collected from its ratepayers to build out and maintain its Colorado River Aqueduct system. However, despite this massive investment, MWD's conveyance is still unable to move significant quantities of Colorado River water to certain areas within its service region, including areas served by Camrosa. These areas have been categorized as State Water Project Dependent Areas (SWPDA) because most—or all—of their imported water supplies are from the State Water Project. With or without conveyance, persistent drought and disagreements over Colorado River water rights between the seven states comprising the Upper and Lower Basins make the future availability of that supply uncertain. These failures and deficiencies have resulted in the DWR and MWD being unable to provide sufficient supply to meet normal demands in times of drought. This demonstrates the need to accelerate Camrosa's timeline for self-reliance and its ability to significantly reduce dependence on MWD and the State Water Project. Compounding the problem, MWD's mismanagement and its ever-growing bureaucracy have resulted in rate increases that will make imported water even more expensive this year and every year for the foreseeable future.

Camrosa's core mission is to provide a reliable, affordable source of water for our customers. With our core mission in mind, we have been focused on building the District's self-reliance to buffer against this cycle of planning failure and reactive edicts by MWD and the State. The Camrosa Board of Directors does not believe that restrictive or mandated conservation should

become “a way of life,” as it is presented in recent State legislation, or that “brown is the new green.” While conservation can be a useful strategy when needed, such as during a drought emergency, it is not a permanent water supply solution. Sustainable water supply solutions should plan for abundance rather than fight over scarcity.

In the prior fiscal year, the District supported common-sense legislation (SB 366) that would establish long-term water supply targets for the State to achieve by specific deadlines and require state agencies to develop a plan to achieve those targets. Despite passing the bill through the Senate and Assembly unanimously, the Governor vetoed the bill, citing budgetary constraints. This fiscal year the District is committed to working with the bill’s sponsor, Senator Caballero, to reintroduce this critical legislation.

The District Board and staff will continue to advocate for responsible, sustainable resource management through our elected officials, regulators, and partner agencies during this fiscal year and into the future.

State Mandates and Regulations

Over the past decade and a half, the state of California has moved toward centralizing management of its water resources by consolidating various functions under and expanding the reach of the State Water Resources Control Board (SWRCB). Shifts toward standardizing water planning while accounting for climate projections have resulted in landmark water-use legislation and expanded rulemaking. However, many of these state policies fail to realistically account for local conditions and do not leave suppliers with enough autonomy to employ the best course of action for their service areas.

The California Legislature and the SWRCB have continued extending legislative and administrative control over water suppliers through a variety of new laws, policies, and regulations. Several recent examples include: the updated Individual System Water Loss Standards; upcoming drinking water regulations; continuing conservation legislation; and additional compliance and reporting requirements. A specific example is AB1572, a prohibition of watering non-functional turf with potable water targeting large users, municipalities, and homeowner associations. Implementation of the first of its four phases is set to begin in 2027. Water loss control is also a key component of the State’s approach to demand management. Legislation required that the SWRCB develop water loss performance standards. The finalized Water Loss Performance Standards were adopted in October of 2022, and the rulemaking became effective in 2023. Updated Water Loss Standards for each Urban Retail Water Supplier, including Camrosa Water District, were posted on April 9, 2024. Camrosa has until January 1, 2028, to comply with the Updated Water Loss Standards. The legislation recognizes that mitigating and preventing water loss should be done on a cost-effective basis, as explained in the Updated Economic Model released on April 15, 2021. However, due to real-world conditions, the true cost-effectiveness may differ from the Updated Economic Model.

One of the most sweeping regulations in recent history is titled Making Conservation a California Way of Life, which went into effect on January 1, 2025. The comprehensive reporting mandated under this regulation, the Annual Urban Water Use Objective and Water Use Report was due on that very same day. This regulation was touted as a new way of managing urban water use by establishing unique efficiency goals for each Urban Retail Water Supplier in California. Independent analysis disputed the State’s purported savings of \$7 Billion and showed that potential costs could exceed \$13 Billion. This regulation was intended to implement both the “California Water Supply Strategy” released by Governor Newsom in August 2022, and SB 606 and AB 1668, collectively known as the Water Conservation and Drought Planning Act, signed by Governor Brown in May 2018. The act built upon Governor Brown’s 2016 Executive Order B-37-16, “Making Conservation a Way of Life.” The California State Water Resources Control Board unanimously adopted the Making Conservation a California Way of Life regulation on July 3, 2024. The regulation requires suppliers to comply with individualized urban water use objectives, implement Commercial, Industrial, and Institutional (CII) performance measures, and submit

annual progress reports. A supplier's water use objective is the sum of standards-based budgets for residential indoor use, residential outdoor use, CII landscapes with dedicated irrigation meters, and real water losses. The regulation requires significant water use reductions from many Urban Water Suppliers and extensive and costly reporting from all Urban Water Suppliers. Camrosa met its objective for the reporting cycle that ended January 1, 2025, and current projections show that the District will continue to have a zero percent water use reduction requirement (i.e. no reduction required) over the three benchmark periods called for in the regulation. Camrosa is actively monitoring the regulation's potential impacts on the District and its customers. The District is factoring the legislation into its long-term budget forecasting and is partnering with vendor Eagle Aerial Solutions to fully realize monitoring and reporting software platforms to efficiently ensure that the District complies with this regulation and its extensive annual reporting requirements.

Recent devastating Southern California wildfires have placed California water suppliers—and Southern California Urban Water Suppliers specifically—at the center of increased scrutiny, with additional regulations likely to follow. Local Assemblymember Bennett's AB367, currently making its way through the legislature, is one such proposed regulation. Although the Assemblymember has engaged in dialogue with local water suppliers regarding the text of the proposed legislation, if signed into law, the bill would still place additional significant compliance and cost burdens on water suppliers with limited or no benefit to properties in the path of similarly destructive wildfires as were recently experienced in Southern California.

Additionally, as discussed in the following section, water suppliers must abide by increasingly stringent water quality standards. Several pages of these upcoming regulations, which are in process or planned, are posted on the SWRCB's website.

Year in and year out, water suppliers are subject to ever-increasing regulations with each new one adding to the already lengthy list of current regulations and requirements. While many of these current and proposed laws, policies, and regulations carry well-intended benefits, they are also accompanied by substantial compliance costs which must be passed on to the ratepayers.

Water Quality Regulations

Drinking water in California is heavily regulated and many of California's regulations exceed federal regulations set by the U.S. EPA. Primary maximum contaminant levels (MCLs) address health concerns; public health goals (PHGs) are concentrations of drinking water contaminants that do not pose significant health risks if consumed over a lifetime (based on best available science); and secondary MCLs which address water appearance, taste, and odor. California Health & Safety Code §116365(a) requires a contaminant's MCL to be established at a level as close to its PHG as technically and economically feasible while prioritizing protecting public health. There are also "detection limits for purposes of reporting" (DLRs), which are designated minimum contaminant levels that require reporting to the State Board. An analytical lab must achieve a DLR equal to or less than the state-set DLR in order to report its findings to the State for regulatory purposes.

Technological advancements now allow the detection of drinking water contaminants at ever-lower concentrations, which allows the State to set maximum contaminant levels (MCLs) at even more stringent levels. Additionally, as the understanding of the adverse effects of drinking water contaminants improves over time, more contaminants are added to the list of regulated contaminants, and even more are being studied as emerging contaminants. While increasingly stringent MCLs and the addition of new contaminants to the list of regulated contaminants are intended to address health concerns, they also carry associated mitigation costs. Meeting new or more stringent standards significantly increases drinking water production, treatment, and regulatory compliance costs.

One example of emerging contaminants with recently enacted MCLs is per- and polyfluoroalkyl substances (known together as PFAS). PFAS are a group of synthetic chemicals that, under typical conditions, do not break down in the environment. Common uses of these chemicals are in food packaging, non-stick cookware, textiles, cleaning products, and fire-fighting foams. On

April 10, 2024, the U.S. EPA established federal MCLs for six types of PFAS. Two types, PFOA and PFOS, each have MCLs established at 4 parts per trillion (ppt) (also expressed as ng/L). Three chemicals, HFPO-DA (also known as GenX Chemicals), PFHxS, and PFNA, have MCLs set at 10 ppt. The District completed construction in 2023 and currently operates a Granular Activated Carbon (GAC) filtration plant that treats groundwater from four District wells for both 1,2,3 Trichloropropene (TCP123) and residual PFAS chemicals.

Another upcoming contaminant, microplastics, may become an issue in the future. Microplastics in drinking water are defined as solid polymeric materials to which chemical additives or other substances may have been added, which are particles that have at least three dimensions that are greater than 1 nm and less than 5,000 micrometers (μm). Polymers that are derived in nature that have not been chemically modified (other than by hydrolysis) are excluded. Further studies will be required to fully implement microplastics regulations.

Another contaminant, manganese is listed on the SWRCB's list of Upcoming Drinking Water Regulations. It can occur naturally in both surface and groundwater and is widespread in California's groundwater basins. It is currently regulated with a secondary MCL, with notification levels (NLs) and response levels (RLs). A NL is a nonregulatory, health-based advisory level established for drinking water contaminants for which MCLs have not been established. NLs are established as precautionary measures for contaminants that may have MCLs in the future but have not completed the regulatory process for the development of MCLs. They are issued by the SWRCB and developed based on recommendations by the Office of Environmental Health Hazard Assessment (OEHHA). RLs are set higher than NLs and represent a recommended chemical concentration level at which water systems consider taking a water source out of service or providing treatment if that option is available to them. On February 16, 2023, the SWRCB proposed revised NLs and RLs for manganese. Based on the SWRCB proposing revised NLs of 500 $\mu\text{g/L}$, or parts per billion, and RLs of 5000 $\mu\text{g/L}$ for manganese, a manganese primary MCL at or below 20 $\mu\text{g/L}$ is likely to be established in the future. The establishment of manganese primary MCLs will impact the cost of producing local water. Two of Camrosa's local water resources, the Woodcreek and Lynnwood Wells, have manganese levels that sometimes exceed the Secondary MCL for manganese, currently set at 50 $\mu\text{g/L}$ and imported water is purchased to blend the water to manganese levels that meet these requirements. In FY2024-25, Camrosa completed the design phase for iron and manganese removal technologies for the treatment of water from the Woodcreek and Lynnwood Wells. In FY2025-26 the District expects to complete construction of these treatment facilities which will improve the water quality and reduce the amount of import water purchased for blending.

Contaminant regulations will continue to become more rigorous, as they have since the passage of the Safe Drinking Water Act in 1974. Camrosa is responsibly planning for additional costs incurred in meeting and exceeding regulatory requirements and will continue to do so in the future. Future regulations may also shift the relationship between local and imported sources, as the costs of producing water and importing water change. Camrosa remains committed to meeting the current and future water needs of the community by prioritizing self-reliance and providing reliable, safe, and cost-effective water and wastewater services.

Groundwater Management

Another landmark change in water management that will affect the availability and cost of water is the Sustainable Groundwater Management Act (SGMA) of 2014. SGMA requires the formation of local groundwater sustainability agencies (GSAs) for what the state determined were high- or medium-priority basins to assess conditions and develop Groundwater Sustainability Plans (GSPs). These GSPs are intended to define sustainability and chart a path to achieving that over the next twenty years.

The Fox Canyon Groundwater Management Agency (FCGMA) is the Groundwater Sustainability Agency (GSA) for the Pleasant Valley Basin (among other areas), from which the Woodcreek and Lynnwood Wells pump groundwater. FCGMA established an allocation plan and has developed

projects with the goal of maintaining the sustainable yield of the basin. Adjudication papers were filed by a group of landowners/pumpers in the basin, as was a lawsuit contesting the CEQA process for the GSP and the allocation plan designed to reach basin sustainability objectives required by SGMA. SGMA provides that the GSP proceed as written during the adjudication process, which can take several years. This litigious environment does not provide an environment for the amicable resolution of conflict or for the kind of collaboration needed for sustainable, regional project development. Still, going into the adjudication process, Camrosa has worked with plaintiff and defendant groups to further mediation efforts with the goal of mutually beneficial solutions for stakeholders, while providing for the future sustainability of the basin's water resources.

Camrosa also created GSAs for other basins, within their service area, but that were outside of other GSA boundaries. These include the Las Posas and Pleasant Valley basins, as well as the Oxnard sub-basin. Because the majority area of these basins falls within the FCGMA's boundaries, Camrosa works closely with the FCGMA as a coordinating GSA for basin management. Since the primary management of these basins falls within the FCGMA's jurisdiction, these GSAs do not hold responsibility for primary management functions and so do not incur related costs. No District funds are budgeted for these GSAs.

The Arroyo Santa Rosa Groundwater Basin, which lies wholly within the Camrosa service area and from which the majority of Camrosa's local groundwater is produced, was originally designated as a medium-priority basin due to high nitrate concentrations. In 2016, the County of Ventura and Camrosa formed the Arroyo Santa Rosa Valley Basin Groundwater Sustainability Agency (ASRBGS) to develop and submit a GSP for the basin and manage that portion of it east of the Bailey Fault (outside the FCGMA). The County of Ventura provided \$127,602 as seed money to the GSA. In April 2018, DWR awarded the ASRBGS a Sustainable Groundwater Planning Grant to support the development of the GSP, up to \$177,081. The ASRBGS held a public hearing on May 25, 2023, to adopt the GSP, which was approved by the DWR's Sustainable Groundwater Management Office on April 28, 2025. Projects to reach sustainability and/or increase Arroyo Santa Rosa Valley Basin yield were explored as part of the GSP process. Because Camrosa is the primary groundwater producer in the basin, pumping by initial estimates over 50% of the basin's annual yield, the District has a vested interest in developing projects that ensure sustainability. Once the projects identified in the GSP have been developed, estimated costs of sustainability projects will be included in the District's budgeting process. Ongoing administrative costs to support the operation of the ASRBGS are provided by Camrosa.

The Impact of Weather

Climate impacts the overall supply of available water resources while also affecting customer demand. Local precipitation can and does impact demand, especially among agricultural customers and those with large landscapes. Camrosa has seen significant reductions in the demand for potable and non-potable water over the previous fiscal years and as we enter the next. Whether or not the trend toward lower demand continues and whether it is primarily based on precipitation levels remains to be seen. Camrosa continues to monitor these trends and apply them to budgets and incorporate them in the rate-setting process.

The wet periods provide an important recharging of the local groundwater basins, from which we produce our local supplies and plan to increasingly rely on in the future. Camrosa has developed plans to adaptively manage its groundwater basins to maximize aquifer storage and recharge water—whether it's rainwater or other sources.

In the last ten years, Southern California has seen the wettest and driest months on record. These dramatic weather swings, depicted in the following figure 2, exemplify the difficulty of forecasting water sales and highlight the necessity of maintaining a conservative financial outlook.

Average Rainfall Fiscal Years 2016-2025

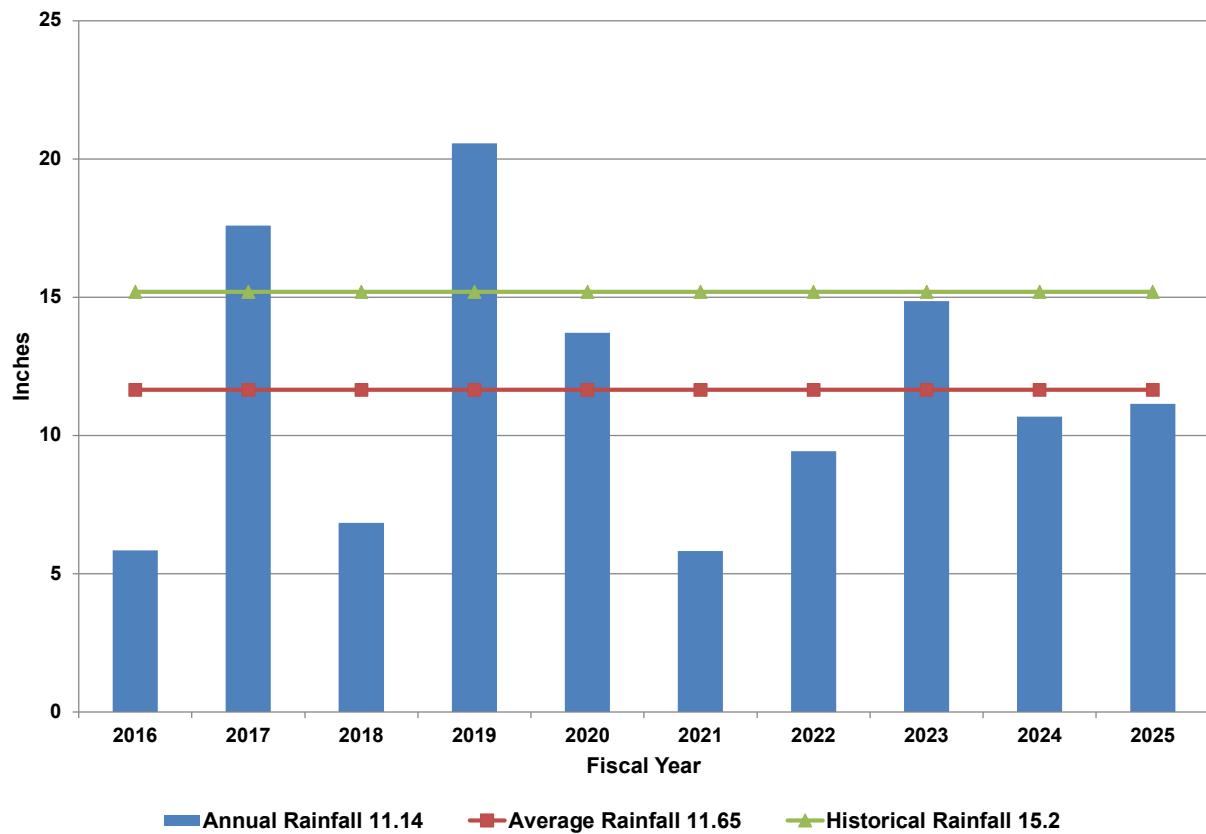


Figure 2 – Historical Rainfall

Locally, rainfall was 11.14 inches during FY2024-25, recorded from the Camarillo station, which is slightly below the ten-year average rainfall for the District of 11.65 inches a year and the historical average of 15.2 inches a year.

Due to atmospheric rivers in 2023, DWR allocated 100% of State Water Contractors' Table A water for delivery. A 100% allocation is a rare opportunity as the long-term average delivery capability of the State Water Project is only 56%. Prior to this, the last time the SWP allocated 100 percent was in 2006. On April 29, 2025, DWR announced a 50 percent allocation as a result of the latest snow survey and Lake Oroville storage. This is up from 40 percent announced in March, 35 percent in February, 20 percent in January, and the initial 5 percent announced in December. Although reservoirs are nearing capacity and snowpack at 90%, the Delta exports have been running at less than half capacity. This mismatch in hydrology and supplies requires action to retain environmental protections while also increasing stored supplies when reservoirs are spilling and there is significant sustained runoff through the Delta.

In general terms, the District went from delivering approximately 17,000 AFY before the FY2014-15 drought to slightly less than 10,000 AFY in FY2022-23. Variable weather in the years since makes it difficult to determine the cause for water-use patterns in the District service area, but generally speaking the trend is toward less per capita water use than in previous decades. Potable Water sales were 6,701 AFY and Non-Potable sales were 4,844 AFY in FY2024-25 compared to Potable Water sales of 5,655 AFY and Non-Potable Water Sales of 3,836 AFY in FY 2023-24, as a result of decreased rainfall, as depicted in figure 3 below.

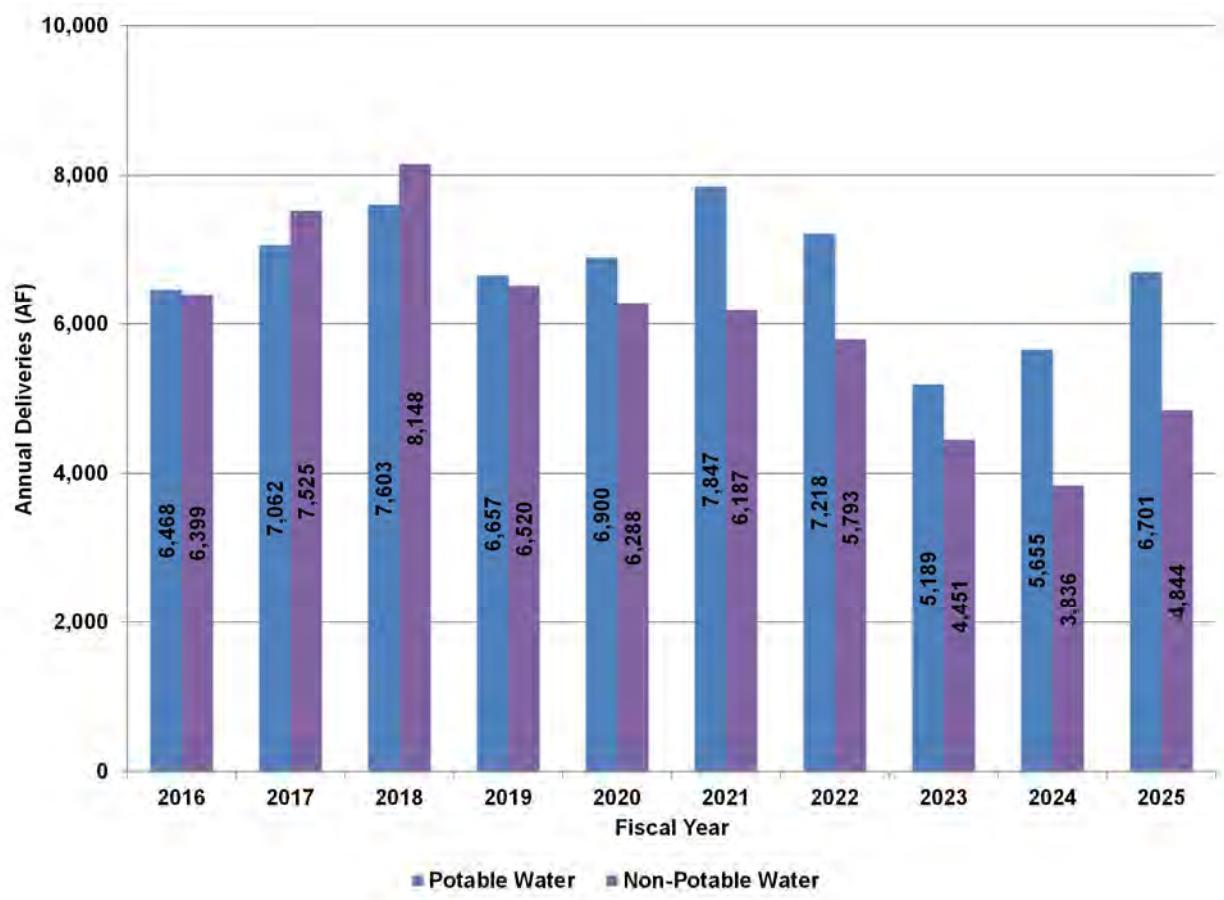


Figure 3 – Historical Acre-Feet Deliveries

Increases in Imported Water Costs

Camrosa lies within the Metropolitan Water District service area and the “imported water” we purchase from them, via Calleguas, is primarily State Water Project (SWP) water from the Sacramento-San Joaquin Delta. It is the most expensive water in Camrosa’s supply portfolio. The District’s primary strategy for decades has been to reduce dependence on imported water by developing local resources. Reducing the proportion of Camrosa’s water supply that we must import helps mitigate the costs of imported water. Figure 3 below reflects the District’s efforts to develop self-reliance over the last 20 years.

The trend was temporarily reversed in 2019, when the District’s largest local resource, the Conejo Wellfield, was taken offline ahead of building a treatment plant to treat for the newly-regulated contaminants, 1,2,3-Trichloropropene (TCP) and Per- and polyfluoroalkyl substances (PFAS). TCP is a synthetic organic compound that was an impurity in certain soil fumigants used in agriculture and PFAS are a group of more than 4,000 synthetic chemicals that have been used in consumer products since the 1950s. PFAS are also known as “forever chemicals” because they don’t break down easily in the environment. The Camrosa Board of Directors insisted that Camrosa ratepayers should not bear the costs of treatment for the TCP contamination and successfully persuaded the manufacturers of the offending pesticides to pay for the construction of the treatment plant. Camrosa is currently part of a settlement agreement with chemical companies DuPont, 3M, BASF, and Tyco to receive additional compensation needed to mitigate the treatment cost for PFAS. The Granular Activated Carbon (GAC) filtration system at the Conejo Wellfield to remove these contaminants was completed and went online in October 2023.

In the meantime, Camrosa worked very hard to bring another new source online, the Lynnwood Well. The new Lynnwood Well came online in September 2020, providing a much-needed boost to local production. Adjustments to the well in the fall of 2021 doubled production. In 2024

Camrosa performed a rehabilitation of the nearby Woodcreek well that will extend its useful life for another decade. With these improvements to existing sources, along with the development of new sources, and the bringing the GAC Treatment Plant at the Conejo Wellfield online, we expect to increase local groundwater production even further and offset imported water purchases. These ongoing efforts will significantly reduce the percentage of imported water in the District's potable water supply. In FY2024-25, imported water comprised about 48% of the potable water supply, in comparison to 51% imported water in FY 2023-24.

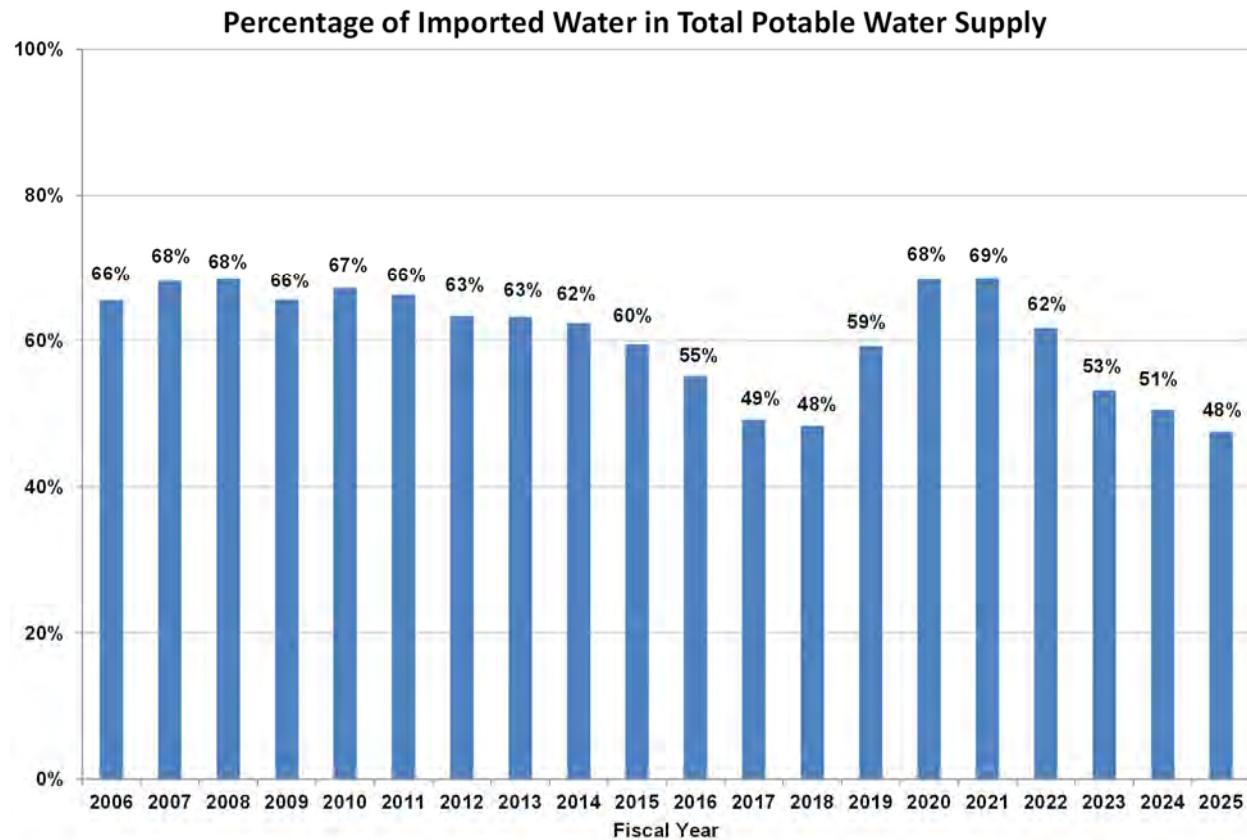


Figure 4 – Percentage of Imported Water in Total Potable Water Supply

The expectation that wholesale rates will continue to escalate provides another incentive to increase self-reliance. There are many factors that influence the ever-increasing cost of imported water. One of the greatest factors to affect imported water rates comes when water sales decrease due to regulators mandating conservation during drought and demand drops during wet periods. MWD recently explained that due to this primary factor, additional revenues are necessary in the form of much higher rates. In addition, MWD's expenses have increased as inflation has driven up commodity prices, labor, and energy costs. In the past, MWD used reserves to minimize rate increases. This unsustainable practice now places them in the position where they must substantially increase rates to fully recover costs and replenish depleted reserves.

In 2025, the MWD Tier 1 wholesale rates increased by 11%, and in 2026 the Tier 1 wholesale rates will increase by an additional 10%. In addition to MWD's rate increases, Calleguas increased its Capital Construction Surcharge, Readiness-to-Serve Charge, and Capacity Reservation Charge, for a combined wholesale rate increase to the District of approximately 9.5% in 2025 and 8.6% in 2026.

The following figure 5 illustrates the projected ever-increasing cost of imported water.

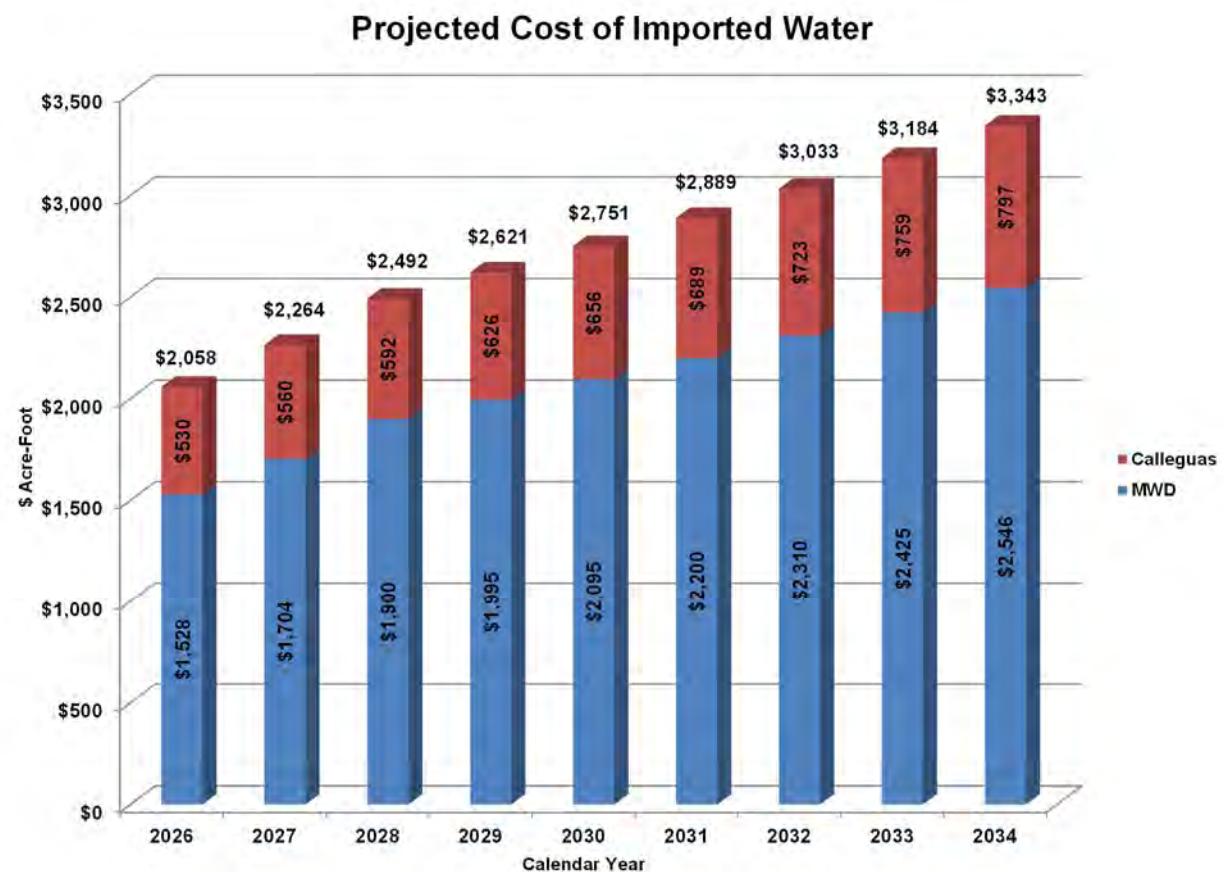


Figure 5 – Projected Cost of Imported Water

Building Self-Reliance Through Strategic Planning

The District's purpose is to provide the amount of water our customers need. Of course, responsible, sustainable stewardship of our water resources is an important element in accomplishing this purpose. Efficiency and accountability are important when managing water resources as well as other vital resources the District oversees, including energy and public funds. In accordance with our purpose and guided by our core mission, we have significantly reduced our dependence on imported water over the last twenty years, developing local projects like a brackish groundwater desalter, advanced treatment for groundwater, new wells, and a non-potable distribution system. All of these efforts work in concert to secure a more independent water supply portfolio. Doubling down on self-reliance will form the backbone of Camrosa's planning efforts for years to come. The following figure 6 below demonstrates the effects of Camrosa's commitment to building self-reliance over the last 20 years. As the diversity of supply sources increases, the percentage of the portfolio filled by imported water has decreased. Optimizing operations—filling reservoirs, moving water, blending water—has also allowed us to further reduce imports. Reductions in total water use since 2014 reflect conservation measures that have now become common practice by many of Camrosa's customers. Along with continued conservation and water use efficiencies, Camrosa will continue to develop local and regional water resource projects to build water self-reliance. This last fiscal year saw many of these projects identified through the ongoing development of Technical Memorandums (TMs) and an Integrated Master Plan that focuses on water supply alternatives. This work focused on implementation through a phased approach.

We're continuing this strategic focus this fiscal year with the goal of completing the development of and the adoption of an *Integrated Master Plan* for Local Water Supply Alternative and Infrastructure Integrity Projects that includes: a local Water Supply Alternative 5-year

Implementation Plan, an Infrastructure Integrity 15-year Implementation Plan, comprehensive funding opportunities and fiscal impact analysis, integration of partner relationships, and related long-term resource security through a Comprehensive Water Resources Allocation Policy.

Concurrent with the development and adoption of the *Integrated Master Plan*, the District will move forward with the preliminary design, engineering work, and construction of additional wells, backup wells, and treatment facilities as part of Phase I, which will increase our local water production and further reduce our dependence on imported water.

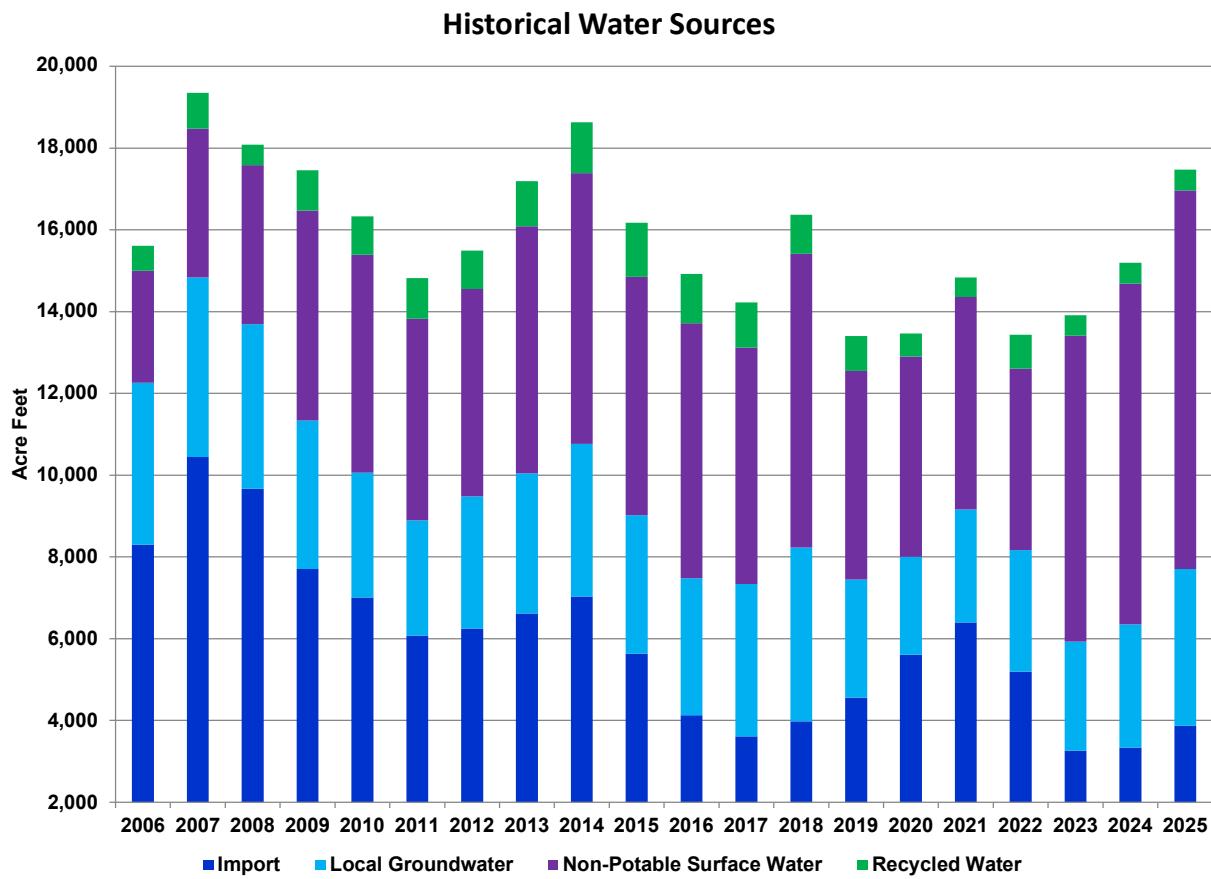


Figure 6 – Historical Water Sources

Developing Mutually Beneficial Partnerships

Mutually beneficial partnerships build relationships that bring additional water resources under the Camrosa umbrella and enhance our ability to become more self-reliant while helping our neighbors.

Since 2014, Through the Conejo Creek Project (CCP) Camrosa has sold Conejo Creek water, which originates in The City of Thousand Oaks, to Pleasant Valley County Water District (PVCWD), an agricultural District adjacent to Camrosa on the Oxnard Plain. Under Fox Canyon Groundwater Manager Agency (FCGMA) Resolution 2014-01, PVCWD transfers to Camrosa one pumping credit in the Pleasant Valley Basin (PVB) for each acre-foot of CCP water the District delivers. Camrosa currently pumps these credits from the Woodcreek and Lynnwood Wells in the northeastern Pleasant Valley Basin, where groundwater levels are higher and the basin is less stressed than in the areas where PVCWD has its wells. One aspect of Phase I of the *Integrated Master Plan* for Local Water Supply Alternative which will be implemented in FY2025-26 will be the development another well in the PVB to extract those credits in the future, rather than purchase imported water.

Following the completion of the Camarillo Sanitary District (CamSan) Recycled Water Interconnection project in November 2019, Camrosa began receiving recycled water from the City of Camarillo's CamSan facility. The City of Camarillo has a limited recycled water distribution system but does not have any storage; selling water to Camrosa helps the City avoid discharging this surplus recycled water to the creek and violating their NPDES permit or incurring the cost of discharging to the Salinity Management Pipeline (SMP). Camrosa can store CamSan's recycled water in the District's Storage Ponds and then sell it to PVCWD, a practice codified in Camrosa's latest Waste Discharge Requirement permit authorized by the Los Angeles Regional Water Quality Control Board on October 10, 2019. Recycled water does not accrue pumping credits as CCP water does, however, this interconnection increases Camrosa revenue, improves Camrosa operations, and contributes to regional water supply resilience. The amount of water available or for how long CamSan will continue to have excess recycled water is uncertain, but in the meantime, it is clearly a beneficial project for all three agencies.

Camrosa delivered 4,773 AF of Conejo Creek Project water to PVCWD, 1,511 AF of CamSan recycled water and 752 AF of CWRF recycled water in FY2024-25 in comparison to Conejo Creek Project water of 4,615 AF, 1,329 AF of Cam San recycled water and 959 AF of CWRF recycled water in FY 2023-24, as depicted in figure 7 below.

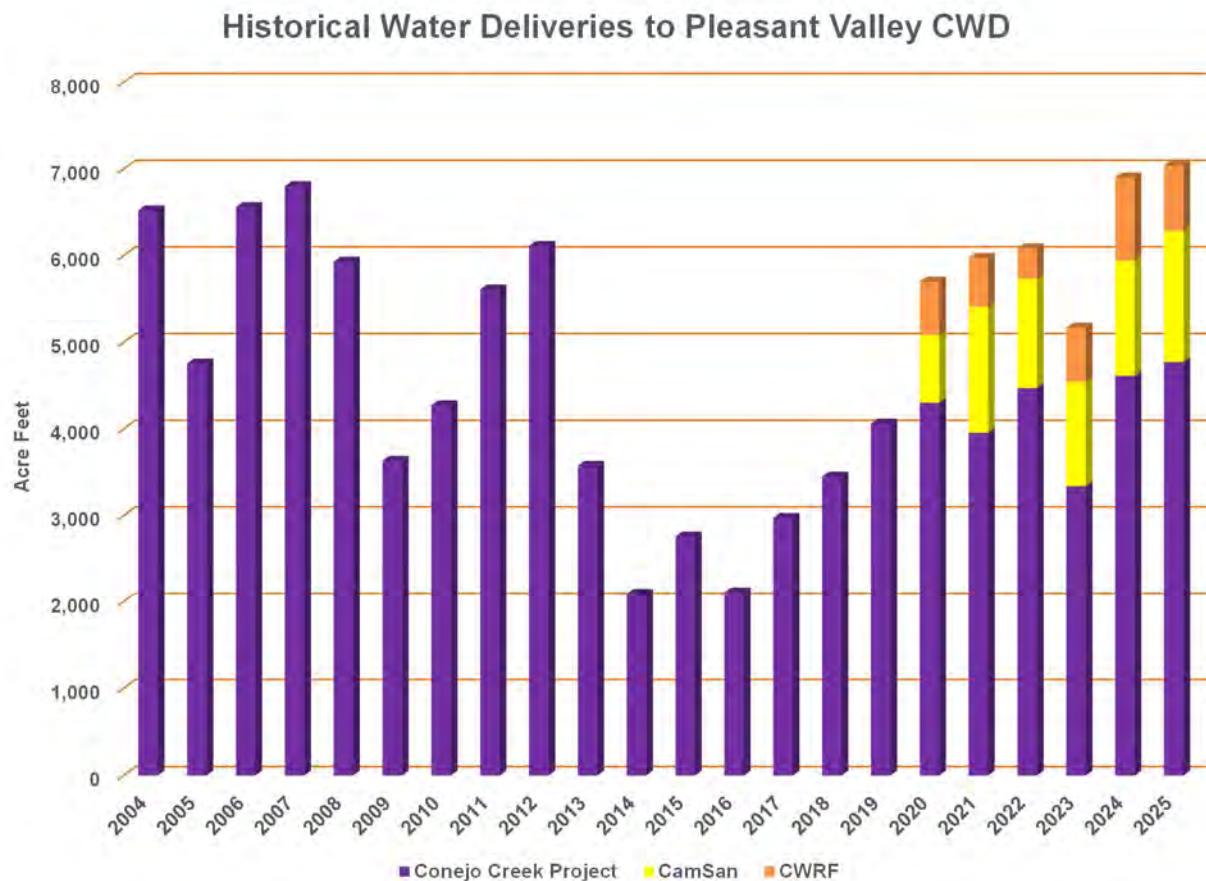


Figure 7 – Historical Water Deliveries to Pleasant Valley CWD

Another key strategic regional partner is Calleguas Municipal Water District (CMWD, Calleguas). With the development of the Calleguas Strategic Plan in 2023, an important element was brought forward, a strategic priority to provide regional leadership in water resource management. One of their first initiatives was the Water Resources Implementation Strategy (WRIS). Under Calleguas' leadership, WRIS brought together regional stakeholders to identify a portfolio of regional projects that could increase the sustainability, resilience, and reliability of the region's water resources. Several of Camrosa's *Integrated Master Plan* projects rose to the top of the final list. As this is an ongoing program, the results are yet to be realized. What has developed is a clear demonstration of Calleguas' commitment to supporting their purveyors in furthering these

important goals. A key element to the success of Camrosa's projects will be the coordination with Calleguas on the Salinity Management Pipeline (SMP) extension to support a Conejo Wellfield Desalter and the development of a Regional Exchange Framework (wheeling and banking) policy that will provide significant efficiencies for Camrosa's self-reliance initiatives.

This ongoing collaborative work with Camrosa's neighbors, Calleguas, and other regional partners will continue to be an important element of what makes and keeps Camrosa innovative, respected, and relevant within the region.

Appropriate Rate Setting

In FY2023-24 the District undertook a comprehensive Water and Wastewater Rate Study to evaluate the existing water and wastewater rates to determine the best way to adequately fund water and wastewater utility operations and capital projects while keeping rates as affordable as possible. Included in the rate study was a review of the commodity component of rates, fixed meter service fees, and the District's aging infrastructure and preventative maintenance requirements. On June 6, 2024, the District adopted a five-year Schedule of Rates for Water and Wastewater Services. Even with the rate increases, the District's rates continue to be among the lowest in Ventura County as a result of investing in local water supply to build self-reliance. The District also strives to remain cost-effective in its rate setting by controlling operating costs.

The following figure 8 is a comparison of local water utilities' monthly water bills for a single-family usage of 12 hundred cubic feet (HCF) and a $\frac{3}{4}$ -inch meter service charge.

Utility Comparison 12 HCF - 3/4 Inch Meter

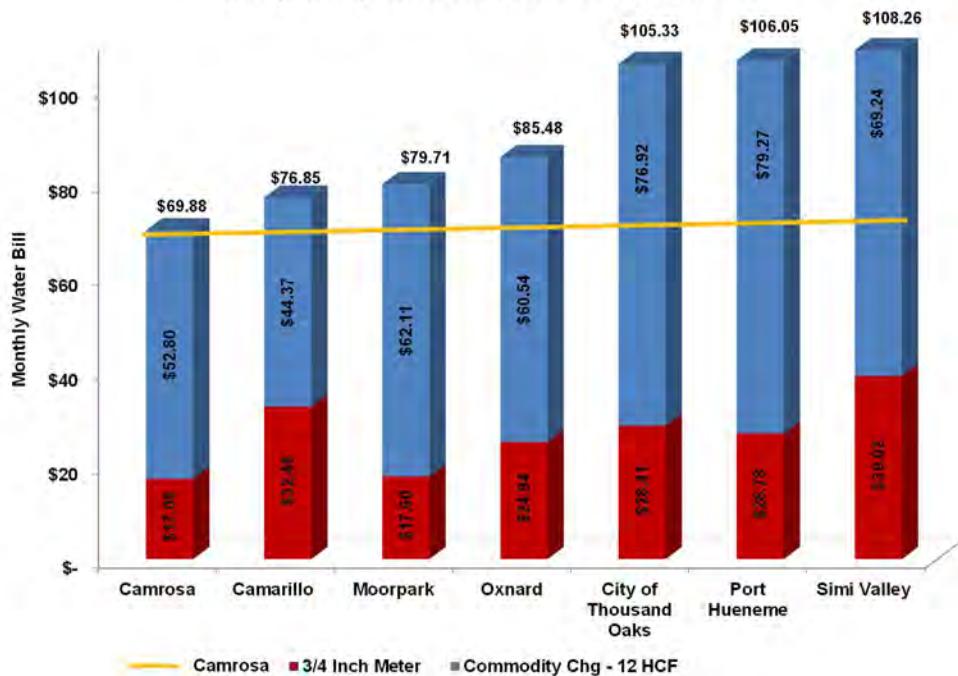


Figure 8 – Water Rate Comparison

The following figure 9 is a comparison of local wastewater utilities' monthly wastewater bills.

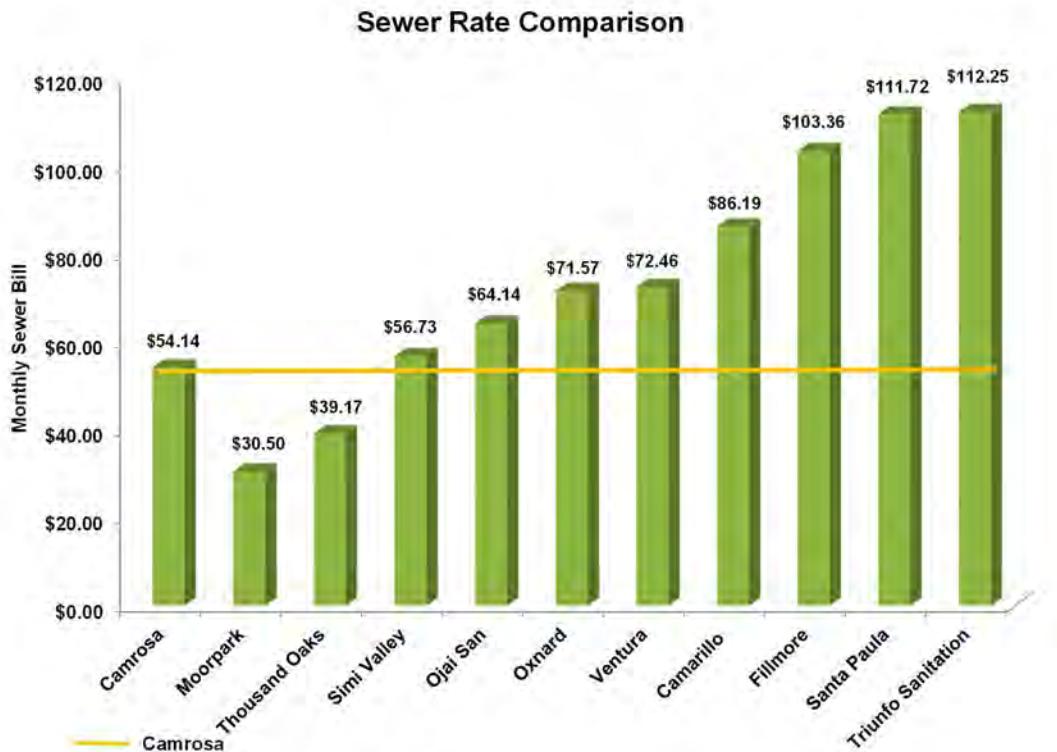


Figure 9 – Wastewater Rate Comparison

Effective Asset Management

Camrosa Water District was established in 1962; some of what became the District's infrastructure predates even that. As the systems and infrastructure age, the value of the system decreases through depreciation while the costs of keeping the system functioning properly increase. As described previously, the District has been working on the development of an *Integrated Master Plan* with two key elements: a near-term plan focused on the rehabilitation, replacement, and maintenance of the District's existing aging infrastructure; and a long-term water resources plan to envision projects to achieve water self-reliance. These elements were incorporated into the five-year comprehensive rate study to ensure adequate rates, through which appropriate reserves would be set aside to invest in these top priorities. Aging infrastructure projects include the rehabilitation or replacement of pipeline segments, reservoirs (tanks), pump stations, treatment facilities, and key elements of the wastewater collection and treatment systems. Setting aside reserves today for these repairs and replacements will prevent the District from being susceptible to untimely financial burdens and ultimately having to excessively raise rates.

Leveraging Technology

As new technology becomes available, the District will evaluate and adopt technologies that increase efficiencies, provide better access to relevant data, and enhance our customers' experience. Advances in Artificial Intelligence (AI) will continue to provide opportunities for additional efficiencies in staff workload management, data acquisition and analysis, predictive maintenance of infrastructure, real-time leak detection, demand forecasting, energy optimization, and enhanced customer engagement through personalized services. The upgrade of the District's Customer Information System (CIS) will be completed towards the beginning of the fiscal year and will include new tools that provide real-time interfaces for customers to view and track usage, interact with customer service, and facilitate the exchange of information. This year's budget includes allocations for new software to enhance the District's compliance reporting capabilities as well as provide fiscal forecasting with real-time analysis of cash-flows, rate impacts, and future

reserves and revenue requirements in light of asset management, self-reliance, and infrastructure integrity initiatives. As the District makes initial and ongoing investments in emerging technology, the effects will be seen across the organization and through all areas of customer service, water quality and reliability, operational efficiency, infrastructure monitoring and maintenance, data-driven decision-making, environmental sustainability, and emergency response readiness.

Vigilant Cybersecurity

The District continues to focus its efforts to ensure the security of its Information Technology systems. Because new cyber threats, vulnerabilities, and risks are always emerging, Camrosa applies a process of continuous improvement regarding cybersecurity that allows for threat identification, mitigation planning, execution, and assessment with the goals of protecting the District's network assets, and safeguarding customers' personally identifiable information. Also, Camrosa's layered approach to cybersecurity focuses on network resiliency, stringent access controls, network segmentation, and cloud-based endpoint monitoring. Additionally, Camrosa continues to ensure all staff are properly trained to identify, respond to, and report malware attacks and phishing attempts.

Externalities

Although supply chain issues have eased, equipment and material delays still occur, especially related to electrical equipment, generators, and complex mechanical machinery, which could translate to longer lead times on orders and longer timelines on projects. In addition, the general construction and materials industries, along with professional and construction labor continue to see rising costs across the country. These increases have greatly impacted overall project budgets. Persistent inflation continues to put pressure on operational costs within the District with energy, chemical, and supply costs often outpacing inflation. Recent tariff actions have increased uncertainties in procurement for planned projects when it comes to the cost and availability of key pieces of equipment and needed materials.

Major Accomplishments during FY2024-25

The District completed a number of capital projects during FY2023-24 that improved operations. Water system projects completed during the fiscal year include Pleasant Valley Monitoring Wells, Woodcreek Well Rehabilitation, University Well Pump replacement, MTU and Meter replacements, Pond Pump #4 replacement and distribution valve replacements. Wastewater system projects included Smart Covers, CWRF Headwork Bar Screen replacement and Confined Space Gas General projects included Network backbone switches, O&M building roofing, and LIMS.

Internal Control Structure

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The District views the budget as an essential tool for proper financial management. The budget is developed with input from the various program managers of the organization and is adopted prior to the start of each fiscal year. Any and all supplemental appropriations to the budget must be approved by the Board of Directors. The Board monitors the budget through Quarterly Financial Reports, Quarterly Investment Reports, and Year-End Budget Reports.

Financial Policies

The District's Reserve Policy, the most recent version of which was adopted by Resolution of the Board on October 14, 2021, is intended to assure adequate reserves for ongoing needs while minimizing the need for new debt. The reserve levels established in the policy also help provide rate stabilization and ensure adequate fund levels to meet aging infrastructure replacements, unanticipated emergencies, and future growth. The Board receives reports of the reserve levels quarterly and during the budget preparation process to ensure continued conformance with long-term Board strategy.

The District's Investment Policy, the most recent version of which was adopted by Resolution of the Board on March 13, 2025, is intended to provide guidelines and restrictions for prudent investment of the District's cash reserves. The District's portfolio is carefully monitored by a four-member committee that includes the General Manager, the Manager of Finance, and two Board members. The full Board receives quarterly reports on the type of investments, the current yield, maturity dates, and fair value. The criteria for selecting investment options are, in order of priority: safety, liquidity, and yield. Investments are generally limited to government-issued or government-insured securities; for instance, the District currently has approximately \$7.3 million invested in the State's Local Agency Investment Fund (LAIF) and \$34.5 million in treasury bills as of June 30, 2025.

The District formalized and adopted a Debt Management Policy on August 11, 2016. The policy provides the following: 1. establishes criteria for the issuance of debt obligations so that acceptable levels of indebtedness are maintained; 2. transmits the message to investors and rating agencies that the District is committed to sound financial management; and 3. provides consistency and continuity to public policy development when the elected Board of Directors work from guidelines that govern the planning and execution of transactions and projects.

The District's budget is presented as a policy document, an operational tool, a financial planning tool, a link to the Strategic Plan, and a method of communication with the District's community and stakeholders. The purpose of the Budget Policy is to provide guidelines that will influence and direct the financial management practice of the District. The District's Budget Policy was adopted by Resolution of the Board on January 26, 2017, to establish procedures ensuring consistent practices for developing the yearly budget.

The District's Pension Funding Policy was developed and adopted by Resolution of the Board in January 2021 and most recently updated on October 14, 2021. The policy is intended to provide guidance and strategies to the current and future Board of Directors for addressing the District's retirement liabilities. This policy includes internal budgeting, policy directives, and financing mechanisms.

In addition to the basic financial statements, the District includes a Statistical Section, which provides both financial and non-financial trend data about the District and its operations.

Audit and Financial Reporting

State law and bond covenants require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of CliftonLarsonAllen LLP has conducted the audit of the District's financial statements. Their unmodified (clean) Independent Auditor's Report follows.

Other Information

More information is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements which follow the Independent Auditor's Report.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2024. This was the

tenth year the District has received this national prestigious award. In order to be awarded a Certificate of Achievement, a government agency must publish an easily readable and efficiently organized ACFR that satisfies both GAAP and applicable legal requirements.

A Certificate of Achievement is only valid for a period of one year. Staff believes that its current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA for review to ensure the highest quality in financial reporting.

In addition, the District also received the California Society of Municipal Financial Officer's (CSMFO) Operating Budgeting Excellence Award for its FY2024-25 annual operating budget document. This program is intended to "encourage and assist local governments to prepare budget documents of the very highest quality that reflect the guidelines established by the National Advisory Council on State and Local Budgeting."

I would like to thank the Board of Directors for their continued interest and support towards achieving excellence in financial management. Additionally, this report could not have been accomplished without the hard work and dedication of staff. Special recognition is extended to Tamara Sexton, Deputy General Manager/Finance and Sandra Llamas, Senior Accountant. District staff is dedicated to upholding the District's mission, implementing necessary improvements to operations and infrastructure, and pursuing alternatives to increase self-reliance, while remaining fiscally responsible and accountable to all those whom we serve.

Respectfully submitted,



Norman Huff
General Manager



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial
Reporting

Presented to

Camrosa Water District California

For its Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

Christopher P. Monill

Executive Director/CEO

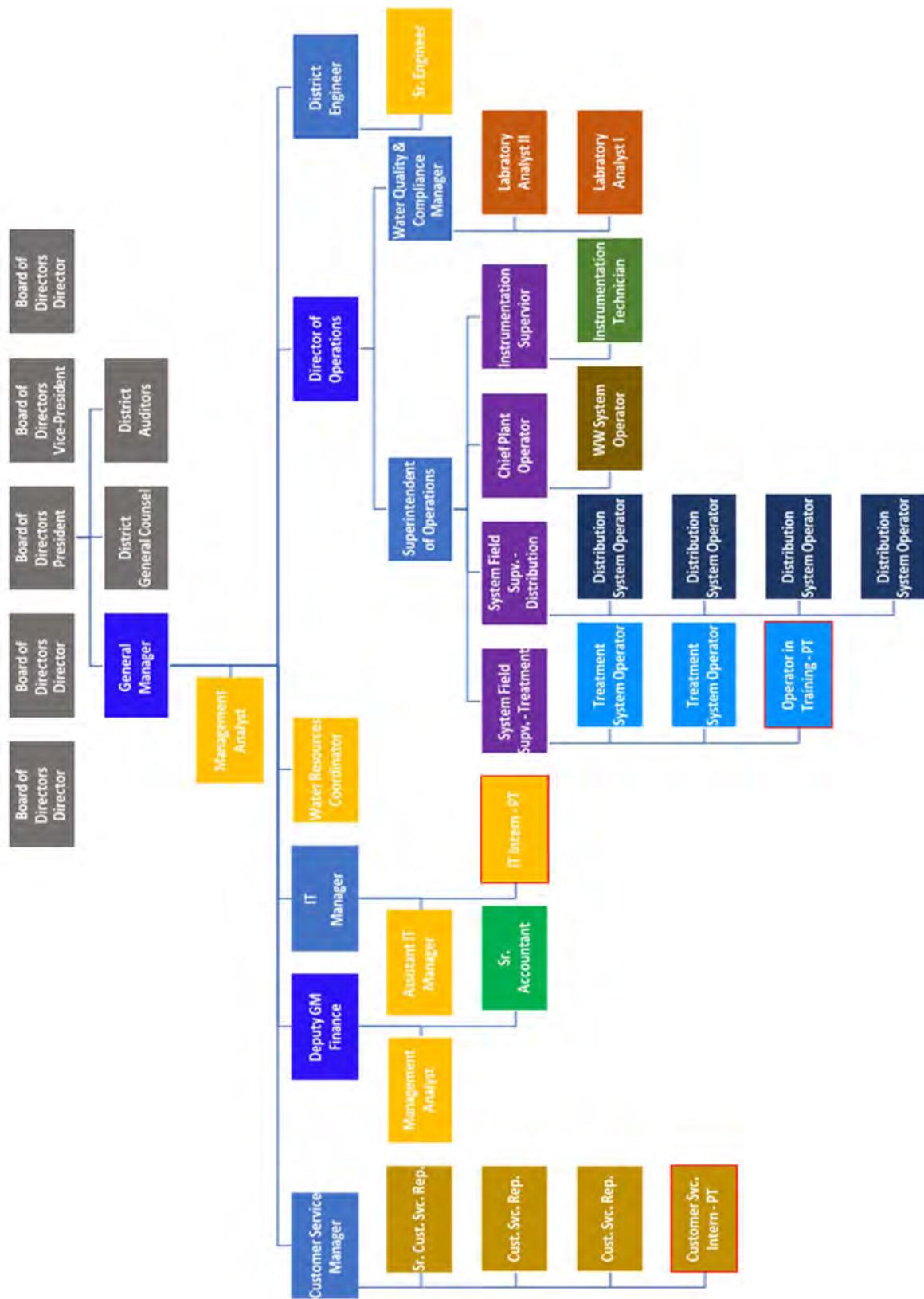


Figure 10 – Organization Chart

Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
Camrosa Water District
Camarillo, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Camrosa Water District (the District), as of and for the years ended 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 financial position of the District, as of June 30, 2025 and 2024, and the changes in financial position, and, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 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 District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, and the schedule of contributions 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 GAAS, 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 audits 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 section, other information section, and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
September 30, 2025

Management's Discussion and Analysis (MD&A)

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

The following discussion and analysis of the Camrosa Water District's (District) financial performance during FY2024-25 provides an overview of the District's operational activities that impacted the financial performance of the District. It should be reviewed in conjunction with the transmittal letter and the District's basic financial statements that begin on page 12.

Financial Highlights

The following chart displays FY2024-25 financial changes in comparison to FY2023-24 and FY2022-23:

- In FY2024-25, the District's net position increase 3.0%, or \$3.3 million, to \$112.0 million. In FY2023-24, the District's net position increased by 6.7%, or \$6.9 million to \$108.7 million.
- In FY2024-25, the District's total revenues decreased by 4.9%, or \$1.6 million compared to FY2023-24. The decrease is due to a combination of factors. First, water revenue increased by \$3.5 million due to higher demand resulting from a dry year, as well as meter changes, which read more accurately and reduce water loss. Also, meter and sewer revenues increased by \$0.9 million due to rate increases effective at the beginning of the year. On the other hand, the District did not receive capital contributions in FY2024-25, having received \$6.2 million in the prior fiscal year. Property taxes and Interest revenues increased by \$0.1 million respectively.
- In FY2023-24, the District's total revenues increased by 31.9%, or \$8.0 million compared to FY2022-23 mainly due to receipt of capital contributions in the amount of \$6.2 million referenced above. In addition to that, water sales increased by \$1.5 million due to rate adjustment and lifting of mandatory conservation provisions.
- In FY2024-25, Total Expenses including pension expense increased by \$1.8 million compared to FY2023-24. This is mainly due to increased water purchases due to higher demand and increased cost of imported water.

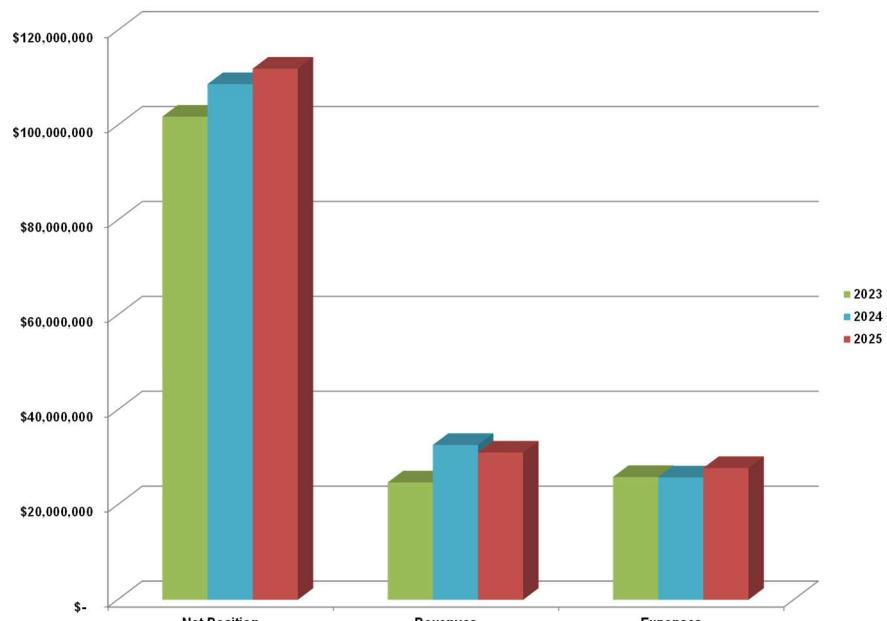


Figure 11 – Financial Highlights

Required Financial Statements

This annual report consists of a series of financial statements with accompanying notes. The *Statements of Net Position* reflects the solvability of the District at the end of FY2024-25 and provides a comparison of assets, liabilities, deferred inflows and deferred outflows as they existed at the end of the prior fiscal year. The *Statements of Revenues, Expenses and Changes in Net Position* compares operational results from FY2024-25 with FY2023-24. The *Statements of Cash Flows* provides information about the District's cash receipts and cash payments during the reporting periods.

Method of Accounting: The District uses a single enterprise fund for accounting and reporting the results of all operations. The statements referenced above include all assets and liabilities using an accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Notes to Financial Statements: The notes that follow the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

District as a Whole

The District is operated and reported as a single enterprise fund. The operating results reported in the accompanying financial statements reflect the total performance of the District as a whole.

Net Position Analysis

One way of evaluating the District's financial health is through the *Statements of Net Position*. Over time, increases or decreases in the District's *net position* – the difference between assets (what the District owns) and deferred outflows of resources and liabilities (what the District owes) and deferred inflows of resources – indicate whether its financial health is improving or deteriorating. Other non-financial factors, such as changes in the District's jurisdiction, the status of capital projects, and the level of continuing constituent support, must always be considered in assessing the overall health of the District.

The following is a summary of the *Statements of Net Position* of the District and the change in comparison to the two prior fiscal years:

	<u>Net Position</u>				
	(in millions)				
<u>Assets</u>	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>
Current Assets	\$42.0	\$43.2	(\$1.2)	\$43.4	(\$0.2)
Restricted Cash	7.6	7.6	0.0	3.8	3.8
Capital Assets (net of depreciation/amortization)	75.6	72.7	2.9	69.7	3.0
Other Non-Current Assets	0.0	0.0	0.0	0.0	0.0
<u>Total Assets</u>	<u>125.2</u>	<u>123.5</u>	<u>1.7</u>	<u>116.9</u>	<u>6.6</u>
Deferred Outflows of Resources	3.4	2.5	0.9	4.3	(1.8)
<u>Total Assets and Deferred Outflows of Resources</u>	<u>\$128.6</u>	<u>\$126.0</u>	<u>\$2.6</u>	<u>\$121.2</u>	<u>\$4.8</u>
<u>Liabilities</u>					
Long-Term Debt	\$8.9	\$9.7	\$0.8	\$10.5	\$0.8
Long-Term Lease & SBITA Liability	0.1	0.2	0.1	0.2	0.0
Net Pension Liability	1.0	1.1	0.1	0.7	(0.4)
Other Liabilities	5.9	5.6	(0.3)	6.3	0.7
<u>Total Liabilities</u>	<u>15.9</u>	<u>16.6</u>	<u>0.7</u>	<u>17.7</u>	<u>1.1</u>
Deferred Inflows of Resources	0.7	0.8	0.1	1.7	0.9
<u>Total Liabilities and Deferred Inflows of Resources</u>	<u>\$16.6</u>	<u>\$17.4</u>	<u>\$0.8</u>	<u>\$19.4</u>	<u>\$2.0</u>
<u>Net Position</u>					
Net Investment in Capital Assets	\$66.0	\$62.7	\$3.3	\$57.9	\$4.8
Restricted Net Position	6.0	6.0	0.0	1.9	4.1
Unrestricted Net Position	40.0	40.0	0.0	42.0	(2.0)
<u>Total Net Position</u>	<u>\$112.0</u>	<u>\$108.7</u>	<u>\$3.3</u>	<u>\$101.8</u>	<u>\$6.9</u>

If net position serves as a useful indicator of an institution's financial position, the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$112.0 million at June 30, 2025 and by \$108.7 million at June 30, 2024, which indicate it is of sound financial health.

By far the largest portion of the District's net position reflects Net Investment in Capital Assets, which represent Capital Assets, net of accumulated depreciation/amortization, less any related debt and other capital related payables used to acquire those assets plus any unspent funds. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are not available for future spending.

For the year ended June 30, 2025, Total Net Position increased by \$3.3 million and increased by \$6.9 million the year ended June 30, 2024. In FY2024-25, Current Assets and Restricted Cash decreased by \$1.2 million. Net cash provided by operating and non-financial activities was \$4.5 million. Net cash provided by capital and related financial activities was (\$8.6) million and net cash provided by investing activities was \$2.3 million. In addition, Accounts receivable increased by

\$0.10 million, and other current assets increased by \$0.50 million. Capital Assets Net of Depreciation increased by \$2.9 million due to projects completed during the year, and Deferred Outflows of Resources Related to Pensions increased by \$2.6 million. Total liabilities decreased by \$0.7 million. Long term debt decreased by \$0.8 million due to principal paid during the fiscal year, Net Pension Liability decreased by \$0.1 million, and other liabilities increased by \$0.3 million. Deferred Inflows of Resources related to pensions decreased by \$0.1 million.

In FY2023-24, Current Assets and Restricted Cash increased by \$3.6 million. Net cash provided by operating and non-financial activities was \$2.5 million. Net cash provided by capital and related financial activities was (\$1.4) million and net cash provided by investing activities was \$1.7 million. In addition, Accounts receivable increased by \$0.60 million due to higher rates and lifting of conservation provisions, and other current assets increased by \$0.20 million. Capital Assets Net of Depreciation increased by \$3.0 million due to projects completed during the year, and Deferred Outflows of Resources Related to Pensions decreased by \$1.8 million. Total liabilities decreased by \$1.1 million. Long term debt decreased by \$0.8 million due to principal paid during the fiscal year, Net Pension Liability increased by \$0.4 million, and other liabilities decreased by \$0.7 million. Deferred Inflows of Resources related to pensions decreased by \$0.9 million.

The following is a summary of the *Statements of Revenues, Expenses and Changes in Net Position* of the District with a comparison to the two prior fiscal years:

<u>Changes in Net Position</u>					
	(in millions)				
	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>
Operating Revenues	27.8	23.5	4.3	21.5	2.0
Operating Expenses	(27.3)	(25.4)	(1.9)	(25.5)	0.1
Non-Operating Revenues	3.2	3.0	0.2	2.5	0.5
Non-Operating Expenses	(0.4)	(0.4)	0.0	(0.4)	0.0
Excess before Capital Contributions and Grants	3.3	0.7	2.6	(1.9)	2.6
Capital Contributions	0.0	6.2	(6.2)	0.6	5.6
Grants	0.0	0.0	0.0	0.2	(0.2)
Change in Net Position	3.3	6.9	(3.6)	(1.1)	8.0
Net Position at Beginning of Year	<u>108.7</u>	<u>101.8</u>	<u>6.9</u>	<u>102.9</u>	<u>(1.1)</u>
<u>*Net Position at End of Year</u>	\$112.0	\$108.7	\$3.3	\$101.8	\$6.9

Revenue

Revenue generated from operations accounts for 89.7% of total revenue. Other Non-Operating Revenues, such as taxes and interest revenue contribute 10.2% of total revenue, and capital contributions, grant income make up the remaining 0.1% of total revenue.

Water rates are comprised of a commodity (usage) charge and a fixed meter service fee. Sewer rates are a fixed fee, billed monthly. The District conducted a Proposition 218 public hearing on June 6, 2024, at which the Board adopted a five-year rate schedule that includes various increases for the commodity and meter service charges for both water and wastewater services.

The Statement of Revenues, Expenses and Changes in Net Position provides answers as to the nature and source of the changes of financial position. The following summary of revenues by source is provided for the past three fiscal years:

Total Revenues (in millions)					
<u>Operating Revenues</u>	2025	2024	Change	2023	Change
Water Revenue	\$19.4	\$15.9	\$3.5	\$14.4	\$1.5
Meter Revenue	3.0	2.7	0.3	2.6	0.1
Sewer Revenue	5.4	4.8	0.6	4.4	0.4
Other	0.1	0.1	0.0	0.1	0.0
<u>Total Operating Revenues</u>	<u>\$27.9</u>	<u>\$23.5</u>	<u>\$4.4</u>	<u>\$21.5</u>	<u>\$2.0</u>
 <u>Non-Operating Revenues</u>					
Property Taxes	\$0.9	\$0.8	\$0.1	\$0.8	\$0.0
Legal Settlement	0.0	0.0	0.0	0.0	0.0
Uncollectible Accounts Recovery	0.0	0.0	0.0	0.1	(0.1)
Interest Income	2.3	2.2	0.1	1.6	0.6
<u>Total Non-Operating Revenues</u>	<u>\$3.2</u>	<u>\$3.0</u>	<u>\$0.2</u>	<u>\$2.5</u>	<u>\$0.6</u>
 <u>Total Revenues Before Capital Contributions and Grants</u>	 <u>\$31.1</u>	 <u>\$26.5</u>	 <u>\$4.6</u>	 <u>\$24.0</u>	 <u>\$2.6</u>
Capital Contributions	\$0.0	\$6.2	(\$6.2)	\$0.6	\$5.6
Capital Grant Income	0.0	0.0	0.0	0.2	(0.2)
 <u>Total Revenues After Capital Contributions and Grants</u>	 <u>\$31.1</u>	 <u>\$32.7</u>	 <u>(\$1.6)</u>	 <u>\$24.8</u>	 <u>\$8.0</u>

The District's Operating Revenue increased by \$4.4 million in FY2024-25 and by \$2.0 million in FY2023-24. The increase in FY2024-25 was a result of higher potable water rates and higher water sales within the District. Potable water demand increased from 5,655 AF in FY2023-24 to 6,701 AF in FY2024-25. Non-Potable water demand within the District increased from 3,836 AF in FY2023-24 to 4,844 AF in FY2024-25.

The increase in FY2023-24 was a result of higher rates and higher potable water sales as well as increased sales of non-potable and recycled water to Pleasant Valley County Water District. Potable water demand increased from 5,189 AF in FY2022-23 to 5,655 AF in FY2023-24.

Expenses

Expenses for Water Purchases and Utilities represent 41% of total Direct Operating Expenses. Salaries and Benefits represent 20% of total Direct Operating Expenses. All other expenses account for 39% of the total Direct Operating Expenses for the period. The following summary of expenses by category is provided for the past three fiscal years:

	<u>Total Expenses</u> (in millions)				
	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>
<u>Operating Expenses</u>					
Water Purchases	\$9.1	\$7.8	\$1.3	\$7.0	\$0.8
Salaries and Benefits	5.5	5.8	(0.3)	7.9	(2.1)
Utilities	2.3	2.1	0.2	1.8	0.3
Other	5.9	6.2	(0.3)	5.5	0.7
<u>Direct Operating Expenses</u>	<u>\$22.8</u>	<u>\$21.9</u>	<u>\$0.9</u>	<u>\$22.2</u>	<u>(\$0.3)</u>
Depreciation & Amortization	4.5	3.5	1.0	3.3	0.2
<u>Total Operating Expenses</u>	<u>\$27.3</u>	<u>\$25.4</u>	<u>\$1.9</u>	<u>\$25.5</u>	<u>(\$0.1)</u>
<u>Non-Operating Expenses</u>					
Interest Expense	0.3	0.4	(0.1)	0.4	0.0
<u>Total Non-Operating Expenses</u>	<u>\$0.3</u>	<u>\$0.4</u>	<u>(\$0.1)</u>	<u>\$0.4</u>	<u>\$0.0</u>
<u>Total Expenses</u>	<u>\$27.6</u>	<u>\$25.8</u>	<u>\$1.8</u>	<u>\$25.9</u>	<u>(\$0.1)</u>

Total Direct Operating Expenses increased by \$0.9 million in FY2024-25 and decreased by \$0.3 million in FY2023-24. In FY2024-25, water purchases increased by \$1.3 million due to higher demand and increased water cost. In addition, Utilities increased by \$0.2 million and salaries and benefits and Other Direct Operating Expenses decreased by \$0.3 million respectfully. In FY2023-24, salaries and benefits decreased by \$2.1 million mainly due to actuarial calculations to determine the District's Net Pension Liability/Asset and Deferred Inflows and Outflows of Resources as of the end of the fiscal year. This is a non-cash item that decreased the District's benefits expense by \$2.7 million. Salaries and benefits excluding the above non-cash pension adjustment increased by \$0.6 million. In addition, water purchases increased by \$0.8 million, utilities increased by \$0.3 million and Other Direct Operating Expenses increased by \$0.7 million.

Total Non-Operating Expenses decreased by \$0.1 million in FY2024-25.

Capital Assets and Debt Administration

<u>Capital Assets</u>	<u>Net Capital Assets</u> (in millions)				
	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>
Water Plant	\$97.9	\$95.4	\$2.5	\$75.3	\$20.1
Sanitation Plant	35.0	33.0	2.0	33.0	0.0
Buildings & Equipment	5.5	5.3	0.2	5.1	0.2
Land and Easements	1.9	1.9	0.0	1.9	0.0
Lease & SBITA Assets	0.7	0.6	0.1	0.6	0.0
Construction in Progress	7.0	5.4	1.6	19.1	(13.7)
	<u>\$148.0</u>	<u>\$141.6</u>	<u>\$6.4</u>	<u>\$135.0</u>	<u>\$6.6</u>
Less:					
Accumulated Depreciation	72.0	68.6	3.4	65.1	3.5
Accumulated Amortization	0.4	0.3	0.1	0.2	0.1
	<u>72.4</u>	<u>68.9</u>	<u>3.5</u>	<u>65.3</u>	<u>3.6</u>
<u>Net Capital Assets</u>	<u>\$75.6</u>	<u>\$72.7</u>	<u>\$2.9</u>	<u>\$69.7</u>	<u>\$3.0</u>

Total Capital Assets increased \$6.4 million (before depreciation/amortization) during the FY2024-25 and by \$6.6 million during FY2023-24, reflecting a net increase in the value of the Water Plant, Sanitation Plant and Construction in Progress. Please see note 3, page 27, to the basic financial statements for further detail.

The District completed a number of capital projects during FY2024-25 that improved potable water, non-potable water, and wastewater operations, as well as general projects. Water system projects completed during the fiscal year include Woodcreek well rehabilitation, Pleasant Valley monitoring wells, MTU and Meter replacements, Distribution valve replacement, University well pump replacement, and Pond pump #4 replacement. Wastewater system projects completed during the fiscal year include CWRF headwork bar screen replacement, Confined space gas monitoring, Effluent Pond relining, and Smart covers. General Projects completed include LIMS, Network backbone switches and O&M building roofing.

Debt Administration

At year-end, the District had the following long-term debt obligations:

2016A Water and Wastewater Refunding Revenue Bonds	\$ 9,633,312
Less current portion	<u>760,000</u>
Net Long-Term Debt	<u>\$ 8,873,312</u>

The District issued \$9,630,000 in 2011A project bonds in September 2011. Proceeds of the bonds were designated to fund \$6,508,000 of water capital projects and \$2,447,000 of wastewater capital projects. In September 2016, District advance refunded the 2011A bonds and obtained additional funding in the amount of \$6,000,000, with the issuance of the Water and Wastewater Refunding Revenue Bonds Series 2016A, for water projects. Please see note 4, regarding the basic financial statements for further discussion.

Requests for Information

This financial report is designed to provide a general overview for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the General Manager, 7385 Santa Rosa Road, Camarillo, CA 93012.

Financial Statements

Statements of Net Position

June 30, 2025 and 2024

Assets	2025	2024
Current Assets		
Cash and Cash Equivalents	\$ 37,218,673	\$ 39,105,180
Restricted Cash and Cash Equivalents	7,634,664	7,625,886
Receivables:		
Customer - Net of Allowance for Doubtful Accounts of \$10,000 and \$10,000 at June 30, 2025 and 2024, respectively	3,209,759	3,101,801
Interest	514,433	472,109
Property Taxes	32,886	24,533
Grants	84,425	83,822
Other Reimbursements	88,398	53,970
Prepaid Expenses and Other Current Assets	815,951	353,812
Total Current Assets	<u>49,599,190</u>	<u>50,821,113</u>
Non-current Assets		
Capital Assets Not Being Depreciated	8,893,130	7,322,697
Capital Assets Being Depreciated	66,458,461	65,093,458
Capital Lease Assets Being Amortized, Net	184,096	299,244
Capital SBITA Assets Being Amortized, Net	38,362	14,963
Total Non-current Assets	<u>75,574,049</u>	<u>72,730,362</u>
Total Assets	<u>125,173,239</u>	<u>123,551,475</u>
Deferred Outflows of Resources		
Deferred Loss From Debt Refunding	344,595	406,740
Deferred Outflows Related to Pensions	3,093,053	2,141,615
Total Deferred Outflows of Resources	<u>3,437,648</u>	<u>2,548,355</u>

The Notes to Financial Statements are an Integral Part of these Statements.

Statements of Net Position (Continued)

June 30, 2025 and 2024

Liabilities	2025	2024
Current Liabilities		
Accounts Payable	3,559,584	3,426,850
Accrued Interest Payable	137,000	150,055
Wages, Benefits and Payroll Taxes Payable	178,753	134,264
Current Portion of Compensated Absences	324,925	319,958
Customer Surety Deposits	615,729	585,362
Other Liabilities	85,450	88,143
Current Portion of Lease Liability	83,605	114,458
Current Portion of SBITA Liability	16,752	12,780
Current Portion of Long-Term Debt	760,000	720,000
Total Current Liabilities	5,761,799	5,551,871
Long-Term Liabilities		
Long-Term Debt, Net of Current Portion	8,873,312	9,687,500
Long-Term Lease Liability, Net of Current Portion	107,287	190,892
Long-Term SBITA Liability, Net of Current Portion	14,606	2,718
Compensated Absences, Net of Current Portion	157,676	105,108
Net Pension Liability	1,008,906	1,059,961
Total Long-Term Liabilities	10,161,787	11,046,179
Total Liabilities	15,923,586	16,598,050
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	740,065	809,600
Net Position		
Net Investment in Capital Assets	65,968,450	62,650,500
Restricted Net Position:		
Mitigation & In-Lieu Fees	5,845,287	5,985,352
Escrow Account-Contractor's Retention	129,421	-
Unrestricted Net Position	40,004,078	40,056,328
Total Net Position	\$ 111,947,236	\$ 108,692,180

The Notes to Financial Statements are an Integral Part of these Statements.

Statements of Revenues, Expenses and Changes in Net Position

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

	2025	2024
Operating Revenues		
Potable Water Sales	\$ 14,030,777	\$ 10,619,595
Non-Potable Water Sales	5,330,472	5,312,766
Meter Service Fees	2,952,068	2,717,519
Sewer Service Fess	5,405,412	4,762,192
Other Revenue	103,193	83,508
Total Operating Revenues	27,821,922	23,495,579
Operating Expenses		
Potable Water Purchases	7,327,507	6,123,420
Non-Potable Water Purchases	1,769,438	1,694,579
Salaries	3,750,735	3,513,861
Employee Benefits	807,203	730,717
Pension Expense	967,394	1,532,585
Outside Contracts	2,195,780	2,306,649
Professional Services	451,766	871,407
Utilities	2,289,632	2,122,793
Communications	74,219	67,053
Repairs and Maintenance	1,148,280	1,380,409
Supplies	970,963	739,909
Legal Services	339,091	138,783
Dues and Subscriptions	58,491	44,652
Conference and Travel	38,705	25,726
Safety and Training	38,479	28,396
Board	165,109	149,382
Fees and Charges	233,626	203,291
Insurance	181,146	151,055
Amortization	132,010	123,206
Depreciation	4,402,823	3,478,600
Total Operating Expenses	27,342,395	25,426,474
Operating Income (Loss)	479,527	(1,930,895)
Non-Operating Revenues		
Gain on Sale of Asset	-	384
Investment Income	2,305,735	2,160,828
Property Taxes	873,760	805,988
Total Non-Operating Revenues	3,179,495	2,967,200
Non-Operating Expenses		
Interest Expense	(336,467)	(367,536)
Loss on Sale of Asset	(107,837)	-
Total Non-Operating Expenses	(444,304)	(367,536)
Income Before Capital Contributions and Grants	3,214,719	668,769
Capital Contributions	39,734	6,187,985
Capital Grant Income	603	-
Change in Net Position	3,255,056	6,856,754
Net Position at Beginning of Year	108,692,180	101,835,426
Net Position at End of Year	\$ 111,947,236	\$ 108,692,180

The Notes to Financial Statements are an Integral Part of these Statements.

Statements of Cash Flows

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

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Cash Received from User Charges	\$ 27,657,144	\$ 22,837,854
Other Operating Receipts	54,127	48,117
Cash Received from Surety Deposits	30,367	28,431
Cash Payments to Employees	(3,693,598)	(3,524,481)
Cash Payments for Operating Expenses	<u>(20,447,801)</u>	<u>(17,692,040)</u>
Net Cash Provided By Operating Activities	<u>3,600,239</u>	<u>1,697,881</u>
Cash Flows From Noncapital Financing Activities		
Property Taxes	<u>865,407</u>	<u>808,107</u>
Net Cash Provided By Non-Capital Financing Activities	<u>865,407</u>	<u>808,107</u>
Cash Flows From Capital and Related Financing Activities		
Purchases of Capital Assets	(7,446,095)	(6,560,025)
Proceeds from Water and Sewer Capital Fees	39,734	6,187,985
Receipt of Grants	-	177,081
Repayment of Long-Term Debt	(720,000)	(695,000)
Repayment of SBITTA Liability	(24,401)	(12,280)
Repayment of Lease Liability	(114,458)	(105,985)
Initial Direct Cost-Leases	-	(294)
Interest Payments	<u>(341,565)</u>	<u>(372,181)</u>
Net Cash Used By Capital and Related Financing Activities	<u>(8,606,786)</u>	<u>(1,380,699)</u>
Cash Flows From Investing Activities		
Interest Income	2,024,414	1,691,108
Purchase of Investments	<u>238,997</u>	<u>71,107</u>
Sale of Investments		
Net Cash Provided By Investing Activities	<u>2,263,411</u>	<u>1,762,215</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(1,877,729)	2,887,504
Cash and Cash Equivalents at Beginning of Year	<u>46,731,066</u>	<u>43,843,562</u>
Cash and Cash Equivalents at End of Year	<u>\$ 44,853,337</u>	<u>\$ 46,731,066</u>
 Cash and Cash Equivalents- Financial Statement Classification:		
Current Assets:		
Cash and Cash Equivalents	37,218,673	39,105,180
Restricted Cash and Cash Equivalents	<u>7,634,664</u>	<u>7,625,886</u>
Total Cash and Cash Equivalents	<u>\$ 44,853,337</u>	<u>\$ 46,731,066</u>

The Notes to Financial Statements are an Integral Part of these Statements.

Statements of Cash Flows (Continued)

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

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Operating Loss Income/Loss	\$ 479,527	\$ (1,930,895)
Adjustments to Reconcile Operating Net Loss to Net Cash Provided by Operating Activities		
Depreciation	4,402,823	3,478,600
Lease Amortization	132,010	123,206
(Increase)/Decrease in		
Customer Receivables	(107,958)	(615,121)
Other Receivables	(34,428)	(35,414)
Prepaid Expenses and Other Current Assets	(462,139)	180,330
Deferred outflows related to pension	(951,438)	1,672,824
Net Pension Asset	-	-
Increase/(Decrease) in		
Accounts Payable	132,734	(730,664)
Wages, Benefits and Payroll Taxes Payable	44,489	(3,968)
Compensated Absences	57,535	(11,777)
Surety Deposits	30,367	28,431
Other Current Liabilities	(2,693)	5,513
Deferred inflows related to pensions	(69,535)	(859,944)
Net pension liability	<u>(51,055)</u>	<u>396,759</u>
Net Cash Provided By Operating Activities	<u>\$ 3,600,239</u>	<u>\$ 1,697,881</u>

The Notes to Financial Statements are an Integral Part of these Statements.

Notes to Financial Statements

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

Note 1 - Summary of Significant Accounting Policies

A. Organization and Operation of the Reporting Entity

The Camrosa Water District (District), a special district of the State of California, was created in 1962 and operates under the authority of Division 12 of the California Water Code. The District is primarily engaged in the activities of selling and delivering water and collecting and treating wastewater. The District's service area includes portions of the cities of Camarillo, Thousand Oaks and Moorpark, and an unincorporated portion of the County of Ventura. The District's five-member Board of Directors comprises representatives from five geographical divisions of the District who are elected at large.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

These financial statements present the District and its component units, the Camrosa Water District Financing Authority and the Arroyo Santa Rosa Groundwater Sustainability Agency. As defined by GASB, the financial reporting entity consists of the primary government, as well as component units, for which the District is considered to be financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing board and (1) is able to impose its will on the organization, (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the District, (3) management (below the level of elected officials) of the primary government have operational responsibility for the activities of the component unit, or (4) the component unit's total debt is expected to be repaid entirely with resources of the primary government.

The Camrosa Water District Financing Authority (Authority) is authorized to buy, sell and lease property and to issue bonds, expend bond proceeds, and borrow and loan money for any of its corporate purposes pursuant to the Act and a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004, by and among the cities, counties, districts and other political subdivisions that are parties to that agreement. The District's Board of Directors acts as the governing body of the Authority. The decision to blend the Authority was reached due to the District's Board of Directors governing the Authority, as well as the District's management responsibility of the operations.

The Arroyo Santa Rosa Groundwater Sustainability Agency (GSA) serves as the GSA for the Arroyo Santa Rosa Valley Basin. The GSA was originally designated as a medium-priority basin due to high nitrate concentrations, and the County of Ventura and Camrosa formed a GSA in 2016 to manage the portion of the basin east of the Bailey Fault, outside the Fox Canyon Groundwater Management Agency (FCGMA). Administrative fees to support the operation of the Arroyo Santa Rosa GSA were originally funded through contributions from Camrosa and the County of Ventura. Contributions from the County ended in FY2021-22. The ongoing administration of the GSA is now funded solely by Camrosa. The GSA operating budget for FY2024-25 is \$275,375 for the administration and management of the GSA. The decision to blend the Arroyo Santa Rosa Valley Basin GSA was reached due to the fact that the component unit has substantively the same governing body as the District, and the operational responsibility for the Component Unit rest with management of the District. Five of six board members are board members of the District and the General Manager of the District is also the Executive Officer of the GSA.

B. Basis of Accounting

The Camrosa Water District is accounted for as an enterprise fund in accordance with GAAP as applied to governmental units. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the expenses, including depreciation, of providing goods or services to the general public are recovered through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, and other purposes. Because the Camrosa Water District is accounted for as an enterprise fund, the District uses the economic resources measurement focus and the accrual basis of accounting is used for financial statement reporting purposes.

Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing goods and delivering goods in connection with an enterprise funds' principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses 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 non-operating revenues and expenses.

C. Basic Financial Statements

The basic financial statements provide information about the District's proprietary fund. The focus of proprietary fund measurement is upon determination of operating income, changes in net position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

D. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, deferred outflows, and deferred inflows of resources as well as disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Significant estimates used in preparing these financial statements include:

- Accrual of net pension liability

The District believes the techniques and assumptions used in establishing these estimates are appropriate.

E. Cash and Cash Equivalents

For purposes of the statements of cash flows, the District considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

F. Investments

Investments are carried at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio (in relation to the amortized cost of that portfolio). Changes in fair value that occur during a fiscal year are recognized as investment earnings reported for that fiscal year. Investment earnings include interest earnings, changes in fair value, and any gain or losses realized upon the liquidation of sale of investments.

G. Accounts Receivables and Allowance for Uncollectible Accounts

Water and Wastewater revenues are billed on the tenth of every month. Revenues resulting from customer usage occurring after the last meter reading date and prior to the end of the year are accrued. This accrual is reflected under customer receivables in the Statement of Net Position. The District uses the allowance method, and a provision has been made for bad debts. Accounts for which no payments have been received are written off at the discretion of management. Accounts receivable as reflected in the financial statements are from customers located within the cities of Camarillo, Thousand Oaks and Moorpark, and an unincorporated portion of the County of Ventura.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Examples of prepaid items for the District are property and liability insurance premiums and payments for software maintenance, and meters that have not been installed.

I. Capital Assets

Tangible Capital assets that are acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$10,000. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Land and construction in progress are not depreciated. Depreciation is recorded on a straight-line basis over the estimated useful lives of the other capital assets as follows:

Water Plant	15-50 years
Sanitation Plant	40-50 years
Buildings and Equipment	3-50 years

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Subscription-based information technology arrangement (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

J. Construction in Progress

Construction in progress represents cost accumulated for the replacement and improvement of the District's water and wastewater systems as well as the rehabilitation of structures and other projects that were not completed as of year-end.

K. Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense) until that time. The District has the following items that qualify for reporting in this category.

- Deferred amount on debt refunding. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflow related to pensions resulting from net differences between projected and actual earnings on investments of the pension plans fiduciary net position. This amount is amortized over five years.
- Deferred outflow related to pensions for differences between expected and actual experience. This amount is amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred outflow related to pensions equal to employer contributions made after the measurement date of the net pension liability.
- Deferred outflows related to pensions resulting from changes in assumptions. This amount is amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred outflows related to pensions for the changes in employer's proportion and differences between employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

L. Compensated Absences

The District's personnel policies provide for accumulation of annual leave. Liabilities for annual leave are recorded when benefits are earned. Cash payment of unused annual leave is available to those qualified employees eligible to cash out or when retired or terminated.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public 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 the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category.

- Deferred inflow related to pensions for differences between expected and actual experience. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflows related to pensions for the changes in employer's proportion and differences between employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

O. Capital Contributions

Deeded facilities received from developers are recorded at estimated construction cost. Such facilities are recorded as District assets and are depreciated in accordance with established policies for similar capital assets. Easements granted are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

The District requires prepayment of water and sewer capital fees prior to commencement of construction of residential and commercial developments. Such fees, which are nonrefundable, are recorded as capital contributions upon receipt and are tracked as restricted net position until such funds are utilized for their legally restricted purpose. Grants for capital asset acquisition, facility development and rehabilitation are reported as capital grant income.

P. Recycled Water Sales Agreement

With the completion of the Camarillo Sanitary District (CamSan) Recycled Water Interconnection project, Camrosa began receiving recycled water from CamSan. Camrosa is currently paying \$117.29/AF for recycled water on a volumetric basis. The rate is to be adjusted every October by the consumer price index.

Q. Property Taxes

The District receives property taxes collected for the District by the County of Ventura. Property taxes attach as an enforceable lien on property as of November 1 each year for the fiscal year July 1 to June 30. Taxes are levied on November 1 and are due and payable on December 10 of that year. Half of the taxes levied on November 1 become delinquent December 10 of that year and the remaining half is due on February 10 of the following year and become delinquent on April 10 of that year.

R. Net Position

Net Position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the financial statements.

Net position is classified in the following categories:

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation including intangible assets -right to use lease assets and SBITAs, net of accumulated amortization and reduced by any outstanding debt or other borrowings or payables related to the acquisition, construction, or improvement of those assets. If there are unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted net position – Consists of net position with legal limitations imposed on their use by external restrictions by other governments, creditors, grantors, contributors, laws, or regulations, or through constitutional provision, or enabling legislation.
- Unrestricted net position – Consists of all other net position that does not meet the definition of restricted or invested in capital assets.

S. Use of Restricted/Unrestricted Net Position

When both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed. As of June 30, 2025, and 2024, the District had \$5,974,708 and \$5,985,352 in restricted resources. These restricted resources include mitigation, in-lieu fees and escrow account for contractor's retention.

T. Long-Term Debt Obligations

In the statement of net position, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds, which impacts interest expense. Bonds payable are reported net of the applicable bond premium or discount. Interest on the debt is recorded when incurred. Principal that is due within one year is shown as a current liability.

U. Lease Liability

A lessee should recognize a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease, or it transfers ownership of the underlying asset. The lease liability should be measured at the present value of payments expected to be made during the lease term (less any lease incentives).

V. Customer Deposits

Based on customer's creditworthiness, the District may require a deposit deemed reasonable by the District. These deposits are held to pay off close bills or to cover delinquent payments.

Note 2 - Deposits and Investments

Cash and Investments

Cash and investments as of June 30, 2025, and 2024 are reported in the accompanying statement of net position as follows:

	<u>2025</u>	<u>2024</u>
Current assets:		
Cash and cash equivalents	\$ 37,218,673	\$ 39,105,180
Restricted cash and cash equivalents	7,634,664	7,625,886
Total cash and investments	<u>\$ 44,853,337</u>	<u>\$ 46,731,066</u>

Cash and investments as of June 30, 2025, and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Cash on hand	\$ 475	\$ 475
Deposit with financial institutions	1,680,257	2,178,259
Restricted investments	1,044,227	1,055,172
Unrestricted investments	42,128,378	43,497,160
Total cash and investments	<u>\$ 44,853,337</u>	<u>\$ 46,731,066</u>

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk and concentration of credit risk.

This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Minimum Quality	Gov't Code Sections
Local Agency Bonds	5 years	None	None	53601 (a)
U.S. Treasury Obligations	5 years	None	None	53601 (b)
State Obligations CA and Others	5 years	None	None	53601 (c) (d)
CA Local Agency Obligations	5 years	None	None	53601 (e)
U.S Agency Obligations	5 years	None	None	53601 (f)
Negotiable Certificates of Deposit	5 years	30%	None	53601 (i)
Non-Negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50%	None	53601.8 and 53635.8
Placement ServiceCertificates of Deposit	5 years	50%	None	53601.8 and 53635.8
Medium Term Notes	5 years or less	30%	"AA" rating category or its equivalent or better	53601 (o)
Mutual Funds And Money Morket Mufual Funds	N/A	20%	Multiple (a)(b)	53601 (l) and 53601.6 (b)
Collateralized Bank Deposits	5 years	None	None	53630 et seq. and 53601(n)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple (c)	53601 (p)
Local Agency Investment Fund	N/A	None	None	16429.1
Voluntary Investment Program Fund	N/A	None	None	16340
Supranational Obligations	5 years or less	30%	"AA" rating category or its equivalent or better	53601 (q)
Public Bank Obligations	5 years	None	None	53601 (r), 53635(c) and 57603

* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

N/A Not applicable

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 interest rates. One of the ways that the District manages its exposure to interest rates risk is by structuring the District's portfolio so that securities mature to meet the District's cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to their maturity, investing primarily in short-term securities, and occasionally restructuring the portfolio to minimize the loss of fair value and/or to maximize cash flow.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) 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, 2024 and 2023.

June 30, 2025

Investment Type	Remaining Maturity (in Years)	
	Less than 1 Year	
Local Agency Investment Fund (LAIF)	\$ 7,279,902	
Treasury Notes		24,509,804
Held by Bond Trustee:		
Money Market Mutual Funds		1,044,227
	<hr/>	
	More than 1 Year	
	<hr/>	
Treasury Notes		10,338,672
	<hr/>	
Total	\$	<u>43,172,605</u>

June 30, 2024

Investment Type	Remaining Maturity (in Years)	
	Less than 1 Year	
Local Agency Investment Fund (LAIF)	\$ 9,327,022	
Treasury Notes		10,063,794
Held by Bond Trustee:		
Money Market Mutual Funds		1,055,172
	<hr/>	
	More than 1 Year	
	<hr/>	
Treasury Notes		24,106,344
	<hr/>	
Total	\$	<u>44,552,332</u>

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 in the following table are the minimum rating required by (where applicable) the California Government Code, the District's investment policy or debt agreements and the actual S&P's credit rating as of June 30, 2025, and 2024 for each investment type.

June 30, 2025

Investment Type	Minimum Legal Rating	Total	Not Rated	Exempt	AAA
LAIF	N/A	\$ 7,279,902	\$ 7,279,902	\$ -	\$ -
Treasury Bills	N/A	34,848,476	-	34,848,476	-
Held by Bond Trustee:					
Money Market Mutual Funds	AAA	1,044,227	-	-	1,044,227
Total		<u>\$ 43,172,605</u>	<u>\$ 7,279,902</u>	<u>\$ 34,848,476</u>	<u>\$ 1,044,227</u>

June 30, 2024

Investment Type	Minimum Legal Rating	Total	Not Rated	Exempt	AAA
LAIF	N/A	\$ 9,327,022	\$ 9,327,022	\$ -	\$ -
Treasury Bills	N/A	34,170,138	-	34,170,138	-
Held by Bond Trustee:					
Money Market Mutual Funds	AAA	1,055,172	-	-	1,055,172
Total		<u>\$ 44,552,332</u>	<u>\$ 9,327,022</u>	<u>\$ 34,170,138</u>	<u>\$ 1,055,172</u>

Concentration of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code as noted in the Investments Authorized by the California Government Code and the District's Investment Policy section. The District had no investments that represent 5% or more of the total District investments (other than U.S. Treasury securities, money market mutual funds, and external investment pools).

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of depository financial institution, the District 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 custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investments pools (such as LAIF Investment Pool).

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 or investments, 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 District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2025 and 2024, all of the District's deposits with financial institutions were covered by federal depository insurance limits or were held in collateralized accounts.

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 Section 16429 under the oversight of the Treasurer of the State of California.

The State Treasurer's Office audits the fund annually. The fair value of the District's investment in this pool is reported at 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.

Fair Value Measurement

The District categorizes its fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices of similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

The District's investments in LAIF and investments held by bond trustee in money market mutual funds are not subject to the fair value measurement hierarchy. Treasury bills are included in the Level 2 fair value hierarchy and are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Note 3 - Capital Assets

The activity for each of the major classes of capital assets and accumulated depreciation /amortization for the fiscal years ended June 30, 2025 and 2024 are shown in the following tables:

June 30, 2025

	July 1, 2024	Increases	Transfers/ Decreases	June 30, 2025
Capital Assets by Major Class:				
Capital Assets Not Being Depreciated:				
Land and Easements	\$ 1,904,958	\$ -	\$ -	\$ 1,904,958
Construction in Progress	5,417,739	7,446,096	(5,875,663)	6,988,172
Total Capital Assets Not Being Depreciated	7,322,697	7,446,096	(5,875,663)	8,893,130
Capital Assets Being Depreciated:				
Water Plant	95,363,290	3,638,201	(1,074,522)	97,926,969
Sanitation Plant	33,012,269	2,003,486	(10,546)	35,005,208
Buildings and Equipment	5,275,727	233,976	(23,285)	5,486,418
Total Capital Assets Being Depreciated	133,651,286	5,875,663	(1,108,353)	138,418,596
Less Accumulated Depreciation for:				
Water Plant	45,361,609	3,178,733	(979,929)	47,560,413
Sanitation Plant	19,434,528	816,425	(194)	20,250,760
Buildings and Equipment	3,761,691	410,556	(23,285)	4,148,962
Total Accumulated Depreciation	68,557,828	4,405,714	(1,003,407)	71,960,135
Total Capital Assets Being Depreciated, Net	65,093,458	1,469,949	(104,946)	66,458,461
Lease Assets:				
Right to Use Asset - Vehicles	\$ 600,355	\$ -	\$ (24,615)	\$ 575,740
Less Accumulated Amortization	301,111	115,148	(24,615)	391,644
Total Lease Assets Being Amortized, Net	299,244	(115,148)	0	184,096
SBITA Assets:				
Right to Use Asset - SBITA	\$ 37,165	\$ 40,261	\$ -	\$ 77,426
Less Accumulated Amortization	22,202	16,862	-	39,064
Total SBITA Assets Being Amortized, Net	14,963	23,399	-	38,362
Capital & Lease Assets, Net	\$ 72,730,363	\$ 8,824,296	\$ (5,980,608)	\$ 75,574,049

The Notes to Financial Statements are an Integral Part of these Statements.

June 30, 2024

	July 1, 2023	Increases	Transfers/ Decreases	June 30, 2024
Capital Assets by Major Class:				
Capital Assets Not Being Depreciated:				
Land and Easements	\$ 1,904,958	\$ -	\$ -	\$ 1,904,958
Construction in Progress	19,129,469	6,479,668	(20,191,398)	5,417,739
Total Capital Assets Not Being Depreciated	21,034,427	6,479,668	(20,191,398)	7,322,697
Capital Assets Being Depreciated:				
Water Plant	75,319,863	20,043,427		95,363,290
Sanitation Plant	33,008,900	8,561	(5,192)	33,012,269
Buildings and Equipment	5,065,691	219,767	(9,731)	5,275,727
Total Capital Assets Being Depreciated	113,394,454	20,271,755	(14,922)	133,651,286
Less Accumulated Depreciation for:				
Water Plant	43,143,883	2,217,726	-	45,361,609
Sanitation Plant	18,571,509	868,211	(5,192)	19,434,528
Buildings and Equipment	3,378,758	392,664	(9,731)	3,761,691
Total Accumulated Depreciation	65,094,150	3,478,600	(14,922)	68,557,828
Total Capital Assets Being Depreciated, Net	48,300,304	16,793,154	-	65,093,458
Lease Assets:				
Right to Use Asset - Vehicles	\$ 510,491	\$ 89,864	\$ -	\$ 600,355
Less Accumulated Amortization	190,293	110,818	-	301,111
Total Lease Assets Being Amortized, Net	320,198	(20,954)	-	299,244
SBITA Assets:				
Right to Use Asset - SBITA	\$ 49,873	\$ -	\$ (12,708)	\$ 37,165
Less Accumulated Amortization	14,050	12,388	(4,236)	22,202
Total SBITA Assets Being Amortized, Net	35,823	(12,388)	(8,472)	14,963
Capital & Lease Assets, Net	\$ 69,690,752	\$ 23,239,480	\$ (20,199,870)	\$ 72,730,363

Note 4 - Long-Term Debt

The District generally incurs long-term debt to finance projects or purchase assets that will have useful lives equal to or greater than the related term of the debt. The District's debt rating is "AA" from Standard & Poor's.

The net revenues of the Water System are pledged toward the repayment of the Water Revenue Bonds. FY2024-25, net water revenues totaled \$6,290,730 and principal and interest payments for water revenue bonds were \$844,931. FY2023-24, net revenues totaled \$8,326,912, and principal and interest payments were \$852,031. Also, the net revenues of the Wastewater System are pledged toward the repayment of the Wastewater Revenue Bonds. During FY2024-25, net wastewater revenues totaled \$2,085,764 and principal and interest payments for wastewater revenue bonds totaled \$191,700. FY2023-24, net revenues totaled \$3,607,211 and principal and interest payments were \$187,900.

The District is subject to certain revenue bond covenants on outstanding debt, as defined, equal to at least 115% of the current annual debt service requirements. As of June 30, 2025, the debt

service coverage for Water was 745% and for Wastewater was 1088%. As of June 30, 2024, the debt service coverage for Water was 977% and for Wastewater was 1920%.

Water and Wastewater Revenue Bonds Series 2016A

In September 2016, the District issued Revenue Bonds, Series 2016A, in an aggregate principal amount of \$14,020,000. The proceeds from the sale of the bonds are being used to finance additional improvements to the Water System and were also used to refund all of the outstanding Water and Wastewater Revenue Bonds, Series 2011A, fund a reserve account established for the bonds and to pay costs incurred in connection with the issuance, sale, and delivery of bonds. The bonds require semi-annual payments, with interest ranging from 2.00% to 5.00%, through January 2046.

Proceeds, bond premiums and remaining 2011A reserve accounts amounting to \$9,261,855 were placed in escrow to pay the principal and interest of the 2011A bonds when due, resulting in a deferred loss of debt refunding, which has an outstanding balance of \$344,595 at June 30, 2025 and \$406,740 at June 30, 2024. All amounts were paid by the redemption date of January 15, 2021.

Leases

The District leases vehicles for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2029. As of June 30, 2025 and 2024, lease assets totaled \$575,740 and \$600,355. Their accumulated depreciation totaled \$391,644 and \$301,111 respectively. See note 3 for capital assets. The District uses its average incremental borrowing rate of 4% as the discount rate. The District leases do not include renewal options nor variable payments.

Subscription-Based Information Technology Arrangements

The District has entered into subscription based-information technology arrangements (SBITAs). The SBITA arrangements expire at various dates through Fiscal Year 2026-27.

As of June 30, 2025 and 2024, SBITA assets totaled \$77,427 and \$37,165. Their accumulated amortization totaled \$39,064 and \$22,202, respectively. See Note 3 for capital assets. The District uses its average incremental borrowing rate of 4% as the discount rate. The District SBITA arrangements do not include renewal options nor variable payments.

The District's debt and transactions are summarized below:

Other Debt:	Balance	Additions/	Proceeds/	Balance	Current	Long-Term
	July 1, 2024	New Debt	Retirement	June 30, 2025		
2016 Refunding Bonds	\$ 9,240,000	\$ -	\$ (720,000)	\$ 8,520,000	\$ 760,000	\$ 7,760,000
2016 Refunding Bonds Premium	1,167,500	-	(54,188)	1,113,312	-	1,113,312
Lease Liability	305,350	-	(114,458)	190,892	83,605	107,287
SBITA Liability	15,498	40,261	(24,401)	31,358	16,752	14,606
Compensated Absences	425,065	374,227	(316,691)	482,601	324,925	157,676
	<u>\$ 11,153,413</u>	<u>\$ 414,488</u>	<u>\$ (1,229,738)</u>	<u>\$ 10,338,163</u>	<u>\$ 1,185,283</u>	<u>\$ 9,152,881</u>

Other Debt:	Balance	Additions/	Proceeds/	Balance	Current	Long-Term
	July 1, 2023	New Debt	Retirement	June 30, 2024		
2016 Refunding Bonds	\$ 9,935,000	\$ -	\$ (695,000)	\$ 9,240,000	\$ 720,000	\$ 8,520,000
2016 Refunding Bonds Premium	1,221,688	-	(54,188)	1,167,500	-	1,167,500
Lease Liability	321,765	89,570	(105,985)	305,350	114,458	190,892
SBITA Liability	36,634	-	(21,136)	15,498	12,780	2,718
Compensated Absences	436,843	330,675	(342,453)	425,065	319,958	105,107
	<u>\$ 11,951,930</u>	<u>\$ 420,245</u>	<u>\$ (1,218,762)</u>	<u>\$ 11,153,413</u>	<u>\$ 1,167,196</u>	<u>\$ 9,986,217</u>

Future debt service on the bonds, lease & SBITA agreements liability requirements through maturity are as follows:

Fiscal Year Ending June 30	2016 Revenue Bonds Principal	2016 Revenue Bonds Interest	Lease Liability Principal	Lease Liability Interest	SBITA Liability Principal	SBITA Liability Interest	Total
2026	760,000	302,231	83,604	5,767	16,752	981	1,169,335
2027	780,000	275,631	50,886	3,365	14,606	394	1,124,882
2028	815,000	248,331	45,021	1,316			1,109,668
2029	830,000	227,956	11,381	152			1,069,489
2030	845,000	211,356					1,056,356
2031-2035	1,605,000	836,544					2,441,544
2036-2040	1,125,000	611,700					1,736,700
2041-2045	1,430,000	304,000					1,734,000
2046	330,000	16,500					346,500
	<u>\$ 8,520,000</u>	<u>\$ 3,034,249</u>	<u>\$ 190,892</u>	<u>\$ 10,600</u>	<u>\$ 31,358</u>	<u>\$ 1,375</u>	<u>\$ 11,788,474</u>

Debt Service Reserve

The trust agreement of the revenue bond series 2016A require a reserve account to be created and held in trust by the Trustee for an amount equal to the Reserve Account Requirement. Moneys in the Reserve Account shall be used solely for the purpose of replenishing the Interest Account or the Principal Account under the Trust Agreement. The reserve account balance as of June 30, 2025 and 2024 was \$879,529 for the 2016A issuance.

Arbitrage

At June 30, 2025 and 2024, the District has revenue bonds outstanding that are subject to arbitrage limitations. Arbitrage rebate refers to the required payment to the U.S. Treasury Department of excess earnings received on applicable tax-exempt bond proceeds that are invested at a higher yield than the yield of the tax-exempt bond issue. The 2016 bonds had no such arbitrage amounts due.

Note 5 - Capital Fees and Capital Contributions

Capital Fees and Capital Contributions consisted of the following for FY2024-25 and FY2023-24.

	2025
Potable Water Capital Contributions:	
Capital Fees	\$ 30,000
Mitigation Fees	9,734
Total Potable Water Capital Contributions	<u>39,734</u>
 Total Capital Contributions	 <u>\$ 39,734</u>
	2024
Potable Water Capital Contributions:	
Capital Fees	\$ 177,575
Mitigation Fees	4,205,860
Total Potable Water Capital Contributions	<u>4,383,435</u>
 Sewer Capital Contributions:	
Capital Fees	<u>\$ 1,804,550</u>
 Total Sewer Capital Contributions	 <u>1,804,550</u>
 Total Capital Contributions	 <u>\$ 6,187,985</u>

Note 6 - Deferred Compensation Plan

For the benefit of its employees, the District participates in three 457 Deferred Compensation Programs (Programs). The multiple Programs were created in accordance with Internal Revenue Code Section 457. The purpose of these Programs is to provide deferred compensation for employees that elect to participate in the Programs. Generally, eligible employees may defer a receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes. The trusts hold the assets for the exclusive benefit of plan participants and their beneficiaries. Plan assets are not the property of the District, or subject to the claims of the District's general creditors. The ending investment balance was \$4,700,190 and \$4,196,643 as of June 30, 2025 and 2024, respectively. For the year ended June 30, 2024, as part of the performance evaluation and incentive policy, when a non-exempt employee was awarded annual leave credits, the District matched, on a dollar-for dollar basis, the employee's contributions to the 457 plan, up to \$2,500 or the amount of leave credits awarded, whichever was less. Matching Contributions totaled \$17,270 in 2024. The performance evaluation and incentive policy was not approved for 2025, and therefore, there were no matching contributions for the year. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the accompanying financial statements.

Note 7 - Defined Benefit Pension Plan

A. General Information about the Pension Plan

Plan Descriptions All qualified permanent and probationary employees are eligible to participate in the Camrosa Water District's Miscellaneous Plan (Plan). The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State 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.

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, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five (5) years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The board is currently exploring alternatives to the CalPERS retirement system.

The Plan's provisions and benefits in effect at June 30, 2025 and 2024, are summarized as follows:

	Prior January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit Formula	2% @ 55	2% @ 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50	52
Monthly Benefit as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required Employee Contribution Rates		
June 30, 2025	7%	7.75%
June 30, 2024	7%	7.75%
Required Employer Contribution Rates		
Normal Cost Rate:		
June 30, 2025	11.880%	7.870%
June 30, 2024	11.840%	7.680%
Payment of Unfunded liability:		
June 30, 2025	\$1,651,512	\$33,488
June 30, 2024	\$0	\$0

Contributions Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contributions rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. Total contributions made by the District for the year ended June 30, 2025, and 2024 were \$2,039,422 and \$322,946, respectively.

B. Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2025 the District's reported net pension for its proportionate share of the net pension liability was \$1,008,906 and \$1,059,961 as of June 30, 2024.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2024 and 2023, 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, 2023 and 2022 rolled forward to June 30, 2024 and 2023, respectively, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share percentage of the net pension liability for the June 30, 2024, measurement date was as follows:

Proportion - June 30, 2023	0.02120%
Proportion - June 30, 2024	0.02086%
Change - Increase (Decrease)	-0.00034%

The District's proportionate share percentage of the net pension liability for the June 30, 2023, measurement date was as follows:

Proportion - June 30, 2022	0.01417%
Proportion - June 30, 2023	0.02120%
Change - Increase (Decrease)	0.00703%

For the year ended June 30, 2025 and 2024, the District recognized a pension expense of \$967,394 and \$1,532,585, respectively.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions paid after measurement date	\$ 2,039,422	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	58,082	-
Differences between Expected and Actual Experiences	87,229	3,404
Changes in Assumptions	25,932	
Changes in Proportion and Difference between Actual Contributions and Proportionate Share of Contributions	882,388	736,661
Total	\$ 3,093,053	\$ 740,065

The \$2,309,422 reported as deferred outflows of resources is related to pensions the District contributed after the measurement date and will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

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

Measurement Period Ended June 30:	Deferred Outflows/(inflows) of Resources
2026	329,772
2027	24,236
2028	(20,539)
2029	(19,903)
Thereafter	0

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions paid after measurement date	\$ 322,946	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	171,617	-
Differences between Expected and Actual Experiences	54,149	8,400
Changes in Assumptions	63,995	
Changes in Proportion and Difference between Actual Contributions and Proportionate Share of Contributions	<u>1,528,908</u>	<u>801,200</u>
 Total	<u>\$ 2,141,615</u>	<u>\$ 809,600</u>

The \$322,946 reported as deferred outflows of resources is related to pensions the District contributed after the measurement date and has been recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(inflows) of Resources
2025	593,624
2026	357,464
2027	53,056
2028	4,925
Thereafter	0

Presentation of the Statement of Revenues, Expenses, and Changes in Net Position
Operating expenses have been detailed in the Statement of Revenues, Expenses, and Changes in Net Position to show the impact of pension expense on operating expenses.

Actuarial Methods and Assumptions

The total pension liabilities were based on the following actuarial methods and assumptions:

Miscellaneous

Valuation Date	June 30, 2023 & June 30, 2022
Measurement Date	June 30, 2024 & June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method

Actuarial Assumptions

Discount Rate	6.90%
Inflation	2.30%
Salary Increases	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Increase	(3)

(1) Varies by entry age and service

(2) Derived using CalPERS' Membership Data for all Funds.

CalPERS developed the mortality table used based on CalPERS' specific data.

The table includes generational mortality improvement using 80% of Scale MP-2020.

For more details on this table, please refer to the 2021 experience study report that can be found on CalPERS website.

(3) Contract COLA up to 2.30% until Purchasing Power Protection Allowance

Floor on purchasing power applies, 2.30% thereafter.

Discount Rate The discount rate used to measure the total pension liability was 6.9% for the measurement periods ended June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in Discount Rate The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2024 (measurement date)		June 30, 2023 (measurement date)
1% Decrease	5.90%	1% Decrease	5.90%
Net Pension Liability (Asset)	\$4,004,232	Net Pension Liability (Asset)	\$3,916,134
Current Discount Rate	6.90%	Current Discount Rate	6.90%
Net Pension Liability (Asset)	\$1,008,906	Net Pension Liability (Asset)	\$1,059,961
1% Increase	7.90%	1% Increase	7.90%
Net Pension Liability (Asset)	(\$1,456,688)	Net Pension Liability (Asset)	(\$1,290,915)

Long-term Expected Rate of Return The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of 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. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

The expected real rate of return by asset class are as follows:

Asset Class (1))	Measurement Period ended June 30, 2024 and 2023	
	Current Target Allocation	Real Return (1,2)
Global Equity-Cap weighted	30.0%	4.54%
Global Equity- Non-Cap weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56 %
High Yield	5.0%	2.27 %
Emerging Market Debt	5.0%	2.48 %
Private Debt	5.0%	3.57 %
Real Assets	15.0%	3.21 %
Leverage	-5.0%	-0.59%

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

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

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

Payable to the Pension Plan

At June 30, 2025, the District reported a payable of \$14,475 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025. At June 30, 2024,

the District reported a payable of \$10,481 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

Note 8 - Profit Share Plan

The District has a profit sharing plan, pursuant to Section 401 of the Internal Revenue Code. The plan includes a provision under Section 414(h)(2) whereby each plan participant that is classified as management is required to contribute 5% of salary. Mandatory contributions totaled \$78,486 and \$83,960 in 2025 and 2024, respectively. The amount of payroll subject to the contributions totaled \$1,679,197 and \$1,569,720 in 2025 and 2024, respectively.

Note 9 - Major Customers

The District's top ten water customers represent 23% and 22% of the water revenue during fiscal years ended June 30, 2025 and 2024, respectively. The District's top ten wastewater customers represent 41% and 41% of the wastewater revenue during the fiscal year ended June 30, 2025 and 2024, respectively.

Note 10 - Risk Management

The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et seq. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

At June 30, 2025 and 2024, the District participated in the self-insurance programs of the Insurance Authority as follows:

Property Loss The Insurance Authority has pooled self-insurance up to \$10,000,000 per occurrence as of June 30, 2025, and June 30, 2024, and has purchased excess insurance coverage of \$150,000,000 as of June 30, 2025, and \$500,000,000 as of June 30, 2024 (total insurable values of \$39,696,833 as of June 30, 2025 and \$35,941,389 as of June 30, 2024). The District has a \$5,000 deductible for buildings, fixed equipment, and personal property, \$1,000 deductible for mobile equipment and vehicles, deductibles ranging from \$25,000 to \$50,000 based on type of equipment for boiler and machinery.

General Liability The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage of \$55,000,000.

Auto Liability The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage of \$55,000,000.

Public Official's Liability The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage of \$55,000,000.

Cyber Liability The Insurance Authority has purchased insurance coverage of \$5,000,000 policy aggregate, subject to a \$3,000,000 maximum limit per member as of June 30, 2025 and June 30, 2024.

Crime Bond The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence. The District did not purchase excess insurance coverage. The District has a \$1,000 deductible.

Worker's Compensation The Insurance Authority has pooled self-insurance up to \$2,000,000 and has purchased excess insurance coverage to the statutory limits.

The District pays annual premiums for the coverages. There were no instances in the past three years when a settlement exceeded the District's coverage, and there were no reductions in the District's insurance coverage for the past three years.

Note 11 – Condensed Combining Information

The GSA and the Finance Authority have been included as part of the District's financial statements as blended component units. In accordance with GASB 61, the following summarized information as of June 30, 2025 and June 30, 2024 is required:

Condensed Statements of Net Position at June 30, 2025

	District Financial Statements	GSA Financial Statements	Financing Authority Financial Statements	Eliminating Activities	Combined District Financial Statements
Assets:					
Current	\$ 49,357,575	\$ 241,615	897,000	(897,000)	49,599,190
Noncurrent	75,574,049	-	7,760,000	(7,760,000)	75,574,049
Total Assets	<u>124,931,624</u>	<u>241,615</u>	<u>8,657,000</u>	<u>(8,657,000)</u>	<u>125,173,239</u>
Deferred Outflows of Resources	3,093,053	-	344,595	-	3,437,648
Total Assets and Deferred Outflows of Resources	<u>128,024,677</u>	<u>241,615</u>	<u>9,001,595</u>	<u>(8,657,000)</u>	<u>128,610,887</u>
Liabilities:					
Current	\$ 5,761,715	\$ 84	897,000	(897,000)	5,761,799
Noncurrent	9,048,475	-	8,873,312	(7,760,000)	10,161,787
Total Liabilities	<u>14,810,190</u>	<u>84</u>	<u>9,770,312</u>	<u>(8,657,000)</u>	<u>15,923,586</u>
Deferred Inflows of Resources	740,065	-	-	-	740,065
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>128,024,677</u>	<u>241,615</u>	<u>9,001,595</u>	<u>(8,657,000)</u>	<u>128,610,887</u>
Net Position:					
Net Investment in Capital Assets	\$ 65,968,450	\$ -	-	-	65,968,450
Restricted	5,974,708	-	-	-	5,974,708
Unrestricted	40,531,264	241,531	(768,717)	-	40,004,078
Total Net Position:	<u>112,474,422</u>	<u>241,531</u>	<u>(768,717)</u>	<u>-</u>	<u>111,947,236</u>

Condensed Statement of Revenues, Expenses, and Changes in Net Position for the Year Ended June 30, 2025

Operating Revenues:					
Water Sales	19,361,249	-	-	-	19,361,249
Meter Service Fees	2,952,068	-	-	-	2,952,068
Sewer Service Fees	5,405,412	-	-	-	5,405,412
Other Revenue	103,193	80,000	-	(80,000)	103,193
Total Operating Revenues	<u>27,821,922</u>	<u>80,000</u>	<u>-</u>	<u>(80,000)</u>	<u>27,821,922</u>
Operating Expenses:					
Operating Expenses	22,833,884	53,678	-	(80,000)	22,807,562
Depreciation and Amortization	4,534,833	-	-	-	4,534,833
Total Operating Expenses	<u>27,368,717</u>	<u>53,678</u>	<u>-</u>	<u>(80,000)</u>	<u>27,342,395</u>
Operating Loss	<u>453,205</u>	<u>26,322</u>	<u>-</u>	<u>-</u>	<u>479,527</u>
Non-Operating Revenues (Expenses)					
Investment Income	2,305,735	-	317,976	(317,976)	2,305,735
Property Taxes	873,760	-	-	-	873,760
Interest Expense	(328,510)	-	(325,933)	317,976	(336,467)
Loss on Sale of Asset	(107,837)	-	-	-	(107,837)
Total Non-Operating Revenues (Expenses)	<u>2,743,148</u>	<u>-</u>	<u>(7,957)</u>	<u>-</u>	<u>2,735,191</u>
Capital Contributions	39,734	-	-	-	39,734
Grants	603	-	-	-	603
Change in Net Position	3,236,691	26,322	(7,957)	-	3,255,055
Net Position at Beginning of Year	109,237,731	215,209	(760,760)	-	108,692,180
Net Position at End of Year	<u>112,474,422</u>	<u>241,531</u>	<u>(768,717)</u>	<u>-</u>	<u>111,947,236</u>

Condensed Statement of Cash Flows for the Year Ended June 30, 2025

Net Cash Provided by (Used for):					
Operating Activities	3,595,347	4,892	-	-	3,600,239
Non-Capital Financing Activities	865,407	-	-	-	865,407
Capital and Related Financing Activities	(8,606,786)	-	-	-	(8,606,786)
Investing Activities	2,263,411	-	-	-	2,263,411
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,882,621)</u>	<u>4,892</u>	<u>-</u>	<u>-</u>	<u>(1,877,729)</u>
Cash and Cash Equivalents, Beginning	46,494,343	236,723	-	-	46,731,066
Cash and Cash Equivalents, End of Year	<u>44,611,722</u>	<u>241,615</u>	<u>-</u>	<u>-</u>	<u>44,853,337</u>

The Notes to Financial Statements are an Integral Part of these Statements.

Condensed Statements of Net Position at June 30, 2024

	District Financial Statements	GSA Financial Statements	Financing Authority Financial Statements	Eliminating Activities	Combined District Financial Statements
Assets:					
Current	\$ 50,584,390	\$ 236,723	\$ 870,055	(870,055)	50,821,113
Noncurrent	72,730,362	-	8,520,000	(8,520,000)	72,730,362
Total Assets	<u>123,314,752</u>	<u>236,723</u>	<u>9,390,055</u>	<u>(9,390,055)</u>	<u>123,551,475</u>
Deferred Outflows of Resources	2,141,615	-	406,740	-	2,548,355
Total Assets and Deferred Outflows of Resources	<u>125,456,367</u>	<u>236,723</u>	<u>9,796,795</u>	<u>(9,390,055)</u>	<u>126,099,830</u>
Liabilities:					
Current	\$ 5,530,357	\$ 21,514	\$ 870,055	(870,055)	5,551,871
Noncurrent	9,878,679	-	9,687,500	(8,520,000)	11,046,179
Total Liabilities	<u>15,409,036</u>	<u>21,514</u>	<u>10,557,555</u>	<u>(9,390,055)</u>	<u>16,598,050</u>
Deferred Inflows of Resources	809,600	-	-	-	809,600
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>125,456,367</u>	<u>236,723</u>	<u>9,796,795</u>	<u>(9,390,055)</u>	<u>126,099,830</u>
Net Position:					
Net Investment in Capital Assets	\$ 62,650,500	\$ -	\$ -	-	62,650,500
Restricted	5,985,352	-	-	-	5,985,352
Unrestricted	40,601,879	215,209	(760,760)	-	40,056,328
Total Net Position:	<u>109,237,731</u>	<u>215,209</u>	<u>(760,760)</u>	<u>-</u>	<u>108,692,180</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>125,456,367</u>	<u>236,723</u>	<u>9,796,795</u>	<u>(9,390,055)</u>	<u>126,099,830</u>

Condensed Statement of Revenues, Expenses, and Changes in Net Position for the Year Ended June 30, 2024

Operating Revenues:					
Water Sales	15,932,361	-	-	-	15,932,361
Meter Service Fees	2,717,519	-	-	-	2,717,519
Sewer Service Fees	4,762,192	-	-	-	4,762,192
Other Revenue	83,508	80,000	-	(80,000)	83,508
Total Operating Revenues	<u>23,495,579</u>	<u>80,000</u>	<u>-</u>	<u>(80,000)</u>	<u>23,495,579</u>
Operating Expenses:					
Operating Expenses	21,722,881	181,787	-	(80,000)	21,824,668
Depreciation and Amortization	3,601,806	-	-	-	3,601,806
Total Operating Expenses	<u>25,324,687</u>	<u>181,787</u>	<u>-</u>	<u>(80,000)</u>	<u>25,426,474</u>
Operating Loss	<u>(1,829,108)</u>	<u>(101,787)</u>	<u>-</u>	<u>-</u>	<u>(1,930,895)</u>
Non-Operating Revenues (Expenses)					
Gain on Sale of Asset	384	-	-	-	384
Investment Income	2,160,828	-	346,229	(346,229)	2,160,828
Property Taxes	805,988	-	-	-	805,988
Interest Expense	(359,579)	-	(354,186)	346,229	(367,536)
Total Non-Operating Revenues (Expenses)	<u>2,607,621</u>	<u>-</u>	<u>(7,957)</u>	<u>-</u>	<u>2,599,664</u>
Capital Contributions	6,187,985	-	-	-	6,187,985
Grants	-	-	-	-	-
Change in Net Position	6,966,498	(101,787)	(7,957)	-	6,856,754
Net Position at Beginning of Year	<u>102,271,233</u>	<u>316,996</u>	<u>(752,803)</u>	<u>-</u>	<u>101,835,426</u>
Net Position at End of Year	<u>109,237,731</u>	<u>215,209</u>	<u>(760,760)</u>	<u>-</u>	<u>108,692,180</u>

Condensed Statement of Cash Flows for the Year Ended June 30, 2024

Net Cash Provided by (Used for):					
Operating Activities	1,801,371	(103,490)	-	-	1,697,881
Non-Capital Financing Activities	808,107	-	-	-	808,107
Capital and Related Financing Activities	(1,557,780)	177,081	-	-	(1,380,699)
Investing Activities	1,762,215	-	-	-	1,762,215
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,813,913</u>	<u>73,591</u>	<u>-</u>	<u>-</u>	<u>2,887,504</u>
Cash and Cash Equivalents, Beginning	43,680,430	163,132	-	-	43,843,562
Cash and Cash Equivalents, End of Year	<u>46,494,343</u>	<u>236,723</u>	<u>-</u>	<u>-</u>	<u>46,731,066</u>

The Notes to Financial Statements are an Integral Part of these Statements.

Note 12 - Commitments

Grant Award Grant funds received by the District are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Litigation In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

Long Term Commitments The District has an agreement with the City of Thousand Oaks to purchase non-potable surface water. The term of the agreement is for 40 years, effective June 5, 2013. The parties, by mutual consent, may extend the term of the agreement for additional five-year periods. The average yearly purchase of non-potable water for the last four years is \$898,188. Upon the effective date of the agreement, the price per acre foot of non-potable water was \$104.89, and the parties agreed to adjust the unit price per acre foot on September 1st of each year by adjusting the unit price by the annual percentage change from the preceding July to July period of the Consumer Price Index of Los Angeles-Riverside-Orange County. The FY2024-25 price per acre foot of non-potable water is \$147.21.

Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability

For the Fiscal Year Ended June 30, 2025

	Last Ten Fiscal Years*				
	Miscellaneous				
Fiscal year ended	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Measurement period	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Plan's proportion of the net pension liability	0.020860%	0.02120%	0.01417%	-0.05022%	-0.00023%
Plan's proportionate share of the net pension liability (asset)	\$ 1,008,906	\$ 1,059,961	\$ 663,202	\$ (2,716,085)	\$ (25,227)
Plan's covered payroll	\$ 2,995,925	\$ 2,570,994	\$ 2,480,685	\$ 2,399,727	\$ 2,546,212
Plan's proportionate share of the net pension liability as a percentage of covered payroll	33.68%	41.23%	26.73%	-113.18%	-0.99%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	95.45%	94.98%	96.76%	114.42%	100.14%
Miscellaneous					
Fiscal year ended	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Measurement period	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Plan's proportion of the net pension liability	0.04705%	0.04630%	0.04559%	0.04531%	0.04484%
Plan's proportionate share of the net pension liability	\$ 4,821,108	\$ 4,462,042	\$ 4,521,229	\$ 3,920,511	\$ 3,077,870
Plan's covered payroll	\$ 2,412,241	\$ 2,251,315	\$ 2,073,238	\$ 1,801,650	\$ 1,855,543
Plan's proportionate share of the net pension liability as a percentage of covered payroll	199.86%	198.20%	218.08%	217.61%	165.87%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	72.09%	72.65%	72.83%	74.03%	78.46%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.9% and the inflation rate decreased from 2.5% to 2.3%.

From fiscal year June 30, 2023 to June 30, 2024:

The discount rate and long-term rate of return decreased from 7.15% to 6.9% and the inflation rate decreased from 2.5% to 2.3%.

From fiscal year June 30, 2024 to June 30, 2025:

There were no changes in assumptions.

The Notes to Financial Statements are an Integral Part of these Statements.

Schedule of Contributions
For the Fiscal Year Ended June 30, 2025

Last Ten Fiscal Years*

	Miscellaneous				
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Fiscal year ended					
Contractually required contribution (actuarially determined)	\$ 409,422	\$ 322,946	\$ 281,260	\$ 269,760	\$ 260,929
Contributions in relation to the actuarially determined contributions	<u>(2,039,422)</u>	<u>(322,946)</u>	<u>(281,260)</u>	<u>(409,662)</u>	<u>(265,930)</u>
Contribution deficiency (excess)	<u>\$ (1,630,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (139,902)</u>	<u>\$ (5,001)</u>
Covered payroll	\$ 3,376,075	\$ 2,995,925	\$ 2,570,994	\$ 2,480,685	\$ 2,399,727
Contributions as a percentage of covered payroll	60.41%	10.78%	10.94%	16.51%	11.08%

Notes to Schedule:

Valuation Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial cost method	Entry age (1)				
Amortization method	Fair Value				
Asset valuation method					
Inflation	2.300%	2.300%	2.300%	2.500%	2.500%
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	6.8% (3)	6.9% (3)	6.9% (3)	7.0% (3)	7.0% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) Prior January 1, 2013- 2%@55, On or after January 1, 2013-2%@62
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

The Notes to Financial Statements are an Integral Part of these Statements.

Schedule of Contributions-Continued

For the Fiscal Year Ended June 30, 2025

Last Ten Fiscal Years*

Miscellaneous						
Fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	
Contractually required contribution (actuarially determined)	\$ 553,663	\$ 476,259	\$ 407,300	\$ 365,456	\$ 298,849	
Contributions in relation to the actuarially determined contributions	(5,552,260)	(476,259)	(409,819)	(365,456)	(298,849)	
Contribution deficiency (excess)	\$ (4,998,597)	\$ -	\$ (2,519)	\$ -	\$ -	
Covered payroll	\$ 2,546,212	\$ 2,412,241	\$ 2,251,315	\$ 2,073,238	\$ 1,801,650	
Contributions as a percentage of covered payroll	218.06%	19.74%	18.20%	17.63%	16.59%	

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial cost method	Entry age (1)				
Amortization method	Fair Value				
Asset valuation method					
Inflation	2.625%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)
(1) Level percentage of payroll, closed					
(2) Depending on age, service, and type of employment					
(3) Net of pension plan investment expense, including inflation					
(4) Prior January 1, 2013- 2%@55, On or after January 1, 2013-2%@62					
(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.					

The Notes to Financial Statements are an Integral Part of these Statements.

CAMROSA WATER DISTRICT



BUILDING WATER
SELF-RELIANCE

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Statistical Section

This part of the District's annual financial report presents detailed background to the financial statements and preceding narrative sections, and corroboration of statements as to the District's overall financial health.

Contents:	Pages:
<u>Financial Trends</u> schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	52-58
<u>Revenue Capacity</u> schedules contain information to help the reader assess the District's most significant local revenue source; water sales.	59-68
<u>Debt Capacity</u> 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 in the future.	69-70
<u>Operational Information</u> schedules present historical water demand, water Source and District's facilities to help the reader understand how the information in the District's financial reports relates to the services the District provides and the activities it performs.	72-75
<u>Demographic and Economic Information</u> schedules assist reader to understand the environment within which the District's financial activities take place.	76-77

Financial Trends

Net Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019
Net Position				
Net investment in capital assets	\$ 43,002,970	\$ 43,454,256	\$ 43,930,663	\$ 45,772,455
Restricted	-	-	-	-
Unrestricted	14,821,731	18,496,514	21,690,553	27,704,613
Total Net Position	<u>\$ 57,824,701</u>	<u>\$ 61,950,770</u>	<u>\$ 65,621,216</u>	<u>\$ 73,477,068</u>

Table 1 – Net Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)

2020	2021	2022	2023	2024	2025
\$ 49,981,241	\$ 50,019,490	\$ 51,236,026	\$ 57,885,060	\$ 62,650,500	\$ 65,968,450
1,999,910	3,027,374	4,418,707	1,941,659	5,985,352	5,974,708
24,407,058	26,796,681	47,323,344	42,008,707	40,056,328	40,004,078
<u>\$ 76,388,209</u>	<u>\$ 79,843,545</u>	<u>\$ 102,978,077</u>	<u>\$ 101,835,426</u>	<u>\$ 108,692,180</u>	<u>\$ 111,947,236</u>

Table 1 – Net Position by Component – Continued

Changes in Net Position

	Last Ten Fiscal Years			
	2016	2017	2018	2019
Water Revenue	\$ 12,059,982	\$ 13,084,503	\$ 16,235,441	\$ 14,128,079
Sewer Revenue	3,233,519	3,267,395	3,314,305	3,336,794
Meter Revenue	2,338,102	2,488,157	2,557,753	2,615,301
Other	157,472	159,719	324,256	249,548
Total Operating Revenues	17,789,075	18,999,774	22,431,755	20,329,722
Operating Expenses				
Water Purchases	7,147,319	6,500,815	7,890,983	7,828,911
Utilities	1,335,096	1,240,947	1,426,842	1,257,242
Salaries & Benefits	2,553,178	3,392,976	3,740,012	3,877,591
Outside Contract/Professional Services	1,154,828	1,313,596	1,377,908	1,232,165
Supplies & Services	1,864,428	1,827,780	2,462,144	2,259,095
Amortization	-	-	-	-
Depreciation	2,354,424	2,601,408	2,684,495	2,842,512
Operating Expenses	16,409,273	16,877,522	19,582,384	19,297,516
Operating Income	1,379,802	2,122,252	2,849,371	1,032,206
Non-Operating Revenues				
Property Taxes	559,558	582,211	657,620	620,590
Interest Income	105,523	186,302	391,082	777,536
Legal Settlement	-	-	-	-
Unrealized Gain on Investments	27,581	2,194	-	-
Gain on Disposal of Fixed Asset	-	11,260	10,146	-
Non-Operating Revenues	692,662	781,967	1,058,848	1,398,126
Non-Operating Expenses				
Loss of Capital Asset	-	-	-	57,615
Debt Issuance Costs	-	227,159	-	-
Interest Expense	475,167	486,119	561,227	497,004
Non-Operating Expenses	475,167	713,278	561,227	554,619
Income Before Capital Contributions	1,597,298	2,190,941	3,346,992	1,875,713
Capital Contributions	2,107,391	1,842,037	255,935	5,689,517
Grants	633,159	93,091	67,519	290,622
	2,740,550	1,935,128	323,454	5,980,139
Change in Net Position before Cumulative	4,337,848	4,126,069	3,670,446	7,855,852
Cummulative Effect of Accounting Changes	-	-	-	-
Change in Net Position	4,337,848	4,126,069	3,670,446	7,855,852
Net Position Beginning of Year	53,528,137	57,824,701	61,950,770	65,621,216
Net Position at End of Year	\$ 57,865,985	\$ 61,950,770	\$ 65,621,216	\$ 73,477,068

Table 2 – Changes in Net Position

Last Ten Fiscal Years						
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	
\$ 16,549,944	\$ 19,280,494	\$ 18,383,478	\$ 14,420,502	\$ 15,932,361	\$ 19,361,249	
3,575,963	3,855,204	4,090,152	4,423,016	4,762,192	5,405,412	
2,312,427	2,346,434	2,515,456	2,608,043	2,717,519	2,952,068	
<u>109,305</u>	<u>123,013</u>	<u>156,873</u>	<u>116,470</u>	<u>83,508</u>	<u>103,193</u>	
22,547,639	25,605,145	25,145,959	21,568,031	23,495,579	27,821,922	
 9,532,192	11,373,806	9,592,894	7,000,710	7,817,999	9,096,945	
1,273,725	1,538,207	1,896,149	1,815,831	2,122,793	2,289,632	
4,308,257	4,154,305	(1,147,757)	7,938,389	5,777,163	5,525,332	
1,828,640	1,607,445	2,188,286	2,851,847	3,178,056	2,647,546	
2,154,855	2,034,301	2,422,860	2,579,098	2,928,657	3,248,107	
-	50,947	76,356	93,061	123,206	132,010	
<u>2,836,353</u>	<u>3,047,261</u>	<u>3,030,887</u>	<u>3,214,602</u>	<u>3,478,600</u>	<u>4,402,823</u>	
21,934,022	23,806,272	18,059,675	25,493,538	25,426,474	27,342,395	
613,617	1,798,873	7,086,284	(3,925,507)	(1,930,895)	479,527	
 661,932	700,753	721,241	772,770	805,988	873,760	
655,911	25,108	(440,009)	1,639,628	2,160,828	2,305,735	
-	-	16,191,774	-	-	-	
118,781	-	-	-	-	-	
-	-	-	<u>1,725</u>	<u>384</u>	<u>-</u>	
1,436,624	725,861	16,473,006	2,414,123	2,967,200	3,179,495	
 - 8,273	-	-	-	-	107,837	
-	-	-	-	-	-	
<u>456,937</u>	<u>446,005</u>	<u>424,945</u>	<u>396,416</u>	<u>367,536</u>	<u>336,467</u>	
456,937	454,278	424,945	396,416	367,536	444,304	
<u>1,593,304</u>	<u>2,070,456</u>	<u>23,134,345</u>	<u>(1,907,800)</u>	<u>668,769</u>	<u>3,214,718</u>	
 991,422	1,384,103	-	588,068	6,187,985	39,734	
<u>326,415</u>	<u>777</u>	<u>187</u>	<u>177,081</u>	<u>-</u>	<u>603</u>	
1,317,837	1,384,880	187	765,149	6,187,985	40,337	
2,911,141	3,455,336	23,134,532	(1,142,651)	6,856,754	3,255,055	
 - - -	- - -	- - -	- - -	- - -	- - -	
<u>2,911,141</u>	<u>3,455,336</u>	<u>23,134,532</u>	<u>(1,142,651)</u>	<u>6,856,754</u>	<u>3,255,055</u>	
<u>73,477,068</u>	<u>76,388,209</u>	<u>79,843,545</u>	<u>102,978,077</u>	<u>101,835,426</u>	<u>108,692,180</u>	
 <u>\$ 76,388,209</u>	<u>\$ 79,843,545</u>	<u>\$ 102,978,077</u>	<u>\$ 101,835,426</u>	<u>\$ 108,692,180</u>	<u>\$ 111,947,236</u>	

Table 2 – Changes in Net Positon – Continued

Revenues and Capital Contributions by Source

	Revenues and Capital Contributions by Source Last Ten Fiscal Years										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
	Operating Revenue	Non-Operating Revenue	Capital Contributions	Capital Grant Income	Total Revenue						
Water Revenue	\$ 12,059,982	\$ 13,084,503	\$ 16,235,441	\$ 14,128,079	\$ 16,549,944	\$ 19,280,494	\$ 18,383,478	\$ 14,420,502	\$ 15,932,361	\$ 19,361,249	
Sewer Revenue	3,233,519	3,267,395	3,314,305	3,336,794	3,575,963	3,855,204	4,090,152	4,423,016	4,762,192	5,405,412	
Meter Revenue	2,338,102	2,488,157	2,557,753	2,615,301	2,312,427	2,346,434	2,515,456	2,608,043	2,717,519	2,952,068	
Other	157,472	159,719	324,256	249,548	107,061	123,013	156,873	116,470	83,508	103,193	
Non-Operating Revenue											
Property Taxes	559,558	582,211	657,620	620,590	661,932	700,753	721,241	772,770	805,988	873,760	
Interest Income	105,523	186,302	393,147	777,593	655,911	141,596	129,914	1,276,286	2,089,721	2,066,738	
Gain on Sale of Asset	-	-	-	-	-	-	-	1,725	384	-	
Legal Settlement	-	-	-	-	-	-	16,191,774	-	-	-	
Unrealized Gain/Loss on Investment:	27,581	2,194	-	-	118,781	(116,488)	(569,923)	363,342	71,107	238,997	
Capital Contributions											
Capital Contributions	2,107,391	1,842,037	255,935	5,689,517	991,422	1,384,103	-	588,068	6,187,985	39,734	
Capital Grant Income	633,159	93,091	67,519	290,622	326,415	777	187	177,081	-	603	
Total Revenue	\$ 21,222,287	\$ 21,705,609	\$ 23,805,976	\$ 27,708,044	\$ 25,299,856	\$ 27,715,886	\$ 41,619,152	\$ 24,747,303	\$ 32,650,764	\$ 31,041,754	

Table 3 – Revenues and Capital Contributions by Source

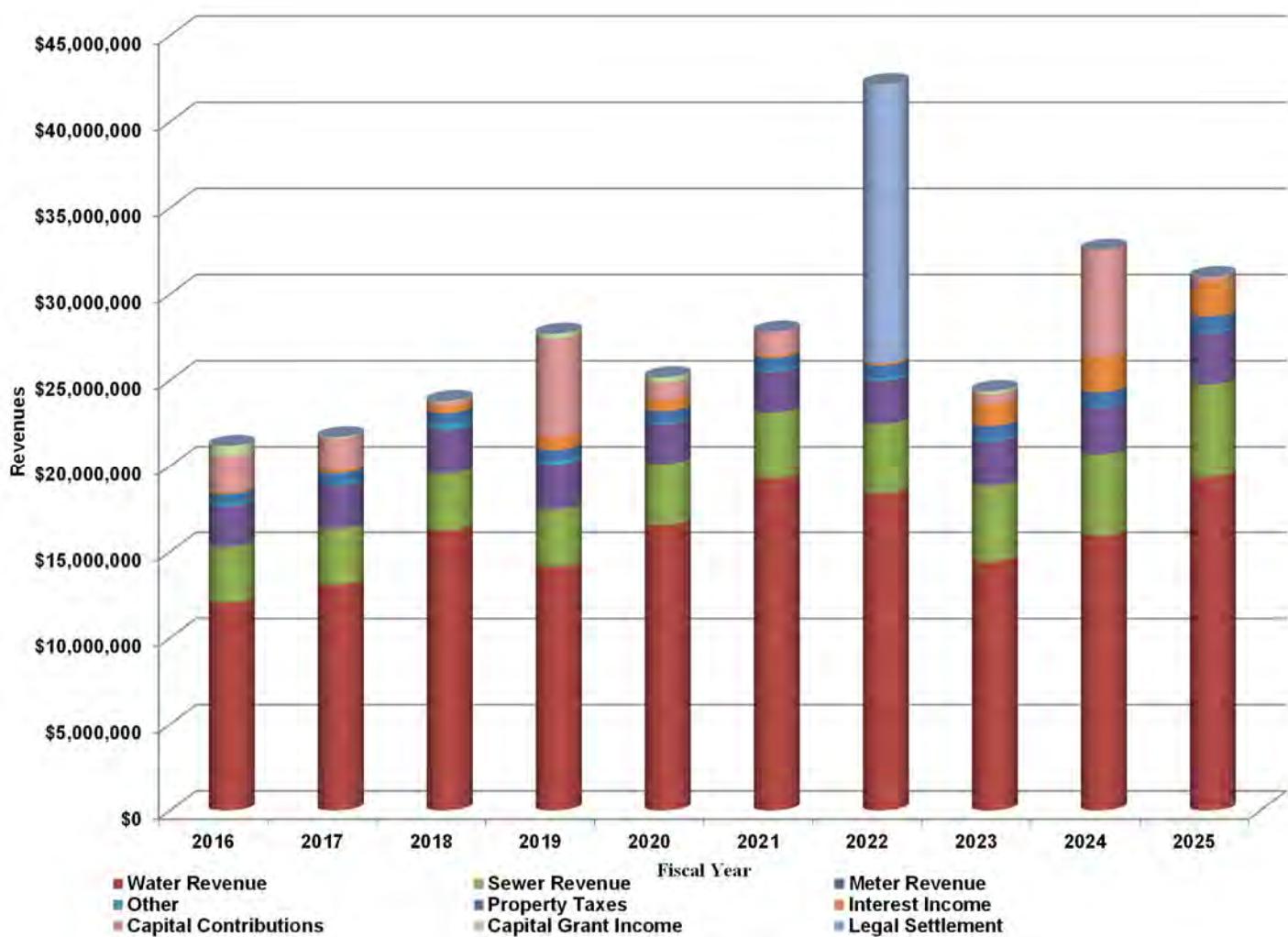


Figure 12 – Historical Revenues and Capital Contributions by Source

Connection Fees & Other Contributions

	Last Ten Fiscal Years									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Connection Fees	\$ 1,296,000	\$ 128,850	\$ 124,300	\$ 3,342,260	\$ 9,825	\$ 55,825	\$ -	\$ 289,325	\$ 1,982,125	\$ 39,734
Mitigation & In-Lieu Fees	808,091	1,355,282	34,249	2,323,857	-	1,324,678	-	298,743	4,205,860	-
CSUCI Recycle Line	70,394	74,365	78,559	82,991	87,672	30,308	-	-	-	-
In-Kind Contributions	3,300	357,905	97,386	23,400	981,597	3,600	-	-	-	-
Grant	633,159	93,091	67,519	290,622	326,415	777	187	177,081	-	603
Totals	\$ 2,810,944	\$ 2,009,492	\$ 402,013	\$ 6,063,130	\$ 1,405,509	\$ 1,415,188	\$ 187	\$ 765,149	\$ 6,187,985	\$ 40,337

Table 4 – Connection Fees & Other Contributions

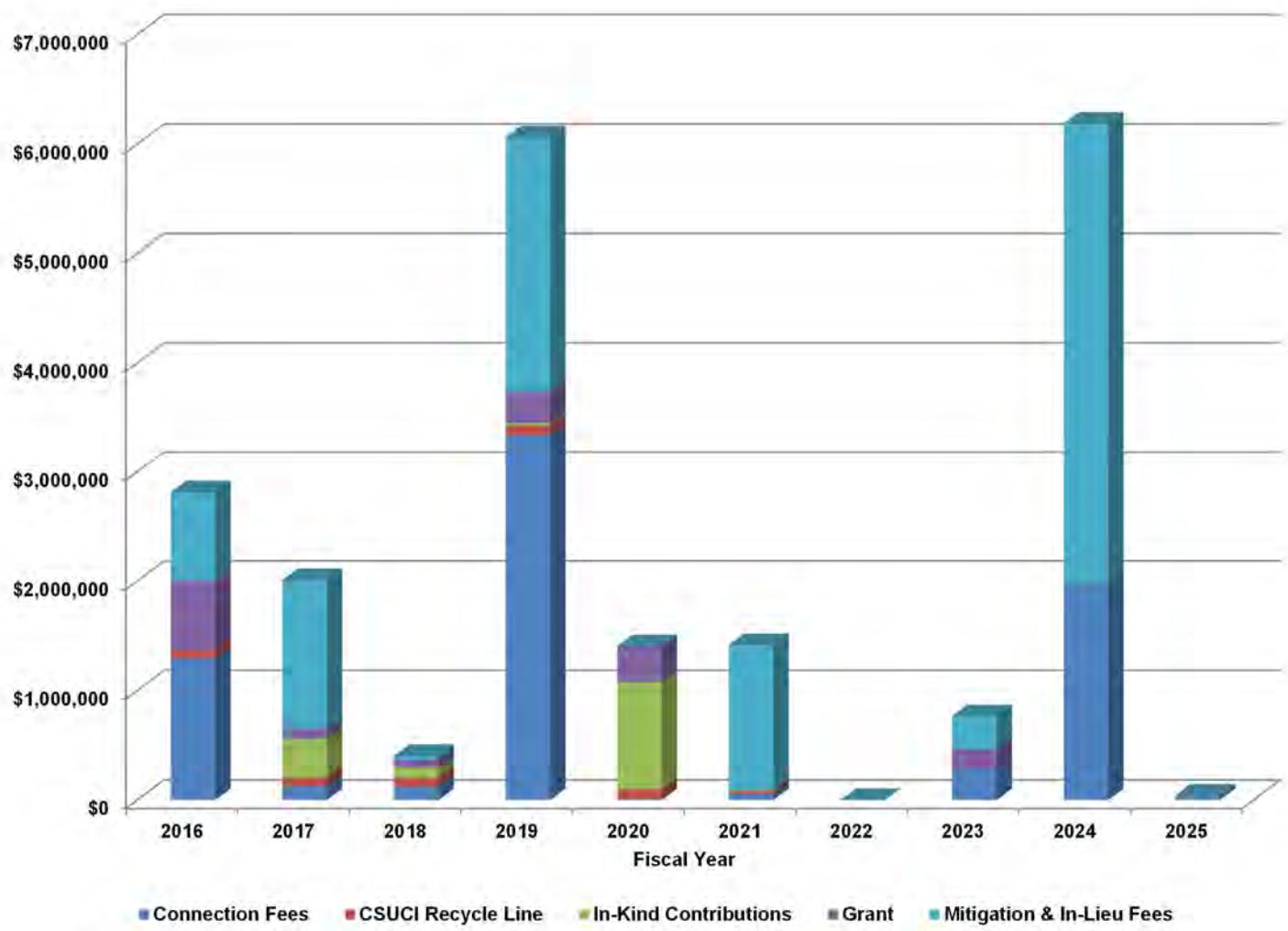


Figure 13 – Historical Connection Fees & Other Contributions

Operating Expenses by Year

	Operating Expenses Last Ten Fiscal Years									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water Purchases	\$ 7,147,319	\$ 6,500,815	\$ 7,890,983	\$ 7,828,911	\$ 9,532,192	\$ 11,373,806	\$ 9,592,894	\$ 7,000,710	\$ 7,817,999	\$ 9,096,945
Utilities	1,335,096	1,240,947	1,426,842	1,257,242	1,273,725	1,538,207	1,896,149	1,815,831	2,122,793	2,289,632
Salaries & Benefits	2,553,178	3,392,976	3,740,012	3,877,591	4,308,257	4,154,305	(1,147,757)	7,938,389	5,777,163	5,525,332
Contract/Prof. Svcs	1,154,828	1,313,596	1,377,908	1,232,165	1,828,640	1,607,445	2,188,286	2,851,847	3,178,056	2,647,546
Supplies & Services	1,864,428	1,827,780	2,462,144	2,259,095	2,154,855	2,034,301	2,422,860	2,579,098	2,928,657	3,248,108
Total Operating Expenses	14,054,849	14,276,114	16,897,889	16,455,004	19,097,669	20,708,064	14,952,432	22,185,875	21,824,668	22,807,563
Non-Operating Expenses										
Interest Expense	475,167	486,119	561,227	497,004	456,937	446,006	424,945	396,416	367,536	336,467
Debt Issuance Costs	-	227,159	-	-	-	-	-	-	-	-
Loss on Capital Asset	-	-	-	57,615	-	-	-	-	-	107,837
Total Non-Op Expenses	475,167	713,278	561,227	554,619	456,937	454,279	424,945	396,416	367,536	444,304
Depreciation & Amortization	2,354,424	2,601,408	2,684,495	2,842,512	2,836,353	3,098,208	3,107,243	3,307,663	3,601,806	4,534,833
Debt Service	1,317,500	1,465,000	1,525,000	1,590,000	1,650,000	605,000	640,000	660,000	695,000	720,000
Total Expenses	\$ 18,201,940	\$ 19,055,800	\$ 21,668,611	\$ 21,442,135	\$ 24,040,959	\$ 24,865,551	\$ 19,124,620	\$ 26,549,954	\$ 26,489,010	\$ 28,506,700

Table 5 – Historical Operating Expenses

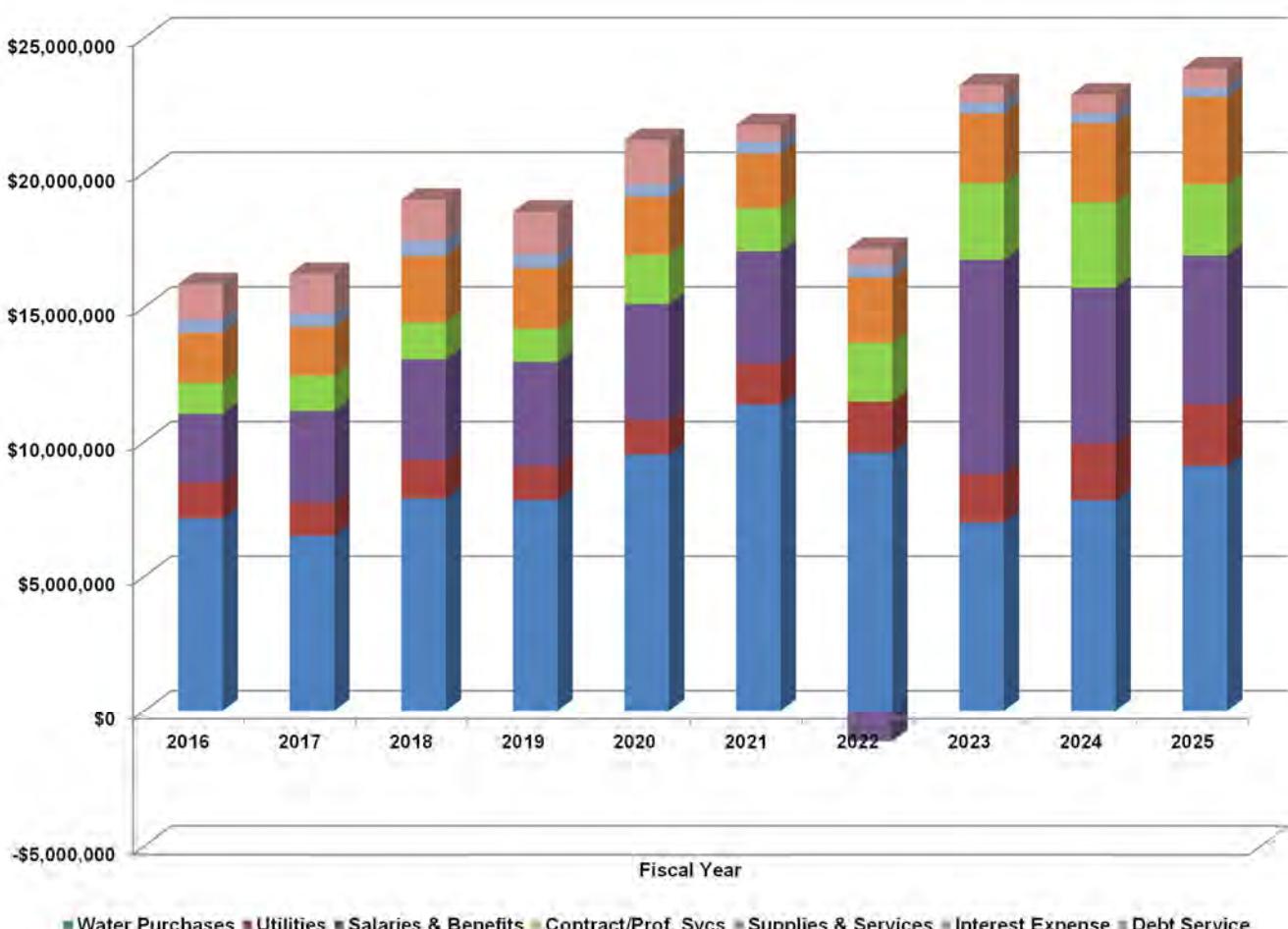


Figure 14 – Historical Operating Expenses

Revenue Capacity

Historical Imported Water Rates

Last Ten Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
MWD	\$942	\$979	\$1,015	1,050	1,078	\$1,104	\$1,143	\$1,209	\$1,256	\$1,395
Calleguas	\$315	\$321	\$360	373	394	\$403	\$418	\$423	\$474	\$500
\$ A/F	\$1,257	\$1,300	\$1,375	\$1,423	\$1,472	\$1,507	\$1,561	\$1,632	\$1,730	\$1,895

Table 6 – Historical Imported Water Rates

Historical Imported Water Rates

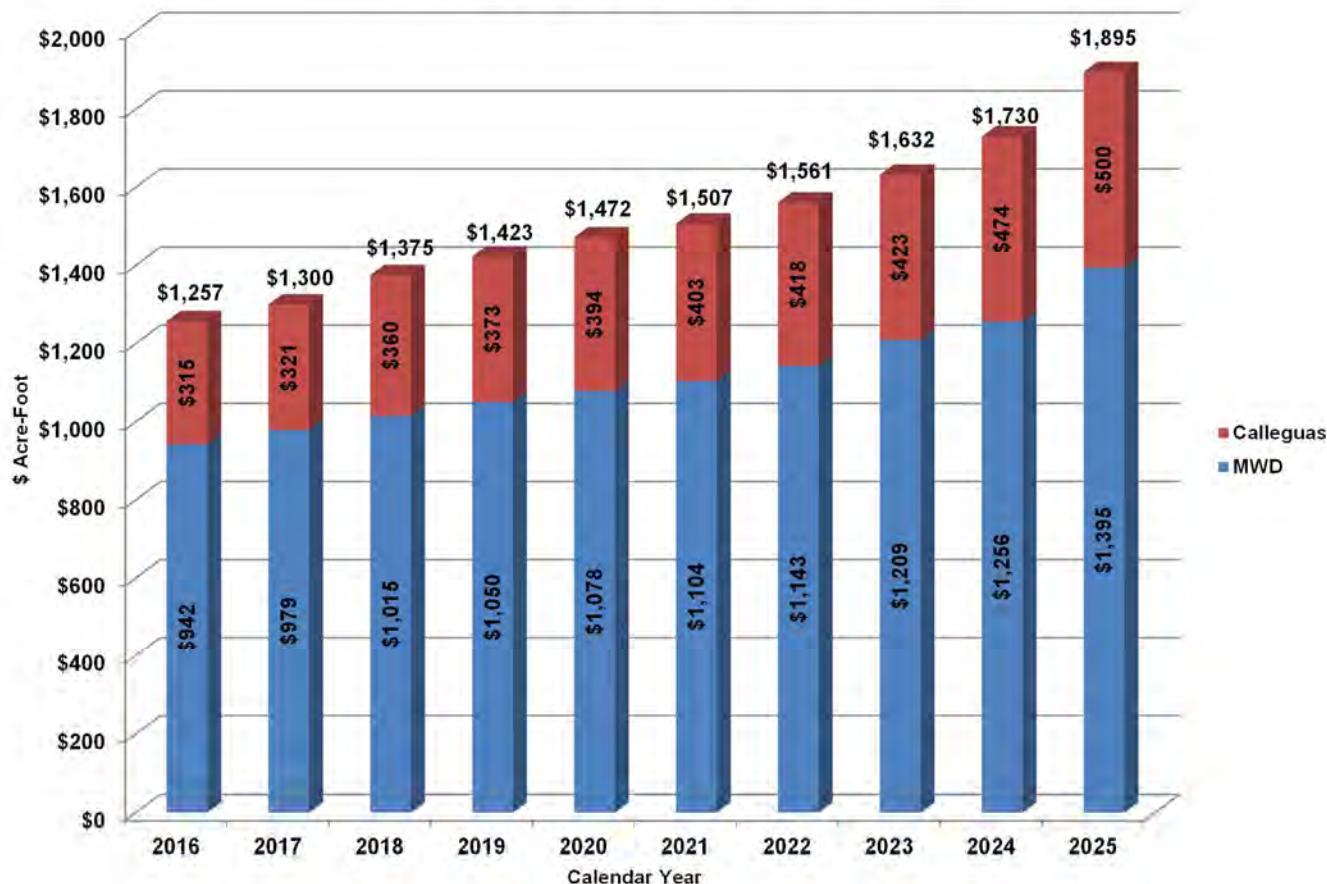


Figure 15 – Historical Imported Water Rates

Historical Water Commodity Rates

Potable Water	July									
	2015	2016	2017	2019	2020	2021	2022	2023	2024	2025
Residential/Master Meter/Domestic Agricultural First 12 Units	\$2.80	\$2.94	\$3.08	\$3.28	\$3.47	\$3.61	\$3.81	\$4.01	\$4.16	\$4.40
Residential/Master Meter/Domestic Agricultural 13 Units and Higher	\$3.05	\$3.19	\$3.34	\$3.65	\$3.82	\$4.01	\$4.22	\$4.45	\$4.80	\$5.09
Commercial/Industrial/Public	\$3.05	\$3.19	\$3.34	\$3.65	\$3.82	\$4.01	\$4.22	\$4.45	\$4.80	\$5.09
Municipal Irrigation/Residential Irrigation	\$3.05	\$3.19	\$3.34	\$3.65	\$3.82	\$4.01	\$4.22	\$4.45	\$4.80	\$5.09
Fire Service/Other	\$3.05	\$3.19	\$3.34	\$3.65	\$3.82	\$4.01	\$4.22	\$4.45	\$4.80	\$5.09
Agricultural Irrigation										
Tier 1	\$3.05	\$3.19	\$3.34	\$3.65	\$3.82	\$4.01	\$4.22	\$4.45	\$4.80	\$5.09
Tier 2	\$3.72	\$3.89	\$4.07	n/a						
Temporary Construction/Temporary Agricultural	\$3.05	\$3.19	\$3.34	\$4.91	\$5.29	\$5.60	\$5.88	\$6.17	\$6.94	\$7.51
Temporary Municipal	\$3.72	\$3.90	\$4.08	\$4.91	\$5.29	\$5.60	\$5.88	\$6.17	\$6.94	\$7.51
Emergency Water Service	\$4.60	\$4.82	\$5.05	\$4.91	\$5.29	\$5.60	\$5.88	\$6.17	\$6.94	\$7.51
Commercial/Industrial/Public Out of Bounds	\$3.76	\$3.94	\$4.13	\$4.91	\$5.29	\$5.60	\$5.88	\$6.17	\$6.94	\$7.51
Residential Out of Bounds First 12 Units	\$3.19	\$3.34	\$3.50	\$4.91	\$5.29	\$5.60	\$5.88	\$6.17	\$6.94	\$7.51
Residential Out of Bounds 13 Units and Higher	\$3.76	\$3.94	\$4.13	n/a						
Non-Potable/Recycled Water Service	July									
	(\$/HCF)									
Non-Potable Commercial Agricultural	\$1.26	\$1.45	\$1.64	\$1.92	\$2.08	\$2.08	\$2.19	\$2.40	\$2.40	\$2.40
Non-Potable Landscape Irrigation Water	\$1.26	\$1.45	\$1.64	\$1.92	\$2.08	\$2.08	\$2.19	\$2.40	\$2.40	\$2.40
Non-Potable Residential Landscape	\$1.26	\$1.45	\$1.64	\$1.92	\$2.08	\$2.08	\$2.19	\$2.40	\$2.40	\$2.40
Non-Potable Temporary Construction	\$1.26	\$1.45	\$1.64	\$1.92	\$2.08	\$2.08	\$2.19	\$2.40	\$2.40	\$2.40
Non-Potable Commercial Agricultural (contractual)*	\$0.59	\$0.60	\$0.61	\$0.61	\$0.62	\$0.62	\$0.67	\$0.74	\$0.74	\$0.76
Blended Non-Potable Agricultural										
Tier 1	\$2.46	\$2.67	\$2.88	\$2.46	\$2.70	\$2.70	\$3.15	\$3.36	\$3.36	\$3.36
Tier 2	\$2.78	\$3.02	\$3.25	n/a						
Recycled Commercial Agricultural	\$1.26	\$1.45	\$1.64	\$1.92	\$2.08	\$2.08	\$2.19	\$2.40	\$2.40	\$2.40
Recycled Landscape Irrigation	\$1.26	\$1.45	\$1.64	\$1.92	\$2.08	\$2.08	\$2.19	\$2.40	\$2.40	\$2.40
Recycled Commercial Agricultural (contractual)*	\$0.38	\$0.39	\$0.40	\$0.40	\$0.40	\$0.40	\$0.43	\$0.47	\$0.47	\$0.48
Recycled Surplus Water (Served Outside District)	\$1.26	\$1.45	\$1.64	\$1.92	\$2.08	\$2.08	\$2.19	\$2.40	\$2.40	\$2.40

*Note: Contractual customers rates adjusted in January based on index.

Table 7 – Historical Water Commodity Rates

Historical Monthly Meter Service Charge

Potable	July								
	2016	2017	2019	2020	2021	2022	2023	2024	2025
(\$/month)									
3/4" (MM)	\$6.32	\$6.55	\$6.21	\$6.19	\$6.21	\$6.35	\$6.57	\$6.90	\$7.92
3/4"	\$13.17	\$13.64	\$12.79	\$12.77	\$13.26	\$13.58	\$14.08	\$14.85	\$17.08
1"	\$21.95	\$22.72	\$21.41	\$21.40	\$22.63	\$23.19	\$24.06	\$26.61	\$30.64
1.5"	\$43.91	\$45.46	\$42.94	\$42.93	\$46.02	\$47.17	\$48.96	\$55.97	\$64.48
2"	\$70.25	\$72.73	\$68.89	\$68.89	\$74.22	\$76.09	\$78.99	\$91.37	\$105.29
3"	\$153.66	\$159.09	\$151.09	\$151.12	\$163.54	\$167.68	\$174.10	\$203.50	\$234.54
4"	\$263.43	\$272.73	\$259.02	\$259.09	\$280.82	\$287.92	\$298.98	\$350.72	\$404.23
6"	\$395.15	\$409.10	\$388.69	\$388.81	\$421.73	\$432.41	\$449.02	\$527.61	\$608.13
8"	\$358.58	\$681.83	\$647.90	\$648.11	\$703.38	\$721.21	\$748.93	\$881.19	\$1,015.68
Non-Potable Irrigation									
3/4" (MM)	\$6.32	\$6.55	\$4.89	\$4.88	\$4.88	\$4.91	\$5.02	\$5.02	\$5.02
3/4"	\$13.17	\$13.64	\$7.51	\$7.52	\$7.52	\$8.09	\$8.28	\$8.28	\$8.28
1"	\$21.95	\$22.72	\$10.28	\$10.32	\$10.32	\$11.72	\$12.00	\$12.00	\$12.00
1.5"	\$43.91	\$45.46	\$17.19	\$17.30	\$17.30	\$20.78	\$21.29	\$21.29	\$21.29
2"	\$70.25	\$72.73	\$25.52	\$25.72	\$25.72	\$31.70	\$32.48	\$32.48	\$32.48
3"	\$153.66	\$159.09	\$51.90	\$52.40	\$52.40	\$66.30	\$67.95	\$67.95	\$67.95
4"	\$263.43	\$272.73	\$86.54	\$87.43	\$87.43	\$111.72	\$114.51	\$114.51	\$114.51
6"	\$395.15	\$409.10	\$128.16	\$129.51	\$129.51	\$166.30	\$170.47	\$170.47	\$170.47
8"	\$358.58	\$681.83	\$211.35	\$213.63	\$213.63	\$275.39	\$282.30	\$282.30	\$282.30
Fire Service									
1"	\$49.69	\$51.45	\$51.03	\$51.65	\$61.96	\$63.93	\$67.46	\$80.92	\$90.30
1.5"	\$49.69	\$51.45	\$51.03	\$51.65	\$61.96	\$63.93	\$67.46	\$80.92	\$90.30
2"	\$49.69	\$51.45	\$51.03	\$51.65	\$61.96	\$63.93	\$67.46	\$80.92	\$90.30
3"	\$49.69	\$51.45	\$51.03	\$51.65	\$61.96	\$63.93	\$67.46	\$80.92	\$90.30
4"	\$49.69	\$51.45	\$51.03	\$51.65	\$61.96	\$63.93	\$67.46	\$80.92	\$90.30
6"	\$99.35	\$102.86	\$77.09	\$78.03	\$93.60	\$96.58	\$101.90	\$122.23	\$136.41
8"	\$178.85	\$185.17	\$129.17	\$130.74	\$156.84	\$161.82	\$170.74	\$204.81	\$228.56
10"	\$298.15	\$308.67	\$343.45	\$347.63	\$417.02	\$430.27	\$453.98	\$544.57	\$607.72

Table 8 – Historical Monthly Water Meter Service Charge

Historical Monthly Sewer Service Charge

| July |
|----------|----------|----------|----------|----------|----------|----------|----------|
| 2016 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| (\$/EDU) |
| \$31.32 | \$33.49 | \$35.83 | \$38.37 | \$40.62 | \$43.05 | \$48.77 | \$54.14 |

Table 9 – Historical Sewer Rates

Historical Billed Wastewater Connections

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Number of Connections</u>	<u>Percentage Increase</u>
2016	8,811	-0.53%
2017	8,768	-0.49%
2018	8,843	0.86%
2019	8,926	0.94%
2020	8,929	0.03%
2021	9,058	1.44%
2022	8,964	-1.04%
2023	9,125	1.80%
2024	9,217	1.01%
2025	9,258	0.44%

Table 10 – Historical Billed Wastewater Connections

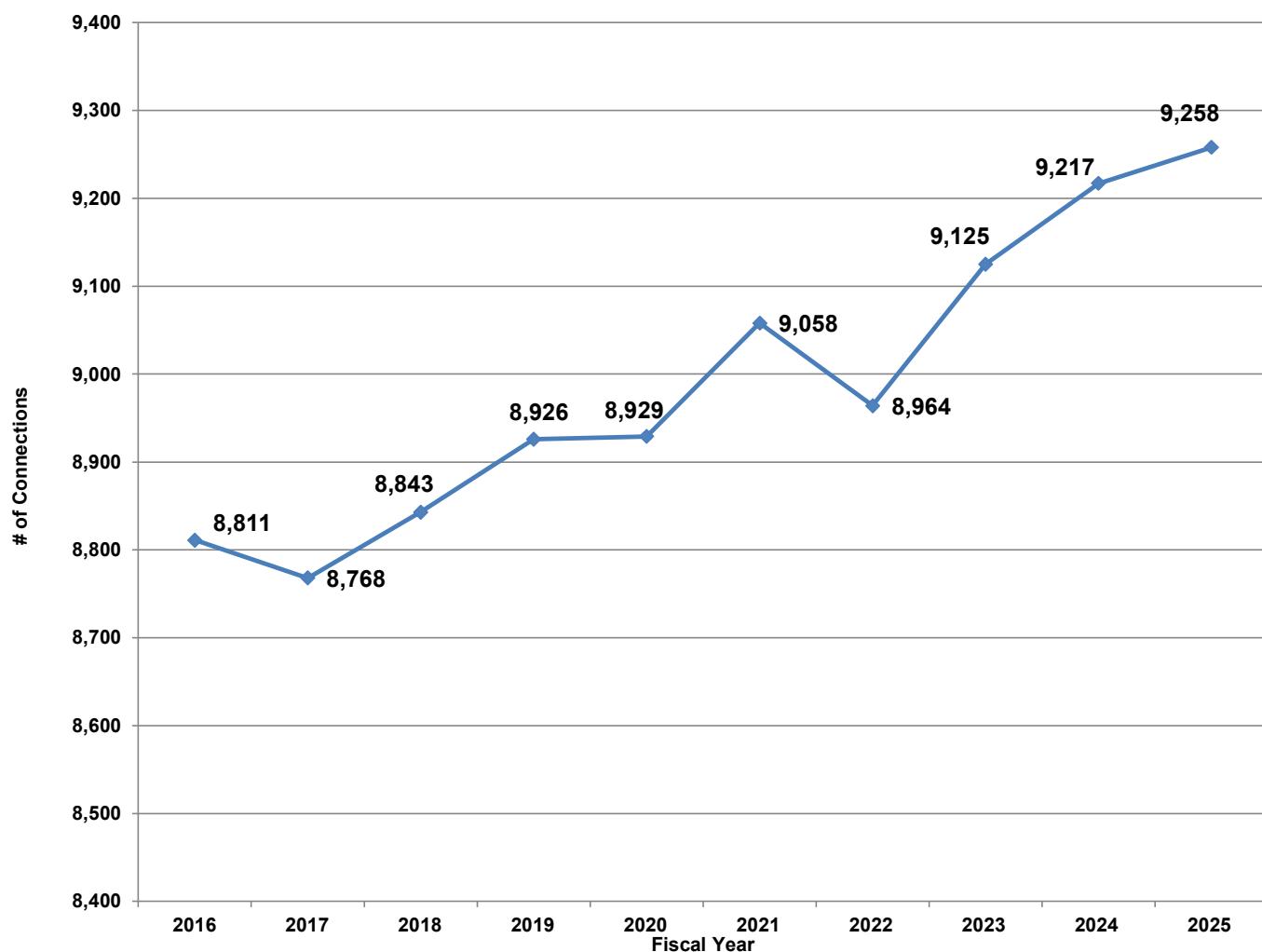


Figure 16 – Historical Billed Wastewater Connections

Historical Billed Water Connections

Last Ten Fiscal Years

Fiscal Year	Single Family Residential	Multi-Family Residential	Commercial/ Industrial/Public	Irrigation	Agricultural	Other	Total
2016	7,304	3	204	504	123	115	8,253
2017	7,276	3	224	518	115	118	8,254
2018	7,326	3	228	529	133	117	8,336
2019	7,398	3	221	532	132	139	8,425
2020	7,431	3	225	533	133	144	8,469
2021	7,528	3	222	531	134	142	8,560
2022	7,624	3	229	529	131	149	8,665
2023	7,675	3	229	537	126	141	8,711
2024	7,678	3	227	540	131	210	8,789
2025	7,745	3	227	541	129	149	8,794

Table 11 – Historical Billed Water Connections

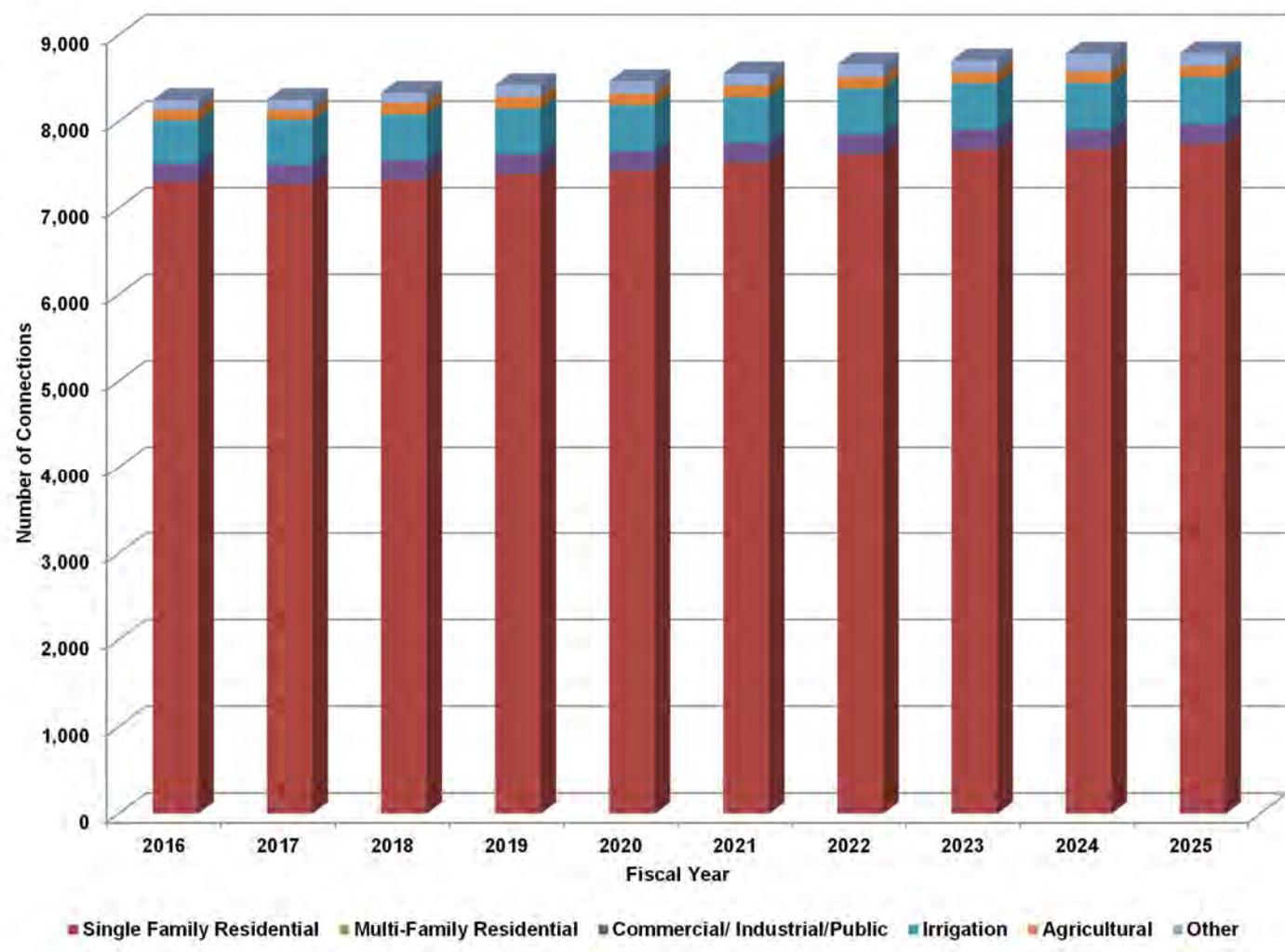


Figure 17 – Historical Billed Water Connections

Ten Largest Water Customers – Current Year and Nine Years Ago

Fiscal Year 2025				
<u>Customer</u>	<u>Customer Type</u>	<u>Acre-Feet</u>	<u>Annual Revenues</u>	<u>% of Water Sales</u>
1 Leisure Village	Residential	902	\$ 1,293,511.68	5.80%
2 Reiter Brother Inc	Agricultural	928	1,087,335	4.87%
3 CSUCI	Commercial	395	616,347	2.76%
4 Mahan Ranch Golf Club, LLC	Commercial	268	571,413	2.56%
5 Duda Farm Fresh Foods, Inc.	Agricultural	531	480,196	2.15%
6 Camlam Farms Inc.	Agricultural	723	251,516	1.13%
7 A Hartman Ranch, Inc.	Agricultural	208	219,529	0.98%
8 Pleasant Valley Park & Rec	Irrigation	88	195,780	0.88%
9 City of Camarillo	Irrigation	66	179,728	0.81%
10 A.B.P.	Agricultural	113	169,139	0.76%
Total Ten Largest Customers		4,222	\$ 5,064,493	22.69%
All Other Customers		7,323	17,252,174	77.31%
Total Water Revenue for District		11,545	\$ 22,316,667	100.00%

Fiscal Year 2016

<u>Customer</u>	<u>Customer Type</u>	<u>Acre-Feet</u>	<u>Annual Revenues</u>	<u>% of Water Sales</u>
1 Leisure Village	Residential	861	\$ 745,854	5.18%
2 CSUCI	Commercial	431	414,432	2.88%
3 Reiter Brother Inc.	Agricultural	815	385,875	2.68%
4 Tierra Rejada Golf Course	Commercial	282	382,757	2.66%
5 A Hartman Ranch, Inc.	Agricultural	419	230,032	1.60%
6 Lemon Acres Plus LLC	Agricultural	169	194,950	1.35%
7 Gerry	Agricultural	168	183,247	1.27%
8 A.B.P.	Agricultural	115	128,210	0.89%
9 3H Custom Farming/Hansen	Agricultural	609	124,100	0.86%
10 Marz Farms	Agricultural	208	114,436	0.79%
Total Ten Largest Customers		4,077	\$ 2,903,893	20.17%
All Other Customers		8,790	11,494,191	79.83%
Total Water Revenue for District		12,867	\$ 14,398,084	100.00%

Table 12 – Ten Largest Water Customers

Ten Largest Wastewater Customers – Current Year and Nine Years Ago

Fiscal Year 2025			
<u>Customer</u>	<u>EDUs</u>	<u>Annual Revenue</u>	<u>% of Wastewater Revenue</u>
1 Leisure Village	2,162	1,264,996	23.39%
2 CSUCI	815	476,971	8.82%
3 Rancho Adolfo Mobile Home Estates	255	149,236	2.76%
4 Corte Madera/Avalonbay Comm. Inc	161	94,224	1.74%
5 Essex Camino Inc.	161	94,224	1.74%
6 Adolfo Camarillo High School	59	34,529	0.64%
7 Camarillo Senior Living (ACSR, LLC)	56	32,773	0.61%
8 Marriott Brighton Gardens	42	24,580	0.45%
9 Pleasant Valley School	38	22,239	0.41%
10 Seminary	34	19,898	0.37%
	3,783	2,213,670	40.94%
All Other Customers	5,476	3,193,545	59.06%
Total Wastewater Revenue for District	9,258	5,407,215	100.00%

Fiscal Year 2016			
<u>Customer</u>	<u>EDUs</u>	<u>Annual Revenue</u>	<u>% of Wastewater Revenue</u>
Leisure Village	2,162	\$ 796,297	24.63%
CSUCI	782	288,089	8.91%
Rancho Adolfo Mobile Home Estates	255	93,942	2.91%
Corte Madera Apartments	161	59,312	1.83%
Essex Camino Inc.	161	59,312	1.83%
Adolfo Camarillo High School	59	21,736	0.67%
Emeritus at Camarillo	56	20,630	0.64%
Camino Ruiz LLC	47	17,315	0.54%
Marriott	42	15,473	0.48%
Pleasant Valley School	38	13,999	0.43%
Total Ten Largest Wastewater Customers	3,763	\$ 1,386,105	43%
All Other Customers	5,048	1,855,102	57%
Total Wastewater Revenue for District	8,811	\$ 3,233,519	100%

Table 13 – Ten Largest Wastewater Customers

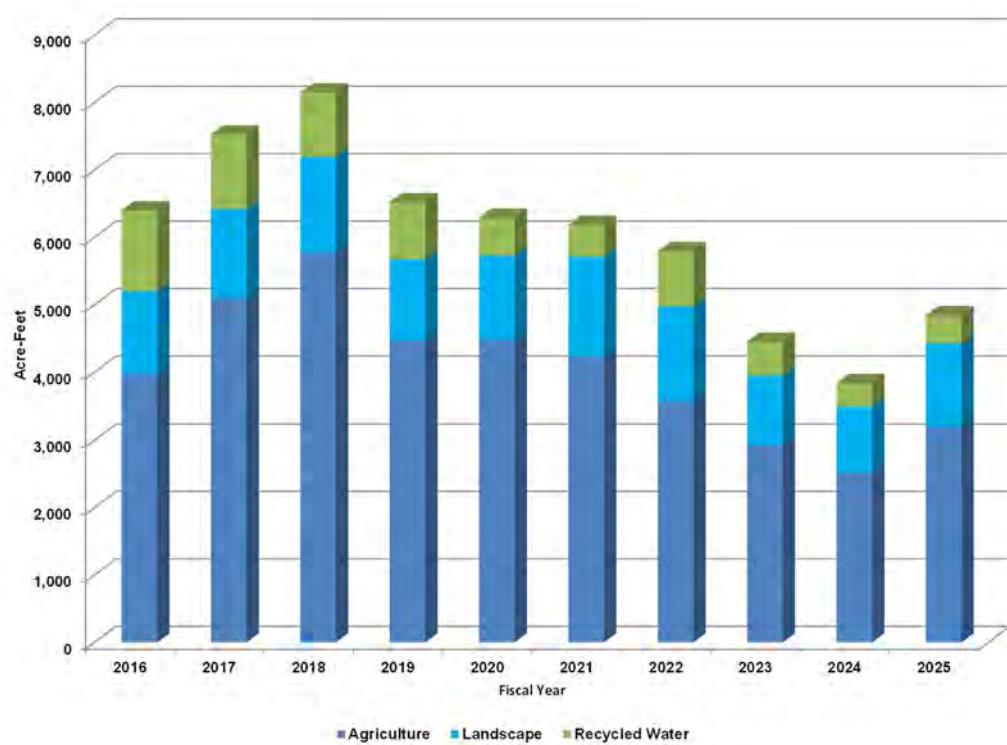
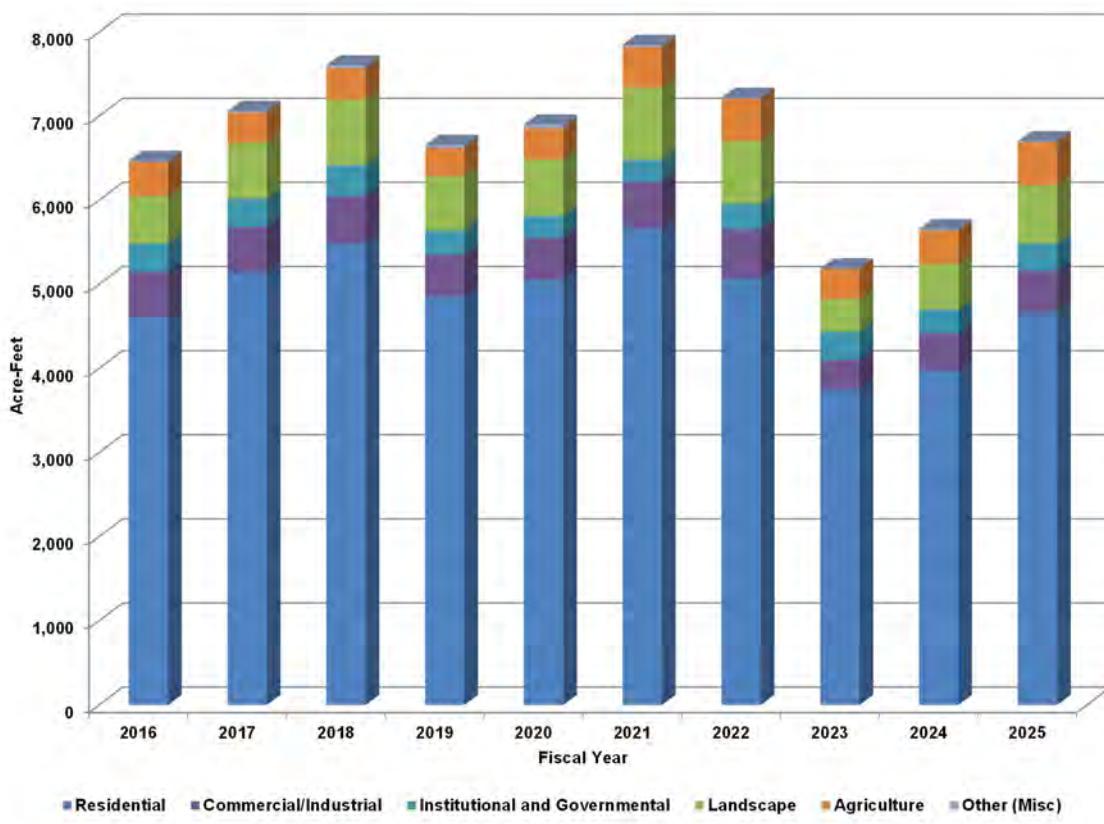
Historical Water Deliveries by Class – Acre Feet

Last Ten Fiscal Years

Potable Water	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Residential	4,610	5,139	5,486	4,854	5,052	5,658	5,074	3,751	3,975	4,673
Commercial/Industrial	539	545	562	500	502	562	578	351	445	489
Institutional and Governmental	336	332	368	286	257	259	303	336	280	322
Landscape	567	665	783	650	675	858	750	389	540	693
Agriculture	401	360	374	333	371	486	504	360	398	512
Other (Misc)	15	21	30	34	43	24	9	2	17	12
Total Potable Water	6,468	7,062	7,603	6,657	6,900	7,847	7,218	5,189	5,655	6,701
Non-Potable Water										
Landscape	1,233	1,328	1,418	1,207	1,255	1,475	1,408	1,025	981	1,231
Agriculture	3,962	5,093	5,772	4,463	4,469	4,231	3,563	2,919	2,515	3,193
Recycled Water	1,204	1,104	958	850	564	481	822	507	340	420
Total Non-Potable Water	6,399	7,525	8,148	6,520	6,288	6,187	5,793	4,451	3,836	4,844
Total Acre-Feet Deliveries	12,867	14,587	15,751	13,177	13,188	14,034	13,011	9,640	9,491	11,545

Table 14 – Water Deliveries by Class

Historical Water Deliveries by Type – Acre Feet



Historical Assessed Valuation of Taxable Property

Fiscal Year	Secured Assessed Valuation	Unsecured Assessed Valuation	Total	% Change
2016	5,145,103,092	115,142,342	5,260,245,434	4.45%
2017	5,330,477,983	121,837,738	5,452,315,721	3.65%
2018	5,583,931,181	165,603,337	5,749,534,518	5.45%
2019	5,821,051,039	168,334,118	5,989,385,157	4.17%
2020	6,061,204,136	190,366,546	6,251,570,682	4.38%
2021	6,322,329,671	195,452,356	6,517,782,027	4.26%
2022	6,525,470,690	192,048,584	6,717,519,274	3.06%
2023	6,978,681,814	193,733,530	7,172,415,344	6.77%
2024	7,382,045,555	270,238,121	7,652,283,676	6.69%
2025	7,687,173,438	340,114,853	8,027,288,291	4.90%

Table 15 – Historical Assessed Valuation of Taxable Property

Historical Secured Tax Charges and Delinquencies

Secured Tax Charges and Delinquencies

Fiscal Year	Secured Assessed Charge	Amount Delinquent	% Delinquent
		June 30	June 30
2016	540,450	\$7,397	1.37%
2017	567,163	\$4,543	0.80%
2018	591,316	\$4,466	0.76%
2019	614,392	\$11,173	1.82%
2020	640,500	\$20,848	3.25%
2021	667,814	\$5,022	0.75%
2022	689,723	\$5,705	0.83%
2023	735,946	\$7,153	0.97%
2024	780,847	\$9,424	1.21%
2025	820,297	\$11,213	1.37%

Table 16 – Historical Secured Tax Charges and Delinquencies

Debt Capacity

Total Outstanding Debt

Fiscal Year	Last Ten Fiscal Years										Total Outstanding Debt	Per Capita
	2011A		2012		2016		Refunding		Lease Liability			
	2011A	Bond Premium	2012 Refunding	Bond Premium	2016A	Bond Premium	2016 Refunding	Bond Premium	SBITTA Liability			
2016	8,150,000	226,854	4,030,000	326,071	-	-	-	-	-	12,732,925	\$ 182.10	
2017	-	-	3,085,000	234,051	13,520,000	1,546,815	-	-	-	18,385,866	\$ 264.08	
2018	-	-	2,100,000	142,031	12,980,000	1,492,627	-	-	-	16,714,658	\$ 243.15	
2019	-	-	1,070,000	50,011	12,420,000	1,438,439	-	-	-	14,978,450	\$ 214.35	
2020	-	-	-	-	11,840,000	1,384,252	-	-	-	13,224,252	\$ 188.22	
2021	-	-	-	-	11,235,000	1,330,064	-	-	-	12,565,064	\$ 174.76	
2022	-	-	-	-	10,595,000	1,275,876	-	-	-	11,870,876	\$ 165.22	
2023	-	-	-	-	9,935,000	1,221,688	321,765	36,634	11,515,087	\$ 162.40		
2024	-	-	-	-	9,240,000	1,167,500	305,350	15,498	10,728,348	\$ 152.59		
2025	-	-	-	-	8,520,000	1,113,312	190,892	31,358	9,855,562	\$ 141.57		

Table 17 – Total Outstanding Debt

Outstanding Debt

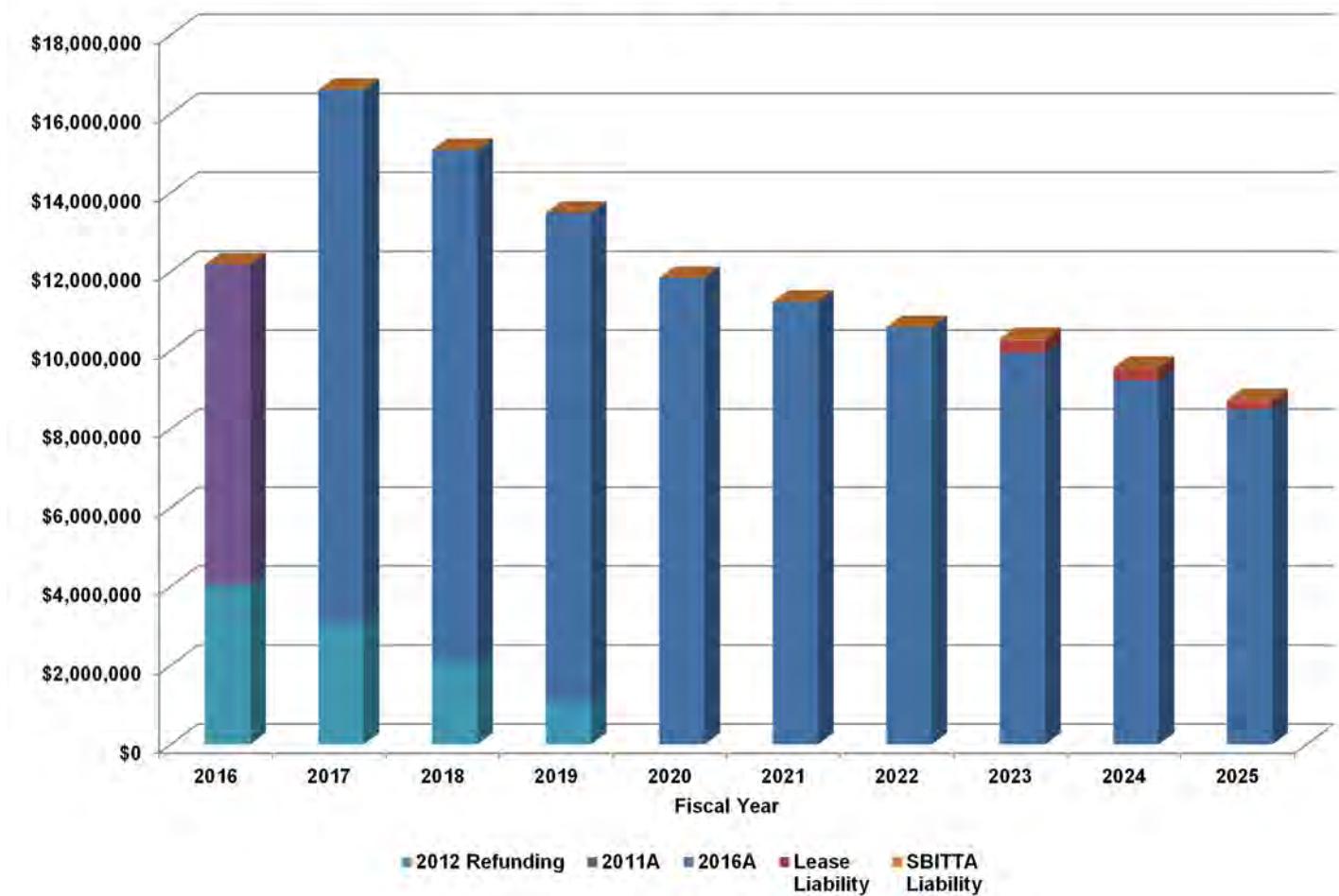


Figure 20 – Outstanding Debt

Water & Wastewater Debt Coverage

Water Debt Coverage

<u>Fiscal Year</u>	<u>Operating &</u>					<u>Coverage</u>	
	<u>Revenues</u>	<u>Maint. Costs</u>	<u>Net Revenues</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Ratio</u>
2015	15,858,152	13,150,593	2,707,559	810,000	404,975	1,214,975	2.23
2016	16,651,844	12,294,192	4,357,652	847,500	380,325	1,227,825	3.55
2017	17,864,464	11,983,683	5,880,781	980,000	412,969	1,392,969	4.22
2018	20,041,849	14,368,286	5,673,563	1,040,000	493,881	1,533,881	3.70
2019	22,369,158	14,004,394	8,364,764	1,082,500	454,381	1,536,881	5.44
2020	20,110,052	16,339,981	3,770,071	1,105,000	407,831	1,512,831	2.49
2021	23,953,171	17,677,179	6,275,992	470,000	373,081	843,081	7.44
2022	26,711,430	17,566,320	9,145,110	500,000	353,681	853,681	10.71
2023	19,333,163	14,895,049	4,438,114	515,000	330,806	845,806	5.25
2024	25,595,943	17,269,031	8,326,912	545,000	307,031	852,031	9.77
2025	24,940,757	18,650,027	6,290,730	560,000	284,931	844,931	7.45

Table 18 – Historical Water Debt Coverage

Wastewater Debt Coverage

<u>Fiscal Year</u>	<u>Operating &</u>					<u>Coverage</u>	
	<u>Revenues</u>	<u>Maint. Costs</u>	<u>Net Revenues</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Ratio</u>
2015	3,296,787	1,858,986	1,437,801	455,000	185,925	640,925	2.24
2016	3,905,306	1,760,668	2,144,638	470,000	172,175	642,175	3.34
2017	3,385,467	2,292,431	1,093,036	505,000	114,399	619,399	1.76
2018	3,581,230	2,501,042	1,080,188	517,500	115,850	633,350	1.71
2019	5,009,039	2,424,108	2,584,931	537,500	95,750	633,250	4.08
2020	3,759,479	2,750,890	1,008,589	545,000	72,150	617,150	1.63
2021	3,893,229	2,508,098	1,385,131	135,000	56,450	191,450	7.23
2022	4,142,825	2,636,029	1,506,796	140,000	50,950	190,950	7.89
2023	4,882,750	3,129,331	1,753,419	145,000	44,525	189,525	9.25
2024	6,989,854	3,382,643	3,607,211	150,000	37,900	187,900	19.20
2025	5,866,550	3,780,786	2,085,764	160,000	31,700	191,700	10.88

Table 19 – Historical Wastewater Debt Coverage

CAMROSA WATER DISTRICT



BUILDING WATER
SELF-RELIANCE

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Operational Information

Historical Water Demand/Sources

	Last Ten Fiscal Years (Acre-Feet)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Demand - Acre-Feet	12,867	14,587	15,751	13,177	13,188	14,035	13,011	9,640	9,491	11,545
Groundwater/Wells										
Tierra Rejada Basin	36	164	350	278	290	218	141	200	187	196
Santa Rosa Basin	1,462	2,123	2,995	1,416	655	251	196	386	1,586	1,529
Pleasant Valley Basin	972	777	902	827	819	1,485	1,624	1,770	595	1,415
Perched Aquifer	883	664	1	363	628	809	1,002	309	655	685
Groundwater/Wells	3,353	3,728	4,248	2,884	2,392	2,763	2,963	2,665	3,022	3,825
Imported Water										
Calleguas	4,125	3,612	3,979	4,194	5,188	6,012	4,779	3,031	3,056	3,464
Imported Water	4,125	3,612	3,979	4,194	5,188	6,012	4,779	3,031	3,056	3,464
Non-Potable/Recycled Water										
Conejo Creek	4,886	4,718	5,849	4,373	3,841	4,235	3,514	3,261	3,002	3,625
Santa Rosa Basin	586	542	513	728	1,060	955	934	548	528	421
Imported Water	730	506	833	375	428	402	384	229	254	412
Camrosa WRF (Recycled)	1,204	1,104	958	850	617	481	822	507	340	420
CamSan WWTP (Recycled)	-	-	-	-	781	1,454	1,258	1,203	1,437	1,397
Non-Potable/Recycled Water	7,406	6,870	8,154	6,325	6,727	7,527	6,912	5,748	5,562	6,275
Total Sources of Production	14,884	14,210	16,381	13,404	14,307	16,302	14,654	11,444	11,641	13,563

Table 20 – Historical Water Demand/Sources

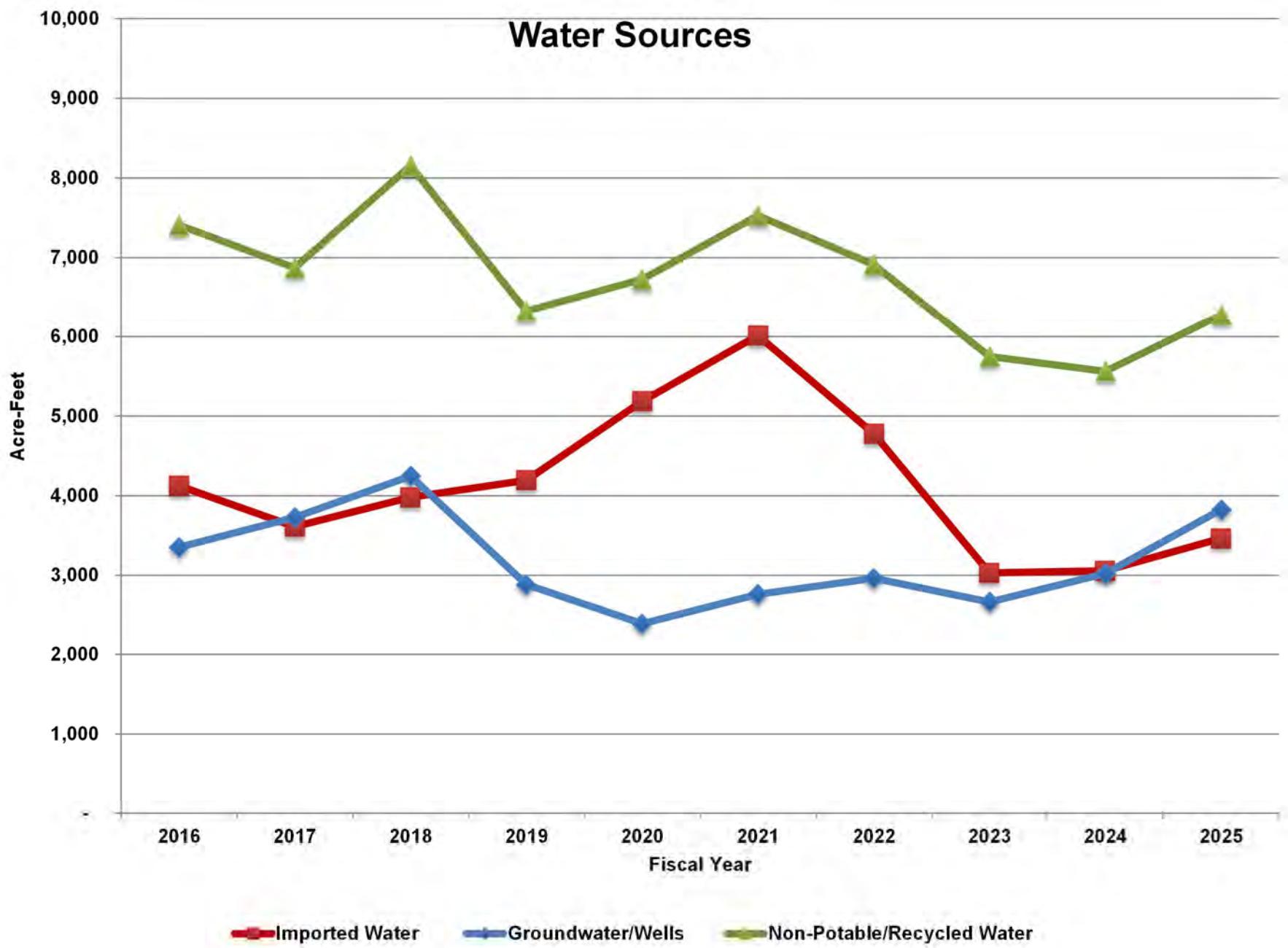


Figure 21 – Historical Water Demand by Source

District Facilities Information

Water System				
	FY 24-25 Potable	FY 24-25 Non-Potable	FY 23-24 Potable	FY 23-24 Non-Potable
Established 1962				
Water System				
Service Area 31 (Square miles)				
Water Facilities:				
Miles of pipeline	181	38	181	38
Number of groundwater wells	9	3	9	3
Number of pumping stations	8	8	8	8
Number of meter stations	12	0	12	0
Number of reservoirs	10	4	10	4
Number of treatment plants	2	0	1	0
Number of fire hydrants	1214	34	1214	34
Average Daily Water Production, Acft	19.95	40.28	16.67	35.42
Average Daily Water Production, Acft Delivered to CWD		16.05		14.08
Average Daily Water Production, Acft Delivered to PVCWD		19.28		18.86
Maximum Daily Water Production, Acft	38.43	63.03	27.56	72.47
Maximum Daily Water Production, Acft Delivered to CWD		32.00		30.53
Maximum Daily Water Production, Acft Delivered to PVCWD		32.17		37.11
Minimum Daily Water Production, Acft	8.29	4.04	5.63	3.40
Minimum Daily Water Production, Acft Delivered to CWD		4.04		3.89
Minimum Daily Water Production, Acft Delivered to PVCWD		0.00		0.00
Wastewater Facilities:				
Tertiary-treated Title 22 water				
Sewer Lift Stations	6		6	
Primary treatment, MGD	2.25		2.25	
Average Daily Wastewater Flow, MGD	1.23		1.22	
Maximum Daily Wastewater Flow, MGD	1.41		1.69	
Minimum Daily Wastewater Flow, MGD	0.53		1.08	

Table 21 – District Facilities Information

Historical Capital Assets

Fiscal Year	Water Plant	Sanitation Plant	Buildings & Equipment	Accumulated Depreciation	Net Capital Assets (less Construction in Progress and Land and Easements)	Construction
2016	63,438,656	29,108,335	2,830,255	(45,455,622)	49,921,624	2,544,641
2017	64,799,973	29,782,538	3,053,596	(47,909,462)	49,726,646	3,359,879
2018	66,919,253	30,767,634	3,253,617	(50,528,555)	50,411,949	1,894,279
2019	68,052,438	30,767,634	3,524,259	(53,349,416)	48,994,915	3,488,177
2020	71,344,790	31,049,483	4,266,850	(56,183,342)	50,477,782	4,184,008
2021	72,732,084	31,111,310	4,084,534	(58,911,494)	49,016,434	6,367,110
2022	74,726,593	31,628,981	4,350,215	(61,916,226)	48,789,563	11,709,571
2023	75,319,863	33,008,901	5,065,690	(65,094,150)	48,300,304	19,129,470
2024	95,363,289	33,012,269	5,275,727	(68,557,828)	65,093,457	5,417,740
2025	97,926,968	35,005,209	5,486,419	(71,960,134)	66,458,461	6,988,173

Table 22 – Historical Capital Assets

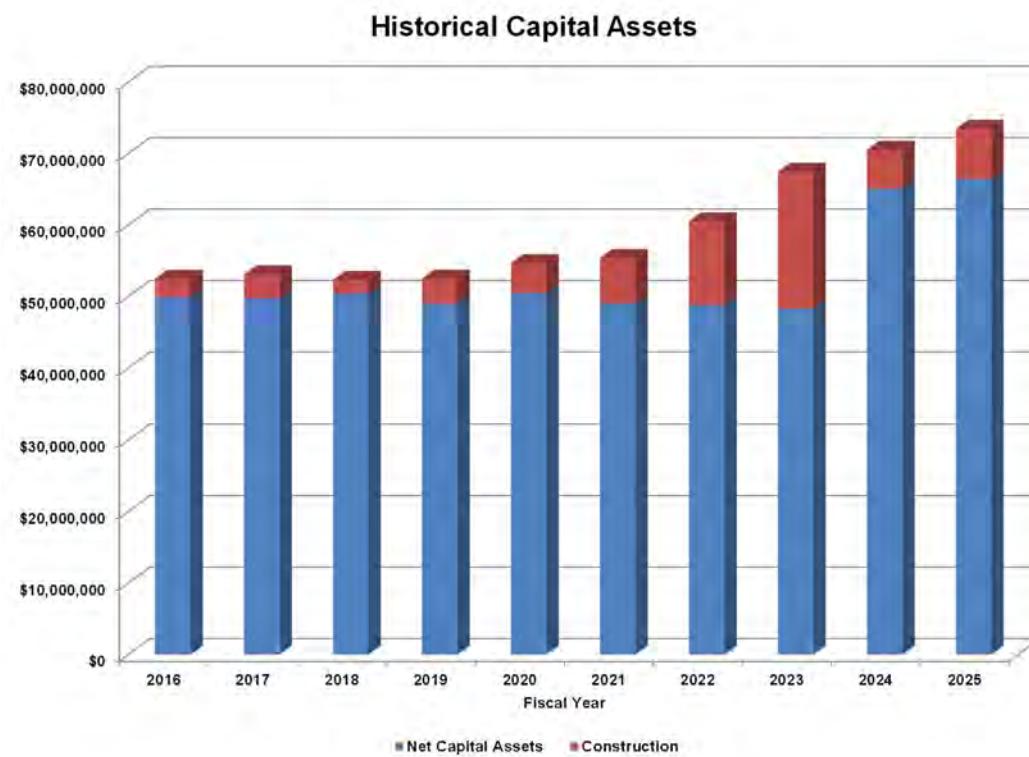


Figure 22 – Historical Capital Assets

Demographic and Economic Information

Demographic and Economic Statistics

Last Ten Calendar Years

Year	City of Camarillo (1)			Per Capita Personal Income
	Unemployment Rate	Population	Personal Income (in thousands)	
2016	5.8%	69,924	2,963,379	42,380
2017	4.5%	69,623	2,933,008	42,127
2018	3.6%	68,741	3,271,440	47,591
2019	4.3%	69,880	3,231,171	46,625
2020	4.1%	70,261	3,461,602	50,186
2021	5.8%	71,898	3,407,642	49,833
2022	2.6%	71,849	3,612,257	52,439
2023	2.3%	70,905	3,754,073	52,945
2024	3.8%	70,307	3,781,420	53,784
2025	4.0%	69,618	3,921,197	56,325

Table 23 – Demographic and Economic Statistics

Population 10 Years

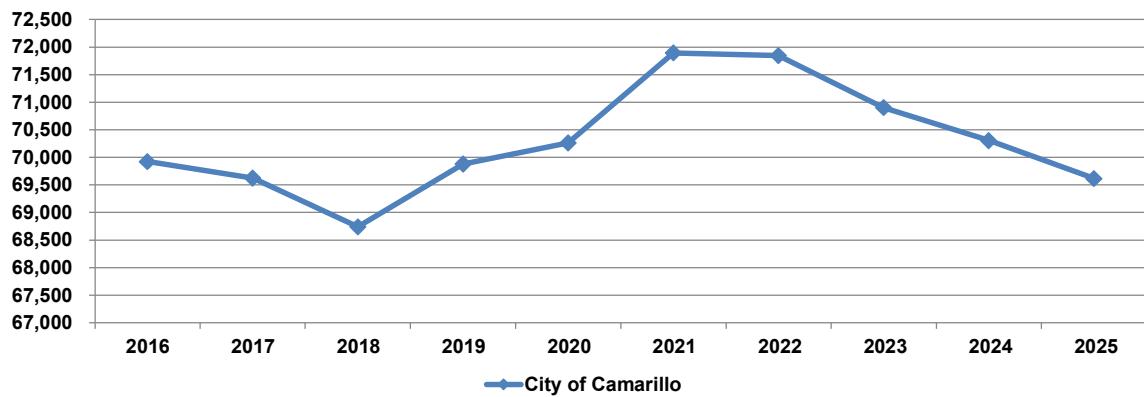


Figure 23 – City of Camarillo Population

City of Camarillo Unemployment Rate

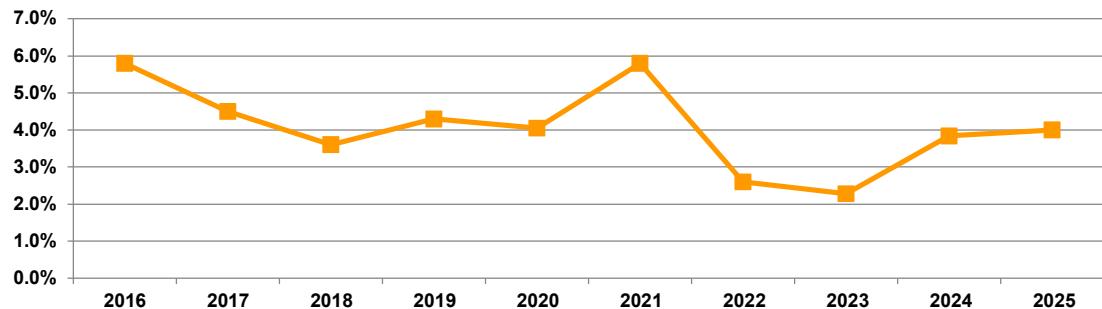


Figure 24 – City of Camarillo Unemployment Rate

Local Agency Comparison

	Service Area Size (miles)	Population	# of Water Customers	# of Wastewater Customers	# of Employees	Potable AFY Deliveries	Recycled AFY Deliveries	Miles of water lines (Potable and Recycled)	Collection System Miles	Operating Expenses	Operating Revenues	Annual Capital Outlay	Annual Debt
Camrosa (Fiscal Year 2024-25)	31	32,000	11,464	9,258	28	6,701	4,844	222	77.5	\$ 27,786,699	\$ 31,001,417	6,560,025	\$ 852,031
Triunfo Water and Sanitation District	50	33,594	4,711	10,820	19	1,552	872	55	120	\$ 16,201,675	\$ 28,001,449	1,432,139	\$ 649,000
Las Virgenes Municipal Water District	123	66,233	19,905	17,238	124	20,000	5,000	463.6	58	\$ 46,438,689	\$ 69,769,708	3,237,883	\$ 1,124,465
Ojai Valley Sanitation District	120	23,000	20,000	10,600	20	0	0	0	120	\$ 10,452,581	\$ 9,136,050	5,302,517	\$ 605,000
Carpinteria Valley Water District	17.3	15,196	4,572	0	21	3,256	0	82.79	0	\$ 13,404,861	\$ 16,131,688	3,457,863	\$ 714,250
Casitas Municipal Water District	137.5	70,000	6,070	0	77	6,994	0	163.4	0	\$ 23,833,331	\$ 18,068,550	4,154,562	\$ 3,269,551

Table 24 – Local Agency Comparison

Financial Metrics

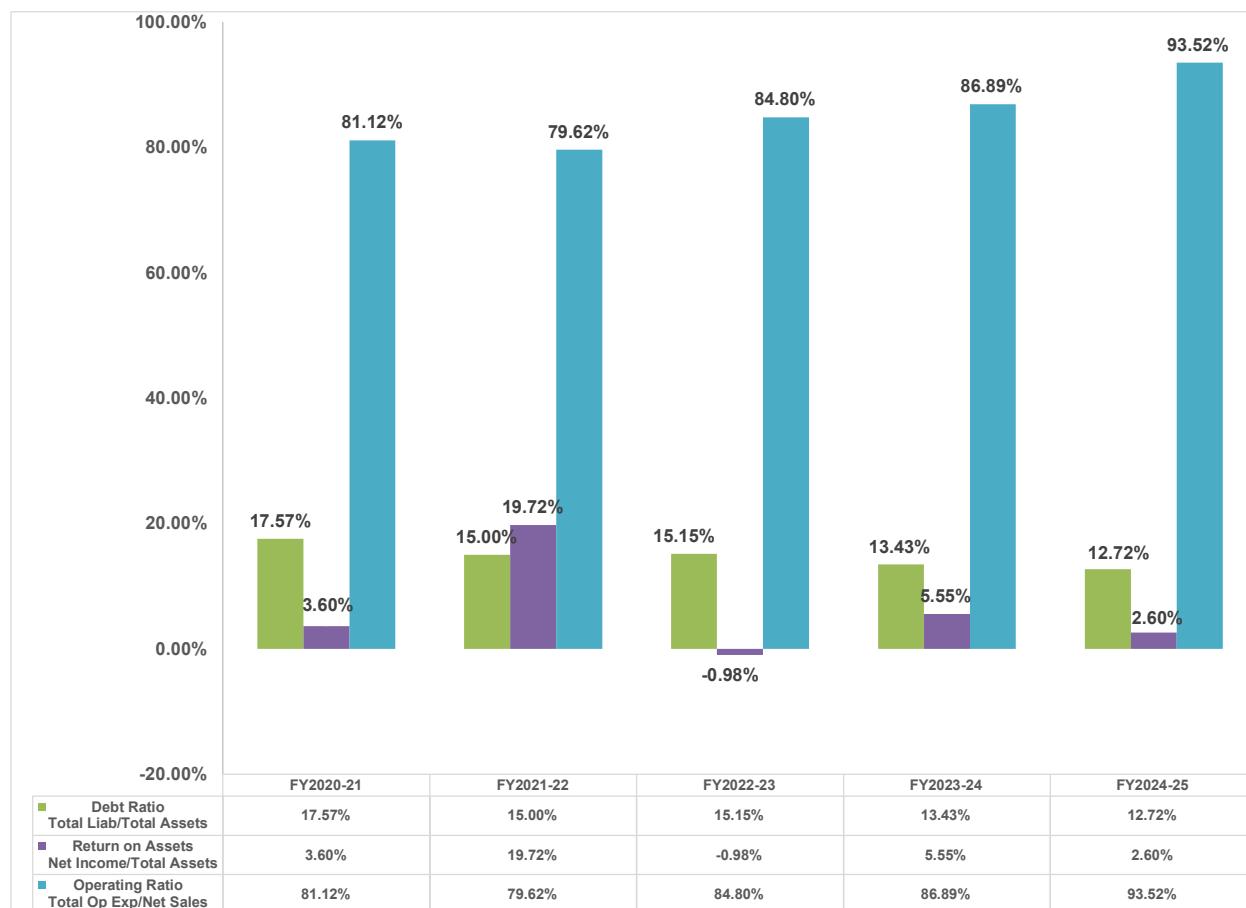


Figure 25 – Financial Metrics



**INDEPENDENT AUDITORS' 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
Camrosa Water District
Camarillo, 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 statement of net position of the Camrosa Water District (the District), as of June 30, 2025, the statement of revenues, expenses and change in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 the 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*.

Purpose of This Report

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



CliftonLarsonAllen LLP

Irvine, California
September 30, 2025

Other Information Section

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual Budget Basis</u>	<u>Variance with Budget Positive (Negative)</u>
Operating Revenue			
Potable Water Sales	\$ 11,871,600	\$ 13,440,328	1,568,728
Recycle/Non-Potable Water Sales	4,028,400	4,173,539	145,139
Water Sales to PV	1,566,400	1,711,690	145,290
Meter Revenue	3,291,700	2,952,068	(339,632)
Sewer Revenue	5,513,600	5,407,215	(106,385)
Special Services	88,000	90,739	2,739
Pump Zone/Miscellaneous	35,000	51,495	16,495
Total Operating Revenue	26,394,700	27,827,074	1,432,374
Non-Operating Revenue			
Property Taxes	850,000	873,760	23,760
Interest Income	1,760,000	2,066,738	306,738
Total Non-Operating Revenues	2,610,000	2,940,498	330,498
Operating Expenses			
Water Purchases - CMWD	4,401,600	6,834,207	(2,432,607)
CMWD Fixed Charges	980,200	1,019,154	(38,954)
CCP	938,800	940,490	(1,690)
CamSam	58,100	152,624	(94,524)
SMP CMWD	254,400	150,470	103,930
Utilities	2,776,800	2,182,155	594,645
Salaries & Benefits	5,989,557	4,967,361	1,022,196
Contract/Prof. Svcs	5,072,890	2,831,431	2,241,459
Supplies & Services	4,665,440	3,352,922	1,312,518
Total Operating Expenses	25,137,787	22,430,814	2,706,973
Non-Operating Expenses			
Debt Service 2011A/2016	1,036,631	1,036,631	-
Rate Stabilization Contribution	70,000	70,000	
Unfunded Accrued Liability Contribution	300,000	300,000	
Capital Replacement Contribution	2,221,500	6,650,500	(4,429,000)
Total Non-Operating Expenses	3,628,131	8,057,131	(4,429,000)
Net Operating Results	238,782	279,627	40,845
Capital & Mitigation Fees	-	39,734	39,734
Grant Revenue	-	603	603
Net Operating Results	\$ 238,782	\$ 319,964	\$ 81,182
Adjustments to Accounting			
Principles Generally Accepted in The United States of America			
Depreciation & Amortization Expense		(4,534,832)	
Loss on Sale of Asset		(107,837)	
Unrealized Gain on Investments		238,997	
Blended component unit activity-Arroyo Santa Rosa GSA		26,322	
Capital Replacement Contribution		6,650,500	
Rate Stabilization Contribution		70,000	
Unfunded Accrued Liability Contribution		300,000	
Principal Payments on Debt		720,000	
GASB68 Effect on Pension Expense		(557,972)	
GASB96 Effect on Financial Statements		24,401	
GASB87 Effect on Financial Statements		114,459	
Amortization of Bonds Premium/Defeasance		(8,946)	
Change in Net Position		3,255,056	
Net Position at Beginning of Year		108,692,180	
Net Position at End of Year		\$ 111,947,236	

Budgetary Comparison Schedule-Continued

For the Fiscal Years Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u> <u>Budget Basis</u>	<u>Variance with</u> <u>Budget Positive</u> <u>(Negative)</u>
Operating Revenue			
Potable Water Sales	\$ 12,939,700	\$ 10,602,546	\$ (2,337,154)
Recycle/Non-Potable Water Sales	5,146,300	3,304,164	(1,842,136)
Water Sales to PV	1,833,063	1,998,484	165,421
Meter Revenue	2,792,500	2,717,519	(74,981)
Sewer Revenue	4,825,300	4,764,475	(60,825)
Special Services	75,000	77,630	2,630
Pump Zone/Miscellaneous	52,000	37,285	(14,715)
Total Operating Revenue	27,663,863	23,502,103	(4,161,760)
Non-Operating Revenue			
Property Taxes	791,000	805,988	14,988
Interest Income	1,404,272	2,089,721	685,449
Total Non-Operating Revenues	2,195,272	2,895,709	700,437
Operating Expenses			
Water Purchases - CMWD	6,824,973	5,461,450	1,363,523
CMWD Fixed Charges	941,928	937,050	4,878
CCP	862,205	1,113,387	(251,182)
CamSam	149,787	157,354	(7,567)
SMP CMWD	266,896	148,758	118,138
Utilities	1,982,678	2,122,793	(140,115)
Salaries & Benefits	5,146,460	4,567,524	578,936
Contract/Prof. Svcs	5,673,140	3,214,652	2,458,488
Supplies & Services	3,612,340	2,928,706	683,634
Total Operating Expenses	25,460,407	20,651,674	4,808,733
Non-Operating Expenses			
Debt Service 2011A/2016	1,039,931	1,039,931	-
Capital Replacement Contribution	3,183,627	4,426,361	(1,242,734)
Total Non-Operating Expenses	4,223,558	5,466,292	(1,242,734)
Net Operating Results	175,170	279,846	104,676
Capital & Mitigation Fees	-	6,187,985	6,187,985
Net Operating Results	\$ 175,170	\$ 6,467,831	\$ 6,292,661
Adjustments to Accounting			
Principles Generally Accepted			
in The United States of America			
Depreciation & Amortization Expense		(3,601,806)	
Gain on Sale of Asset		384	
Unrealized Gain on Investments		71,107	
Blended component unit activity-Arroyo Santa Rosa G\$		(101,787)	
Capital Replacement Contribution		4,426,361	
Principal Payments on Debt		695,000	
GASB68 Effect on Pension Expense		(1,209,639)	
GASB96 Effect on Financial Statements		12,280	
GASB87 Effect on Financial Statements		106,279	
Amortization of Bonds Premium/Defeasance		(9,256)	
Change in Net Position		6,856,754	
Net Position at Beginning of Year		101,835,426	
Net Position at End of Year		\$108,692,180	

Budgetary Policy

The District prepares annual operating budgets for planning, control, and evaluation purposes. Project-length budgets, which generally encompass more than one fiscal year, are also prepared for major construction projects.

Adopted Operating and Capital Budget

In June 2025, the Board of Directors adopted a \$29 million budget for FY2025-26. The District adheres to the budget policies and budgetary controls. The schedules on the previous pages presents the Adopted Operating Budget amounts and compares them to actual amounts as presented on a modified accrual basis, which are different from the amounts presented on an accrual basis in the Statements of Revenues, Expenses, and Changes in Net Position for the Fiscal Years ended June 30, 2025 and 2024.

Monthly and Quarterly Financial Reporting

In accordance with best financial management practices, Finance provides monthly financial reports to District Staff and quarterly financial reports to the Board of Directors. Performance compared to the budget is monitored throughout the year. These monthly financial reports are prepared to provide timely information on the financial progress of the District.

Annual Financial Reporting

The District elects to present the budgetary schedule, optional for Enterprise Funds, in accordance with best practices recommended by professional accounting organizations and in keeping the District's commitment to transparency in financial reporting and disclosure. The schedule is prepared on a budgetary basis and compares the adopted budget to actual expenses for the period as presented on the Budgetary Comparison Schedule in Other Supplementary Information.