



# Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2024  
and June 30, 2023

*7385 SANTA ROSA RD., CAMARILLO, CA 93012  
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# CAMROSA WATER DISTRICT

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**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**  
 Comprehensive Annual Financial Report  
 For the Fiscal Years Ended June 30, 2024 and June 30, 2023

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# Introductory Section

October 26, 2024

Members of the Board of Directors  
Camrosa Water District

**Letter of Transmittal**

It is our pleasure to submit Camrosa Water District’s Annual Financial Report for the fiscal year ending June 30, 2024 (FY2023-24). 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.

**District Structure and Leadership**

The Camrosa Water District is an independent special district, which operates under the authority of Division 12 of the California Water Code. The District provides services to a population of more than 32,700 people and is governed by a five-member Board of Directors, elected at large from within the District’s service area.

<b>Director</b>	<b>Title</b>	<b>Division</b>	<b>Expiration of Term</b>	<b>Occupation</b>
Eugene F. West	President	Division 4	November 2024	Attorney
Andrew F. Nelson	Vice-President	Division 1	November 2026	Healthcare Research
Jeffrey C. Brown	Director	Division 2	November 2026	Investment Consultant
Timothy H. Hoag	Director	Division 3	November 2024	Pharmacist/Teacher
Terry L. Foreman	Director	Division 5	November 2026	Geologist/Hydrogeologist

**General Manager**

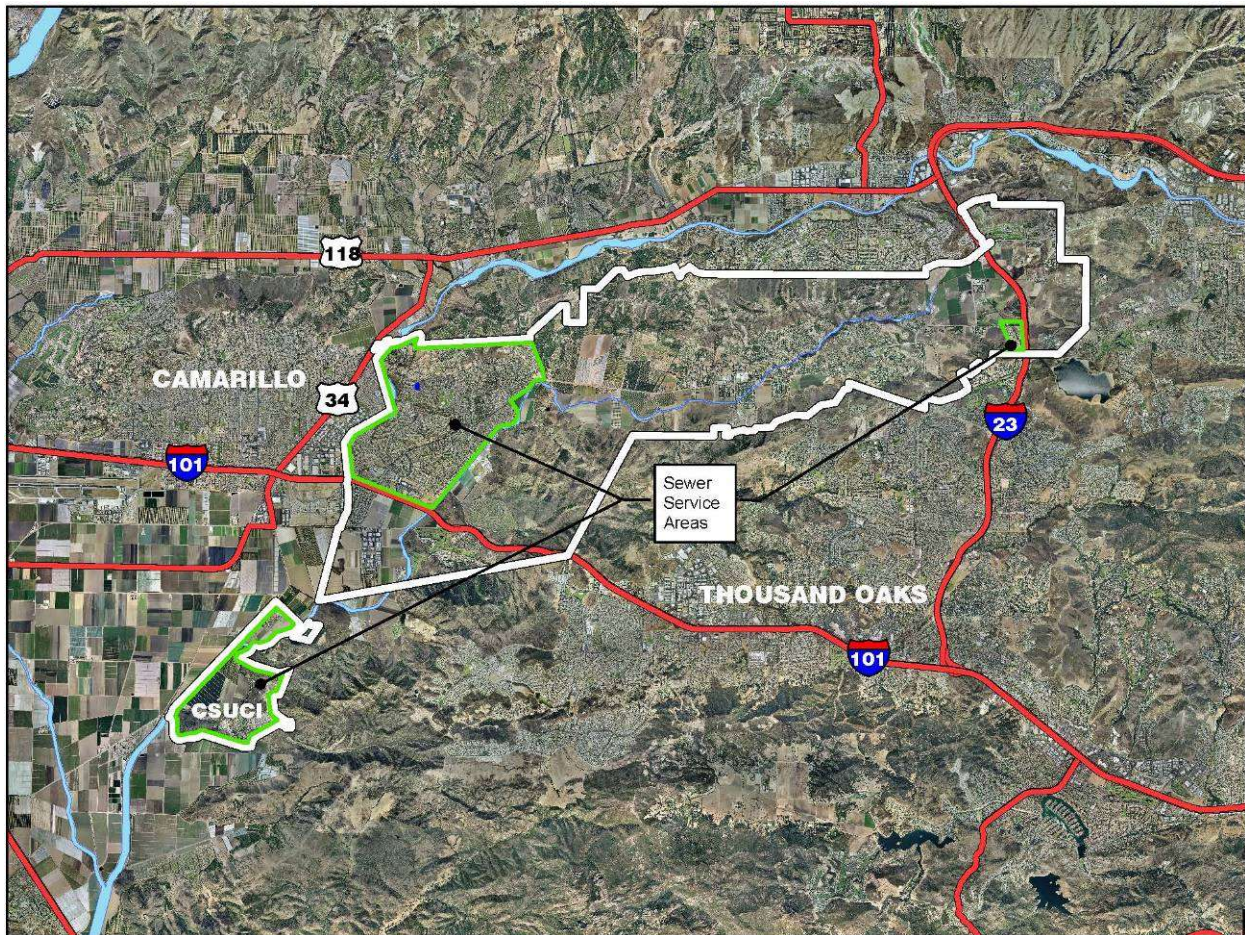
Daily operation of the District falls under the responsibility of the General Manager, Norman Huff. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. As General Manager, Mr. Huff is responsible for 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 Camrosa Water Reclamation Facility (CWRF).

The District employs a full-time staff of 25 employees as of June 30, 2024. The District's Board of Directors meets on the second and fourth Thursdays of each month. Meetings are publicly noticed and the public is welcome to attend.

### District Services

Currently, the District provides three classes of water (potable, non-potable, and recycled) to a population of more than 32,700 people through approximately 11,445 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 50% of potable supplies. The remaining 50% is groundwater that is treated at the wellhead and then pumped into the distribution system, either directly or after blending. In FY2023-24 the District delivered 5,655 acre-feet (AF) of potable water, 3,496 AF of non-potable water, and 340 AF of recycled water, totaling 9,491 AF to its customers.

Residential customers make up approximately 87% (number of metered connections) of the District's customer base and consume approximately 47% of the water provided annually by the District.

Wastewater service is limited to 9,217 equivalent dwelling units (EDUs) in 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 septic systems.

## Mission and Vision Statement

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; strategic planning, leveraging technological advancements, and substantial investment to ensure the delivery of safe, reliable, and affordable services our customers desire well into the future.

Since the last Strategic Plan development in 2008, 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 to produce local water has also increased, driven by an ever-increasing demand for a limited supply, an ever-expanding regulatory environment, and the high cost 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 goals:

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

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.

### 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 an outcome of decades of substandard State water policy. California 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 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 recently announced 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.

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 non-potable distribution systems. 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. We're starting this fiscal year with feasibility studies and design for additional wells, backup wells, and treatment facilities to increase our local water production and reduce our dependence on imported water.

### **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 SWRCB has continued extending administrative control over water suppliers through a variety of policies and regulations. Several recent examples include: the recently updated Individual System Water Loss Standards; upcoming drinking water regulations; conservation legislation; and additional reporting requirements. While each one carries intended benefits, they are also accompanied by costs, and cost-benefit ratios will differ for each supplier based on local variations.

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. 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.

Most recently, sweeping regulations were announced titled, Making Conservation a California Way of Life. 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 with potential costs exceeding \$13 Billion. On March 15, 2023, the SWRCB released the Draft Staff Framework for the Making Conservation a California Way of Life Regulation (Proposed Regulatory Framework). The Framework is 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 SWRCB’s draft framework requires suppliers to comply with individualized urban water use objectives, implement Commercial, Industrial, Institutional (CII) performance measures, and submit annual progress reports. A supplier’s water use objective is the sum of standard-based budgets for residential indoor use, residential outdoor use, CII landscapes with dedicated irrigation meters, and real water losses. The second draft of the legislation became available in March 2024, and as written, still requires significant water use reductions from many suppliers and extensive reporting from all urban water suppliers. The cost of complying with the regulation may require revisiting and adjusting financial projections. The rule is expected to become effective in the Summer of 2024. Camrosa is actively monitoring the legislation and its impacts to the District and its customers. The District is factoring the legislation into its long-term forecasting, although as of the second draft of the legislation, Camrosa has a zero percent water use reduction requirement (i.e. no reduction required) over the three benchmark periods called for in the regulation.

### 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 knowledge); 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.

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 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. 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 recently completed and currently operates a Granular Activated Carbon (GAC) filtration plant that treats some of our source water from four District wells for both 1,2,3 Trichloropropane (TCP123) and PFAS chemicals.

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). On February 16, 2023, DDW proposed revised NLs and RLs for manganese. 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 DDW 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 provide treatment if that option is available to them. Based on DDW proposing revised NLs and RLs for manganese in February 2023, a manganese primary MCL is likely to be established in the future. The establishment of manganese primary MCLs could impact the cost of producing local water. At the current time, Camrosa staff is in the design phase for Iron and Manganese removal technologies for the treatment of water from the Woodcreek and PV Well #2 wells. PV Well #2 water has Manganese levels that sometimes exceed the Secondary MCL for Manganese, set at 50 µg/L or parts per billion.

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 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 Well and PV Well #2 pump groundwater. A new allocation plan has been established and projects to increase the sustainable yield are being investigated. Adjudication papers were filed by a group of landowners/pumpers in the basin, as was a lawsuit contesting the CEQA process for the GSP. 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 that innovation and regional project development require.

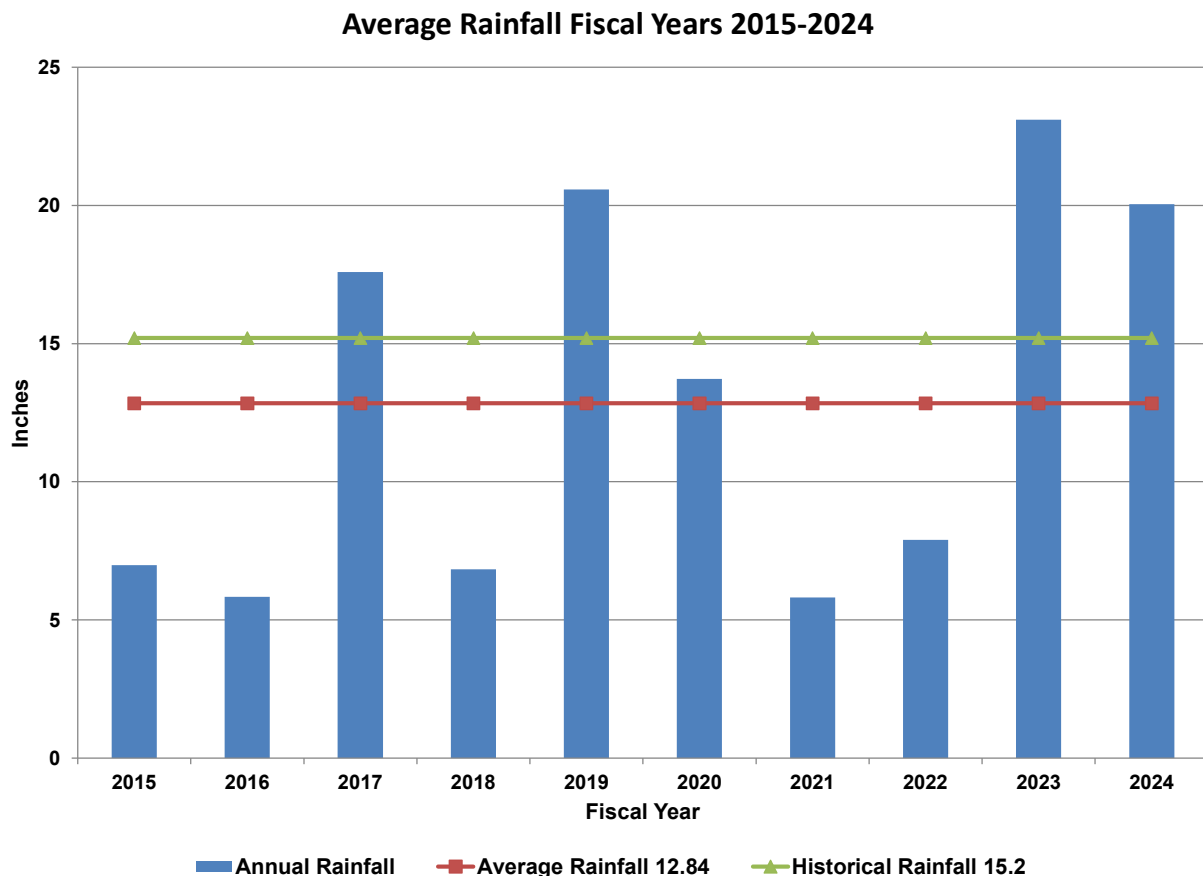
The Arroyo Santa Rosa Groundwater Basin, which lies wholly within the Camrosa service area and from which the majority of Camrosa's local groundwater is produced, was originally designated as a medium-priority basin due to high nitrate concentrations. In 2016, the County of

Ventura and Camrosa formed a GSA to write the GSP for the whole basin and manage that portion of it east of the Bailey Fault (outside the FCGMA). In April 2018, DWR awarded the Arroyo Santa Rosa GSA a Sustainable Groundwater Planning Grant to support the development of the Santa Rosa GSP, up to \$177,081. Administrative costs to support the operation of the Arroyo Santa Rosa Groundwater Sustainability Agency (ASRGSA), including the writing of the GSP, will be supported by Camrosa. The County of Ventura provided \$127,602 as seed money to the GSA. The GSA held a public hearing on May 25, 2023, to adopt the GSP, which is currently under review with DWR. The GSA budget for FY2024-25 is included as Appendix #1.

Projects to reach sustainability and/or increase Arroyo Santa Rosa basin yield were explored as part of the GSP process. Because Camrosa is the primary groundwater producer in the Santa Rosa 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.

### The Impact of Weather

Climate impacts the overall supply of available water resources while also affecting customer demand. 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.



**Figure 2 – Historical Rainfall**

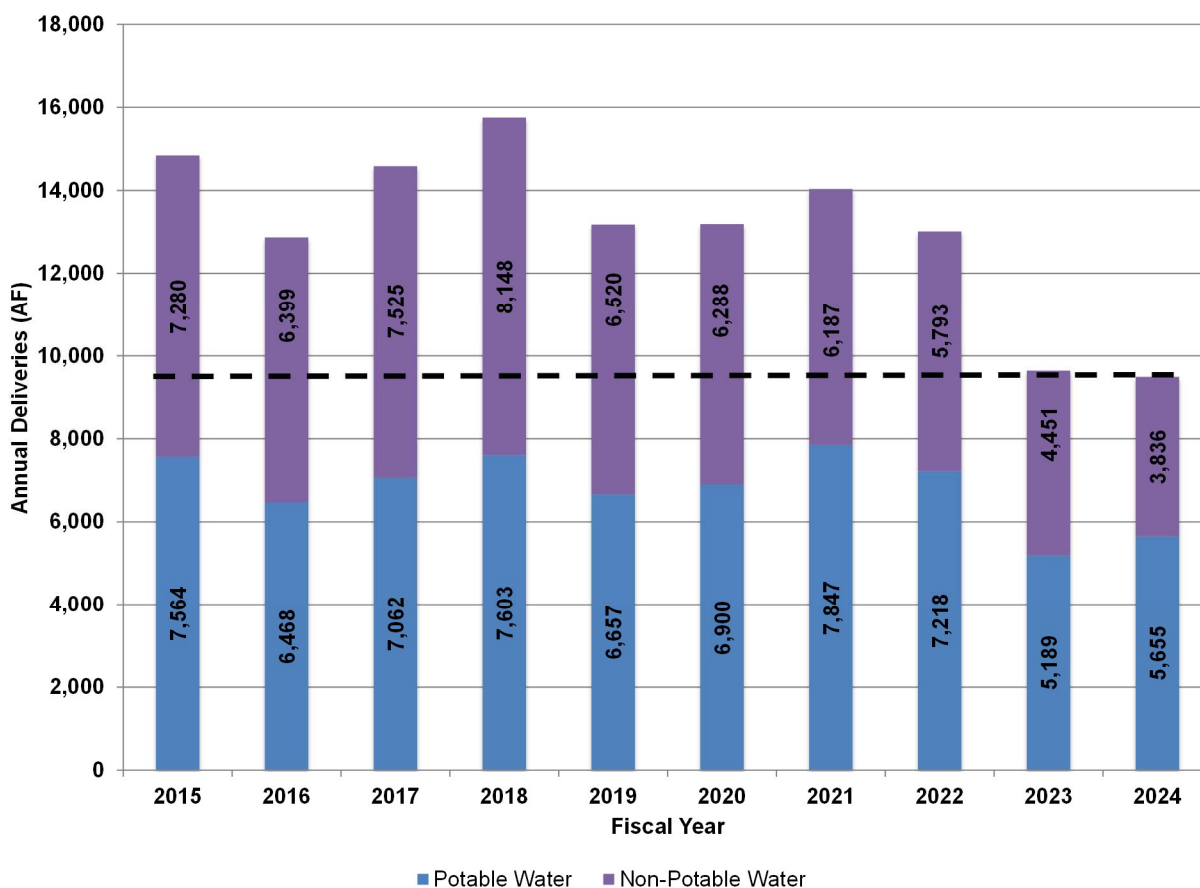
Locally, rainfall was 20.05 inches, recorded from the Camrosa Water District station, which is significantly more than the ten-year average rainfall for the District of 12.84 inches a year and the historical average of 15.2 inches a year. These wet periods provide an important recharging of the local 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.

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 20, 2024, DWR announced a 40 percent allocation as a result of the latest snow survey and Lake Oroville storage. This is up from 30 percent announced in March, 15 percent in February, and the initial 10 percent announced in December.

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 year 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.

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 FY2023-24. 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. Water sales were 9,491 AF compared to 9,640 AF in FY2022-23. The following graph (Figure 3) reflects the District’s acre-feet deliveries.



**Figure 3 – Historical Acre-Feet Deliveries**

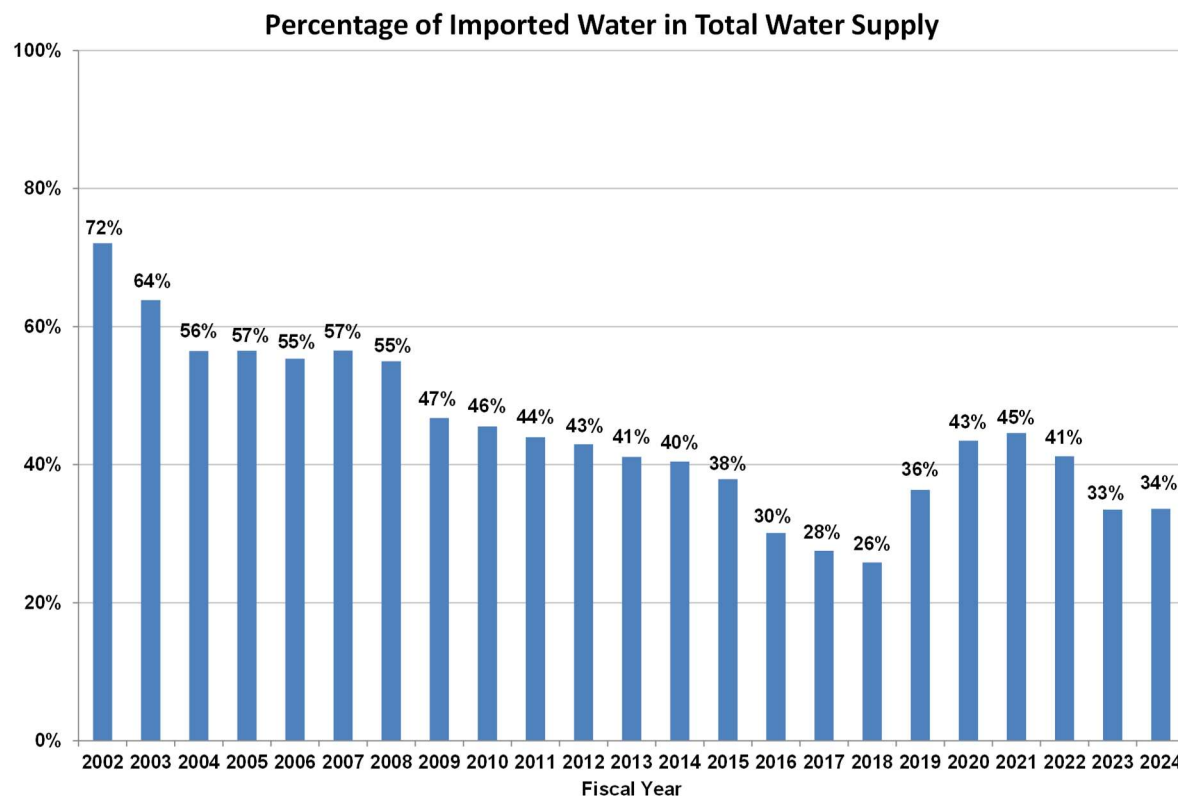
### Building Self-Reliance

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 have to import helps mitigate the costs of imported water. Figure 3 reflects the District’s efforts to develop self-reliance over the last 20 years.

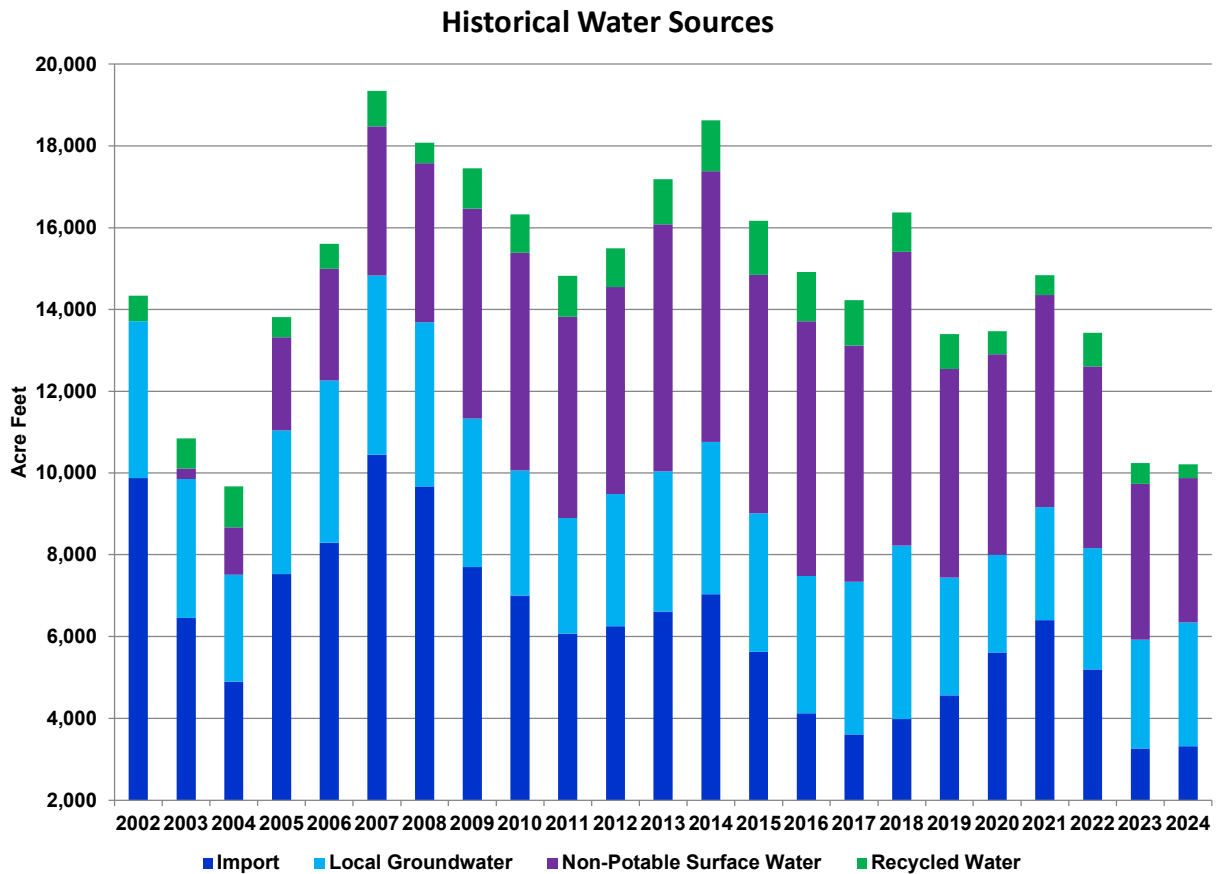
The trend was temporarily reversed in 2019, when the District’s largest local resource, the Conejo Wellfield, was taken offline ahead of building a treatment plant to treat for the newly-regulated contaminants, 1,2,3–Trichloropropane (TCP) and Per- and polyfluoroalkyl substances (PFAS). TCP is a synthetic 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 part of a settlement agreement with chemical companies DuPont and 3M to receive the compensation needed to mitigate the treatment cost for PFAS. The Granular Activated Carbon (GAC) filtration system at the Conejo Wellfield to mitigate these contaminants was completed and went online in October 2023.

In the meantime, Camrosa worked very hard to bring another new source online, PV Well #2. The new PV Well #2 came online in September 2020, providing a much-needed boost to local production. Adjustments to the well in the fall of 2021 doubled production. Now that this new source and the GAC Treatment Plant at the Conejo Wellfield are online, we expect to increase local groundwater production and offset imported water purchases, thus reducing the percentage of imported water in the District’s Total Water Supply. In FY2023-24, imported water comprised 34% of the **total water supply**. Imported water constituted 50% of Camrosa’s potable water supply, with 50% coming from local groundwater. The upcoming fiscal year will also see investigations into providing redundancy for the University Well and a third Pleasant Valley Basin Well (PV Well #3).



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

The following graph 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. Since the Conejo Creek Project came online in 2003, Camrosa’s demand for imported water has fallen dramatically. 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. Many of these projects will be identified in the ongoing development of its Master Plan and implemented through a phased approach starting in this fiscal year.



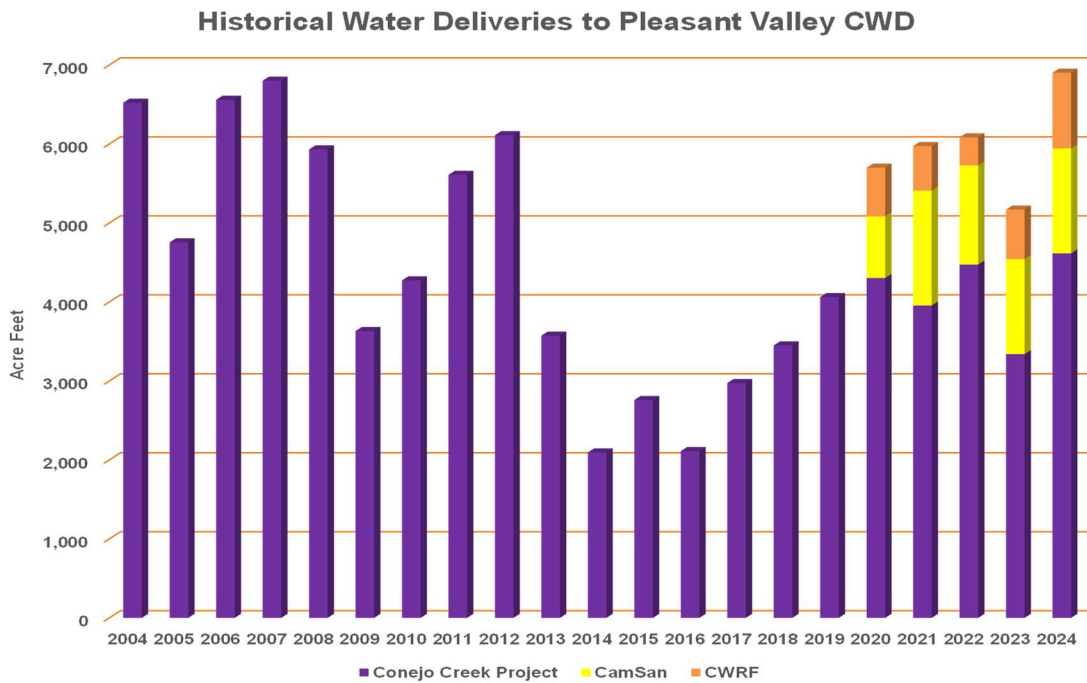
**Figure 5 – Historical Water Sources**

### 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, 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 for each acre-foot of creek water the District delivers. Camrosa currently pumps these credits from the Woodcreek Well and PV Well #2 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.

With 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 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 creek water does, however, this interconnection increases Camrosa revenue, improves Camrosa operations, and contributes to regional water supply resilience. It is unknown how long CamSan will continue to have excess recycled water as the City of Camarillo expands its recycled water distribution system, but in the meantime, it is clearly a beneficial project for all three agencies.



**Figure 6 – Historical Water Deliveries to Pleasant Valley CWD**



## Increases in Imported Water Costs

The expectation that wholesale rates will continue to escalate provides another incentive to increase self-reliance. In 2024, the MWD Tier 1 wholesale rates increased by 3.9%, and in 2025 the Tier 1 wholesale rates will increase by an additional 11%. 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 6.0% in 2024 and 9.5% in 2025. The following graph illustrates the projected cost of imported water.

### Projected Cost of Imported Water

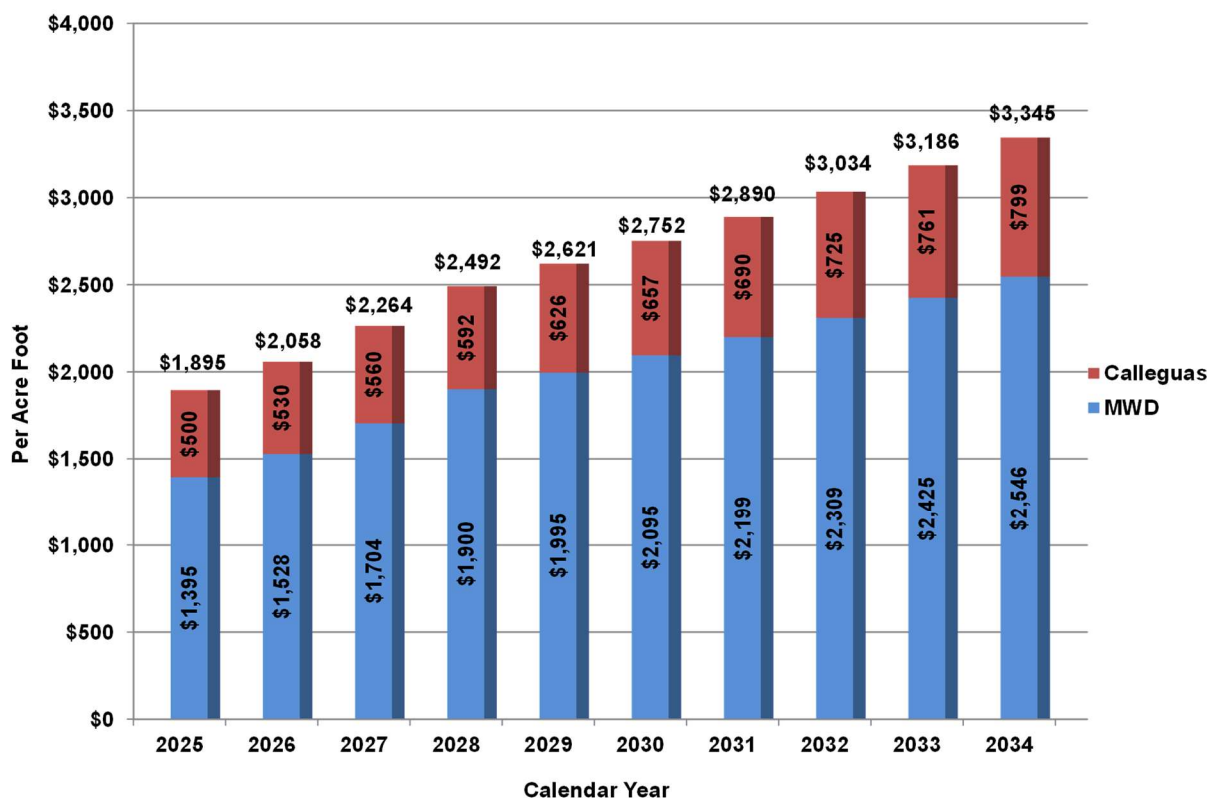


Figure 7 – Projected Cost of Imported Water

## 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 increase. The District has undertaken a two-part master plan: a near-term plan focused on rehabilitation, replacement, and maintenance to be incorporated into the five-year comprehensive rate study to ensure adequate reserves are set aside to invest in the aging infrastructure; and a long-term water resources plan to envision water supplies to a fifty-year horizon. Such projects include replacing pipeline segments, maintaining and upgrading treatment facilities, and rehabilitating reservoirs, pump stations, and the wastewater collection system. Setting aside reserves today for these repairs will prevent the District from being susceptible to untimely financial burdens and ultimately having to excessively raise rates.

## 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, more 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.

### **Major Accomplishments during FY2023-24**

The District completed a number of capital projects during FY2023-24 that improved operations. Water system projects completed during the fiscal year include Traveling screens, Tierra Rejada well rehabilitation, Penny well degasifier, University well rehabilitation, PV Well, AMR Aclara + MTU upgrade, Conejo wellfield treatment, Distribution valve replacement and Camsprings water line. General projects included the Tier 2 historian and Security Cameras.

### **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 April 11, 2024, 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. Generally, maturities are limited to two-year periods, and at least 25% of the portfolio will be invested in securities that can be liquidated on one day's notice. Investments are generally limited to government-issued or government-insured securities; for instance, the District currently has approximately \$9.4 million invested in the State's Local Agency Investment Fund (LAIF) and \$34.3 million in treasury bills as of June 30, 2024.

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, 2023. This was the ninth 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 comprehensive annual 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 FY2023-24 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,

A handwritten signature in black ink, appearing to read "Norman Huff". The signature is fluid and cursive, with a large initial "N" and a stylized "H".

Norman Huff  
General Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

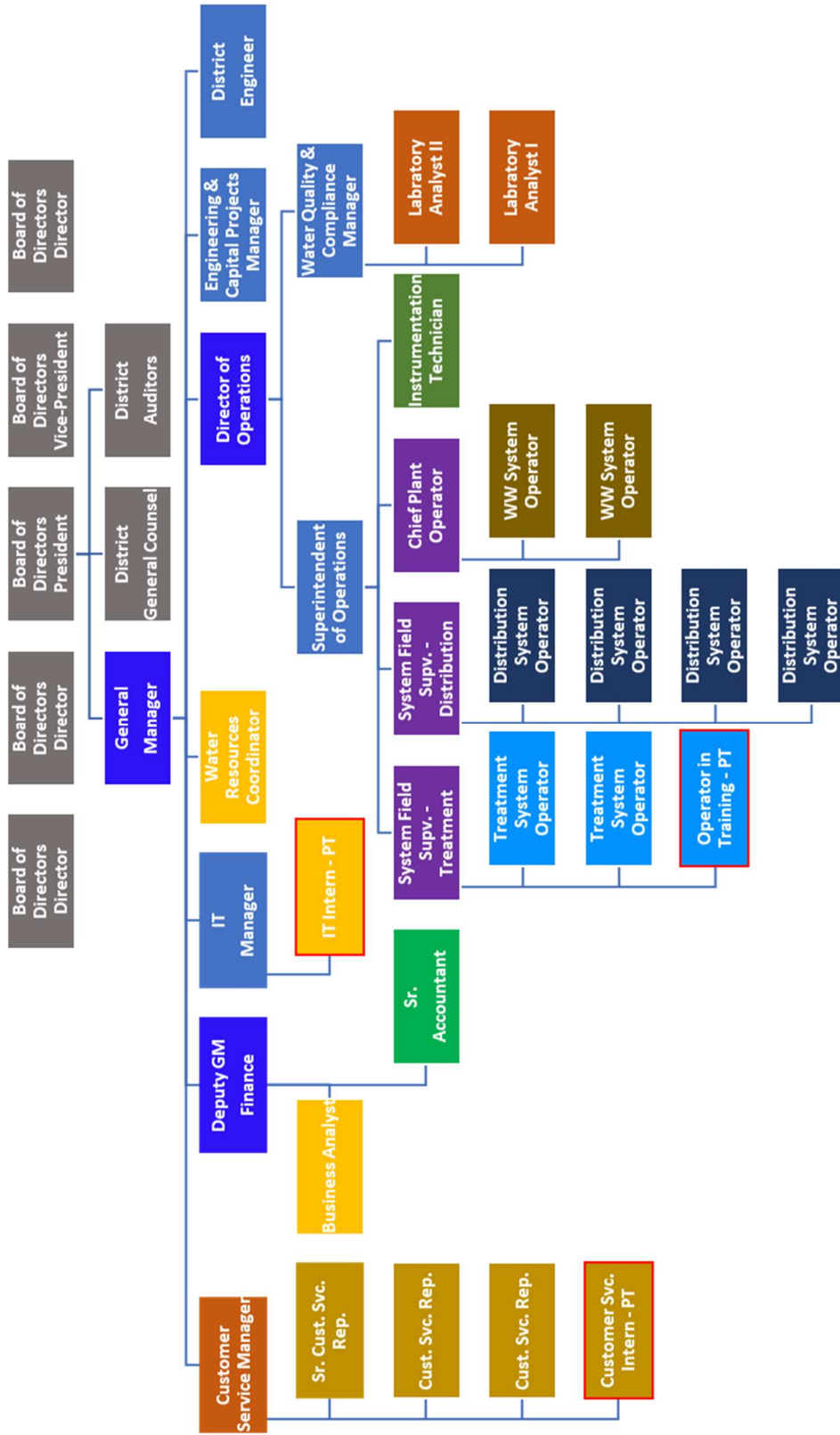
**Camrosa Water District  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO



# CAMROSA WATER DISTRICT



BUILDING WATER  
SELF-RELIANCE

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# 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, 2024 and 2023, 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, 2024 and 2023, 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 October 1, 2024, 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**

Irvine, California  
October 1, 2024

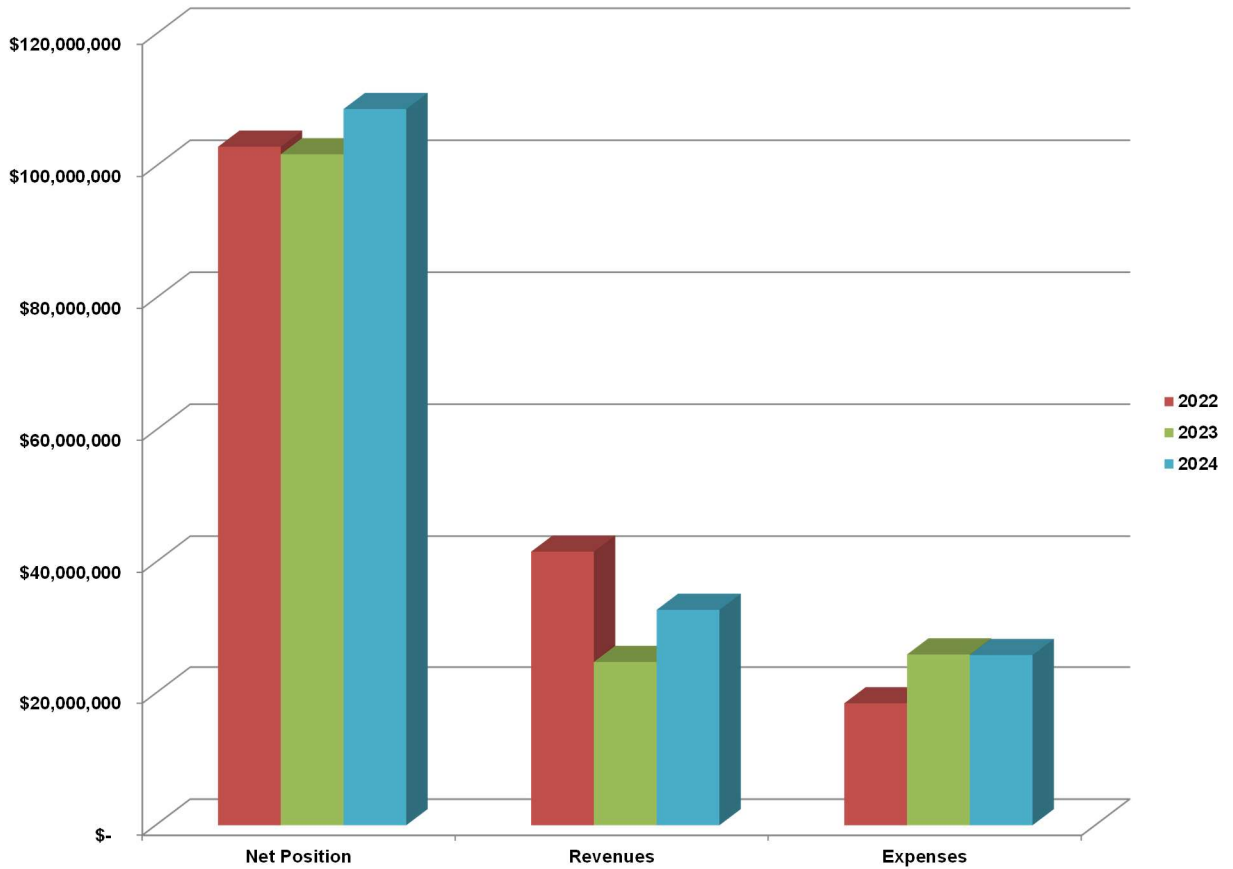
**Management's Discussion and Analysis (MD&A)**  
**(For the Fiscal Years Ended June 30, 2024 and June 30, 2023)**

The following discussion and analysis of the Camrosa Water District's (District) financial performance during FY2023-24 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 13.

**Financial Highlights**

The following chart displays FY2023-24 financial changes in comparison to FY2022-23 and FY2021-22:

- In FY2023-24, the District's net position increase 6.7%, or \$6.9 million, to \$108.7 million. In FY2022-23, the District's net position decreased by 1.1%, or \$1.1 million to \$101.8 million.
- In FY2023-24, the District's total revenues increased by 31.9%, or \$7.9 million compared to FY2022-23 mainly due to receipt of capital contributions in the amount of \$6.2 million. In addition to that, water sales increased by \$1.5 million due to rate adjustment and lifting of mandatory conservation provisions. In FY2022-23, the District's total revenues decreased by 40.4%, or \$16.9 million due to receipt of a legal settlement.
- In FY2023-24, Total Expenses including pension expense decreased by \$0.1 million compared to FY2022-23. Pension expense is a non-cash item reflecting contributions made after measurement date and changes in the District's retirement Net Pension Liability/Asset and Deferred Inflows and Outflows of Resources caused by changes in assumptions. The District's expenses excluding pension expense increased by 12%, or \$2.6 million. Water purchases increased by \$0.8 million due to a combination of increased cost of imported water and purchases. Salaries and benefits increased by \$0.6 million due to increased cost of benefits and salary adjustments. Utilities increased by \$0.30 million due to increased rates and increased local production. Depreciation expense increased by \$0.25 million due to capital projects completed and capitalized during the year. Outside contracts increased by \$0.4 million due to unidirectional flushing of water system performed in FY2023-24 and higher cost of services. Other operating expenses such as supplies experienced increases due to inflation.



**Figure 8 – 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 solubility of the District at the end of FY2023-24 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 FY2023-24 with FY2022-23. 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:

<b><u>Net Position</u></b>					
<i>(in millions)</i>					
<u>Assets</u>	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
Current Assets	\$43.2	\$43.4	(\$0.2)	\$49.9	(\$6.5)
Restricted Cash	7.6	3.8	3.8	2.0	1.8
Capital Assets (net of depreciation)	72.4	69.3	3.1	62.4	6.9
Lease and SBITA Assets Being Amortized, net	0.3	0.4	(0.1)	0.2	0.2
Other Non-Current Assets	0.0	0.0	0.0	2.7	(2.7)
<u>Total Assets</u>	<u>123.5</u>	<u>116.9</u>	<u>6.6</u>	<u>117.2</u>	<u>(0.3)</u>
Deferred Outflows of Resources	2.5	4.3	(1.8)	6.1	(1.8)
<u>Total Assets and Deferred Outflows of Resources</u>	<u>\$126.0</u>	<u>\$121.2</u>	<u>\$4.8</u>	<u>\$123.3</u>	<u>(\$2.1)</u>
<u>Liabilities</u>					
Long-Term Debt	\$9.7	\$10.5	\$0.8	\$11.2	\$0.7
Long-Term Lease & SBITA Liability	0.2	0.2	0.0	0.2	0.0
Net Pension Liability	1.1	0.7	(0.4)	0.0	(0.7)
Other Liabilities	5.6	6.3	0.7	6.2	(0.1)
<u>Total Liabilities</u>	<u>16.6</u>	<u>17.7</u>	<u>1.1</u>	<u>17.6</u>	<u>(0.1)</u>
Deferred Inflows of Resources	0.8	1.7	0.9	2.9	1.2
<u>Total Liabilities and Deferred Inflows of Resources</u>	<u>\$17.4</u>	<u>\$19.4</u>	<u>\$2.0</u>	<u>\$20.5</u>	<u>\$1.1</u>
<u>Net Position</u>					
Net Investment in Capital Assets	\$62.7	\$57.9	\$4.8	\$51.2	\$6.7
Restricted Net Position	6.0	1.9	4.1	4.4	(2.5)
Unrestricted Net Position	40.0	42.0	(2.0)	47.3	(5.3)
<u>Total Net Position</u>	<u>\$108.7</u>	<u>\$101.8</u>	<u>\$6.9</u>	<u>\$102.9</u>	<u>(\$1.1)</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 \$108.7 million at June 30, 2024 and by \$101.8 million at June 30, 2023, 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, 2024, Total Net Position increased by \$6.9 million and decreased by \$1.1 million for the year ended June 30, 2023. 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 \$3.1 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.

In FY2022-23 Current Assets and Restricted Cash decreased by \$4.7 million mainly due to decreased water sales and increased capital expenditures. Capital Assets Net of Depreciation increased by \$6.9 million due to projects completed during the year, and Deferred Outflows of Resources Related to Pensions decreased by \$1.8 million. Total liabilities increased by \$0.1 million. Long term debt decreased by \$0.7 million due to principal paid during the fiscal year, Net Pension Liability increased by \$0.7 million, and other liabilities increased by \$0.1 million. Deferred Inflows of Resources related to pensions decreased by \$1.2 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:

<b><u>Changes in Net Position</u></b>					
(in millions)					
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
Beginning Balance	\$101.8	\$102.9	(\$1.1)	\$79.8	\$23.1
Operating Revenues	23.5	21.5	2.0	25.1	(3.6)
Operating Expenses	(25.4)	(25.5)	0.1	(18.1)	(7.4)
Non-Operating Revenues	3.0	2.5	0.5	16.5	(14.0)
Non-Operating Expenses	(0.4)	(0.4)	0.0	(0.4)	0.0
Net Position before Capital Contributions and Grants	102.5	101.0	1.5	102.9	(1.9)
Capital Contributions	6.2	0.6	5.6	0.0	0.6
Grants	0.0	0.2	(0.2)	0.0	0.2
<u>*Total Net Position</u>	<u>\$108.7</u>	<u>\$101.8</u>	<u>\$6.9</u>	<u>\$102.9</u>	<u>(\$1.1)</u>

## Revenue

Revenue generated from operations accounts for 72% of total revenue. Other Non-Operating Revenues, such as taxes and interest revenue contribute 9% of total revenue, and capital contributions, grant income make up the remaining 19% 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:

	<u>Total Revenues</u>				
	(in millions)				
<u>Operating Revenues</u>	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
Water Revenue	\$15.9	\$14.4	\$1.5	\$18.4	(\$4.0)
Meter Revenue	2.7	2.6	0.1	2.5	0.1
Sewer Revenue	4.8	4.4	0.4	4.1	0.3
Other	0.1	0.1	0.0	0.1	0.0
<u>Total Operating Revenues</u>	<u>\$23.5</u>	<u>\$21.5</u>	<u>\$2.0</u>	<u>\$25.1</u>	<u>(\$3.6)</u>
<u>Non-Operating Revenues</u>					
Property Taxes	\$0.8	\$0.8	\$0.0	\$0.7	\$0.1
Legal Settlement	0.0	0.0	0.0	16.2	(16.2)
Uncollectible Accounts Recovery	0.0	0.1	(0.1)	0.0	0.1
Interest Income	2.2	1.6	0.6	(0.4)	2.0
<u>Total Non-Operating Revenues</u>	<u>\$3.0</u>	<u>\$2.5</u>	<u>\$0.6</u>	<u>\$16.5</u>	<u>(\$14.1)</u>
<u>Total Revenues Before Capital Contributions and Grants</u>	<u>\$26.5</u>	<u>\$24.0</u>	<u>\$2.6</u>	<u>\$41.6</u>	<u>(\$17.7)</u>
Capital Contributions	\$6.2	\$0.6	\$5.6	\$0.0	\$0.6
Capital Grant Income	0.0	0.2	(0.2)	0.0	0.2
<u>Total Revenues After Capital Contributions and Grants</u>	<u>\$32.7</u>	<u>\$24.8</u>	<u>\$8.0</u>	<u>\$41.6</u>	<u>(\$16.9)</u>

The District's Operating Revenue increased by \$2.0 million in FY2023-24 and decreased by \$3.6 million in FY2022-23. The increased 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 Wate District. Potable water demand increased from 5,189 AF in FY2022-23 to 5,655 AF in FY2023-24.

The decrease in FY2022-23 was a result of lower water sales due to unusually low demands resulting from a combination of above average rainfall, after a record drought and mandatory conservation. Water demand decreased from 13,011 AF in FY2021-22 to 9,640 AF in FY2022-23.



## Expenses

Expenses for Water Purchases and Utilities represent 40% of total Direct Operating Expenses. Salaries and Benefits represent 36% of total Direct Operating Expenses. Salaries and benefits include a non-cash item related to GASB 68 accounting for pensions, which accounts for 18% of the 36%. All other expenses account for 24% 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><b>Total Expenses</b></u>				
	(in millions)				
<u>Operating Expenses</u>	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
Water Purchases	\$7.8	\$7.0	\$0.8	\$9.6	(\$2.6)
Salaries and Benefits	5.8	7.9	(2.1)	(1.1)	9.0
Utilities	2.1	1.8	0.3	1.9	(0.1)
Other	6.2	5.5	0.7	4.5	1.0
<u>Direct Operating Expenses</u>	<u>\$21.9</u>	<u>\$22.2</u>	<u>(\$0.3)</u>	<u>\$14.9</u>	<u>\$7.3</u>
Depreciation & Amortization	3.5	3.3	0.2	3.1	0.2
<u>Total Operating Expenses</u>	<u>\$25.4</u>	<u>\$25.5</u>	<u>(\$0.1)</u>	<u>\$18.0</u>	<u>\$7.5</u>
<u>Non-Operating Expenses</u>					
Interest Expense	0.4	0.4	0.0	0.4	0.0
<u>Total Non-Operating Expenses</u>	<u>\$0.4</u>	<u>\$0.4</u>	<u>\$0.0</u>	<u>\$0.4</u>	<u>\$0.0</u>
<u>Total Expenses</u>	<u>\$25.8</u>	<u>\$25.9</u>	<u>(\$0.1)</u>	<u>\$18.4</u>	<u>\$7.5</u>

Total Direct Operating Expenses decreased by \$0.3 million in FY2023-24 and increased by \$7.3 million in FY2022-23. 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. This non-cash item increased benefits expense in FY2022-23 by \$4.0 million. Salaries and benefits excluding the above non-cash pension adjustment increased by \$0.6 million in FY2023-24. 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 remain the same for both FY2023-24 and FY2022-23.

## Capital Assets and Debt Administration

<u>Capital Assets</u>	<u>Net Capital Assets</u>			<u>2022</u>	<u>Change</u>
	<u>2024</u>	<u>2023</u>	<u>Change</u>		
	(in millions)				
Water Plant	\$95.4	\$75.3	\$20.1	\$74.7	\$0.6
Sanitation Plant	33.0	33.0	0.0	31.6	1.4
Buildings & Equipment	5.3	5.1	0.2	4.3	0.8
Land and Easements	1.9	1.9	0.0	1.9	0.0
Lease & SBITA Assets	0.6	0.6	0.0	0.4	0.2
Construction in Progress	5.4	19.1	(13.7)	11.7	7.4
	<u>\$141.6</u>	<u>\$135.0</u>	<u>\$6.6</u>	<u>\$124.6</u>	<u>\$10.4</u>
Less:					
Accumulated Depreciation	68.6	65.1	3.5	61.9	3.2
Accumulated Amortization	0.3	0.2	0.1	0.1	0.1
	<u>68.9</u>	<u>65.3</u>	<u>3.6</u>	<u>62.0</u>	<u>3.3</u>
<u>Net Capital Assets</u>	<u>\$72.7</u>	<u>\$69.7</u>	<u>\$3.0</u>	<u>\$62.6</u>	<u>\$7.1</u>

Total Capital Assets increased \$6.6 million (before depreciation/amortization) during the FY2023-24 and by \$10.4 million during FY2022-23, reflecting a net increase in the value of the Water Plant, Sanitation Plant and Construction in Progress. Please see note 3, page 29, to the basic financial statements for further detail.

The District completed a number of capital projects during FY2023-24 that improved potable water, non-potable water, and wastewater operations, as well as general projects. Water system projects completed during the fiscal year include Traveling Screens, Tierra Rejada Well Rehabilitation, Penny Well Degasser, University Well Rehabilitation, PV Well, AMR Aclara + MTU Upgrade, Conejo Wellfield Treatment, Distribution Valve Replacement and Camsprings Water Line. General Projects completed include Security Cameras and Tier 2 Historian. There were no wastewater system projects completed in FY2023-24.

### Debt Administration

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

2016A Water and Wastewater Refunding Revenue Bonds	\$ 10,407,500
Less current portion	<u>720,000</u>
Net Long-Term Debt	<u>\$ 9,687,500</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

Camrosa Water District  
**Statements of Net Position**  
June 30, 2024 and 2023

<b>Assets</b>	<b>2024</b>	<b>2023</b>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 39,105,180	\$ 40,004,901
Restricted Cash and Cash Equivalents	7,625,886	3,838,661
Receivables:		
Customer - Net of Allowance for Doubtful Accounts of \$10,000 and \$10,000 at June 30, 2024 and 2023, respectively	3,101,801	2,486,680
Interest	472,109	73,496
Property Taxes	24,533	26,652
Grants and Other Reimbursements	137,792	279,459
Prepaid Expenses and Other Current Assets	353,812	534,142
<b>Total Current Assets</b>	<b>50,821,113</b>	<b>47,243,991</b>
<b>Non-current Assets</b>		
Capital Assets Not Being Depreciated	7,322,697	21,034,427
Capital Assets Being Depreciated	65,093,458	48,300,304
Capital Lease Assets Being Amortized, Net	299,244	320,198
Capital SBITA Assets Being Amortized, Net	14,963	35,823
Net Pension Asset	-	-
<b>Total Non-current Assets</b>	<b>72,730,362</b>	<b>69,690,752</b>
<b>Total Assets</b>	<b>123,551,475</b>	<b>116,934,743</b>
<b>Deferred Outflows of Resources</b>		
Deferred Loss From Debt Refunding	406,740	468,885
Deferred Outflows Related to Pensions	2,141,615	3,814,439
<b>Total Deferred Outflows of Resources</b>	<b>2,548,355</b>	<b>4,283,324</b>

Camrosa Water District  
**Statements of Net Position (Continued)**  
June 30, 2024 and 2023

<b>Liabilities</b>	<u><b>2024</b></u>	<u><b>2023</b></u>
<b>Current Liabilities</b>		
Accounts Payable	3,426,850	4,157,514
Accrued Interest Payable	150,055	162,657
Wages, Benefits and Payroll Taxes Payable	134,264	138,232
Current Portion of Compensated Absences	319,958	309,184
Customer Surety Deposits	585,362	556,931
Other Liabilities	88,143	82,631
Current Portion of Lease Liability	114,458	99,087
Current Portion of SBITA Liability	12,780	16,507
Current Portion of Long-Term Debt	720,000	695,000
<b>Total Current Liabilities</b>	<u><b>5,551,871</b></u>	<u><b>6,217,743</b></u>
<b>Long-Term Liabilities</b>		
Long-Term Debt, Net of Current Portion	9,687,500	10,461,688
Long-Term Lease Liability, Net of Current Portion	190,892	222,678
Long-Term SBITA Liability, Net of Current Portion	2,718	20,127
Compensated Absences, Net of Current Portion	105,108	127,659
Net Pension Liability	1,059,961	663,202
<b>Total Long-Term Liabilities</b>	<u><b>11,046,179</b></u>	<u><b>11,495,354</b></u>
<b>Total Liabilities</b>	<u><b>16,598,050</b></u>	<u><b>17,713,097</b></u>
<b>Deferred Inflows of Resources</b>		
Deferred Inflows Related to Pensions	<u>809,600</u>	<u>1,669,544</u>
<b>Net Position</b>		
Net Investment in Capital Assets	62,650,500	57,885,060
Restricted Net Position:		
Mitigation & In-Lieu Fees	5,985,352	1,941,659
Unrestricted Net Position	<u>40,056,328</u>	<u>42,008,707</u>
<b>Total Net Position</b>	<u><b>\$ 108,692,180</b></u>	<u><b>\$ 101,835,426</b></u>

Camrosa Water District  
**Statements of Revenues, Expenses and Changes in Net Position**  
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

	<b>2024</b>	<b>2023</b>
<b>Operating Revenues</b>		
Potable Water Sales	\$ 10,619,595	\$ 9,226,803
Non-Potable Water Sales	5,312,766	5,193,699
Meter Service Fees	2,717,519	2,608,043
Sewer Service Fees	4,762,192	4,423,016
Other Revenue	83,508	116,470
<b>Total Operating Revenues</b>	<b>23,495,579</b>	<b>21,568,031</b>
<b>Operating Expenses</b>		
Potable Water Purchases	6,123,420	5,728,298
Non-Potable Water Purchases	1,694,579	1,272,412
Salaries	3,513,861	2,991,013
Employee Benefits	730,717	676,767
Pension Expense	1,532,585	4,270,609
Outside Contracts	2,306,649	1,874,005
Professional Services	871,407	977,842
Utilities	2,122,793	1,815,831
Communications	67,053	89,688
Repairs and Maintenance	1,380,409	1,214,545
Supplies	739,909	556,641
Legal Services	138,783	55,490
Dues and Subscriptions	44,652	53,863
Conference and Travel	25,726	24,267
Safety and Training	28,396	21,888
Board	149,382	156,485
Fees and Charges	203,291	289,097
Insurance	151,055	117,134
Amortization	123,206	93,061
Depreciation	3,478,600	3,214,602
<b>Total Operating Expenses</b>	<b>25,426,474</b>	<b>25,493,538</b>
<b>Operating Loss</b>	<b>(1,930,895)</b>	<b>(3,925,507)</b>
<b>Non-Operating Revenues</b>		
Gain on Sale of Asset	384	1,725
Investment Income	2,160,828	1,639,628
Property Taxes	805,988	772,770
<b>Total Non-Operating Revenues</b>	<b>2,967,200</b>	<b>2,414,123</b>
<b>Non-Operating Expenses</b>		
Interest Expense	<b>(367,536)</b>	<b>(396,416)</b>
<b>Total Non-Operating Expenses</b>	<b>(367,536)</b>	<b>(396,416)</b>
<b>Income (Loss) Before Capital Contributions and Grants</b>	<b>668,769</b>	<b>(1,907,800)</b>
Capital Contributions	6,187,985	588,068
Capital Grant Income	-	177,081
<b>Change in Net Position</b>	<b>6,856,754</b>	<b>(1,142,651)</b>
<b>Net Position at Beginning of Year</b>	<b>101,835,426</b>	<b>102,978,077</b>
<b>Net Position at End of Year</b>	<b>\$ 108,692,180</b>	<b>\$ 101,835,426</b>

The Notes To Financial Statements Are An Integral Part Of These Statements.

Camrosa Water District  
**Statements of Cash Flows**  
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

	<b>2024</b>	<b>2023</b>
<b>Cash Flows From Operating Activities</b>		
Cash Received from User Charges	\$ 22,837,854	\$ 21,544,745
Other Operating Receipts	48,117	86,895
Cash Payments to Employees	(3,524,481)	(3,015,062)
Cash Payments for Operating Expenses	(17,656,626)	(15,137,582)
Net Cash Provided By Operating Activities	1,704,864	3,478,996
<b>Cash Flows From Noncapital Financing Activities</b>		
Property Taxes	808,107	764,209
Surety Deposits	28,431	66,185
Net Cash Provided By Non-Capital Financing Activities	836,538	830,394
<b>Cash Flows From Capital and Related Financing Activities</b>		
Purchases of Capital Assets	(6,560,025)	(10,145,658)
Proceeds from Water and Sewer Capital Fees	6,187,985	588,068
Proceeds from Sale of Capital Asset	-	1,725
Receipt of Grants and Other Reimbursements	141,667	30,563
Repayment of Long-Term Debt	(695,000)	(660,000)
Repayment of SBITTA Liability	(12,280)	(13,239)
Repayment of Lease Liability	(105,985)	(76,877)
Initial Direct Cost-Leases	(294)	-
Interest Payments	(372,181)	(403,418)
Net Cash Used By Capital and Related Financing Activities	(1,416,113)	(10,678,836)
<b>Cash Flows From Investing Activities</b>		
Interest Income	1,691,108	1,273,780
Purchase of Investments		
Sale of Investments	71,107	363,340
Net Cash Provided By Investing Activities	1,762,215	1,637,120
Net Increase/(Decrease) in Cash and Cash Equivalents	2,887,504	(4,732,326)
Cash and Cash Equivalents at Beginning of Year	43,843,562	48,575,888
Cash and Cash Equivalents at End of Year	\$ 46,731,066	\$ 43,843,562
 Cash and Cash Equivalents- Financial Statement Classification:		
Current Assets:		
Cash and Cash Equivalents	39,105,180	40,004,901
Restricted Cash and Cash Equivalents	7,625,886	3,838,661
Total Cash and Cash Equivalents	\$ 46,731,066	\$ 43,843,562



Camrosa Water District  
**Statements of Cash Flows (Continued)**  
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

	<b>2024</b>	<b>2023</b>
<b>Cash Flows From Operating Activities</b>		
Operating Loss	\$ (1,930,895)	\$ (3,925,507)
Adjustments to Reconcile Operating Net Loss to Net Cash Provided by Operating Activities		
Depreciation	3,478,600	3,214,602
Lease Amortization	123,206	93,061
(Increase)/Decrease in		
Customer Receivables	(615,121)	83,750
Prepaid Expenses and Other Current Assets	180,330	21,656
Deferred outflows related to pension	1,672,824	1,798,249
Net Pension Asset	-	2,716,085
Increase/(Decrease) in		
Accounts Payable	(730,664)	(7,911)
Wages, Benefits and Payroll Taxes Payable	(3,968)	(36,329)
Compensated Absences	(11,777)	12,280
Other Current Liabilities	5,513	34,045
Deferred inflows related to pensions	(859,944)	(1,188,187)
Net pension liability	396,759	663,202
Net Cash Provided By Operating Activities	\$ 1,704,864	\$ 3,478,996

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

**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

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

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.

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

***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 \$5,000. 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	20-40 years
Sanitation Plant	20-50 years
Buildings and Equipment	3-50 years

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

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.

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***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 \$113.87/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, 2024, and 2023, the District had \$5,985,352 and \$1,941,659 in restricted resources. These restricted resources include mitigation, in-lieu fees.

***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 using the straight-line method, which impacts interest expense. Bonds payable are reported net

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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, 2024, and 2023 are reported in the accompanying statement of net position as follows:

	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 39,105,180	\$ 40,004,902
Restricted cash and cash equivalents	7,625,886	3,838,661
Total cash and investments	<u>\$ 46,731,066</u>	<u>\$ 43,843,563</u>

Cash and investments as of June 30, 2024, and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Cash on hand	\$ 475	\$ 475
Deposit with financial institutions	2,178,259	2,358,633
Restricted investments	1,055,172	1,065,178
Unrestricted investments	43,497,160	40,419,277
Total cash and investments	<u>\$ 46,731,066</u>	<u>\$ 43,843,563</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.



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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*	Maximum Investment in One Issuer
United States Government-Sponsored			
Agency Obligations	5 years	33.3%	None
United States Treasury Obligations	5 years	33.3%	None
Collateralized Certificates of Deposit	5 years	33.3%	Not to exceed FDIC insured limit
Negotiable Certificates of Deposit	5 years	30%	Not to exceed FDIC insured limit
Savings and Loan Association Deposits	None	33.3%	Not to exceed FDIC insured limit
Repurchase Agreements	1 year	33.3%	None
Banker's Acceptance	180 days	33.3%	None
Local Agency Investment Fund (LAIF)	N/A	None	None

\* 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.

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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, 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
	More than 1 Year
Treasury Notes	24,106,344
Total	\$ 44,552,332

June 30, 2023

Investment Type	Remaining Maturity (in Years)
	Less than 1 Year
Local Agency Investment Fund (LAIF)	7,100,817
Treasury Bills	33,318,460
Held by Bond Trustee:	
Money Market Mutual Funds	1,065,178
Total	\$ 41,484,455

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**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, 2024, and 2023 for each investment type.

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>

June 30, 2023

Investment Type	Minimum Legal Rating	Total	Not Rated	Exempt	AAA
LAIF	N/A	7,100,817	7,100,817	-	-
Treasury Bills	N/A	33,318,460	-	33,318,460	-
Held by Bond Trustee:					
Money Market Mutual Funds	AAA	1,065,178	-	-	1,065,178
Total		<u>\$ 41,484,455</u>	<u>\$ 7,100,817</u>	<u>\$ 33,318,460</u>	<u>\$ 1,065,178</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).

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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, 2024 and 2023, 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.

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**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, 2024 and 2023 are shown in the following tables:

June 30, 2024

Capital Assets by Major Class:	July 1, 2023	Increases	Transfers/ Decreases	June 30, 2024
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
<b>Total Capital Assets Not Being Depreciated</b>	<b>21,034,427</b>	<b>6,479,668</b>	<b>(20,191,398)</b>	<b>7,322,697</b>
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
<b>Total Capital Assets Being Depreciated</b>	<b>113,394,454</b>	<b>20,271,755</b>	<b>(14,922)</b>	<b>133,651,286</b>
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
<b>Total Accumulated Depreciation</b>	<b>65,094,150</b>	<b>3,478,600</b>	<b>(14,922)</b>	<b>68,557,828</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>48,300,304</b>	<b>16,793,154</b>	<b>-</b>	<b>65,093,458</b>
Lease Assets:				
Right to Use Asset - Vehicles	\$ 510,491	\$ 89,864	\$ -	\$ 600,355
Less Accumulated Amortization	190,293	110,818	-	301,111
<b>Total Lease Assets Being Amortized, Net</b>	<b>320,198</b>	<b>(20,954)</b>	<b>-</b>	<b>299,244</b>
SBITA Assets:				
Right to Use Asset - SBITA	\$ 49,873	\$ -	\$ (12,708)	\$ 37,165
Less Accumulated Amortization	14,050	12,388	(4,236)	22,202
<b>Total SBITA Assets Being Amortized, Net</b>	<b>35,823</b>	<b>(12,388)</b>	<b>(8,472)</b>	<b>14,963</b>
<b>Capital &amp; Lease Assets, Net</b>	<b>\$ 69,690,752</b>	<b>\$ 23,239,480</b>	<b>\$ (20,199,870)</b>	<b>\$ 72,730,363</b>

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June 30, 2023

<u>Capital Assets by Major Class:</u>	July 1, 2022	Increases	Transfers/ Decreases	June 30, 2023
Capital Assets Not Being Depreciated:				
Land and Easements	\$ 1,904,958	\$ -	\$ -	\$ 1,904,958
Construction in Progress	11,709,570	10,121,975	(2,702,076)	19,129,469
Total Capital Assets Not Being Depreciated	13,614,528	10,121,975	(2,702,076)	21,034,427
Capital Assets Being Depreciated:				
Water Plant	74,726,593	593,270		75,319,863
Sanitation Plant	31,628,981	1,380,563	(644)	33,008,900
Buildings and Equipment	4,350,216	751,509	(36,035)	5,065,691
Total Capital Assets Being Depreciated	110,705,790	2,725,342	(36,679)	113,394,454
Less Accumulated Depreciation for:				
Water Plant	40,980,896	2,162,987	-	43,143,883
Sanitation Plant	17,820,829	751,324	(644)	18,571,509
Buildings and Equipment	3,114,502	300,291	(36,035)	3,378,758
Total Accumulated Depreciation	61,916,227	3,214,602	(36,679)	65,094,150
Total Capital Assets Being Depreciated, Net	48,789,563	(489,260)	-	48,300,304
Lease Assets:				
Right to Use Asset - Vehicles	\$ 361,873	\$ 157,787	\$ (9,169)	\$ 510,491
Less Accumulated Amortization	120,451	79,011	(9,169)	190,293
Total Lease Assets Being Amortized, Net	241,422	78,776	-	320,198
SBITA Assets:				
Right to Use Asset - SBITA	\$ -	\$ 49,873	\$ -	\$ 49,873
Less Accumulated Amortization	-	14,050	-	14,050
Total SBITA Assets Being Amortized, Net	0	35,823	-	35,823
Capital & Lease Assets, Net	\$ 62,645,513	\$ 9,747,314	\$ (2,702,076)	\$ 69,690,752

**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. FY2023-24, net water revenues totaled \$8,326,912 and principal and interest payments for water revenue bonds were \$852,031. FY2022-23, net revenues totaled \$4,438,114, and principal and interest payments were \$858,681. Also, the net revenues of the Wastewater System are pledged toward the repayment of the Wastewater Revenue Bonds. During FY2023-24, net wastewater revenues totaled \$3,607,211 and principal and interest payments for wastewater revenue bonds totaled \$187,900. FY2022-23, net revenues totaled \$1,753,419 and principal and interest payments were \$189,525.

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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, 2024, the debt service coverage for Water was 977% and for Wastewater was 1920%. As of June 30, 2023, the debt service coverage for Water was 525% and for Wastewater was 925%.

The outstanding balances for each of these long-term obligations are reported as liabilities on the statement of net position. The amount of the obligation that is due within one year is shown as a current liability and the balance as a noncurrent liability.

Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premiums.

#### ***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 \$406,740 at June 30, 2024 and \$468,885 at June 30, 2023. 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, 2024 and 2023, lease assets totaled \$600,355 and \$510,491. Their accumulated depreciation totaled \$301,111 and \$190,293 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) for SCADA, and Geographic Information System (GIS) Software Subscriptions. The SBITA arrangements expire at various dates through Fiscal Year 2025-26.

As of June 30, 2024 and 2023, SBITA assets totaled \$37,165 and \$49,873. Their accumulated amortization totaled \$22,202 and \$14,050, 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.

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The District's debt and transactions are summarized below:

	Balance July 1, 2023	Additions/ New Debt	Proceeds/ Retirement	Balance June 30, 2024	Current	Long-Term
Other Debt:						
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>

	Balance July 1, 2022	Additions/ New Debt	Proceeds/ Retirement	Balance June 30, 2023	Current	Long-Term
Other Debt:						
2016 Refunding Bonds	10,595,000	-	(660,000)	9,935,000	695,000	9,240,000
2016 Refunding Bonds Premium	1,275,876	-	(54,188)	1,221,688	-	1,221,688
Lease Liability	241,272	157,370	(76,877)	321,765	99,087	222,678
SBITA Liability	-	49,873	(13,239)	36,634	16,507	20,127
Compensated Absences	424,563	324,740	(312,460)	436,843	309,184	127,659
	<u>\$ 12,536,711</u>	<u>\$ 531,983</u>	<u>\$ (1,116,764)</u>	<u>\$ 11,951,930</u>	<u>\$ 1,119,778</u>	<u>\$ 10,832,152</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
2025	720,000	331,031	114,458	10,131	12,780	380	1,188,780
2026	760,000	302,231	83,604	5,767	2,718	15	1,154,335
2027	780,000	275,631	50,886	3,365			1,109,882
2028	815,000	248,331	45,021	1,316			1,109,668
2029	830,000	227,956	11,381	152			1,069,489
2030-2034	2,255,000	897,900					3,152,900
2035-2039	1,075,000	661,450					1,736,450
2040-2044	1,360,000	372,000					1,732,000
2045-2046	645,000	48,750					693,750
	<u>\$ 9,240,000</u>	<u>\$ 3,365,280</u>	<u>\$ 305,350</u>	<u>\$ 20,731</u>	<u>\$ 15,498</u>	<u>\$ 395</u>	<u>\$ 12,947,254</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, 2024 and 2023 was \$879,529 for the 2016A issuance.

**Arbitrage** At June 30, 2024 and 2023, 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



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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 FY2023-24 and FY2022-23.

	2024
Potable Water Capital Contributions:	
Capital Fees	\$ 177,575
Mitigation Fees	4,205,860
Total Potable Water Capital Contributions	4,383,435
Sewer Capital Contributions:	
Capital Fees	\$ 1,804,550
Total Sewer Capital Contributions	1,804,550
Total Capital Contributions	\$ 6,187,985
	2023
Potable Water Capital Contributions:	
Capital Fees	\$ 55,575
Mitigation Fees	298,743
Total Potable Water Capital Contributions	354,318
Sewer Capital Contributions:	
Capital Fees	\$ 233,750
Total Sewer Capital Contributions	233,750
Total Capital Contributions	\$ 588,068

**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 \$4,196,643 and \$3,420,592 as of June 30, 2024 and 2023, respectively. For the years ended June 30, 2024 and 2023, 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

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**Notes to Financial Statements**  
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of leave credits awarded, whichever was less. Matching Contributions totaled \$17,270 and \$19,872 in 2024 and 2023, respectively. 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 looking at alternatives to replace CalPERS with a different retirement system.

The Plan’s provisions and benefits in effect at June 30, 2024 and 2023, are summarized as follows:

Hire Date	Prior January 1, 2013	On or after January 1, 2013
Benefit Formula	2% @ 55	2% @ 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50	52
Monthly Benefit as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required Employee Contribution Rates		
June 30, 2024	7%	7.75%
June 30, 2023	7%	6.75%
Required Employer Contribution Rates		
Normal Cost Rate:		
June 30, 2024	11.840%	7.680%
June 30, 2023	10.320%	7.470%
Payment of Unfunded liability:		
June 30, 2024	\$0	\$0
June 30, 2023	\$15,781	\$729

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

**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, 2024, and 2023 were \$322,946 and \$281,260, respectively.

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

As of June 30, 2024 the District's reported net pension for its proportionate share of the net pension liability was \$1,059,961 and \$663,202 as of June 30, 2023.

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, 2023 and 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 and 2021 rolled forward to June 30, 2023 and 2022, 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, 2023, measurement date was as follows:

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

The District's proportionate share percentage of the net pension liability for the June 30, 2022, measurement date was as follows:

Proportion - June 30, 2021	-0.14304%
Proportion - June 30, 2022	0.01417%
Change - Increase (Decrease)	0.15721%

For the year ended June 30, 2024 and 2023, the District recognized a pension expense of \$1,532,585 and \$4,270,609, respectively.

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

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	1,528,908	801,200
Total	\$ 2,141,615	\$ 809,600

The \$322,946 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, 2025.

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
2025	593,624
2026	357,464
2027	53,056
2028	4,925
Thereafter	0

At June 30, 2023, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions paid after measurement date	\$ 281,260	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	121,481	-
Differences between Expected and Actual Experiences	13,318	8,920
Changes in Assumptions	67,960	
Changes in Proportion and Difference between Actual Contributions and Proportionate Share of Contributions	3,330,420	1,660,624
 Total	\$ 3,814,439	\$ 1,669,544

The \$281,260 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, 2024. 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
2024	724,797
2025	645,488
2026	419,047
2027	74,303
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.

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

***Actuarial Methods and Assumptions***

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

	<u>Miscellaneous</u>
Valuation Date	June 30, 2022
Measurement Date	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.

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

Miscellaneous

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method

Actuarial Assumptions

Discount Rate	6.90%
Inflation	2.30%
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, 2023 and 2022. 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.

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

**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, 2023 (measurement date)		June 30, 2022 (measurement date)	
1% Decrease	5.90%	1% Decrease	5.90%
Net Pension Liability (Asset)	\$3,916,134	Net Pension Liability (Asset)	\$3,454,460
Current Discount Rate	6.90%	Current Discount Rate	6.90%
Net Pension Liability (Asset)	\$1,059,961	Net Pension Liability (Asset)	\$663,202
1% Increase	7.90%	1% Increase	7.90%
Net Pension Liability (Asset)	(\$1,290,915)	Net Pension Liability (Asset)	(\$1,633,311)

**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:

Measurement Period ended June 30, 2023 and 2022

Asset Class (1))	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 Securitized	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



Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

***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, 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. At June 30, 2023, the District reported a payable of \$9,257 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

**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 \$68,495 in 2024 and 2023, respectively. The amount of payroll subject to the contributions totaled \$1,569,720 and \$1,369,895 in 2024 and 2023, respectively.

**Note 9 - Major Customers**

The District's top ten water customers represent 22% and 24% of the water revenue during fiscal years ended June 30, 2024 and 2023, respectively. The District's top ten wastewater customers represent 41% and 41% of the wastewater revenue during the fiscal year ended June 30, 2024 and 2023, respectively.

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

**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, 2024 and 2023, 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, 2024, and June 30, 2023, and has purchased excess insurance coverage of \$500,000,000 (total insurable values of \$35,941,389 as of June 30, 2024 and \$29,298,734 as of June 30, 2023). The District has a \$5,000 deductible for buildings, 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 with an annual aggregate limit of \$55,000,000.

**Auto Liability** The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence with an annual aggregate limit 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, 2024, and a \$2,000,000 maximum limit per member as of June 30, 2023.

**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 - Joint Powers Agreement creating the Arroyo Santa Rosa Valley Basin Groundwater Sustainability Agency (GSA)**

The District, along with the County of Ventura, participate as members of the Arroyo Santa Rosa Valley Basin Groundwater Sustainability Agency (GSA), to provide sustainable management of the Arroyo Santa Rosa Valley Basin pursuant to the Sustainable Groundwater Management Act of 2014 (SGMA). The Basin underlies the Santa Rosa Valley.

**Camrosa Water District**  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

The GSA will develop, adopt, and implement a Groundwater Sustainability Plan (GSP) for the Basin pursuant to SGMA and other applicable provisions of law.

The GSA has been included as part of the District's financial statements as a blended component unit. In accordance with GASB 61, the following summarized information as of June 30, 2024 and June 30, 2023 is required:

**Condensed Statements of Net Position at June 30, 2024**

	<b>District Financial Statements</b>	<b>GSA Financial Statements</b>	<b>Eliminating Activities</b>	<b>Combined District Financial Statements</b>
<b>Assets:</b>				
Current	\$ 50,584,390	\$ 236,723	-	50,821,113
Noncurrent	72,730,362	-	-	72,730,362
Total Assets	<u>123,314,752</u>	<u>236,723</u>	<u>-</u>	<u>123,551,475</u>
Deferred Outflows of Resources	2,548,355	-	-	2,548,355
Total Assets and Deferred Outflows of Resources	<u>125,863,107</u>	<u>236,723</u>	<u>-</u>	<u>126,099,830</u>
<b>Liabilities:</b>				
Current	\$ 5,584,545	\$ 21,514	-	5,606,059
Noncurrent	10,991,991	-	-	10,991,991
Total Liabilities	<u>16,576,536</u>	<u>21,514</u>	<u>-</u>	<u>16,598,050</u>
Deferred Inflows of Resources	809,600	-	-	809,600
<b>Net Position:</b>				
Net Investment in Capital Assets	\$ 62,650,500	\$ -	-	62,650,500
Restricted	5,985,352	-	-	5,985,352
Unrestricted	39,841,119	215,209	-	40,056,328
Total Net Position:	<u>108,476,971</u>	<u>215,209</u>	<u>-</u>	<u>108,692,180</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>125,863,107</u>	<u>236,723</u>	<u>-</u>	<u>126,099,830</u>

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

<b>Operating Revenues:</b>				
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	-	-	83,508
Total Operating Revenues	<u>23,495,579</u>	<u>-</u>	<u>-</u>	<u>23,495,579</u>
<b>Operating Expenses:</b>				
Operating Expenses	21,642,881	181,787	-	21,824,668
Depreciation and Amortization	3,601,806	-	-	3,601,806
Total Operating Expenses	<u>25,244,687</u>	<u>181,787</u>	<u>-</u>	<u>25,426,474</u>
Operating Loss	<u>(1,749,108)</u>	<u>(181,787)</u>	<u>-</u>	<u>(1,930,895)</u>
<b>Non-Operating Revenues (Expenses)</b>				
Gain on Sale of Asset	384	-	-	384
Investment Income	2,160,828	-	-	2,160,828
Property Taxes	805,988	-	-	805,988
Interest Expense	(367,536)	-	-	(367,536)
Total Non-Operating Revenues (Expenses)	<u>2,599,664</u>	<u>-</u>	<u>-</u>	<u>2,599,664</u>
Capital Contributions	6,187,985	-	-	6,187,985
Grants	-	-	-	-
Change in Net Position	<u>7,038,541</u>	<u>(181,787)</u>	<u>-</u>	<u>6,856,754</u>
Net Position at Beginning of Year	<u>101,518,430</u>	<u>316,996</u>	<u>-</u>	<u>101,835,426</u>
Net Position at End of Year	<u>108,556,971</u>	<u>135,209</u>	<u>-</u>	<u>108,692,180</u>

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

<b>Net Cash Provided by (Used for):</b>				
Operating Activities	1,888,354	(183,490)	-	1,704,864
Non-Capital Financing Activities	836,538	-	-	836,538
Capital and Related Financing Activities	(1,593,194)	177,081	-	(1,416,113)
Investing Activities	1,762,215	-	-	1,762,215
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,893,913</u>	<u>(6,409)</u>	<u>-</u>	<u>2,887,504</u>
Cash and Cash Equivalents, Beginning	<u>43,503,349</u>	<u>340,213</u>	<u>-</u>	<u>43,843,562</u>
Cash and Cash Equivalents, End of Year	<u>46,397,262</u>	<u>333,804</u>	<u>-</u>	<u>46,731,066</u>

**Camrosa Water District**  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

**Condensed Statements of Net Position at June 30, 2023**

	<b>District Financial Statements</b>	<b>GSA Financial Statements</b>	<b>Eliminating Activities</b>	<b>Combined District Financial Statements</b>
<b>Assets:</b>				
Current	\$ 46,903,778	\$ 340,213	-	47,243,991
Noncurrent	69,690,752	-	-	69,690,752
Total Assets	<u>116,594,530</u>	<u>340,213</u>	<u>-</u>	<u>116,934,743</u>
Deferred Outflows of Resources	<u>4,283,324</u>	<u>-</u>	<u>-</u>	<u>4,283,324</u>
Total Assets and Deferred Outflows of Resources	120,877,854	340,213	-	121,218,067
<b>Liabilities:</b>				
Current	\$ 6,248,714	\$ 23,217	-	6,271,931
Noncurrent	11,441,166	-	-	11,441,166
Total Liabilities	<u>17,689,880</u>	<u>23,217</u>	<u>-</u>	<u>17,713,097</u>
Deferred Inflows of Resources	<u>1,669,544</u>	<u>-</u>	<u>-</u>	<u>1,669,544</u>
<b>Net Position:</b>				
Net Investment in Capital Assets	\$ 57,885,060	\$ -	-	57,885,060
Restricted	1,941,659	-	-	1,941,659
Unrestricted	41,691,711	316,996	-	42,008,707
Total Net Position:	<u>101,518,430</u>	<u>316,996</u>	<u>-</u>	<u>101,835,426</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>120,877,854</u>	<u>340,213</u>	<u>-</u>	<u>121,218,067</u>

**Condensed Statement of Revenues, Expenses, and Changes in Net Position for the Year Ended June 30, 2023**

<b>Operating Revenues:</b>				
Water Sales	14,420,502	-	-	14,420,502
Meter Service Fees	2,608,043	-	-	2,608,043
Sewer Service Fees	4,423,016	-	-	4,423,016
Other Revenue	116,470	-	-	116,470
Total Operating Revenues	<u>21,568,031</u>	<u>-</u>	<u>-</u>	<u>21,568,031</u>
<b>Operating Expenses:</b>				
Operating Expenses	21,901,590	284,285	-	22,185,875
Depreciation and Amortization	3,307,663	-	-	3,307,663
Total Operating Expenses	<u>25,209,253</u>	<u>284,285</u>	<u>-</u>	<u>25,493,538</u>
Operating Loss	<u>(3,641,222)</u>	<u>(284,285)</u>	<u>-</u>	<u>(3,925,507)</u>
<b>Non-Operating Revenues (Expenses)</b>				
Gain on Sale of Asset	1,725	-	-	1,725
Investment Income	1,639,628	-	-	1,639,628
Property Taxes	772,770	-	-	772,770
Interest Expense	<u>(396,416)</u>	<u>-</u>	<u>-</u>	<u>(396,416)</u>
Total Non-Operating Revenues (Expenses)	<u>2,017,707</u>	<u>-</u>	<u>-</u>	<u>2,017,707</u>
Capital Contributions	588,068	-	-	588,068
Grants	-	177,081	-	177,081
Change in Net Position	(1,035,447)	(107,204)	-	(1,142,651)
Net Position at Beginning of Year	102,553,877	424,200	-	102,978,077
Net Position at End of Year	<u>101,518,430</u>	<u>316,996</u>	<u>-</u>	<u>101,835,426</u>

**Condensed Statement of Cash Flows for the Year Ended June 30, 2023**

<b>Net Cash Provided by (Used for):</b>				
Operating Activities	3,874,358	(395,362)	-	3,478,996
Non-Capital Financing Activities	830,394	-	-	830,394
Capital and Related Financing Activities	(10,855,917)	177,081	-	(10,678,836)
Investing Activities	1,637,120	-	-	1,637,120
Net Decrease in Cash and Cash Equivalents	<u>(4,514,045)</u>	<u>(218,281)</u>	<u>-</u>	<u>(4,732,326)</u>
Cash and Cash Equivalents, Beginning	48,667,394	558,494	(650,000)	48,575,888
Cash and Cash Equivalents, End of Year	<u>48,667,394</u>	<u>340,213</u>	<u>(650,000)</u>	<u>43,843,562</u>

Camrosa Water District  
**Notes to Financial Statements**  
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

**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 \$868,369. 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 1<sup>st</sup> 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 FY2023-24 price per acre foot of non-potable water is \$142.34.

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**Camrosa Water District**  
**Required Supplementary Information**  
**Schedule of Proportionate Share of Net Pension Liability**  
**For the Fiscal Years Ended June 30, 2024 and June 30, 2023**

Fiscal year ended	Miscellaneous				
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement period	June 30, 2024	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Plan's proportion of the net pension liability	0.02120%	0.01417%	-0.05022%	-0.00023%	0.04705%
Plan's proportionate share of the net pension liability (asset)	\$ 1,059,961	\$ 663,202	\$ (2,716,085)	\$ (25,227)	\$ 4,821,108
Plan's covered payroll	\$ 2,570,994	\$ 2,480,685	\$ 2,399,727	\$ 2,546,212	\$ 2,412,241
Plan's proportionate share of the net pension liability as a percentage of covered payroll	41.23%	26.73%	-113.18%	-0.99%	199.86%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	94.98%	96.76%	114.42%	100.14%	72.09%

Fiscal year ended	Miscellaneous				
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's proportion of the net pension liability	0.04630%	0.04559%	0.04531%	0.04484%	0.04777%
Plan's proportionate share of the net pension liability	\$ 4,462,042	\$ 4,521,229	\$ 3,920,511	\$ 3,077,870	\$ 2,972,338
Plan's covered payroll	\$ 2,251,315	\$ 2,073,238	\$ 1,801,650	\$ 1,855,543	\$ 1,793,513
Plan's proportionate share of the net pension liability as a percentage of covered payroll	198.20%	218.08%	217.61%	165.87%	165.73%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	72.65%	72.83%	74.03%	78.46%	78.74%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

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%.

**Camrosa Water District**  
**Required Supplementary Information**  
**Schedule of Contributions**  
For the Fiscal Year Ended June 30, 2024

Last Ten Fiscal Years\*

Fiscal year ended	Miscellaneous				
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Contractually required contribution (actuarially determined)	\$ 322,946	\$ 281,260	\$ 269,760	\$ 260,929	\$ 553,663
Contributions in relation to the actuarially determined contributions	<u>(322,946)</u>	<u>(281,260)</u>	<u>(409,662)</u>	<u>(265,930)</u>	<u>(5,552,260)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (139,902)</u>	<u>\$ (5,001)</u>	<u>\$ (4,998,597)</u>
Covered payroll	\$ 2,995,925	\$ 2,570,994	\$ 2,480,685	\$ 2,399,727	\$ 2,546,212
Contributions as a percentage of covered payroll	10.78%	10.94%	16.51%	11.08%	218.06%

Notes to Schedule:

Valuation Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.300%	2.300%	2.500%	2.500%	2.625%
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	6.9% (3)	6.9% (3)	7.0% (3)	7.0% (3)	7.25% (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.

Camrosa Water District  
**Required Supplementary Information**  
**Schedule of Contributions-Continued**  
For the Fiscal Year Ended June 30, 2024

Last Ten Fiscal Years\*

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

Notes to Schedule:

Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)
Investment rate of return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)
Mortality	(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.



# 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.

<b>Contents:</b>	<b>Pages:</b>
<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.	51-58
<u>Revenue Capacity</u> schedules contain information to help the reader assess the District's most significant local revenue source; water sales.	59-70
<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.	71-74
<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.	75-80
<u>Demographic and Economic Information</u> schedules assist reader to understand the environment within which the District's financial activities take place.	81-82

# Financial Trends

Camrosa Water District  
 Net Position by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Net Position				
Net investment in capital assets	\$ 41,644,267	\$ 43,002,970	\$ 43,454,256	\$ 43,930,663
Restricted	-	-	-	-
Unrestricted	11,883,870	14,821,731	18,496,514	21,690,553
Total Net Position	<u>\$ 53,528,137</u>	<u>\$ 57,824,701</u>	<u>\$ 61,950,770</u>	<u>\$ 65,621,216</u>

**Table 1 – Net Position by Component (1 of 2)**

Camrosa Water District  
 Net Position by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

2019	2020	2021	2022	2023	2024
\$ 45,772,455	\$ 49,981,241	\$ 50,019,490	\$ 51,236,026	\$ 57,885,060	\$ 62,650,500
-	1,999,910	3,027,374	4,418,707	1,941,659	5,985,352
27,704,613	24,407,058	26,796,681	47,323,344	42,008,707	40,056,328
<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>

*Table 1 – Net Position by Component (2 of 2)*

Changes in Net Position  
Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Water Revenue	\$ 12,870,854	\$ 12,059,982	\$ 13,084,503	\$ 16,235,441
Sewer Revenue	3,189,312	3,233,519	3,267,395	3,314,305
Meter Revenue	2,289,890	2,338,102	2,488,157	2,557,753
Other	<u>90,392</u>	<u>157,472</u>	<u>159,719</u>	<u>324,256</u>
Total Operating Revenues	18,440,448	17,789,075	18,999,774	22,431,755
<b>Operating Expenses</b>				
Water Purchases	8,305,257	7,147,319	6,500,815	7,890,983
Utilities	1,477,011	1,335,096	1,240,947	1,426,842
Salaries & Benefits	2,709,587	2,553,178	3,392,976	3,740,012
Outside Contract/Professional Services	1,015,370	1,154,828	1,313,596	1,377,908
Supplies & Services	1,502,354	1,864,428	1,827,780	2,462,144
Amortization	-	-	-	-
Depreciation	<u>2,179,599</u>	<u>2,354,424</u>	<u>2,601,408</u>	<u>2,684,495</u>
Operating Expenses	17,189,178	16,409,273	16,877,522	19,582,384
<b>Operating Income</b>	1,251,270	1,379,802	2,122,252	2,849,371
<b>Non-Operating Revenues</b>				
Property Taxes	544,911	559,558	582,211	657,620
Interest Income	87,466	105,523	186,302	391,082
Legal Settlement	-	-	-	-
Unrealized Gain on Investments	-	27,581	2,194	-
Gain on Disposal of Fixed Asset	-	-	11,260	10,146
Non-Operating Revenues	<u>632,377</u>	<u>692,662</u>	<u>781,967</u>	<u>1,058,848</u>
<b>Non-Operating Expenses</b>				
Loss of Capital Asset	110,092	-	-	-
Debt Issuance Costs	-	-	227,159	-
Interest Expense	<u>515,489</u>	<u>475,167</u>	<u>486,119</u>	<u>561,227</u>
Non-Operating Expenses	625,581	475,167	713,278	561,227
<b>Income Before Capital Contributions</b>	<u>1,258,066</u>	<u>1,597,298</u>	<u>2,190,941</u>	<u>3,346,992</u>
Capital Contributions	116,963	2,107,391	1,842,037	255,935
Grants	<u>76,298</u>	<u>633,159</u>	<u>93,091</u>	<u>67,519</u>
	193,261	2,740,550	1,935,128	323,454
<b>Change in Net Position before Cumulative</b>	1,451,327	4,337,848	4,126,069	3,670,446
Cummulative Effect of Accounting Changes	<u>(3,458,589)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	<u>(2,007,262)</u>	<u>4,337,848</u>	<u>4,126,069</u>	<u>3,670,446</u>
Net Position Beginning of Year	<u>55,535,399</u>	<u>53,528,137</u>	<u>57,824,701</u>	<u>61,950,770</u>
<b>Net Position at End of Year</b>	<u>\$ 53,528,137</u>	<u>\$ 57,865,985</u>	<u>\$ 61,950,770</u>	<u>\$ 65,621,216</u>

Table 2 – Changes in Net Position (1 of 2)

Changes in Net Position  
Last Ten Fiscal Years

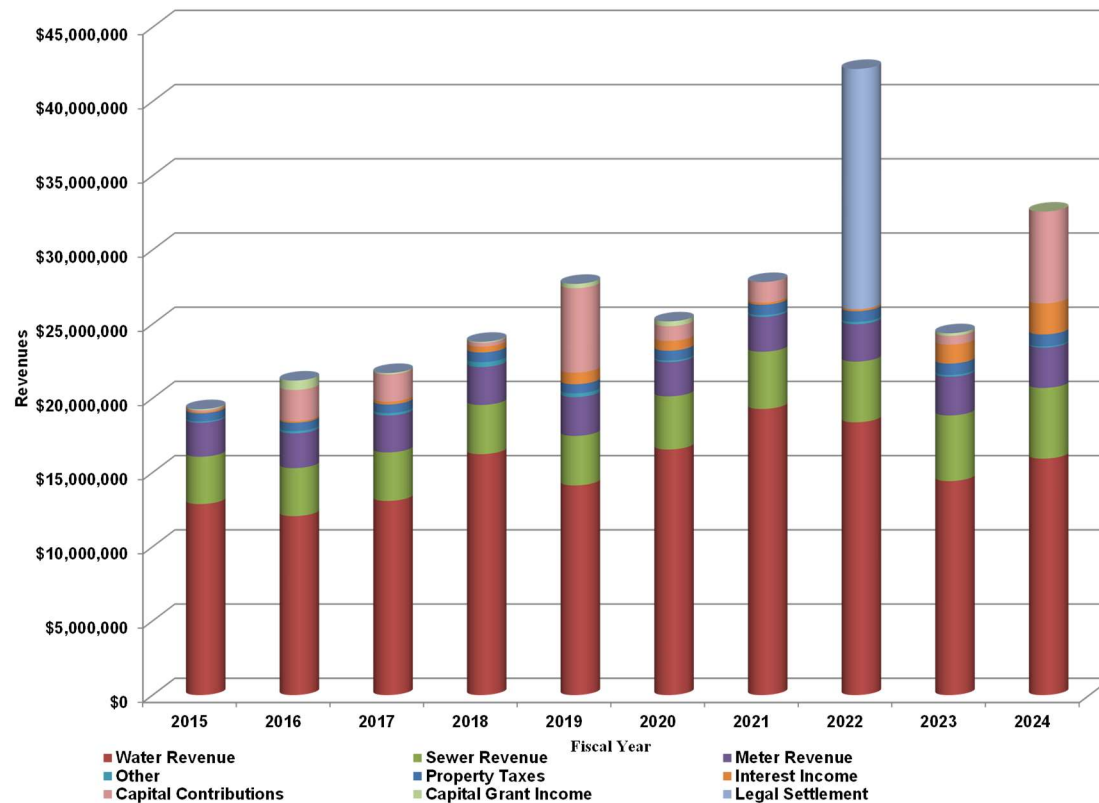
<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 14,128,079	\$ 16,549,944	\$ 19,280,494	\$ 18,383,478	\$ 14,420,502	\$ 15,932,361
3,336,794	3,575,963	3,855,204	4,090,152	4,423,016	4,762,192
2,615,301	2,312,427	2,346,434	2,515,456	2,608,043	2,717,519
<u>249,548</u>	<u>109,305</u>	<u>123,013</u>	<u>156,873</u>	<u>116,470</u>	<u>83,508</u>
20,329,722	22,547,639	25,605,145	25,145,959	21,568,031	23,495,579
7,828,911	9,532,192	11,373,806	9,592,894	7,000,710	7,817,999
1,257,242	1,273,725	1,538,207	1,896,149	1,815,831	2,122,793
3,877,591	4,308,257	4,154,305	(1,147,757)	7,938,389	5,777,163
1,232,165	1,828,640	1,607,445	2,188,286	2,851,847	3,178,056
2,259,095	2,154,855	2,034,301	2,422,860	2,579,098	2,928,657
-	-	50,947	76,356	93,061	123,206
<u>2,842,512</u>	<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>
19,297,516	21,934,022	23,806,272	18,059,675	25,493,538	25,426,474
1,032,206	613,617	1,798,873	7,086,284	(3,925,507)	(1,930,895)
620,590	661,932	700,753	721,241	772,770	805,988
777,536	655,911	25,108	(440,009)	1,639,628	2,160,828
-	-	-	16,191,774	-	-
-	118,781	-	-	-	-
-	-	-	-	1,725	384
<u>1,398,126</u>	<u>1,436,624</u>	<u>725,861</u>	<u>16,473,006</u>	<u>2,414,123</u>	<u>2,967,200</u>
57,615	-	8,273	-	-	-
-	-	-	-	-	-
<u>497,004</u>	<u>456,937</u>	<u>446,005</u>	<u>424,945</u>	<u>396,416</u>	<u>367,536</u>
554,619	456,937	454,278	424,945	396,416	367,536
<u>1,875,713</u>	<u>1,593,304</u>	<u>2,070,456</u>	<u>23,134,345</u>	<u>(1,907,800)</u>	<u>668,769</u>
5,689,517	991,422	1,384,103	-	588,068	6,187,985
<u>290,622</u>	<u>326,415</u>	<u>777</u>	<u>187</u>	<u>177,081</u>	<u>-</u>
5,980,139	1,317,837	1,384,880	187	765,149	6,187,985
7,855,852	2,911,141	3,455,336	23,134,532	(1,142,651)	6,856,754
-	-	-	-	-	-
<u>7,855,852</u>	<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>65,621,216</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>\$ 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>

Table 2 – Changes in Net Position (2 of 2)

**Revenues and Capital Contributions by Source  
Last Ten Fiscal Years**

	<u>2015</u>	<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>
<b>Operating Revenue</b>										
Water Revenue	\$ 12,870,854	\$ 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
Sewer Revenue	3,189,312	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
Meter Revenue	2,289,890	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
Other	90,392	157,472	159,719	324,256	249,548	107,061	123,013	156,873	116,470	83,508
<b>Non-Operating Revenue</b>										
Property Taxes	544,911	559,558	582,211	657,620	620,590	661,932	700,753	721,241	772,770	805,988
Interest Income	87,466	105,523	186,302	393,147	777,593	655,911	141,596	129,914	1,276,286	2,089,721
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
<b>Capital Contributions</b>	116,963	2,107,391	1,842,037	255,935	5,689,517	991,422	1,384,103	-	588,068	6,187,985
<b>Capital Grant Income</b>	76,298	633,159	93,091	67,519	290,622	326,415	777	187	177,081	-
<b>Total Revenue</b>	<b>\$ 19,266,086</b>	<b>\$ 21,222,287</b>	<b>\$ 21,705,609</b>	<b>\$ 23,805,976</b>	<b>\$ 27,708,044</b>	<b>\$ 25,299,856</b>	<b>\$ 27,715,886</b>	<b>\$ 41,619,152</b>	<b>\$ 24,747,303</b>	<b>\$ 32,650,764</b>

*Table 3 – Revenues and Capital Contributions by Source*



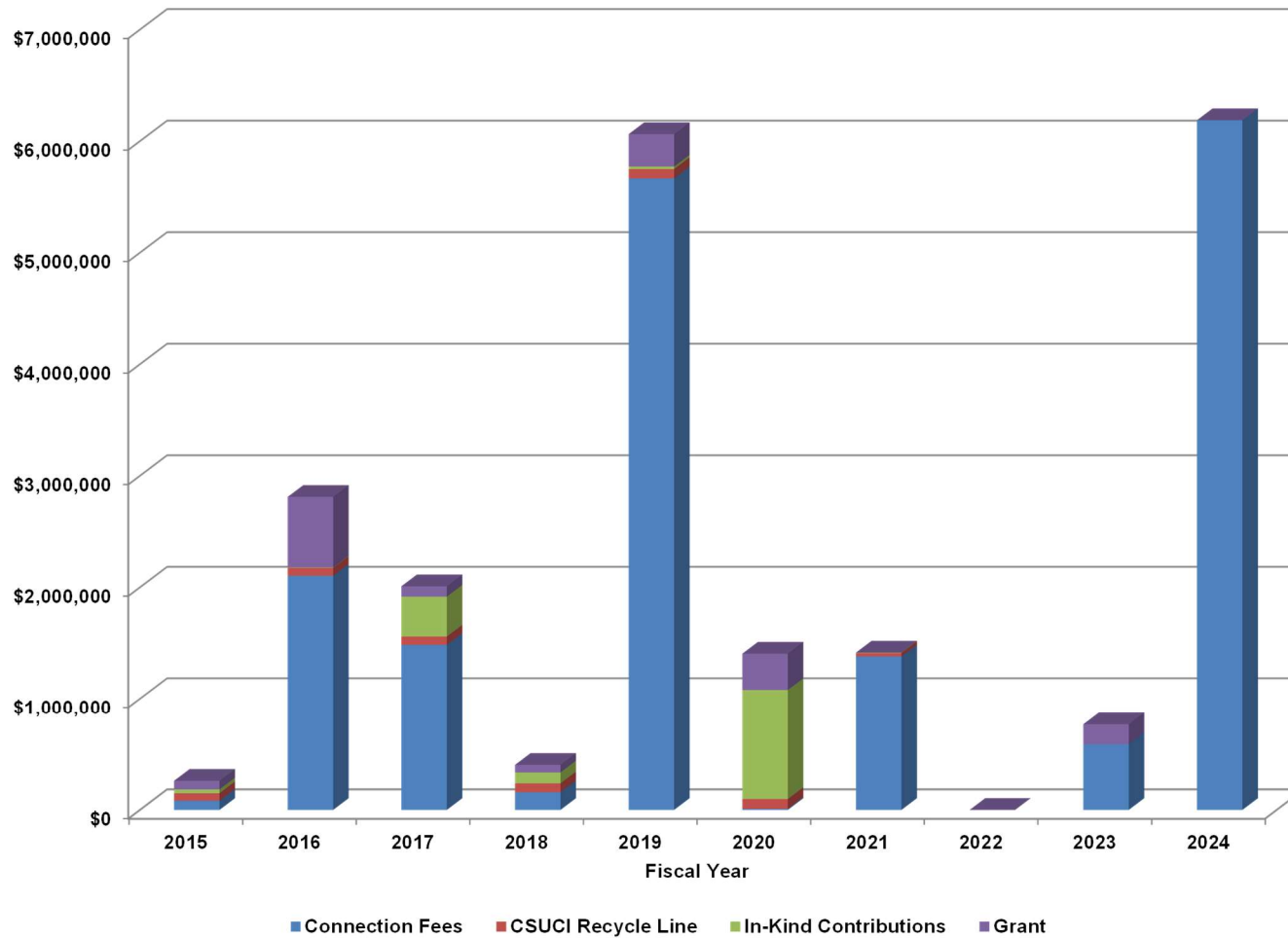
*Figure 9 – Historical Revenues and Capital Contributions*



**Connection Fees & Other Contributions  
Last Ten Fiscal Years**

	<u>2015</u>	<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>
Connection Fees	\$ 82,113	\$ 2,104,091	\$ 1,484,132	\$ 158,549	\$ 5,666,117	\$ 9,825	\$ 1,380,503	\$ -	\$ 588,068	\$ 6,187,985
CSUCI Recycle Line	66,635	70,394	74,365	78,559	82,991	87,672	30,308	-	-	-
In-Kind Contributions	34,850	3,300	357,905	97,386	23,400	981,597	3,600	-	-	-
Grant	76,298	633,159	93,091	67,519	290,622	326,415	777	187	177,081	-
<b>Totals</b>	<b>\$ 259,896</b>	<b>\$ 2,810,944</b>	<b>\$ 2,009,492</b>	<b>\$ 402,013</b>	<b>\$ 6,063,130</b>	<b>\$ 1,405,509</b>	<b>\$ 1,415,188</b>	<b>\$ 187</b>	<b>\$ 765,149</b>	<b>\$ 6,187,985</b>

*Table 4 – Connection Fees & Other Contributions*

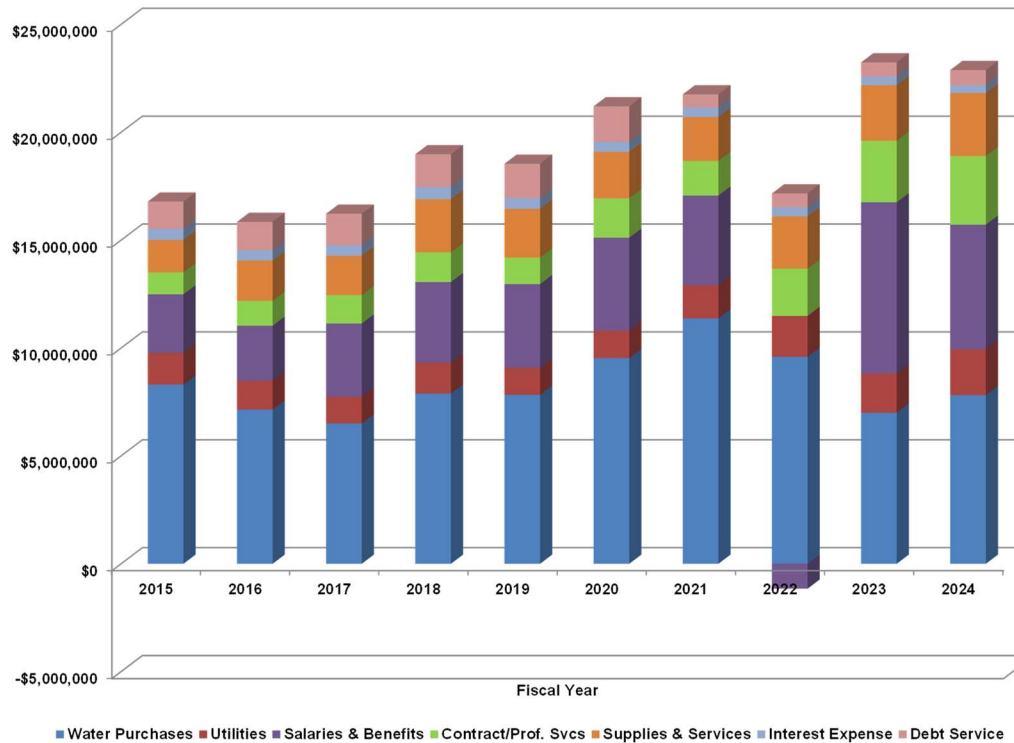


*Figure 10 – Historical Connection Fees & Other Contributions*

**Operating Expenses  
Last Ten Fiscal Years**

	<u>2015</u>	<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>
Water Purchases	\$ 8,305,257	\$ 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
Utilities	1,477,011	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
Salaries & Benefits	2,709,587	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
Contract/Prof. Svcs	1,015,370	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
Supplies & Services	1,502,354	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
<b>Total Operating Expenses</b>	<b>15,009,579</b>	<b>14,054,849</b>	<b>14,276,114</b>	<b>16,897,889</b>	<b>16,455,004</b>	<b>19,097,669</b>	<b>20,708,064</b>	<b>14,952,432</b>	<b>22,185,875</b>	<b>21,824,668</b>
<b>Non-Operating Expenses</b>										
Interest Expense	515,489	475,167	486,119	561,227	497,004	456,937	446,006	424,945	396,416	367,536
Debt Issuance Costs	-	-	227,159	-	-	-	-	-	-	-
Loss on Capital Asset	110,092	-	-	-	57,615	-	-	-	-	-
<b>Total Non-Op Expenses</b>	<b>625,581</b>	<b>475,167</b>	<b>713,278</b>	<b>561,227</b>	<b>554,619</b>	<b>456,937</b>	<b>454,279</b>	<b>424,945</b>	<b>396,416</b>	<b>367,536</b>
<b>Depreciation &amp; Amortization</b>	<b>2,179,599</b>	<b>2,354,424</b>	<b>2,601,408</b>	<b>2,684,495</b>	<b>2,842,512</b>	<b>2,836,353</b>	<b>3,098,208</b>	<b>3,107,243</b>	<b>3,307,663</b>	<b>3,601,806</b>
<b>Debt Service</b>	<b>1,265,000</b>	<b>1,317,500</b>	<b>1,465,000</b>	<b>1,525,000</b>	<b>1,590,000</b>	<b>1,650,000</b>	<b>605,000</b>	<b>640,000</b>	<b>660,000</b>	<b>695,000</b>
<b>Total Expenses</b>	<b>\$ 19,079,759</b>	<b>\$ 18,201,940</b>	<b>\$ 19,055,800</b>	<b>\$ 21,668,611</b>	<b>\$ 21,442,135</b>	<b>\$ 24,040,959</b>	<b>\$ 24,865,551</b>	<b>\$ 19,124,620</b>	<b>\$ 26,549,954</b>	<b>\$ 26,489,010</b>

*Table 5 – Historical Operating Expenses*



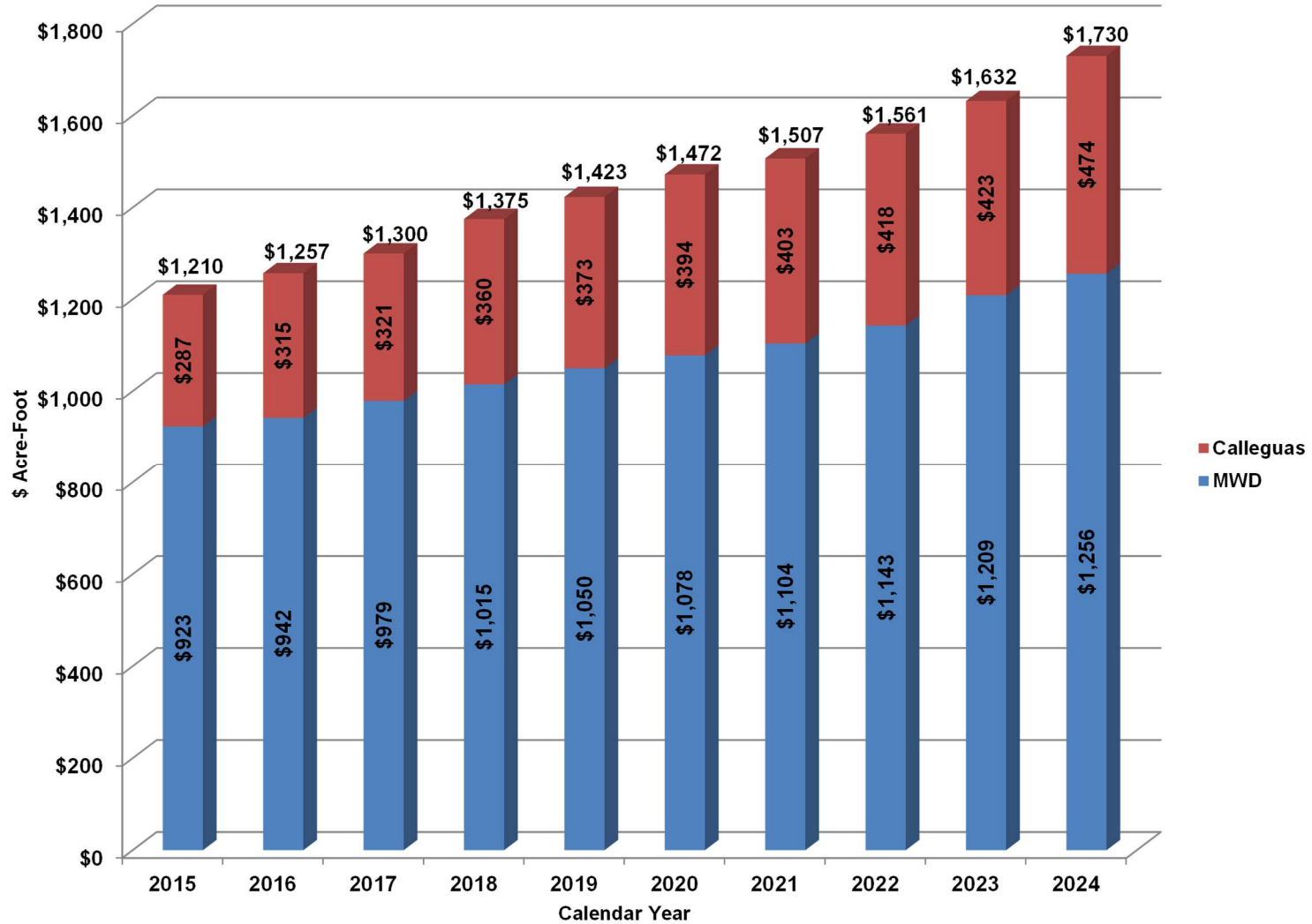
*Figure 11 – Historical Operating Expenses*

# Revenue Capacity

### Import Water Rates Last Ten Years

	<u>2015</u>	<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>
<b>MWD</b>	\$923	\$942	\$979	\$1,015	1,050	1,078	\$1,104	\$1,143	\$1,209	\$1,256
<b>Calleguas</b>	\$287	\$315	\$321	\$360	373	394	\$403	\$418	\$423	\$474
<b>\$ /AF</b>	<b>\$1,210</b>	<b>\$1,257</b>	<b>\$1,300</b>	<b>\$1,375</b>	<b>\$1,423</b>	<b>\$1,472</b>	<b>\$1,507</b>	<b>\$1,561</b>	<b>\$1,632</b>	<b>\$1,730</b>

*Table 6 – Historical Imported Water Rates*



*Figure 12 – Historical Imported Water Rates*

### Historical Water Commodity Rates

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

	<b>July 2015</b>	<b>July 2016</b>	<b>July 2017</b>	<b>July 2019</b>	<b>July 2020</b>	<b>July 2021</b>	<b>July 2022</b>	<b>July 2023</b>	<b>July 2024</b>
<b>Potable</b>									
3/4" (MM)	\$6.11	\$6.32	\$6.55	\$6.21	\$6.19	\$6.21	\$ 6.35	\$ 6.57	\$ 6.90
3/4"	\$12.72	\$13.17	\$13.64	\$12.79	\$12.77	\$13.26	\$ 13.58	\$ 14.08	\$ 14.85
1"	\$21.20	\$21.95	\$22.72	\$21.41	\$21.40	\$22.63	\$ 23.19	\$ 24.06	\$ 26.61
1.5"	\$42.42	\$43.91	\$45.46	\$42.94	\$42.93	\$46.02	\$ 47.17	\$ 48.96	\$ 55.97
2"	\$67.87	\$70.25	\$72.73	\$68.89	\$68.89	\$74.22	\$ 76.09	\$ 78.99	\$ 91.37
3"	\$148.44	\$153.66	\$159.09	\$151.09	\$151.12	\$163.54	\$ 167.68	\$ 174.10	\$203.50
4"	\$254.48	\$263.43	\$272.73	\$259.02	\$259.09	\$280.82	\$ 287.92	\$298.98	\$350.72
6"	\$381.72	\$395.15	\$409.10	\$388.69	\$388.81	\$421.73	\$ 432.41	\$449.02	\$527.61
8"	\$636.19	\$358.58	\$681.83	\$647.90	\$648.11	\$703.38	\$ 721.21	\$ 748.93	\$ 881.19
<b>Non-Potable Irrigation</b>									
3/4" (MM)	\$6.11	\$6.32	\$6.55	\$4.89	\$4.88	\$4.88	\$ 4.91	\$ 5.02	\$ 5.02
3/4"	\$12.72	\$13.17	\$13.64	\$7.51	\$7.52	\$7.52	\$ 8.09	\$ 8.28	\$ 8.28
1"	\$21.20	\$21.95	\$22.72	\$10.28	\$10.32	\$10.32	\$ 11.72	\$ 12.00	\$ 12.00
1.5"	\$42.42	\$43.91	\$45.46	\$17.19	\$17.30	\$17.30	\$ 20.78	\$ 21.29	\$ 21.29
2"	\$67.87	\$70.25	\$72.73	\$25.52	\$25.72	\$25.72	\$ 31.70	\$ 32.48	\$ 32.48
3"	\$148.44	\$153.66	\$159.09	\$51.90	\$52.40	\$52.40	\$ 66.30	\$ 67.95	\$ 67.95
4"	\$254.48	\$263.43	\$272.73	\$86.54	\$87.43	\$87.43	\$ 111.72	\$ 114.51	\$ 114.51
6"	\$381.72	\$395.15	\$409.10	\$128.16	\$129.51	\$129.51	\$ 166.30	\$ 170.47	\$ 170.47
8"	\$636.19	\$358.58	\$681.83	\$211.35	\$213.63	\$213.63	\$ 275.39	\$ 282.30	\$ 282.30
<b>Fire Service</b>									
1"	\$48.00	\$49.69	\$51.45	\$51.03	\$51.65	\$61.96	\$ 63.93	\$ 67.46	\$ 80.92
1.5"	\$48.00	\$49.69	\$51.45	\$51.03	\$51.65	\$61.96	\$ 63.93	\$ 67.46	\$ 80.92
2"	\$48.00	\$49.69	\$51.45	\$51.03	\$51.65	\$61.96	\$ 63.93	\$ 67.46	\$ 80.92
3"	\$48.00	\$49.69	\$51.45	\$51.03	\$51.65	\$61.96	\$ 63.93	\$ 67.46	\$ 80.92
4"	\$48.00	\$49.69	\$51.45	\$51.03	\$51.65	\$61.96	\$ 63.93	\$ 67.46	\$ 80.92
6"	\$95.98	\$99.35	\$102.86	\$77.09	\$78.03	\$93.60	\$ 96.58	\$ 101.90	\$ 122.23
8"	\$172.77	\$178.85	\$185.17	\$129.17	\$130.74	\$156.84	\$ 161.82	\$ 170.74	\$ 204.81
10"	\$288.01	\$298.15	\$308.67	\$343.45	\$347.63	\$417.02	\$ 430.27	\$ 453.98	\$ 544.57

*Table 8 – Historical Monthly Water Meter Service Charge*

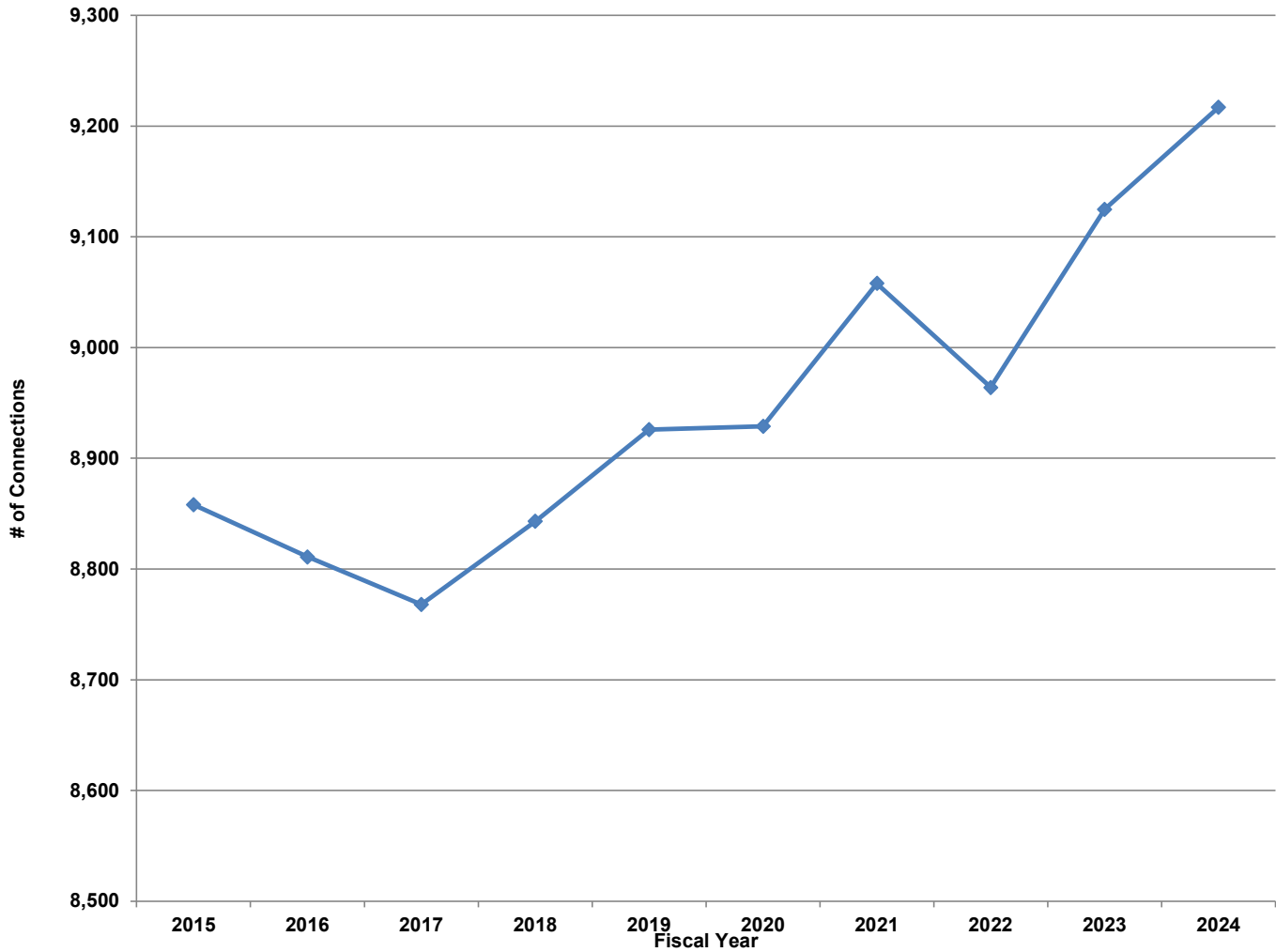
<b>July 2015</b>	<b>July 2016</b>	<b>July 2019</b>	<b>July 2020</b>	<b>July 2021</b>	<b>July 2022</b>	<b>July 2023</b>	<b>July 2024</b>
\$30.70	\$31.32	\$33.49	\$35.83	\$38.37	\$40.62	\$43.05	\$48.77

*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>
2015	8,858	0.01%
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%

*Table 10 – Historical Billed Wastewater Connections*



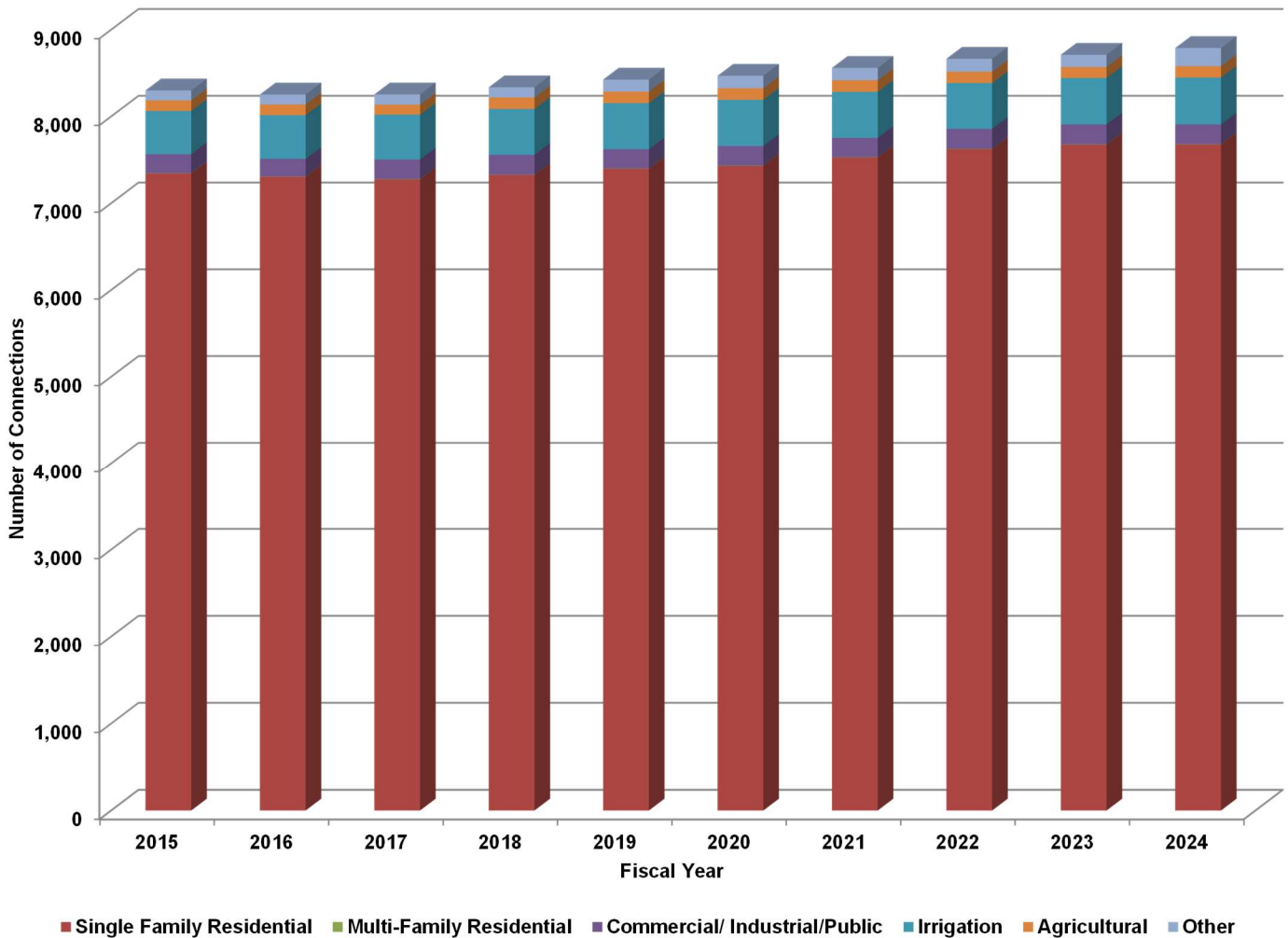
*Figure 13 – Historical Billed Wastewater Connections*

### Historical Billed Water Connections Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Single Family Residential</u>	<u>Multi-Family Residential</u>	<u>Commercial/ Industrial/Public</u>	<u>Irrigation</u>	<u>Agricultural</u>	<u>Other</u>	<u>Total</u>
2015	7,343	3	219	498	122	115	8,300
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

Note: Multi-Family Residential includes the following: Leisure Village 2156, Ranch Adolfo 255, CamSprings 259

**Table 11 – Historical Billed Water Connections**



**Figure 14 – Historical Billed Water Connections**



**Ten Largest Water Customers - Current Year and Nine Years Ago  
Fiscal Year 2024**

<u>Customer</u>	<u>Customer Type</u>	<u>Acre- Feet</u>	<u>Annual Revenues</u>	<u>% of Water Sales</u>
1 Leisure Village	Residential	750	\$ 1,111,501	5.96%
2 Reiter Brother Inc	Agricultural	712	860,853	4.61%
3 Mahan Ranch Golf Club LLC,	Commercial	255	503,221	2.70%
4 CSUCI	Public	297	455,017	2.44%
5 Duda Farm Fresh Foods, INC	Agricultural	384	289,552	1.55%
6 A Hartman Ranch, Inc.	Agricultural	263	280,361	1.50%
7 Camlam Farms Inc.	Agricultural	532	194,175	1.04%
8 Pleasant Valley Park & Rec	Irrigation	75	156,178	0.84%
9 A.B.P.	Agricultural	79	119,587	0.64%
10 Camarillo High School	Public	55	115,114	0.62%
<b>Total Ten Largest Customers</b>		<b>3,401</b>	<b>4,085,560</b>	<b>21.90%</b>
All Other Customers		6,090	14,568,561	78.10%
<b>Total Water Revenue for District</b>		<b>9,491</b>	<b>\$ 18,654,121</b>	<b>100%</b>

**Fiscal Year 2015**

<u>Customer</u>	<u>Customer Type</u>	<u>Acre- Feet</u>	<u>Annual Revenues</u>	<u>% of Water Sales</u>
1 Leisure Village	Residential	930	\$ 729,912	4.81%
2 Boskovich	Agricultural	1263	588,550	3.88%
3 Tierra Rejada Golf Course	Commercial	313	400,645	2.64%
4 Calif. State University CI	Commercial	473	398,839	2.63%
5 Reiter Brother Inc	Agricultural	774	328,694	2.17%
6 A Hartman Ranch, Inc.	Agricultural	485	231,405	1.53%
7 Lemon Acres Plus LLC	Agricultural	202	209,963	1.38%
8 Pleasant Valley Rec & Park District	Government	89	120,953	0.80%
9 Marz Farms	Agricultural	249	117,225	0.77%
10 City of Camarillo	Government	67	115,195	0.76%
<b>Total Ten Largest Customers</b>		<b>4,845</b>	<b>3,241,382</b>	<b>21.38%</b>
All Other Customers		10,000	11,919,362	78.62%
<b>Total Water Revenue for District</b>		<b>14,845</b>	<b>\$ \$15,160,744</b>	<b>100%</b>

*Table 12 – Ten Largest Water Customers*

## Ten Largest Wastewater Customers - Current Year and Nine Years Ago

### Fiscal Year 2024

<u>Customer</u>	<u>EDUs</u>	<u>Annual Revenue</u>	<u>% of Wastewater Revenue</u>
1 Leisure Village	2,162	\$ 1,116,631	23.44%
2 CSUCI	642	408,114	8.57%
3 Rancho Adolfo Mobile Home Estates	255	131,733	2.76%
4 Corte Madera/Avalonbay Comm. Inc	161	83,173	1.75%
5 Essex Camino Inc.	161	83,173	1.75%
6 Adolfo Camarillo High School	59	30,479	0.64%
7 Camarillo Senior Living (ACSR, LLC)	56	28,930	0.61%
8 Marriott Brighton Gardens	42	21,697	0.46%
9 Pleasant Valley School	38	19,631	0.41%
10 Seminary	34	17,564	0.37%
<b>Total Ten Largest Wastewater Customers</b>	<b>3,610</b>	<b>\$ 1,941,125</b>	<b>40.74%</b>
All Other Customers	5608	2,823,350	59.26%
<b>Total Wastewater Revenue for District</b>	<b>9217</b>	<b>\$ 4,764,475</b>	<b>100.00%</b>

### Fiscal Year 2015

<u>Customer</u>	<u>EDUs</u>	<u>Annual Revenue</u>	<u>% of Wastewater Revenue</u>
1 Leisure Village	2,149	\$ 777,912	24.39%
2 CSUCI	844	304,853	9.56%
3 Rancho Adolfo Mobile Home Estates	255	92,106	2.89%
4 Corte Madera/Avalonbay Comm. Inc	161	58,314	1.83%
5 Essex Camino Inc.	161	57,822	1.81%
6 Adolfo Camarillo High School	59	21,311	0.67%
7 Emeritus at Camarillo	56	20,227	0.63%
8 Kilroy Realty	47	16,976	0.53%
9 Marriott Brighton Gardens	42	15,170	0.48%
10 Pleasant Valley School	38	13,726	0.43%
<b>Total Ten Largest Wastewater Customers</b>	<b>3,812</b>	<b>\$ 1,378,417</b>	<b>43.22%</b>
All Other Customers	5,046	1,810,895	56.78%
<b>Total Wastewater Revenue for District</b>	<b>8,858</b>	<b>\$ 3,189,312</b>	<b>100.00%</b>

*Table 13 – Ten Largest Wastewater Customers*

# CAMROSA WATER DISTRICT



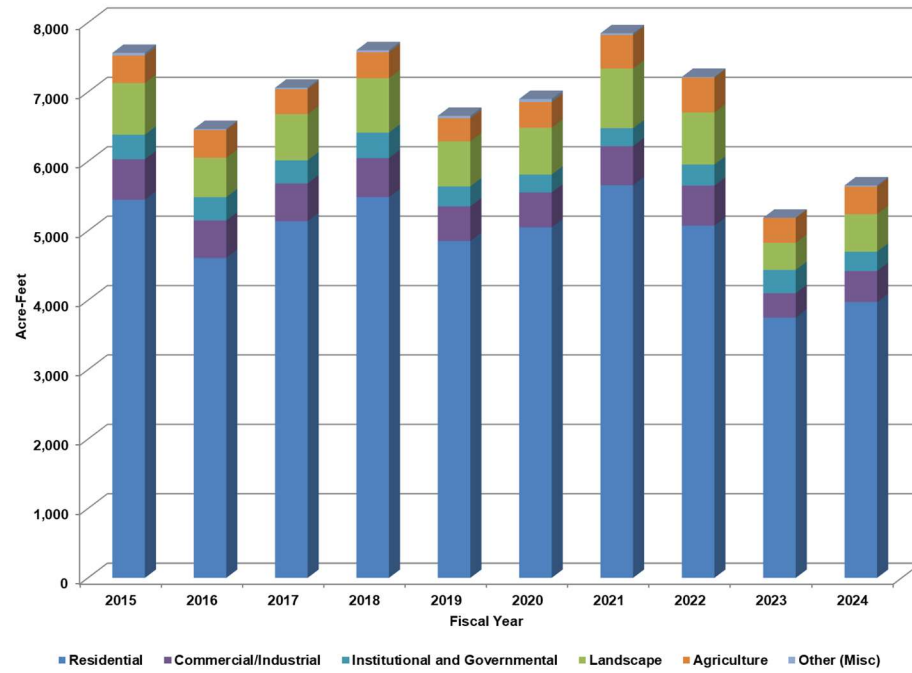
BUILDING WATER  
SELF-RELIANCE

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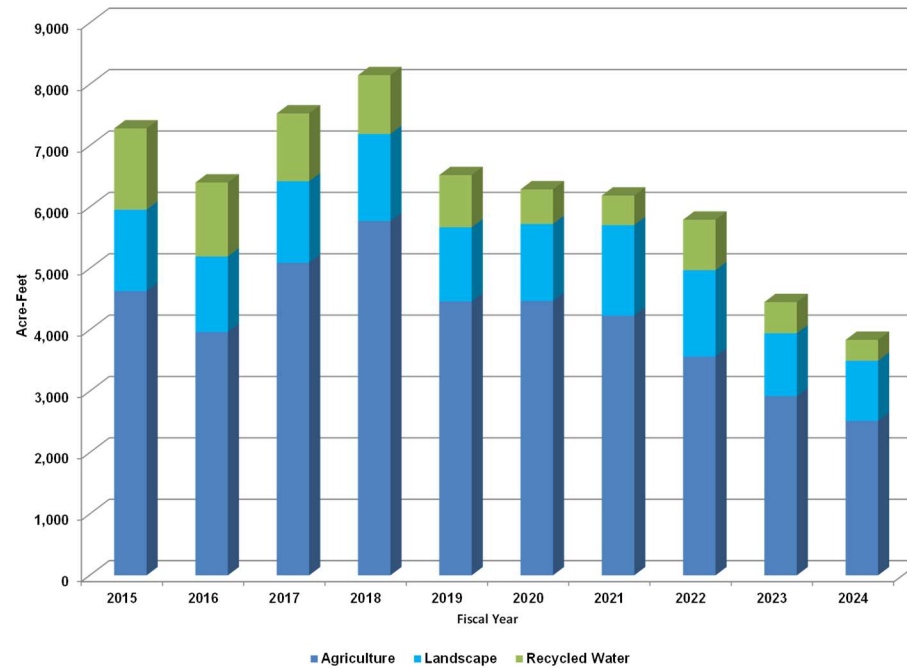
**Water Deliveries By Class - Acre-Feet**  
**Last Ten Fiscal Years**

	<u>2015</u>	<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>
<b>Potable Water</b>										
Residential	5,449	4,610	5,139	5,486	4,854	5,052	5,658	5,074	3,751	3,975
Commercial/Industrial	584	539	545	562	500	502	562	578	351	445
Institutional and Governmental	352	336	332	368	286	257	259	303	336	280
Landscape	745	567	665	783	650	675	858	750	389	540
Agriculture	396	401	360	374	333	371	486	504	360	398
Other (Misc)	<u>38</u>	<u>15</u>	<u>21</u>	<u>30</u>	<u>34</u>	<u>43</u>	<u>24</u>	<u>9</u>	<u>2</u>	<u>17</u>
<b>Total Potable Water</b>	<b>7,564</b>	<b>6,468</b>	<b>7,062</b>	<b>7,603</b>	<b>6,657</b>	<b>6,900</b>	<b>7,847</b>	<b>7,218</b>	<b>5,189</b>	<b>5,655</b>
<b>Non-Potable Water</b>										
Landscape	1,327	1,233	1,328	1,418	1,207	1,255	1,475	1,408	1,025	981
Agriculture	4,630	3,962	5,093	5,772	4,463	4,469	4,231	3,563	2,919	2,515
Recycled Water	<u>1,323</u>	<u>1,204</u>	<u>1,104</u>	<u>958</u>	<u>850</u>	<u>564</u>	<u>481</u>	<u>822</u>	<u>507</u>	<u>340</u>
<b>Total Non-Potable Water</b>	<b>7,280</b>	<b>6,399</b>	<b>7,525</b>	<b>8,148</b>	<b>6,520</b>	<b>6,288</b>	<b>6,187</b>	<b>5,793</b>	<b>4,451</b>	<b>3,836</b>
<b>Total Acre-Foot Deliveries</b>	<b>14,844</b>	<b>12,867</b>	<b>14,587</b>	<b>15,751</b>	<b>13,177</b>	<b>13,188</b>	<b>14,034</b>	<b>13,011</b>	<b>9,640</b>	<b>9,491</b>

*Table 14 – Water Deliveries by Class*



**Figure 15 – Historical Potable Water Deliveries**



**Figure 16 – Historical Non-Potable Water Deliveries**

<u>Fiscal Year</u>	<u>Secured Assessed Valuation</u>	<u>Unsecured Assessed Valuation</u>	<u>Total</u>	<u>% Change</u>
2015	4,907,112,472	128,877,820	5,035,990,292	4.54%
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%

**Secured Tax Charges and Delinquencies**

<u>Fiscal Year</u>	<u>Secured Assessed Charge</u>	<u>Amount Delinquent June 30</u>	<u>% Delinquent June 30</u>
2015	512,858	\$4,255	0.83%
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%

*Table 15 – Historical Assessed Valuations*

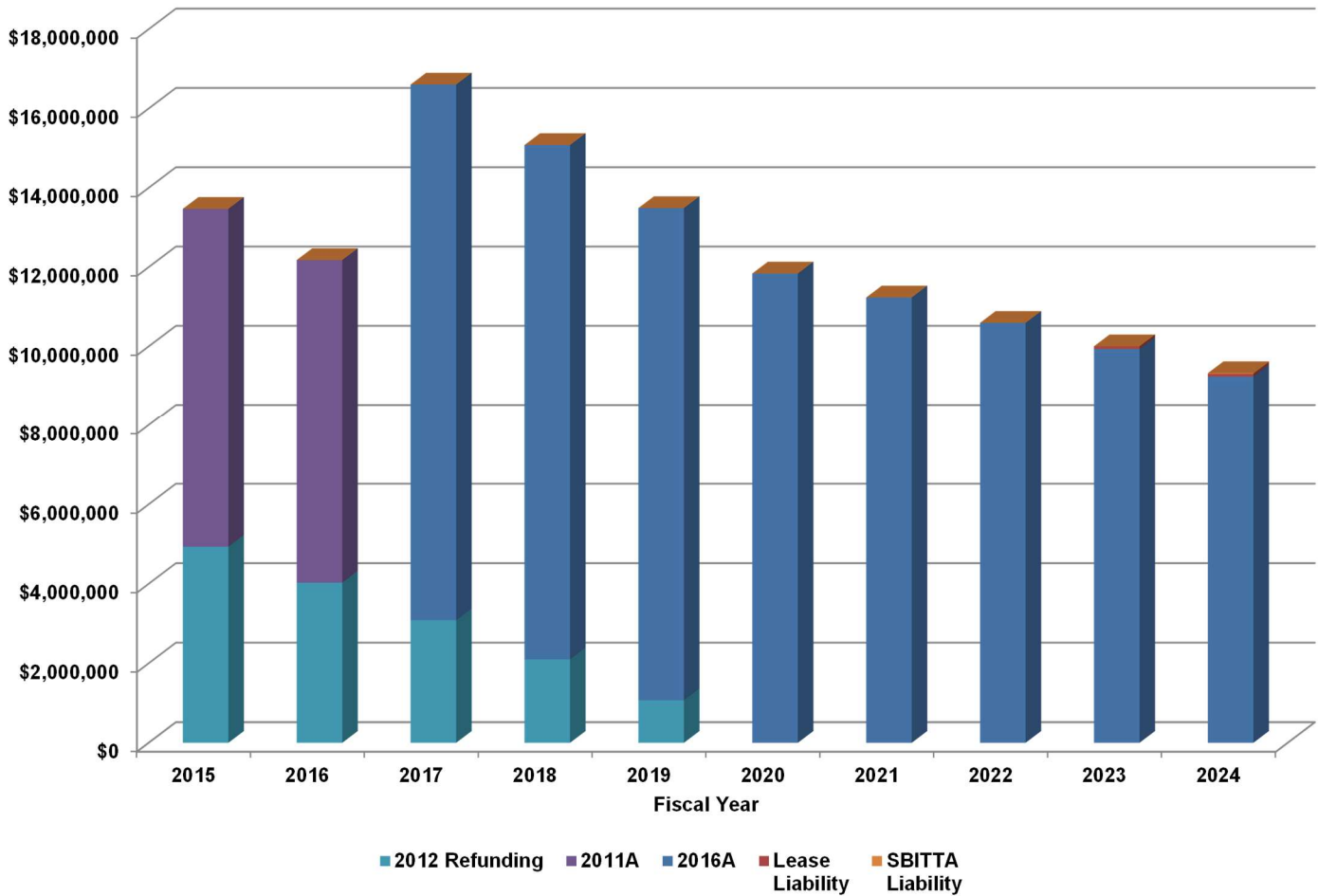
# Debt Capacity

Camrosa Water District  
**Total Outstanding Debt**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>2011A Bond Premium</u>	<u>2012 Refunding Premium</u>	<u>2012 Refunding Bond Premium</u>	<u>2016A</u>	<u>2016 Refunding Bond Premium</u>	<u>Lease Liability</u>	<u>SBITTA Liability</u>	<u>Total Outstanding Debt</u>	<u>Per Capita</u>	
2015	8,535,000	242,456	4,935,000	418,091	-	-	-	14,130,547	\$ 210.42	
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

**Table 16 – Total Outstanding Debt**

### Outstanding Debt



**Figure 17 – Outstanding Debt**



Camrosa Water District  
**Water Debt Coverage**

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Operating &amp; Maint. Costs</u>	<u>Net Revenues</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage 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

*Table 17 – Historical Water Debt Coverage*

Camrosa Water District  
**Wastewater Debt Coverage**

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Operating &amp; Maint. Costs</u>	<u>Net Revenues</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage 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

*Table 18 – 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)**

	<u>2015</u>	<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>
<b>Total Demand - Acre-Feet</b>	<b>14,845</b>	<b>12,867</b>	<b>14,587</b>	<b>15,751</b>	<b>13,177</b>	<b>13,188</b>	<b>14,035</b>	<b>13,011</b>	<b>9,640</b>	<b>9,491</b>
<b>Groundwater/Wells</b>										
Tierra Rejada Basin	367	36	164	350	278	290	218	141	200	187
Santa Rosa Basin	1,997	1,462	2,123	2,995	1,416	655	251	196	386	1,586
Pleasant Valley Basin	761	972	777	902	827	819	1,485	1,624	1,770	595
Perched Aquifer	263	883	664	1	363	628	809	1,002	309	655
<b>Groundwater/Wells</b>	<b>3,388</b>	<b>3,353</b>	<b>3,728</b>	<b>4,248</b>	<b>2,884</b>	<b>2,392</b>	<b>2,763</b>	<b>2,963</b>	<b>2,665</b>	<b>3,022</b>
<b>Imported Water</b>										
Calleguas	4,978	4,125	3,612	3,979	4,194	5,188	6,012	4,779	3,031	3,056
<b>Imported Water</b>	<b>4,978</b>	<b>4,125</b>	<b>3,612</b>	<b>3,979</b>	<b>4,194</b>	<b>5,188</b>	<b>6,012</b>	<b>4,779</b>	<b>3,031</b>	<b>3,056</b>
<b>Non-Potable/Recycled Water</b>										
Conejo Creek	5,109	4,886	4,718	5,849	4,373	3,841	4,235	3,514	3,261	3,002
Santa Rosa Basin	722	586	542	513	728	1,060	955	934	548	528
Imported Water	416	730	506	833	375	428	402	384	229	254
Camrosa WRF (Recycled)	1,323	1,204	1,104	958	850	617	481	822	507	340
CamSan WWTP (Recycled)	-	-	-	-	-	781	1,454	1,258	1,203	1,437
<b>Non-Potable/Recycled Water</b>	<b>7,570</b>	<b>7,406</b>	<b>6,870</b>	<b>8,154</b>	<b>6,325</b>	<b>6,727</b>	<b>7,527</b>	<b>6,912</b>	<b>5,748</b>	<b>5,562</b>
<b>Total Sources of Production</b>	<b>15,936</b>	<b>14,884</b>	<b>14,210</b>	<b>16,381</b>	<b>13,404</b>	<b>14,307</b>	<b>16,302</b>	<b>14,654</b>	<b>11,444</b>	<b>11,641</b>

*Table 19 – Historical Water Demand/Sources*

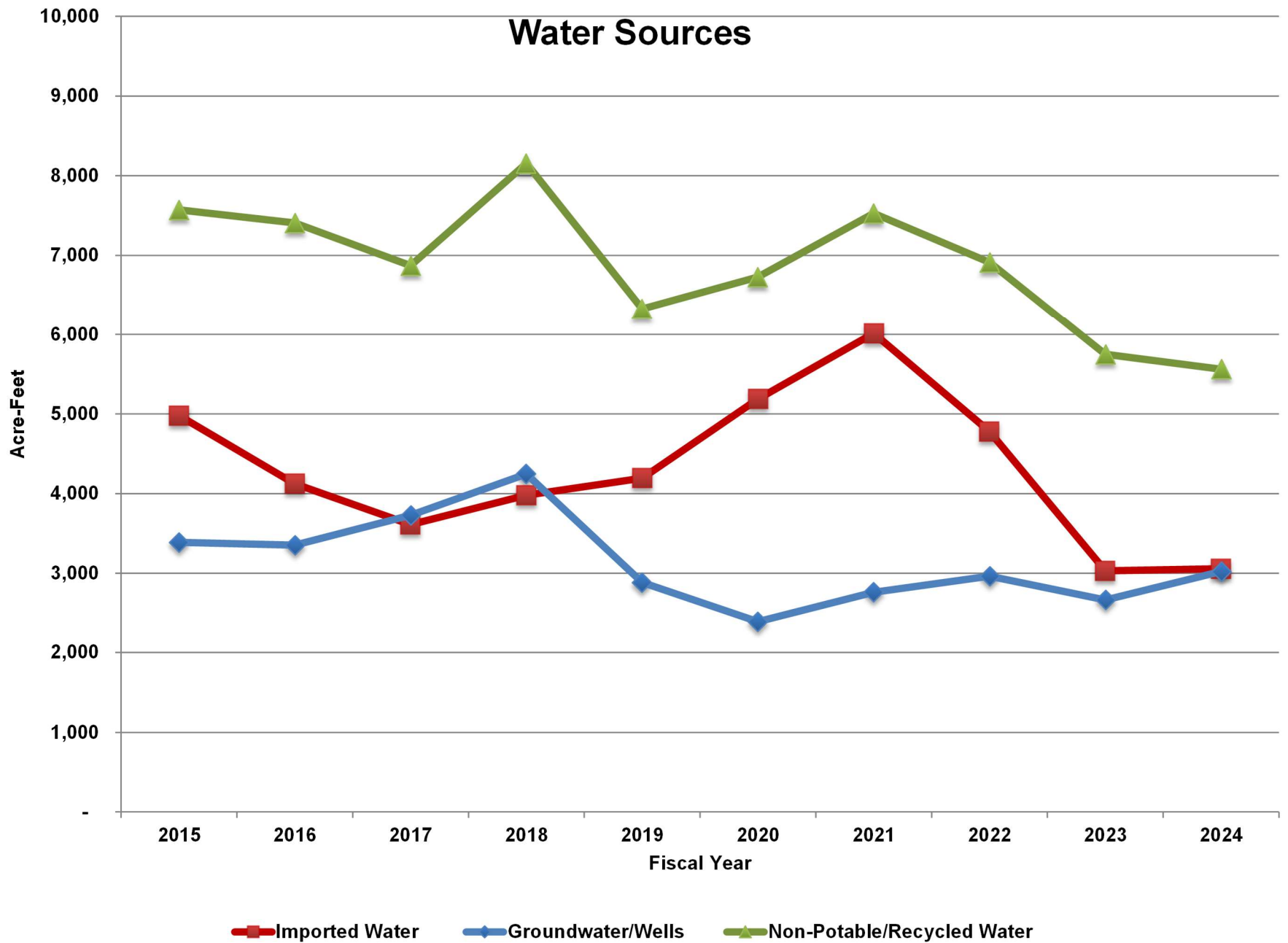


Figure 18 – Historical Water Demand by Source

**Water System**

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**Established 1962**

**Water System**

**Service Area 31 (Square miles)**

	FY 23-24	FY 23-24	FY 22-23	FY 22-23
	Potable	Non-Potable	Potable	Non-Potable
<b>Water Facilities:</b>				
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	1	0	1	0
Number of fire hydrants	1214	43	1214	34
Average Daily Water Production, Acft	16.67	35.42	15.59	33.74
Average Daily Water Production, Acft Delivered to CWD		14.08		14.66
Average Daily Water Production, Acft Delivered to PVCWD		18.86		14.16
Maximum Daily Water Production, Acft	27.56	72.47	28.90	69.67
Maximum Daily Water Production, Acft Delivered to CWD		30.53		34.15
Maximum Daily Water Production, Acft Delivered to PVCWD		37.11		35.55
Minimum Daily Water Production, Acft	5.63	3.40	5.80	3.87
Minimum Daily Water Production, Acft Delivered to CWD		3.89		3.87
Minimum Daily Water Production, Acft Delivered to PVCWD		0.00		0.00
<b>Wastewater Facilities:</b>				
Tertiary-treated Title 22 water				
Sewer Lift Stations	6		6	
Primary treatment, MGD	2.25		2.25	
Average Daily Wastewater Flow, MGD	1.22		1.18	
Maximum Daily Wastewater Flow, MGD	1.69		1.59	
Minimum Daily Wastewater Flow, MGD	1.08		1.06	

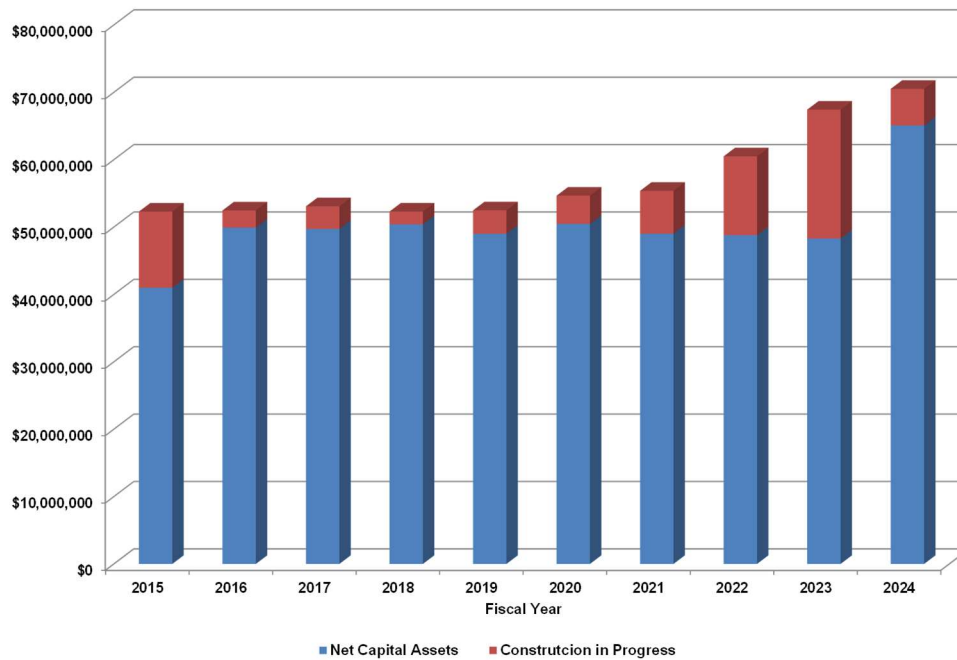
**Table 20 – District Facilities Information**

Camrosa Water District  
**Historical Capital Assets**

<b>Fiscal Year</b>	<b>Water Plant</b>	<b>Sanitation Plant</b>	<b>Buildings &amp; Equipment</b>	<b>Accumulated Depreciation</b>	<b>Net Capital Assets (less Construction in Progress and Land and Easements)</b>	<b>Construction</b>
2015	53,155,862	28,411,372	2,579,360	(43,152,352)	40,994,242	11,306,033
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

**Table 21 – Historical Capital Assets**

**Historical Capital Assets**



**Figure 19 – Historical Capital Assets**

# CAMROSA WATER DISTRICT



BUILDING WATER  
SELF-RELIANCE

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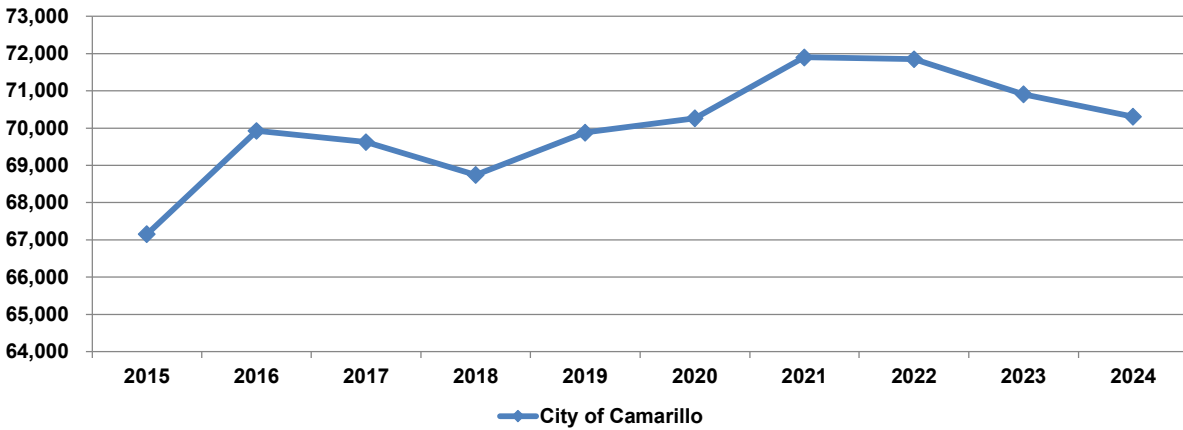


# Demographic and Economic Information

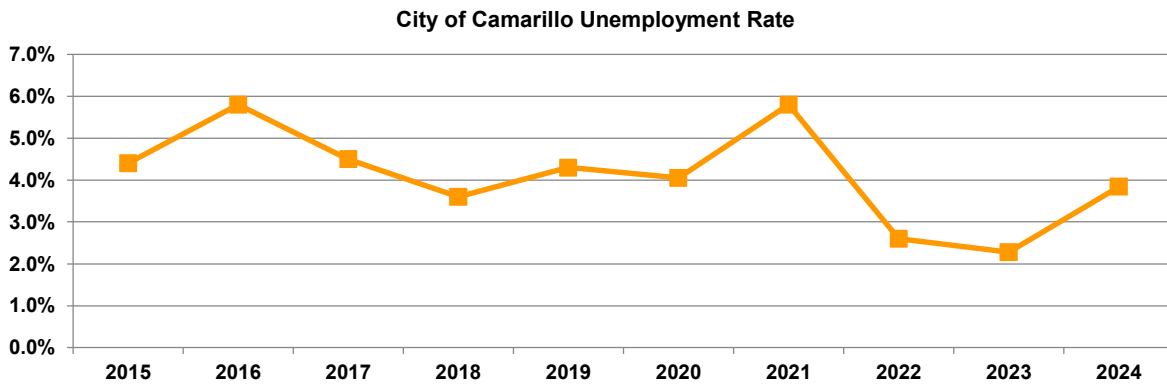
Camrosa Water District  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**  
**City of Camarillo (1)**

<b>Year</b>	<b>Unemployment Rate</b>	<b>Population</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income</b>
2015	4.4%	67,154	2,586,638	38,518
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

**Table 22 – Demographic and Economic Statistics**  
**Population 10 Years**



**Figure 20 – City of Camarillo Population**



**Figure 21 – City of Camarillo Unemployment Rate**



**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 and for the year ended June 30, 2024, 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 October 1, 2024.

***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  
October 1, 2024

Camrosa Water District  
**Other Information**  
**Budgetary Comparison Schedule**  
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Budget Positive</u> <u>(Negative)</u>
<b>Operating Revenue</b>			
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)
<b>Total Operating Revenue</b>	<b>27,663,863</b>	<b>23,502,103</b>	<b>(4,161,760)</b>
<b>Non-Operating Revenue</b>			
Property Taxes	791,000	805,988	14,988
Interest Income	1,404,272	2,089,721	685,449
<b>Total Non-Operating Revenues</b>	<b>2,195,272</b>	<b>2,895,709</b>	<b>700,437</b>
<b>Operating Expenses</b>			
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
<b>Total Operating Expenses</b>	<b>25,460,407</b>	<b>20,651,674</b>	<b>4,808,733</b>
<b>Non-Operating Expenses</b>			
Debt Service 2011A/2016	1,039,931	1,039,931	-
Capital Replacement Contribution	3,183,627	4,426,361	(1,242,734)
<b>Total Non-Operating Expenses</b>	<b>4,223,558</b>	<b>5,466,292</b>	<b>(1,242,734)</b>
<b>Net Operating Results</b>	<b>175,170</b>	<b>279,846</b>	<b>104,676</b>
Capital & Mitigation Fees	-	6,187,985	6,187,985
<b>Net Operating Results</b>	<b>\$ 175,170</b>	<b>\$ 6,467,831</b>	<b>\$ 6,292,661</b>
<b>Adjustments to Accounting Principles Generally Accepted in The United States of America</b>			
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 GSA		(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)	
<b>Change in Net Position</b>		<b>6,856,754</b>	
<b>Net Position at Beginning of Year</b>		<b>101,835,426</b>	
<b>Net Position at End of Year</b>		<b>\$ 108,692,180</b>	

Camrosa Water District  
**Other Information**  
**Budgetary Comparison Schedule**  
For the Fiscal Years Ended June 30, 2023

	<u>Budget</u>	<u>Actual Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>Operating Revenue</b>			
Potable Water Sales	\$ 11,004,700	\$ 9,209,757	\$ (1,794,943)
Recycle/Non-Potable Water Sales	5,066,300	3,573,563	(1,492,737)
Water Sales to PV	1,261,500	1,608,935	347,435
Meter Revenue	2,591,900	2,608,043	16,143
Sewer Revenue	4,441,500	4,426,781	(14,719)
Special Services	72,000	65,432	(6,568)
Pump Zone/Miscellaneous	52,000	86,277	34,277
<b>Total Operating Revenue</b>	<b>24,489,900</b>	<b>21,578,788</b>	<b>(2,911,112)</b>
<b>Non-Operating Revenue</b>			
Property Taxes	734,527	772,770	38,243
Interest Income	68,000	1,276,286	1,208,286
<b>Total Non-Operating Revenues</b>	<b>802,527</b>	<b>2,049,056</b>	<b>1,246,529</b>
<b>Operating Expenses</b>			
Water Purchases - CMWD	5,610,474	5,070,510	539,964
CMWD Fixed Charges	974,290	906,822	67,468
CCP	640,906	816,017	(175,111)
CamSam	92,963	132,123	(39,160)
SMP CMWD	257,177	75,237	181,940
Utilities	1,805,664	1,815,831	(10,167)
Salaries & Benefits	4,543,009	3,949,041	593,968
Contract/Prof. Svcs	4,500,440	2,678,650	1,821,790
Supplies & Services	3,205,440	2,580,149	625,291
<b>Total Operating Expenses</b>	<b>21,630,363</b>	<b>18,024,380</b>	<b>3,605,983</b>
<b>Non-Operating Expenses</b>			
Debt Service 2011A/2016	1,035,331	1,035,331	-
Rate Stabilization Contribution	70,000	70,000	-
Capital Replacement Contribution	2,537,000	4,266,300	(1,729,300)
<b>Total Non-Operating Expenses</b>	<b>3,642,331</b>	<b>5,371,631</b>	<b>(1,729,300)</b>
<b>Net Operating Results</b>	<b>19,733</b>	<b>231,833</b>	<b>212,100</b>
Capital & Mitigation Fees	-	588,068	588,068
Grants	-	-	-
<b>Net Operating Results</b>	<b>\$ 19,733</b>	<b>\$ 819,901</b>	<b>\$ 800,168</b>
<b>Adjustments to Accounting Principles Generally Accepted in The United States of America</b>			
Depreciation & Amortization Expense		(3,214,602)	
Gain on Sale of Asset		1,725	
Unrealized Gain on Investments		363,342	
Blended component unit activity-Arroyo Santa Rosa GSA		(107,204)	
Rate Stabilization Contribution		70,000	
Capital Replacement Contribution		4,266,300	
Principal Payments on Debt		660,000	
GASB68 Effect on Pension Expense		(3,989,349)	
GASB96 Effect on Financial Statements		(810)	
GASB87 Effect on Financial Statements		(2,135)	
Amortization of Bonds Premium/Defeasance		(9,819)	
<b>Change in Net Position</b>		<b>(1,142,651)</b>	
<b>Net Position at Beginning of Year</b>		<b>102,978,077</b>	
<b>Net Position at End of Year</b>		<b>\$ 101,835,426</b>	

**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 2024, the Board of Directors adopted a \$25.1 million budget for FY2024-25. 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, 2024 and 2023.

**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.