

VENTURA REGIONAL SANITATION DISTRICT

The Annual Comprehensive Financial Report

**Fiscal Year Ended
June 30, 2025**

Eric Zetz, General Manager
Ventura County, California



Annual Comprehensive Financial Report

**For the Fiscal Year Ended
June 30, 2025**



Ventura Regional Sanitation District

Ventura County, California

**Prepared by
Finance Department
Alvertina Rivera, Director of Finance**

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Ventura Regional Sanitation District
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

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December 04, 2025

The Honorable Board of Directors and Customers of the Ventura Regional Sanitation District:

Here submitted, is the Annual Comprehensive Financial Report of the Ventura Regional Sanitation District (District) for the fiscal year ended June 30, 2025. State law requires all general-purpose local governments publish within six months of the close of each fiscal year a complete set of audited financial statements.

Management assumes full responsibility for the completeness and reliability of the information in this report. The District has established a comprehensive framework of internal controls to provide reasonable assurance that the District is meeting its basic objectives such as operating effectively and efficiently, providing a reliable financial report, and operating within certain constraints imposed by external parties and the District's governing body. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the District.

The District's financial statements have been audited by Chavan & Associates, LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District are free of material misstatement. The auditor has issued an unmodified opinion on the District's financial statements for the fiscal year ended June 30, 2025. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The District presently has one blended component unit with a June 30 year-end. Accordingly, the Ventura Regional Public Facilities Corporation (Corporation) is presented as a blended component unit of the District. The Corporation was formed on October 25, 1989 to facilitate the issuance of Certificates of Participation (COPs). The District currently has no outstanding COPs. No separate financial statements are prepared for the Corporation and therefore are not available.

PROFILE OF VENTURA REGIONAL SANITATION DISTRICT

The District is an enterprise public waste management agency organized in July 1970 under the California County Sanitation District Act (Health & Safety Code Section 4700 et seq.). It covers about 1,600 square miles and serves approximately 90% of Ventura County.

District Governing Body

The governing board of the District consists of eight members appointed by eight of the ten cities within Ventura County (cities of Moorpark and Simi Valley not represented) and one member appointed by a committee of the Ventura County Special Districts Association. The unincorporated County areas are not represented on the District Board of Directors because of the County's regulatory role relative to the District's solid waste activities.

The Board regularly meets on the first and third Thursday of each month. Citizens are encouraged to attend and participate in the publicly noticed meetings.

District's Services

The District employs approximately 39 full-time employees as of June 2025 and is capable of providing a full range of services, including integrated waste treatment and disposal services to cities, special districts, residents, as well as public and private entities within Ventura County.

The District operates strictly on an enterprise basis, thus exclusively receiving all of its funding sources from charges for services.

Mission Statement

The Ventura Regional Sanitation District is a non-tax supported public agency providing sanitation services. We offer the highest quality service at the lowest possible cost for our customers, and we will provide solutions by involving our staff, our customers, and our community.

Significant Event – *Mountain Fire*

The Mountain Fire was first reported the morning of November 6, 2024, in a remote area north of Somis during an episode of strong Santa Ana winds. The National Weather Service of Los Angeles issued a 'particularly dangerous situation' red flag warning, the first such issuance since 2020. Within an hour after ignition, the fire had grown to approximately 1,000 acres and after only two hours the fire had crossed State Route 118 and began to impinge on the Camarillo Heights neighborhood. By November 7, approximately 14,000 residents of Ventura County had received evacuation notices and by November 27, when the fire had reached 100 percent containment, ultimately 19,904 acres were destroyed, hundreds of buildings were damaged and many injuries had occurred.

The District was issued an emergency waiver and use authorization by the County of Ventura to accept fire debris that was produced in Ventura County during the Mountain Fire. The District was the primary facility accepting debris from January through May 2025. The site received fire debris over a span of 74 days, taking in an average of 545 tons of fire debris each day, with some days reaching over 1,000 tons. Operation hours were extended approximately two hours each day to handle the additional loads at the site.

Solid Waste Operations

The District manages municipal waste landfills; the Toland Road Landfill, as well as the former sites of Santa Clara, Coastal, Bailard, Ozena, and Tierra Rejada landfills. The Toland Road Landfill is located in a confined, V-shaped canyon four miles east of Santa Paula and four miles west of Fillmore. The 216.5-acre site has been operating as a landfill since 1970. The facility is estimated to have landfill capacity until approximately 2040.

The Toland Road Landfill received about 377,754 tons of refuse in FY2025. Excluding the 33,443 tons that were received due to the Mountain Fire, approximately 83 percent of the total refuse disposed at the Toland Road Landfill comes from the transfer station operated by its largest customer, Gold Coast Recycling Center and Transfer Station. As of July 2022, the District entered into a five-year waste disposal contract with Gold Coast Recycling Center and Transfer Station providing some revenue certainty through FY2027. The District also entered into five-year labor agreements with all labor groups for fiscal years 2023 through 2027, thus aligning labor cost escalation with revenue escalation.

Water & Wastewater Operations

The District is responsible for management, operation, and maintenance of water and wastewater facilities and equipment throughout Ventura County. Both the District and participating agencies benefit from economies of scale made possible by the sharing of District expertise and resources. Work is performed under fully reimbursable contracts.

In FY2025 the District continues to provide Water & Wastewater services primarily to six agencies that entered into five-year service agreements with the District. Those agencies include Saticoy Sanitary, and Camrosa Water Districts; the cities of Santa Paula and Thousand Oaks; Cabrillo Homeowners Association

(HOA), and the County of Ventura. As previously mentioned, the District also entered into a five-year labor agreement with all labor units for fiscal years 2023 through 2027, once again aligning labor cost escalation with revenue escalation.

The District entered into a contract with the Malibu Bay Club (MBC) in August 2003 to own and operate an On-site Wastewater Treatment System (OWTS) to serve this 136-unit condominium complex on the south coast of Ventura County. MBC's existing simple septic system is the subject of a Regional Water Quality Control Board order to improve wastewater treatment. In 2007, in order for the District to receive reimbursement for the \$2.7 million cost of the plant, it explored alternative financing options and entered into an Installment Purchase Contract with the Municipal Finance Corporation. In June 2016, the District paid off the 2007 Installment Purchase Contract with the Municipal Finance Corporation and refinanced the loan with PNC Bank (formerly Compass Bank), thereby, reducing the interest rate from 4.8% to 2.71%. The term of the loan did not change. MBC residents pay for all of the operating and debt service costs through the Ventura County property tax roll.

Budgetary Control

The District Board adopts a two-year annual budget generally in June. This budget serves as an essential tool for financial planning and control. The Board of Directors has full authority to approve additional appropriations to the budget during the fiscal year, while staff has limited appropriation authority.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

Ventura County – Located directly northwest of Los Angeles County, Ventura County covers 1,843 square miles and boasts 43 miles of Pacific Ocean coastline, 7.5 miles of shoreline in public beaches, and 411 acres in state beach parks. The majority of the County's 823,863 residents live in its southern half, while the Los Padres National Forest spans the northern half. An extensive network of roadways links the County's 10 incorporated cities, with rail, harbor, and airport facilities providing access to outside markets.

The economic growth of Ventura County is measured by aggregate changes in the production of goods and services. The National Gross Domestic Product (GDP) is the standard used to measure the U.S. economy. Similarly, regional economies are measured by the Gross County Product. The County's total estimated aggregated value has been hovering around \$65 billion for the past three years including 2023, still below the \$70 billion high back in 2007. Three important measures of economic vitality are population growth, domestic migration, and civilian labor force growth. Each of these measures already indicated a sustained period of economic weakness, going back to at least to 2013. The leading indicators of Ventura County's economic weakness continue to be labor force growth and net domestic migration. The real GDP for 2023 is 0.7% with an estimated 0.2% for 2024. The forecasted economic growth for Ventura County is estimated at -0.2% and -0.1% for 2025 and 2026, respectively. The County is forecasted to be lower than the national average of 2.1% and 1.4% for 2025 and 2026, as well as the California is estimates of 2.4% and 1.8% for 2025 and 2026.

Agriculture - Ventura County farmers grow over 100 different crops and often harvest two or three crops from the same parcel of land during any given year. Gross revenues over the past ten years have remained relatively flat, after a steady upward trend in previous years. While production costs have risen sharply, growers have not experienced a corresponding increase in revenue. In 2024, the estimated gross value for all agriculture in Ventura County was \$2.3 billion, increasing by 7.0% from 2023. Strawberries, retained the number one crop at \$709 million, decreasing by 3.0% from 2023. Avocados popped back into second place with a value of \$339 million, increasing by a stunning 170.0%. Nursery stock dropped into third place, decreasing by 10.0%, with a value of \$187 million. Celery remained in fourth place with a value of \$163 million, decreasing by 3.0%. Raspberries stayed in fifth place, decreasing 3.0%, with a \$162 million value. Lemons dropped from third place in 2023, into sixth place decreasing by 43.0%, to a value of \$118 million. Peppers continue to gain by moving into seventh place with a \$111 million value, increasing 91.0%. Blackberries dropped down to eighth place with a value of \$72 million, increasing by 2.0%. Blueberries

jumped back over tomatoes into ninth place with a \$47 million value, increasing by 46.0%. Tomatoes rounded off the top ten with a crop value of \$42 million and a 2.0% increase from 2023. About 4.0% of Ventura County industries are related to agriculture, fishing, forestry, and hunting. While the number of employed fieldworkers has dropped, the average salary has increased. Fruit and nut crops, vegetable crops, and field crops, showed a healthy 9.3% increase. Livestock, poultry and seafood, nursery stock, apiary products, and cut flowers all showed decreases, with a combined drop of 2.7% when compared to 2023.

Industrial Market – Manufacturing employment in Ventura County is comprised of pharmaceuticals development, advanced tools, paper products and food. The forecast calls for stable employment levels over the next several years. However, continued automation and lack of affordable housing for workforces does pose a potential risk of defection by large firms. Two of the largest projects coming to Ventura County, Rancho Conejo Life Sciences Campus in Thousand Oaks and the 101 Logistics Center in the Sakioka Farms Business Park will represent more than one million square feet of new industrial space that will extend the workforce base in the County over the next five years.

Income and Unemployment – With a labor force of about 426,000, Ventura County’s unemployment as of June 2025 sits at 5.0% up from 4.5% from a year ago. The unemployment rate has risen above the pre-pandemic lockdown rate of 3.7%, yet remains below the pandemic high of 11.8% at June 2020. It is estimated that Ventura County’s average unemployment rate will be 4.4% for 2025 through 2029. During 2024, Ventura County created 2,358 jobs, a modest 0.8% gain from 2023, and emblematic of many Southern California Counties. Ventura County’s non-farm job growth averaged about 1.1% across 2023 and 2024 and is highly concentrated in a single sector, Education & Health Services. Without the impressive 22,600 jobs created from 2007 to 2023, total jobs would have declined by 4,400. The job growth rate forecasted for 2025 is only 0.6%, following the 0.8% growth in 2024. The labor force is unlikely to outpace the demand as negative net migration continues contracting the population, reducing the pool of potential workers. California’s average monthly labor force growth in 2024 increased from 12,900 to 15,150 jobs, and June's year-over-year change in total non-farm jobs increased by 101,100 (or 0.6%) compared to the national gain of 1,809 million job (or 1.1%) increase. Compared to the pre-pandemic peak in February 2020, California’s relative ranking for employment recovery rose slightly to the 7th lowest among the states and DC. June, however, was the first time California employment was above the pre-pandemic levels, taking 64 months to fully recover from the state’s job closures and other restrictions during that period. The 2025 California Governor's economic forecast, particularly the May Revision, indicates a slowing economy with a significant impact from tariffs and federal policy uncertainty. Projections for 2025 include a slowdown in job growth, an increase in the unemployment rate, and higher inflation, with the state expected to add approximately 6,000 jobs per month. California’s unemployment rate at June 2025 rose slightly to 5.4%, compared to the national average of 4.1%, which decreased minimally from the previous year. Projected to rise through 2025 as tight financial conditions further soften the labor market and employment growth plateaus, the unemployment rate is projected to peak in late 2025 early 2026 at 5.8% to 6.2%.

The California Economic Forecast’s latest figures show that the median household income for Ventura County was \$131,600 in 2024. The 2025 median household income for Ventura County is estimated at \$132,715, which is about 14.1% higher than the median California household income and over 55% greater than the US median household income. Median family and per capita income for Ventura County in 2025 is estimated at \$85,305, 2.8% higher than 2024 actuals. Ventura County’s 2024 per capita income of \$82,946 was 3.0% lower than California’s average of \$85,518 and 13.3% higher than the national average of \$73,207.

Real Estate – While Ventura County continues to have one of the most restrictive land-use policies in the Nation new home production jumped in 2024 to 1,714 units from 1,192 units in 2023. According to the California Economic Forecast, it was an above average year for new housing and the biggest surge in apartment product since 2017, led by the Cities of Oxnard and Camarillo. The median home sale price in Ventura County was \$929,188 for 2024, a 3.4% increase from 2023. The existing home market for the County however, in the last two years remains at the lowest on record that starts in 1979 per the 2025 Ventura County Economic Outlook. The California median home price went up 6.1% year-over-year.

According to the California Association of Realtor’s “September 2025 Report” California’s median home price is projected to increase 1.0% from 2024. Further, existing, single-family home sales for 2025 are projected to increase 10.5% from 2024.

LONG-TERM FINANCIAL PLANNING

The District’s emphasis is to continue offering the highest level of service and lowest possible cost to our customers. The many challenges facing the District are, for the most part, multi-year issues that involve multi-year solutions. The most prominent financial challenges have been addressed by simply tying labor cost escalations to somewhat predictable revenue growth through five-year agreements with both customers and labor groups.

The District continues exploring opportunities to participate in revenue generating projects utilizing existing District resources with minimal investment or financial risk to the District. Additionally the District is continuously looking into technological advances or new methods for operations, closure or post-closure activities that can generate savings for the District.

District staff also provides a five-year operational forecast to the District Board as part of the budget process and approved by the District Board. Although the forecast only includes information gathered from historical data and known future expenses, it is an important tool to assist in planning the two-year budgets.

Finally, the Five-Year District Reserve analysis is also included as part of the budget process and approved by the District Board. The District’s Reserve Level Policy is a guideline District staff follows in maintaining reserves based on legal requirements, contractual agreements, Board’s direction and express authorization and cash reserves to cover operating shortfalls for short-term cash flow, and contingency planning for unforeseen situations. In May 2023, the District changed the financial assurance mechanism used to meet Cal Recycle’s requirements. The change in mechanism freed up monies held by the District for use in completing the final phase of the landfill expansion, thus eliminating the need to issue debt. The District has set aside funds that fully replenish reserves and ensures that all postclosure reserves are available upon the conclusion of operations at the Toland Road Landfill. As matter of policy, the Board has approved to first maintain and fund restricted reserves, then to fund the cash reserves to cover operating needs.

Solid Waste Operations

Toland Road Landfill – This is the only open solid waste facility operated by the District. The entire approved landfill footprint has been completed with little disruption to landfill operations, minimal dust and noise impacts on neighbors. The District’s waste disposal tipping fee remains very competitive compared to similar agencies. The tipping fees include solid waste facilities operations and maintenance costs, state and local regulatory agency fees, capital upgrade, and relevant future closure and post-closure costs. A table reflecting the District’s 10-year service charge rate history for non-contracted customers is located on page 90 of the Statistical Section.

Water & Wastewater Operations

The Water & Wastewater Division continues to aim for the long-term viability of its services in an increasingly competitive environment. On an annual basis, the District updates billing rates for its customers based on a pre-established inflationary indices. The District has also tied this division’s labor cost escalations to somewhat predictable revenue growth through five-year agreements with both customers and labor groups.

In FY2025 Water & Wastewater staff provided operational services for various member agencies, including, the City of Santa Paula, City of Thousand Oaks, Camrosa Water District, and Saticoy Sanitary District. The District has installed and operates an Onsite Wastewater Treatment System (OWTS) at Malibu Bay Club and operation services in Ventura County areas where it is not feasible to connect to sanitary sewers. The service agreement for the OWTS at Malibu Bay Club terminated in October 2025.

RELEVANT FINANCIAL POLICIES

The District Investment Policy's primary objectives are safety of principal while maintaining liquidity to meet all operating requirements, and attaining a market rate of return on its portfolio. The policy is in accordance with provisions of the California Government Code and updated annually. The Director of Finance directs the collection and disbursement of all monies into and out of the District treasury, makes investments, and opens and closes bank accounts as necessary to conduct the business of the District. The Board receives a monthly Investment Report and Quarterly Investment Portfolio Update presentation.

The District's Reserve Level Policy, last reviewed in June 2025, is an essential fiscal management guideline to maintain the District's credit worthiness, offset cyclical variations in revenue and expenses, to withstand economic downturns, and provide for cash flow needs. The District needs adequate reserves to ensure the District maintains a prudent level of financial resources to protect against reducing service levels or raising fees because of temporary revenue shortfalls or unexpected one-time expenses. The Board receives an annual reserve analysis during budget deliberations and/or when a major change in conditions threatens the reserve levels established in the policy.

The Personnel and Finance Committee of the District is comprised of the Chair of the Board and three members of the Board. The Committee provides recommendations to the Board regarding the budget, financial policies, billing rates, and fees.

AWARDS & ACKNOWLEDGMENTS

Independent Audit - The District is required to have an annual audit of the books of account, financial records, and transactions conducted by independent Certified Public Accountants selected by the Board of Directors. The unmodified opinion of the District's auditor—Chavan & Associates, LLP, Morgan Hill, California—is included in this report.

Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Ventura Regional Sanitation District for its Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2024. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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

Acknowledgements – The preparation and completion of this report would not have been possible without the dedicated and coordinated team efforts of the entire District staff. We would like to acknowledge the special efforts of the Finance Department staff, and our independent auditors, Chavan & Associates, LLP, for their assistance in the report preparation. These members have our sincere appreciation for the contributions made in the preparation of this report.

We also give recognition to the Board of Directors for its continued leadership, interest, and support in planning and conducting the financial operations of the District in a responsive and effective manner.


ERIC ZETZ
General Manager


ALVERTINA RIVERA
Director of Finance

Ventura Regional Sanitation District

Ventura County, California

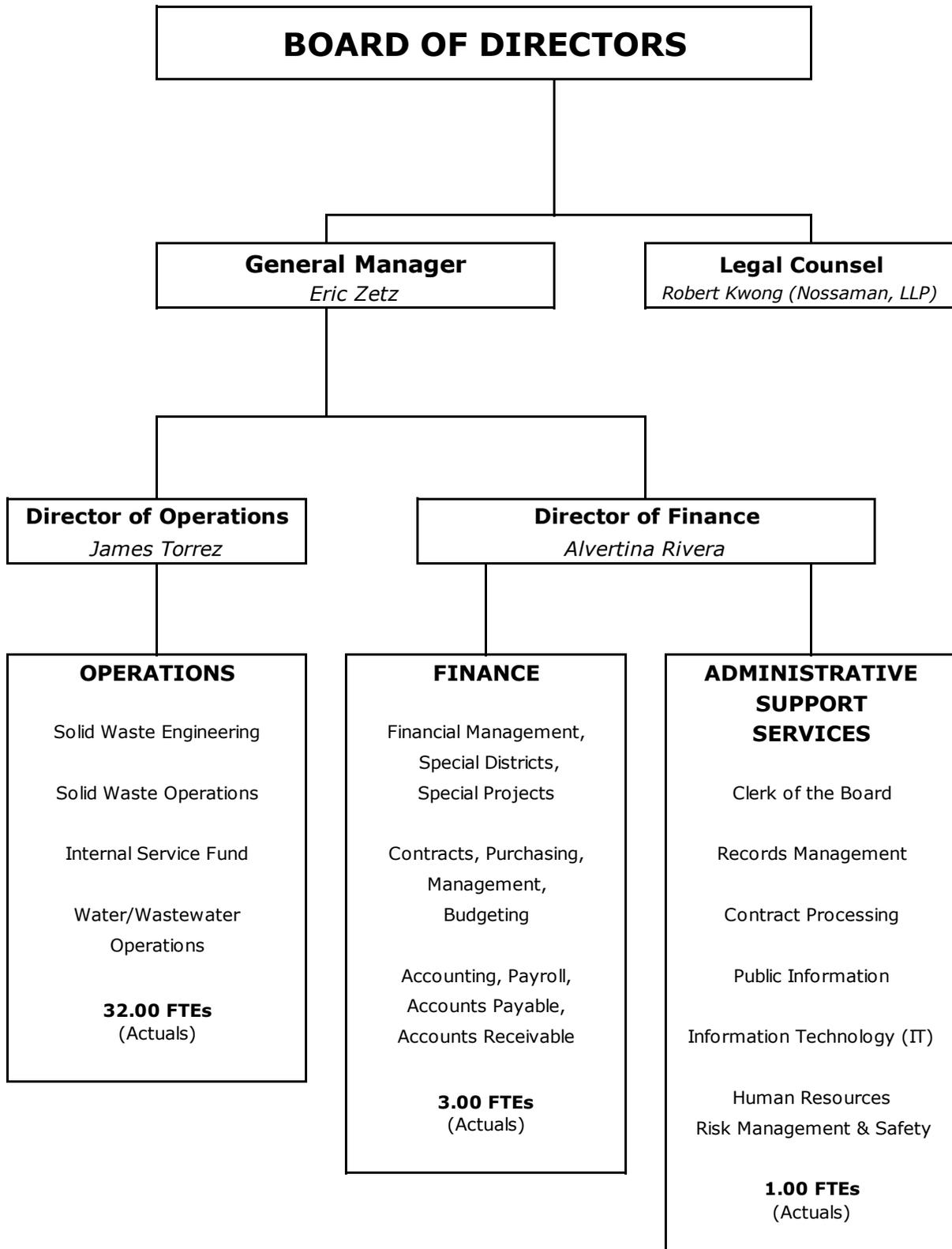
2025 Board of Directors as of June 30, 2025

David Newman <i>Chairperson</i>	City of Thousand Oaks
Christina Villaseñor <i>Vice-Chairperson</i>	City of Fillmore
Leslie Cornejo	City of Santa Paula
Doug Halter	City of Ventura
Kevin Kildee	City of Camarillo
Martha McQueen-Legohn	City of Port Hueneme
Andrew Nelson	Special District
Bert Perello	City of Oxnard
Andrew Whitman	City of Ojai

District Staff

Eric Zetz	General Manager	(805) 658-4600
Alvertina Rivera	Director of Finance	(805) 658-4646
James Torrez	Director of Operations	(805) 658-4679
Mayra Rodriguez	Clerk of the Board	(805) 658-4642
Robert Kwong	Legal Counsel	(805) 988-9886

Ventura Regional Sanitation District Organization Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Ventura Regional Sanitation District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

VENTURA REGIONAL SANITATION DISTRICT

Ventura County, California

SITES SERVED AND/OR OPERATED

- **Water and Wastewater Sites**

- Thousand Oaks
- Camrosa Water District Treatment Plant
- CSA No. 29 (North Coast) Collection System
- CWD No. 16 (Piru) Treatment Facility
- Saticoy Sanitary District Treatment Facility
- CWD No. 1 (Moorpark Area)
- City of Santa Paula
- Toland Water
- Malibu Bay Club

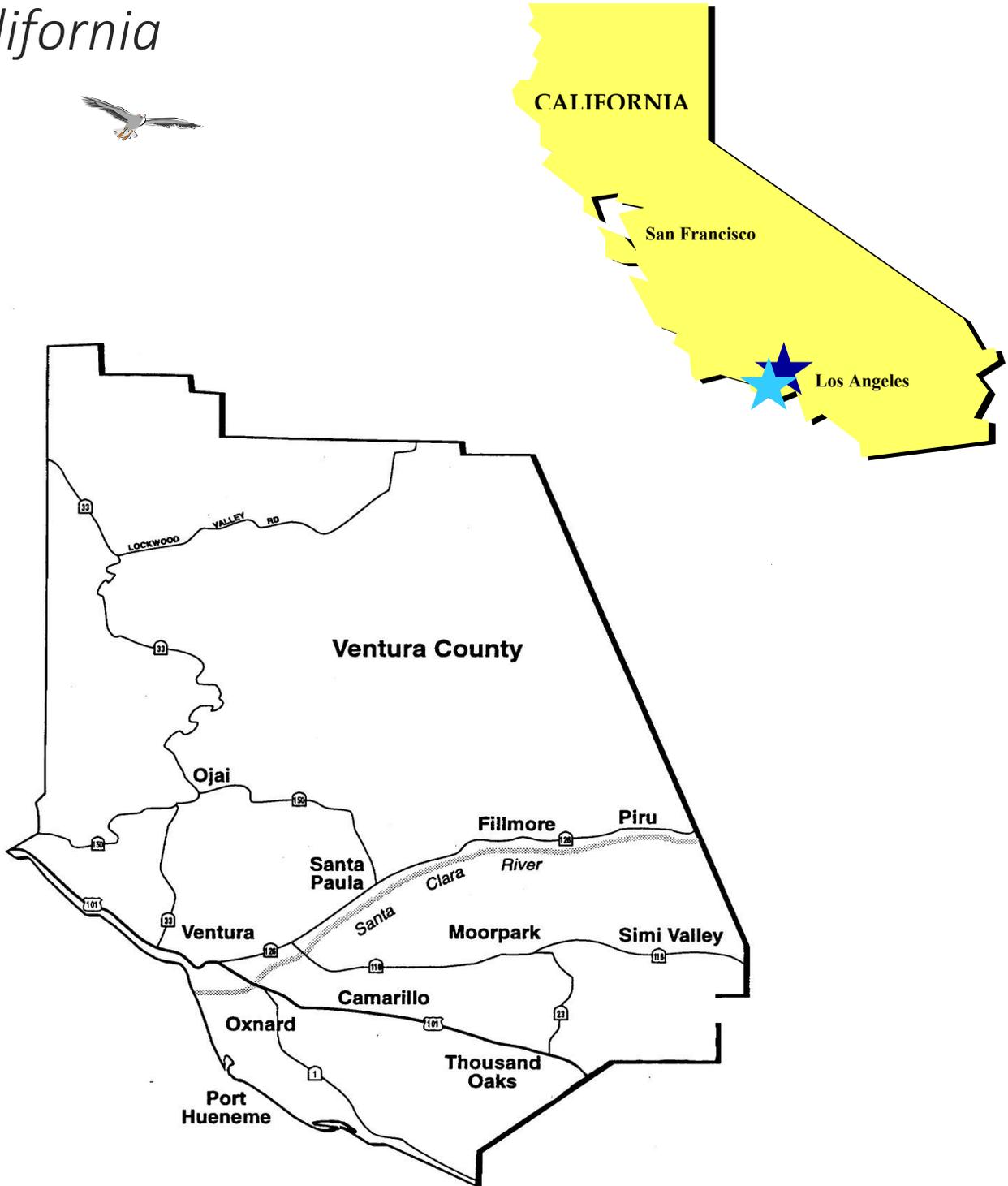
- **Solid Waste Sites**

- Santa Clara Site (Closed)
- Coastal Site (Closed)
- Bailard Site (Closed)
- Toland Road Sanitary Landfill
- Ozena Modified Landfill (Closed)
- Tierra Rejada Landfill (Closed)

- **Growth Projects**

- Onsite Wastewater Treatment Systems (OWTS)
- Environmental Monitoring & Source Control
- Specialized Paintings & Coatings
- Remote Telemetry & Controls
- Manhole Lining and Renewal

Ventura County, California





INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ventura Regional Sanitation District
Ventura, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the Ventura Regional Sanitation District (the District), as of and for the year ended June 30, 2025 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of Ventura Regional Sanitation District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Auditor's 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

District 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.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAGAS, 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, VCERA - Schedule of District's Proportionate Share of the Plan's Net Pension Liability and Related Ratios, VCERA - Schedule of Plan Contributions, PARS - Schedule of Changes in Net Pension Liability and Related Ratios, PARS - Schedule of Plan Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios, and OPEB - Schedule of Employer Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary



information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining Schedule of Net Position, Combining Schedule of Revenues, Expenses, Change in Net Position, and Combining Schedule of Cash Flows, Schedule of Tierra Rejada Closed Landfill – Mitigation and Monitoring Costs and Malibu Bay Club – Operating and Maintenance Costs are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Combining Schedule of Net Position, Combining Schedule of Revenues, Expenses, and Change in Net Position, Combining Schedule of Cash Flows and Schedule of Tierra Rejada Closed Landfill – Mitigation and Monitoring Costs and Malibu Bay Club – Operating and Maintenance Costs are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and Schedule of Tierra Rejada Closed Landfill – Mitigation and Monitoring Costs are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Comparative Information

The District's basic financial statements and related notes for the year ended June 30, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on November 26, 2024. Our opinion has not been modified with respect to this matter.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 the District's internal control over financial reporting and compliance.

C & A LLP

November 7, 2025
Morgan Hill, California

Management's Discussion and Analysis



Ventura Regional Sanitation District

Annual Comprehensive Financial Report
For the Fiscal Year Ended
June 30, 2025



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the Ventura Regional Sanitation District's (District) financial performance provides an overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. This section should be read in conjunction with the transmittal letter at the front of this report and the District's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- Assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$40.8 million (net position). The District's total net position increased by \$5.1 million, or 14.1%, resulting primarily from an increase in net capital assets, and a decrease in the net pension liability.
- During fiscal year (FY) 2025, the District's total revenues increased by \$1.9 million, or 9.9% primarily due to a \$2.4 million increase in disposal and sanitation fees. Increases were offset by \$162,000 decreases in water/wastewater contract services and a \$225,000 net reduction in the fair market value of the District's investment portfolio due primarily to a reduction in the overall portfolio size to fund capital projects.
- Total expenses decreased by 11.2%, or \$2.0 million, driven by significant reductions to condensate off-site hauling costs, as well as net changes to pension related activity.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of two components: 1) enterprise fund financial statements; and 2) notes to the basic financial statements. Required supplementary information, supplementary information, and statistical information are also included in the Annual Comprehensive Financial Report.

Basic Financial Statements The financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The basic financial statements can be found on pages 23-27 of this report.

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected assessments and earned but unused vacation leave).

The Statement of Cash Flows presents information about the District's cash receipts and cash payments during the reporting period. It shows the amount of cash received from services provided to customers, investment income including interest earnings as well as cash paid out for operating activities, debt financing, principal and interest payments on borrowed monies, and construction projects.

Notes to the Financial Statements Provide additional information that is essential to a full understanding of the data provided in the basic financial statements and are an integral part of the financial statements. The notes to the financial statements can be found on pages 28-70 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Required Supplementary Information Includes the Ventura County Employees' Retirement Association (VCERA) schedule of the District's proportionate share of the net pension liability and related ratios and schedule of the District's contributions, the Public Agency Retirement System (PARS) Retirement Enhancement Plan schedule of changes in net pension liability and related ratios and schedule of the District's contributions, and the schedule of total Other Post Employment Benefits (OPEB) liability and related ratios and schedule of the District's contributions. These schedules provide trend data on pension and OPEB liabilities, contributions, and payroll amounts as well as factors that significantly affect these trends. Required supplementary information can be found on pages 71-77 of this report.

Supplementary Information Includes the combining schedule statements for the different types of District operations, a mitigation and monitoring cost schedule for Tierra Rejada closed landfill, and an operating and maintenance cost schedule for Malibu Bay Club. Supplementary information can be found on pages 78-84 of this report.

Statistical Information is provided beginning on page 86 of this report.

FINANCIAL ANALYSIS OF THE DISTRICT

The Summary of Net Position and the Summary of Activities and Changes in Net Position report information about the District's current year activities and may serve over time as a useful indicator of the District's financial position. These two statements report the net position of the District and changes in them. Since the financial statements include a year-over-year comparison, this discussion and analysis presents three fiscal years of financial information. Specific attention is placed on comparing FY 2025 to FY 2024; however, analysis is provided comparing FY 2024 to FY 2023, when significant.

Summary of Net Position

A summary of net position is presented in the following table for your analysis.

Summary of Net Position

(In thousands of dollars)	2025	2024	\$ Change	% Change	2023
Assets					
Current assets	\$ 26,157	\$ 15,813	\$ 10,344	65.4%	\$ 9,709
Restricted current assets	4,693	15,109	(10,416)	-68.9%	11,362
Restricted non-current assets	1,244	3,769	(2,525)	-67.0%	6,568
Capital assets, net	41,978	35,155	6,823	19.4%	33,580
Non-current assets	3,311	3,847	(536)	-13.9%	10,757
Total assets	<u>77,383</u>	<u>73,693</u>	<u>3,690</u>	<u>5.0%</u>	<u>71,976</u>
Deferred outflows of resources	<u>2,363</u>	<u>1,105</u>	<u>1,258</u>	<u>113.8%</u>	<u>2,886</u>
Liabilities					
Liabilities payable from unrestricted current assets	2,642	4,053	(1,411)	-34.8%	3,789
Liabilities payable from restricted current assets	616	573	43	7.5%	584
Liabilities payable from unrestricted non-current assets	8,789	9,265	(476)	-5.1%	12,218
Liabilities payable from restricted non-current assets	23,885	23,076	809	3.5%	22,054
Total Liabilities	<u>35,932</u>	<u>36,967</u>	<u>(1,035)</u>	<u>-2.8%</u>	<u>38,645</u>
Deferred inflows of resources	<u>3,044</u>	<u>2,095</u>	<u>949</u>	<u>45.3%</u>	<u>1,602</u>
Net position					
Net investment in capital assets	38,476	29,046	9,430	32.5%	26,313
Restricted	2,179	1,874	305	16.3%	3,486
Unrestricted	115	4,816	(4,701)	-97.6%	4,816
Total net position	<u>\$ 40,770</u>	<u>\$ 35,736</u>	<u>\$ 5,034</u>	<u>14.1%</u>	<u>\$ 34,615</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Net position includes three components: *Net investment in capital assets; amounts restricted; and unrestricted amounts.*

By far the largest component of the District's net position at June 30, 2025, \$38.5 million, reflects capital assets net of accumulated depreciation less any outstanding debt used to acquire them. The District uses these capital assets to provide services to its constituency; consequently, they are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another component of the District's net position, Amounts Restricted, comprised of \$2.2 million, represents resources that are subject to external restrictions on how they may be used. Those amounts include loan agreements relating to long-term debt restricting certain amounts for debt service and trust accounts relating to retiree benefits. In addition, regulatory restrictions exist for anticipated closure and post closure costs, as well as conditional use permit requirements. These restricted amounts are not available for other uses by the District.

The third and last component of the District's net position is the Unrestricted Amount of \$0.1 million which may be used to meet the District's ongoing obligations to creditors and constituencies.

As can be seen from the summary table, net position increased \$5.1 million to \$40.8 million in FY 2025, up from \$35.7 million in FY 2024. More specifically, the chart identifies a \$3.7 million increase in assets, a \$1.0 million decrease in liabilities, and a net \$0.3 million decrease in deferred outflows/inflows activity.

Assets increased during FY 2025 primarily due to a net \$6.8 million increase in capital assets resulting from the completion of construction projects, offset by a net reduction in cash and cash equivalents to fund the completion of current year capital projects. Assets increased in FY 2024 mostly due to a net \$1.6 million increase in capital assets resulting from ongoing construction projects, as well as a \$0.3 million increase in accrued interest receivable due to a favorable return on investment.

The decrease in liabilities for FY 2025 was comprised of \$1.5 million in current year scheduled debt payments and \$1.2 million in accrued payables, offset by a \$616,000 increase in net pension liability and a \$1.0 million increase in landfill closure/postclosure reserves. Liabilities decreased during FY 2024 primarily due to a \$1.6 million decrease in the net pension liability and scheduled debt payments, offset by a \$1.2 million increase in landfill closure/postclosure reserves.

Lastly, the net change in deferred outflows/inflows was primarily a result of \$0.3 million and \$2.3 million in pension related items for FY 2025 and FY 2024, respectively.

Changes in Net Position of the District

While the Summary of Net Position shows the change in financial position, the Summary of Activities provides answers as to the nature and source of these changes.

The Summary of Activities and Changes in Net Position is presented in the following table for your analysis.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Summary of Activities and Changes in Net Position

(In thousands of dollars)

Revenues:	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2023</u>
Operating revenues					
Disposal and sanitation fees	\$ 15,262	\$ 12,912	\$ 2,350	18.2%	\$ 11,633
Contract services	3,688	3,850	(162)	-4.2%	4,351
Other revenue	452	487	(35)	-7.2%	1,135
Total operating revenues	<u>19,402</u>	<u>17,249</u>	<u>2,153</u>	<u>12.5%</u>	<u>17,119</u>
Non-operating revenues					
Interest and investment earnings	1,515	1,754	(239)	-13.6%	465
Gain on sales of capital assets, net	14	174	(160)	-92.0%	210
Other, net	139	-	139	100.0%	81
Total non-operating revenues	<u>1,668</u>	<u>1,928</u>	<u>(260)</u>	<u>-13.5%</u>	<u>756</u>
Total revenues	<u>21,070</u>	<u>19,177</u>	<u>1,893</u>	<u>9.9%</u>	<u>17,875</u>
Expenses:					
Operating expenses					
Salary and benefits	5,057	5,542	(485)	-8.8%	7,769
Services and supplies	1,563	2,980	(1,417)	-47.6%	2,844
Provision for landfill closure/postclosure	1,350	1,530	(180)	-11.8%	2,601
Other operating expenses	3,607	3,388	219	6.5%	3,882
Depreciation and amortization	4,316	4,413	(97)	-2.2%	4,354
Total operating expenses	<u>15,893</u>	<u>17,853</u>	<u>(1,960)</u>	<u>-11.0%</u>	<u>21,450</u>
Non-operating expenses					
Interest expense	121	181	(60)	-33.1%	246
Tierra Rejada Landfill expense	22	22	-	0.0%	192
Total non-operating expenses	<u>143</u>	<u>203</u>	<u>(60)</u>	<u>-29.6%</u>	<u>438</u>
Total expenses	<u>16,036</u>	<u>18,056</u>	<u>(2,020)</u>	<u>-11.2%</u>	<u>21,888</u>
Change in net position	5,034	1,121	3,913	349.1%	(4,013)
Net position, beginning of year	<u>35,736</u>	<u>34,615</u>	<u>1,121</u>	<u>3.2%</u>	<u>38,628</u>
Net position, end of year	<u>\$ 40,770</u>	<u>\$ 35,736</u>	<u>\$ 5,034</u>	<u>14.1%</u>	<u>\$ 34,615</u>

FY 2025 vs. FY 2024

Total revenues increased by \$1,893,000 or 9.9% with a \$2,153,000 increase in operating revenues, offset slightly by a \$260,000 decrease in non-operating revenues.

The District's operating revenue increase is due to several components a) a \$1,853,000 increase in disposal and sanitation fees due to an 11.5% increase in tonnage received resulting primarily from the Mountain Fire, b) a \$449,000 scheduled cost of living increase in disposal and sanitation rates, and c) \$48,000 in extended hours fee revenue related to the Mountain Fire debris. These increases were offset by a \$162,000 net decrease in contract services resulting from the reduction of operating and maintenance services provided to water/wastewater customers, and \$28,000 in proceeds received in the prior year for the repair of the Toland Landfill perimeter gate.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Non-operating revenues decreased primarily due to a \$225,000 reduction in the fair market value of the District's investment portfolio, when compared to the previous year, resulting from the use of portfolio assets to fund capital projects and other revenues received in the prior year from the disposal of several pieces of heavy equipment. These decreases were offset by \$109,000 CalOES proceeds received for the Toland mudslide damage in early 2024 and \$30,000 in COVID funds reimbursements for expenses incurred in FY 2021.

Total District expenses decreased by \$2,020,000, or 11.2% from FY 2024, with operating expenses decreasing by \$1,960,000 and non-operating expenses decreasing by \$60,000.

The decrease in operating expenses was mostly due to a \$1,303,000 decrease in condensate off-site hauling due to the completion of the Toland Flare and \$271,000 decrease in pension related expenses, followed by a \$199,000 decrease cost of salary and employee benefits, as well as, a \$180,000 decrease in the required landfill closure and postclosure reserves mandated by State law, offset by a \$219,000 increase in other operating expenses resulting primarily from increased tonnage received.

Non-operating expenses decreased by \$60,000 due to lower interest expense, resulting from the payoff of the biosolids drying facility and microturbine project loan in May 2024.

FY 2024 vs. FY 2023

Total revenues increased by \$1,302,000 or 7.3% with a \$130,000 increase in operating revenues and a \$1,172,000 increase in non-operating revenues.

Operating revenues increased due to an \$867,000 scheduled cost of living increase in disposal and sanitation rates and a \$412,000 increase in disposal and sanitation fees due to an increase in tonnage received. These increases were primarily offset by a \$501,000 net decrease in contract services resulting from the reduction of operating and maintenance services provided to Triunfo Water and Sanitation District and Top O'Topanga, as well as other revenues received in the prior year to fund slope repairs at the Tierra Rejada Landfill.

The non-operating revenues increased in FY 2024 due to an \$891,000 increase in the fair market value of the District's investment portfolio, when compared to the previous year as a result of continued favorable market conditions, and a \$398,000 increase in investment earnings due to the return on investment, offset by lower gains from disposal of several pieces of heavy equipment, when compared to FY 2023, as well as by revenues received in the prior year from insurance proceeds related to the Thomas Fire.

Total District expenses decreased by \$3,832,000, or 17.5% from FY 2023, with operating expenses decreasing by \$3,597,000 and non-operating expenses decreasing by \$235,000.

Operating expenses decreased mostly due to a \$2,105,000 decrease in pension related expenses, followed by a \$1,071,000 decrease in the required landfill closure and postclosure reserves mandated by State law, as well as a \$358,000 decrease in other operating expenses.

District non-operating expenses decreased \$163,000 due to expenses related to the Tierra Rejada Landfill recognized in the previous year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Assets

The District's investment in capital assets as of June 30, 2025, amounted to \$103.9 million (at cost) or \$42.0 million (net of accumulated depreciation). District's capital assets include land and land improvements, structures and improvements, construction in progress, equipment, vehicles, and infrastructures.

Capital assets are illustrated below and show changes from the prior year (in thousands):

Changes in Capital Assets

	<u>Balance 2024</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2025</u>
Capital asset changes for 2025:				
Non-depreciable assets	\$ 7,643	\$ 11,033	\$ (15,777)	\$ 2,899
Depreciable assets	85,188	15,883	(87)	100,984
Accumulated depreciation and amortization	<u>(57,676)</u>	<u>(4,316)</u>	<u>87</u>	<u>(61,905)</u>
Total capital assets, net	<u>\$ 35,155</u>	<u>\$ 22,600</u>	<u>\$ (15,777)</u>	<u>\$ 41,978</u>
	<u>Balance 2023</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2024</u>
Capital asset changes for 2024:				
Non-depreciable assets	\$ 4,845	\$ 3,113	\$ (315)	\$ 7,643
Depreciable assets	83,590	3,190	(1,592)	85,188
Accumulated depreciation and amortization	<u>(54,855)</u>	<u>(4,413)</u>	<u>1,592</u>	<u>(57,676)</u>
Total capital assets, net	<u>\$ 33,580</u>	<u>\$ 1,890</u>	<u>\$ (315)</u>	<u>\$ 35,155</u>

Major capital asset events during the current fiscal year include the following:

- Completion of Toland Road Landfill Flare Replacement and Gas Collection System
- Completion of Toland Landfill Phase 4C/D Construction
- Expansion of the Toland Landfill Gas System

The prior year's major capital asset transactions included:

- Continuation of Toland Road Landfill Flare Replacement and Gas Collection System
- Continuation of Toland Landfill Phase 4C/D Construction
- Construction and Completion of the Toland Landfill West Perimeter Slope
- Purchase of an 826 Compactor and 627K Scraper

Additional information about the District's capital assets is provided in Note 5 of the Notes to the Basic Financial Statements.

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Debt Administration

The District’s total debt outstanding at June 30, 2025, was \$3.4 million excluding capital leases, compensated absences, and other liabilities. During the year, retirement of debt amounted to \$1,490,462.

The table below summarizes the debt outstanding balances at June 30, 2025.

Summary of Long-term Debt

Direct borrowings:	2025	2024	Payments/ Deletions	% Change	2023
<u>Description of project</u>					
Malibu Bay Club	\$ 371,010	\$ 549,158	\$ (178,148)	-32.4%	\$ 722,575
Biosolids Drying Facility/ Microturbine Project	-	-	-	0.0%	771,857
Toland Landfill 3B Liner	211,655	626,026	(414,371)	-66.2%	1,028,756
Toland Landfill 4A Liner	2,856,561	3,754,504	(897,943)	-23.9%	4,626,617
Total long-term debt	<u>\$ 3,439,226</u>	<u>\$ 4,929,688</u>	<u>\$(1,490,462)</u>	<u>-30.2%</u>	<u>\$ 7,149,805</u>

Additional information on long-term debt is provided in Note 6 of the Notes to the Basic Financial Statements.

Economic Factors and Next Year’s Budgets and Rates

- The District’s fiscal year 2025-26 Adopted Budget totals \$19,136,569, representing a 3.2% increase when compared to the prior year.
- Malibu Bay Club monthly sewer service charge per residential unit remains unchanged at \$134.35, effective July 1, 2025 through October 31, 2025 when the District’s service agreement with Malibu Bay Club terminated.
- The District’s billable hourly and equipment usage rates for fiscal year 2025-26, effective July 1, 2025, increased by 3.30% when compared to fiscal year 2024-25.

The Board held meetings to assess the available working capital, the operating and capital needs of the District, potential customer growth, potential regulatory impact, and the uncertainty of the current economy. Additional information is provided in the transmittal letter on Page 1 of this report and Notes 1 of the Notes to the Basic Financial Statements.

Requests for Information

This financial report is designed to provide a general overview of the District’s finances for all those interested. Questions concerning any of the information provided should be addressed to the Director of Finance, Ventura Regional Sanitation District, 4105 W. Gonzales Road, Oxnard, California, 93036-2748. You may also visit the District’s Web site at www.vrsd.com.

Basic Financial Statements



Ventura Regional Sanitation District

Annual Comprehensive Financial Report
For the Fiscal Year Ended
June 30, 2025



VENTURA REGIONAL SANITATION DISTRICT

STATEMENT OF NET POSITION June 30, 2025 (with comparative data for June 30, 2024)

ASSETS	2025	2024
Current assets:		
Cash and cash equivalents	\$ 24,198,037	\$ 13,518,799
Accrued interest receivable	104,434	399,282
Accounts receivable – disposal and sanitation fees, net	1,070,804	984,368
Accounts receivable – contract services and other, net	482,136	676,711
Prepaid and other	301,490	234,080
Total current assets – unrestricted	26,156,901	15,813,240
Restricted current assets:		
Cash and cash equivalents	954,870	7,574,325
Investments	3,543,219	7,313,242
Notes receivable	194,988	191,204
Accrued interest receivable	-	30,210
Total current assets – restricted	4,693,077	15,108,981
Total current assets – unrestricted and restricted	30,849,978	30,922,221
Non-current assets:		
Investments	3,310,671	3,846,598
Capital assets, net	41,978,169	35,154,622
Total non-current assets – unrestricted	45,288,840	39,001,220
Restricted non-current assets:		
Investments	-	2,821,327
Notes receivable	188,002	371,010
Net OPEB asset	1,056,375	577,066
Total non-current assets – restricted	1,244,377	3,769,403
Total non-current assets – unrestricted and restricted	46,533,217	42,770,623
Total assets	\$ 77,383,195	\$ 73,692,844
DEFERRED OUTFLOWS OF RESOURCES		
OPEB related	\$ 132,945	\$ 286,119
Pension related	2,226,974	814,654
Loss on refunding of debt	2,768	4,338
Total deferred outflows of resources	\$ 2,362,687	\$ 1,105,111

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

VENTURA REGIONAL SANITATION DISTRICT

STATEMENT OF NET POSITION (continued) June 30, 2025 (with comparative data for June 30, 2024)

LIABILITIES	2025	2024
Current liabilities:		
Payable from current assets:		
Accounts payable and accrued expenses	\$ 1,100,920	\$ 2,139,739
Accrued wages and compensated absences	367,138	550,223
Accrued interest payable	37,817	50,278
Installment sale agreement – current portion	1,136,191	1,312,313
Payable from current assets – unrestricted	2,642,066	4,052,553
Payable from restricted current assets:		
Customer deposits	72,570	67,081
Landfill closure/postclosure costs – expected within one year	360,011	327,693
Installment purchase contract – current portion	183,008	178,148
Payable from current assets – restricted	615,589	572,922
Total current liabilities – unrestricted and restricted	3,257,655	4,625,475
Noncurrent Liabilities:		
Payable from non-current assets:		
Net pension liability	6,600,664	5,985,153
Installment sale agreement	1,932,025	3,068,217
Accrued wages and compensated absences	256,556	211,631
Payable from non-current assets – restricted	8,789,245	9,265,001
Payable from restricted non-current assets:		
Tierra Rejada landfill reserve	121,002	86,734
Landfill closure/postclosure costs	23,575,983	22,618,418
Installment purchase contract	188,002	371,010
Payable from non-current assets – restricted	23,884,987	23,076,162
Total non-current liabilities – unrestricted and restricted	32,674,232	32,341,163
Total liabilities	\$ 35,931,887	\$ 36,966,638
DEFERRED INFLOWS OF RESOURCES		
OPEB related	\$ 1,177,940	\$ 915,120
Pension related	1,866,135	1,179,991
Total deferred inflows of resources	\$ 3,044,075	\$ 2,095,111
Net Position		
Net Investment in Capital Assets	\$ 38,475,590	\$ 29,045,620
Restricted for:		
OPEB	1,056,375	577,066
Debt service	382,990	562,214
Conditional use permit for landfill	725,950	725,950
Malibu bay club	13,775	8,675
Unrestricted amounts	115,240	4,816,681
Total net position	\$ 40,769,920	\$ 35,736,206

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

VENTURA REGIONAL SANITATION DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

	2025	2024
Operating revenues:		
Disposal and sanitation fees	\$ 15,261,771	\$ 12,912,030
Contract services	3,687,418	3,850,329
Other revenue	452,386	486,882
Total operating revenues	19,401,575	17,249,241
Operating expenses:		
Salaries and benefits	5,057,082	5,541,868
Management and administrative	403,296	424,110
Services and supplies	1,562,966	2,979,759
Professional services	783,219	906,585
Facility maintenance	1,223,815	989,981
Provision for landfill closure/postclosure	1,350,249	1,530,088
Permits, licenses and fees	1,195,982	1,067,234
Total operating expenses	11,576,609	13,439,625
Operating income before depreciation and amortization	7,824,966	3,809,616
Depreciation and amortization	(4,315,839)	(4,412,832)
Operating Income (Loss)	3,509,127	(603,216)
Nonoperating revenues (expenses):		
Interest and investment earnings	1,514,845	1,753,419
Gain (loss) on sales/disposals of capital assets, net	14,401	173,800
Interest expense	(121,618)	(180,874)
Tierra Rejada Landfill expense	(21,546)	(21,804)
Other revenue	138,505	-
Total nonoperating revenues (expenses), net	1,524,587	1,724,541
Change in net position	5,033,714	1,121,325
Beginning net position	35,736,206	34,614,881
Ending net position	\$ 40,769,920	\$ 35,736,206

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

VENTURA REGIONAL SANITATION DISTRICT

STATEMENT OF CASH FLOWS

Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

	2025	2024
Cash flows from operating activities:		
Receipts from customers for disposal and sanitation services	\$ 15,180,824	\$13,020,917
Receipts from customers for contract services	3,906,784	4,273,070
Receipts for other services	427,593	486,882
Payments to vendors for materials and services	(6,484,645)	(5,722,660)
Payments for salaries, benefits and contract labor	(5,369,221)	(5,450,706)
Net cash provided by operating activities	7,661,335	6,607,503
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(11,139,386)	(5,987,307)
Principal received on notes receivable	179,224	168,555
Proceeds from the sale of capital assets	14,401	173,800
Principal paid on capital debt	(1,490,462)	(2,220,117)
Interest paid on capital debt	(132,508)	(187,998)
Net cash (used) by capital and related financing activities	(12,568,731)	(8,053,067)
Cash flows from investing activities:		
Interest and dividends from investments	1,839,901	1,445,122
Proceeds from sales and maturities of investments	7,127,278	11,014,671
Net cash provided by investing activities	8,967,179	12,459,793
Net increase (decrease) in cash and cash equivalents	4,059,783	11,014,229
Cash and cash equivalents (unrestricted and restricted), beginning of year	21,093,124	10,078,895
Cash and cash equivalents (unrestricted and restricted), end of year	\$ 25,152,907	\$21,093,124
Reconciliation of cash and cash equivalents to statement of net position:		
Cash and cash equivalents	\$ 24,198,037	\$13,518,799
Restricted cash and cash equivalents	954,870	7,574,325
Total cash and cash equivalents	\$ 25,152,907	\$21,093,124

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

VENTURA REGIONAL SANITATION DISTRICT

STATEMENT OF CASH FLOWS (continued)

Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

	2025	2024
Reconciliation of operating income to cash flows provided by operating activities:		
Operating income (loss)	\$ 3,509,127	\$ (603,216)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	4,315,839	4,412,832
Other non-operating revenues and expenses, net	116,959	(21,804)
Changes in assets and liabilities:		
Change in assets - (increase)decrease:		
Accounts receivable – disposal and sanitation fees, net	(86,436)	101,979
Accounts receivable – contract services and other, net	194,575	422,741
Prepaid and other	(67,410)	42,889
Net OPEB asset	(479,309)	(571,083)
Deferred outflows		
Change in liabilities - increase(decrease):		
Accounts payable and accrued expenses	(1,038,819)	975,789
Accrued wages and compensated absences	(138,160)	(5,565)
Customer deposits	5,489	6,908
Net pension liabilities	615,511	(1,598,373)
Tierra Rejada Landfill reserve	34,268	9,438
Landfill closure/postclosure costs	989,883	1,168,785
Deferred inflows	948,964	493,056
Net Cash Provided (Used) by Operating Activities	\$ 7,661,335	\$ 6,607,503
Noncash investing, capital, and financing activities:		
Fair value adjustment of investments	\$ 523,608	\$ 748,297

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

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Ventura Regional Sanitation District (District) was formed in 1970 under the County Sanitation District Act, California Health & Safety Code 4700 et seq., to coordinate wastewater disposal services within Ventura County. Solid waste management responsibilities were added in 1972. The District provides services to the general public, private industry and various governmental entities. The District's nine-member Board of Directors (Board) is composed of one representative from each of the eight member cities and one representative of special districts in Ventura County.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards. The District is the primary governmental unit based on the foundation of a separately appointed governing board. Component units are legally separate Districts for which the governing board of the primary government is financially accountable. The District is financially accountable if it appoints a voting majority of the District's governing body and: 1) It is able to impose its will on that District, or 2) There is a potential for the District to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

The Ventura Regional Public Facilities Corporation (Corporation) was formed on October 25, 1989, to facilitate the issuance of certificates of participation for the acquisition, construction, operation and maintenance of facilities, equipment, or other property needed by the District and leasing or selling such property to the District. As such, it has no employees or other operations. Although the Corporation is legally separate, it is included as a blended component unit of the District, as it is in substance part of the District's operations. There were no outstanding certificates of participation at June 30, 2025 and 2024. No separate financial statements are prepared for the Corporation.

B. Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing sanitation and contract services to its customers on a continuing basis be financed or recovered primarily through user charges (charges for services), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Ventura Regional Sanitation District, for the sanitation and service contracts, are charges to customers for sales and services. Operating expenses for enterprise funds included 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.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

C. Financial Reporting

The District's basic financial statements are presented in conformance with the provisions of Governmental Accounting Standards.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

Current assets - unrestricted:

Cash and cash equivalents - For purposes of reporting cash flows, the District considers cash and funds invested in the State of California's Asset Management Program (CAMP), the Local Agency Investment Fund (LAIF), and money market funds to be cash equivalents. In addition, all investments with an original maturity of three months or less when purchased are considered cash equivalents.

Investments - Investments are stated at fair value, which is based on quoted market prices as of the valuation date. The gain/loss resulting from valuation is reported in the revenue account "Interest and investment earnings" on the accompanying Statement of Revenues, Expenses and Changes in Net Position.

Accounts receivable - These amounts are comprised of services provided to customers at the District's Toland Road Landfill, services to other governmental agencies by contract and other amounts due under other operating agreements, such as landfill gas royalties, and are shown net of allowance for uncollectible accounts, if applicable.

Prepaid expenses - Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

Current assets - restricted:

Notes receivable - Include amounts due from the Malibu Bay Club Assessment District for the costs of constructing an onsite wastewater treatment system for the Malibu Bay Club, a California non-profit mutual benefit corporation.

Current liabilities - payable from current assets:

Accounts payable and accrued expenses - Accounts payable and accrued expenses - An estimated loss is recorded in this category, net of insurance coverage and inclusive of an estimate for incurred but not reported claims, when it is probable that a claim liability has been incurred and the amount of the loss can be reasonably estimated.

Accrued wages and compensated absences - The District's personnel policies provide for accumulation of comprehensive annual leave (CAL). The District's policy does not offer separate vacation and sick pay, the CAL plan is all inclusive. Cash payment of unused CAL is available to those employees who retire or otherwise terminate their employment. Liabilities for CAL is payable upon termination and recorded when benefits are earned. A portion of CAL, based on a 3-year average is recorded as a current liability with the balance reported as a non-current liability.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Current liabilities - payable from restricted current assets:

Customer deposits - The District requires landfill customers to provide a security deposit to activate a charge account. The security deposit can be in the form of cash, certificate of deposit (payable to and held by the District), bonds and/or a letter of credit. The cash deposits are carried on the Statement of Net Position as restricted current assets. The portion of deposits covered by certificates of deposit (held in the customer's name), bonds and letters of credit were \$426,000 at June 30, 2025 and 2024, and are not carried on the Statement of Net Position.

Landfill Closure/Postclosure Costs - expected within one year - This is the amount approved in the District's annual budget for expected closure/postclosure costs for all landfills for the next fiscal year.

E. Capital assets

Property and equipment with a cost of \$5,000 or more and a life greater than three years are capitalized and stated at cost, except for the portions acquired by contribution, which are reported at their fair market value on the date received. Donated assets are valued at acquisition value on the date donated. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is computed using the straight-line method over estimated useful lives of the assets as shown below:

Sewage treatment facility	40 years
Structure and improvements	3 to 30 years
Equipment	3 to 15 years

Property and equipment having a cost of less than \$5,000 and all equipment purchased for the District's clients and other entities under various contracts is reported in the expense category "Contracted services - materials and supplies" on the Statement of Revenues, Expenses and Changes in Net Position. Reimbursements from such other entities for these costs are included in the revenue category "Contract services".

F. Construction in progress

Costs associated with developmental stage projects are accumulated in an in-progress account until the project is fully developed. Once the project is complete, the entire cost of the project is transferred to a capital asset account and depreciated over its estimated useful life. The District is continuing the expansion of the Toland Road Landfill and is estimated to have landfill capacity until approximately 2040.

G. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial asset element, deferred outflows of resources, represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expenses) until then. The District currently has pension related, OPEB related and loss on refunding of debt deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

resources, represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District currently has pension related and OPEB related deferred inflows of resources.

H. Net Position

The statement of net position is designed to display the financial position of the District. The District's net position is classified into three categories as follows:

- **Net Investment in Capital Assets** – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the debt outstanding that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position, as applicable.
- **Restricted** – This component of net position consists of constraints placed on an assets use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or law and regulations of other governments, and reduced by liabilities and deferred inflows of resources related to those assets. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.
- **Unrestricted** – This component of net position consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

I. Benefits

Pensions - For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's Ventura County Employee's Retirement Association (VCERA) and PARS plan (Plans) and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

	<u>VCERA</u>	<u>PARS</u>
Valuation Date	June 30, 2024	June 30, 2025
Measurement Date	June 30, 2024	June 30, 2025
Measurement Period	July 1, 2023 to June 30, 2024	July 1, 2024 to June 30, 2025

Other Postemployment Benefits Other Than Pensions (OPEB) - For purposes of measuring the net OPEB liability, deferred outflows of resources, deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Retiree Health Plan and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

GASB requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2025
Measurement Date	June 30, 2025
Measurement Period	July 1, 2024 to June 30, 2025

J. Use of estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

K. Capital contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies or real estate developers desiring services that require capital expenditures or capacity commitment.

L. Budgetary policies

The District adopts an annual budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services, with the exception of non-cancelable orders.

M. Net position flow assumption

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

N. Comparative Data/Reclassifications

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included in the accompanying financial statements for the prior year has been restated to appropriately present net investment in capital, restricted net position and unrestricted net position, which has been presented for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's prior year financial statements, from which this selected financial data was derived.

O. Implementation of New Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences* - During the year, the Agency implemented GASB Statement No. 101 *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2)

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This statement did not have a material impact on the financial statements.

GASB Statement No. 102, *Certain Risk Disclosures* - This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions for (1) the concentration or constraint (2) each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements (3) actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

The implementation of this standard did not have a material impact on the District's financial statements and management determined there were no were concentrations or constraints that make the City vulnerable to the risk of substantial impact.

P. Upcoming Accounting Pronouncements

The District is currently analyzing its accounting practices to identify the potential impact on the financial statements of the following GASB Statements:

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

GASB Statement No. 103, *Financial Reporting Model Improvements* -This Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

This Statement establishes new accounting and financial reporting requirements or modifies existing requirements related to (a) Management's discussion and analysis (MD&A) (b) Unusual or infrequent items (c) Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position (d) Information about major component units in basic financial statements (5) Budgetary comparison information (6) Financial trend information in the statistical section. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* - This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

NOTE 2 – CASH AND INVESTMENTS

The District's cash and investments were comprised of the following as of June 30, 2025 and 2024:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Cash and cash equivalents	\$ 24,198,037	\$ 13,518,799
Restricted cash and cash equivalents	954,870	7,574,325
Investments	3,310,671	3,846,598
Restricted investments	<u>3,543,219</u>	<u>10,134,569</u>
Total cash and investments	<u>\$ 32,006,797</u>	<u>\$ 35,074,291</u>

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

The District's cash and cash equivalents consist of the following as of June 30, 2025 and 2024:

	June 30, 2025	June 30, 2024
Cash and cash equivalents:		
Local Agency Investment Fund (LAIF)	\$ 1,224,660	\$ 1,812,579
Ventura County Treasury Pool	67,030	63,798
California Asset Management Program (CAMP-Pool)	8,044,994	11,126,293
California Asset Management Program (CAMP-Term)	12,000,000	7,500,000
Sweep account	3,799,306	581,224
Claims cash account	16,917	9,230
Total cash and cash equivalents	\$ 25,152,907	\$ 21,093,124

The District's cash and cash equivalents consist of the following as of June 30, 2025 and 2024:

	June 30, 2025	June 30, 2024
Deposits with financial institutions:		
Sweep account	\$ 3,799,306	\$ 581,224
Claims cash account	16,917	9,230
Investments:		
Federal Agency	1,174,487	2,620,045
Municipal Bonds	69,187	685,036
Asset-Backed	-	193,947
Corporate Notes	1,178,668	2,536,003
U.S. Treasury Notes	3,646,118	6,391,698
Supranational Obligations	-	799,755
Certificates of deposits	785,430	754,683
California Asset Management Program (CAMP-Pool)	8,044,994	11,126,293
California Asset Management Program (CAMP-Term)	12,000,000	7,500,000
Local Agency Investment Fund (LAIF)	1,224,660	1,812,579
Ventura County Treasury Pool	67,030	63,798
Total cash and investments	\$ 32,006,797	\$ 35,074,291

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

The following table identifies the investment types that are authorized by the District in accordance with the California Government Code (or District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provision of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Authorized Investment Types	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Government Securities	5 years	None	None
U.S. Agency Securities	5 years	None	None
State Municipal Securities	5 years	None	None
LAIF	5 years	None	None
Ventura County Investment Pool	5 years	None	None
Local Agency Municipal Securities	5 years	None	5%
Non-Negotiable Certificates of Deposit	1 years	20%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Corporate Notes	5 years	30%	5%
Mutual Funds	N/A	20%	5%
Asset-Backed Securities	5 years	20%	5%
Supranational	5 years	30%	None

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investment 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 investment pools (such as LAIF). 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 provisions 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 individual collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market 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 governmental deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2025, all of the District's deposits with financial institutions in excess of federal depository insurance limits were collateralized by an interest in an undivided collateral pool as required by State law.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Cash and Cash Equivalents

At June 30, 2025 and 2024, the carrying amount of cash in banks was \$3,816,223 and \$590,454, respectively, and the corresponding bank balance was \$3,870,650 and \$604,480. The difference between the carrying amount of cash in banks and the corresponding bank balance is due to deposits in transit and outstanding checks.

Investment in Ventura County Treasurer Investment Pool

The District is a voluntary participant in the Ventura County Treasurer's investment pool, which complies with the requirements of the California Government Code. Investments are stated at fair value. The fair value of the District's position in the pool is the same as the value of the pool shares. The District maintains a separate balance and investment income is allocated on a pro rata basis. Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments is required under generally accepted accounting principles. The District's deposits in the fund are considered highly liquid.

All wire transfer requests must be delivered to the Auditor's office for transmission the following banking day as follows:

- Wire transfers less than \$200,000 by 3:00 p.m. the previous day.
- Wire transfers \$200,000-\$1,000,000 require a minimum of 24 hours advance notice.
- Transfers greater than \$1,000,000 require a minimum of 1-week advance notice.
- Transfers greater than \$10,000,000 require a minimum of 2 weeks advance notice.
- Deviations from the above schedule or estimated dollar values requires advance approval.

Additional information about the Ventura County investment pool can be obtained from the County of Ventura, California – Treasurer-Tax Collector, 800 South Victoria Avenue, California 93009.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying basic financial statements at amounts based on 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.

Included in LAIF's investment portfolio are structured notes and other asset-backed securities and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. The total amount invested by all public agencies in LAIF at June 30, 2025 and 2024 is \$24.5 billion and \$21.9 billion, respectively. LAIF is a part of the California Pooled Money Investment Account (PMIA), which at June 30, 2025 and 2024 had a balance of \$178.1 billion and \$178 billion, respectively. Of that amount, 2.02% and 1.79%, respectively, is invested in medium-term and short-term structured notes and asset-backed securities as of June 30, 2025. The average maturity of PMIA investments is 248 days and 217 days as of June 30, 2025 and 2024, respectively.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

The Agency's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transactions processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of \$5,000, in increments of a \$1,000 dollars.
- Withdrawals of \$10,000,000 or more require 24 hours advance notice.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction.

The District's proportionate share of LAIF's market value was \$1,224,660 and \$1,812,579 at June 30, 2025 and 2024, respectively. The amounts invested in the California LAIF are not subject to categorization as they do not represent specifically identifiable investment securities.

Investment in California Asset Management Program

The District is a voluntary participant in the California Asset Management Program (CAMP), which is a California, Joint Powers Authority established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Government Code Section 53601(p) and is overseen by a seven member Board of Trustees.

Investments are stated at fair value. The fair value of the District's position in the pool is the same as the value of the pool shares. The District maintains a separate balance and investment income is allocated on a pro rata basis. Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments is required under generally accepted accounting principles. The District's deposits in the fund are considered highly liquid.

The income, gains, and losses net of administration fees, are allocated based upon the participant's average daily balance. Participants share proportionally in any realized gains or losses on investments. Deposits in CAMP are not insured or otherwise guaranteed by the State of California. The fair value of the CAMP investment pools are approximately equal to the value of the pooled shares.

CAMP's deposit and withdrawal restrictions and limitations are as follows:

- Wire transfer orders can be processed the same Business Day if they are received and accepted by the Investment Adviser by 11:00 a.m. Pacific Time and if the Pool's Custodian receives federal funds by wire prior to the close of business.
- Wire orders received after 11:00 a.m. Pacific Time are processed on the next Business Day.
- ACH transfer orders are processed on the next Business Day if requested by 1:00 p.m. Pacific Time.
- ACH orders received after 1:00 p.m. Pacific Time are processed on the second Business Day after the Business Day on which they are received.
- CAMP does not limit the District's number of transactions.
- No one CAMP Shareholder can hold more than 10% of the entire CAMP Pool Holdings.

The District's proportionate share of CAMP's market value was \$20,044,994 and \$18,626,293 at June 30, 2025 and 2024, respectively. The amounts invested in CAMP are not subject to categorization or level 1, 2 or 3 of the fair value hierarchy as they do not represent specifically identifiable investment securities.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates and 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 rate risk is by purchasing a combination of shorter and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investment by maturity date:

<u>Investment Type</u>	Fair Value	Remaining Maturity (in months)		
	Total	12 or Less	13-24	25-60
Federal Agency	\$ 1,174,487	\$ 932,572	\$ 241,915	\$ -
Municipal Bonds	69,187	69,187	-	-
Corporate Notes	1,178,668	147,110	526,192	505,366
U.S. Treasury Notes	3,646,118	1,608,922	2,037,196	-
Certificates of deposits	785,430	785,430	-	-
California Asset Management Program (CAMP-Pool)	8,044,994	8,044,994	-	-
California Asset Management Program (CAMP-Term)	12,000,000	12,000,000	-	-
Local Agency Investment Fund (LAIF)	1,224,660	1,224,660	-	-
Ventura County Treasury Pool	67,030	67,030	-	-
Total Investments at June 30, 2025	<u>\$ 28,190,574</u>	<u>\$ 24,879,905</u>	<u>\$ 2,805,303</u>	<u>\$ 505,366</u>

<u>Investment Type</u>	Fair Value	Remaining Maturity (in months)		
	Total	12 or Less	13-24	25-60
Federal Agency	\$ 2,620,045	\$ 1,498,796	\$ 890,379	\$ 230,870
Municipal Bonds	685,036	618,932	66,104	-
Asset-Backed	193,947	-	40,679	153,268
Corporate Notes	2,536,003	739,338	630,309	1,166,356
U.S. Treasury Notes	6,391,698	2,901,738	1,533,695	1,956,265
Supranational Obligations	799,755	799,755	-	-
Certificates of deposits	754,683	754,683	-	-
California Asset Management Program (CAMP-Pool)	11,126,293	11,126,293	-	-
California Asset Management Program (CAMP-Term)	7,500,000	7,500,000	-	-
Local Agency Investment Fund (LAIF)	1,812,579	1,812,579	-	-
Ventura County Treasury Pool	63,798	63,798	-	-
Total Investments at June 30, 2024	<u>\$ 34,483,837</u>	<u>\$ 27,815,912</u>	<u>\$ 3,161,166</u>	<u>\$ 3,506,759</u>

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

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 District. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy and the actual rating as of year-end for each investment type:

Investment Type	Total as of June 30, 2025	Minimum Legal Rating	Exempt From Disclosure	AAA	AA- to AA+	A- to A+	BBB+	Not rated
Federal Agency	\$ 1,174,487	A	\$ -	\$ -	\$1,174,487	\$ -	\$ -	\$ -
Municipal Bonds	69,187	A	-	-	69,187	-	-	-
Corporate Notes	1,178,668	A	-	-	251,492	927,176	-	-
U.S. Treasury Notes	3,646,118	N/A	3,646,118	-	-	-	-	-
Certificates of deposits	785,430	N/A	-	-	-	-	-	785,430
California Asset Management Program (CAMP-Pool)	8,044,994	N/A	-	-	-	-	-	8,044,994
California Asset Management Program (CAMP-Term)	12,000,000	N/A	-	-	-	-	-	12,000,000
Local Agency Investment Fund (LAIF)	1,224,660	N/A	-	-	-	-	-	1,224,660
Ventura County Treasury Pool	67,030	N/A	-	-	-	-	-	67,030
Total	\$28,190,574		\$3,646,118	\$ -	\$1,495,166	\$ 927,176	\$ -	\$ 22,122,114

Investment Type	Total as of June 30, 2024	Minimum Legal Rating	Exempt From Disclosure	AAA	AA- to AA+	A- to A+	BBB+	Not rated
Federal Agency	\$ 2,620,045	A	\$ -	\$ -	\$2,620,045	\$ -	\$ -	\$ -
Municipal Bonds	685,036	A	-	268,952	416,084	-	-	-
Asset-Backed	193,947	A	-	163,376	-	-	-	30,571
Corporate Notes	2,536,003	A	-	-	255,704	1,734,288	546,011	-
U.S. Treasury Notes	6,391,698	N/A	6,391,698	-	-	-	-	-
Supranational Obligations	799,755	N/A	-	799,755	-	-	-	-
Certificates of deposits	754,683	N/A	-	-	-	-	-	754,683
California Asset Management Program (CAMP-Pool)	11,126,293	N/A	-	-	-	-	-	11,126,293
California Asset Management Program (CAMP-Term)	7,500,000	N/A	-	-	-	-	-	7,500,000
Local Agency Investment Fund (LAIF)	1,812,579	N/A	-	-	-	-	-	1,812,579
Ventura County Treasury Pool	63,798	N/A	-	-	-	-	-	63,798
Total	\$34,483,837		\$6,391,698	\$1,232,083	\$3,291,833	\$1,734,288	\$546,011	\$ 21,287,924

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets.
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active and level two investments are valued using multiple valuation techniques, primarily market and income approaches; and,
- Level 3: Investments reflect prices based upon unobservable sources.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

The District has the following recurring fair value measurements as of June 30, 2025:

Investments by Fair Value Level	Total as of June 30, 2025	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal Agency	\$ 1,174,487	\$ -	\$ 1,174,487	\$ -
Municipal Bonds	69,187	-	69,187	-
Corporate Notes	1,178,668	-	1,178,668	-
U.S. Treasury Notes	3,646,118	3,646,118	-	-
Total investments measured by fair value level	<u>\$ 6,068,460</u>	<u>\$ 3,646,118</u>	<u>\$ 2,422,342</u>	<u>\$ -</u>

Investments measured at the Net Asset Value (NAV) which approximates fair value

California Asset Management Program (CAMP-Pool)	8,044,994
California Asset Management Program (CAMP-Term)	12,000,000

Investments not subject to Fair Value hierarchy

Local Agency Investment Fund (LAIF)	1,224,660
Ventura County Treasury Pool	67,030
Certificates of deposits	785,430
	<u>2,077,120</u>

Total \$ 28,190,574

The District has the following recurring fair value measurements as of June 30, 2024:

Investments by Fair Value Level	Total as of June 30, 2024	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal Agency	\$ 2,620,045	\$ -	\$ 2,620,045	\$ -
Municipal Bonds	685,036	-	685,036	-
Asset-Backed	193,947	-	193,947	-
Corporate Notes	2,536,003	-	2,536,003	-
Supranational Obligations	799,755	-	799,755	-
U.S. Treasury Notes	6,391,698	6,391,698	-	-
Total investments measured by fair value level	<u>\$ 13,226,484</u>	<u>\$ 6,391,698</u>	<u>\$ 6,834,786</u>	<u>\$ -</u>

Investments measured at the Net Asset Value (NAV) which approximates fair value

California Asset Management Program (CAMP-Pool)	11,126,293
California Asset Management Program (CAMP-Term)	7,500,000

Investments not subject to Fair Value hierarchy

Local Agency Investment Fund (LAIF)	1,812,579
Ventura County Treasury Pool	63,798
Certificates of deposits	754,683
	<u>2,631,060</u>

Total \$ 34,483,837

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent more than 5% of the District's portfolio excluding U.S. Treasuries, Federal Agencies, Supranationals, and pooled investments such as LAIF, Ventura County Pool, money market funds, and shares of beneficial interest issued by Joint Powers Authorities.

NOTE 3 – ACCOUNTS RECEIVABLE

Disposal and sanitation fees and other, net - These receivables are comprised of services provided to customers at the District's Toland Road Landfill. They are shown net of an allowance for uncollectable accounts. The allowance totals \$10,816 and \$9,943 at June 30, 2025 and June 30, 2024, respectively.

Contract services and other, net - These receivables result from contractual agreements to provide services such as operation & maintenance of wastewater treatment plants; collection & potable water systems; and engineering, management & administration. They are shown net of an allowance for uncollectable accounts. The allowance totals \$3,176 and \$5,812 at June 30, 2025 and June 30, 2024, respectively.

Summary of accounts receivable as reported on the accompanying Statement of Net Position is shown as follows:

<u>Accounts Receivable - Trade</u>	<u>Gross</u>	<u>Allowance</u>	<u>Net</u>
Disposal and sanitation	\$ 1,081,620	\$ (10,816)	\$ 1,070,804
Contract services and other	485,312	(3,176)	482,136
Total accounts receivable as of June 30, 2025	<u>\$ 1,566,932</u>	<u>\$ (13,992)</u>	<u>\$ 1,552,940</u>
<u>Accounts Receivable - Trade</u>	<u>Gross</u>	<u>Allowance</u>	<u>Net</u>
Disposal and sanitation	\$ 994,311	\$ (9,943)	\$ 984,368
Contract services and other	682,523	(5,812)	676,711
Total accounts receivable as of June 30, 2024	<u>\$ 1,676,834</u>	<u>\$ (15,755)</u>	<u>\$ 1,661,079</u>

NOTE 4 – NOTES RECEIVABLE

Include amounts due from the Malibu Bay Club Assessment District for the costs of constructing an onsite wastewater treatment system for the Malibu Bay Club, a California non-profit mutual benefit corporation.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

NOTE 5 – CAPITAL ASSETS

Construction/Production in Process - The District has been involved in various construction projects throughout the year. The balances of the various construction projects that comprise the construction/production in process balances at June 30, 2025 and 2024 are as follows:

<u>Construction in Progress</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Toland Landfill Leachate System	\$ -	\$ 110,236
Toland Scalehouse	16,143	16,143
Toland Deep Well & Pipeline	56,227	56,227
Toland Flare Replacement and Gas Collection	-	3,039,914
Toland Landfill Phase 4C/D	-	1,603,420
Grand total	<u>\$ 81,624</u>	<u>\$ 4,825,940</u>

The District's capital assets consisted of the following as of June 30, 2025:

	Beginning Balance <u>June 30, 2024</u>	Additions	Deletions	Ending Balance <u>June 30, 2025</u>
Capital assets, not being depreciated				
Land	\$ 2,817,108	\$ -	\$ -	\$ 2,817,108
Construction-in-Progress	4,825,940	11,032,719	(15,777,035)	81,624
Total capital assets, not being depreciated	<u>7,643,048</u>	<u>11,032,719</u>	<u>(15,777,035)</u>	<u>2,898,732</u>
Capital assets, being depreciated				
Structures and improvements	68,022,850	15,844,586	-	83,867,436
Equipment	17,165,228	39,116	(87,314)	17,117,030
Total capital assets, being depreciated	<u>85,188,078</u>	<u>15,883,702</u>	<u>(87,314)</u>	<u>100,984,466</u>
Less accumulated depreciation for:				
Structures and improvements	(47,573,548)	(3,156,442)	-	(50,729,990)
Equipment	(10,102,956)	(1,159,397)	87,314	(11,175,039)
Total accumulated depreciation	<u>(57,676,504)</u>	<u>(4,315,839)</u>	<u>87,314</u>	<u>(61,905,029)</u>
Total capital assets, being depreciated	<u>27,511,574</u>	<u>11,567,863</u>	<u>-</u>	<u>39,079,437</u>
Net capital assets	<u>\$ 35,154,622</u>	<u>\$ 22,600,582</u>	<u>\$ (15,777,035)</u>	<u>\$ 41,978,169</u>

Depreciation expense for the year ended June 30, 2025 was \$4,315,839.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

The District's capital assets consisted of the following as of June 30, 2024:

	Beginning Balance June 30, 2023	Additions	Deletions	Ending Balance June 30, 2024
Capital assets, not being depreciated				
Land	\$ 2,817,108	\$ -	\$ -	\$ 2,817,108
Construction-in-Progress	2,028,005	3,112,997	(315,062)	4,825,940
Total capital assets, not being depreciated	<u>4,845,113</u>	<u>3,112,997</u>	<u>(315,062)</u>	<u>7,643,048</u>
Capital assets, being depreciated				
Structures and improvements	67,716,535	306,315	-	68,022,850
Equipment	15,873,881	2,883,056	(1,591,709)	17,165,228
Total capital assets, being depreciated	<u>83,590,416</u>	<u>3,189,371</u>	<u>(1,591,709)</u>	<u>85,188,078</u>
Less accumulated depreciation for:				
Structures and improvements	(44,363,368)	(3,210,180)	-	(47,573,548)
Equipment	(10,492,013)	(1,202,652)	1,591,709	(10,102,956)
Total accumulated depreciation	<u>(54,855,381)</u>	<u>(4,412,832)</u>	<u>1,591,709</u>	<u>(57,676,504)</u>
Total capital assets, being depreciated	<u>28,735,035</u>	<u>(1,223,461)</u>	<u>-</u>	<u>27,511,574</u>
Net capital assets	<u>\$ 33,580,148</u>	<u>\$ 1,889,536</u>	<u>\$ (315,062)</u>	<u>\$ 35,154,622</u>

Depreciation expense for the year ended June 30, 2024 was \$4,412,832.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

NOTE 6 – LONG-TERM LIABILITIES

The District's long-term liabilities consisted of the following as of June 30, 2025:

Direct Borrowings:	Beginning Balance	Payments/ Deletions	Ending Balance	Amounts Due in One Year
1) Malibu Bay Club: Jun. 24, 2016	\$ 549,158	\$ (178,148)	\$ 371,010	\$ 183,008
3) Toland Landfill 3B Liner: Jan. 29, 2016	626,026	(414,371)	211,655	211,655
4) Toland Landfill 4A Liner: Jan. 29, 2016	<u>3,754,504</u>	<u>(897,943)</u>	<u>2,856,561</u>	<u>924,536</u>
Total long-term debt	<u>\$ 4,929,688</u>	<u>\$ (1,490,462)</u>	<u>\$ 3,439,226</u>	<u>\$ 1,319,199</u>

The District's long-term liabilities consisted of the following as of June 30, 2024:

Direct Borrowings:	Beginning Balance	Payments/ Deletions	Ending Balance	Amounts Due in One Year
1) Malibu Bay Club: Jun. 24, 2016	\$ 722,575	\$ (173,417)	\$ 549,158	\$ 178,148
2) Biosolids Drying Facility/Microturbine Project: Jan. 29, 2016	771,857	(771,857)	-	-
3) Toland Landfill 3B Liner: Jan. 29, 2016	1,028,756	(402,730)	626,026	414,371
4) Toland Landfill 4A Liner: Jan. 29, 2016	<u>4,626,617</u>	<u>(872,113)</u>	<u>3,754,504</u>	<u>897,942</u>
Total long-term debt	<u>\$ 7,149,805</u>	<u>\$ (2,220,117)</u>	<u>\$ 4,929,688</u>	<u>\$ 1,490,461</u>

1) Installment Purchase Agreement

On June 24, 2016, the District entered into an Installment Purchase Agreement with Compass Mortgage Corporation (Lender) in the amount of \$1,825,000. The funds were used to retire an existing loan with Citizens Bank. The purpose of the original loan was to reimburse the District for the costs advanced for an advanced onsite wastewater treatment system for the Malibu Bay Club, a California non-profit mutual benefit corporation. Semiannual principal and interest payments of \$95,916 are due October 4 and April 4, commencing October 4, 2016 through April 4, 2027. Interest is at 2.71%. The District has pledged the Net Revenues of the Solid Waste operations for the repayment of the loan. The Installment Purchase Agreement contains a provision that in the event of default, the Lender may declare the entire principal amount of the unpaid Installment Payments and the accrued interest thereon to be due and payable immediately and impose a default rate equal to an additional 5.00%.

2) Installment Sale Agreement

On January 29, 2016, the District entered into an Installment Sale Agreement with Banc of America Public Capital Corp (Lender) in the amount of \$6,037,415. The funds were used to retire an existing loan with City National Bank. The purpose of the original loan was to provide financing for the acquisition and construction of a biosolids drying facility and microturbine project. Semiannual principal and interest payments of \$392,511 are due November 13 and May 13, commencing May 13, 2016 through May 13, 2024. Interest is at 2.27%. The District has pledged the Net Revenues of the Solid Waste operations for the repayment of the Installment Sale Agreement. The loan contains a provision that in the event of default, the Lender may declare the entire principal amount of the unpaid Installment Payments and the accrued interest thereon to be due and payable immediately and impose a default rate equal to an additional 4.00%. The principal and interest was paid in full during fiscal year 2024.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

3) *Installment Sale Agreement*

On January 29, 2016, the District entered into an Installment Sale Agreement with Banc of America Public Capital Corp (Lender) in the amount of \$3,709,711. The funds were used to retire an existing loan with Bank of America. The purpose of the original loan was to provide financing for the expansion of the Toland Road Landfill. Semiannual principal and interest payments of \$214,693 are due June 23 and December 23, commencing June 23, 2016 through December 23, 2025. Interest is at 2.87%. The District has pledged the District's Net Revenues for the repayment of the Installment Sale Agreement. The loan contains a provision that in the event of default, the Lender may declare the entire principal amount of the unpaid Installment Payments and the accrued interest thereon to be due and payable immediately, and impose a default rate equal to an additional 4.00%.

4) *Installment Sale Agreement*

The District entered into an Installment Sale Agreement with Banc of America Public Capital Corp (Lender) for \$10,068,000. The funds were received to provide financing for the Phase 4 liner project at the Toland Road Landfill. Semiannual principal and interest payments of \$500,886 are due July 29 and January 29, commencing July 29, 2016 through January 29, 2028. Interest is at 2.94%. The District has pledged the District's Net Revenues for the repayment of the Installment Sale Agreement. The loan contains a provision that in the event of default, the Lender may declare the entire principal amount of the unpaid Installment Payments and the accrued interest thereon to be due and payable immediately, and impose a default rate equal to an additional 4.00%.

The District's debt service requirements to maturity for loans outstanding were as follows as of June 30, 2025:

Fiscal Years Ending June 30,	Direct Borrowings		
	Principal	Interest	Total
2026	\$ 1,319,199	\$ 89,097	\$ 1,408,296
2027	1,139,918	53,686	1,193,604
2028	980,109	21,664	1,001,773
Total	\$ 3,439,226	\$ 164,447	\$ 3,603,673

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

NOTE 7 – LANDFILL CLOSURE/POSTCLOSURE COSTS

The District's landfill closure/postclosure costs consisted of the following landfill sites as of June 30, 2025:

<u>Landfill/Site:</u>	<u>Bailard</u>	<u>Coastal</u>	<u>Toland</u>	<u>Total Liability</u>	<u>Amount Due in One Year</u>
<u>Closure/Postclosure Costs:</u>					
Closure costs ⁽¹⁾	\$ -	\$ -	\$ 7,844,588		
Estimated corrective action	608,057	993,186	669,131		
Estimated postclosure	<u>4,707,506</u>	<u>4,161,791</u>	<u>11,563,936</u>		
Total estimated costs	\$ 5,315,563	\$ 5,154,977	\$ 20,077,655		
<u>Landfill Capacity:</u>					
Estimated capacity (tons)	3,150,000	3,210,289	17,269,668		
Percent used to date	<u>100.0%</u>	<u>100.0%</u>	<u>67.1%</u>		
Closure/postclosure costs recognized	<u>\$ 5,315,563</u>	<u>\$ 5,154,977</u>	<u>\$ 13,465,454</u>	<u>\$ 23,935,994</u>	<u>\$ 360,011</u>

(1) Closure Costs for Bailard and Coastal, closed sites, have been recognized. The closure costs for Toland Road Landfill, operating site, are estimated.

As the District's landfill sites reach capacity, the District is responsible for closing them in accordance with applicable regulatory requirements. The District is also responsible for postclosure maintenance of the Ozena Modified Sanitary Landfill, Toland Road Landfill, Coastal Landfill site, Bailard Landfill site, and for water monitoring of the River Ridge Landfill site (the latter under an agreement with the City of Oxnard). The District's engineer estimates expected closure and postclosure costs related to all of the District's landfill sites. These estimates are updated every five years, with the latest revision taking place in 2021. Such costs are accrued over the estimated useful life of each site. The amount accrued for closure and postclosure costs, using the estimated useful life, represents the ratio of refuse accepted at the site to the sites expected capacity multiplied by the sites total estimated closure and postclosure costs and are subject to changes resulting from inflation, deflation, technology or changes in applicable laws or regulations. The \$23,935,994 reported as landfill closure and postclosure care liability at June 30, 2025, represents the cumulative amount reported to date based on the use of 100% of estimated capacity for the closed landfills, and on 67.1% for the Toland Road Landfill. The District will recognize the remaining estimated cost of closure and postclosure care for the Toland Road Landfill of \$6,612,201 as the remaining estimated capacity is filled.

The District expects to incur continuing maintenance costs related to the closed sites for at least 30 years after closure. Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, Subchapter 3, Article 1, Section 22236, requires the estimated closure and postclosure costs for operating landfills and the remaining estimated postclosure costs for certain closed landfills be adjusted for the previous year by a specified inflation percentage. Current regulations also require the District to provide financial assurance to CalRecycle. From the available financial assurance mechanisms, the District has chosen the Pledge of Revenue Agreements for all landfills with the exception of Ozena Landfill. The District is required to make annual contributions to finance closure and postclosure care. The amount of financial assurance required is adjusted each year to the updated closure/postclosure requirements. In addition, an adjustment percentage to account for inflation of 2.4% and 3.6% was included for the years 2025 and 2024, respectively.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

The District has provided the required financial assurance to the CalRecycle estimated closure and postclosure costs for the Coastal, Bailard and Toland Road Landfill sites. The CalRecycle does not require financial assurance for the Ozena Landfill; however, the District annually allocates funds to provide the required postclosure maintenance of the site.

The table below augments the prior table presented in this section by including the financial assurance calculation requirement, closure costs associated with each site, and the remaining costs to be recognized as of June 30, 2025.

<u>Landfill/Site:</u>	<u>Bailard</u>	<u>Coastal</u>	<u>Toland</u>
<u>Landfill Capacity:</u>			
Estimated capacity (tons)	3,150,000	3,210,289	17,269,668
Percent used to date	100.0%	100.0%	67.1%
<u>Closure/Postclosure Costs:</u>			
Closure costs ⁽¹⁾	\$ 13,541,650	\$ 9,954,107	\$ 7,844,588
Estimated corrective action	608,057	993,186	669,131
Estimated postclosure	<u>4,707,506</u>	<u>4,161,791</u>	<u>11,563,936</u>
Total costs	\$ 18,857,213	\$ 15,109,084	\$ 20,077,655
Closure/postclosure costs recognized	<u>\$ 18,857,213</u>	<u>\$ 15,109,084</u>	<u>\$ 13,465,454</u>
Remaining closure/postclosure to be recognized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,612,201</u>
<u>Remaining landfill life</u>	Closed FY 97	Closed FY 95	15 years

(1) Closure Costs for Bailard and Coastal, closed sites, have been recognized. The closure costs for Toland Road Landfill, operating site, are estimated.

<u>Financial Assurance Calculation:</u>	<u>Bailard</u>	<u>Coastal</u>	<u>Toland</u>	<u>Total</u>
Est. corrective action	\$ 608,057	\$ 993,186	\$ 669,131	\$ 2,270,374
Est. postclosure costs - 1 year	<u>313,834</u>	<u>277,453</u>	<u>385,465</u>	<u>976,752</u>
Total financial assurance requirement:	<u>\$ 921,891</u>	<u>\$ 1,270,639</u>	<u>\$ 1,054,596</u>	<u>\$ 3,247,126</u>

The District is in compliance with these requirements, and at June 30, 2025, cash and cash equivalents and investments of \$3,247,126 are held for these purposes. These are reported as part of restricted assets on the Statement of Net Position. While it is not legally required, the District has chosen to fully fund the \$13,465,454 recognized closure/postclosure costs for the Toland Landfill and placed these funds in the CAMP investment accounts.

The Ozena Landfill has been closed since 1987, the Coastal site since 1995, and the Bailard site since 1997. Postclosure costs for all three sites have been recognized. In accordance with GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, landfill closure costs and costs to maintain and monitor a landfill site for 30 years after closure are to be accrued during the period the landfill is operated. The District adopted this standard in FY 1994.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Tierra Rejada Landfill Reserve:

The District is acting as the project manager to maintain and complete the mitigation process on the closed Tierra Rejada Landfill and as trustee of the mitigation funds held in the Tierra Rejada Fund. The District does not own nor has it ever provided tonnage to the Tierra Rejada Landfill. The District was named project manager because of its expertise in the landfill closure/post-closure maintenance process. The owners of the Tierra Rejada Landfill are the City of Simi Valley and the Rancho Simi Recreation and Park District.

Prior to fiscal year 2019, the District categorized this reserve as a restricted non-current asset on the Statements of Net Position. As the District incurred expenses related to this project, the restricted reserve decreased to offset the District's expenses incurred related to the Tierra Rejada Landfill. As of June 30, 2018, the ending balance was depleted. In 2019, the District and the County of Ventura agreed to help partially fund maintenance and mitigation costs through December 2024 on an annual basis, rather than pre-funding the reserve. In 2025 and 2024, \$86,184 and \$87,217 in mitigation expenses were incurred at the Tierra Rejada Landfill, respectively.

NOTE 8 – SEGMENT INFORMATION

The Water & Wastewater division accounts for the management, operation, and maintenance of water and wastewater facilities throughout Ventura County. The Solid Waste division accounts for the management and operation of six municipal waste landfills, only one of which is active. While the Biosolids division is no longer operational, it does continue to have debt service obligations through fiscal year 2025 and has been incorporated in the Solid Waste division. Selected segment information for the year ended June 30, 2025 is as follows:

Condensed Statement of Net Position

	Water and Wastewater	Solid Waste	Administration	Total
Assets:				
Current assets	\$ 2,853,382	\$ 22,495,267	\$ 808,252	\$ 26,156,901
Restricted current assets	194,988	4,498,089	-	4,693,077
Non-current assets	-	3,310,671	-	3,310,671
Capital assets, net	1,505,826	40,437,932	34,411	41,978,169
Restricted non-current assets	513,368	560,585	170,424	1,244,377
Total assets	<u>\$ 5,067,564</u>	<u>\$ 71,302,544</u>	<u>\$ 1,013,087</u>	<u>\$ 77,383,195</u>
Deferred outflows of resources	<u>\$ 898,762</u>	<u>\$ 924,126</u>	<u>\$ 539,799</u>	<u>\$ 2,362,687</u>
Liabilities:				
Payable from current assets – unrestricted	\$ 239,334	\$ 2,211,074	\$ 191,658	\$ 2,642,066
Payable from current assets – restricted	183,008	432,581	-	615,589
Payable from non-current assets – unrestricted	3,142,955	4,626,210	1,020,080	8,789,245
Payable from non-current assets – restricted	188,002	23,696,985	-	23,884,987
Total liabilities	<u>\$ 3,753,299</u>	<u>\$ 30,966,850</u>	<u>\$ 1,211,738</u>	<u>\$ 35,931,887</u>
Deferred inflows of resources	<u>\$ 1,661,138</u>	<u>\$ 1,041,789</u>	<u>\$ 341,148</u>	<u>\$ 3,044,075</u>
Net position:				
Net investment in capital assets	\$ 1,137,584	\$ 37,303,595	\$ 34,411	\$ 38,475,590
Restricted	722,131	1,286,535	170,424	2,179,090
Unrestricted amounts (deficit)	(1,307,826)	1,627,901	(204,835)	115,240
Total net position	<u>\$ 551,889</u>	<u>\$ 40,218,031</u>	<u>\$ -</u>	<u>\$ 40,769,920</u>

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Water and Wastewater	Solid Waste	Administration	Total
Operating revenues:				
Disposal and sanitation fees	\$ -	\$ 15,261,771	\$ -	\$ 15,261,771
Contract services	3,471,650	128,958	86,810	3,687,418
Other revenue	235,829	205,931	10,626	452,386
Total operating revenues	<u>3,707,479</u>	<u>15,596,660</u>	<u>97,436</u>	<u>19,401,575</u>
Operating expenses:				
Salaries and benefits	2,296,065	2,173,770	587,247	5,057,082
Depreciation and amortization	182,925	4,100,162	32,752	4,315,839
Other operating expenses	844,629	5,227,924	446,974	6,519,527
Total operating expenses	<u>3,323,619</u>	<u>11,501,856</u>	<u>1,066,973</u>	<u>15,892,448</u>
Operating income (loss)	<u>383,860</u>	<u>4,094,804</u>	<u>(969,537)</u>	<u>3,509,127</u>
Nonoperating revenues (expenses):				
Interest and investment earnings	1,602	1,513,243	-	1,514,845
Interest expense	(14,133)	(107,485)	-	(121,618)
Other non-operating revenues (expenses)	1,955	99,188	30,217	131,360
Total nonoperating revenues (expenses)	<u>(10,576)</u>	<u>1,504,946</u>	<u>30,217</u>	<u>1,524,587</u>
Transfers in/out	(427,941)	(511,379)	939,320	-
Change in net position	<u>(54,657)</u>	<u>5,088,371</u>	<u>-</u>	<u>5,033,714</u>
Net position (deficit), beginning of year	606,546	35,129,660	-	35,736,206
Net position (deficit), end of year	<u>\$ 551,889</u>	<u>\$ 40,218,031</u>	<u>\$ -</u>	<u>\$ 40,769,920</u>

Condensed Statement of Cash Flows

	Water and Wastewater	Solid Waste	Administration	Total
Net cash provided (used) by operating activities	\$ 1,847,836	\$ 7,561,626	\$ (1,748,127)	\$ 7,661,335
Net cash (used for) non-capital financing activities	(427,941)	(511,379)	939,320	-
Net cash (used for) capital and related financing activities	117,597	(12,686,659)	331	(12,568,731)
Net cash provided by investing activities	-	8,967,179	-	8,967,179
Net increase (decrease)	<u>1,537,492</u>	<u>3,330,767</u>	<u>(808,476)</u>	<u>4,059,783</u>
Cash and cash equivalents, beginning of year	937,007	18,550,176	1,605,941	21,093,124
Cash and cash equivalents, end of year	<u>\$ 2,474,499</u>	<u>\$ 21,880,943</u>	<u>\$ 797,465</u>	<u>\$ 25,152,907</u>

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

NOTE 9 – DEFINED BENEFIT PENSION PLANS

General Information about the Pension Plan

The District participates in two defined benefit pension plans, the Ventura County Employees' Retirement Association (VCERA) pension plan and a Public Agency Retirement System (PARS) Retirement Enhancement Plan which are subject to GASB Statement No.68. The pension plans consist of a cost-sharing multiple employers defined benefit pension and a defined benefit single-employer retirement plan, respectively. The summary of the pension related liability, deferred inflows of resources and deferred outflows of resources, and pension expense/expenditures are as follows:

	VCERA Plan	PARS Plan	Total
Deferred Outflows of Resources	\$ 2,226,974	\$ -	\$ 2,226,974
Net Pension Liability	1,312,005	5,288,659	6,600,664
Deferred Inflows of Resources	1,738,233	127,902	1,866,135
Pension expenses	229,690	299,895	529,585

A. Ventura County Employees' Retirement Association (VCERA)

Plan Description

The District participates in the Ventura County Employees' Retirement Association (VCERA) pension plan, a cost-sharing multiple-employer defined benefit pension plan (the Plan). VCERA is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (CERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA). The Board of Retirement is responsible for the general management of VCERA and for determining VCERA's investment objectives, strategies, and policies. The Plan's authority to establish and amend the benefit terms are set by the CERL and PEPRA and may be amended by the California state legislature and in some cases require approval by the County of Ventura Board of Supervisors, the VCERA Board of Retirement, and/or the District's Boards of Directors. VCERA is a tax qualified plan under Section 401(a) of the Internal Revenue Code. Membership to the plan is mandatory for employees with regular bi-weekly work schedule of 64 hours or more.

Members employed up to and including June 30, 1979 and certain management personnel who entered service prior to October 16, 2001 are designated as Tier 1 members. Currently, there are no District staff members that fall into this category. Members employed after June 30, 1979 through December 31, 2012, are designated as Tier 2 members (Classic members). New members employed after January 1, 2013 are designated as PEPRA members.

VCERA is a legally separate entity from the District, not a component unit, and there is no financial interdependency with the County of Ventura. For these reasons, the District's financial statements exclude the VCERA pension plan as of June 30, 2024. VCERA publishes its own annual comprehensive financial report that includes its financial statements and required supplementary information, that can be obtained by writing VCERA at, 1190 South Victoria Avenue, Suite 200, Ventura, California 93003 or visiting the website at: www.vcera.org.

Benefits Provided

VCERA provides retirement, disability, death and survivor benefits to eligible members. The retirement benefit the member will receive is based upon age at retirement, final compensation, years of service, and retirement plan tier.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

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

	Tier 2	PEPRA
Hire Date	July 1, 1979 to December 31, 2012	On or after January 1, 2013
Final Average Compensation	Highest 36 consecutive months	Highest 36 consecutive months
Normal Retirement Age	Age 55	Age 55
Early Retirement: Years of service required and/or age eligible for	Age 70 any years 10 years age 50 30 years any age	Age 70 any years 5 years age 52 N/A
Benefit percent per year of service for normal retirement age	The monthly allowance is equal to 1/90th of the first \$350 of final compensation, plus 1/60th of the excess final compensation times years of accrued retirement service credit times age factor from section 31676.11.	The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from section 7522.20(a).
Final Average Compensation Limitation	100% of final compensation	May be over 100% subject to the provisions of PEPRA
Required employee contribution rates	Varies	Varies
Required employer contribution rates	12.05%	11.05%

Certain Tier 2 general member retirees receive a fixed 2% cost-of-living adjustment pursuant to collective bargaining agreements.

Contributions

Participating employers and active members are required by statute to contribute a percentage of covered salary to the Plan. This requirement is pursuant to Government Code sections 31453.5 and 31454, for participating employers and Government Code sections 31621.6, 31639.25 and 7522.30 for active members. The contribution requirements are established and may be amended by the VCERA Board of Retirement pursuant to Article 1 of the CERL, which is consistent with the Plan's actuarial funding policy. The contribution rates are adopted yearly, based on an annual actuarial valuation, conducted by an independent actuary, that requires actuarial assumptions with regard to mortality, expected future service (including age at entry into the Plan, if applicable and tier), and compensation increases of the members and beneficiaries. The combined active member and employer contribution rates are expected to finance the costs of benefits for employees that are allocated during the year, with an additional amount to finance any unfunded accrued liability.

Participating employers may pay a portion of the active members' contributions through negotiations and bargaining agreements.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Employer Contributions to the Plan for the fiscal year ended June 30, 2025 were \$409,416. The actual employer payments of \$409,416 made to VCERA by the District during the measurement period ended June 30, 2024 differed from the District's proportionate share of the employer's contributions of \$429,054 by \$19,638, which is being amortized over the expected average remaining service lifetime in the VCERA Cost-Sharing Multiple Employer Plan.

Net Pension Liability

The District's Net Pension Liability (NPL) for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2024. A summary of principal assumptions and methods used to determine the net pension liability is as follows:

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Reporting date	June 30, 2025
Valuation date	June 30, 2024
Measurement date	June 30, 2024
Actuarial cost method	Entry Age Actuarial Cost Method
Asset valuation method	Market Value of Assets
Actuarial Assumptions:	
Discount rate	6.75%
Inflation	2.50%
Real across-the-board salary increase	0.50%
Projected salary increases (1)	4.00% - 10.00%, varying by service, including inflation
Investment rate of return	6.75%, net of pension plan administration and investment expenses, including inflation
Cost of living adjustments	Increase of 2.50% per year
Mortality rate table (2)	Derived using VCERA participant data for all employers

(1) Annual increases vary by category, entry age, and duration of service.

(2) Post-retirement mortality is based on the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
U.S. Large Cap U.S. Equity	22.00%	5.77%
U.S. Small/Mid Cap U.S. Equity	4.00%	6.56%
Non-U.S. Developed Equity	9.00%	6.44%
Non-U.S. Developed Small-Cap Equity	3.00%	6.57%
Emerging Market Equity	3.00%	8.32%
Global Equity	9.00%	6.59%
Private Equity	18.00%	9.48%
U.S. Aggregate Bond	4.00%	2.26%
Private Debt	8.00%	6.60%
U.S. Treasury Bond	2.00%	2.00%
Real Estate - Core	6.00%	4.53%
Absolute Return Fixed Income	4.00%	3.40%
Real Estate: Non-Core	2.00%	7.10%
Natural Resources	2.00%	10.30%
Infrastructure	4.00%	5.20%
Total	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75% and 7.00% as of June 30, 2024 and 2023, respectively. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both June 30, 2024 and 2023.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Pension Plan Fiduciary Net Position

Detailed information about the VCERA's fiduciary net position is available in a separately issued VCERA annual comprehensive financial report. That report may be obtained on the Internet at www.ventura.org/vcera; by writing to VCERA at 1190 S. Victoria Avenue, Suite 200, Ventura, CA 93003; or by calling (805) 339-4250.

Proportionate Share of Net Pension Liability

The following table shows the Plan's proportionate share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2023	\$ 21,002,195	\$ 20,386,102	\$ 616,093
Balance at: 6/30/2024	36,222,177	34,910,172	1,312,005
Net changes during 2023-2024	15,219,982	14,524,070	695,912

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. 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 of the net pension liability for the Plan was as follows:

Proportionate share at June 30, 2024 (measurement date June 30, 2023)	0.269%
Proportionate share at June 30, 2025 (measurement date June 30, 2024)	0.421%
Change - Increase (Decrease)	0.152%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability of the Plan as of June 30, 2024, the measurement date, calculated using the discount rate of 6.75%, 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 (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Net Pension Liability	\$ 6,202,864	\$ 1,312,005	\$ (2,719,690)

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Recognition of Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5-year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

There are differences between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ended June 30, 2024. These differences are recognized over the average of the expected remaining service lives of all employees that are provided with pensions through VCERA which is 5.21 years determined as of June 30, 2023 (the beginning of the measurement period ending June 30, 2024).

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2023), the net pension liability for the plan was \$616,093. For the measurement period ending June 30, 2024 (the measurement date), the District incurred pension expense of \$229,690 for the Plan.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in employer's proportion	\$ 40,943	\$ 501,743
Net difference between projected and actual earnings on pension plan investments	-	989,068
Difference between expected and actual experience in the Total Pension Liability	328,912	40,988
Changes of assumptions or other inputs	1,447,703	-
Difference between the employer's contributions and the employer's proportionate share of contributions	-	206,434
Pension contributions subsequent to measurement date	409,416	-
Total	\$ 2,226,974	\$ 1,738,233

\$409,416 reported as deferred outflows of resources related to contributions subsequent to the measurement date are contributions made after the measurement date of the net pension liability but before the end of the District's reporting period, which will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal year.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2026	\$ (191,361)
2027	689,296
2028	(158,765)
2029	70,835
2030	78,736
Thereafter	-
Total	<u>\$ 488,741</u>

Payable to the Pension Plan

As of June 30, 2025, the District had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

B. Public Agency Retirement System (PARS) – Retirement Enhancement Plan

Plan Description

In accordance with the Federal Omnibus Budget Reconciliation Act of 1990, the District established a supplemental pension benefit for substantially all of its employees through the Public Agency Retirement System (PARS) Retirement Enhancement Plan (REP). The REP is a defined benefit plan, single-employer retirement plan, and is administered for the District through a third-party administrator, PARS. The REP provides for a pension retirement benefit to substantially all District employees as long as they meet the eligibility requirements.

The Public Agency Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Public Agency Retirement System, 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660.

Benefits Provided

The Retirement Enhancement Plan (REP) was adopted in December 2003 and amended in July 2005, October 2009, and January 2011. The REP is comprised of the following two groups:

- Group 1 – This plan was adopted in December 2003 and provides a benefit to active employees on or after January 1, 2004, equal to the difference of the CalPERS “2% at 55” formula and the Ventura County Employees’ Retirement Association (VCERA) Tier 1 or Tier 2 benefit formula. The Tier 1 and Tier 2 VCERA monthly benefits include the \$108.44 per month supplement.
- Group 2 – This plan was adopted in July 2005 and provides a 2% cost-of-living benefit to active employees retiring on or after July 1, 2005 if they are VCERA Tier 2 member that does not receive a cost-of-living adjustment (COLA) under VCERA. The Group 2 benefit is a 2% COLA on the member’s underlying VCERA plan benefit.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

The Plan was amended in 2009, reflecting the addition of Group 3/Early Retirement Incentive Plan (ERIP) which provided a benefit for employees who terminated employment with the District effective March 30, 2010, and concurrently retired under a Regular Service Retirement under VCERA. The District began funding for the ERIP in March of 2010. All funding obligations were satisfied after the District's final contribution was made in March of 2014.

The District has amended the Plan effective July 1, 2011, such that eligible employees in Groups 1 and 2 must be hired prior to a specific date ("soft-freeze") depending on their bargaining unit as follows:

- IUOE and Independently Represented – hired in a regular status position prior to July 1, 2011.
- SEIU – hired in a regular status position prior to July 1, 2012.

The Plan's provisions and benefits in effect at June 30, 2025, (measurement date) are summarized as follows:

	<u>Group 1</u>	<u>Group 2</u>
Hire Date	On or after January 1, 2004 but before "soft freeze" date of bargaining unit	On or after July 1, 2005, but before "soft freeze" date of bargaining unit
Benefit formula	CalPERS "2% @ 55" formula less VCERA Tier 1 or 2 formula	CalPERS "2% @ 55" formula less VCERA Tier 1 or 2 formula 2% COLA
Benefit vesting schedule	From date of hire	From date of hire
Benefit payments	Life-only annuity	Life-only annuity
Retirement age	On or after 50	On or after 50
Monthly benefits as a % of eligible compensation	Various, coordinated with VCERA benefits	Various, coordinated with VCERA benefits
Required employee contribution	1% of annual compensation	1% of annual compensation
Required employer contribution rates	70.59%	70.59%

Employees Covered

At June 30, 2025 (valuation date), the following employees were covered by the benefit terms:

Active employees	3
Retirees and beneficiaries	44
Terminated, vested & other inactives	3
	50

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate.

The total plan contributions are determined through PARS' actuarial valuation process, performed at least every two years. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Employer Contributions to the Plan for the fiscal year ended June 30, 2025 were \$129,691.

Commencing January 1, 2013, employees are required to contribute a percentage equal to one percent (1%) of their compensation each year. The mandatory employee contribution percentage is subject to change from time to time. Employees who terminate employment with VRSD prior to being eligible for a REP benefit will receive the return of their employee contributions with three percent (3%) interest per annum payable as a lump sum distribution.

Net Pension Liability

The District's net pension liability for the Retirement Enhancement Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2025, using an annual actuarial valuation as of June 30, 2025. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

All other actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at www.calpers.ca.gov.

	PARS
Valuation date	June 30, 2025
Measurement date	June 30, 2025
Actuarial cost method	Entry age normal
Asset valuation method	Market value of assets
Actuarial assumptions:	
Discount rate	6.50%
Inflation	2.50%
Salary increases	2.50% - 12.20%
Investment rate of return	6.50%
Cost of living adjustment	2.00%
Mortality rate table	Based on assumptions for General members in the June 30, 2024 VCREA actuarial valuation.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Discount Rate

The discount rate used to measure the total pension liability was 6.50 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The current 6.50 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. Refer to the sensitivity of the net pension liability to changes in the discount rate section of this note, which provides information on the sensitivity of the net pension liability to changes in the discount rate.

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. The weighted asset class estimates are combined with the inflation and investment expense assumptions to produce the portfolio long-term expected rate of return. The assumed asset weighting is based on target allocations published by PARS. Expected future asset class returns were published in the 2025 Capital Market Assumptions produced by PFM Asset Management. These expected returns, along with expected asset class standard deviations and correlation coefficients, are based on PFM's annual survey of investment advisory firms. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

Estimated geometric real and nominal rates of return for each major asset class included in the plan's asset allocation as of the measurement date are summarized in the following table:

Asset Class	Target Allocation at Measurement Date	Long-Term Expected Real Rate of Return	Long-Term Expected Nominal Rate of Return ⁽¹⁾
US equity	28.50%	4.90%	7.20%
US equity - small cap	1.50%	5.60%	7.90%
International equity	11.25%	4.60%	6.90%
Emerging market equity	3.75%	5.10%	7.40%
REITs	2.50%	4.70%	7.00%
Listed infrastructure	2.50%	5.10%	7.40%
Core bond	44.50%	2.70%	5.00%
High yield bond	3.50%	3.80%	6.10%
Cash and equivalents	2.00%	0.60%	2.90%
Total ⁽²⁾	<u>100.00%</u>		6.50%
Adjustment for inflation assumption ⁽³⁾			<u>0.20%</u>
Adjusted total expected return			6.70%
Reduction for assumed investment expense ⁽⁴⁾			<u>(0.25%)</u>
Net long-term expected investment return (rounded to nearest ¼%)			6.50%

(1) Nominal rates of return are equal to real rates of return plus the assumed inflation rate of 2.30%.

(2) Portfolio total expected return is not equal to the weighted average of the asset class geometric returns shown above.

(3) Difference between the assumed inflation rate disclosed in this valuation report (2.50%) and PARS assumed inflation rate of 2.30%.

(4) Assumed investment expenses include investment advisory fees.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Pension Plan Fiduciary Net Position

Information about the pension Plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in PARS' GASB 68 disclosure report. PARS' actuarial valuation report is derived from unaudited plan information. The Plan's fiduciary net position and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis used by the pension Plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Changes in Net Pension Liability

The following table shows the changes in net pension liability recognized over the Measurement period.

	Increase (Decrease)		
	Plan		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2024	\$13,685,420	\$8,316,360	\$ 5,369,060
Service cost	26,962	-	26,962
Interest on the total pension liability	804,096	-	804,096
Differences between expected and actual experience	696,696		696,696
Changes of assumptions	(751,384)		(751,384)
Contributions from the employer	-	129,691	(129,691)
Contributions from employees	-	6,643	(6,643)
Net investment income	-	759,022	(759,022)
Administrative expenses	-	(38,585)	38,585
Benefit payments, including refunds of employee contributions	(621,580)	(621,580)	-
Net changes	\$ 154,790	\$ 235,191	\$ (80,401)
Balance at June 30, 2025	\$13,840,210	\$8,551,551	\$ 5,288,659

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.50 percent) or 1 percentage-point higher (7.50 percent) than the current rate:

	1.00% Decrease	Current	1.00% Increase
	(5.75%)	Discount Rate	(7.75%)
	(5.75%)	(6.75%)	(7.75%)
Net Pension Liability \$	6,202,864	\$ 1,312,005	\$ (2,719,690)

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Recognition of Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5-year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2025), the net pension liability was \$5,369,060.

For the measurement period ending June 30, 2025 (the measurement date), the District incurred a pension expense of \$229,895 for the Plan. A complete breakdown of the pension expense is as follows:

Components of pension expense:	
Service cost	\$ 26,962
Interest on the total pension liability	804,096
Expected investment income (net of investment expenses)	(482,666)
Member contributions	(6,643)
Administrative expense	38,585
Recognition of deferred inflows/outflows of resources	
Economic/demographic gains or losses	701,576
Assumption changes or inputs	(758,242)
Investment gains or losses	(23,773)
Pension expense	\$ 299,895

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

As of June 30, 2025, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	127,902
Total	\$ -	\$ 127,902

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflow s) of Resources
2026	\$ 210,580
2027	(149,933)
2028	(133,277)
2029	(55,272)
2030	-
Thereafter	-
Total	\$ (127,902)

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS

Plan Description

The District provides post-retirement healthcare benefits, in accordance with California Public Employees' Retirement System (CalPERS), to all employees hired before January 1, 2013 who retire from the District after attaining the age of 50 with at least ten years of service, or hired after January 1, 2013, attaining the age of 52 with at least five years of service and elect to be covered. Benefits are set by the Board of Directors and can be amended by the Board. The benefits consist of a fixed monthly amount which is adjusted based on the medical care component of the CPI. The District is part of the Public Agency portion of the Public Agency Retirement System (PARS), an agent multiple-employer plan administered by PARS, which acts as a common investment and administrative agent for participating public employees within the State of California. The Public Agency Retirement System issues a separate Annual comprehensive financial report. Copies of the PARS annual financial report may be obtained from the Public Agency Retirement System, 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Employees Covered by Benefit Terms

As of June 30, 2025 (valuation date), the following participants were covered by the benefit terms under the District’s healthcare plan:

Active employees	33
Active employees waiving coverage	4
Retirees electing medical coverage	<u>19</u>
Total	<u><u>56</u></u>

Contributions

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2025, the District’s contributions were \$45,237, which included an implicit subsidy of \$45,237.

Net OPEB Liability (NOL)

The District’s net OPEB liability is measured as of June 30, 2025 and the total OPEB liability was determined by an actuarial valuation as of June 30, 2025. A summary of key actuarial assumptions used to calculate the net OPEB liability is listed in the following table:

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability

The following summarized the actuarial assumptions for the OPEB plan included in this fiscal year:

Valuation date	June 30, 2025
Measurement date	June 30, 2025
Actuarial cost method	Entry Age Normal
Amortization method:	
Level percent or level dollar	Level percent
Closed, open, or layered periods	Closed
Amortization period	15 years
Amortization growth rate	3.00%
Mortality	Based on assumptions for general members in the June 30, 2024 VCERA actuarial valuation.
Asset valuation method	Market Value
Inflation	2.50%
Discount rate	5.50%
Healthcare trend rates	8.6% for FY2025, gradually decreasing over several decades to an ultimate rate of 3.9% in FY2076 and later years.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Discount Rate

The discount rate used to measure the total OPEB liability was 5.50 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the long-term expected rate of return. The current 5.50 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. Refer to the sensitivity of the net pension liability to changes in the discount rate section of this note, which provides information on the sensitivity of the net OPEB liability to changes in the discount rate.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The weighted asset class estimates are combined with the inflation and investment expense assumptions to produce the portfolio long-term expected rate of return. The assumed asset weighting is based on target allocations published by PARS. Expected future asset class returns were published in the 2025 Capital Market Assumptions produced by PFM Asset Management. These expected returns, along with expected asset class standard deviations and correlation coefficients, are based on PFM's annual survey of investment advisory firms. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data. Estimated geometric real and nominal rates of return for each major asset class included in the OPEB plan's asset allocation as of the valuation date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation at Measurement Date</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Long-Term Expected Nominal Rate of Return ⁽¹⁾</u>
US equity	8.60%	4.90%	7.20%
US equity - small cap	0.50%	5.60%	7.90%
International equity	3.30%	4.60%	6.90%
Emerging market equity	1.10%	5.10%	7.40%
REITs	0.75%	4.70%	7.00%
Listed infrastructure	0.75%	5.10%	7.40%
Core bond	76.75%	2.70%	5.00%
High yield bond	6.25%	3.80%	6.10%
Cash and equivalents	2.00%	0.60%	2.90%
Total ⁽²⁾	<u>100.00%</u>		5.50%
Adjustment for inflation assumption ⁽³⁾			<u>0.20%</u>
Adjusted total expected return			5.70%
Reduction for assumed investment expense ⁽⁴⁾			<u>(0.25%)</u>
Net long-term expected investment return (rounded to nearest ¼%)			5.50%

(1) Nominal rates of return are equal to real rates of return plus the assumed inflation rate of 2.30%.

(2) Portfolio total expected return is not equal to the weighted average of the asset class geometric returns shown above.

(3) Difference between the assumed inflation rate disclosed in this valuation report (2.50%) and PARS assumed inflation rate of 2.30%.

(4) Assumed investment expenses include investment advisory fees.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Changes in Net OPEB Liability

The following table shows the changes in net OPEB liability recognized over the measurement period.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c) = (a) - (b)
Balance at June 30, 2024	\$ 1,677,737	\$ 2,254,803	\$ (577,066)
Service cost	102,062	-	102,062
Interest on the total OPEB liability	73,929	-	73,929
Differences between expected and actual experience	(193,342)	-	(193,342)
Effect of assumptions changes of inputs	(263,480)	-	(263,480)
Benefit payments	(80,589)	(80,589)	-
Employer contributions	-	45,237	(45,237)
Net investment income	-	166,878	(166,878)
Administrative expenses	-	(13,637)	13,637
Net changes	(361,420)	117,889	(479,309)
Balance at June 30, 2025	\$ 1,316,317	\$ 2,372,692	\$ (1,056,375)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Plan as of the measurement date, calculated using the discount rate of 5.50 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4.50 percent) or 1 percentage-point higher (6.50 percent) than the current rate:

	1.00% Decrease (4.50%)	Current Discount Rate (5.50%)	1.00% Increase (6.50%)
Net OPEB liability (asset)	\$ (912,273)	\$ (1,056,375)	\$ (1,176,955)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the Plan as of the measurement date, calculated using the current healthcare cost trend rates, as well as what the net OPEB 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 healthcare cost trend rates:

	1.00% Decrease (4.50%)	Current Discount Rate (5.50%)	1.00% Increase (6.50%)
Net OPEB liability (asset)	\$ (1,190,379)	\$ (1,056,375)	\$ (894,062)

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

OPEB Plan Fiduciary Net Position

The Public Agency Retirement System issues a separate Annual comprehensive financial report. Copies of the PARS annual financial report may be obtained from the Public Agency Retirement System, 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Under GASB 75, gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year in gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5-year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

Deferred Outflows/Inflows of Resources Related to OPEB

As of fiscal year ended June 30, 2025, the District reported deferred outflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 119,757	\$ 807,439
Changes of assumptions	8,548	370,501
Net difference between projected and actual earnings	4,640	-
Total	\$ 132,945	\$ 1,177,940

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued) Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Amounts reported as deferred outflows and deferred inflows of resources related to other postemployment benefits will be recognized in future OPEB expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2026	\$ (99,356)
2027	(171,373)
2028	(178,565)
2029	(195,179)
2030	(184,114)
Thereafter	(216,408)
Total	\$ (1,044,995)

OPEB Expense/(Credit)

For the fiscal year ended June 30, 2025, the District recognized OPEB credit of \$18,078. The following summarizes the OPEB credit by source during the year ended June 30, 2025:

Components of OPEB credit:

Service cost	\$ 102,062
Interest on the total OPEB liability	73,929
Administrative expenses	13,637
Expected investment income (net of investment expenses)	(94,804)
Expected vs. actual experience	(103,274)
Assumption changes or inputs	(52,842)
Investment gains or losses	43,214
OPEB credit	\$ (18,078)

NOTE 10 – DEFERRED COMPENSATION

Employee Contribution Deferred Compensation Plans

The District offers to its employees optional deferred compensation plans created in accordance with Section 457(b) of the Internal Revenue Code. These plans are available to substantially all District employees and allows a portion of an employee's compensation deferred to provide funds upon retirement, termination, unforeseeable emergencies, reaching age 70 and a half, or upon death. The annual plans' contribution limits for June 30, 2025 and 2024 was \$23,500 and \$23,000, respectively. Further, the contribution limit is projected to increase to \$24,500 for 2026.

The plans are administered through third-party administrators. While the District has fiduciary duties under California law, it does not perform investing functions and has no fiduciary accountability for the plan. The plans' assets and any related liability to plan participants have been excluded from the accompanying basic financial statements.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Social Security

Employees of the District are also covered by the Federal Insurance Contribution Act (FICA), which is commonly known as Social Security. Contributions for Social Security are 6.2% of covered wages up to \$176,100 per employee and are paid by the District. Earnings subject to Social Security will increase by \$8,400 in 2026, to \$184,500. The District also pays contributions for Medicare of 1.45% of covered wages. Contributions made by the District for Social Security and Medicare for June 30, 2025 and 2024 was \$273,730 and \$288,937, respectively.

NOTE 11 – OTHER INFORMATION

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the California Sanitation Risk Management Authority (CSRMA), an intergovernmental risk sharing joint powers authority currently operating as a common risk management and loss prevention program for more than 50 California sanitation districts. The District pays an annual premium to CSRMA for its public liability and workers compensation risk coverage. The Agreement for formation of CSRMA provides that it will be self-sustaining through member premiums and will provide specific excess insurance through commercial companies. CSRMA is allowed to make additional assessments to its members based on a retroactive premium adjustment process. At June 30, 2025, the District participated in the CSRMA risk sharing pool as follows:

- The District's General Liability, Auto Liability, Errors & Omissions, and Employment Practices Liability coverage are provided through CSRMA's Pooled Liability Program.

In addition to coverage through the CSRMA's Pooled Liability Program, the District also has the following insurance coverage through carriers evaluated, recommended, and administered by Assured Partners of Colorado, LLC., a Ventura-based brokerage:

- Equipment, tools and machinery
- Computer equipment
- Blanket building and content
- Blanket earnings and extra expense coverage up to \$175,000
- Public employee blanket bond (theft \$1,000,000, computer fraud \$1,000,000, faithful performance \$1,000,000), subject to a \$10,000 deductible per occurrence
- Malibu Bay Club Wastewater Collection and Treatment System

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonable estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2025 and 2024.

VENTURA REGIONAL SANITATION DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Fiscal Year Ended June 30, 2025 (with comparative data for June 30, 2024)

Commitments and Contingencies

The District's contractual commitments with outside firms for engineering, consulting, and various other services end with the fiscal year and generally do not carry forward to the next fiscal year.

In addition, the District is involved in litigation encountered in the normal course of business. In certain of these matters, the defense costs and settlement costs, if any, are covered by the District's liability insurance policies. In the opinion of management, there is no pending litigation that would materially affect the District's liability insurance policies or financial position.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated all subsequent events from the statement of financial position date of June 30, 2025, through the date the financial statements were available to be issued, November 7, 2025 and has not identified any material items that are required to be reported.

Required Supplementary Information



Ventura Regional Sanitation District

Annual Comprehensive Financial Report
For the Fiscal Year Ended
June 30, 2025



VENTURA REGIONAL SANITATION DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2025**

Ventura County Employees' Retirement Association (VCERA)

***Schedule of the District's Proportionate Share of the Plan's Net Pension Liability and
Related Ratios as of the Measurement Date - Last 10 Years***

Measurement Date	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability(Asset)	Covered payroll (1)	share of the Net Pension Liability (asset) as a percentage of its covered payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability(Asset)
6/30/2015	0.451%	\$ 3,853,220	\$ 4,948,000	77.87%	83.63%
6/30/2016	0.478%	\$ 5,090,253	\$ 5,194,000	98.00%	80.47%
6/30/2017	0.401%	\$ 2,858,251	\$ 4,640,000	61.60%	87.44%
6/30/2018	0.507%	\$ 3,678,779	\$ 5,311,000	69.27%	88.15%
6/30/2019	0.558%	\$ 3,834,938	\$ 5,679,000	67.53%	89.31%
6/30/2020	0.585%	\$ 4,822,534	\$ 5,963,000	80.87%	87.76%
6/30/2021	0.422%	\$ (2,128,042)	\$ 5,811,000	-36.62%	107.03%
6/30/2022	0.474%	\$ 2,078,770	\$ 4,577,000	45.42%	94.13%
6/30/2023	0.269%	\$ 616,093	\$ 3,727,000	16.53%	97.06%
6/30/2024	0.421%	\$ 1,312,005	\$ 3,749,000	35.00%	96.38%

(1) Covered payroll represents earnable and pensionable compensation.

Schedule of Plan Contributions - Last 10 Years

Fiscal Year	Contractually Required Contribution	Actual Employer Contributions	Contribution (Excess)/ Deficiency	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015-16	\$ 882,357	\$ 897,617	\$ (15,260)	\$ 5,194,000	17.28%
2016-17	\$ 901,879	\$ 857,714	\$ 44,165	\$ 4,640,000	18.49%
2017-18	\$ 851,903	\$ 914,793	\$ (62,890)	\$ 5,311,000	17.22%
2018-19	\$ 926,679	\$ 959,239	\$ (32,560)	\$ 5,679,000	16.89%
2019-20	\$ 964,069	\$ 1,062,207	\$ (98,138)	\$ 5,963,000	17.81%
2020-21	\$ 1,064,645	\$ 906,976	\$ 157,669	\$ 5,811,000	15.61%
2021-22	\$ 905,970	\$ 686,936	\$ 219,034	\$ 4,577,000	15.01%
2022-23	\$ 684,003	\$ 530,744	\$ 153,259	\$ 3,727,000	14.24%
2023-24	\$ 532,857	\$ 426,500	\$ 106,357	\$ 3,749,000	11.38%
2024-25	\$ 429,054	\$ 409,416	\$ 19,638	\$ 3,578,000	11.44%

VENTURA REGIONAL SANITATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (continued)
Fiscal Year Ended June 30, 2025

Public Agency Retirement System (PARS) - Retirement Enhancement Plan (Group 1 & Group 2)

Schedule of Changes in Net Pension Liability and Related Ratios - Last 10 Years

TOTAL PENSION LIABILITY	2015-16	2016-17	2017-18	2018-19	2019-20
Service cost	\$ 137,380	\$ 141,501	\$ 119,356	\$ 125,717	\$ 129,489
Interest	585,486	614,981	638,593	679,136	706,597
Economic/demographic gains or losses	-	-	223,354	-	(1,193,384)
Net Investment Income	(207,599)	-	-	-	-
Changes of assumptions	332,945	642,798	-	-	(897,252)
Benefit Payments, Including Refunds of Employee Contributions	(282,451)	(329,592)	(346,423)	(375,995)	(396,294)
Net change in Total Pension Liability	565,761	1,069,688	634,880	428,858	(1,650,844)
Total Pension Liability - beginning	8,240,191	8,805,952	9,875,640	10,510,520	10,939,378
Total Pension Liability - ending (a)	<u>\$ 8,805,952</u>	<u>\$ 9,875,640</u>	<u>\$ 10,510,520</u>	<u>\$ 10,939,378</u>	<u>\$ 9,288,534</u>
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 376,419	\$ 417,249	\$ 495,809	\$ 547,428	\$ 1,069,387
Contributions - Employee	29,566	26,725	22,922	22,976	22,757
Net investment income	(1,218)	508,099	341,726	389,917	209,917
Benefit Payments, Including Refunds of Employee Contributions	(282,451)	(329,592)	(346,423)	(375,995)	(396,294)
Administrative expense	(35,294)	(35,759)	(36,453)	(36,833)	(37,372)
Net change in plan fiduciary net position	87,022	586,722	477,581	547,493	868,395
Plan fiduciary net position - beginning	4,886,332	4,973,354	5,560,076	6,037,657	6,585,150
Plan fiduciary net position - ending (b)	<u>\$ 4,973,354</u>	<u>\$ 5,560,076</u>	<u>\$ 6,037,657</u>	<u>\$ 6,585,150</u>	<u>\$ 7,453,545</u>
Plan Net Pension Liability (asset) - ending (a)-(b)	\$ 3,832,598	\$ 4,315,564	\$ 4,472,863	\$ 4,354,228	\$ 1,834,989
Plan fiduciary net position as a percentage of the total Pension Liability	56.48%	56.30%	57.44%	60.20%	80.24%
Covered employee payroll	\$ 3,397,512	\$ 2,843,429	\$ 2,718,992	\$ 2,296,318	\$ 2,275,736
Net Pension Liability as a percentage of covered payroll	112.81%	151.77%	164.50%	189.62%	80.63%

VENTURA REGIONAL SANITATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (continued)
Fiscal Year Ended June 30, 2025

Public Agency Retirement System (PARS) - Retirement Enhancement Plan (Group 1 & Group 2)

Schedule of Changes in Net Pension Liability and Related Ratios - Last 10 Years

TOTAL PENSION LIABILITY	2020-21	2021-22	2022-23	2023-24	2024-25
Service cost	\$ 110,135	\$ 113,993	\$ 77,585	\$ 26,177	\$ 26,962
Interest	574,048	588,052	773,082	791,445	804,096
Difference Between Expected and Actual Experience	-	3,027,936	330,158	-	696,696
Changes of assumptions	-	576,202	(464,020)	-	(751,384)
Benefit Payments, Including Refunds of Employee Contributions	(427,791)	(500,164)	(606,398)	(593,554)	(621,580)
Net change in Total Pension Liability	256,392	3,806,019	110,407	224,068	154,790
Total Pension Liability - beginning	9,288,534	9,544,926	13,350,945	13,461,352	13,685,420
Total Pension Liability - ending (a)	<u>\$ 9,544,926</u>	<u>\$ 13,350,945</u>	<u>\$ 13,461,352</u>	<u>\$ 13,685,420</u>	<u>\$ 13,840,210</u>
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 742,615	\$ 277,203	\$ 132,673	\$ 130,925	\$ 129,691
Contributions - Employee	21,949	23,115	8,831	7,731	6,643
Net investment income	1,637,786	(1,224,298)	534,748	852,771	759,022
Benefit Payments, Including Refunds of Employee Contributions	(427,791)	(500,164)	(606,398)	(593,554)	(621,580)
Administrative expense	(39,579)	(39,571)	(38,068)	(38,109)	(38,585)
Net change in plan fiduciary net position	1,934,980	(1,463,715)	31,786	359,764	235,191
Plan fiduciary net position - beginning	7,453,545	9,388,525	7,924,810	7,956,596	8,316,360
Plan fiduciary net position - ending (b)	<u>\$ 9,388,525</u>	<u>\$ 7,924,810</u>	<u>\$ 7,956,596</u>	<u>\$ 8,316,360</u>	<u>\$ 8,551,551</u>
Plan Net Pension Liability (asset) - ending (a)-(b)	\$ 156,401	\$ 5,426,135	\$ 5,504,756	\$ 5,369,060	\$ 5,288,659
Plan fiduciary net position as a percentage of the total Pension Liability	98.36%	59.36%	59.11%	60.77%	61.79%
Covered employee payroll	\$ 2,194,897	\$ 1,458,911	\$ 774,169	\$ 770,328	\$ 656,895
Net Pension Liability as a percentage of covered payroll	7.13%	371.93%	711.05%	696.98%	805.10%

VENTURA REGIONAL SANITATION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (continued) Fiscal Year Ended June 30, 2025

Public Agency Retirement System (PARS) - Retirement Enhancement Plan (Group 1 & Group 2)

Schedule of Plan Contributions - Last 10 Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015-16	\$ 394,507	\$ 376,419	\$ 18,088	\$ 3,397,512	11.08%
2016-17	\$ 502,927	\$ 417,249	\$ 85,678	\$ 2,843,429	14.67%
2017-18	\$ 390,954	\$ 495,809	\$ (104,855)	\$ 2,718,992	18.24%
2018-19	\$ 627,393	\$ 547,428	\$ 79,965	\$ 2,296,318	23.84%
2019-20	\$ 408,306	\$ 1,069,387	\$ (661,081)	\$ 2,275,736	46.99%
2020-21	\$ 393,765	\$ 742,615	\$ (348,850)	\$ 2,194,897	33.83%
2021-22	\$ 410,829	\$ 277,203	\$ 133,626	\$ 1,458,911	19.00%
2022-23	\$ 562,976	\$ 132,673	\$ 430,303	\$ 774,169	17.14%
2023-24	\$ 560,183	\$ 130,925	\$ 429,258	\$ 770,328	17.00%
2024-25	\$ 463,702	\$ 129,691	\$ 334,011	\$ 656,895	19.74%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2024-25 were from the June 30, 2025 public agency valuations.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Straight-line amortization over a closed 5-year period.
Asset Valuation	Market value of assets as of measurement date

Actuarial Assumptions:

Discount Rate	6.50%
Inflation	2.50%
Investment Rate of Return	6.50% net of expenses
Retirement Age	Based on assumptions for General members in the June 30, 2024 VCERA actuarial valuation.
Mortality	Based on assumptions for General members in the June 30, 2024 VCERA actuarial valuation.

VENTURA REGIONAL SANITATION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (continued) Fiscal Year Ended June 30, 2025

Other Post Employment Benefits

Schedule of Changes in Net OPEB Liability and Related Ratios - Last 10 Years

Total OPEB liability	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Service cost	\$ 104,217	\$ 107,344	\$ 110,564	\$ 170,370
Interest on the total OPEB liability	72,982	78,886	84,947	105,413
Actual and expected experience difference	-	-	336,813	(3,720)
Changes of assumptions	-	-	1,648	-
Benefit payments	(63,093)	(60,629)	(75,858)	(69,847)
Net change in Total OPEB Liability	114,106	125,601	457,484	202,216
Total OPEB Liability - beginning	1,386,592	1,500,698	1,626,299	2,083,783
Total OPEB Liability - ending (a)	<u>\$ 1,500,698</u>	<u>\$ 1,626,299</u>	<u>\$ 2,083,783</u>	<u>\$ 2,285,999</u>
Plan fiduciary net position				
Employer contributions	\$ 204,962	\$ 234,099	\$ 248,511	\$ 237,330
Net investment income	17,341	106,328	89,510	161,689
Benefit payments	(63,093)	(60,629)	(75,858)	(69,847)
Administrative expense	-	(8,050)	(10,033)	(12,058)
Net change in plan fiduciary net position	159,210	271,748	252,130	317,114
Plan fiduciary net position - beginning	1,221,609	1,380,819	1,652,567	1,904,697
Plan fiduciary net position - ending (b)	<u>\$ 1,380,819</u>	<u>\$ 1,652,567</u>	<u>\$ 1,904,697</u>	<u>\$ 2,221,811</u>
Net OPEB liability (asset) - ending (a)-(b)	\$ 119,879	\$ (26,268)	\$ 179,086	\$ 64,188
Plan fiduciary net position as a percentage of the total OPEB Liability	92.01%	101.62%	91.41%	97.19%
Covered employee payroll**	\$ 4,992,766	\$ 5,833,461	\$ 6,125,948	\$ 6,126,948
Net OPEB Liability as a percentage of covered payroll	2.40%	-0.45%	2.92%	1.05%
Total OPEB Liability as a percentage of covered payroll	30.06%	27.88%	34.02%	37.31%

Other Notes

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

**Contributions are not based on a measure of pay. "Covered-employee payroll" is used as the measure of payroll.

VENTURA REGIONAL SANITATION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (continued) Fiscal Year Ended June 30, 2025

Other Post Employment Benefits

Schedule of Changes in Net OPEB Liability and Related Ratios - Last 10 Years

	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2025</u>
Total OPEB liability				
Service cost	\$ 175,481	\$ 151,758	\$ 155,931	\$ 102,062
Interest on the total OPEB liability	115,036	93,681	10,125	73,929
Actual and expected experience difference	(519,255)	(460)	(464,208)	(193,342)
Changes of assumptions	14,514	-	(184,164)	(263,480)
Benefit payments	<u>(79,359)</u>	<u>(77,953)</u>	<u>(90,289)</u>	<u>(80,589)</u>
Net change in Total OPEB Liability	(293,583)	167,026	(481,705)	(361,420)
Total OPEB Liability - beginning	<u>2,285,999</u>	<u>1,992,416</u>	<u>2,159,442</u>	<u>1,677,737</u>
Total OPEB Liability - ending (a)	<u>\$ 1,992,416</u>	<u>\$ 2,159,442</u>	<u>\$ 1,677,737</u>	<u>\$ 1,316,317</u>
Plan fiduciary net position				
Employer contributions	\$ 241,155	\$ 77,897	\$ 56,303	\$ 45,237
Net investment income	(250,893)	58,610	135,532	166,878
Benefit payments	(79,359)	(77,953)	(90,289)	(80,589)
Administrative expense	<u>(13,369)</u>	<u>(12,474)</u>	<u>(12,168)</u>	<u>(13,637)</u>
Net change in plan fiduciary net position	(102,466)	46,080	89,378	117,889
Plan fiduciary net position - beginning	<u>2,221,811</u>	<u>2,119,345</u>	<u>2,165,425</u>	<u>2,254,803</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,119,345</u>	<u>\$ 2,165,425</u>	<u>\$ 2,254,803</u>	<u>\$ 2,372,692</u>
Net OPEB liability (asset) - ending (a)-(b)	\$ (126,929)	\$ (5,983)	\$ (577,066)	\$ (1,056,375)
Plan fiduciary net position as a percentage of the total OPEB Liability	106.37%	100.28%	134.40%	180.25%
Covered employee payroll**	\$ 4,913,793	\$ 3,961,462	\$ 3,909,853	\$ 3,729,367
Net OPEB Liability as a percentage of covered payroll	-2.58%	-0.15%	-14.76%	-28.33%
Total OPEB Liability as a percentage of covered payroll	40.55%	54.51%	42.91%	35.30%

Other Notes

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

**Contributions are not based on a measure of pay. "Covered-employee payroll" is used as the measure of payroll.

VENTURA REGIONAL SANITATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (continued)
Fiscal Year Ended June 30, 2025

Other Post Employment Benefits

Schedule of Employer Contributions - Last 10 Years

Fiscal Year Ended June 30,	Actuarially determined contribution (ADC)	Less: actual contribution in relation to ADC	Contribution deficiency (excess)	Covered employee payroll**	Contrib. as a % of covered employee payroll
2018	\$ 119,584	\$ (204,962)	\$ (85,378)	\$ 4,992,766	4.11%
2019	\$ 122,873	\$ (234,099)	\$ (111,226)	\$ 5,833,461	4.01%
2020	\$ 188,946	\$ (248,511)	\$ (59,565)	\$ 6,125,948	4.06%
2021	\$ 194,614	\$ (237,330)	\$ (42,716)	\$ 6,126,948	3.87%
2022	\$ 154,268	\$ (241,155)	\$ (86,887)	\$ 4,913,793	4.91%
2023	\$ 158,511	\$ (77,897)	\$ 80,614	\$ 3,961,462	1.97%
2024	\$ 103,300	\$ (56,303)	\$ 46,997	\$ 3,909,853	1.44%
2025	\$ 106,399	\$ (45,237)	\$ 61,162	\$ 3,729,367	1.21%

Notes to Schedule:

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level percent of payroll over a closed rolling 15-year period
Asset Valuation Method	Market value
Actuarial Assumptions:	
Discount Rate	5.50%
Inflation	2.50%
Payroll Growth	3% per annum, in aggregate
Long-term expected investment return	5.50%
Retirement Age	Based on assumptions for General members in the June 30, 2024 VCERA actuarial Valuation.
Mortality	Based on assumptions for General members in the June 30, 2024 VCERA actuarial Valuation.

Other Notes

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

**Contributions are not based on a measure of pay. "Covered-employee payroll" is used as the measure of payroll.

Supplementary Section



Ventura Regional Sanitation District

Annual Comprehensive Financial Report
For the Fiscal Year Ended
June 30, 2025



VENTURA REGIONAL SANITATION DISTRICT

COMBINING SCHEDULE OF NET POSITION June 30, 2025

	Water and Wastewater	Solid Waste	Administration	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,474,499	\$ 20,926,073	\$ 797,465	\$ 24,198,037
Accrued interest receivable	1,602	102,832	-	104,434
Accounts receivable – disposal and sanitation fees, net	-	1,070,804	-	1,070,804
Accounts receivable – contract services and other, net	344,789	126,560	10,787	482,136
Prepaid expenses and other	32,492	268,998	-	301,490
Total current assets – unrestricted	<u>2,853,382</u>	<u>22,495,267</u>	<u>808,252</u>	<u>26,156,901</u>
Restricted current assets:				
Cash and cash equivalents	-	954,870	-	954,870
Investments	-	3,543,219	-	3,543,219
Notes receivable	194,988	-	-	194,988
Total current assets – restricted	<u>194,988</u>	<u>4,498,089</u>	<u>-</u>	<u>4,693,077</u>
Total current assets – unrestricted and restricted	<u>3,048,370</u>	<u>26,993,356</u>	<u>808,252</u>	<u>30,849,978</u>
Non-current assets:				
Investments	-	3,310,671	-	3,310,671
Capital assets, net	1,505,826	40,437,932	34,411	41,978,169
Total non-current assets – unrestricted	<u>1,505,826</u>	<u>43,748,603</u>	<u>34,411</u>	<u>45,288,840</u>
Restricted non-current assets:				
Notes receivable	188,002	-	-	188,002
Net OPEB asset	325,366	560,585	170,424	1,056,375
Total non-current assets – restricted	<u>513,368</u>	<u>560,585</u>	<u>170,424</u>	<u>1,244,377</u>
Total non-current assets – unrestricted and restricted	<u>2,019,194</u>	<u>44,309,188</u>	<u>204,835</u>	<u>46,533,217</u>
Total assets	<u>\$ 5,067,564</u>	<u>\$ 71,302,544</u>	<u>\$ 1,013,087</u>	<u>\$ 77,383,195</u>
DEFERRED OUTFLOWS OF RESOURCES				
OPEB related	\$ 108,240	\$ 16,603	\$ 8,102	\$ 132,945
Pension related	787,754	907,523	531,697	2,226,974
Loss on refunding of debt	2,768	-	-	2,768
Total deferred outflows of resources	<u>\$ 898,762</u>	<u>\$ 924,126</u>	<u>\$ 539,799</u>	<u>\$ 2,362,687</u>

VENTURA REGIONAL SANITATION DISTRICT
COMBINING SCHEDULE OF NET POSITION (continued)
June 30, 2025

	Water and Wastewater	Solid Waste	Administration	Total
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 139,014	\$ 878,239	\$ 83,667	\$ 1,100,920
Accrued wages and compensated absences	97,883	161,264	107,991	367,138
Accrued interest payable	2,437	35,380	-	37,817
Installment sale agreement – current portion	-	1,136,191	-	1,136,191
Payable from current assets – unrestricted	<u>239,334</u>	<u>2,211,074</u>	<u>191,658</u>	<u>2,642,066</u>
Payable from restricted current assets:				
Customer deposits	-	72,570	-	72,570
Landfill closure/postclosure costs – expected within one year		360,011		360,011
Installment purchase contract – current portion	183,008			183,008
Payable from current assets – restricted	<u>183,008</u>	<u>432,581</u>	<u>-</u>	<u>615,589</u>
Total current liabilities – unrestricted and restricted	<u>422,342</u>	<u>2,643,655</u>	<u>191,658</u>	<u>3,257,655</u>
Noncurrent Liabilities:				
Payable from non-current assets:				
Net pension liability	3,066,254	2,629,942	904,468	6,600,664
Installment sale agreement	-	1,932,025	-	1,932,025
Accrued wages and compensated absences	76,701	64,243	115,612	256,556
Payable from non-current assets – restricted	<u>3,142,955</u>	<u>4,626,210</u>	<u>1,020,080</u>	<u>8,789,245</u>
Payable from restricted non-current assets:				
Tierra Rejada Landfill reserve	-	121,002	-	121,002
Landfill closure/postclosure costs	-	23,575,983	-	23,575,983
Installment purchase contract	188,002	-	-	188,002
Payable from non-current assets – restricted	<u>188,002</u>	<u>23,696,985</u>	<u>-</u>	<u>23,884,987</u>
Total non-current liabilities – unrestricted and restricted	<u>3,330,957</u>	<u>28,323,195</u>	<u>1,020,080</u>	<u>32,674,232</u>
Total liabilities	<u>\$ 3,753,299</u>	<u>\$ 30,966,850</u>	<u>\$ 1,211,738</u>	<u>\$ 35,931,887</u>
DEFERRED INFLOWS OF RESOURCES				
OPEB related	\$ 409,615	\$ 585,775	\$ 182,550	\$ 1,177,940
Pension related	1,251,523	456,014	158,598	1,866,135
Total deferred inflows of resources	<u>\$ 1,661,138</u>	<u>\$ 1,041,789</u>	<u>\$ 341,148</u>	<u>\$ 3,044,075</u>
Net position				
Net investment in capital assets	\$ 1,137,584	\$ 37,303,595	\$ 34,411	\$ 38,475,590
Restricted for:				
OPEB	325,366	560,585	170,424	1,056,375
Debt service	382,990	-	-	382,990
Conditional use permit for landfill	-	725,950	-	725,950
Malibu bay club	13,775	-	-	13,775
Unrestricted amounts (deficit)	<u>(1,307,826)</u>	<u>1,627,901</u>	<u>(204,835)</u>	<u>115,240</u>
Total net position	<u>\$ 551,889</u>	<u>\$ 40,218,031</u>	<u>\$ -</u>	<u>\$ 40,769,920</u>

VENTURA REGIONAL SANITATION DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Fiscal Year Ended June 30, 2025

	Water and Wastewater	Solid Waste	Administration	Total
Operating revenues:				
Disposal and sanitation fees	\$ -	\$ 15,261,771	\$ -	\$ 15,261,771
Contract services	3,471,650	128,958	86,810	3,687,418
Other revenue	235,829	205,931	10,626	452,386
Total operating revenues	<u>3,707,479</u>	<u>15,596,660</u>	<u>97,436</u>	<u>19,401,575</u>
Operating expenses:				
Salaries and benefits	2,296,065	2,173,770	587,247	5,057,082
Management and administrative	84,282	226,689	92,325	403,296
Services and supplies	441,417	1,102,372	19,177	1,562,966
Professional services	49,598	449,002	284,619	783,219
Facility maintenance	223,340	978,828	21,647	1,223,815
Provision for landfill closure/postclosure	-	1,350,249	-	1,350,249
Permits, licenses and fees	45,992	1,120,784	29,206	1,195,982
Total operating expenses	<u>3,140,694</u>	<u>7,401,694</u>	<u>1,034,221</u>	<u>11,576,609</u>
Operating income before depreciation and amortization	566,785	8,194,966	(936,785)	7,824,966
Depreciation and amortization	<u>(182,925)</u>	<u>(4,100,162)</u>	<u>(32,752)</u>	<u>(4,315,839)</u>
Operating income (loss)	<u>383,860</u>	<u>4,094,804</u>	<u>(969,537)</u>	<u>3,509,127</u>
Nonoperating revenues (expenses):				
Interest and investment earnings	1,602	1,513,243	-	1,514,845
Interest expense	(14,133)	(107,485)	-	(121,618)
Gain on sales/disposals of capital assets, net	1,955	12,115	331	14,401
Tierra Rejada Landfill expense	-	(21,546)	-	(21,546)
Other revenue	-	108,619	29,886	138,505
Total nonoperating revenues (expenses), net	<u>(10,576)</u>	<u>1,504,946</u>	<u>30,217</u>	<u>1,524,587</u>
Income (loss) before transfers	373,284	5,599,750	(939,320)	5,033,714
Transfers in	-	-	939,320	939,320
Transfers out	<u>(427,941)</u>	<u>(511,379)</u>	<u>-</u>	<u>(939,320)</u>
Change in net position	<u>(54,657)</u>	<u>5,088,371</u>	<u>-</u>	<u>5,033,714</u>
Net position (deficit), beginning of year	606,546	35,129,660	-	35,736,206
Net position (deficit), end of year	<u>\$ 551,889</u>	<u>\$ 40,218,031</u>	<u>\$ -</u>	<u>\$ 40,769,920</u>

VENTURA REGIONAL SANITATION DISTRICT

COMBINING SCHEDULE OF CASH FLOWS Fiscal Year Ended June 30, 2025

	Water and Wastewater	Solid Waste	Administration	Total
Cash flows from operating activities:				
Receipts from customers for disposal and sanitation services	\$ -	\$ 15,180,824	\$ -	\$ 15,180,824
Receipts from customers for contract services	3,704,011	115,468	87,305	3,906,784
Receipts for other services	224,245	192,662	10,686	427,593
Payments to vendors for materials and services	(725,477)	(5,405,512)	(353,656)	(6,484,645)
Payments for salaries, benefits and contract labor	(1,354,943)	(2,521,816)	(1,492,462)	(5,369,221)
Net cash provided (used) by operating activities	<u>1,847,836</u>	<u>7,561,626</u>	<u>(1,748,127)</u>	<u>7,661,335</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	-	-	939,320	939,320
Transfers to other funds	(427,941)	(511,379)	-	(939,320)
Net cash provided (used) by noncapital financing activities	<u>(427,941)</u>	<u>(511,379)</u>	<u>939,320</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	128,229	(11,267,615)	-	(11,139,386)
Principal received on notes receivable	179,224	-	-	179,224
Proceeds from the sale of capital assets	1,955	12,115	331	14,401
Principal paid on capital debt	(178,148)	(1,312,314)	-	(1,490,462)
Interest paid on capital debt	(13,663)	(118,845)	-	(132,508)
Net cash provided (used) by capital and related financing activities	<u>117,597</u>	<u>(12,686,659)</u>	<u>331</u>	<u>(12,568,731)</u>
Cash flows from investing activities:				
Interest and dividends from investments	-	1,839,901	-	1,839,901
Proceeds from sales and maturities of investments	-	7,127,278	-	7,127,278
Purchases of investments	-	-	-	-
Net cash provided by investing activities	<u>-</u>	<u>8,967,179</u>	<u>-</u>	<u>8,967,179</u>
Net increase (decrease) in cash and cash equivalents	1,537,492	3,330,767	(808,476)	4,059,783
Cash and cash equivalents (unrestricted and restricted), beginning of year	937,007	18,550,176	1,605,941	21,093,124
Cash and cash equivalents (unrestricted and restricted), end of year	<u>\$ 2,474,499</u>	<u>\$ 21,880,943</u>	<u>\$ 797,465</u>	<u>\$ 25,152,907</u>
Reconciliation of cash and cash equivalents to statement of net position:				
Cash and cash equivalents	\$ 2,474,499	\$ 20,926,073	\$ 797,465	\$ 24,198,037
Restricted cash and cash equivalents	-	954,870	-	954,870
Total cash and cash equivalents	<u>\$ 2,474,499</u>	<u>\$ 21,880,943</u>	<u>\$ 797,465</u>	<u>\$ 25,152,907</u>

VENTURA REGIONAL SANITATION DISTRICT
COMBINING SCHEDULE OF CASH FLOWS (continued)
Fiscal Year Ended June 30, 2025

	Water and Wastewater	Solid Waste	Administration	Total
Reconciliation of operating income to cash flows provided by operating activities:				
Operating income (loss)	\$ 383,860	\$ 4,094,804	\$ (969,537)	\$ 3,509,127
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	182,925	4,100,162	32,752	4,315,839
Other non-operating revenues and expenses, net		87,073	29,886	116,959
Changes in assets and liabilities:				
Change in assets - (increase)decrease:				
Accounts receivable – disposal and sanitation fees, net	-	(86,436)	-	(86,436)
Accounts receivable – contract services and other, net	220,777	(26,757)	555	194,575
Prepaid expenses and other	12,245	(84,230)	4,575	(67,410)
Net OPEB asset	(138,748)	(264,881)	(75,680)	(479,309)
Deferred outflows	737,801	(675,256)	(1,321,691)	(1,259,146)
Change in liabilities - increase(decrease):				
Accounts payable and accrued expenses	106,906	(1,204,581)	58,856	(1,038,819)
Accrued wages and compensated absences	(40,379)	(92,384)	(5,397)	(138,160)
Customer deposits	-	5,489	-	5,489
Net pension liabilities	143,358	300,419	171,734	615,511
Tierra Rejada Landfill reserve	-	34,268	-	34,268
Landfill closure/postclosure costs	-	989,883	-	989,883
Deferred inflows	239,091	384,053	325,820	948,964
Net cash provided (used) by operating activities	<u>\$ 1,847,836</u>	<u>\$ 7,561,626</u>	<u>\$ (1,748,127)</u>	<u>\$ 7,661,335</u>
Noncash investing, capital, and financing activities:				
Fair value adjustment of investments	\$ -	\$ 523,608	\$ -	\$ 523,608

VENTURA REGIONAL SANITATION DISTRICT

TIERRA REJADA CLOSED LANDFILL - MITIGATION AND MONITORING COSTS
Fiscal Year Ended June 30, 2025

	<u>Post Closure</u>		<u>Total</u>
	<u>Environmental Monitoring</u>	<u>Post Closure Maintenance</u>	
Mitigation expenses:			
Operating materials and supplies	\$ -	\$ 12,362	\$ 12,362
Operating services	-	1,753	1,753
Lab services and supplies	6,294	-	6,294
Contracted services	1,050	2,218	3,268
Environmental consultants	20,072	-	20,072
Professional services	35,420	-	35,420
Facility maintenance	231	736	967
Permit, fees and other	6,048	-	6,048
Total mitigation expenses	<u>\$ 69,115</u>	<u>\$ 17,069</u>	<u>\$ 86,184</u>
Mitigation funds received	<u>\$ 38,367</u>	<u>\$ 82,085</u>	<u>\$ 120,452</u>
Current year remaining obligation available/(deficit) from parties	<u>\$ (30,748)</u>	<u>\$ 65,016</u>	<u>\$ 34,268</u>

Beginning Tierra Rejada Fund available/(deficit) balance: July 1, 2024	\$ 86,734
Current year net change	<u>34,268</u>
Ending Tierra Rejada Fund available/(deficit) balance: June 30, 2025	<u>\$ 121,002</u>

Beginning VRSD Mitigation & Monitoring obligation available: July 1, 2024	\$ 28,040
Current year net change	<u>(1,047)</u>
VRSD Mitigation & Monitoring obligation available balance: June 30, 2025	<u>\$ 26,993</u>

Notes:

Monies within Tierra Rejada Fund are comprised of contributions from the following four parties:

- City of Simi Valley ("City")
- County of Ventura ("County")
- Rancho Simi Recreational and Park District ("Simi Park")
- Ventura Regional Sanitation District ("VRSD")

The contributions to this fund were made in accordance with Amendment No. 6 to contract No. 91-98, which expired calendar year 2024. No further financial commitments have been made by VRSD or the County. All financial responsibilities for the Tierra Rejada Landfill activities are that of the land owners, Simi Park and City.

VENTURA REGIONAL SANITATION DISTRICT
MALIBU BAY CLUB - OPERATING AND MAINTENANCE COSTS
Fiscal Year Ended June 30, 2025

	Maintenance	Operations	Environmental Monitoring	Total
Expenses:				
Operating materials and supplies	\$ 8,505	\$ 4,001	\$ -	\$ 12,505
Operating services	11,187	2,305	-	13,493
Lab services and supplies	-	-	13,815	13,815
Contracted services	46,895	45,229	47,632	139,756
Environmental consultants	-	288	-	288
Property insurance	-	9,344	-	9,344
Facility maintenance	-	2,919	-	2,919
Permit, fees and other	-	11,030	-	11,030
Total mitigation expenses	<u>\$ 66,588</u>	<u>\$ 75,115</u>	<u>\$ 61,447</u>	<u>\$ 203,150</u>

Annual sewer service fee [1]	219,259
Interest and penalty revenue, net of County fees	1,025
Total revenue	<u>\$ 220,284</u>

Net surplus/(deficit) \$ 17,134

Beginning reserve balance: July 1, 2024	\$ (19,035)
Current year activity	17,134
Change in Assessment Receivable	<u>(1,198)</u>
Ending reserve balance: June 30, 2025	<u>\$ (3,099)</u>

Notes:

The annual sewer service fees are based on the VRSD Ordinance No.115 - adopted on July 2, 2020, outlining sewer service charges imposed by the District on the residential units served by the Malibu Bay Club Onsite Wastewater Treatment System from July 1, 2020 through June 30, 2025. A termination agreement was entered into on July 1, 2025, discontinuing all services within calendar year 2025.

Statistical Section



Ventura Regional Sanitation District

Annual Comprehensive Financial Report
For the Fiscal Year Ended
June 30, 2025



Ventura Regional Sanitation District
Statistical Section

This part of the District’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

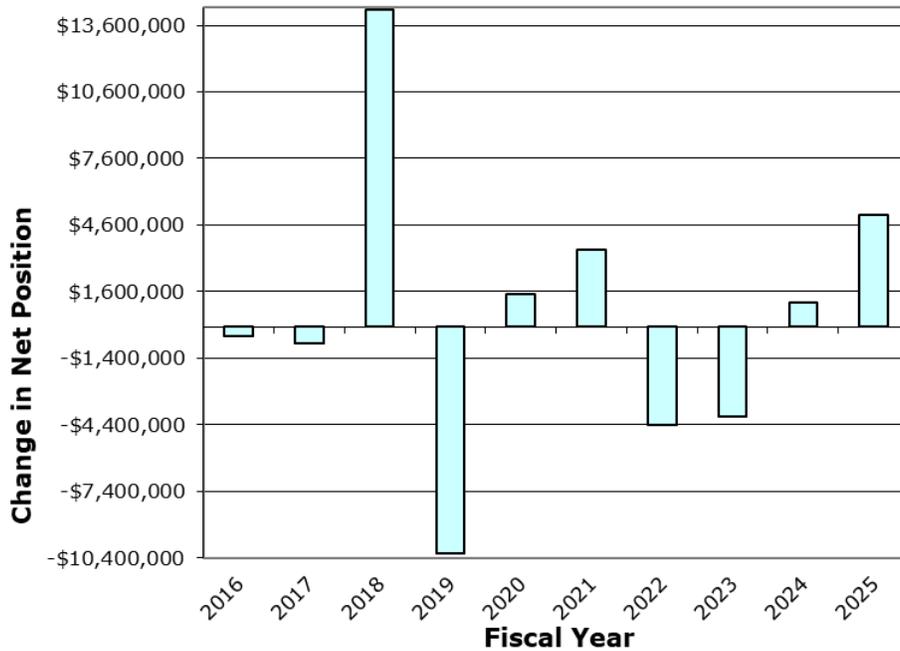
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Financial Trends These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.	85
Revenue Capacity These schedules contain information to help the reader assess the District’s most significant own-source revenues and wastewater service.	89
Debt Capacity These schedules 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.	92
Demographic Information These schedules offer demographic indicators to help the reader understand the environment within which the District’s financial activities take place.	95
Operating Information This schedule contains service and infrastructure data to help the reader understand how the information in the District’s financial report relates to the service the District provides.	99

Ventura Regional Sanitation District

Changes in Net Position and Net Position by Component Last Ten Fiscal Years

	Fiscal Year				
	2016	2017	2018	2019	2020
Changes in net position:					
Operating revenues ⁽⁴⁾	\$ 21,495,639	21,309,468	30,641,270	22,458,166	22,323,137
Operating expenses ⁽⁵⁾	(17,786,909)	(17,302,219)	(12,921,127)	(18,163,525)	(17,738,380)
Depreciation and amortization	(3,813,050)	(4,210,079)	(4,252,891)	(4,491,164)	(4,183,680)
Operating income(loss)	<u>(104,320)</u>	<u>(202,830)</u>	<u>13,467,252</u>	<u>(196,523)</u>	<u>401,077</u>
Non-operating revenues(expenses)					
Interest income	636,112	64,990	82,513	1,805,781	1,772,372
Gain/(loss) on sale of assets	47,883	1,100	16,823	(11,448,766)	1,587
Interest expense	(909,095) ⁽¹⁾	(649,977) ⁽¹⁾	(634,937) ⁽¹⁾	(560,528)	(484,527)
Other revenue/(expense), net	(69,081)	40,783	1,352,219	168,512	(188,568)
Total non-operating revenues(expenses), net	<u>(294,181)</u>	<u>(543,104)</u>	<u>816,618</u>	<u>(10,035,001)</u>	<u>1,100,864</u>
Net income before capital contributions	(398,501)	(745,934)	14,283,870	(10,231,524)	1,501,941
Capital contributions	-	-	-	-	-
Changes in net position	<u>\$ (398,501)</u>	<u>(745,934)</u>	<u>14,283,870</u>	<u>(10,231,524)</u>	<u>1,501,941</u>
Net position by component:					
Net investment in capital assets	\$ 26,936,724	27,818,147	28,047,030	20,052,322	21,814,680
Amounts restricted	7,956,948	4,916,679	5,839,153	7,163,970	6,729,028
Unrestricted amounts	538,348 ⁽¹⁾	1,951,260 ⁽¹⁾	14,401,924	10,840,291	11,014,816
Total net position	<u>\$ 35,432,020</u> ⁽²⁾	<u>34,686,086</u>	<u>48,288,107</u>	<u>38,056,583</u> ⁽³⁾	<u>39,558,524</u> ⁽³⁾



Notes:

- (1) The District made an adjustment to reflect the implementation of GASB Statement No. 63.
- (2) The District made an adjustment to reflect the implementation of GASB Statement No. 68.
- (3) The District made an adjustment to reflect the implementation of GASB Statement No. 74.
- (4) See Operating Revenue by Source Schedule.
- (5) See Operating Expenses by Activity Schedule.

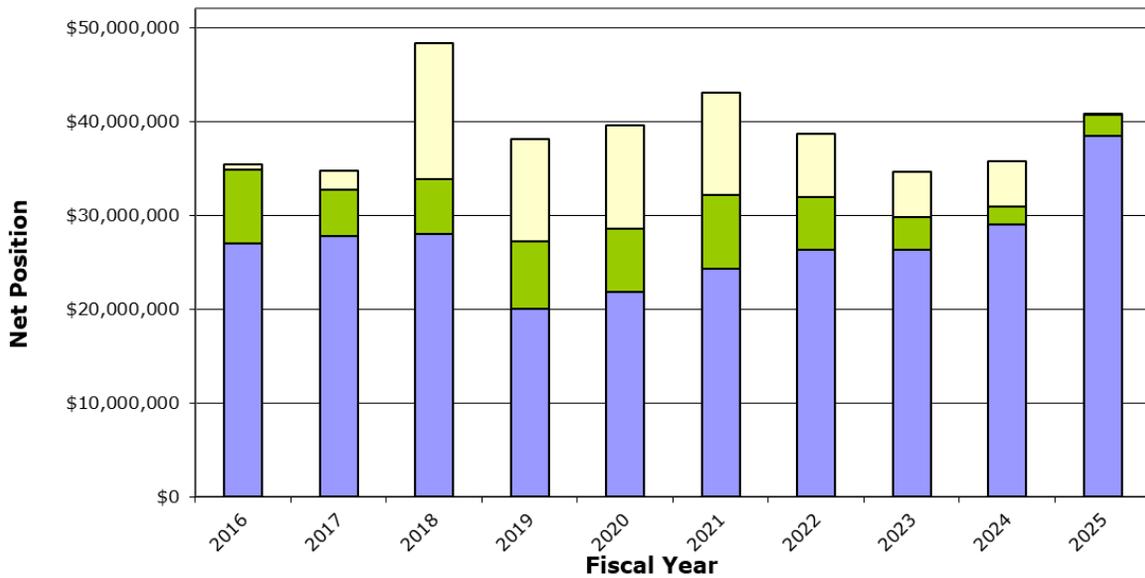
Source: Ventura Regional Sanitation District Finance Department

Ventura Regional Sanitation District

Changes in Net Position and Net Position by Component (Continued)

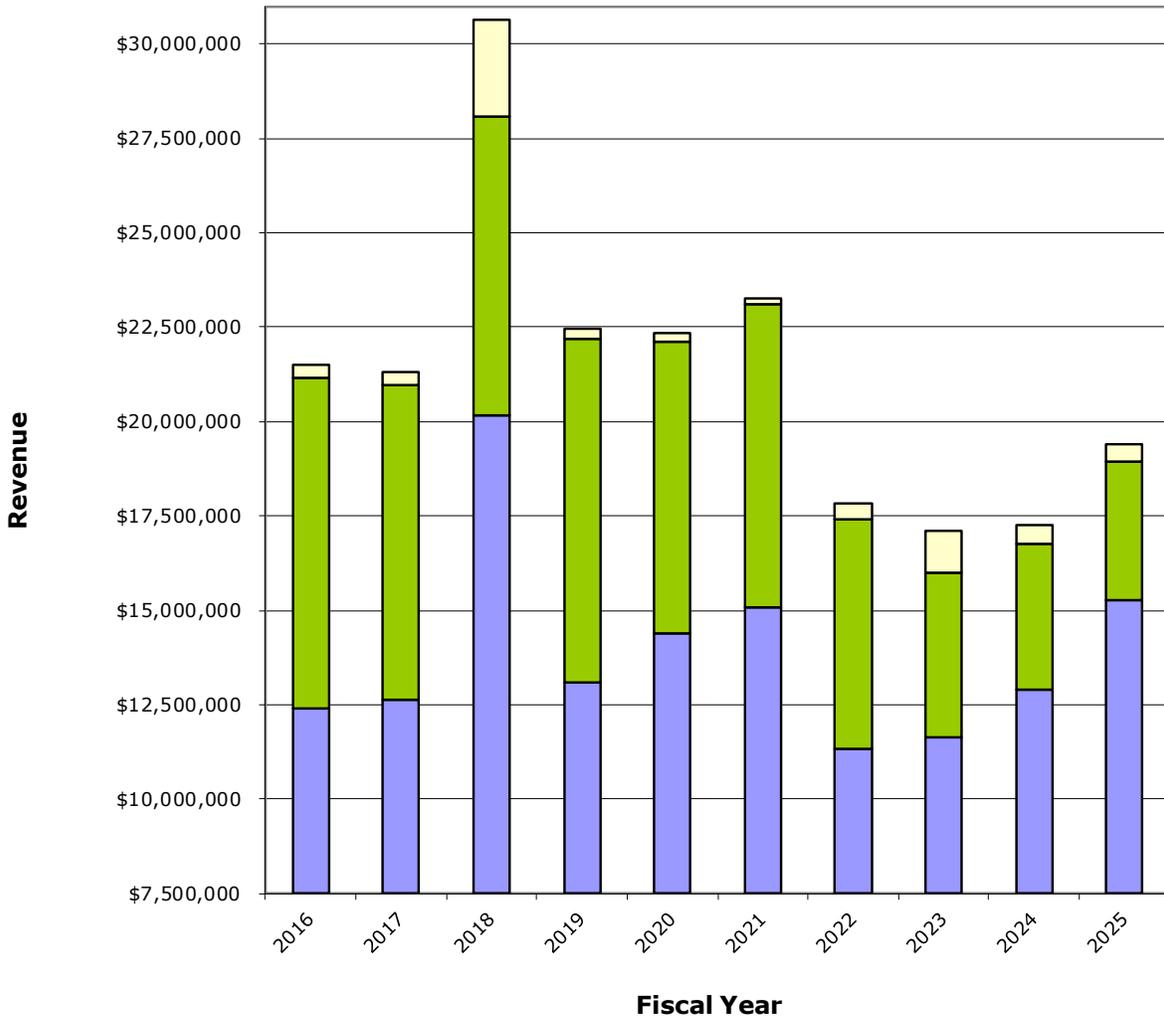
Last Ten Fiscal Years

		Fiscal Year						
		2021	2022	2023	2024	2025		
\$	23,247,107	17,818,414	17,118,519	17,249,241	19,401,575	Changes in net position:		
	(16,034,153)	(15,927,265)	(17,096,311)	(13,439,625)	(11,576,609)	Operating revenues ⁽⁴⁾		
	(3,835,176)	(4,217,866)	(4,353,931)	(4,412,832)	(4,315,839)	Operating expenses ⁽⁵⁾		
	3,377,778	(2,326,717)	(4,331,723)	(603,216)	3,509,127	Depreciation and amortization		
	101,084	(1,119,540)	464,651	1,753,419	1,514,845	Operating income(loss)		
	-	(632,973)	210,321	173,800	14,401	Non-operating revenues(expenses)		
	(405,826)	(323,141)	(246,036)	(180,874)	(121,618)	Interest income		
	408,531	(9,224)	(110,828)	(21,804)	116,959	Gain/(loss) on sale of assets		
	103,789	(2,084,878)	318,108	1,724,541	1,524,587	Interest expense		
	3,481,567	(4,411,595)	(4,013,615)	1,121,325	5,033,714	Other revenue/(expense), net		
	-	-	-	-	-	Total non-operating revenues(expenses), net		
	\$ 3,481,567	(4,411,595)	(4,013,615)	1,121,325	5,033,714	Net income before capital contributions		
	24,318,142	26,306,900	26,313,293	29,045,620	38,475,590	Capital contributions		
	7,867,679	5,603,799	3,485,933	1,873,905	2,179,090	Changes in net position		
	10,854,270	6,717,797	4,815,655	4,816,681	115,240	Net position by component:		
	\$ 43,040,091 ⁽³⁾	38,628,496	34,614,881	35,736,206	40,769,920	Net investment in capital assets		
						Amounts restricted		
						Unrestricted amounts		
						Total net position		



Ventura Regional Sanitation District Operating Revenue by Source Last Ten Fiscal Years

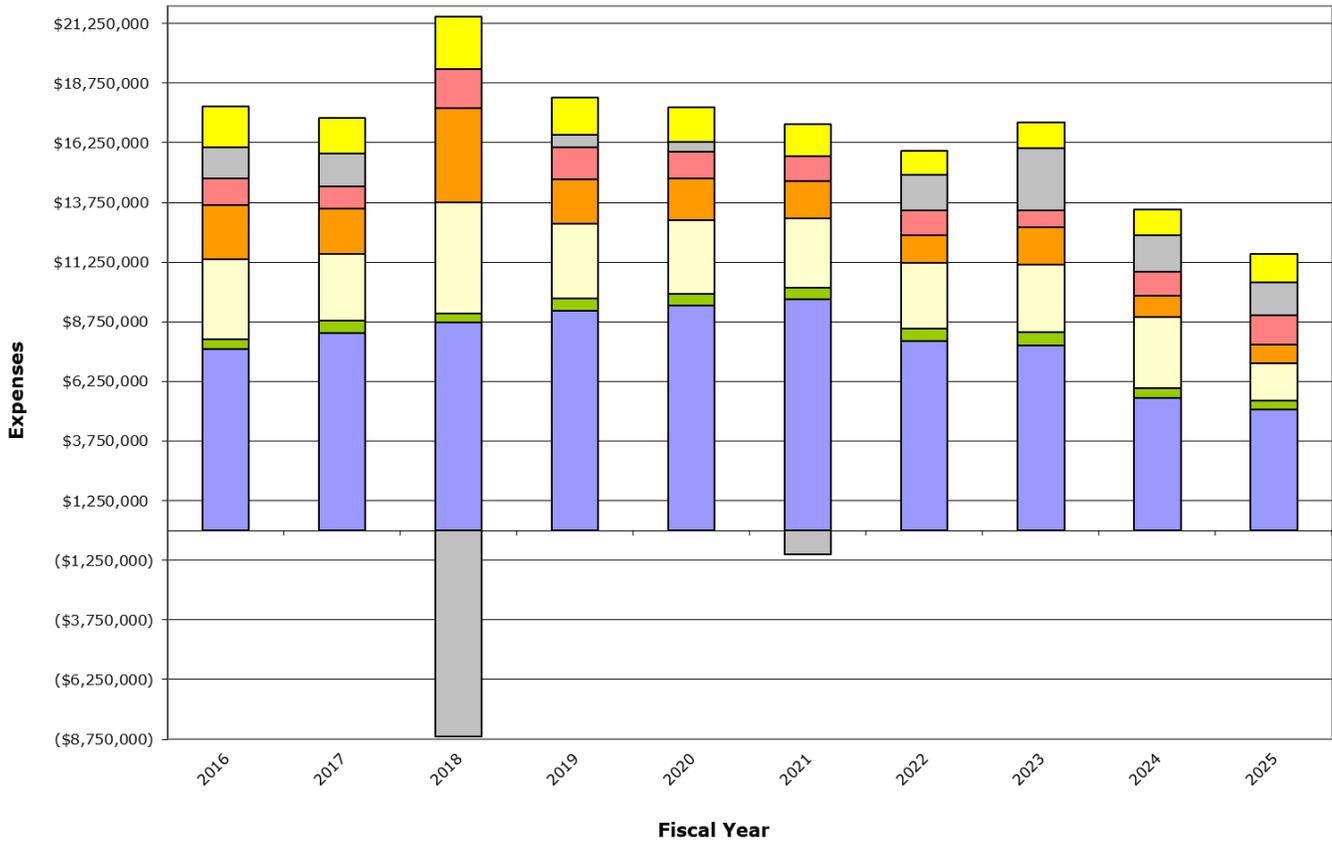
Fiscal Year	Disposal and Sanitation Fees	Contract Services	Other Revenues and Services	Total Operating Revenue
2016	12,412,112	8,737,303	346,224	21,495,639
2017	12,639,373	8,325,187	344,908	21,309,468
2018	20,174,869	7,902,095	2,564,306	30,641,270
2019	13,093,423	9,098,953	265,790	22,458,166
2020	14,390,887	7,740,883	191,367	22,323,137
2021	15,061,122	8,036,130	149,855	23,247,107
2022	11,325,669	6,084,140	408,605	17,818,414
2023	11,633,175	4,350,488	1,134,856	17,118,519
2024	12,912,030	3,850,329	486,882	17,249,241
2025	15,261,771	3,687,418	452,386	19,401,575



Source: Ventura Regional Sanitation District Finance Department

Ventura Regional Sanitation District Operating Expenses by Activity Last Ten Fiscal Years

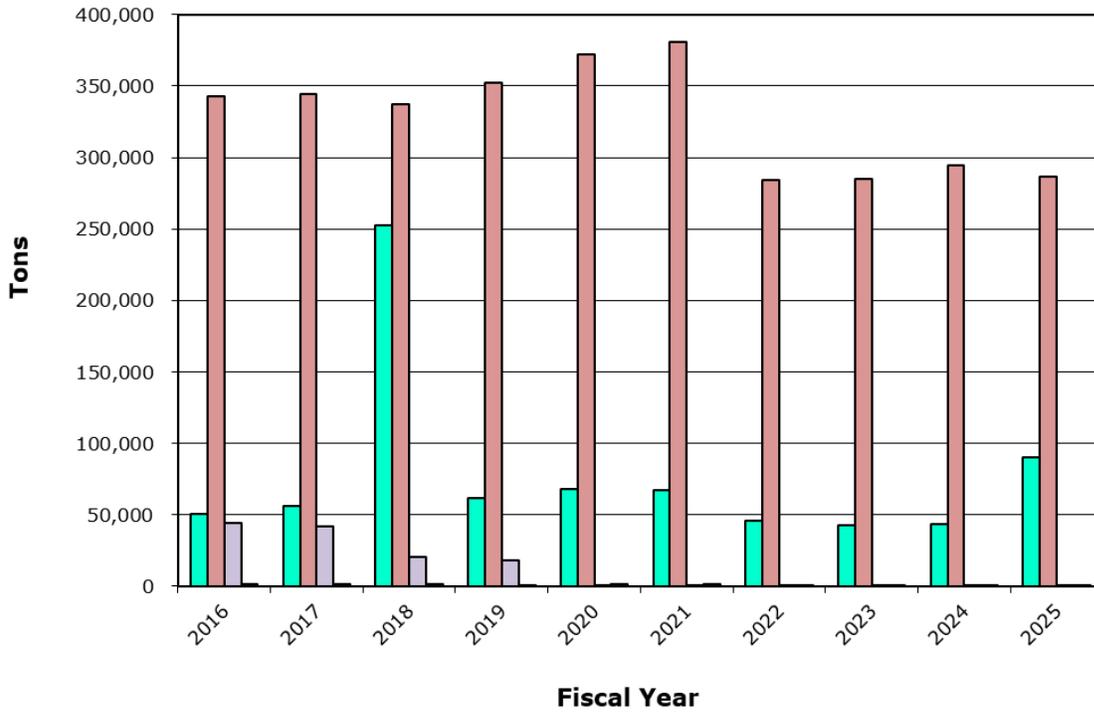
Fiscal Year	Salaries and Benefits	Management and Administrative	Services and Supplies	Professional Services	Facility Maintenance	Provision for Landfill Closure and Postclosure	Permits, Licenses and Fees	Total Operating Expenses
2016	7,602,026	421,601	3,346,233	2,284,767	1,115,384	1,306,015	1,710,883	17,786,909
2017	8,276,815	535,080	2,760,303	1,915,247	951,660	1,364,226	1,498,888	17,302,219
2018	8,705,859	378,310	4,653,117	3,966,343	1,641,778	(8,628,028)	2,203,748	12,921,127
2019	9,195,430	527,310	3,142,015	1,851,660	1,327,901	549,941	1,569,268	18,163,525
2020	9,443,115	465,949	3,094,852	1,762,139	1,124,887	385,844	1,461,594	17,738,380
2021	9,689,261	492,832	2,906,022	1,553,901	1,056,850	(1,007,982)	1,343,269	16,034,153
2022	7,944,845	515,861	2,745,015	1,171,968	1,054,057	1,455,176	1,040,343	15,927,265
2023	7,768,807	545,505	2,843,616	1,531,353	744,397	2,601,124	1,061,509	17,096,311
2024	5,541,868	424,110	2,979,759	906,585	989,981	1,530,088	1,067,234	13,439,625
2025	5,057,082	403,296	1,562,966	783,219	1,223,815	1,350,249	1,195,982	11,576,609



Source: Ventura Regional Sanitation District Finance Department

Ventura Regional Sanitation District
 Revenue Base
 Last Ten Fiscal Years

Fiscal Year	Solid Waste			
	Direct Haul Received (tons)	Transfer Received (tons)	Hard to Handle Received (tons)	Biosolids Received (tons)
2016	50,842	342,889	1,634	44,322
2017	56,171	344,005	1,367	42,104
2018	252,344	336,969	1,380	20,915
2019	61,342	352,116	550	18,238
2020	68,147	371,979	1,286	483
2021	67,185	380,702	1,772	114
2022	45,878	284,052	602	256
2023	42,622	284,807	665	85
2024	43,766	294,416	695	58
2025	90,181	286,972	569	32



Note: See Schedule 2 "Operating Revenue by Source" for information regarding sanitation revenues.

Sources: Ventura Regional Sanitation District Finance Department

Ventura Regional Sanitation District
 Revenue Rates⁽¹⁾⁽³⁾
 Last Ten Fiscal Years

Fiscal Year	Tipping Fees ⁽²⁾		
	Refuse ⁽⁴⁾	Residual Refuse ⁽⁵⁾	Hard-to-handle ⁽⁶⁾
2016	\$39.60	\$34.54	\$110.00
2017	39.60	34.54	110.00
2018	39.60	34.54	110.00
2019	39.60	34.54	110.00
2020	39.60	34.54	110.00
2021	39.60	34.54	110.00
2022	40.39	40.39	120.00
2023	41.94	41.94	124.60
2024	45.06	45.06	133.88
2025	46.63	46.63	138.54

Notes:

- (1) Rates as of June 30 of each fiscal year.
- (2) Rates are per ton
- (3) Rates only represent non-contracted rates. Contracted rates making up over 88% of disposed refuse are not included.
- (4) "Refuse" is solid waste material legally permitted for disposal at the Landfill.
- (5) "Residual Refuse" is refuse transported by transfer trucks routed from transfer/materials recovery facilities.
- (6) "Hard-to-handle" fees apply to materials requiring special handling as determined by the Solid Waste Site Superintendent.

Source: Ventura Regional Sanitation District Board of Directors approved rate ordinances and resolutions

Ventura Regional Sanitation District
Principal Customers
Current Fiscal Year and Nine Years Ago

Customer	2025		2016	
	Tons Processed	Percentage of Total	Tons Processed	Percentage of Total
Gold Coast Recycling	286,972	76.0%	263,917	60.1%
City of Oxnard	-	N/A	130,415	29.7%
Remedial Transportation Service	27,987	7.4%	-	N/A
Arakelian Enterprises, Inc.	16,110	4.3%	-	N/A
E.J. Harrison & Sons	15,721	4.2%	13,338	3.0%
City of Ventura Wastewater Treatment Plant	-	N/A	10,689	2.4%
Rieman Enterprises, Inc.	457	0.1%	-	N/A
Fillmore Wastewater Treatment Plant	-	N/A	1,715	0.4%
Recology Los Angeles	-	N/A	12,273	2.8%
Perc Water Corporation	-	N/A	2,898	0.7%
SD Hauling Services	876	0.2%	-	N/A
JTZ Inc. DBA Zaccaro Roll-off	-	N/A	586	0.1%
Aguilera Service	4,748	1.3%	-	N/A
Kroeker, Inc.	4,118	1.1%	-	N/A
Standard Industries	1,592	0.4%	-	N/A
HD Services Construction	1,288	0.3%	-	N/A
Myers Equipment, Inc.	931	0.2%	-	N/A
Ventura County PWA, Road Maintenance	380	0.1%	-	N/A
Geske's Hauling Service, Inc.	-	N/A	272	0.1%
Oakridge Landscape, Inc.	453	0.1%	-	N/A
Alta Quality Farm Services, Inc.	440	0.1%	-	N/A
M. Maintenance Construction	499	0.1%	-	N/A
General Construction Cleanup	316	0.1%	-	N/A
Credit Card/Cash Customers	13,649	3.6%	2,805	0.6%
Other Customers	1,217	0.3%	779	0.2%
Total Tons Processed	377,754	100.0%	439,687	100.0%

Source: Ventura Regional Sanitation District

Ventura Regional Sanitation District
Ratio of Outstanding Debt
Last Ten Fiscal Years

Fiscal Year	Total		
	Amount ⁽¹⁾	Per Capita ⁽²⁾	As a Share of Personal Income ⁽³⁾⁽⁴⁾
2016	28,086,421	40.62	0.073%
2017	25,134,020	36.31	0.063%
2018	22,120,239	31.91	0.053%
2019	19,032,418	27.51	0.044%
2020	15,868,691	23.27	0.034%
2021	12,627,143	18.65	0.025%
2022	9,615,932	14.30	0.019%
2023	7,149,805	10.73	0.014%
2024	4,929,688	7.42	0.009%
2025	3,439,226	5.14	0.006%

Sources:

- (1) Ventura Regional Sanitation District Finance Department
- (2) State of California, Department of Finance; E-1 Population Estimates for Cities and Counties
- (3) US Bureau of Economic Analysis CA1 Personal Income Summary
- (4) 2025 Ventura County Economic Outlook: Forecast Summary - Forecast for 2025

Ventura Regional Sanitation District
Pledged-Revenue Coverage
Installment Agreements
Last Ten Fiscal Years

District Total	Fiscal Year				
	2016	2017	2018	2019	2020
Revenue sources					
Operating revenues	\$ 15,348,667	\$ 15,206,961	\$ 23,773,784	\$ 14,254,728	\$ 14,588,967
Non-operating revenues	621,765	62,062	73,913	1,565,617	1,564,705
Total revenue sources	<u>15,970,432</u>	<u>15,269,023</u>	<u>23,847,697</u>	<u>15,820,345</u>	<u>16,153,672</u>
Expenses					
Operating expenses	10,016,270	9,427,194	4,352,288	8,969,128	9,247,425
Non-operating expenses	-	-	-	-	-
Total expenses	<u>10,016,270</u>	<u>9,427,194</u>	<u>4,352,288</u>	<u>8,969,128</u>	<u>9,247,425</u>
Change in net position	5,954,162	5,841,829	19,495,409	6,851,217	6,906,247
Installment payments					
Principal	2,043,316	2,952,400	3,013,781	3,087,822	3,163,728
Interest	952,437	690,788	629,408	555,367	479,461
Total installment payments	<u>\$ 2,995,753</u>	<u>\$ 3,643,188</u>	<u>\$ 3,643,189</u>	<u>\$ 3,643,189</u>	<u>\$ 3,643,189</u>
Coverage	2.0	1.6	5.4	1.9	1.9
<u>Solid Waste</u>					
Revenue sources					
Operating revenues	\$ 12,586,681	\$ 12,852,217	\$ 22,540,839	\$ 13,277,859	\$ 14,563,795
Non-operating revenues	616,587	60,931	69,847	1,554,478	1,564,705
Total revenue sources	<u>13,203,268</u>	<u>12,913,148</u>	<u>22,610,686</u>	<u>14,832,337</u>	<u>16,128,500</u>
Expenses					
Operating expenses	8,482,137	8,608,387	4,052,019	8,424,630	9,168,132
Non-operating expenses	-	-	-	-	-
Total expenses	<u>8,482,137</u>	<u>8,608,387</u>	<u>4,052,019</u>	<u>8,424,630</u>	<u>9,168,132</u>
Change in net position	4,721,131	4,304,761	18,558,667	6,407,707	6,960,368
Installment payments					
Principal	943,656	1,754,341	1,789,189	1,836,109	1,884,292
Interest	446,043	488,883	454,036	407,116	358,933
Total installment payments	<u>\$ 1,389,699</u>	<u>\$ 2,243,224</u>	<u>\$ 2,243,225</u>	<u>\$ 2,243,225</u>	<u>\$ 2,243,225</u>
<u>Biosolids</u>					
Revenue sources					
Operating revenues	\$ 2,761,986	\$ 2,354,744	\$ 1,232,945	\$ 976,869	\$ 25,172
Non-operating revenues	5,178	1,131	4,066	11,139	-
Total revenue sources	<u>2,767,164</u>	<u>2,355,875</u>	<u>1,237,011</u>	<u>988,008</u>	<u>25,172</u>
Expenses					
Operating expenses	1,534,133	818,807	300,269	544,498	79,293
Non-operating expenses	-	-	-	-	-
Total expenses	<u>1,534,133</u>	<u>818,807</u>	<u>300,269</u>	<u>544,498</u>	<u>79,293</u>
Change in net position	1,233,031	1,537,068	936,742	443,510	(54,121)
Installment payments					
Principal	1,099,660	1,198,059	1,224,592	1,251,713	1,279,436
Interest	506,394	201,905	175,372	148,251	120,528
Total installment payments	<u>\$ 1,606,054</u>	<u>\$ 1,399,964</u>	<u>\$ 1,399,964</u>	<u>\$ 1,399,964</u>	<u>\$ 1,399,964</u>

Source: Ventura Regional Sanitation District

Ventura Regional Sanitation District
Pledged-Revenue Coverage (Continued)
Installment Agreements
Last Ten Fiscal Years

Fiscal Year					District Total
2021	2022	2023	2024	2025	
					Revenue sources
\$ 15,249,750	\$ 11,550,157	\$ 12,650,445	\$ 13,255,438	\$ 15,596,660	Operating revenues
31,406	-	740,377	1,865,418	1,633,977	Non-operating revenues
<u>15,281,156</u>	<u>11,550,157</u>	<u>13,390,822</u>	<u>15,120,856</u>	<u>17,230,637</u>	Total revenue sources
					Expenses
7,262,966	9,421,262	11,593,647	9,220,411	7,401,694	Operating expenses
-	1,119,918	414,326	183,702	129,031	Non-operating expenses
<u>7,262,966</u>	<u>10,541,180</u>	<u>12,007,973</u>	<u>9,404,113</u>	<u>7,530,725</u>	Total expenses
8,018,190	1,008,977	1,382,849	5,716,743	9,699,912	Change in net position
					Installment payments
3,241,547	3,011,210	2,466,129	2,220,117	1,490,462	Principal
401,642	321,861	249,353	187,895	132,527	Interest
\$ 3,643,189	\$ 3,333,071	\$ 2,715,482	\$ 2,408,012	\$ 1,622,989	Total installment payments
2.2	0.3	0.5	2.4	6.0	Coverage
					Solid Waste
					Revenue sources
\$ 15,242,841	\$ 11,550,157	\$ 12,650,445	\$ 13,255,438	\$ 15,596,660	Operating revenues
31,406	-	740,377	1,865,418	1,633,977	Non-operating revenues
<u>15,274,247</u>	<u>11,550,157</u>	<u>13,390,822</u>	<u>15,120,856</u>	<u>17,230,637</u>	Total revenue sources
					Expenses
7,246,275	9,421,262	11,593,647	9,220,411	7,401,694	Operating expenses
-	1,119,918	414,326	183,702	129,031	Non-operating expenses
<u>7,246,275</u>	<u>10,541,180</u>	<u>12,007,973</u>	<u>9,404,113</u>	<u>7,530,725</u>	Total expenses
8,027,972	1,008,977	1,382,849	5,716,743	9,699,912	Change in net position
					Installment payments
1,933,774	1,674,472	1,407,254	1,448,261	1,490,462	Principal
309,451	258,635	215,735	174,729	132,527	Interest
\$ 2,243,225	\$ 1,933,107	\$ 1,622,989	\$ 1,622,990	\$ 1,622,989	Total installment payments
					Biosolids
					Revenue sources
\$ 6,909	\$ -	\$ -	\$ -	\$ -	Operating revenues
-	-	-	-	-	Non-operating revenues
<u>6,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total revenue sources
					Expenses
16,691	-	-	-	-	Operating expenses
-	-	-	-	-	Non-operating expenses
<u>16,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total expenses
(9,782)	-	-	-	-	Change in net position
					Installment payments
1,307,773	1,336,738	1,058,875	771,856	-	Principal
92,191	63,226	33,618	13,166	-	Interest
\$ 1,399,964	\$ 1,399,964	\$ 1,092,493	\$ 785,022	\$ -	Total installment payments

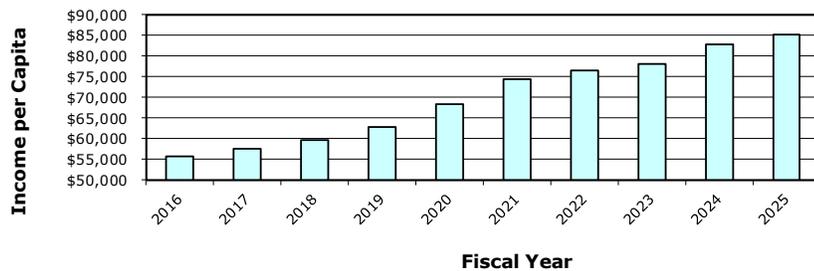
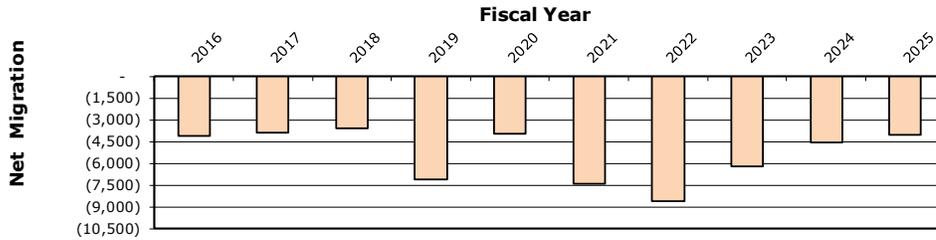
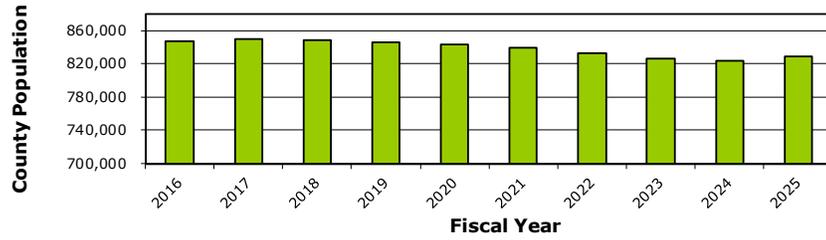
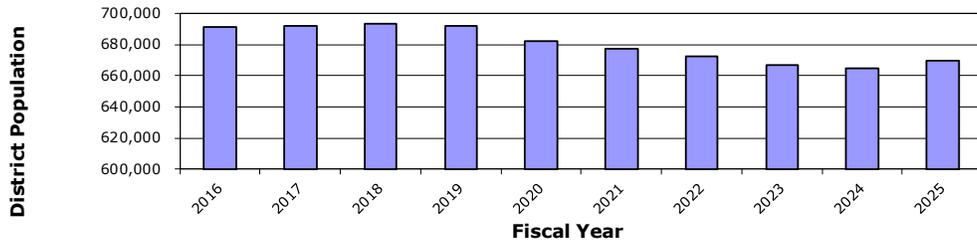
Ventura Regional Sanitation District

Demographic Statistics

Last Ten Fiscal Years

County of Ventura

Year	Population within District ⁽¹⁾	Unemployment Rate ⁽³⁾	Population (people) ⁽¹⁾	Net Migration (people) ⁽⁴⁾	Personal Income ⁽²⁾	Personal Income per Capita ⁽²⁾
2016	691,441	5.2%	847,718	(4,107)	47,265,014	55,756
2017	692,257	4.5%	849,196	(3,897)	48,791,042	57,456
2018	693,166	3.8%	848,290	(3,617)	50,711,842	59,781
2019	691,862	3.6%	845,396	(7,157)	53,163,902	62,886
2020	681,917	8.7%	843,310	(3,986)	57,575,258	68,273
2021	677,059	6.2%	839,358	(7,388)	62,554,527	74,527
2022	672,221	3.7%	832,605	(8,638)	63,589,878	76,375
2023	666,509	4.3%	825,960	(6,238)	64,783,900	78,091
2024	664,720	4.5%	823,863	(4,542)	68,400,000 ⁽⁴⁾	82,946 ⁽⁴⁾
2025	669,436	5.0% ⁽⁵⁾	829,005	(4,032)	72,000,000 ⁽⁴⁾	85,305 ⁽⁴⁾



Sources: (Population data obtained from California Department of Finance
 (U.S. Bureau of Economic Analysis CAINC1 Personal Income Summary
 (U.S. Bureau of Labor and Statistics, Local Area Unemployment Statistics, Oxrd-Thousand Oaks-Ventura, CA, Annual
 (2025 Ventura County Economic Outlook: Forecast Summary - Forecast for 2024 & 2025
 (U.S. Bureau of Labor and Statistics, Local Area Unemployment Statistics, Oxrd-Thousand Oaks-Ventura, CA, June 2025

Notes: Only County data is updated annually. Therefore, the District has chosen to use its data since the District believes that the County data is representative of the conditions and experience of the District.

Ventura Regional Sanitation District
Principal Employers – County of Ventura
Current Fiscal Year and Nine Years Ago

Employer	2025^(a)			2016^(b)		
	Number of Employees	Rank	Percentage of Total Employed	Number of Employees	Rank	Percentage of Total Employed
United States Naval Base	20,000	1	4.69%	14,210	1	3.53%
County of Ventura	10,276	2	2.41%	8,833	2	2.20%
Amgen, Inc.	5,500	3	1.29%	5,250	3	1.31%
Conejo Valley Unified School District	3,320	4	0.78%	1,958	7	0.49%
Bank of America	2,804	5	0.66%			
Blue Cross of CA (previously Anthem, Inc.)	2,500	6	0.59%	2,863	4	0.71%
Simi Valley Unified School District	2,300	7	0.54%	2,436	5	0.61%
Community Memorial Hospital	2,000	8	0.47%	2,000	6	0.50%
St. John's Regional Medical Center	1,809	9	0.42%			
Los Robles Regional Med Center	1,800	10	0.42%			
Ventura Community College District				1,701	10	0.42%
Ventura Unified School District				1,885	8	0.47%
Dignity Health				1,904	9	0.47%
Total ten largest	52,309		12.28%	43,040		10.70%
Total all other	373,691		87.72%	359,060		89.30%
Total Employed in County	426,000	(c)	100.00%	402,100		100.00%

Sources:

(a) The List, Ventura County Employers, Pacific Coast Business Times, 2025.

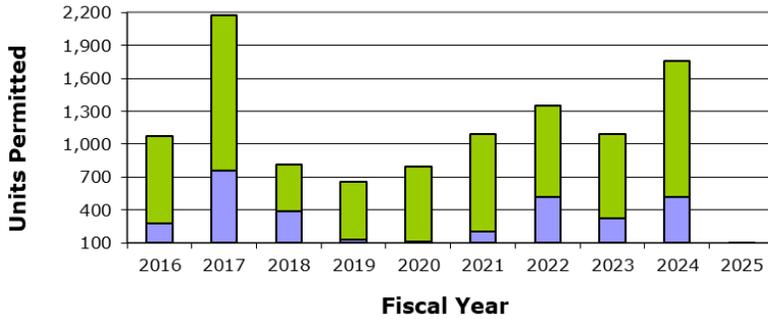
(b) 2016 Ventura County Real Estate and Economic Outlook as of January 2016.

(c) State of California Employment Development Department: Extracted from the America's Labor Market Information System (ALMIS) Employer Database, March 2024 Benchmark, updated September 19, 2025.

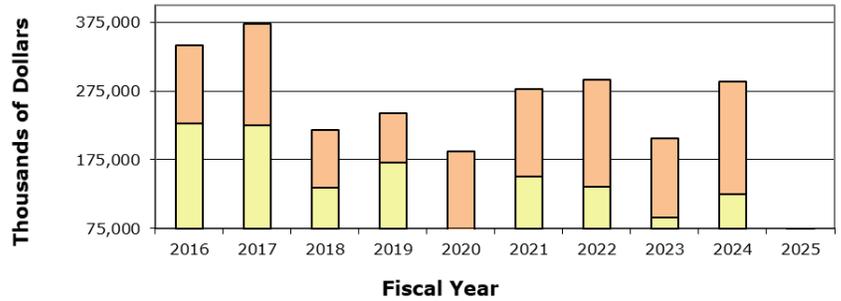
Ventura Regional Sanitation District Building Permits – County of Ventura Last Ten Years

Fiscal Year	New Single Family Units (c)	New Multiple Family Units (c)	Total New Residential Units (c)	Total Single Family Unit Cost (000's) (a)	Total Multiple Family Unit Cost (000's) (a)	Total New Construction Costs (000's) (a)	Median Home Selling Price (dollars) (a)
2016	274	802	1,076	227,814	113,165	340,979	616,727
2017	762	1,414	2,176	225,447	147,741	373,188	626,938
2018	391	425	816	133,746	84,824	218,570	654,401
2019	126	531	657	170,030	72,504	242,534	633,143
2020	114	686	800	48,401	138,077	186,478	698,808
2021	201	895	1,096	149,758	127,666	277,424	797,386
2022	516	835	1,351	135,688	155,065	290,753	866,189
2023	326	763	1,089	90,626	114,726	205,352	869,035
2024	515	1,244	1,759	124,478	164,625	289,103	929,182
2025 (b)	NA	NA	1,318	NA	NA	NA	959,470

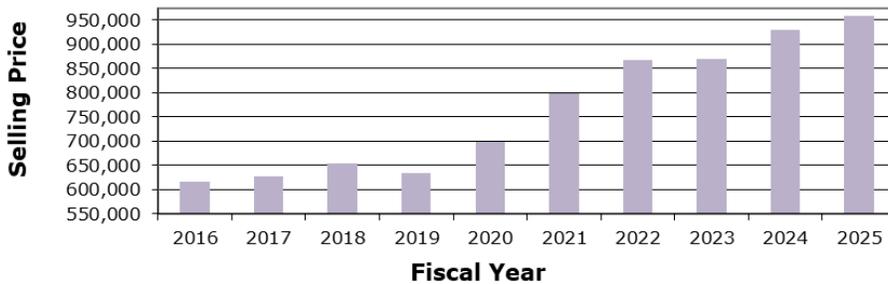
New Residential Building Units Permitted



New Construction Costs



Median Home Selling Price

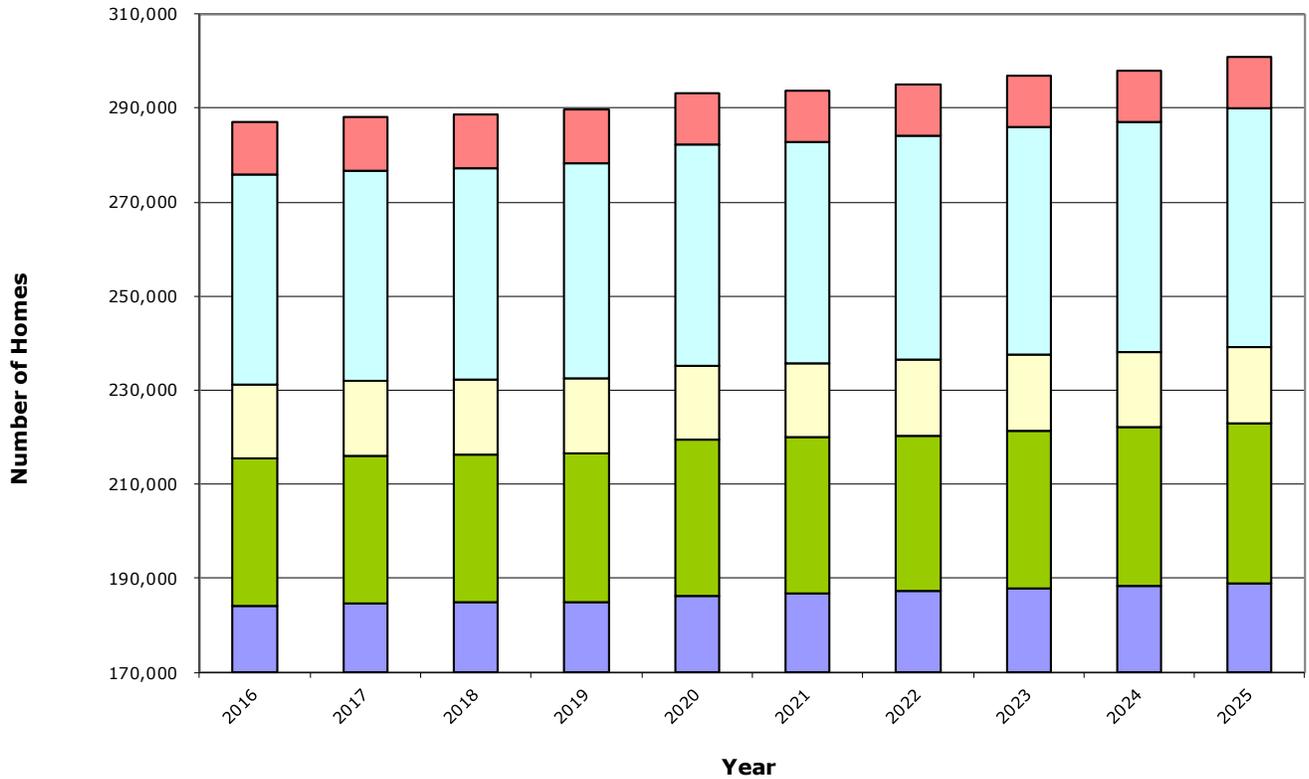


Sources:

- (a) California Labor Market Info - Ventura County Economic Indicators; publication Sep-25; no data available for 2025
- (b) 2025 Ventura County Economic Outlook, prepared by The California Economic Forecast; certain data not available for
- (c) 2025 Ventura County Economic Publication, prepared by The Center for Economic Research & Forecasting, California Lutheran University

Ventura Regional Sanitation District Housing Stock Estimates – County of Ventura Last Ten Fiscal Years

Calendar Year	Single Family Residential Detached	Single Family Residential Attached	Multiple 2 to 4 Units	Multiple 5 or More Units	Mobile Homes	Total All Housing
2016	184,141	31,259	15,886	44,444	11,350	287,080
2017	184,761	31,270	15,953	44,738	11,352	288,074
2018	185,053	31,281	15,947	44,949	11,349	288,579
2019	184,929	31,539	15,981	45,848	11,350	289,647
2020	186,369	33,003	15,815	47,022	10,871	293,080
2021	186,811	33,115	15,788	47,169	10,873	293,756
2022	187,223	33,143	16,048	47,700	10,875	294,989
2023	187,968	33,413	16,086	48,546	10,879	296,892
2024	188,404	33,693	16,114	48,831	10,879	297,921
2025	189,017	34,000	16,141	50,688	10,881	300,727

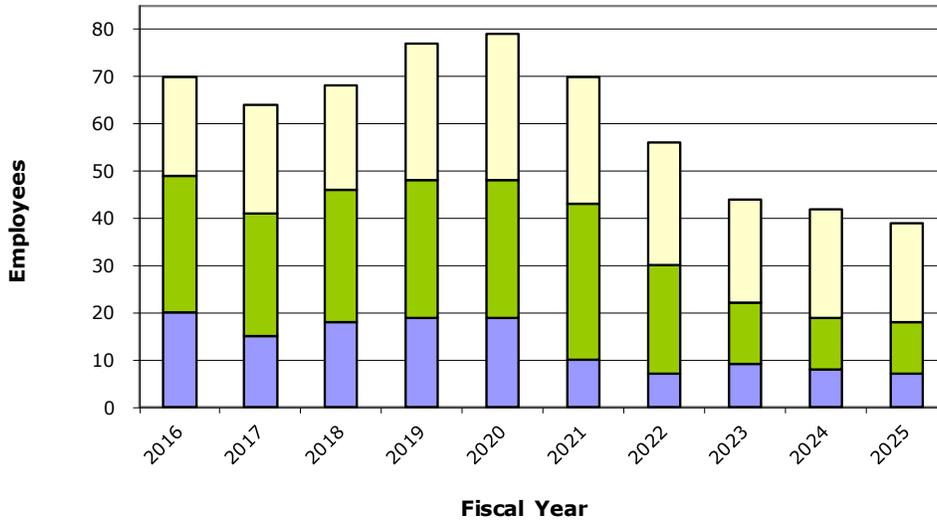


Source: CA Dept. of Finance Demographic Research Unit, E-5 City/County Population & Housing Estimates

Ventura Regional Sanitation District
 Operating and Capacity Indicators (continued)
 Capital Asset Statistics by Function

District Employees by Department

Fiscal Year	Central Services	Water & Wastewater	Solid Waste	Total
2016	20	29	21	70
2017	15	26	23	64
2018	18	28	22	68
2019	19	29	29	77
2020	19	29	31	79
2021	10	33	27	70
2022	7	23	26	56
2023	9	13	22	44
2024	8	11	23	42
2025	7	11	21	39



Other Operating and Capacity Indicators

Fiscal Year	District Area (Square Miles)	(b) Landfill Facility Acreage	(a) Daily Landfill Capacity (Tons)
2016	1,864	216.5	1,500
2017	1,864	216.5	1,500
2018	1,864	216.5	1,500
2019	1,864	216.5	1,500
2020	1,864	216.5	1,500
2021	1,864	216.5	2,864
2022	1,864	216.5	2,864
2023	1,864	216.5	2,864
2024	1,864	216.5	2,864
2025	1,864	216.5	2,864

Sources: Ventura Regional Sanitation District Finance Department

(a) Solid Waste Facility Permit No. 56-AA-0005, issued May 28, 2021, increased the permitted maximum daily tonnage limit from 1,500 to 2,864 tons per day.

(b) Permitted Disposal Area is 91.4 acres.

Ventura Regional Sanitation District
Operating and Capacity Indicators (continued)
Capital Asset Statistics by Function

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Wastewater										
Vehicles	26	26	28	22	26	26	17	17	16	16
Forklifts/Hydraulic lifts	-	-	1	1	1	1	1	1	1	1
Golf Cart	-	-	-	1	1	1	-	-	-	-
Machinery & Equipment	15	15	15	17	17	18	15	13	13	12
Cranes	1	1	1	1	1	1	1	1	1	1
Heavy equipment	3	3	1	1	2	2	2	2	2	2
Furniture & Fixtures	2	2	2	2	2	2	2	2	2	2
Computer equipment	5	5	5	5	5	5	5	5	5	5
Site security system	1	1	1	1	1	1	1	1	1	1
Buildings	1	1	1	1	1	1	1	1	1	1
Buildings (square footage)	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880
Wastewater treatment system	1	1	1	1	1	1	1	1	1	1
Valew vacuum system	3	3	4	3	4	4	4	3	2	2
Solid Waste										
Vehicles	15	13	12	22	20	20	22	18	18	16
Golf Cart	2	2	2	1	1	1	2	2	2	2
Flare	1	1	1	1	1	1	1	1	1	2
Machinery & Equipment	26	26	30	29	31	31	36	35	36	36
Forklifts/Hydraulic lifts	3	3	3	3	3	3	3	3	3	3
Heavy equipment	8	6	4	7	8	8	5	5	5	5
Compactor	2	2	2	2	2	2	1	1	1	1
Fuel truck	1	1	1	1	1	1	1	1	1	1
Water truck	2	2	3	3	3	3	3	3	3	3
Bulldozers	3	5	6	10	11	11	12	12	12	12
Computer equipment	13	13	13	13	13	14	14	15	15	15
Fuel tanks	3	3	3	3	3	3	3	3	3	3
Solar system	1	1	1	1	1	1	1	1	1	1
Buildings	4	4	4	4	4	4	4	4	4	4
Buildings (square footage)	3,480	3,480	3,480	3,480	3,480	3,480	3,480	3,480	3,480	3,480
Landfills	4	4	4	4	4	4	4	4	4	4
Scalehouse	2	1	1	1	1	1	1	1	1	1
Site security system	1	1	1	1	1	1	1	1	1	1
Leachate systems	1	1	-	-	-	-	-	-	-	1
Gas monitoring wells	4	4	4	4	4	4	4	4	4	4
Water wells	7	7	7	7	7	7	7	7	7	7
Water tanks	4	4	4	4	4	4	4	4	4	4
Land (acreage)	652	652	652	652	652	652	652	652	652	652
Biosolids										
Trailers	15	15	14	-	-	-	-	-	-	-
Machinery & Equipment	3	3	3	-	-	-	-	-	-	-
Vehicles	1	1	1	-	-	-	-	-	-	-
Water tank	2	2	2	-	-	-	-	-	-	-
Irrigation system	1	1	1	-	-	-	-	-	-	-
Biosolids facility	1	1	1	1	1	1	-	-	-	-
Microturbine generation station	1	1	1	1	1	1	-	-	-	-
Landfill gas treatment skid	1	1	1	1	1	1	-	-	-	-
Central Administration										
Vehicles	2	2	1	1	1	1	-	-	-	-
Machinery & Equipment	10	10	10	9	9	9	6	6	6	6
Furniture & Fixtures	2	2	2	2	2	2	-	-	-	-
Computer equipment	16	18	19	19	20	22	21	21	21	21

Sources: Ventura Regional Sanitation District Finance Department

