

AGENDA
BOARD OF DIRECTORS REGULAR MEETING
Tuesday, February 10, 2026, 4:00 p.m.
Adjourned to Tuesday, February 17, 2026, 4:00 p.m.
La Valle Coastal Club Clubhouse
5690 Cancha De Golf, Rancho Santa Fe, CA

Call Meeting to Order and Roll Call

Board Members:	Board President:	Doug Manatt
	Board Vice President:	Byron Hanchett
	Director:	Bill Haynor
	Director:	Ed Munsch
	Director:	Al Pantan

Staff:	General Manager:	Chuck Duffy
	Asst. General Manager:	Paula Melendrez

Pledge of Allegiance.

Public Comment.

Communication from the public concerning matters under the District's subject jurisdiction which are not on the agenda.

AGENDA ITEMS

Page No.

- | | |
|--|------------------------------|
| 1. Minutes of the January 13, 2026 Regular Meeting.
Recommendation: Approve as submitted. | 3-4 |
| 2. December 2025 Dudek Invoices for Payment.
Recommendation: To be made by the board. | 5-9 |
| 3. Landscaping in the Road Right-of-Way for Cancha De Golf,
Via De Las Palmas, Via De La Valle, and Via Valle Verde. | 10 |
| 4. Fiscal Year 2024-2025 Annual Comprehensive Financial Report
and Draft Audit.
Recommendation: Approve as submitted. | 11-52 |
| 5. Wastewater Plant Electrical & Solar Performance.
a. SDGE monthly cost review.
b. Solar System performance review. | 53

(--) |

- 6. Community Liaison Reports.**
 - a. La Valle Coastal Club (Director Pantan). (–)
 - b. Pacifica Enterprises (Director Manatt). (–)
 - c. Palma de La Reina (Director Haynor). (–)
 - d. Interagency Relations (Director Haynor). (–)
- 7. Monthly Flow Report.** 54
- 8. District Financial Reports.**
 - a. Account Balances. 56-58
 - b. Revenue and Expenditure Reports (Unaudited). 59-61
 - c. WPCSD Check Registers for December 2025. 62-63
 - d. CALTRUST Update. 64-65
- 9. General Manager’s Report.**
 - a. Sewer Operations Report. 66-82
- 10. Seminars/Conferences.** (–)
- 11. Consideration of Correspondence.** (–)
 - a. Bank Reconciliations for December 2025.
- 12. Future Agenda Items** – The next scheduled board meeting is Tuesday, March 10, 2026 at 4:00 p.m.

Adjournment.

This meeting is accessible to people with disabilities. Individuals who require special assistance to participate may request an alternative format of the agenda and packet materials. Notification in advance of the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it. To request a disability-related modification or accommodation, please call (760) 479-4150.



MINUTES
BOARD OF DIRECTORS SPECIAL AND REGULAR MEETING
Tuesday, January 13, 2026
3:00 p.m. at the Whispering Palms Sewer Treatment Plant
15525 Via de Santa Fe, Rancho Santa Fe, CA
4:00 p.m. at the La Valle Coastal Club Clubhouse
5690 Cancha De Golf, Rancho Santa Fe, CA

Call Meeting to Order and Roll Call.

The Regular Meeting of the Board of Directors of the Whispering Palms Community Services District was called to order at 4:00 p.m.

PRESENT

Bill Haynor
Al Pantan
Doug Manatt
Ed Munsch
Byron Hanchett

ABSENT

GUESTS

STAFF

Chuck Duffy, GM
Paula Melendrez, Asst. GM

Public Comment – None.

AGENDA ITEMS:

1. Whispering Palms Sewer Treatment Plant Tour.

2. Minutes of the December 8, 2025 Regular Meeting.

ACTION: Director Haynor moved to approve the minutes as submitted. Director Munsch seconded the motion. Motion carried 5-0.

3. November 2025 Dudek Invoices for Payment.

ACTION: Director Manatt moved to approve the invoices as submitted. Director Haynor seconded the motion. Motion carried 5-0.

4. Landscaping in the Road Right-of-Way For Cancha De Golf, Via De Las Palmas, Via De La Valle, and Via Valle Verde.

General Manager Chuck Duffy and Directors Haynor and Manatt reported on their landscape walkthrough, stating that the landscape areas are looking great. Director Manatt requested that the sparse areas be filled in and he would like the roses in the median and near the Pacifica building to be severely pruned.

5. Consideration of Proposal for Design and Installation of Submersible Pumps and Bypass at the Whispering Palms Offsite Golf Course Pump Station.

ACTION: Director Haynor moved to approve the proposal from DELV Engineering with a not-to-exceed cost of \$236,000 for the total project. Director Manatt seconded the motion. Motion carried 5-0.

6. Wastewater Plant Electrical & Solar Cost Performance and Status.

- a. SDGE monthly cost review – Nothing additional to report.
- b. Solar System performance review – General Manager Chuck Duffy and Director Manatt will discuss the best way to review the performance of the solar panels.

7. Community Liaison Reports.

- a. La Valle Coastal Club Enterprises – Director Panton reported on the new dining area in the restaurant.
- b. Pacifica Enterprises – Director Manatt will ask that they remove the large signs in the right-of-way.
- c. Palma de La Reina – Nothing additional to report.
- d. Interagency Relations – Nothing additional to report.

8. Monthly Flow Report – Noted and filed.

9. District Financial Reports.

- a. Account Balances – Noted and filed.
- b. Revenue and Expenditure Reports (Unaudited) – Noted and filed.
- c. WPCSD Check Registers for November 2025 – Noted and filed.
- d. CALTRUST Update – Noted and filed.

10. General Manager's Report.

- a. Sewer Operations Report – Nothing additional to report.

11. Seminars/Conferences – Noted and filed.

12. Consideration of Correspondence.

- a. Bank Reconciliations for November 2025 were distributed to the board.

13. Future Agenda Items – The next scheduled regular board meeting is on Tuesday, February 10, 2026 at 4:00 p.m.

Adjournment

The January 13, 2026 Regular Meeting of the Whispering Palms Community Services District Board of Directors was adjourned by Director Haynor at 4:43 p.m.

SUBMITTED BY:

ATTEST:

Paula Melendrez, Board Secretary

Chuck Duffy, General Manager

Approved by the Board of Directors: February 17, 2026

W·H·I·S·P·E·R·I·N·G P·A·L·M·S
C O M M U N I T Y S E R V I C E S D I S T R I C T
Rancho Santa Fe

General Manager
Chuck Duffy

Board of Directors
Bill Haynor
Byron Hanchett
Al Panton
Doug Manatt
Ed Munsch

February 10, 2026

Board of Directors
Whispering Palms Community Services District

Re: December 2025 Invoices

Dear Board Members:

The attached invoices covering the month of December are submitted for your review and approval.

The invoices consist of:

A. SID Management (incl. expenses) total:	\$9,144.00	177.2526
B. SID Operations (incl. expenses) total:	\$23,757.00	177.2526.2
C. LID Management (incl. expenses) total:	\$3,194.00	177.2526.1

The work accomplished includes: general management, filing, correspondence; agenda preparation; invoice review; phone calls; word processing; meetings; site visits; odor control investigation; treatment plant operations; general management and engineering; bookkeeping; and permit issuance.

Board of Directors
Whispering Palms Community Services District

BUDGET TRACKING SUMMARY (LABOR ONLY) 2025/2026

	<u>Annual Budget</u>	<u>December 2025 Billing</u>	<u>Billed to Date</u>	<u>% of Annual Budget</u>	<u>% of Year Elapsed</u>
Management (SID #1)	\$109,728	\$9,144	\$54,864	50.0%	50.0%
Operations (SID #1)	\$285,084	\$23,757	\$142,542	50.0%	50.0%
Management (LID #1)	\$38,328	\$3,194	\$19,164	50.0%	50.0%

Sincerely,

Chuck Duffy, General Manager

DUDEK

687 South Coast Highway 101, Suite 110
Encinitas, CA 92024
T (760) 942-5147
F (760) 632-0164

December 29, 2025
Project No: 177.2025
Invoice No: 202510887
Due Date: January 28, 2026

Chuck Duffy
Whispering Palms Community Services District
c/o Dudek
605 Third Street
Encinitas, CA 92024

Project Manager Charles Duffy
Project 177.2025 FY 25/26 SID Management
Professional Services for the Period: November 22, 2025 to December 26, 2025

Number of Monthly Fee	6.00		
Fee Each	9,144.00		
Total Fee	54,864.00		
	Total Earned	54,864.00	
	Previous Fee Billing	45,720.00	
	Current Fee Billing	9,144.00	
	Total Fee		9,144.00
	Total Project Invoice Amount		\$9,144.00

Billing Summary

	Current	Prior	Total
Fee	9,144.00	45,720.00	54,864.00
Totals	9,144.00	45,720.00	54,864.00

Contract Maximum:	109,728.00
Previous Billings Against Maximum:	45,720.00
Current Billings Against Maximum:	9,144.00
Balance After This Invoice:	54,864.00

Please remit checks to the following lockbox account including Dudek project number and invoice number: DUDEK | P.O. Box 515569 | Los Angeles, CA 90051-4581
If you would like to remit payment via ACH, please contact accounting@dudek.com. **Dudek will never request changes to ACH payment instructions via email.**

DUDEK

687 South Coast Highway 101, Suite 110
Encinitas, CA 92024
T (760) 942-5147
F (760) 632-0164

December 29, 2025
Project No: 177.2025.02
Invoice No: 202510886
Due Date: January 28, 2026

Chuck Duffy
Whispering Palms Community Services District
c/o Dudek
605 Third Street
Encinitas, CA 92024

Project Manager Charles Duffy
Project 177.2025.02 FY 25/26 - Treatment Plant Labor
Professional Services for the Period: November 22, 2025 to December 26, 2025

Number of units	6.00		
Fee Each	23,757.00		
Total Fee	142,542.00		
		Total Earned	142,542.00
		Previous Fee Billing	118,785.00
		Current Fee Billing	23,757.00
		Total Fee	23,757.00
		Total Project Invoice Amount	\$23,757.00

Billing Summary

	Current	Prior	Total
Fee	23,757.00	118,785.00	142,542.00
Totals	23,757.00	118,785.00	142,542.00

Contract Maximum:	285,084.00
Previous Billings Against Maximum:	118,785.00
Current Billings Against Maximum:	23,757.00
Balance After This Invoice:	142,542.00

Please remit checks to the following lockbox account including Dudek project number and invoice number: DUDEK | P.O. Box 515569 | Los Angeles, CA 90051-4581
If you would like to remit payment via ACH, please contact accounting@dudek.com. **Dudek will never request changes to ACH payment instructions via email.**

DUDEK

687 South Coast Highway 101, Suite 110
Encinitas, CA 92024
T (760) 942-5147
F (760) 632-0164

December 29, 2025
Project No: 177.2025.01
Invoice No: 202510894
Due Date: January 28, 2026

Chuck Duffy
Whispering Palms Community Services District
c/o Dudek
605 Third Street
Encinitas, CA 92024

Project Manager Charles Duffy
Project 177.2025.01 FY 25/26 LID Management
Professional Services for the Period: November 22, 2025 to December 26, 2025

Number of units	6.00		
Fee Each	3,194.00		
Total Fee	19,164.00		
	Total Earned	19,164.00	
	Previous Fee Billing	15,970.00	
	Current Fee Billing	3,194.00	
	Total Fee		3,194.00
	Total Project Invoice Amount		\$3,194.00

Billing Summary

	Current	Prior	Total
Fee	3,194.00	15,970.00	19,164.00
Totals	3,194.00	15,970.00	19,164.00

Contract Maximum:	38,328.00
Previous Billings Against Maximum:	15,970.00
Current Billings Against Maximum:	3,194.00
Balance After This Invoice:	19,164.00

General Manager
Chuck Duffy

Board of Directors
Bill Haynor
Ed Munsch
Byron Hanchett
Doug Manatt
Al Pantan

AGENDA MEMORANDUM

To: Board of Directors
From: Chuck Duffy, General Manager
Subject: Landscaping Issues in the Road Right-of-Way for Cancha De Golf, Via De Las Palmas, Via De La Valle, and Via Valle Verde.
Date: February 10, 2026

Directors Doug Manatt and Bill Haynor will provide a review of the landscape walkthrough held this week. The following items are from our landscape walkthrough last week:

- The board would like to prune down the roses in the median and in front of the Pacifica building.
- Can we trim down the hedge along the wall outside the treatment plant.
- There is puddling at the west end of the mulch path along the Via De La Valle fence
- Add impatiens and change out color now at the monument sign. Is there something we can do to make it more visible, maybe taller plants?
- Don't prune back the roses on fence

General Manager
Chuck Duffy

Board of Directors
Byron Hanchett
Ed Munsch
Bill Haynor
Doug Manatt
Al Pantón

AGENDA MEMORANDUM

To: Board of Directors
From: Chuck Duffy, General Manager
Subject: Fiscal Year 2024/25 Comprehensive Annual Financial Report and Draft Audit
Date: February 10, 2026

I have attached the Fiscal Year 2024/25 Comprehensive Annual Financial Statements and accompanying draft Audit for your Board's review and approval. The financial report generally shows that the District is on sound financial footing.

**WHISPERING PALMS
COMMUNITY SERVICES DISTRICT**

**Annual Financial Report
with
Independent Auditor's Report Thereon
June 30, 2025**

Draft 01-27-2026

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Annual Financial Report
June 30, 2025

Table of Contents

	<u>Page</u>
Independent Auditor's Report.....	1-3
Management's Discussion and Analysis.....	4-9
<u>Basic Financial Statements</u>	
Government-Wide Financial Statements	
Statement of Net Position.....	10
Statement of Activities	11
Fund Financial Statements	
Governmental Fund:	
Balance Sheet.....	12
Reconciliation of the Governmental Fund Balance Sheet to the Statement of	
Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund	
Balance of the Governmental Fund to the Statement of Activities	15
Proprietary Fund:	
Statement of Net Position.....	16
Statement of Revenues, Expenses, and Changes in Net Position	17
Statement of Cash Flows.....	18
Fiduciary Fund:	
Statement of Fiduciary Net Position	19
Statement of Changes in Fiduciary Net Position.....	20
Notes to the Financial Statements.....	21-33
<u>Required Supplementary Information</u>	
Budgetary Comparison Schedule – General Fund.....	34
Notes to the Budgetary Comparison Schedule	35

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Whispering Palms Community Services District
Encinitas, California

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Whispering Palms Community Services District (District), as of and for the fiscal 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 financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2025, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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.

Board of Directors
Whispering Palms Community Services District
Encinitas, California

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedule – General Fund, identified as Required Supplementary Information (RSI) in the accompanying 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 RSI 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 RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Fechter & Company
Certified Public Accountants

Sacramento, California
[DATE]

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis For the Year Ended June 30, 2025

This section of the Whispering Palms Community Services District's (District) annual financial report presents an analysis of the District's financial performance during the fiscal year ended June 30, 2025. This information is presented in conjunction with the audited basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2024-2025

- The assets of the District exceeded liabilities at the close of the 2024-2025 fiscal year by \$6,174,095 (net position). Of this amount, \$2,417,646 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, and \$3,756,449 is invested in capital assets.
- Total assets of the District decreased at the close of the 2024-2025 fiscal year by \$185,618.
- Total liabilities of the District increased at the close of the 2024-2025 fiscal year by \$9,030.

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 three components: government-wide financial statements, fund financial statements, and the notes to the financial statements. This report also includes additional required supplementary information in addition to the basic financial statements.

REQUIRED FINANCIAL STATEMENTS

Government-Wide Financial Statements are designed to provide readers with a broad overview of District finances, in a manner similar to a private-sector business, and include the governmental activities (the Landscape Maintenance District) and the business-type activities (the Sewer Improvement District).

The Statement of Net Position presents information on all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). 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 Activities presents information showing how 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 result in cash flows in future fiscal periods (i.e., uncollected taxes).

Both of these government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities). The governmental activities of the District are roadside landscape maintenance services. The business-type activities of the District are sewer services.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis For the Year Ended June 30, 2025

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the District's funds can be grouped into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The District uses a General Fund to account for its Landscape and Lighting Improvement District No. 1 (LLID), which provides street right-of-way landscape maintenance services. The District contracts with a landscaping contractor to maintain the Whispering Palms entry fountain and landscape maintenance for the street right-of-way for the Whispering Palms development along Via De La Valle and Cancha De Golf.

Proprietary funds are used to account for the District's sewer service. Sewer service charges are used to fund the ongoing operations of the District including administrative, operations, treatment, collections, and acquisitions of capital assets. The proprietary fund financial statements include the statement of net position, statement of revenues, expenses, and changes in net position, and statement of cash flows. These statements are accounted for using the full accrual basis of accounting similar to commercial enterprises.

Sewer service is provided throughout the service area of the District. The District serves the Whispering Palms residential development, as well as areas to the east such as the Del Mar Country Club Estates, Rancho Santa Fe Farms, Del Rayo Estates, Rancho Valencia, and San Diegueno Hills. Sewage is treated at the Whispering Palms Wastewater Reclamation Facility, which has a capacity of 400,000 gallons per day. The basic unit of charge used to calculate sewer service and connection fees is called an Equivalent Dwelling Unit (EDU), which equates to an estimated 230 gallons per day of wastewater flow. All single-family homes are charged one EDU as their sewer service charge. Commercial properties are charged based upon their calculated EDUs. The charge per EDU for the year ended June 30, 2025 was \$690. Sewer service charges are used to fund the ongoing operations of the District including administration, treatment plant and collections system operations, and replacement of equipment as needed.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The statement of fiduciary assets and liabilities is reported using the accrual basis of accounting.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis For The Year Ended June 30, 2025

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information which can be found on the final pages of this report.

Governmental Fund Budgetary Highlights

The final fund balance at year-end was \$27,299 higher than the final budget due primarily to revenues being higher than budgeted.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At year end, the District's governmental funds reported a fund balance of \$1,382,691 at June 30, 2025, which is an increase of \$116,275 from \$1,266,416. The positive fund balance change was primarily due to increase in taxes and special assessments as well as an increase in investment earnings.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A summary of the District's Statement of Net Position in comparison to the prior year is presented below.

Condensed Statement of Net Position For the Fiscal Years Ended June 30, 2025 and 2024

	2024	2025	Changes from 2024 to 2025	
			Amount	Percentage
Assets				
Current assets	\$ 2,497,112	\$ 2,596,599	\$ 99,487	4.0%
Capital assets	5,060,284	4,775,179	(285,105)	-5.6%
Total Assets	7,557,396	7,371,778	(185,618)	-2.5%
Liabilities				
Current	169,922	263,840	93,918	55.3%
Non-current	1,018,731	933,843	(84,888)	-8.3%
Total Liabilities	1,188,653	1,197,683	9,030	0.8%
Net Position				
Investment in capital assets	3,958,962	3,756,449	(202,513)	-5.1%
Unrestricted	2,409,781	2,417,646	7,865	0.3%
Total Net Position	\$ 6,368,743	\$ 6,174,095	\$ (194,648)	-3.1%

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis For The Year Ended June 30, 2025

The following is a brief explanation for the balance changes of the Condensed Statement of Net Position for the year ending June 30, 2025:

- Current assets increased by \$99,487 or 4.0%.
- The decrease in capital assets is due primarily to depreciation expense of \$341,623 offset by additions of \$56,518.
- Total liabilities increased slightly by \$9,030 due primarily to an increase in accounts payable of \$102,927 which was mostly offset by the annual payment of debt for the financing of the solar project of \$82,591.

A summary of the District's Statement of Activities in comparison to the prior year is presented below.

Condensed Statement of Activities For the Fiscal Years Ended June 30, 2025 and 2024

	2024	2025	Changes from 2024 to 2025	
			Amount	Percentage
<u>Program Revenues</u>				
Charges for services	\$ 955,160	\$ 1,082,469	\$ 127,309	13.3%
Capital grants and contributions	10,724	-	(10,724)	-100.0%
	<u>965,884</u>	<u>1,082,469</u>	<u>116,585</u>	<u>12.1%</u>
<u>General Revenues</u>				
Taxes	449,306	460,774	11,468	2.6%
Investment earnings	112,037	99,501	(12,536)	-11.2%
Other non-operating revenue	-	926	926	-
Total General Revenues	<u>561,343</u>	<u>561,201</u>	<u>(142)</u>	<u>0.0%</u>
Total Revenues	<u>1,527,227</u>	<u>1,643,670</u>	<u>116,443</u>	<u>7.6%</u>
<u>Expenses</u>				
Landscape maintenance	316,298	275,807	(40,491)	-12.8%
General government	68,811	74,851	6,040	8.8%
Sewer	1,217,478	1,487,660	270,182	22.2%
Total Expenses	<u>1,602,587</u>	<u>1,838,318</u>	<u>235,731</u>	<u>14.7%</u>
Changes in Net Position	(75,360)	(194,648)	(119,288)	-158.3%
Beginning Net Position	<u>6,444,103</u>	<u>6,368,743</u>	<u>(75,360)</u>	<u>-1.2%</u>
Ending Net Position	<u>\$ 6,368,743</u>	<u>\$ 6,174,095</u>	<u>\$ (194,648)</u>	<u>-3.1%</u>

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis For The Year Ended June 30, 2025

The following is a brief explanation for the balance changes of the Condensed Statement of Activities for the year ending June 30, 2025:

- There was an increase of \$127,309, or 12.1%, in charges for services due to an increase in revenue generated by sewer and standby charges.
- Property taxes in both the sewer and landscaping district were up slightly because of increasing home values.
- Investment earnings decreased by \$12,536 due primarily to lower interest rates.
- Expenses for landscape maintenance decreased by \$40,491, or 12.8%, due primarily to lower maintenance costs. General government expenses increased slightly by \$6,040, or 8.8%. Sewer expenses increased by \$270,182, or 22.2%, due primarily to higher maintenance costs than the prior year.

CAPITAL ASSETS

The District's capital assets are comprised of sewer lines, pump stations, force mains, and a treatment plant. The District currently operates and maintains two sewer pump stations and approximately 39 miles of pipeline. Annual depreciation is calculated using the straight-line method over the estimated useful lives of the capital assets. Actual repairs, upgrades, or replacements to capital assets are based upon a review of an asset's physical conditions as well as its expected useful life.

	June 30, 2024			June 30, 2025			Total Change	
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government	Amount Change	Percent Change
Non-Depreciable Assets								
Land and land rights	\$ -	\$ 184,510	\$ 184,510	\$ -	\$ 184,510	\$ 184,510	\$ -	0.0%
Construction in progress	-	21,229	21,229	-	41,425	41,425	20,196	95.1%
Depreciable Assets								
Structures and improvements	258,069	10,175,526	10,433,595	258,069	10,175,526	10,433,595	-	0.0%
Equipment	-	2,622,493	2,622,493	-	2,658,815	2,658,815	36,322	1.4%
Service vehicle	-	7,672	7,672	-	-	-	(7,672)	-100.0%
Total cost	<u>258,069</u>	<u>12,805,691</u>	<u>13,063,760</u>	<u>258,069</u>	<u>12,834,341</u>	<u>13,092,410</u>	<u>28,650</u>	<u>0.2%</u>
Less accumulated depreciation	<u>(55,384)</u>	<u>(8,153,831)</u>	<u>(8,209,215)</u>	<u>(71,815)</u>	<u>(8,471,351)</u>	<u>(8,543,166)</u>	<u>(333,951)</u>	<u>4.1%</u>
Net depreciable assets	<u>202,685</u>	<u>4,651,860</u>	<u>4,854,545</u>	<u>186,254</u>	<u>4,362,990</u>	<u>4,549,244</u>	<u>(305,301)</u>	<u>-6.3%</u>
Total	<u>\$ 202,685</u>	<u>\$ 4,857,599</u>	<u>\$ 5,060,284</u>	<u>\$ 186,254</u>	<u>\$ 4,588,925</u>	<u>\$ 4,775,179</u>	<u>\$(285,105)</u>	<u>-5.6%</u>

Additional information regarding capital assets can be found in Note 3 in the Notes to Financial Statements.

LONG-TERM DEBT

In November 2020, the District entered into an installment sale agreement with Citizen's Bank in which it borrowed \$1,335,936 to finance a solar photovoltaic system project for its water reclamation facility. The balance of the debt at June 30, 2025 was \$1,018,730.

Additional information regarding long-term debt can be found in note 4 in Notes to Basic Financial Statements.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis For The Year Ended June 30, 2025

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The current economy does not have a significant effect on the District's finances due to the relative affluence of the area and the fact that the District's annual sewer service charge is collected on the San Diego County (County) property tax bills, and is part of the County's Teeter Plan program which guarantees that service charges placed on the tax roll are paid out to the District.

ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide the District's customers, investors, and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact Chuck Duffy at the Whispering Palms Community Services District at 605 Third Street, Encinitas, CA 92024. He can be reached at 760-479-4125.

**BASIC FINANCIAL STATEMENTS -
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Draft 01-27-2026

WHISPERING PALMS COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 1,399,799	\$ 1,155,550	\$ 2,555,349
Accounts receivable	1,576	6,318	7,894
Prepaid insurance	16,678	16,678	33,356
Total current assets	<u>1,418,053</u>	<u>1,178,546</u>	<u>2,596,599</u>
Non-current assets:			
Capital assets, nondepreciable	-	225,935	225,935
Capital assets, depreciable, net	186,254	4,362,990	4,549,244
Total noncurrent assets	<u>186,254</u>	<u>4,588,925</u>	<u>4,775,179</u>
 TOTAL ASSETS	 <u>1,604,307</u>	 <u>5,767,471</u>	 <u>7,371,778</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	35,362	141,248	176,610
Accrued interest	-	2,343	2,343
Installment sale agreement - current	-	84,887	84,887
Total current liabilities	<u>35,362</u>	<u>228,478</u>	<u>263,840</u>
Non-current liabilities:			
Installment sale agreement - non-current	-	933,843	933,843
 TOTAL LIABILITIES	 <u>35,362</u>	 <u>1,162,321</u>	 <u>1,197,683</u>
NET POSITION			
Investment in capital assets	186,254	3,570,195	3,756,449
Unrestricted	<u>1,382,691</u>	<u>1,034,955</u>	<u>2,417,646</u>
 TOTAL NET POSITION	 <u>\$ 1,568,945</u>	 <u>\$ 4,605,150</u>	 <u>\$ 6,174,095</u>

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

WHISPERING PALMS COMMUNITY SERVICES DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED
JUNE 30, 2025

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business- Type Activities
PRIMARY GOVERNMENT:					
Governmental activities:					
Landscape maintenance	\$ 275,807	\$ -	\$ -	\$ (275,807)	\$ -
General government	74,851	-	-	(74,851)	-
Total governmental activities	<u>350,658</u>	<u>-</u>	<u>-</u>	<u>(350,658)</u>	<u>-</u>
Business-type activities:					
Sewer	1,487,660	1,082,469	-	-	(405,191)
Total business-type activities	<u>1,487,660</u>	<u>1,082,469</u>	<u>-</u>	<u>-</u>	<u>(405,191)</u>
Total primary government	<u>\$ 1,838,318</u>	<u>\$ 1,082,469</u>	<u>\$ -</u>	<u>(350,658)</u>	<u>(405,191)</u>
General revenues and transfers:					
Taxes and special assessments				392,327	68,447
Unrestricted investment earnings				58,175	41,326
Gain on sale of asset				-	500
Other non-operating revenue				-	426
Total general revenues				<u>450,502</u>	<u>110,699</u>
Change in net position				99,844	(294,492)
Net position - beginning				<u>1,469,101</u>	<u>4,899,642</u>
Net position - ending				<u>\$ 1,568,945</u>	<u>\$ 4,605,150</u>

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

**BASIC FINANCIAL STATEMENTS -
FUND FINANCIAL STATEMENTS**

WHISPERING PALMS COMMUNITY SERVICES DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2025

	General Fund
ASSETS	
Cash and investments	\$ 1,399,799
Property taxes receivable	1,576
Prepaid insurance	16,678
TOTAL ASSETS	<u>\$ 1,418,053</u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 35,362
TOTAL LIABILITIES	<u>35,362</u>
FUND BALANCE	
Nonspendable:	
Prepaid items	16,678
Unassigned	1,366,013
TOTAL FUND BALANCE	<u>1,382,691</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,418,053</u>

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

**WHISPERING PALMS COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Total fund balances -governmental funds \$ 1,382,691

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	258,069	
Less: Accumulated depreciation	(71,815)	
Net	186,254	186,254

Net position of governmental activities \$ 1,568,945

WHISPERING PALMS COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED
JUNE 30, 2025

	<u>General</u>
REVENUES:	
Taxes and special assessments	\$ 392,327
Revenues from use of money and property	<u>58,175</u>
Total revenues	<u>450,502</u>
EXPENDITURES:	
Landscape maintenance	216,549
General government	74,851
Capital outlay	<u>42,827</u>
Total expenditures	<u>334,227</u>
NET CHANGE IN FUND BALANCE	116,275
FUND BALANCE - BEGINNING OF YEAR	<u>1,266,416</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,382,691</u></u>

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

**WHISPERING PALMS COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED
JUNE 30, 2025**

Net change in fund balances - General Fund	\$ 116,275
---	------------

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Less: current year depreciation	(16,431)	(16,431)
---------------------------------	----------	----------

Change in net position of governmental activities	\$ 99,844	\$ 99,844
--	-----------	-----------

WHISPERING PALMS COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	<u>Sewer Operations and Capital Fund</u>
ASSETS	
Current assets:	
Cash and investments	\$ 1,155,550
Accounts receivable	6,318
Prepaid insurance	16,678
Total current assets	<u>1,178,546</u>
Non-current assets:	
Capital assets, nondepreciable	225,935
Capital assets, depreciable, net	4,362,990
Total noncurrent assets	<u>4,588,925</u>
 TOTAL ASSETS	 <u>5,767,471</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	141,248
Accrued interest	2,343
Installment sale agreement - current	84,887
Total current liabilities	<u>228,478</u>
Non-current liabilities:	
Installment sale agreement - non-current	<u>933,843</u>
 TOTAL LIABILITIES	 <u>1,162,321</u>
NET POSITION	
Investment in capital assets	3,570,195
Unrestricted	1,034,955
TOTAL NET POSITION	<u><u>\$ 4,605,150</u></u>

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

WHISPERING PALMS COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED
JUNE 30, 2025

	<u>Sewer Operations and Capital Fund</u>
OPERATING REVENUES	
Sewer service and standby charges	\$ 1,071,354
Reclaimed water	11,115
Total operating revenues	<u>1,082,469</u>
OPERATING EXPENSES	
Sewerage collection and treatment	974,967
General and administrative	158,047
Depreciation	<u>325,192</u>
Total operating expenses	<u>1,458,206</u>
Operating loss	(375,737)
Non-operating Revenue (Expenses):	
Taxes	68,447
Interest expense	(29,454)
Investment earnings	41,326
Gain on sale of asset	500
Other non-operating revenue	<u>426</u>
Total non-operating revenues (expenses)	<u>81,245</u>
Change in net position	(294,492)
Net position - beginning	<u>4,899,642</u>
Net position - ending	<u><u>\$ 4,605,150</u></u>

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

WHISPERING PALMS COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED
JUNE 30, 2025

	<u>Sewer Operations and Capital Fund</u>
Cash Flows From Operating Activities:	
Cash receipts from customers	\$ 1,066,974
Cash payments for services and supplies	(1,045,793)
Net cash provided by operating activities	<u>21,181</u>
Cash Flows from Capital and Related Financing Activities:	
Sale of asset	500
Acquisition and construction of capital assets	(56,518)
Principal paid on installment loan	(82,592)
Interest paid on long-term debt	(29,644)
Net cash used by capital and related financing activities	<u>(168,254)</u>
Cash Flows From Non-capital Financing Activities:	
Property taxes collected	68,447
Other non-operating revenue	426
Net cash provided by non-capital financing activities	<u>68,873</u>
Cash Flows from Investing Activities:	
Interest received	41,326
Net cash provided by investing activities	<u>41,326</u>
Net decrease in cash and cash equivalents	(36,874)
Cash and cash equivalents, beginning of year	1,192,424
Cash and cash equivalents, end of year	<u><u>\$ 1,155,550</u></u>
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (375,737)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	325,192
Changes in operating assets and liabilities:	
Increase in accounts receivable	(4,380)
Increase in prepaid insurance	(2,247)
Increase in accounts payable	89,468
Decrease in deferred revenue	(11,115)
Total adjustments	<u>396,918</u>
Net cash provided by operating activities	<u><u>\$ 21,181</u></u>

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

WHISPERING PALMS COMMUNITY SERVICES DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

ASSETS

Cash and investments	\$ 6,104
Total assets	<u>\$ 6,104</u>

FIDUCIARY NET POSITION

Fiduciary net position	<u>\$ 6,104</u>
------------------------	-----------------

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

**WHISPERING PALMS COMMUNITY SERVICES DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED
JUNE 30, 2025**

ADDITIONS

Investment income	\$ 3
Total additions	<u>3</u>
Net change in fiduciary net position	3
Fiduciary net position - beginning	<u>6,101</u>
Fiduciary net position - ending	<u><u>\$ 6,104</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

Draft 01-27-2026

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Whispering Palms Community Services District (District) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

In November 1987, the citizens of Whispering Palms formed a community services district pursuant to the California Government Code Section 61000. The District provides landscaping services to property owners in the community of Whispering Palms, and sewer service to Whispering Palms and other surrounding communities.

B. Basis of Accounting and Measurement Focus

The *basic financial statements* of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Government-Wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). Eliminations have been made in the statement of activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the District. Interfund services provided and used are not eliminated in the process of consolidation.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements.

Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (continued)

Government-Wide Financial Statements (continued)

Program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular function. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as reductions of the related liabilities rather than as expenditures.

Fund Financial Statements

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures, or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about the major funds individually and other governmental funds in the aggregate for governmental funds. Fiduciary statements, though excluded from the government-wide financial statements, represent agency funds.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period.

Revenue recognition is subject to the *measurable* and *available* criteria for the governmental funds in the fund financial statements. Significant revenues subject to the criteria include taxes and intergovernmental revenues. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax*

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (continued)

Governmental Funds (continued)

revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange transactions* are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary nonexchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets, current liabilities, and deferred inflows of resources are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of available spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

Revenues, expenses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available where cash is received by the government. The availability period for these revenues is 60 days.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Proprietary and Fiduciary Funds

The District's enterprise funds are proprietary funds. In the fund financial statements, the proprietary funds and fiduciary funds are presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds and fiduciary funds are presented using the *economic resources measurement focus*. This means that all assets, deferred outflows of resources, all liabilities, and deferred inflows of resources (whether current or non-current) associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (continued)

Proprietary and Fiduciary Funds (continued)

Proprietary funds' operating revenue, such as charges for services, results from exchange transactions associated with the principal activities of the funds. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the enterprise funds financial statements rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the enterprise fund financial statements rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as reductions of the related liabilities rather than as expenditures.

The District's fiduciary funds are accounted for using the economic resources measurement focus and accrual basis of accounting. The District's fiduciary agency funds have no measurement focus but utilize the accrual basis for reporting its assets and liabilities. Because these funds are not available for use by the District, fiduciary funds are not included in the government-wide statements.

C. Fund Classifications

The District reports the following major governmental fund:

The **General Fund** is the primary operating fund for landscape maintenance. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The District has no other governmental funds.

The District reports the following major proprietary fund:

The **Sewer Operations and Capital Fund** is used to account for the operation and maintenance of the District's sewer systems, which is funded by user charges and other fees.

The District's fund structure also includes the following fund type:

The **Fiduciary Fund** includes a trust and agency fund. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other funds. Fiduciary statements, though excluded from the government-wide financial statements, represent agency funds that are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to the Financial Statements For the Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Future Accounting Pronouncements

If applicable, GASB Statements listed below will be implemented in future financial statements:

Statement No.103 *“Financial Reporting Model
Improvements”*

The provisions of this statement are effective for
fiscal years beginning after June 15, 2025.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents have been defined as demand deposits and highly liquid investments with an original maturity of 90 days or less. Cash includes amounts in demand and time deposits. Investments are stated at fair value (quoted market price or best available estimate thereof) (see Note 2).

F. Investments

Investments are reported in the accompanying financial statements at fair value. Changes in fair value that occur during a fiscal year are recognized as income from property and investments reported for that fiscal year. Income from property and investments includes interest earnings, changes in fair value, any gains or losses realized upon liquidation, maturity, or sale of investments. There are no significant differences between fair value and cost at June 30, 2025.

G. Receivables and Payables

Management estimates all receivables at June 30, 2025 to be collectible, as any receivables deemed uncollectible have been written off.

H. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The consumption method of accounting is used for prepaid items.

J. Deferred Revenue

Deferred revenue represents overpayments by customers that will be applied to future billings.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets

Capital assets, which include land, structures and improvements, and equipment, are depreciated and are reported in the applicable governmental or business-type activity columns in the government-wide financial statements.

Capital assets have an estimated useful life greater than one year and have a cost greater than \$20,000. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Construction-in-progress costs are capitalized and transferred to their respective fixed asset categories upon completion of the project.

Depreciation is charged to operations using the straight-line method based on the estimated useful life of an asset. Land and construction-in-progress are not depreciated.

Structures and improvements	40-50 years
Equipment	5-40 years

L. Property Taxes

Real property taxes are levied on July 1 against owners of record on January 1. The taxes are due in two equal installments, on November 1 and February 1, and become delinquent after December 10 and April 10, respectively. Tax liens attach annually as of 12:01a.m. on the first day in January in the fiscal year for which the taxes have been levied. Property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided it is within 60 days of the end of the year.

M. Net Position Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted (i.e., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's practice to consider restricted net position to have been depleted before unrestricted net position is applied.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance Classification

In the fund financial statements, fund balances are classified as follows:

Nonspendable includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash (for example, inventories and prepaid amounts).

Restricted includes amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. The Board of Directors has the authority to establish, modify, or rescind a fund balance commitment.

Assigned includes amounts that are constrained by the government’s intent to be used for specific purposes but are neither restricted nor committed. The Board of Directors or designee has the authority to establish, modify, or rescind a fund balance assignment.

Unassigned includes the residual amounts that have not been restricted, committed, or assigned to specific purposes.

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, and committed, assigned, and unassigned amounts are considered to be spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

O. Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 2 – CASH AND INVESTMENTS

Cash and investments held by the District at June 30, 2025, are reported in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 2,555,349
Statement of Fiduciary Assets and Liabilities	
Cash and investments	<u>6,104</u>
Total Cash and Investments	<u>\$ 2,561,453</u>

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

Deposits with financial institutions	\$ 341,313
Investments:	
Money market funds	<u>2,220,140</u>
Total Cash and Investments	<u>\$ 2,561,453</u>

Authorized Investments

Section 53601 of the Government Code of the State of California sets forth the investment vehicles available to local agencies. Section 53601 provides that unless Section 53601 specifies a limitation on an investment's maturity, no investments with maturities exceeding five years shall be made unless otherwise directed by the District's Board of Directors. Authorized investments include, but are limited to:

- Local Agency Bonds
- U.S. Treasury Obligations
- U.S. Agency Securities
- Negotiable Certificates of Deposit
- Money Market Funds
- County Pooled Investment Fund
- Local Agency Investment Fund (LAIF)
- Local Bank Deposits as Approved by the Board of Directors
- Pacific Western Bank
- CalTRUST

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. At June 30, 2025, District's investments in money market funds have a maturity of less than one year.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, 2025, the District's investment in money markets funds is not rated.

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 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 other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The 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 the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2025, 100% of the District's deposits with financial institutions were insured with the Federal Deposit Insurance Corporation.

Fair Value Measurements

The District categorizes its fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The District's investments in money market funds are not subject to the fair value hierarchy.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to the Financial Statements For the Year Ended June 30, 2025

NOTE 3 – CAPITAL ASSETS

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

Governmental-Type Activities	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025
Capital assets, being depreciated:				
Structures and improvements	\$ 258,069	\$ -	\$ -	\$ 258,069
Less Accumulated Depreciation	(55,384)	(16,431)	-	(71,815)
Net Capital Assets, being depreciated	202,685	(16,431)	-	186,254
Net Capital Assets	<u>\$ 202,685</u>	<u>\$ (16,431)</u>	<u>\$ -</u>	<u>\$ 186,254</u>

Capital asset activity for business-type activities for the year ended June 30, 2025, was as follows:

Business-Type Activities	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025
Capital assets, not being depreciated:				
Land	\$ 184,510	\$ -	\$ -	\$ 184,510
Construction in progress	21,229	20,196	-	41,425
Subtotal	<u>205,739</u>	<u>20,196</u>	<u>-</u>	<u>225,935</u>
Capital assets, being depreciated:				
Structures and improvements	10,175,526	-	-	10,175,526
Equipment	2,622,493	36,322	-	2,658,815
Service vehicle	7,672	-	(7,672)	-
Subtotal	<u>12,805,691</u>	<u>36,322</u>	<u>(7,672)</u>	<u>12,834,341</u>
Less Accumulated Depreciation	(8,153,831)	(325,192)	7,672	(8,471,351)
Net Capital Assets, being depreciated	<u>4,651,860</u>	<u>(288,870)</u>	<u>-</u>	<u>4,362,990</u>
Net Capital Assets	<u>\$ 4,857,599</u>	<u>\$ (268,674)</u>	<u>\$ -</u>	<u>\$ 4,588,925</u>

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to the Financial Statements For the Year Ended June 30, 2025

NOTE 3 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:		Business-Type Activities:	
Landscape maintenance	\$ 16,431	Sewer	\$ 325,192
Total Depreciation Expense	<u>\$ 16,431</u>	Total Depreciation Expense	<u>\$ 325,192</u>

NOTE 4 – LONG-TERM LIABILITIES

In November 2020, the District entered into an installment sale agreement with Citizen's Bank in which it borrowed \$1,335,936, at a rate of 2.76% to be paid over 15 years, to finance a solar photovoltaic system project for its water reclamation facility. Semi-annual loan payments of \$56,211 are due on May 27th and November 27th, through November 27, 2035. As of June 30, 2025, the District's loan balance was \$1,018,730.

The District's long-term liabilities for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Long-Term Liabilities:					
2020 Installment Sale Agreement	<u>\$1,101,322</u>	<u>\$ -</u>	<u>\$ (82,592)</u>	<u>\$ 1,018,730</u>	<u>\$ 84,887</u>

The following is a schedule of the District's future long-term debt payments:

For the Year Ended June 30,	Principal	Interest	Total
2026	\$ 84,887	\$ 27,535	\$ 112,422
2027	87,246	25,176	112,422
2028	89,670	22,752	112,422
2029	92,162	20,260	112,422
2030	94,723	17,698	112,421
2031-2035	514,597	47,512	562,109
2036	55,445	765	56,210
Total	<u>\$1,018,730</u>	<u>\$ 161,698</u>	<u>\$1,180,428</u>

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 5 – COMMERCIAL INSURANCE POLICY

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District purchases commercial insurance for its exposure to risk. The following table lists the limits and deductibles for each type of insurance held by the District:

Type of Insurance	Limits	Deductibles
Property	\$ 8,257,543	\$1,000 - \$5,000
Inland Marine	\$50,000 - \$185,000	\$1,000 - \$5,000
Crime - Employee Theft	\$ 250,000	\$ 1,000
General Liability:		
Aggregate	\$ 10,000,000	None
Products/Completed Operations Aggregate	\$ 10,000,000	None
Personal & Advertising Injury	\$ 1,000,000	None
Each occurrence	\$ 1,000,000	None
Rented premises damage	\$ 1,000,000	None
Medical Expense	\$ 10,000	None
Public Officials & Management Liability:		
Aggregate Limit: Coverage A & B Combined	\$ 10,000,000	None
Coverage A: Wrongful Acts	\$ 1,000,000	\$1,000 - \$25,000
Coverage B: Injunctive Relief	\$ 5,000	None
Commercial Auto	\$ 1,000,000	\$ 1,000
Excess	\$ 10,000,000	None
Cyber:		
Aggregate Limit per enrolled member	\$ 1,000,000	\$ 5,000
Policy Aggregate for all enrolled members	\$ 10,000,000	None

Settled claims have not exceeded any of the District's coverage amounts in any of the last three fiscal years, and there were no significant reductions in the District's insurance coverage during the year ended June 30, 2025.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 6 – CONTINGENCIES

Litigation

The District's management and legal counsel estimate that any legal claims against the District, not covered by insurance, resulting from such litigation would not have a material effect on the basic financial statements.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through [DATE], the date which the financial statements were available to be issued. Based upon this evaluation, it was determined that there were no subsequent events that require recognition or additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Draft 01-27-2026

**WHISPERING PALMS COMMUNITY SERVICES DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED
JUNE 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
FUND BALANCE, JULY 1	<u>\$ 1,266,416</u>	<u>\$ 1,266,416</u>	<u>\$ 1,266,416</u>	<u>\$ -</u>
RESOURCES (INFLOWS)				
Taxes and special assessments	379,000	379,000	392,327	13,327
Revenues from use of money and property	<u>52,000</u>	<u>52,000</u>	<u>58,175</u>	<u>6,175</u>
Amount available for appropriations	<u>431,000</u>	<u>431,000</u>	<u>450,502</u>	<u>19,502</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Landscape maintenance	199,500	199,500	216,549	(17,049)
General government	77,524	77,524	74,851	2,673
Capital outlay	<u>65,000</u>	<u>65,000</u>	<u>42,827</u>	<u>22,173</u>
Total charges to appropriations	<u>342,024</u>	<u>342,024</u>	<u>334,227</u>	<u>7,797</u>
EXCESS OF RESOURCES OVER CHARGES TO APPROPRIATIONS	<u>88,976</u>	<u>88,976</u>	<u>116,275</u>	<u>27,299</u>
FUND BALANCE, JUNE 30	<u><u>\$ 1,355,392</u></u>	<u><u>\$ 1,355,392</u></u>	<u><u>\$ 1,382,691</u></u>	<u><u>\$ 27,299</u></u>

See notes to budgetary comparison schedule.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to the Budgetary Comparison Schedule For the Year Ended June 30, 2025

BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the Budgetary Comparison Schedule:

- A. The annual budget adopted by the Board of Directors provides for the general operation of the District. It includes proposed expenditures and the means of financing them.
- B. The Board of Directors approves total budgeted appropriations and any amendments to appropriations throughout the year. Actual expenditures may exceed budgeted appropriations at the fund level. However, the District's general manager is authorized to transfer budgeted amounts between individual departments. Budget figures used in the financial statements are the final adjusted amounts, including any amendments to the budget during the year.
- C. Formal budgetary integration is employed as a management control device. Appropriations that are encumbered at year-end lapse, and then are added to the following year's budgeted appropriations. However, encumbrances at year-end are reported as reservations of fund balance. There were no encumbrances at June 30, 2025.
- D. Budget information is adopted for the governmental fund and presented as required supplemental information. The presentation represents original appropriations adjusted for supplemental appropriations, if any, made during the year. The budget for the governmental fund is adopted on a basis substantially consistent with GAAP.

Excess of Expenditures over Appropriations

The General Fund had the following excess of expenditures over appropriations (instances where actual amounts exceeded budgeted amounts) in landscape maintenance of \$17,049. However, general government and capital outlay expenditures were less than appropriations by \$2,673 and \$22,173, respectively.

SDGE Power Cost Comparison Report

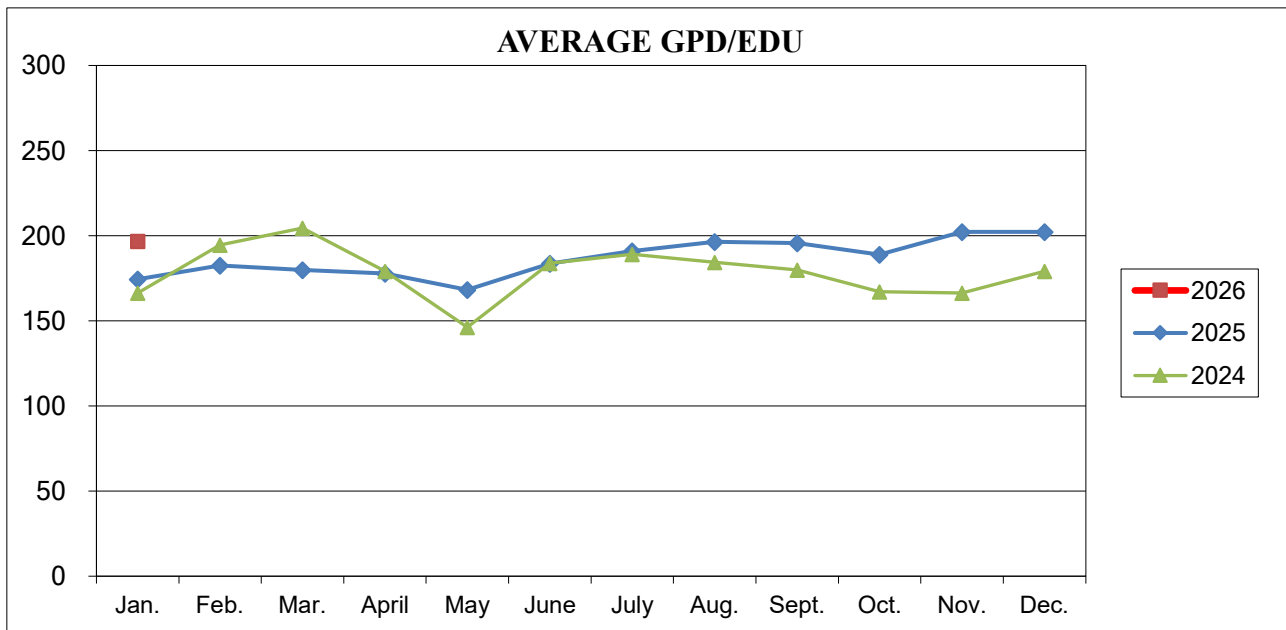
Month	2023 SDGE Treatment Plant Bill	2023 Solar Loan Payment	2023 Loan Payment plus SDGE Bill	2024 SDGE Treatment Plant Bill	2024 Solar Loan Payment	2024 Loan Payment plus SDGE Bill	Change from 2023 to 2024 Total \$	Change from 2023 to 2024 Total %
January	\$15,858	\$9,333	\$25,191	\$12,609	\$9,333	\$21,942	(\$3,249)	-13%
February	\$15,088	\$9,333	\$24,421	\$10,593	\$9,333	\$19,926	(\$4,495)	-18%
March	\$12,523	\$9,333	\$21,856	\$6,292	\$9,333	\$15,625	(\$6,231)	-29%
April	\$10,431	\$9,333	\$19,764	\$4,934	\$9,333	\$14,267	(\$5,497)	-28%
May	\$11,943	\$9,333	\$21,276	\$5,420	\$9,333	\$14,753	(\$6,523)	-31%
June	\$6,695	\$9,333	\$16,028	\$2,717	\$9,333	\$12,050	(\$3,978)	-25%
July	\$5,045	\$9,333	\$14,378	\$3,301	\$9,333	\$12,634	(\$1,744)	-12%
August	\$6,745	\$9,333	\$16,078	\$8,667	\$9,333	\$18,000	\$1,922	12%
September	\$11,812	\$9,333	\$21,145	\$12,424	\$9,333	\$21,757	\$612	3%
October	\$10,953	\$9,333	\$20,286	\$14,260	\$9,333	\$23,593	\$3,307	16%
November	\$14,886	\$9,333	\$24,219	\$11,750	\$9,333	\$21,083	(\$3,136)	-13%
December	\$17,293	\$9,333	\$26,626	\$13,016	\$9,333	\$22,349	(\$4,277)	-16%
YTD TOTAL	\$139,272	\$111,996	\$251,268	\$105,983	\$111,996	\$217,979	(\$33,289)	

Month	2024 SDGE Treatment Plant Bill	2024 Solar Loan Payment	2024 Loan Payment plus SDGE Bill	2025 SDGE Treatment Plant Bill	2025 Solar Loan Payment	2025 Loan Payment plus SDGE Bill	Change from 2024 to 2025 Total \$	Change from 2024 to 2025 Total %
January	\$12,609	\$9,333	\$21,942	\$12,077	\$9,333	\$21,410	(\$532)	-2%
February	\$10,593	\$9,333	\$19,926	\$12,369	\$9,333	\$21,702	\$1,776	9%
March	\$6,292	\$9,333	\$15,625	\$7,254	\$9,333	\$16,587	\$962	6%
April	\$4,934	\$9,333	\$14,267	\$4,271	\$9,333	\$13,604	(\$663)	-5%
May	\$5,420	\$9,333	\$14,753	\$5,877	\$9,333	\$15,210	\$457	3%
June	\$2,717	\$9,333	\$12,050	\$5,316	\$9,333	\$14,649	\$2,599	22%
July	\$3,301	\$9,333	\$12,634	\$5,695	\$9,333	\$15,028	\$2,394	19%
August	\$8,667	\$9,333	\$18,000	\$5,580	\$9,333	\$14,913	(\$3,087)	-17%
September	\$12,424	\$9,333	\$21,757	\$10,245	\$9,333	\$19,578	(\$2,179)	-10%
October	\$14,260	\$9,333	\$23,593	\$14,970	\$9,333	\$24,303	\$710	3%
November	\$11,750	\$9,333	\$21,083	\$14,569	\$9,333	\$23,902	\$2,819	13%
December	\$13,016	\$9,333	\$22,349	\$17,456	\$9,333	\$26,789	\$4,440	20%
YTD TOTAL	\$105,983	\$111,996	\$217,979	\$115,679	\$111,996	\$227,675	\$9,696	

**WHISPERING PALMS CSD
SEWER IMPROVEMENT DISTRICT NO. 1**

**2026 MONTHLY TREATMENT PLANT FLOW REPORT
400,000 GPD CAPACITY**

Month	EDU's Connected	EDU's Available	Flow Rate (GPD/EDU) 2026	Avg. Daily Flow (GPD)
Jan.	1,494	191	197	294,000
Feb.				
Mar.				
April				
May				
June				
July				
Aug.				
Sept.				
Oct.				
Nov.				
Dec.				



**WHISPERING PALMS
COMMUNITY SERVICES DISTRICT**

**Sewer Improvement District #1
and Landscape Improvement District #1**

FINANCIAL STATEMENTS

December 31, 2025

Whispering Palms Community Services District
SID Balance Sheet
Previous Year Comparison
As of December 31, 2025

Accrual Basis

	Dec 31, 25	Dec 31, 24	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1010 · PWB SID Checking	37,568.58	372,254.22	-334,685.64	-89.9%
1017 · Gemini Fund-CALTRUST	578,072.90	743,501.31	-165,428.41	-22.3%
Total Checking/Savings	615,641.48	1,115,755.53	-500,114.05	-44.8%
Accounts Receivable				
1052 · Accounts Receivable	622,399.69	236,254.97	386,144.72	163.4%
Total Accounts Receivable	622,399.69	236,254.97	386,144.72	163.4%
Total Current Assets	1,238,041.17	1,352,010.50	-113,969.33	-8.4%
Fixed Assets				
1310 · Land	184,510.00	184,510.00	0.00	0.0%
1320 · Structures & Improvements	10,175,526.26	10,175,526.26	0.00	0.0%
1330 · Service Vehicle	0.00	7,672.00	-7,672.00	-100.0%
1340 · Equipment	2,658,815.34	2,622,492.84	36,322.50	1.4%
1360 · Construction in Progress	41,424.89	21,228.66	20,196.23	95.1%
1370 · Accumulated Depreciation	-8,471,351.00	-8,153,830.64	-317,520.36	-3.9%
Total Fixed Assets	4,588,925.49	4,857,599.12	-268,673.63	-5.5%
TOTAL ASSETS	5,826,966.66	6,209,609.62	-382,642.96	-6.2%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2110 · Accounts Payable	73,125.48	122,227.14	-49,101.66	-40.2%
Total Accounts Payable	73,125.48	122,227.14	-49,101.66	-40.2%
Other Current Liabilities				
2230 · Accrued Interest	2,718.73	2,718.73	0.00	0.0%
2260 · Deferred Revenue	0.00	11,115.05	-11,115.05	-100.0%
Total Other Current Liabilities	2,718.73	13,833.78	-11,115.05	-80.4%
Total Current Liabilities	75,844.21	136,060.92	-60,216.71	-44.3%
Long Term Liabilities				
2500 · Installment Sale-Citizens Bank	897,925.61	979,950.91	-82,025.30	-8.4%
2510 · InstallmentSale-current portion	80,358.00	80,358.00	0.00	0.0%
Total Long Term Liabilities	978,283.61	1,060,308.91	-82,025.30	-7.7%
Total Liabilities	1,054,127.82	1,196,369.83	-142,242.01	-11.9%
Equity				
30000 · Opening Balance Equity	9,879.42	9,879.42	0.00	0.0%
3200 · Fund Balance	4,594,329.09	4,890,036.05	-295,706.96	-6.1%
Net Income	168,630.33	113,324.32	55,306.01	48.8%
Total Equity	4,772,838.84	5,013,239.79	-240,400.95	-4.8%
TOTAL LIABILITIES & EQUITY	5,826,966.66	6,209,609.62	-382,642.96	-6.2%

Whispering Palms CSD
LID Balance Sheet
Previous Year Comparison
As of December 31, 2025

Accrual Basis

	Dec 31, 25	Dec 31, 24	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1017 · Gemini Fund-CALTRUST	1,284,982.24	1,231,451.19	53,531.05	4.4%
1010 · PWB- Checking	42,632.44	121,147.73	-78,515.29	-64.8%
Total Checking/Savings	1,327,614.68	1,352,598.92	-24,984.24	-1.9%
Accounts Receivable				
1052 · Accounts Receivable	180,017.35	51,913.64	128,103.71	246.8%
Total Accounts Receivable	180,017.35	51,913.64	128,103.71	246.8%
Total Current Assets	1,507,632.03	1,404,512.56	103,119.47	7.3%
Fixed Assets				
1370 · Accumulated Depreciation	-55,383.50	-55,383.50	0.00	0.0%
1320 · Structures and Improvements	258,068.82	258,068.82	0.00	0.0%
Total Fixed Assets	202,685.32	202,685.32	0.00	0.0%
TOTAL ASSETS	1,710,317.35	1,607,197.88	103,119.47	6.4%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2110 · Accounts Payable	35,645.34	62,204.51	-26,559.17	-42.7%
Total Accounts Payable	35,645.34	62,204.51	-26,559.17	-42.7%
Total Current Liabilities	35,645.34	62,204.51	-26,559.17	-42.7%
Total Liabilities	35,645.34	62,204.51	-26,559.17	-42.7%
Equity				
32000 · Retained Earnings	904,158.44	787,883.13	116,275.31	14.8%
3000 · Fund Balance	681,218.30	681,218.30	0.00	0.0%
Net Income	89,295.27	75,891.94	13,403.33	17.7%
Total Equity	1,674,672.01	1,544,993.37	129,678.64	8.4%
TOTAL LIABILITIES & EQUITY	1,710,317.35	1,607,197.88	103,119.47	6.4%

Whispering Palms Community Services District

Summary Balance Sheet

All Transactions

	Jun 30, 16	Jun 30, 17	Jun 30, 18	Jun 30, 19	Jun 30, 20	Jun 30, 21	Jun 30, 22	Jun 30, 23	Jun 30, 24	Jun 30, 25	Jan 31, 26
ASSETS											
Current Assets											
Checking/Savings	1,659,269	1,664,362	1,683,168	1,358,896	1,580,118	2,438,242	1,343,228	1,178,421	1,192,423	1,155,550	781,054
Accounts Receivable	24,278	34,029	34,943	303,400	99,316	2,965	14,058	37,138	1,938	6,318	413,440
Other Current Assets	200	9,630	10,962	22,451	21,328	16,202	12,660	14,499	14,431	16,678	-
Total Current Assets	1,683,747	1,708,021	1,729,073	1,684,746	1,700,763	2,457,409	1,369,946	1,230,058	1,208,792	1,178,546	1,194,494

**WHISPERING PALMS COMMUNITY SERVICES DISTRICT
SEWER IMPROVEMENT DISTRICT No. 1
STATEMENT OF INCOME AND EXPENSES
For the Six Months Ended December 31, 2025**

	12/31/2025	Expected To-Date	VARIANCE Favorable/ (Unfavorable)	2025-26 Budget
<u>REVENUES</u>				
4100 Sewer & Standby Charges	\$766,669	\$760,000	\$6,669	\$1,335,400
4200 Capacity Fees	\$0	\$0	\$0	\$5,362
4300 Property Tax Allocation	\$40,594	\$40,000	\$594	\$73,500
4400 Misc Income: R. Paseana	\$5,881	\$0	\$5,881	\$0
4500 Interest on Reserves	\$16,698	\$21,950	(\$5,252)	\$43,900
4600 Misc Income	\$0	\$0	\$0	\$0
TOTAL INCOME	\$829,842	\$821,950	\$7,892	\$1,458,162
<u>EXPENDITURES</u>				
<u>OPERATIONS</u>				
5100 Plant & Pump Station Labor	\$142,542	\$142,542	\$0	\$285,084
5120 Power	\$72,493	\$64,500	(\$7,993)	\$129,000
5130 Solar Panels Loan Payment	\$41,013	\$41,013	\$0	\$85,000
5131 Solar Panels Interest Payment	\$15,198	\$15,198	\$0	\$27,500
5140 Water	\$2,374	\$2,500	\$126	\$5,000
5160 Telephone & Alarm Monitoring	\$2,992	\$1,350	(\$1,642)	\$2,700
5180 Consumables & Lubricants	\$5,990	\$13,125	\$7,135	\$26,250
5200 Minor Equipment & Tools	\$0	\$500	\$500	\$1,000
5220 Laboratory	\$19,476	\$19,476	\$0	\$28,300
5240 Permit Fees	\$33,650	\$33,000	(\$650)	\$37,000
5260 Sewer Cleaning	\$9,670	\$33,075	\$23,405	\$66,150
5280 Sludge Disposal	\$45,848	\$50,400	\$4,552	\$100,800
5300 Landscape Maint. @ STP	\$18,115	\$10,000	(\$8,115)	\$20,000
5320 Trash & Screenings Disposal	\$2,299	\$2,500	\$201	\$5,000
5340 Equipment Repair	\$116,930	\$62,500	(\$54,430)	\$125,000
5360 Vehicle Expense	\$1,862	\$3,500	\$1,638	\$7,000
Sub-total Operations	\$530,453	\$495,179	(\$35,274)	\$950,784

**WHISPERING PALMS COMMUNITY SERVICES DISTRICT
SEWER IMPROVEMENT DISTRICT No. 1
STATEMENT OF INCOME AND EXPENSES
For the Six Months Ended December 31, 2025**

			VARIANCE	
	12/31/2025	Expected To-Date	Favorable/ (Unfavorable)	2025-26 Budget
ADMINISTRATION				
6100 Management	\$54,864	\$54,864	\$0	\$109,728
6110 Professional Services	\$0	\$3,675	\$3,675	\$7,350
6120 Mileage & Reimbursables	\$0	\$0	\$0	\$525
6130 Printing & Publications	\$111	\$1,050	\$939	\$2,100
6140 Dues (50% LID)*	\$2,338	\$1,628	(\$710)	\$3,255
6145 Conferences (50% LID)*	\$2,017	\$788	(\$1,230)	\$1,575
6150 Insurance (50% LID)	\$16,678	\$16,700	\$22	\$21,000
6160 Audit (50% LID)*	\$0	\$5,250	\$5,250	\$10,500
6170 Directors Compensation (50% LID)	\$2,050	\$1,575	(\$475)	\$3,150
6190 Miscellaneous	\$2,690	\$1,050	(\$1,640)	\$2,100
6200 HOA Dues for Plant Access Road	\$0	\$0	\$0	\$2,100
Sub-total Administration	\$80,749	\$86,579	\$5,830	\$163,383
7100 CAPITAL PROJECTS				
2526.1 · CCTV and I & I Investigation	\$3,193	\$4,000	\$807	\$50,000
2526.2 · Renovate treatment plant blower line	\$7,498	\$8,000	\$502	\$25,000
2526.3 · Replacement of Golf Course pump station pumps with submersibles	\$48,487	\$45,000	(\$3,487)	\$175,000
2526.4 · WP Treatment Plant Percolation Pond Evaluation	\$0	\$0	\$0	\$50,000
TOTAL CAPITAL PROJECTS	\$59,179	\$57,000		\$300,000
7300 UNBUDGETED PROJECTS				
2526.01 · Mission Control SCADA WPTP	\$31,844	\$0	(\$31,844)	\$0
	\$31,844	\$0		\$0
TOTAL EXPENDITURES	\$611,333	\$638,758	\$27,425	\$1,414,167
NET GAIN/(LOSS) ON OPERATIONS	\$218,508	\$183,192		\$43,995
*50/50 split with LID				

**WHISPERING PALMS COMMUNITY SERVICES DISTRICT
LANDSCAPE IMPROVEMENT DISTRICT No. 1
STATEMENT OF INCOME AND EXPENSES
ACTUAL AND BUDGET
For the Six Months Ended December 31, 2025**

	12/31/2025	Expected To-Date	VARIANCE Favorable/ (Unfavorable)	2025-2026 Budget
REVENUES				
4100 Property Tax Allocation	\$232,850	\$225,000	\$7,850	\$421,800
4200 Interest on Reserves	\$26,242	\$25,500	\$742	\$51,000
TOTAL INCOME	\$259,092	\$250,500	\$8,592	\$472,800
EXPENDITURES				
LANDSCAPE MAINTENANCE:				
5100-1 LID Landscaping Contract	\$35,640	\$35,640	\$0	\$76,000
5100-2 LID Landscaping Extra Work	\$9,563	\$7,500	(\$2,063)	\$15,000
5100-3 LID Color Change Plantings	\$5,812	\$8,000	\$2,188	\$16,000
5120 LID Power	\$7,512	\$8,000	\$488	\$16,000
5140 LID Water	\$38,995	\$28,500	(\$10,495)	\$57,000
5160 LID Fountain Maintenance	\$1,140	\$1,500	\$360	\$3,000
5200 LID Electrical System Repair	\$248	\$4,000	\$3,752	\$8,000
5220 LID Tree Trimming/Spraying	\$20,644	\$17,000	(\$3,644)	\$17,000
5230 Miscellaneous/Holiday Lights	\$2,730	\$2,800	\$70	\$5,000
Sub-total Landscape Maintenance	\$122,284	\$112,940	(\$9,344)	\$213,000
ADMINISTRATION:				
6100 LID Management	\$19,164	\$19,164	\$0	\$38,328
6120 LID Professional Services	\$0	\$1,000	\$1,000	\$2,000
6130 LID Conferences (50% SID)*	\$2,017	\$1,575	(\$442)	\$1,575
6140 LID Dues (50% SID)*	\$2,338	\$1,628	(\$710)	\$3,255
6160 LID Insurance (50% SID)	\$16,678	\$16,700	\$22	\$21,000
6180 LID Audit (50% SID)*	\$0	\$0	\$0	\$10,500
6200 LID Directors Comp. (50% SID)*	\$2,050	\$1,575	(\$475)	\$3,150
6240 LID Misc./Contingency	\$306	\$500	\$194	\$1,000
Sub-total Administration	\$42,553	\$42,142	(\$411)	\$80,808
Total Expenditures	\$164,836	\$155,082	(\$9,755)	\$293,808
NET GAIN/(LOSS) ON OPERATIONS	\$94,255	\$95,419		\$178,992
PROJECTS:				
2526-01 · Planting Project	\$0	\$0	\$0	\$50,000
	\$0	\$0	\$0	\$50,000

*Split 50/50 with SID

Whispering Palms Community Services District
SID Check Register
From 12/01/2025 through 12/31/2025

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
12/05/2025	EFT	EDCO	2110 · Accounts Payable		397.02	X		219,353.57
12/09/2025	5112	CSDA	2110 · Accounts Payable		4,020.00	X		215,333.57
12/09/2025	5113	DELV Engineering	2110 · Accounts Payable		16,226.20	X		199,107.37
12/09/2025	5114	Dudek	2110 · Accounts Payable		65,802.00	X		133,305.37
12/09/2025	5115	Gelco Supply Inc (R...	2110 · Accounts Payable		2,477.23	X		130,828.14
12/09/2025	5116	National Electric Wo...	2110 · Accounts Payable		24,985.00	X		105,843.14
12/09/2025	5117	OMWD	2110 · Accounts Payable	VOID:		X		105,843.14
12/09/2025	5118	Rancho Santa Fe CSD	2110 · Accounts Payable		1,125.00	X		104,718.14
12/09/2025	5119	Rust Logistics	2110 · Accounts Payable		3,661.56	X		101,056.58
12/09/2025	5120	Sloan Electric Co.	2110 · Accounts Payable		1,780.44	X		99,276.14
12/09/2025	5121	Southland Water Tec...	2110 · Accounts Payable		6,858.53	X		92,417.61
12/09/2025	5122	State Water Resource...	2110 · Accounts Payable		32,150.00	X		60,267.61
12/09/2025	5123	Underground Service...	2110 · Accounts Payable		34.00	X		60,233.61
12/09/2025	5124	Waterwerx Inc	2110 · Accounts Payable		3,193.30	X		57,040.31
12/15/2025		Online Service Fee	ADMINISTRATION:6...		126.00	X		56,914.31
12/17/2025			1200 · Undeposited Fu...	Deposit		X	54.00	56,968.31
12/18/2025	EFT	Southern Counties L...	2110 · Accounts Payable		848.06	X		56,120.25
12/18/2025	EFT	US Bank	2110 · Accounts Payable		2,393.69	X		53,726.56
12/19/2025	EFT	SDG&E	2110 · Accounts Payable		14,568.90	X		39,157.66
12/19/2025	EFT	SDG&E	2110 · Accounts Payable		600.83	X		38,556.83
12/23/2025	EFT	OMWD	2110 · Accounts Payable		343.74	X		38,213.09
12/26/2025		Delux Bus. Products	ADMINISTRATION:6...		484.53	X		37,728.56
12/26/2025	EFT	AT & T (SBC)	2110 · Accounts Payable		74.90	X		37,653.66
12/31/2025			4000 · REVENUES:45...	Interest		X	2.75	37,656.41
12/31/2025	EFT	Southern Counties L...	2110 · Accounts Payable		87.83	X		37,568.58

Whispering Palms CSD
LID Check Register
From 12/01/2025 through 12/31/2025

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
12/09/2025	1803	APL Electrical, Inc	2110 · Accounts Payable		600.00	X		65,302.44
12/09/2025	1804	Baker Pool Service Inc	2110 · Accounts Payable		190.00	X		65,112.44
12/09/2025	1805	Dudek	2110 · Accounts Payable		6,388.00	X		58,724.44
12/09/2025	1806	JMD Landscape Inc	2110 · Accounts Payable		6,840.76	X		51,883.68
12/09/2025	1807	JMD Landscape Inc	2110 · Accounts Payable		719.82	X		51,163.86
12/22/2025	EFT	SDG&E	2110 · Accounts Payable		51.17	X		51,112.69
12/22/2025	EFT	SDG&E	2110 · Accounts Payable		80.10	X		51,032.59
12/22/2025	EFT	SDG&E	2110 · Accounts Payable		82.01	X		50,950.58
12/22/2025	EFT	SDG&E	2110 · Accounts Payable		940.20	X		50,010.38
12/23/2025	EFT	OMWD	2110 · Accounts Payable		2,068.39	X		47,941.99
12/23/2025	EFT	OMWD	2110 · Accounts Payable		4,114.99	X		43,827.00
12/23/2025	EFT	OMWD	2110 · Accounts Payable		369.49	X		43,457.51
12/23/2025	EFT	OMWD	2110 · Accounts Payable		329.35	X		43,128.16
12/23/2025	EFT	OMWD	2110 · Accounts Payable		191.45	X		42,936.71
12/26/2025		Deluxe for Business ...	6000 · ADMINISTRA...		305.71	X		42,631.00
12/31/2025			4000 · REVENUES:42...	Interest		X	1.44	42,632.44



CalTRUST
 PO Box 2709
 Granite Bay, CA 95746
 www.caltrust.org
 Email: admin@caltrust.org
 Fax: 402-963-9094
 Phone: 833-CALTRUST (225-8787)

Investment Account Summary

12/01/2025 through 12/31/2025

SUMMARY OF INVESTMENTS

Fund	Account Number	Total Shares Owned	Net Asset Value per Share on Dec 31 (\$)	Value on Dec 31 (\$)	Average Cost Amount (\$)	Cumulative Change in Value (\$)
WHISPERING PALMS COMMUNITY SERVICES DIST IRCT	20100029590					
CalTRUST Liquidity Fund	20100029590	1,863,055.130	1.00	1,863,055.13	1,863,055.13	0.00
Portfolios Total value as of 12/31/2025				1,863,055.13		

DETAIL OF TRANSACTION ACTIVITY

Activity Description	Activity Date	Amount (\$)	Amount in Shares	Balance in Shares	Price per Share (\$)	Balance (\$)	Average Cost Amt (\$)	Realized Gain/(Loss) (\$)
CalTRUST Liquidity Fund								
WHISPERING PALMS COMMUNITY SERVICES DIST IRCT							Account Number: 20100029590	
Beginning Balance	12/01/2025			1,856,899.960	1.00	1,856,899.96		
Accrual Income Div Reinvestment	12/31/2025	6,155.17	6,155.170	1,863,055.130	1.00	1,863,055.13	0.00	0.00
Change in Value						0.00		
Closing Balance as of	Dec 31			1,863,055.130	1.00	1,863,055.13		

Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.



CalTRUST Liquidity			BofAML 3-Month US Treasury Bill Index	CalTRUST Liquidity Return		BofAML 3-Month US Treasury Bill Index
Net Assets	\$3,836,920,751.55		N/A	One Month	0.33%	0.35%
NAV per Share	\$1.00		N/A	Three Month	1.03%	0.98%
30 Day SEC Yield	3.87%		N/A	Six Month	2.14%	2.08%
Distribution Yield	3.90%		N/A	One Year*	4.39%	4.21%
Period Net Total Return	0.33%		0.35%	Two Year*	4.91%	4.74%
Effective Duration	N/A		N/A	Three Year*	5.01%	4.84%
Weighted Average Maturity	38.23 days		N/A	Five Year*	3.32%	3.19%
Weighted Average Life	75.76 days		N/A	Ten Year*	NA	NA
				Since Inception*	2.71%	2.66%
*Annualized						

Portfolio Sector Breakdown

- Commercial Paper - 29.44%
- Corporate Floating Rate - 0.91%
- Fixed Rate Certificate of Deposit - 11.16%
- Floating Rate Certificate of Deposit - 17.05%
- Interest Bearing Commercial Paper - 6.73%
- Money Market Fund - 3.36%
- Repurchase Agreement - 28.52%
- US Treasury Bill - 1.55%
- US Treasury Note - 1.28%

CalTRUST Historical Liquidity 30 day SEC Yield	
12/25	3.87%
11/25	4.06%
10/25	4.19%
9/25	4.32%
8/25	4.33%
7/25	4.40%
6/25	4.35%
5/25	4.37%
4/25	4.40%
3/25	4.39%
2/25	4.41%
1/25	4.46%
12/24	4.69%

Rated AAAm by S&P Global Ratings

General Manager
Chuck Duffy

Board of Directors
Byron Hanchett
Bill Haynor
Doug Manatt
Ed Munsch
Al Pantón

MEMORANDUM

To: Board of Directors
From: Chuck Duffy, General Manager
Subject: Sewer Systems Operations Report
Date: February 10, 2026

During the months of October, November and December, the treatment plant and pump station operated normally. There were no reportable sewer spills or odor complaints during this period.

The attached Regional Water Quality Control Board Monitoring Report revealed the following monitoring violations:

The December sample of 512 mg/L for Chloride exceeded the daily maximum limit of 500 mg/L.

The monthly Chloride average of 410 mg/L exceeded the limit of 350 mg/L.

W·H·I·S·P·E·R·I·N·G P·A·L·M·S
C O M M U N I T Y S E R V I C E S D I S T R I C T
Rancho Santa Fe

General Manager
Chuck Duffy

Board of Directors
Bill Haynor
Byron Hanchett
Doug Manatt
Al Panton
Ed Munsch

January 30th 2026

CRWQCB, San Diego Region
2375 Northside Drive, Suite 100
San Diego, CA 92108
ATTN: Groundwater Basin Branch

SUBJECT: Submittal of Quarterly Self-Monitoring Reports for October-December 2025.
Order No. 94-80 Whispering Palms W.P.C.F. GWB: 272418

We have enclosed the subject Reports in conformance with the Regional Water Quality Control Board Order and the Waste Discharge Requirements (WDR).

I swear under penalty of perjury that the information submitted in this document is true and correct. I certify under penalty of perjury that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

Should you need additional information regarding any of the above, contact Mr. Jeff Pape, Operations Manager, at (760) 479-4126.

Sincerely,

Kris Gensler

Kris Gensler, Plant Operator

SELF MONITORING REPORT REVIEW

To: CALIFORNIA WATER QUALITY CONTROL BOARD
SAN DIEGO REGION
2375 Northside Drive, Suite 100
San Diego, CA 92108

DISCHARGER: WHISPERING PALMS WRF

ORDER NO: 94-80

REPORT FOR: October - December 2025

REPORT DUE: January 2026

REPORT FREQUENCY: Quarterly

SIGNED UNDER PENALTY OF PERJURY

Kris Gensler

OUR REVIEW OF THE ATTACHED SELF MONITORING REPORT REVEALS THE FOLLOWING MONITORING VIOLATION(S):

The December sample of 512 mg/L for Chloride exceeded the daily maximum limit of 500 mg/L.
The monthly average result of 410 mg/L for Chloride exceeded the limit of 350 mg/L.

THE FOLLOWING REMEDIAL ACTION WILL BE (HAS BEEN) TAKEN TO CORRECT THE MONITORING VIOLATIONS LISTED ABOVE:

The District continues to investigate the source of chloride into the collection system.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

DISCHARGER: WHISPERING PALMS WRF

ORDER NO: 94-80

SAMPLE FREQUENCY: Weekly

REPORT FREQUENCY: Quarterly

REPORT FOR: October 2025

REPORT DUE: January 2026

SOURCE OF SAMPLE: Effluent

TYPE OF SAMPLE: Composite

ANALYZED BY: SEJPA

SIGNED UNDER PENALTY OF PERJURY

Kris Gensler

MONTHLY EFFLUENT MONITORING

PARAMETER	REQUIRED TYPE	REQUIRED VALUE	RESULT VALUE	SAMPLE COLLECTED	
				DATE	TIME
BIOCHEMICAL OXYGEN DEMAND	Monthly Average	30	2		
			1	10/1/2025	8:00 AM
	Daily Average	45	5	10/8/2025	8:00 AM
			2	10/15/2025	7:00 AM
			2	10/22/2025	7:00 AM
TOTAL SUSPENDED SOLIDS	Monthly Average	30	1	10/29/2025	8:00 AM
			2		
	Daily Average	45	1	10/1/2025	8:00 AM
			7	10/8/2025	8:00 AM
			1	10/15/2025	7:00 AM
VOLATILE SUSPENDED SOLIDS	Monthly Average		2	10/22/2025	7:00 AM
			1	10/29/2025	8:00 AM
	Daily Average		2		
			1	10/1/2025	8:00 AM
			6	10/8/2025	8:00 AM
pH	Weekly	6.0 - 9.0	1	10/15/2025	7:00 AM
			1	10/22/2025	7:00 AM
			1	10/29/2025	8:00 AM
			7.5	10/1/2025	8:00 AM
			7.5	10/8/2025	8:00 AM

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

DISCHARGER: WHISPERING PALMS WRF

ORDER NO: 94-80

SAMPLE FREQUENCY: Weekly

REPORT FREQUENCY: Quarterly

REPORT FOR: November 2025

REPORT DUE: January 2026

SOURCE OF SAMPLE: Effluent

TYPE OF SAMPLE: Composite

ANALYZED BY: SEJPA

SIGNED UNDER PENALTY OF PERJURY

Kris Gensler

MONTHLY EFFLUENT MONITORING

PARAMETER	REQUIRED TYPE	REQUIRED VALUE	RESULT VALUE	SAMPLE COLLECTED	
				DATE	TIME
BIOCHEMICAL OXYGEN DEMAND	Monthly Average	30	3		
			4	11/5/2025	7:00 AM
	Daily Average	45	3	11/12/2025	7:00 AM
			2	11/19/2025	7:00 AM
			2	11/26/2025	7:00 AM
TOTAL SUSPENDED SOLIDS	Monthly Average	30	3		
			7	11/5/2025	7:00 AM
	Daily Average	45	2	11/12/2025	7:00 AM
			1	11/19/2025	7:00 AM
			1	11/26/2025	7:00 AM
VOLATILE SUSPENDED SOLIDS	Monthly Average		2		
			6	11/5/2025	7:00 AM
	Daily Average		2	11/12/2025	7:00 AM
			1	11/19/2025	7:00 AM
			1	11/26/2025	7:00 AM
pH	Weekly	6.0 - 9.0	7.6	11/5/2025	7:00 AM
			7.4	11/12/2025	7:00 AM
			7.4	11/19/2025	7:00 AM
			7.5	11/26/2025	7:00 AM

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

DISCHARGER: WHISPERING PALMS WRF

ORDER NO: 94-80

SAMPLE FREQUENCY: Weekly

REPORT FREQUENCY: Quarterly

REPORT FOR: December 2025

REPORT DUE: January 2026

SOURCE OF SAMPLE: Effluent

TYPE OF SAMPLE: Composite

ANALYZED BY: SEJPA

SIGNED UNDER PENALTY OF PERJURY

Kris Gensler

MONTHLY EFFLUENT MONITORING

PARAMETER	REQUIRED TYPE	REQUIRED VALUE	RESULT VALUE	SAMPLE COLLECTED	
				DATE	TIME
BIOCHEMICAL OXYGEN DEMAND	Monthly Average	30	3		
			5	12/3/2025	7:00 AM
			2	12/10/2025	7:00 AM
	Daily Average	45	2	12/17/2025	7:00 AM
			2	12/24/2025	7:00 AM
TOTAL SUSPENDED SOLIDS			3	12/31/2025	7:00 AM
	Monthly Average	30	3		
			8	12/3/2025	7:00 AM
			3	12/10/2025	7:00 AM
	Daily Average	45	1	12/17/2025	7:00 AM
VOLATILE SUSPENDED SOLIDS			2	12/24/2025	7:00 AM
			2	12/31/2025	7:00 AM
	Monthly Average		3		
			6	12/3/2025	7:00 AM
	Daily Average		3	12/10/2025	7:00 AM
pH			1	12/17/2025	7:00 AM
			2	12/24/2025	7:00 AM
			2	12/31/2025	7:00 AM
			7.6	12/3/2025	7:00 AM
	Weekly	6.0 - 9.0	7.5	12/10/2025	7:00 AM
			7.5	12/17/2025	7:00 AM
			7.5	12/24/2025	7:00 AM
			7.4	12/31/2025	7:00 AM

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

DISCHARGER: WHISPERING PALMS WRF

ORDER NO: 94-80

REPORT FOR: OCT, NOV, DEC 2025

REPORT DUE: January 2026

SAMPLE POINT: Plant Flow

REPORT FREQUENCY: Quarterly

MEASURED BY: Gensler

SIGNED UNDER PENALTY OF PERJURY

Kuis Gensler

MONTHLY FLOW LOGS

MONTH: DATE	OCTOBER DAILY FLOW MGD	NOVEMBER DAILY FLOW MGD	DECEMBER DAILY FLOW MGD
1	0.280	0.288	0.299
2	0.281	0.273	0.304
3	0.284	0.278	0.269
4	0.282	0.304	0.288
5	0.275	0.270	0.292
6	0.308	0.286	0.284
7	0.333	0.318	0.269
8	0.246	0.260	0.293
9	0.304	0.290	0.288
10	0.290	0.306	0.287
11	0.270	0.318	0.298
12	0.262	0.303	0.282
13	0.290	0.317	0.294
14	0.319	0.272	0.283
15	0.276	0.330	0.321
16	0.278	0.316	0.268
17	0.266	0.388	0.298
18	0.273	0.321	0.263
19	0.265	0.307	0.291
20	0.315	0.321	0.285
21	0.268	0.295	0.281
22	0.261	0.301	0.306
23	0.309	0.301	0.325
24	0.267	0.302	0.341
25	0.277	0.301	0.341
26	0.272	0.300	0.340
27	0.252	0.300	0.311
28	0.284	0.303	0.311
29	0.278	0.293	0.328
30	0.282	0.293	0.299
31	0.276		0.407
AVERAGE	0.281	0.302	0.301

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

DISCHARGER: WHISPERING PALMS WRF

SAMPLE FREQUENCY: Quarterly

ORDER NO: 94-80

REPORT FOR: October 2026

PREPARED BY: SEJPA

REPORT DUE: January 2026

SIGNED UNDER PENALTY OF PERJURY

Kris Gensler

SLUDGE DISPOSAL LOG

DATE	TYPE OF SLUDGE	QUANTITY OF SLUDGE REMOVED	SLUDGE DISPOSAL SITE
1	Unclassified	20.14	Centrifuged sludge is temporarily stored on-site in a storage bin.
2			
3			
4			Sludge is removed from site by Rust & Son's Trucking. Disposed of at Yuma, Arizona landfill.
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

DISCHARGER: WHISPERING PALMS WRF

SAMPLE FREQUENCY: Quarterly

ORDER NO: 94-80

REPORT FOR: November 2025

PREPARED BY: SEJPA

REPORT DUE: January 2026

SIGNED UNDER PENALTY OF PERJURY

Kris Gensler

SLUDGE DISPOSAL LOG

DATE	TYPE OF SLUDGE	QUANTITY OF SLUDGE REMOVED	SLUDGE DISPOSAL SITE
1	Unclassified	19.71	Centrifuged sludge is temporarily stored on-site in a storage bin.
2			
3			
4			Sludge is removed from site by Rust & Son's Trucking . Disposed of at Yuma, Arizona landfill.
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

DISCHARGER: WHISPERING PALMS WRF

SAMPLE FREQUENCY: Quarterly

ORDER NO: 94-80

REPORT FOR: December 2025

PREPARED BY: SEJPA

REPORT DUE: January 2026

SIGNED UNDER PENALTY OF PERJURY

Kris Gensler

SLUDGE DISPOSAL LOG

DATE	TYPE OF SLUDGE	QUANTITY OF SLUDGE REMOVED	SLUDGE DISPOSAL SITE
1	Unclassified	20.31	Centrifuged sludge is temporarily stored on-site in a storage bin.
2			
3			
4			Sludge is removed from site by Rust & Son's Trucking. Disposed Yuma, Arizona landfill.
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

DISCHARGER: WHISPERING PALMS WRF

ORDER NO: 94-80

SAMPLE FREQUENCY: Quarterly

REPORT FREQUENCY: Quarterly

REPORT FOR: OCT, NOV, DEC 2025

REPORT DUE: January 2026

SOURCE OF SAMPLE: Effluent

COLLECTED BY: Gensler

ANALYZED BY: SEJPA/Eurofins

SIGNED UNDER PENALTY OF PERJURY

Kris Gensler

QUARTERLY EFFLUENT MONITORING

PARAMETER	UNITS	SAMPLE TYPE	REQT TYPE	REQT VALUE	RESULT VALUE	SAMPLE DATE	SAMPLE TIME
TDS	mg/L	24-Hour	Mo. Avg.	1100		10/8/2025	8:00 AM
		Composite	Daily Max.	1200	1048		
CHLORIDE	mg/L	24-Hour	Mo. Avg.	350	410	10/8/2025	8:00 AM
					370		
		Composite	Daily Max.	500	330	11/5/2025	7:00 AM
					530	12/3/2025	7:00 AM
SULFATE	mg/L	24-Hour	Mo. Avg.	350	217	10/8/2025	8:00 AM
					200		
		Composite	Daily Max.	500	220	11/5/2025	7:00 AM
					230	12/3/2025	7:00 AM
% SODIUM	%	24-Hour	Mo. Avg.	60	53	10/8/2025	8:00 AM
					53		
		Composite	Daily Max.	65	52	11/5/2025	7:00 AM
					56	12/3/2025	7:00 AM
MANGANESE	mg/L	24-Hour	Mo. Avg.	0.15		10/8/2025	8:00 AM
		Composite	Daily Max.	0.20	0.05		
IRON	mg/L	24-Hour	Mo. Avg.	0.85		10/8/2025	8:00 AM
		Composite	Daily Max.	1.0	ND		
MBAS	mg/L	24-Hour	Mo. Avg.	0.5		10/8/2025	8:00 AM
		Composite	Daily Max.	0.6	0.1		
BORON	mg/L	24-Hour	Mo. Avg.	0.5		10/8/2025	8:00 AM
		Composite	Daily Max.	0.6	0.4		
FLUORIDE	mg/L	24-Hour	Mo. Avg.	1.0		10/8/2025	8:00 AM
		Composite	Daily Max.	1.2	0.5		

ND=not detected

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

DISCHARGER: WHISPERING PALMS WRF

ORDER NO: 94-80

SAMPLE FREQUENCY: Quarterly

REPORT FREQUENCY: Quarterly

REPORT FOR: OCT, NOV, DEC 2025

REPORT DUE: January 2026

SOURCE OF SAMPLE: Supply

SAMPLE TYPE: Grab

ANALYZED BY: SEJPA/Eurofins

SIGNED UNDER PENALTY OF PERJURY

Kris Gensler

QUARTERLY POTABLE WATER MONITORING

PARAMETER	UNITS	DATE & TIME SAMPLED	SAMPLE VALUE
TDS	mg/L	10/8/2025 at 8:00am	436
		11/5/2025 at 7:00 am	398
		12/3/2025 at 7:00 am	416
CHLORIDE	mg/L	10/8/2025 at 8:00am	1400
		11/5/2025 at 7:00 am	90
		12/3/2025 at 7:00 am	100
SULFATE	mg/L	10/8/2025 at 8:00am	800
		11/5/2025 at 7:00 am	150
		12/3/2025 at 7:00 am	110

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

DISCHARGER: WHISPERING PALMS WRF

ORDER NO: 94-80

SAMPLE FREQUENCY: Quarterly

REPORT FREQUENCY: Quarterly

PERIOD COVERED: OCT, NOV, DEC 2025

REPORT DUE: January 2026

SOURCE OF SAMPLE: Reclaimed Water

SAMPLE TYPE: Grab

DATA COLLECTED BY: Gensler

SIGNED UNDER PENALTY OF PERJURY

Kris Gensler

RECLAIMED WATER USE LOG

MONTH: DATE	OCTOBER FLOW (MGD)	NOVEMBER FLOW (MGD)	DECEMBER FLOW(MGD)
1	0	0	0
2	0	0	0
3	0	0	0
4	0	0.431	0
5	0	0.197	0
6	0	0.203	0
7	0	0	0
8	0	0	0
9	0	0	0
10	0	0	0
11	0	0	0
12	0	0	0
13	0	0	0
14	0	0	0
15	0	0	0
16	0	0	0
17	0	0	0
18	0	0	0.020
19	0	0	0
20	0.002	0	0
21	0.423	0	0
22	0.196	0	0
23	0.225	0	0
24	0.187	0	0
25	0.210	0	0
26	0	0	0.085
27	0.184	0	0
28	0.000	0	0
29	0.001	0	0
30	0	0	0
31	0		0
AVERAGE	0.046	0.028	0.003
TOTAL	1.428	0.831	0.105

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

DISCHARGER: WHISPERING PALMS WRF

ORDER NO: 94-80

SAMPLE FREQUENCY: Daily

REPORT FREQUENCY: Quarterly

PERIOD COVERED: OCT, NOV, DEC 2025

REPORT DUE: January 2026

SOURCE OF SAMPLE: Reclaimed Water

SAMPLE TYPE: Grab

DATA COLLECTED BY: Gensler

SIGNED UNDER PENALTY OF PERJURY

Kris Gensler

RECLAIMED WATER USER SUMMARY REPORT

OWNER & STREET ADDRESS:

Rancho Paseana
16092 San Dieguito Road
Rancho Santa Fe, CA 92067

MAILING ADDRESS:

Rancho Paseana
P.O. Box 675890
Rancho Santa Fe, CA 92067

SUPERVISOR:

Dena Kent

PHONE NUMBER:

(619) 756-0875

BASIN PLAN:

Hydrologic Unit-San Dieguito
Subunit-Lower San Dieguito
Sub-Area-San Dieguito

RECLAIMED WATER USE SUMMARY INFORMATION:

A. Volume of Reclaimed Water Delivered: 2,364,000

B. Number of Sites: 1

RECLAIMED WATER USER SITE INSPECTIONS:

Number of Inspections: 1

RECLAIMED WATER USER VIOLATIONS:

Name: N/A

Violation: N/A

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

DISCHARGER: WHISPERING PALMS WRF

ORDER NO: 94-80

SAMPLE FREQUENCY: Semiannual

REPORT FREQUENCY: Semiannual

REPORT FOR: JULY - DECEMBER 2025

REPORT DUE: January 2026

SOURCE OF SAMPLE: Groundwater

SAMPLE TYPE: Grab

ANALYZED BY: SEJPA/Eurofins

SIGNED UNDER PENALTY OF PERJURY

Kris Gensler

SEMIANNUAL GROUNDWATER MONITORING

PARAMETER	UNITS	DATE & TIME SAMPLED	SAMPLE VALUE
TDS	mg/L	7/9/2025 at 8:07 am	2728
CHLORIDE	mg/L	7/9/2025 at 8:07 am	980
SULFATE	mg/L	7/9/2025 at 8:07 am	350

WHISPERING PALMS WATER RECLAMATION FACILITY

DISCHARGER: WHISPERING PALMS WRF

ORDER NO: 94-80

SAMPLE FREQUENCY: Annual

REPORT FREQUENCY: Annual

REPORT FOR: DECEMBER 2025

REPORT DUE: JANUARY 2026

SOURCE OF SAMPLE: Effluent

SAMPLE TYPE: Composite

ANALYZED BY: SEJPA/Eurofins

SIGNED UNDER PENALTY OF PERJURY

Kris Gensler

ANNUAL EFFLUENT MONITORING

PARAMETER	UNITS	SAMPLE VALUE	REPORTING DETECTION LIMIT	SAMPLE COLLECTED	
				DATE	TIME
ALUMINUM	mg/L	ND	0.50	7/9/2025	7:30 AM
ARSENIC	mg/L	ND	0.10	"	"
BARIUM	mg/L	0.065	0.010	"	"
CADMIUM	mg/L	ND	0.010	"	"
CHROMIUM	mg/L	ND	0.050	"	"
COPPER	mg/L	0.0015	0.050	"	"
LEAD	mg/L	ND	0.050	"	"
MERCURY	mg/L	ND	0.00020	"	"
SELENIUM	mg/L	ND	0.10	"	"
SILVER	mg/L	ND	0.010	"	"
ZINC	mg/L	0.066	0.25	"	"

ND= Analyte not detected at or above the reporting limit or MDL, if MDL is specified

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

DISCHARGER: WHISPERING PALMS WRF

ORDER NO: 94-80

SAMPLE FREQUENCY: Daily

REPORT FREQUENCY: Annual

PERIOD COVERED: 2025

REPORT DUE: January 2026

SOURCE OF SAMPLE: Reclaimed Water

SAMPLE TYPE: Grab

DATE SAMPLES COLLECTED: Various

DATA COLLECTED BY: Gensler

SIGNED UNDER PENALTY OF PERJURY

Kris Gensler

RECLAIMED WATER USER SUMMARY ANNUAL REPORT

OWNER & STREET ADDRESS:

Rancho Paseana
16092 San Dieguito Road
Rancho Santa Fe, CA 92067

MAILING ADDRESS:

Rancho Paseana
P.O. Box 675890
Rancho Santa Fe, CA 92067

SUPERVISOR:

Dena Kent

PHONE NUMBER:

(619) 756-0875

BASIN PLAN:

Hydrologic Unit-San Dieguito
Subunit-Lower San Dieguito
Sub-Area-San Dieguito

RECLAIMED WATER USE SUMMARY INFORMATION:

A. Volume of Reclaimed Water Delivered:

B. Number of Sites: 1

RECLAIMED WATER USER SITE INSPECTIONS:

Number of Inspections: 1

RECLAIMED WATER USER VIOLATIONS:

Name: N/A

Violation: N/A