

CHANNEL ISLANDS BEACH
COMMUNITY SERVICES DISTRICT
ANNUAL AUDIT REPORT
Years Ended June 30, 2021 and 2020

Channel Islands Beach Community Services District
Annual Audit Report
Years Ended June 30, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Channel Islands Beach Community
Services District
Oxnard, CA

Report on the Financial Statements

We have audited the accompanying financial statements of the Channel Islands Beach Community Services District (the "District"), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Channel Islands Beach Community Services District, as of June 30, 2021 and 2020, and the respective changes in financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary section on pages 3 - 6 and 42 - 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information section is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The supplemental information section is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information section is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Teaman Ramirez & Smith, L.L.C.

Riverside, California
April 27, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Channel Islands Beach Community Services District, we offer readers of the Channel Islands Beach Community Services District's financial statements this narrative overview and analysis of the Channel Islands Beach Community Services District and its financial activities for the fiscal year ended June 30, 2021.

OVERVIEW

FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's basic financial statements. The District's basic financial statements reflect the combined results of the Operating and Capital Programs and include four components: 1) Statements of Net Position; 2) Statements of Revenues, Expenses and Changes in Net Position; 3) Statements of Cash Flows; and, 4) Notes to the Financial Statements. In addition to the basic financial statements, supplementary information is also presented.

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

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

The Statement of Cash Flows presents information regarding the District's use of cash during the year. Cash flows will differ from revenues and expenses because the statement accounts only for transactions that resulted in the District's receipt or payment of cash during the year.

FINANCIAL HIGHLIGHTS

SIGNIFICANT EVENTS AND TRANSACTIONS

The Board of Directors restricted the following amounts to their respective utilities:

- ◆ Water - \$2,437,303 for Capital and future unanticipated repairs and maintenance of the water distribution system, \$416,966 operating reserve, \$398,000 for debt service and \$180,786 for rate stabilization.
- ◆ Sewer - \$3,544,727 for Capital and future unanticipated repairs and maintenance of sewer system, 398,443 operating reserve, \$191,000 for debt service and \$173,377 for rate stabilization.
- ◆ Trash - \$18,570 for Capital and future unanticipated repairs and maintenance, \$189,686 for operating reserve and \$89,875 for rate stabilization.
- ◆ Community service - \$282,992 for Capital and future unanticipated repairs and maintenance and \$7,280 for operating reserve.

- In 2021, the District hired an outside consultant to conduct a 5-year rate study to calculate the cost of providing services, cost of future maintenance requirements of the District's infrastructure and cost of future capital expenditures. The results of this study gave the District a 5-year rate adjustment schedule from 2021 through 2026 and was implemented via Proposition 218 hearing and notice. Based on the recommendation of the outside consultants, the board of directors has initiated a rate increase with effect from the billing period starting September 1, 2021. There was an increase of 3% on water rate, 3% on wastewater rate and 2.5% on solid waste removal rate. The board of directors also initiated another rate increase of 3% on water rate, 3% on wastewater rate and 2.5% on solid waste removal rate with effect from the billing period starting July 1, 2022. The board anticipates more changes in rate structure will take place in the near term to maintain the level of services provided by the District.

FINANCIAL STATEMENTS

NET POSITION

The District's Net Position as of June 30, 2021, 2020 and 2019 totaled \$15,141,538, \$14,221,366 and \$13,195,014 respectively. At the end of the current year, the District is able to report positive balances in all categories of net position. The District's net position increased by \$920,172 from the prior year.

FIGURE 1. NET POSITION

	<u>As of June 30, 2021</u>	<u>As of June 30, 2020</u>	<u>As of June 30, 2019</u>
Assets			
Current Assets	\$ 9,164,935	\$ 8,886,961	\$ 8,193,842
Restricted Assets	94,455	82,155	99,745
Capital Assets, Net	6,899,050	6,399,223	6,464,396
Other Assets	<u>2,848,685</u>	<u>2,953,792</u>	<u>3,058,900</u>
TOTAL ASSETS	<u>\$ 19,007,125</u>	<u>\$ 18,322,131</u>	<u>\$ 17,816,883</u>
Deferred Outflows of Resources			
Pension Related Items	\$ 103,388	\$ 74,743	\$ 49,791
Deferred Amount on Refunding	<u>50,544</u>	<u>100,444</u>	<u>150,344</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 153,932</u>	<u>\$ 175,187</u>	<u>\$ 200,135</u>
Liabilities			
Current Liabilities	\$ 1,298,941	\$ 1,074,736	\$ 1,149,785
Long-Term Debt	<u>2,720,540</u>	<u>3,201,200</u>	<u>3,672,219</u>
TOTAL LIABILITIES	<u>\$ 4,019,481</u>	<u>\$ 4,275,936</u>	<u>\$ 4,822,004</u>
Deferred Inflows of Resources			
Pension Related Items	<u>\$ 38</u>	<u>\$ 16</u>	<u>\$ -</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 38</u>	<u>\$ 16</u>	<u>\$ -</u>
Net Position			
Net Investment in Capital Assets	\$ 3,876,666	\$ 2,963,651	\$ 2,646,757
Unrestricted	<u>11,264,872</u>	<u>11,257,715</u>	<u>10,548,257</u>
TOTAL NET POSITION	<u><u>\$ 15,141,538</u></u>	<u><u>\$ 14,221,366</u></u>	<u><u>\$ 13,195,014</u></u>

Total assets increased by \$684,994, which is mostly due to increase in cash account due to current year's operating surplus, and current year's fixed assets addition. Total liabilities decreased by \$256,455 which is due to a decrease in long-term debt due to principal payments made on outstanding sewer and water bonds, and a loan for the water meter project.

REVENUES, EXPENSES AND CHANGES IN NET POSITION

Charges for operating services totaled \$5,345,159, \$5,001,824 and \$4,794,061, respectively for the years ended June 30, 2021, 2020, and 2019. The District is reporting operating income of \$924,895, \$984,295, and \$842,390, respectively for the years ended June 30, 2021, 2020 and 2019. Operating expenses before depreciation and amortization totaled \$4,046,407, \$3,648,991 and \$3,615,055, respectively for the years ended June 30, 2021, 2020 and 2019. Depreciation and amortization expenses totaled \$373,857, \$368,538 and \$336,616, respectively as of June 30, 2021, 2020 and 2019.

**FIGURE 2. REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30:**

	2021	2020	2019
Revenues			
Charges for Operating Services	\$ 5,345,159	\$ 5,001,824	\$ 4,794,061
Interest	43,093	134,719	133,019
Other Non-Operating Revenues*	8,074	4,515	648,194
Development impact fee	68,416	41,568	44,160
TOTAL REVENUES	\$ 5,464,742	\$ 5,182,626	\$ 5,619,434
Expenses			
Operating Expenses	\$ 4,420,264	\$ 4,017,529	\$ 3,951,671
Other Non-Operating Expenses	107,368	121,807	131,033
Depreciation on Contributed Assets	16,938	16,938	16,938
TOTAL EXPENSES	\$ 4,544,570	\$ 4,156,274	\$ 4,099,642
Change in Net Position	\$ 920,172	\$ 1,026,352	\$ 1,519,792
Net Position at Beginning of Year	\$ 14,221,366	\$ 13,195,014	\$ 11,675,222
Net Position at End of Year	\$ 15,141,538	\$ 14,221,366	\$ 13,195,014

* Includes \$88,169 loss from Joint Venture for year ended June 30, 2021, 2020, and 2019, respectively.

Total revenues increased by \$282,116. Most of the increase is due to an increase in charges for operating services.

Total expenses increased by \$388,296. Most of the increase is due to the combination of increase in water system expenses, sewer system operations and maintenance, and salaries and benefits.

CAPITAL ASSETS

The District's Capital Assets for 2019, 2020 and 2021 are as follows:

	<u>Cost</u>	<u>Less Accumulated Depreciation</u>	<u>Net Depreciable Assets</u>
2019	\$ 11,525,506	\$ (5,061,110)	\$ 6,464,396
2020	\$ 11,787,310	\$ (5,388,087)	\$ 6,399,223
2021	\$ 12,619,433	\$ (5,720,383)	\$ 6,899,050

During the current year, the District capitalized various operating assets totaling \$569,471. There is also a construction in progress in the current year totaling \$440,467. Please refer to Note 4, *Capital Assets*, presented in the Notes to Financial Statements for additional detail regarding the District's Capital Assets.

LONG-TERM DEBT

At the end of the current fiscal year, the District had \$3,197,805 total long-term debt outstanding. For 2020 and 2019, the District had \$3,664,288 and \$4,130,716 total long-term debt outstanding. Please refer to Note 5, *Long-Term Debt*, presented in the Notes to Financial Statements for additional detail regarding the District's Long-Term Debt.

ECONOMIC FACTORS AND BUDGET

The District does not anticipate any increase in business or water consumption within the Harbor for Fiscal Year 2021-22. However, when the economic climate improves, the District anticipates significant redevelopment or new development to occur within the Channel Islands Harbor resulting in increased consumption and revenues. The District will take that into consideration in future budget years.

Another factor affecting the District's operation is California's ongoing draught and state's mandated water conservation program. Although the District has ample water supplies to meet current customer demands, the District has implemented stage 2 water supply shortage regulations, which includes limits on outdoor watering and wasteful water practices. The District's efforts to comply with state mandated water conservation requirements has resulted in decreased water consumption by District's customers.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Board, the District's Member Agencies, taxpayers, and creditors with a general overview of the Channel Islands Beach Community Services District's accountability for the money it manages. If you have questions about this report or need additional financial information, contact the Channel Islands Beach Community Services District's Administration Department, 353 Santa Monica Drive Oxnard, California, 93035.

BASIC FINANCIAL STATEMENTS

Channel Islands Beach Community Services District
Statements of Net Position
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current Assets:		
Unrestricted Cash (Notes 1, 2 and 3)	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents (Notes 1, 2 and 3)	8,329,005	8,090,307
Accounts Receivable (Note 1)	418,899	385,327
Other Receivable (Note 1)	248,760	236,351
Interest Receivable	6,012	41,049
Prepaid Items (Note 1)	50,987	23,103
Inventory (Note 1)	6,272	5,824
Total Current Assets	9,164,935	8,886,961
Noncurrent Assets:		
Restricted Assets:		
Cash and Cash Equivalents (Notes 1, 2 and 3)	94,455	82,155
Land and Construction in Progress, Not Being Depreciated (Note 4)	482,527	219,875
Capital Assets, Net of Depreciation (Note 4)	6,416,523	6,179,348
Total Noncurrent Assets	6,993,505	6,481,378
OTHER ASSETS		
Investment in Water JPA, Net of Accumulated Depreciation (Notes 3 and 11)	2,848,685	2,953,792
Total Other Assets	2,848,685	2,953,792
Total Assets	19,007,125	18,322,131
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding (Note 1)	50,544	100,444
Pension Related Items (Note 7)	103,388	74,743
Total Deferred Outflows of Resources	\$ 153,932	\$ 175,187

The accompanying notes are an integral part of these statements.

Channel Islands Beach Community Services District
Statements of Net Position - Continued
June 30, 2021 and 2020

	2021	2020
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 500,782	\$ 354,635
Other Liabilities (Note 1)	52,245	46,714
Current Portion of Long-term Debt (Note 5)	477,265	463,088
Accrued Payroll, Taxes and Benefits	141,148	89,688
Customer Deposits	94,455	82,155
Accrued Interest	33,046	38,456
Total Current Liabilities	1,298,941	1,074,736
Long-term Debt (Note 5):		
Water Refunding Series 2012 Bond Payable, Net	303,604	600,273
Wastewater Refunding Series 2016 Bond Payable, Net	2,309,525	2,422,864
Loan Payable	579,324	640,743
Net Pension Liability	5,352	408
Total Long-term Debt, Net of Unamortized Premium (Note 5)	3,197,805	3,664,288
Less Current Portion	(477,265)	(463,088)
Total Long-term Debt	2,720,540	3,201,200
Total Liabilities	4,019,481	4,275,936
DEFERRED INFLOWS OF RESOURCES		
Pension Related Items (Note 7)	38	16
Total Deferred Inflows of Resources	38	16
NET POSITION (Notes 1 and 6)		
Net Investment in Capital Assets	3,876,666	2,963,651
Unrestricted	11,264,872	11,257,715
Total Net Position	\$ 15,141,538	\$ 14,221,366

The accompanying notes are an integral part of these statements.

Channel Islands Beach Community Services District
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Water Revenue	\$ 2,134,866	\$ 2,006,422
Sewer Revenue	1,453,443	1,311,888
Sewer Revenue - Oxnard	971,189	921,827
Trash Revenue	785,661	761,687
Total Operating Revenues	5,345,159	5,001,824
OPERATING EXPENSES		
Water System Expenses:		
PHWA Water Expenses	819,697	710,806
Water Samples	11,125	12,225
SDHS Annual Administrative Fee	13,464	13,179
Cross Connect Contract Charges	2,420	1,260
Repairs and Maintenance - Distribution	139,823	117,014
Water Quality Report	1,349	3,675
Telemetry	11,524	9,979
Total Water System Expenses	999,402	868,138
Sewer System Expenses:		
Waste Water Transportation - Oxnard	904,377	912,026
Operations and Maintenance	105,570	72,657
Telemetry	28,878	27,477
Power	21,210	17,243
Total Sewer System Expenses	1,060,035	1,029,403
Trash Expenses:		
Trash Services	582,779	551,523
Total Trash Expenses	582,779	551,523
Maintenance Expenses:		
Vehicle Expenses	5,456	9,250
Building Maintenance and Security	12,247	8,219
Sign and Banner Expense	356	810
Public Landscape Project	3,827	4,357
Employee Workplace Safety	4,926	2,452
Gasoline Expenses	10,182	10,259
Emergency Preparedness Expense	-	489
Total Maintenance Expenses	36,994	35,836
Salaries and Benefits:		
Regular Salaries	767,105	656,053
Retirement Benefits	68,407	34,707
Uniforms	4,926	4,057
Insurance	131,756	127,648
Payroll Taxes	11,426	10,183
Employee Educational Expense	10,026	20,418
Total Salaries and Benefits	\$ 993,646	\$ 853,066

The accompanying notes are an integral part of these statements.

Channel Islands Beach Community Services District
Statements of Revenues, Expenses and Changes in Net Position - Continued
Years Ended June 30, 2021 and 2020

	2021	2020
OPERATING EXPENSES (CONTINUED)		
Administrative Expenses:		
Board Meetings	\$ 5,769	\$ 7,500
Board/Committee Expenses	821	569
Conferences and Seminars - Board	2,207	6,843
Dues/ Membership	23,877	22,040
Office Supplies	7,465	8,085
E-Pay Online	3,733	3,693
Communications	22,509	15,121
Printing and Publications	2,166	5,796
Postage and Shipping	8,946	11,064
Utilities	1,961	2,866
Miscellaneous Office Expense	13,506	13,428
Other Professional Services	72,398	6,548
Office Equipment Maintenance	5,052	16,512
Insurance	31,794	26,642
Accounting Services	43,407	45,455
Computer Services	32,513	26,337
Legal Services	33,052	31,979
Engineering Services	53,110	47,236
Bank and Trustee Fees	3,795	2,500
Legal Notices Publication Expense	3,303	1,081
Public Information	205	8,306
	371,589	309,601
Total Administrative Expenses		
Other Operating Expenses:		
Depreciation (Note 4)	332,296	326,977
Amortization (Note 1)	41,561	41,561
Bad Debt (Note 1)	1,962	1,424
	375,819	369,962
Total Other Operating Expenses		
Total Operating Expenses	4,420,264	4,017,529
OPERATING INCOME	\$ 924,895	\$ 984,295

The accompanying notes are an integral part of these statements.

Channel Islands Beach Community Services District
Statements of Revenues, Expenses and Changes in Net Position - Continued
Years Ended June 30, 2021 and 2020

	2021	2020
NON-OPERATING REVENUES AND EXPENSES		
Investment Earnings	\$ 43,093	\$ 134,719
Net Gain (Loss) from Joint Venture (Note 11)	(88,169)	(88,170)
County Tax Apportionment (Note 1)	83,329	92,685
Miscellaneous Revenues	12,914	-
Interest Expense	(107,368)	(121,807)
Total Non-Operating Revenues and Expenses	(56,201)	17,427
INCOME BEFORE CONTRIBUTIONS	868,694	1,001,722
CAPITAL CONTRIBUTIONS (NOTE 1)		
Developmental Impact Fee	68,416	41,568
Amortization on Contributed Capital	(16,938)	(16,938)
Total Capital Contributions	51,478	24,630
CHANGE IN NET POSITION	920,172	1,026,352
NET POSITION, BEGINNING OF YEAR	14,221,366	13,195,014
NET POSITION, END OF YEAR	\$ 15,141,538	\$ 14,221,366

The accompanying notes are an integral part of these statements.

Channel Islands Beach Community Services District
Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Water, Sewer and Trash Services	\$ 5,297,216	\$ 5,323,733
Cash Payments to Contract and Water System Services	(2,493,210)	(2,464,723)
Cash Payments to Maintenance and Administration Services	(409,029)	(346,378)
Cash Payments to Employees for Services	(965,865)	(870,009)
	1,429,112	1,642,623
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
County Tax Apportionment	83,329	92,685
	83,329	92,685
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(832,123)	(261,804)
Capital Contributions	68,416	41,568
Principal Paid on Debt	(463,088)	(458,497)
Interest Paid on Debt	(112,778)	(127,100)
	(1,339,573)	(805,833)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Earnings	78,130	148,906
	78,130	148,906
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	250,998	1,078,381
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	8,277,462	7,199,081
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 8,528,460	\$ 8,277,462

The accompanying notes are an integral part of these statements.

Channel Islands Beach Community Services District
Statements of Cash Flows - Continued
Years Ended June 30, 2021 and 2020

	2021	2020
RECONCILIATION OF OPERATING INCOME		
TO NET CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Operating Income	\$ 924,895	\$ 984,295
ADJUSTMENTS TO RECONCILE NET OPERATING INCOME		
TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Miscellaneous Revenues	12,914	-
Depreciation and Amortization	373,857	368,538
Bad Debt Expense	1,962	1,424
(Increase) Decrease in Accounts and Other Receivables	(47,943)	321,909
(Increase) Decrease in Prepaid Items	(27,884)	65,002
(Increase) Decrease in Inventory	(448)	330
(Increase) Decrease in Deferred Outflows - Pension Related Items	(28,645)	(24,952)
Increase (Decrease) in Accounts Payable and Other Liabilities	151,678	(90,872)
Increase (Decrease) in Accrued Payroll, Taxes and Benefits	51,460	7,585
Increase (Decrease) in Customer Deposits	12,300	8,940
Increase (Decrease) in Deferred Inflows - Pension Related Items	22	16
Increase (Decrease) in Net Pension Liability	4,944	408
TOTAL ADJUSTMENTS	504,217	658,328
NET CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES	\$ 1,429,112	\$ 1,642,623
SUPPLEMENTAL DISCLOSURES		
Cash and Cash Equivalents		
Unrestricted Cash	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents	8,329,005	8,090,307
Restricted Cash and Cash Equivalents	94,455	82,155
Total	\$ 8,528,460	\$ 8,277,462
Non-cash Investing and Financing Activities consisted of the following:		
Amortization Related to Long-term Debt	\$ 41,561	\$ 41,561
Amortization on Contributed Capital	\$ 16,938	\$ 16,938

The accompanying notes are an integral part of these statements.

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Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

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Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The Channel Islands Beach Community Services District, a public agency, was created by election held on November 2, 1982 as the first such district in Ventura County. The District began operations December 13, 1982 pursuant to the Community Services District Law of the State of California, as amended, with authority under the Government Code, Section 61000 et. seq. The District's major utility operations include the provision of water, sewer and trash utility services.

The Channel Islands Beach Community Services District is a successor district to its first predecessor agency, the Oxnard Beach County Water District ("OBCWD"), which was organized on January 28, 1960. Its inception resulted from the merging of three mutual water companies for the purpose of more economically providing water services to the beach communities and County of Ventura Channel Islands Harbor facilities. The District's immediate predecessor agency, the Channel Islands County Water District, succeeded OBCWD in 1973, followed by the Channel Islands Beach Community Services Districts' succession by its formation in 1982.

The Channel Islands Beach Community Services District is located on the coastal plain of Ventura County. The District comprises an unincorporated total of 6,630 acres; however, the major portion of this acreage is in a seaward extension to the three-mile limit. The developed portion of the District, which is on the county assessment rolls, lies around the Channel Islands Harbor and comprises about 151 acres. The District is bound on the east by the United States Naval Base Ventura County, Port Hueneme, on the north and west by portions of the Cities of Oxnard and Port Hueneme, and on the south by the Pacific Ocean.

The Channel Islands Beach Community Services District serves the communities of Hollywood Beach, Hollywood by the Sea and Silver Strand. The District also serves an adjacent incorporated portion of the Channel Islands Harbor, which is outside the District's boundaries, pursuant to existing service agreements with the County of Ventura and the City of Oxnard.

B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

GASB Statements Implemented as of June 30, 2021

Governmental Accounting Standard Board Statement No. 84

In January of 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement was issued to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes. This Statement establishes the criteria for identifying fiduciary activities which should be reported in a fiduciary fund in the basic financial statements. The fiduciary funds that should be reported, if applicable: a) pensions trust funds, b) investment trust funds, c) private purpose trust funds, d) custodial funds. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Due to the COVID-19 pandemic, GASB No. 95 delayed the implementation of this Statement by one year for reporting periods beginning after December 15, 2019. This statement is required to be implemented in the 2021 fiscal year by the District. Currently, this statement has no effect on the District's financial statements.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued

GASB Statements Implemented as of June 30, 2021 - Continued

Governmental Accounting Standard Board Statement No. 90

In August of 2018, GASB issued Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*. This Statement was issued to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for fiscal years beginning after December 15, 2018. Due to the COVID-19 pandemic, GASB No. 95 delayed the implementation of this Statement by one year for reporting periods beginning after December 15, 2019. Currently, this statement has no effect on the District's financial statements.

Pending Accounting Standards

GASB has issued the following statements which impact the District's financial reporting requirements in the future:

Governmental Accounting Standard Board Statement No. 87

In June of 2017, GASB issued Statement No. 87, *Leases*. The intent of this Statement is to improve accounting and financial reporting for government leases by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for reporting periods beginning after December 15, 2019. Due to the COVID-19 pandemic, GASB No. 95 delayed the implementation of this Statement for reporting periods beginning after June 15, 2021. This statement is required to be implemented in the 2022 fiscal year by the District. The District has elected not to early implement GASB No. 87 and has not determined its effect on the District's financial statements.

Governmental Accounting Standard Board Statement No. 89

In June of 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement was issued to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Statement No. 89 is effective for fiscal years beginning after December 15, 2019. Due to the COVID-

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Pending Accounting Standards - Continued

Governmental Accounting Standard Board Statement No. 89 - Continued

19 pandemic, GASB No. 95 delayed the implementation of this Statement by one year for reporting periods beginning after December 15, 2020. This statement is required to be implemented in the 2022 fiscal year by the District. The District has elected not to early implement GASB No. 89 and has not determined its effect on the District's financial statements.

Governmental Accounting Standard Board Statement No. 91

In May of 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This statement was issued to improve financial reporting for certain debt obligations. It allowed entities to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for fiscal years beginning December 15, 2020. Due to the COVID-19 pandemic, GASB No. 95 delayed the implementation of this Statement by one year for reporting periods beginning after December 15, 2021. This statement is required to be implemented in the 2023 fiscal year by the District. The District has elected not to early implement GASB No. 91 and has not determined its effect on the District's financial statements.

Governmental Accounting Standard Board Statement No. 92

In January of 2020, GASB issued Statement No. 92, *Omnibus 2020*. This statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This includes GASB Statement No. 87, GASB Statement No. 73, GASB Statement No. 74, GASB Statement No. 84 and the measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition as well as other specific provisions. The requirements related to GASB Statement No. 87 are effective upon the issuance date of Statement No. 92. All other requirements are effective for reporting periods beginning after June 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for paragraphs 6-10 and 12 for reporting periods beginning after June 15, 2021. This statement is required to be implemented in the 2022 fiscal year by the District. The District has elected not to early implement GASB No. 92 and has not determined its effect on the District's financial statements.

Governmental Accounting Standard Board Statement No. 93

In March of 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this statement is to address those and other accounting and financial reporting implications that results from the replacement of an Interbank Offered Rates (IBOR). The removal of the London Interbank Offered Rate (LIBOR) as

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Pending Accounting Standards - Continued

Governmental Accounting Standard Board Statement No. 93 - Continued

an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements are effective for reporting periods beginning after June 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for paragraphs 13 and 14 for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. This statement is required to be implemented in the 2022 fiscal year by the District. The District has elected not to early implement GASB No. 93 and has not determined its effect on the District's financial statements.

Governmental Accounting Standard Board Statement No. 94

In March of 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. This statement is required to be implemented in the 2023 fiscal year by the District. The District has elected not to early implement GASB No. 94 and has not determined its effect on the District's financial statements.

Governmental Accounting Standard Board Statement No. 96

In May of 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangement (SBITAs) for government end users (governments). Statement No. 96 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. This statement is required to be implemented in the 2023 fiscal year by the District. The District has elected not to early implement GASB No. 96 and has not determined its effect on the District's financial statements.

Governmental Accounting Standard Board Statement No. 97

In June of 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The objective of this statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined pension and OPEB plans as fiduciary component units; and (3) enhance the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. All other requirements are effective for fiscal years beginning after June 15, 2021. This statement is required to be implemented in the 2022 fiscal year by the District. The District has elected not to early implement GASB No. 97 and has not determined its effect on the District's financial statements.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Pending Accounting Standards - Continued

Governmental Accounting Standard Board Statement No. 98

In October of 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. Statement No. 98 is effective for fiscal years ending after December 15, 2021. This statement is required to be implemented in the 2022 fiscal year by the District. The District has elected not to early implement GASB No. 98 and currently this statement has no effect on the District's financial statements.

C) Basis of Presentation

The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as they are applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies reflected in the financial statements are summarized as follows:

D) Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from those revenues and expenses that are non-operating. Operating revenues are those revenues that are generated by water sales and services while operating expenses pertain directly the furnishing of those services. Non-operating revenues and expenses are those revenues and expenses generated that are not directly associated with the normal business of supplying water and services.

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

E) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows/inflows of resources 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.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F) Budgetary Data

Formal budgetary accounting is employed as a management control for the District. Annual operating budgets are adopted each fiscal year on the budgetary basis in accordance with existing legal requirements. Budgetary control is exercised at the utility enterprise divisional program level. The District did not modify their adopted operating budget for the year ended June 30, 2021.

The encumbrance method of accounting for budget information is not employed by the District.

G) Investments

As a governmental entity other than an external investment pool in accordance with GASB 31, the District's investments are stated at fair value except for interest-earning investment contracts (See Notes 2 and 3).

In applying GASB 31, the District utilized the following methods and assumptions:

- 1) Fair value is based on quoted market prices as of the valuation date;
- 2) The portfolio did not hold investments in any of the following:
 - a) Items required to be reported at amortized cost,
 - b) Items in external pools that are not SEC registered,
 - c) Items subject to involuntary participation in an external pool,
 - d) Items associated with a fund other than the fund to which the income is assigned;
- 3) The gain/loss resulting from valuation will be reported within the revenue account "investment earnings" on the Statement of Revenues and Expenses.

In accordance with GASB Statement 9, for purposes of the statement of cash flows, all cash and investments with original maturities of 90 days or less are considered cash or cash equivalents.

H) Accounts Receivable

The District has established a reserve for doubtful accounts based on the prior three years of bad debts. The amount of the reserve for doubtful accounts at June 30, 2021 and 2020 was \$5,000 and \$5,000, respectively. The Bad Debt expense was \$1,962 and \$1,424 as of June 30, 2021 and 2020, respectively.

I) Other Receivables and Other Liabilities

Other receivables include \$248,760 and \$236,351 from the City of Oxnard as of June 30, 2021 and 2020. The District and the City of Oxnard share a pipeline for wastewater transportation and treatment in which the City of Oxnard reimburses the District for the estimated cost for their portion of the use of the pipeline. Other liabilities include amounts accrued for water purchases of \$52,245 as of June 30, 2021 and for trash services of \$46,714 as of June 30, 2020.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

J) Inventory and Prepaid Items

Inventory is valued at the lower of cost (first-in, first-out) or market.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. Prepaid items include \$12,244 for insurance and dues, and \$38,743 for waste water transportation as of June 30, 2021. Prepaid items include \$12,246 for insurance and dues, and \$10,857 for water purchases (Port Hueneme Water Agency true-up), as of June 30, 2020.

K) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District only has the following items that qualify for reporting in this category. The District has deferred charges on refunding reported in the statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District also has deferred outflows related to pensions for pension contributions subsequent to the measurement date of the net pension liability, and other amounts (see Note 7), which are amortized by an actuarial determined period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has deferred inflows related to pensions. These amounts (see Note 7) are amortized by an actuarial determined period.

L) Compensated Absences

Employees are entitled to annual leave at a rate of 6.77 hours (1 to 4 years of service), 8.30 hours (5 to 9 years of service) and 9.84 hours (10 years or more of services) per pay period, depending on the number of years of service completed. The annual maximum accrued leave is limited to 500 hours. All hours over that will be paid out to the employee after the pay period in which it was earned. Upon termination, separation, or retirement, each employee is paid for all their annual leave hours at the hourly rate then in effect. In accordance with accounting principles generally accepted in the United States of America, the liability is reflected in the line item for accrued payroll, taxes and benefits on the statement of net position and the current year allocation has been expensed.

M) Bond Discounts and Premiums

The District amortizes bond discounts and premiums using the straight-line method over the term of the related bond issue. The current related bond issue is the 2016 Wastewater Refunding Bond Series.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

N) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additional to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O) Net Position

GASB No. 63 requires that the difference between assets, liabilities and deferred outflows/inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position classified as net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding principal of related debt. Restricted net position is the net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

P) County Tax Apportionment

Taxes are considered revenue in the year in which collections are made, as that is when they are both measurable and available.

The District utilizes the services of Ventura County for the assessment and collection of taxes (special benefit assessments and general property taxes). These taxes are collected at the same time and on the same tax rolls as are county, cities, school districts and other special district taxes. Assessed valuations are the same for both District and County taxing purposes. The District receives an apportionment of the County's one percent (1%) maximum property tax levy. The percentage of tax that the District receives is determined by a formula prepared by the Ventura County Tax Assessor in accordance with State law. The valuation of property is determined as of March 1 of each year. Secured taxes are payable in two installments the first is due November 1, and the second due February 1. Such taxes are considered delinquent if not paid by December 10 and April 10 immediately following their respective due dates. Taxes on unsecured property are due March 1 and become delinquent August 31 and such taxes are levied at the prior years' secured tax rate. The county wide 1% levy has been pledged to debt service of the District.

Q) Contributed Capital

Contributed capital represents cash or utility plant additions contributed to the District by property owners or developers desiring services that require capital expenditures or capacity commitment. In accordance with GASB Statement 33 all such capital contributions are reflected as revenues.

R) Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

2) CASH AND INVESTMENTS

The District has defined cash for purposes of the statement of cash flows to include cash on hand, demand deposits and cash with the County Treasurer.

The District participates in the County Pool Investment Program with interest being allocated on the basis of deposit in the Treasury. Investment policies and associated risk factors applicable to District monies are those of the County of Ventura and are included in the County's Annual Financial Report. The carrying value and estimated market value of the County of Ventura Pool at June 30, 2021, were \$3,024,814,033 and \$3,019,796,642 respectively and at June 30, 2020, were \$2,808,480,715 and \$2,819,975,215. The District's share of the Pool at June 30, 2021 and 2020 was approximately 0.261 percent and 0.262 percent.

The District utilized a commercial bank for all operational transactions. The District invests cash with the County Treasurer and in Union Bank (fiscal agent for proceeds of debt). At June 30, 2021 and 2020 the carrying amount of the District's petty cash, deposits and investments were \$8,528,460 and \$8,277,462 and are broken down as follows:

	2021	2020
Petty Cash	\$ 750	\$ 750
County Treasury	7,888,828	7,377,386
Pacific Western Bank	638,882	899,326
Total	\$ 8,528,460	\$ 8,277,462

The District has adopted an investment policy, which authorizes the District's investment in local obligations, obligations of the United States Treasury and agencies, the County Pool Investment Program, savings and other interest-bearing accounts. The District selects its investments based on safety, liquidity and yield.

Cash and Investments are classified in the accompanying financial statements as follows:

	2021	2020
Statement of Net Position:		
Unrestricted Cash	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents	8,329,005	8,090,307
Restricted Cash and Cash Equivalents	94,455	82,155
Total Cash and Investments	\$ 8,528,460	\$ 8,277,462

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

2) CASH AND INVESTMENTS - Continued

Cash and investments consist of the following:

	2021	2020
Cash on Hand	\$ 750	\$ 750
Deposits with Financial Institutions	638,882	899,326
Ventura County Treasurer's Pooled Investments	7,888,828	7,377,386
Total Cash and Investments	\$ 8,528,460	\$ 8,277,462

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of *Portfolio	Maximum Investment In One Issuer
Money Market Funds	N/A	20%	None
County Pooled Investment Funds	N/A	None	None

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

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy.

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. One of the ways that the District manages its exposure to interest rates risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

2) CASH AND INVESTMENTS - Continued

The District had the following investments:

	2021		2020	
	Amount	Maturity Date	Amount	Maturity Date
Ventura County Treasurer's Pooled Investments	\$ 7,888,828	N/A	\$ 7,377,386	N/A
Total	<u>\$ 7,888,828</u>		<u>\$ 7,377,386</u>	

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

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

June 30, 2021

Investment Type		Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End		
				AAA	AA	Not Rated
Ventura County Treasurer's Pooled Investments	<u>\$ 7,888,828</u>	N/A	\$ -	<u>\$ 7,888,828</u>	\$ -	\$ -
Total	<u>\$ 7,888,828</u>		<u>\$ -</u>	<u>\$ 7,888,828</u>	<u>\$ -</u>	<u>\$ -</u>

June 30, 2020

Investment Type		Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End		
				AAA	AA	Not Rated
Ventura County Treasurer's Pooled Investments	<u>\$ 7,377,386</u>	N/A	\$ -	<u>\$ 7,377,386</u>	\$ -	\$ -
Total	<u>\$ 7,377,386</u>		<u>\$ -</u>	<u>\$ 7,377,386</u>	<u>\$ -</u>	<u>\$ -</u>

The investment policy of the District contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

2) CASH AND INVESTMENTS - Continued

Concentration of Credit Risk

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the Entity's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by 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 deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2021 and 2020, none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Cash and Investments with Fiscal Agent - Restricted Assets

Cash and investments held and invested by fiscal agents on behalf of the District are pledged for payment or security of certain long-term debt issuances and construction projects. Fiscal agents are mandated by bond indentures as to the types of investments in which debt proceeds can be invested. The investments predominately consist of Governments securities which are held in book entry form by the trustee.

Board Restricted Cash

Cash is Board restricted for the following:

	2021	2020
Capital and Unanticipated Repairs and Maintenance	\$ 6,283,592	\$ 6,094,880
Rate Stabilization	444,038	429,876
Reserved for Operations	1,012,375	976,551
Debt Service	589,000	589,000
Total	\$ 8,329,005	\$ 8,090,307

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

2) CASH AND INVESTMENTS - Continued

Restricted Cash

Cash is restricted for the following:

	2021	2020
Customer Deposits	\$ 94,455	\$ 82,155
Total	\$ 94,455	\$ 82,155

3) FAIR VALUE MEASUREMENTS

Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurements and Application, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 given the highest priority and Level 3 the lowest priority. The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within *Level 1* that are observable for the asset or liability, either directly or indirectly. *Level 2* inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level 3 inputs are unobservable inputs for the asset or liability.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

3) FAIR VALUE MEASUREMENTS - Continued

Fair value of assets measured on a recurring basis are as follows:

	2021		
	Fair Value	Significant Unobservable Inputs (Level 3)	Uncategorized
Investments:			
Ventura County Treasurer's Pooled Investments	\$ 7,888,828	\$ -	\$ 7,888,828
Total Investments	<u>\$ 7,888,828</u>	<u>\$ -</u>	<u>\$ 7,888,828</u>
Other Assets:			
Investment in Water JPA, Net of Accumulated Depreciation	\$ 2,848,685	\$ 2,848,685	\$ -
Total Other Assets	<u>\$ 2,848,685</u>	<u>\$ 2,848,685</u>	<u>\$ -</u>
	2020		
	Fair Value	Significant Unobservable Inputs (Level 3)	Uncategorized
Investments:			
Ventura County Treasurer's Pooled Investments	\$ 7,377,386	\$ -	\$ 7,377,386
Total Investments	<u>\$ 7,377,386</u>	<u>\$ -</u>	<u>\$ 7,377,386</u>
Other Assets:			
Investment in Water JPA, Net of Accumulated Depreciation	\$ 2,953,792	\$ 2,953,792	\$ -
Total Other Assets	<u>\$ 2,953,792</u>	<u>\$ 2,953,792</u>	<u>\$ -</u>

The Ventura County Treasurer's Pooled Investments and money market funds and money market mutual funds are exempt under GASB No. 72 fair value measurements. The Investment in Water JPA, Net of Accumulated Depreciation, classified in Level 3 is valued using the equity method. See Note 11.

4) CAPITAL ASSETS

Minor expenditures for renewals and betterment are charged to expense. Major expenditures for renewals and betterment are capitalized. Costs of assets sold, retired or otherwise disposed of have been eliminated from accounts, and gains or losses on disposition are included in operations. Public domain (infrastructure) fixed assets are capitalized and include water distribution systems and sewer collection systems. Donated land or other donated capital assets are recorded at their estimated acquisition value rather than fair market value on the date contributed.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

4) CAPITAL ASSETS - Continued

The cost of capital assets is depreciated over the estimated lives of the assets on the straight-line method of depreciation. Estimated useful lives are:

Category	Life in years
Office Furniture and Equipment	5 to 10
Mobile Equipment	3 to 5
Tools and Shop Equipment	10
Office Building	20
Water System/Plant	25 to 50
1911 Act Sewer Lines	40

A summary of changes in capital assets for the year is as follows:

	2021			
	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Depreciated:				
Land	\$ 42,060	\$ -	\$ -	\$ 42,060
Construction in Progress	177,815	836,923	574,271	440,467
Total Capital Assets, Not Depreciated	219,875	836,923	574,271	482,527
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	110,901	-	-	110,901
Vehicles	175,867	-	-	175,867
Tools and Shop Equipment	301,996	-	-	301,996
Office Building	109,056	-	-	109,056
1911 Act Sewer Line	7,006,835	569,471	-	7,576,306
Water Distribution System	3,862,780	-	-	3,862,780
Total Capital Assets, Being Depreciated	11,567,435	569,471	-	12,136,906
Less Accumulated Depreciation:				
Office Furniture and Equipment	(73,888)	(14,463)	-	(88,351)
Vehicles	(175,867)	-	-	(175,867)
Tools and Shop Equipment	(214,368)	(14,695)	-	(229,063)
Office Building	(87,603)	(1,729)	-	(89,332)
1911 Act Sewer Line	(2,243,037)	(170,505)	-	(2,413,542)
Water Distribution System	(2,593,324)	(130,904)	-	(2,724,228)
Total Accumulated Depreciation	(5,388,087)	(332,296)	-	(5,720,383)
Total Capital Assets, Being Depreciated, Net	6,179,348	237,175	-	6,416,523
Capital Assets, Net of Depreciation	\$ 6,399,223	\$ 1,074,098	\$ 574,271	\$ 6,899,050

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

4) CAPITAL ASSETS - Continued

	2020			Ending Balance
	Beginning Balance	Additions	Deletions	
Capital Assets, Not Depreciated:				
Land	\$ 42,060	\$ -	\$ -	\$ 42,060
Construction in Progress	-	177,815	-	177,815
Total Capital Assets, Not Depreciated	<u>42,060</u>	<u>177,815</u>	<u>-</u>	<u>219,875</u>
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	110,901	-	-	110,901
Vehicles	175,867	-	-	175,867
Tools and Shop Equipment	277,130	24,866	-	301,996
Office Building	109,056	-	-	109,056
1911 Act Sewer Line	7,006,835	-	-	7,006,835
Water Distribution System	3,803,657	59,123	-	3,862,780
Total Capital Assets, Being Depreciated	<u>11,483,446</u>	<u>83,989</u>	<u>-</u>	<u>11,567,435</u>
Less Accumulated Depreciation:				
Office Furniture and Equipment	(59,129)	(14,759)	-	(73,888)
Vehicles	(174,641)	(1,226)	-	(175,867)
Tools and Shop Equipment	(200,751)	(13,617)	-	(214,368)
Office Building	(85,873)	(1,730)	-	(87,603)
1911 Act Sewer Line	(2,075,558)	(167,479)	-	(2,243,037)
Water Distribution System	(2,465,158)	(128,166)	-	(2,593,324)
Total Accumulated Depreciation	<u>(5,061,110)</u>	<u>(326,977)</u>	<u>-</u>	<u>(5,388,087)</u>
Total Capital Assets, Being Depreciated, Net	<u>6,422,336</u>	<u>(242,988)</u>	<u>-</u>	<u>6,179,348</u>
Capital Assets, Net of Depreciation	<u>\$ 6,464,396</u>	<u>\$ (65,173)</u>	<u>\$ -</u>	<u>\$ 6,399,223</u>

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

5) LONG-TERM DEBT

The following is a summary of the changes in Long-Term Debt:

Changes in Long-Term Debt	2021				
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2012 Water Refunding Bonds Series	\$ 600,273	\$ -	\$ 296,669	\$ 303,604	\$ 303,604
2016 Wastewater Refunding Bonds Series	2,295,000	-	105,000	2,190,000	110,000
Premiums on Bonds	127,864	-	8,339	119,525	-
Subtotal	<u>2,422,864</u>	<u>-</u>	<u>113,339</u>	<u>2,309,525</u>	<u>110,000</u>
Direct Borrowing - Loan Payable	640,743	-	61,419	579,324	63,661
Net Pension Liability	408	44,698	39,754	5,352	-
Total	<u>\$ 3,664,288</u>	<u>\$ 44,698</u>	<u>\$ 511,181</u>	<u>\$ 3,197,805</u>	<u>\$ 477,265</u>

Changes in Long-Term Debt	2020				
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2012 Water Refunding Bonds Series	\$ 889,513	\$ -	\$ 289,240	\$ 600,273	\$ 296,669
2016 Wastewater Refunding Bonds Series	2,405,000	-	110,000	2,295,000	105,000
Premiums on Bonds	136,203	-	8,339	127,864	-
Subtotal	<u>2,541,203</u>	<u>-</u>	<u>118,339</u>	<u>2,422,864</u>	<u>105,000</u>
Direct Borrowing - Loan Payable	700,000	-	59,257	640,743	61,419
Net Pension Liability	-	408	-	408	-
Total	<u>\$ 4,130,716</u>	<u>\$ 408</u>	<u>\$ 466,836</u>	<u>\$ 3,664,288</u>	<u>\$ 463,088</u>

Bonds Payable

In June 2012, the District issued \$2,716,072 in Water Revenue Refunding Bonds Series 2012 to advance refund the 2005B Revenue Refunding Certificates of Participation. The bonds interest rate is 3.05%. Interest on the bonds is payable September 1st and March 1st of each year. Principal on the bonds is payable in annual installment ranging from \$240,984 to \$303,604 commencing September 1, 2012 through September 1, 2021.

In September 2016, the District issued \$2,605,000 in Wastewater Revenue Refunding Bonds Series 2016 to advance refund the 2005A Sewer Revenue Certificates of Participation. The bonds interest rates range from 2% to 4%. Interest on the bonds is payable November 1st and May 1st of each year. Principal on the bonds is payable in annual installments, ranging from \$95,000 to \$180,000, commencing November 1, 2017 through November 1, 2035.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

5) LONG-TERM DEBT - Continued

Future debt requirements are as follows:

Year Ending June 30,	Water Bond Series 2012		Wastewater Bond Series 2016		Total Debt Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 303,604	\$ 4,630	\$ 110,000	\$ 72,381	\$ 413,604	\$ 77,011
2023	-	-	115,000	68,431	115,000	68,431
2024	-	-	120,000	63,731	120,000	63,731
2025	-	-	125,000	58,831	125,000	58,831
2026	-	-	130,000	53,731	130,000	53,731
2027-2031	-	-	730,000	186,256	730,000	186,256
2032-2036	-	-	860,000	63,678	860,000	63,678
Total	\$ 303,604	\$ 4,630	\$ 2,190,000	\$ 567,039	\$ 2,493,604	\$ 571,669

Revenues Pledged

The District has pledged a portion of water revenues and a portion of investment earnings to repay the District's Water Revenue Refunding Bonds Series 2012. The District's Water Revenue Refunding Bonds are payable solely from water revenues and a portion of investment earnings. Total principal and interest remaining on the Water Revenue Refunding Bonds are \$308,234, payable through fiscal year 2022. For the current year, principal and interest paid by water revenues and investment earnings were \$296,669 and \$13,784, respectively.

The District has pledged a portion of future sewer revenues and a portion of investment earnings to repay the District's Wastewater Revenue Refunding Bonds Series 2016. The District's Wastewater Revenue Refunding Bonds are payable solely from sewer revenues and a portion of investment earnings. Total principal and interest remaining on the Wastewater Revenue Refunding Bonds are \$2,757,039, payable through fiscal year 2036. For the current year, principal and interest paid by sewer revenues and investment earnings was \$105,000 and \$75,606, respectively.

Direct Borrowing - Loan Payable

In August 2018, the District received a loan of \$700,000 from the California Special District Association (CSDA) Municipal Finance Corporation for a water meter project. The loan has a 3.4% interest rate with annual payments of \$84,807 per year for ten years. In the event of default, all remaining installments, including accrued interest, become immediately due and payable if the District does not remedy the event of default within 10 days of written notice. This agreement has no pledged collateral or acceleration clauses.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

5) LONG-TERM DEBT - Continued

Direct Borrowing - Loan Payable - Continued

Year Ending June 30,	Loan Payable	
	Principal	Interest
2022	\$ 63,661	\$ 21,145
2023	65,985	18,822
2024	68,393	16,413
2025	70,890	13,917
2026	73,477	11,329
2027-2029	236,918	17,502
Total	<u>\$ 579,324</u>	<u>\$ 99,128</u>

6) NET POSITION

Net position at June 30, 2021 and 2020, consisted of the following:

	2021	2020
Net Position:		
Net Investment in Capital Assets:		
Land and Construction in Progress, Not Being Depreciated	\$ 482,527	\$ 219,875
Capital Assets, Net of Depreciation	6,416,523	6,179,348
Capital Related Deferred Outflows:		
Deferred Charges on Refunding	50,544	100,444
Less Capital Related Debt:		
2012 Water Refunding Bonds Series	(303,604)	(600,273)
2016 Wastewater Refunding Bonds Series	(2,190,000)	(2,295,000)
Loan Payable	(579,324)	(640,743)
Subtotal	<u>3,876,666</u>	<u>2,963,651</u>
Unrestricted Net Position	<u>11,264,872</u>	<u>11,257,715</u>
Total Net Position	<u>\$ 15,141,538</u>	<u>\$ 14,221,366</u>

⁽¹⁾ The bond premiums of the 2016 Wastewater Refunding Bonds series were excluded from the above calculation since the premiums were used for non-capital costs (debt issuance costs).

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

7) CALPERS RETIREMENT PLAN

A) General Information about the Pension Plans

Plan Description

The District entered into a retirement contract with CalPERS effective May 5, 2018. All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors one rate plan (miscellaneous). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of fulltime employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2021 and 2020 are summarized as follows:

	<u>Miscellaneous</u>
	On or After
Hire Date	<u>January 1, 2013</u>
Benefit Formulas	2.0% at 62
Benefit Vesting Schedule	5 Years Service
Benefit Payments	Monthly for Life
Retirement Age	52 - 67+
Monthly Benefits, as a % of Eligible Compensation	1.0% - 2.5%
Required Employee Contribution Rates	6.75%
Required Employer Contribution Rates	
2021	7.732%
2020	6.985%

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

7) CALPERS RETIREMENT PLAN - Continued

A) General Information about the Pension Plans - Continued

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The District's contributions to the Plan for the years ended June 30, 2021 and 2020 were \$52,041 and \$39,754, respectively.

B) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2021 and 2020, the District's net pension liability for its proportionate share of the net pension liability of the Plan was \$5,352 and \$408.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020 for the 2021 fiscal year, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The net pension liability of the plan is measured as of June 30, 2019 for the 2020 fiscal year, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan was as follows:

	2021		2020 ⁽¹⁾
Proportion - June 30, 2019	0.00001%	Proportion - June 30, 2018	0.00000%
Proportion - June 30, 2020	0.00013%	Proportion - June 30, 2019	0.00001%
Change - Increase (Decrease)	0.00012%	Change - Increase (Decrease)	0.00001%

⁽¹⁾ In 2019, the District had no net pension liability since its proportionate share was not included in the most recent (available) actuarial valuations.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

7) CALPERS RETIREMENT PLAN - Continued

B) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued

For the years ended June 30, 2021 and 2020, the District recognized pension expense of \$28,363 and \$13,651, respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	2021	2020	2021	2020
Pension contributions subsequent to measurement date	\$ 52,041	\$ 39,754	\$ -	\$ -
Differences between actual and expected experience	276	28		2
Changes in assumptions		19	38	7
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	50,912	34,942	-	-
Net differences between projected and actual earnings on plan investments	159	-	-	7
Total	\$ 103,388	\$ 74,743	\$ 38	\$ 16

The District reported \$52,041 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/Inflows of Resources
2022	\$ 23,149
2023	19,679
2025	8,404
2026	77
Total	\$ 51,309

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

7) CALPERS RETIREMENT PLAN - Continued

B) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued

Actuarial Assumptions

The total pension liabilities in the June 30, 2020 and 2019 actuarial valuations were determined using the following actuarial assumptions:

	2021	2020
Valuation Date	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2020	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.5%	2.5%
Salaries Increases	Varies ⁽¹⁾	Varies ⁽¹⁾
Mortality Rate Table	CalPERS Membership Data ⁽²⁾	CalPERS Membership Data ⁽²⁾
Post Retirement Benefit Increase	See Footnote ⁽³⁾	See Footnote ⁽³⁾

⁽¹⁾ Depending on age, service and type of employment.

⁽²⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

⁽³⁾ Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

⁽⁴⁾ Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

Change of Assumptions

In the 2020 measurement period, the accounting discount rate remained unchanged at 7.15 percent.

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2020 and 2019 measurement dates was 7.15% for the Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

7) CALPERS RETIREMENT PLAN - Continued

B) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class.

Asset Class ^(a)	Assumed Asset Allocation		Real Return Years 1 - 10 ^(b)		Real Return Years 11+ ^(c)	
	2020	2019	2020	2019	2020	2019
Global Equity	50.0%	50.0%	4.80%	4.80%	5.98%	5.98%
Fixed Income	28.0%	28.0%	1.00%	1.00%	2.62%	2.62%
Inflation Assets	-	-	0.77%	0.77%	1.81%	1.81%
Private Equity	8.0%	8.0%	6.30%	6.30%	7.23%	7.23%
Real Estate	13.0%	13.0%	3.75%	3.75%	4.93%	4.93%
Liquidity	1.0%	1.0%	-	-	-0.92%	-0.92%
Total	100%	100%				

^(a) In the System's Comprehensive Annual Financial Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

^(b) An expected inflation of 2.00% used for this period.

^(c) An expected inflation of 2.92% used for this period.

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

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

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

7) CALPERS RETIREMENT PLAN - Continued

B) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued

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

	2021	2020
1% Decrease	6.15%	6.15%
Net Pension Liability (Asset) \$	19,955	\$ 2,343
Current Discount Rate	7.15%	7.15%
Net Pension Liability (Asset) \$	5,352	\$ 408
1% Increase	8.15%	8.15%
Net Pension Liability (Asset) \$	(6,715)	\$ (1,190)

Pension Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2021 and 2020, the District reported, in accrued payroll, taxes and benefits, a payable of \$1,723 and \$0, respectively, for the outstanding amount of contributions to the pension plan required for the years ended June 30, 2021 and 2020.

8) DEFERRED COMPENSATION

The District established a retirement plan for all eligible District employees during the year ended June 30, 1986. All full time, classified employees qualify. The plan is an Internal Revenue Service Code Section 457, Public Employees Deferred Compensation Plan. Contributions by employees are voluntary, and may be in any fixed amount, with modifications available at fixed intervals. The District contributes up to 10% of gross pay, with all contributions being currently funded. The District begins to deposit its contributions to the employee’s annuity account upon successful completion of the employee’s initial six (6) month probationary period. Vesting of the District’s contributions begins at the end of the first year of employment. Thirty three and one third percent (33.3%) vests at the end of the first year, sixty-six and two thirds percent (66.6%) vests at the end of the second year, and one-hundred percent (100%) or full vesting occurs at the end of the third year of service, as measured from the date of initial hire of the employee. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Contributions for the fiscal years ended June 30, 2021 and 2020 were \$26,049 and \$20,156, respectively.

Participants may select from various investment fund options for the investment of their contributions and matching employer contributions. Employees may also select retirement benefit options ranging from lump sum distributions to life annuities upon separation from service.

The Deferred Compensation Plan is administered by Nationwide Retirement Solutions, Inc.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

8) DEFERRED COMPENSATION - Continued

As a result of legislative changes, all amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries, whereas, prior to the legislative changes, these amounts were solely the property and rights of the District subject only to the claims of the District's general creditors. As a result, as of June 30, 1999, the deferred compensation investments are no longer reported in the District's financial statements.

9) INCOME TAX

The District is exempt from income taxes.

10) JOINT POWERS AGENCY (ACWAJPIA)

The District is a member of the Association of California Water Agency Joint Powers Insurance Authority (ACWAJPIA). The District receives the benefits of the pooled insurance risk program, but not as an equity member of the authority. Total insurance payments for the year ended June 30, 2021 and 2020 were \$31,794 and \$26,642, respectively.

11) PORT HUENEME WATER AGENCY/JOINT VENTURE

In 1994, the CIBCSD entered into a Joint Powers Agency Agreement (JPA) with the City of Port Hueneme (COPH) to create the Port Hueneme Water Agency (PHWA). The JPA was formed in order to develop a subregional Water Quality Improvement Program to address the need for area-wide planning, coordination, development, financing, constructions and operation of a water desalination plant and the necessary transport facilities to service the water need of CIBCSD, COPH, the US Navy installations at the Naval Base Ventura County, Port Hueneme. The PHWA is responsible to design, construct and operate facilities necessary to deliver a combination of ground water and imported water.

Financial statements for the PHWA can be obtained through the COPH.

CIBCSD's percentage share in PHWA's cost of the improvements and related liabilities varies from 0% to 86%, based on each party's share of the facilities - overall the total cost of improvements through June 30, 2021 was \$12,930,102, of which CIBCSD's share was \$2,555,176 and through June 30, 2020 was \$13,511,984, of which CIBCSD's share was \$2,670,164. CIBCSD's share in ongoing operating costs vary from 12% to 16% for certain fixed costs; other variable operating costs are allocated based on the volume of water delivered to each party.

CIBCSD uses the equity method to account for its share of the JPA according to the joint venture agreement. The initial investment was recorded at cost.

CIBCSD's share of joint venture's net income is reported in CIBCSD's operating statement as a profit or loss in the joint venture. Nonoperating transactions between CIBCSD and the joint venture increase or decrease the equity interest.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

11) PORT HUENEME WATER AGENCY/JOINT VENTURE - Continued

A summary of the assets, liabilities and results of operations of PHWA are as follows.

	<u>2021</u>	<u>2020</u>
Total Assets	\$ 15,560,967	\$ 16,115,996
Total Liabilities	<u>1,145,605</u>	<u>1,168,752</u>
Net Position		
Net Investment in Capital Assets	12,466,755	13,050,060
Restricted for Operations	463,349	461,928
Unrestricted	<u>1,485,258</u>	<u>1,435,256</u>
Total Net Position	<u>\$ 14,415,362</u>	<u>\$ 14,947,244</u>
Total Revenues	\$ 6,361,381	\$ 5,112,758
Total Expenses	<u>(6,893,263)</u>	<u>(5,644,641)</u>
Net Increase (Decrease) in Net Position	<u>\$ (531,882)</u>	<u>\$ (531,883)</u>
CIBCSD's report its share of the PHWA as follows:		
Investment in PHWA	\$ 2,848,685	\$ 2,953,792
Profit (Loss) in PHWA Joint Venture	\$ (88,169)	\$ (88,170)
Amortization on Contributed Capital	\$ (16,938)	\$ (16,938)

12) CONTINGENCIES

COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The pandemic continued subsequent to year end with certain restrictions required by the Governor of California, as well as local governments, which may affect revenue sources and also caused subsequent stock market volatility. The duration of the pandemic and the impact of COVID-19 on the District's operational and financial performance is uncertain at this time.

13) SUBSEQUENT EVENTS

On February 8, 2022, the Board of Directors approved Resolution 22-03 electing to be subject to the Public Employee's Medical and Hospital Care Act. This will provide certain health benefits related to retirees.

REQUIRED SUPPLEMENTARY INFORMATION

Channel Islands Beach Community Services District
Schedule of the District's Proportionate Share of the Net Pension Liability
CalPERS Pension Plan
Last Ten Years*
As of June 30, 2021

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018*	0.00000%	\$ -	\$ -	N/A	N/A
2019*	0.00000%	\$ -	\$ 91,605	N/A	N/A
2020*	0.00001%	\$ 408	\$ 603,461	0.07%	97.17%
2021	0.00013%	\$ 5,352	\$ 569,126	0.94%	95.12%

Notes to Schedule:

Benefit Changes. On May 5, 2018, the District entered into a retirement contract with CalPERS.

Changes in Assumptions. In 2018 (for the June 30, 2017 measurement period), the discount rate reduced from 7.65% to 7.15%.

Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is based on the District's proportionate share of the CalPERS Miscellaneous Risk Pool.

* Fiscal year 2018 was the 1st year the District entered into a retirement contract with CalPERS. For fiscal years 2018 and 2019, the District has no net pension liability since its proportionate share was not included in the most recent (available) actuarial valuations. Future years' information will be displayed up to 10 years as information becomes available.

Channel Islands Beach Community Services District
Schedule of Contributions
CalPERS Pension Plan
Last Ten Years*
As of June 30, 2021

Fiscal Year	Contractually Required Contribution (Actuarially Determined)	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 5,985	\$ (5,985)	\$ -	\$ 91,605	6.53%
2019	\$ 43,807	\$ (43,807)	\$ -	\$ 603,461	7.26%
2020	\$ 39,754	\$ (39,754)	\$ -	\$ 569,126	6.99%
2021	\$ 52,041	\$ (52,041)	\$ -	\$ 673,063	7.73%

* Fiscal year 2018 was the 1st year the District entered into a retirement contract with CalPERS. Future years' information will be displayed up to 10 years as information becomes available.

SUPPLEMENTAL INFORMATION

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - All Activities
Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Water Revenue	\$ 2,264,000	\$ 2,134,866	\$ (129,134)
Sewer Revenue	1,454,000	1,453,443	(557)
Sewer Revenue - Oxnard	946,000	971,189	25,189
Trash Revenue	750,000	785,661	35,661
	<u>5,414,000</u>	<u>5,345,159</u>	<u>(68,841)</u>
OPERATING EXPENSES			
Water System Expenses:			
PHWA Water Expense	900,000	819,697	80,303
Water Samples	15,000	11,125	3,875
SDHS Annual Admin. Fee	14,000	13,464	536
Cross Connect Contract Charges	2,000	2,420	(420)
Repairs and Maintenance - Distribution	130,000	139,823	(9,823)
Water Quality Report	4,000	1,349	2,651
Telemetry	10,600	11,524	(924)
	<u>1,075,600</u>	<u>999,402</u>	<u>76,198</u>
Sewer System Expenses:			
Waste Water Transportation - Oxnard	980,000	904,377	75,623
Operations and Maintenance	97,000	105,570	(8,570)
Telemetry	34,000	28,878	5,122
Power	20,000	21,210	(1,210)
	<u>1,131,000</u>	<u>1,060,035</u>	<u>70,965</u>
Trash Expenses:			
Trash Services	600,000	582,779	17,221
	<u>600,000</u>	<u>582,779</u>	<u>17,221</u>
Maintenance Expenses:			
Vehicle Expenses	12,000	5,456	6,544
Building Security	3,000	1,706	1,294
Building Maintenance	12,000	10,541	1,459
Sign and Banner Expense	1,500	356	1,144
Public Landscape Project	4,500	3,827	673
Employee Workplace Safety	5,000	4,926	74
Gasoline Expenses	15,000	10,182	4,818
Emergency Preparedness Expense	1,500	-	1,500
	<u>\$ 54,500</u>	<u>\$ 36,994</u>	<u>\$ 17,506</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - All Activities - Continued
Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Salaries and Benefits:			
Regular Salaries	\$ 729,600	\$ 767,105	\$ (37,505)
Retirement Benefits	74,000	68,407	5,593
Uniforms	4,500	4,926	(426)
Group Insurance	128,000	119,545	8,455
Worker's Compensation Insurance	12,000	12,211	(211)
Payroll Taxes	29,000	11,426	17,574
Employee Educational Expense	22,000	10,026	11,974
Total Salaries and Benefits	<u>999,100</u>	<u>993,646</u>	<u>5,454</u>
Administrative Expenses:			
Regular Board Payments	9,000	4,769	4,231
Special Board Meetings	2,000	1,000	1,000
Board/Committee Expenses	1,000	821	179
Conferences and Seminars - Board	5,000	831	4,169
Board Travel and Lodging	8,500	1,376	7,124
Dues/Membership - District	24,000	23,877	123
Office Supplies	8,000	7,465	535
E-Pay Online	6,000	3,733	2,267
Communications	17,000	22,509	(5,509)
Printing and Publications	6,000	2,166	3,834
Postage and Shipping	12,000	8,946	3,054
Utilities	3,800	1,961	1,839
Miscellaneous Office Expense	14,700	13,506	1,194
Other Professional Services	30,000	72,398	(42,398)
Office Equipment Maintenance	9,000	5,052	3,948
Equipment Purchases	8,000	-	8,000
Insurance	39,000	31,794	7,206
Accounting Services	51,000	43,407	7,593
Computer Services	52,000	32,513	19,487
Legal Services	60,000	33,052	26,948
Engineering Services	75,000	53,110	21,890
Bank and Trustee Fees	4,000	3,795	205
Legal Notices Publication Expense	7,000	3,303	3,697
Public Information Expense	14,000	205	13,795
Total Administrative Expenses	<u>\$ 466,000</u>	<u>\$ 371,589</u>	<u>\$ 94,411</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - All Activities - Continued
Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Other Operating Expenses:			
Depreciation	\$ -	\$ 332,296	\$ (332,296)
Amortization	-	41,561	(41,561)
Bad Debt	-	1,962	(1,962)
Total Other Operating Expenses	-	375,819	(375,819)
Total Operating Expenses	4,326,200	4,420,264	(94,064)
OPERATING INCOME (LOSS)	1,087,800	924,895	(162,905)
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenue:			
Investment Earnings	90,000	43,093	(46,907)
Net Gain (Loss) from Joint Venture	-	(88,169)	(88,169)
County Tax Apportionment	91,000	83,329	(7,671)
Miscellaneous Revenues	-	12,914	12,914
Total Nonoperating Revenues	181,000	51,167	(129,833)
Nonoperating Expenses:			
Interest Expense	153,500	107,368	46,132
Total Nonoperating Expenses	153,500	107,368	46,132
Total Nonoperating Revenues and Expenses	27,500	(56,201)	(83,701)
INCOME (LOSS) BEFORE CONTRIBUTIONS	\$ 1,115,300	\$ 868,694	\$ (246,606)

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Water
Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Water Revenue	\$ 2,264,000	\$ 2,134,866	\$ (129,134)
Total Operating Revenues	<u>2,264,000</u>	<u>2,134,866</u>	<u>(129,134)</u>
OPERATING EXPENSES			
Water System Expenses:			
PHWA Water Expense	900,000	819,697	80,303
Water Samples	15,000	11,125	3,875
SDHS Annual Admin. Fee	14,000	13,464	536
Cross Connect Contract Charges	2,000	2,420	(420)
Repairs and Maintenance - Distribution	130,000	139,823	(9,823)
Water Quality Report	4,000	1,349	2,651
Telemetry	10,600	11,524	(924)
Total Water System Expenses	<u>1,075,600</u>	<u>999,402</u>	<u>76,198</u>
Maintenance Expenses:			
Vehicle Expenses	5,160	2,346	2,814
Building Security	990	563	427
Building Maintenance	3,960	3,478	482
Sign and Banner Expense	495	118	377
Employee Workplace Safety	2,150	2,117	33
Gasoline Expenses	6,450	4,378	2,072
Total Maintenance Expenses	<u>19,205</u>	<u>13,000</u>	<u>6,205</u>
Salaries and Benefits:			
Regular Salaries	284,544	299,171	(14,627)
Retirement Benefits	28,860	26,679	2,181
Uniforms	1,935	2,117	(182)
Group Insurance	49,920	46,622	3,298
Worker's Compensation Insurance	4,680	4,763	(83)
Payroll Taxes	11,310	4,456	6,854
Employee Educational Expense	8,580	3,910	4,670
Total Salaries and Benefits	<u>\$ 389,829</u>	<u>\$ 387,718</u>	<u>\$ 2,111</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Water - Continued
Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Administrative Expenses:			
Regular Board Payments	\$ 3,510	\$ 1,860	\$ 1,650
Special Board Meetings	780	390	390
Board/Committee Expenses	390	321	69
Conferences and Seminars - Board	1,950	324	1,626
Board Travel and Lodging	3,315	537	2,778
Dues/Membership - District	10,262	10,267	(5)
Office Supplies	2,640	2,464	176
E-Pay Online	2,460	1,531	929
Communications	5,610	7,428	(1,818)
Printing and Publications	1,980	715	1,265
Postage and Shipping	3,960	2,952	1,008
Utilities	1,254	647	607
Miscellaneous Office Expense	5,975	5,537	438
Other Professional Services	12,300	29,683	(17,383)
Office Equipment Maintenance	2,970	1,667	1,303
Equipment Purchases	2,640	-	2,640
Insurance	15,990	13,036	2,954
Accounting Services	20,910	17,797	3,113
Computer Services	21,320	13,330	7,990
Legal Services	36,400	20,162	16,238
Engineering Services	30,750	21,775	8,975
Bank and Trustee Fees	1,640	1,556	84
Legal Notices Publication Expense	2,310	1,090	1,220
Public Information Expense	4,620	67	4,553
	<u>195,936</u>	<u>155,136</u>	<u>40,800</u>
Other Operating Expenses:			
Depreciation	-	169,471	(169,471)
Amortization	-	47,197	(47,197)
Bad Debt	-	668	(668)
	<u>-</u>	<u>217,336</u>	<u>(217,336)</u>
	<u>1,680,570</u>	<u>1,772,592</u>	<u>(92,022)</u>
OPERATING INCOME (LOSS)	<u>\$ 583,430</u>	<u>\$ 362,274</u>	<u>\$ (221,156)</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Water - Continued
Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenues:			
Investment Earnings	\$ 31,500	\$ 15,083	\$ (16,417)
Net Gain (Loss) from Joint Venture	-	(88,169)	(88,169)
Total Nonoperating Revenues	<u>31,500</u>	<u>(73,086)</u>	<u>(104,586)</u>
Nonoperating Expenses:			
Interest Expense	<u>38,500</u>	<u>32,287</u>	<u>6,213</u>
Total Nonoperating Expenses	<u>38,500</u>	<u>32,287</u>	<u>6,213</u>
Total Nonoperating Revenues and Expenses	<u>(7,000)</u>	<u>(105,373)</u>	<u>(98,373)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u><u>\$ 576,430</u></u>	<u><u>\$ 256,901</u></u>	<u><u>\$ (319,529)</u></u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Wastewater
Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Sewer Revenue	\$ 1,454,000	\$ 1,453,443	\$ (557)
Sewer Revenue - Oxnard	946,000	971,189	25,189
Total Operating Revenues	<u>2,400,000</u>	<u>2,424,632</u>	<u>24,632</u>
OPERATING EXPENSES			
Sewer System Expense:			
Waste Water Transportation - Oxnard	980,000	904,377	75,623
Operations and Maintenance	97,000	105,570	(8,570)
Telemetry	34,000	28,878	5,122
Power	20,000	21,210	(1,210)
Total Sewer System Expenses	<u>1,131,000</u>	<u>1,060,035</u>	<u>70,965</u>
Maintenance Expenses:			
Vehicle Expenses	4,920	2,237	2,683
Building Security	1,020	580	440
Building Maintenance	4,080	3,584	496
Sign and Banner Expense	510	121	389
Employee Workplace Safety	2,050	2,020	30
Gasoline Expenses	6,150	4,175	1,975
Total Maintenance Expenses	<u>18,730</u>	<u>12,717</u>	<u>6,013</u>
Salaries and Benefits:			
Regular Salaries	291,840	306,842	(15,002)
Retirement Benefits	29,600	27,363	2,237
Uniforms	1,845	2,020	(175)
Group Insurance	51,200	47,818	3,382
Worker's Compensation Insurance	4,800	4,884	(84)
Payroll Taxes	11,600	4,570	7,030
Employee Educational Expense	8,800	4,010	4,790
Total Salaries and Benefits	<u>\$ 399,685</u>	<u>\$ 397,507</u>	<u>\$ 2,178</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Wastewater - Continued
Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Administrative Expenses:			
Regular Board Payments	\$ 3,600	\$ 1,908	\$ 1,692
Special Board Meetings	800	400	400
Board/Committee Expenses	400	328	72
Conferences and Seminars - Board	2,000	332	1,668
Board Travel and Lodging	3,400	550	2,850
Dues/Membership - District	9,387	9,312	75
Office Supplies	2,720	2,538	182
E-Pay Online	2,640	1,643	997
Communications	5,780	7,653	(1,873)
Printing and Publications	2,040	736	1,304
Postage and Shipping	4,080	3,042	1,038
Utilities	1,292	667	625
Miscellaneous Office Expense	6,364	5,808	556
Other Professional Services	13,200	31,855	(18,655)
Office Equipment Maintenance	3,060	1,718	1,342
Equipment Purchases	2,720	-	2,720
Insurance	17,160	13,989	3,171
Accounting Services	22,440	19,099	3,341
Computer Services	22,880	14,306	8,574
Legal Services	17,600	9,585	8,015
Engineering Services	33,000	23,368	9,632
Bank and Trustee Fees	1,760	1,670	90
Legal Notices Publication Expense	2,380	1,123	1,257
Public Information Expense	4,760	70	4,690
	<u>185,463</u>	<u>151,700</u>	<u>33,763</u>
Total Administrative Expenses			
Other Operating Expenses:			
Depreciation	-	152,856	(152,856)
Amortization	-	(5,636)	5,636
Bad Debt	-	647	(647)
	<u>-</u>	<u>147,867</u>	<u>(147,867)</u>
Total Other Operating Expenses			
	<u>1,734,878</u>	<u>1,769,826</u>	<u>(34,948)</u>
Total Operating Expenses			
OPERATING INCOME (LOSS)	<u>\$ 665,122</u>	<u>\$ 654,806</u>	<u>\$ (10,316)</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Wastewater - Continued
Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenues:			
Investment Earnings	\$ 49,500	\$ 23,701	\$ (25,799)
Miscellaneous Revenues	-	12,914	12,914
	<u>49,500</u>	<u>36,615</u>	<u>(12,885)</u>
Total Nonoperating Revenues			
Nonoperating Expenses:			
Interest Expense	115,000	75,081	39,919
	<u>115,000</u>	<u>75,081</u>	<u>39,919</u>
Total Nonoperating Expenses			
	<u>(65,500)</u>	<u>(38,466)</u>	<u>27,034</u>
Total Nonoperating Revenues and Expenses			
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>\$ 599,622</u>	<u>\$ 616,340</u>	<u>\$ 16,718</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Solid Waste Disposal
Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Trash Revenue	\$ 750,000	\$ 785,661	\$ 35,661
Total Operating Revenues	<u>750,000</u>	<u>785,661</u>	<u>35,661</u>
OPERATING EXPENSES			
Trash Expense:			
Trash Service	600,000	582,779	17,221
Total Trash Expense	<u>600,000</u>	<u>582,779</u>	<u>17,221</u>
Maintenance Expenses:			
Vehicle Expenses	1,680	764	916
Building Security	990	563	427
Building Maintenance	3,960	3,479	481
Sign and Banner Expense	495	117	378
Employee Workplace Safety	700	690	10
Gasoline Expenses	2,100	1,425	675
Total Maintenance Expenses	<u>9,925</u>	<u>7,038</u>	<u>2,887</u>
Salaries and Benefits:			
Regular Salaries	138,624	145,750	(7,126)
Retirement Benefits	14,060	12,997	1,063
Uniforms	630	690	(60)
Group Insurance	24,320	22,714	1,606
Worker's Compensation Insurance	2,280	2,320	(40)
Payroll Taxes	5,510	2,171	3,339
Employee Educational Expense	4,180	1,905	2,275
Total Salaries and Benefits	<u>189,604</u>	<u>188,547</u>	<u>1,057</u>
Administrative Expenses:			
Regular Board Payments	\$ 1,710	\$ 906	\$ 804
Special Board Meetings	380	190	190
Board/Committee Expenses	190	156	34
Conferences and Seminars - Board	950	158	792
Board Travel and Lodging	1,615	261	1,354
Dues/Membership - District	4,092	4,059	33
E-Pay Online	900	559	341

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Solid Waste Disposal - Continued
Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Administrative Expenses: (Continued)			
Office Supplies	\$ 2,640	\$ 2,463	\$ 177
Communications	5,610	7,428	(1,818)
Printing and Publications	1,980	715	1,265
Postage and Shipping	3,960	2,952	1,008
Utilities	1,254	647	607
Miscellaneous Office Expense	2,309	2,161	148
Other Professional Services	4,500	10,860	(6,360)
Office Equipment Maintenance	2,970	1,667	1,303
Equipment Purchases	2,640	-	2,640
Insurance	5,850	4,769	1,081
Accounting Services	7,650	6,511	1,139
Computer Services	7,800	4,877	2,923
Legal Services	6,000	3,305	2,695
Engineering Services	11,250	7,967	3,283
Bank and Trustee Fees	600	569	31
Legal Notices Publication Expense	2,310	1,090	1,220
Public Information Expense	4,620	68	4,552
	<u>83,780</u>	<u>64,338</u>	<u>19,442</u>
Other Operating Expenses:			
Depreciation	-	9,969	(9,969)
Bad Debt	-	647	(647)
	<u>-</u>	<u>10,616</u>	<u>(10,616)</u>
	<u>883,309</u>	<u>853,318</u>	<u>29,991</u>
OPERATING INCOME (LOSS)	<u>(133,309)</u>	<u>(67,657)</u>	<u>65,652</u>
Nonoperating Revenues:			
Investment Earnings	9,000	4,309	(4,691)
	<u>9,000</u>	<u>4,309</u>	<u>(4,691)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>\$ (124,309)</u>	<u>\$ (63,348)</u>	<u>\$ 60,961</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Community Service
Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
	\$ -	\$ -	\$ -
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES			
Maintenance Expenses:			
Vehicle Expenses	240	109	131
Public Landscape Project	4,500	3,827	673
Employee Workplace Safety	100	99	1
Gasoline Expenses	300	204	96
Emergency Preparedness Expense	1,500	-	1,500
Total Maintenance Expenses	<u>6,640</u>	<u>4,239</u>	<u>2,401</u>
Salaries and Benefits:			
Regular Salaries	14,592	15,342	(750)
Retirement Benefits	1,480	1,368	112
Uniforms	90	99	(9)
Group Insurance	2,560	2,391	169
Worker's Compensation Insurance	240	244	(4)
Payroll Taxes	580	229	351
Employee Educational Expense	440	201	239
Total Salaries and Benefits	<u>19,982</u>	<u>19,874</u>	<u>108</u>
Administrative Expenses:			
Regular Board Payments	180	95	85
Special Board Meetings	40	20	20
Board/Committee Expenses	20	16	4
Conferences and Seminars - Board	100	17	83
Board Travel and Lodging	170	28	142
Dues/Membership - District	259	239	20
Miscellaneous Office Expense	52	-	52
Total Administrative Expenses	<u>821</u>	<u>415</u>	<u>406</u>
Other Operating Expenses:			
Depreciation	-	-	-
Total Other Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>27,443</u>	<u>24,528</u>	<u>2,915</u>
OPERATING INCOME (LOSS)	<u>\$ (27,443)</u>	<u>\$ (24,528)</u>	<u>\$ 2,915</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Community Service - Continued
Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenue:			
County Tax Apportionment	\$ 91,000	\$ 83,329	\$ (7,671)
Total Nonoperating Revenues	<u>91,000</u>	<u>83,329</u>	<u>(7,671)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>\$ 63,557</u>	<u>\$ 58,801</u>	<u>\$ (4,756)</u>