



Board of Directors:

JARED BOUCHARD, President  
MARCIA MARCUS, Vice President  
KRISTINA BREWER, Director  
SEAN DEBLEY, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

353 Santa Monica Drive · Channel Islands Beach, CA · 93035-4473 · (805) 985-6021 · FAX (805) 985-7156  
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# BOARD OF DIRECTORS REGULAR BOARD MEETING NOTICE & AGENDA

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**NOTICE IS HEREBY GIVEN** that the Board of Directors of the Channel Islands Beach Community Services District will hold a Regular Board Meeting beginning at 5:00 P.M. on Tuesday, April 26, 2022. In accordance with the Governor's Executive Order N-29-20 and the Ventura County Stay Well at Home Order resulting from the novel Coronavirus the Meeting will be held virtually using the Microsoft Teams platform.

**Join on your computer or mobile app**

[Click here to join the meeting](#)

**Or call in (audio only)**

[+1 213-282-9788,556719974#](#) United States, Los Angeles

Phone Conference ID: 556 719 974#

The agenda is as follows:

**A. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE:**

**B. PUBLIC COMMENTS:**

1. Opportunity for members of the public to address the Board on matters under the purview of the District and which are not on the agenda. (Time limit 3 minutes per speaker)

**C. CONSENT CALENDAR:**

1. Approve the Agenda Order

2. Minutes:
  - a. April 12, 2022, Regular Board Meeting
  
3. Authorize customer request for relief from water charges due to leaks on the property consistent with Resolution 16-06:

|           | <b>Account Number</b> | <b>Water Relief</b> | <b>Sewer Relief</b> | <b>Total Relief</b> |
|-----------|-----------------------|---------------------|---------------------|---------------------|
| <b>a.</b> | 40010-05              | \$27.72             | \$69.58             | \$97.30             |
|           |                       |                     |                     | \$97.30             |

**D. ACTION CALENDAR:**

**1. FY 2020 – 2021 ANNUAL AUDIT REPORT**

Recommendation:

- 1) Approve Reserve and Allocations (transfers) for June 30, 2021.
- 2) Approve the Channel Islands Beach Community Services District Annual Audit Report for Fiscal Year Ended June 30, 2021.
- 3) Authorize staff to present a Final Audit Report.

**2. CONSIDERATION OF RESOLUTION 22-07 REQUESTING CONSOLIDATION OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT ELECTION WITH THE NOVEMBER 08, 2022, GENERAL ELECTION**

Recommendation:

- 1) Adopt Resolution 22-07
- 2) Approve the “Notice of Elective Offices” to be filed with the candidates being responsible for cost of candidate statements in the sample ballot.

**3. AWARD OF CONTRACT FOR VALVE REPLACEMENT PROJECT – CI 105**

Recommendation:

- 1) Board to consider and approve contract with Elite General Engineering, Inc. for a not-to-exceed amount of \$157,000 for the Water Valve Replacement Project (CI 105).

**E. INFORMATION CALENDAR:**

1. Report from Board Members of any meeting or conference where compensation for attendance was received.

**F. BOARD MEMBER COMMENTS:**

**G. GENERAL COUNSEL & GENERAL MANAGER COMMENTS:**

**AGENDA POSTING CERTIFICATION**

This agenda was posted Thursday, April 21, 2022, by 5:00 PM. The agenda is posted at the District Office and two public notice bulletin boards, which are accessible 24 hours per day. The locations include:

- Hollywood Beach School, 4000 Sunset
- Corner Store, 2425 Roosevelt Blvd.
- District Office, 353 Santa Monica Drive

Agendas are also posted on the District's website at [www.cibcsd.com](http://www.cibcsd.com).

*Peter Martinez*  
Peter Martinez  
General Manager

**REQUESTS FOR DISABILITY-RELATED MODIFICATION OR ACCOMMODATION, INCLUDING AUXILIARY AIDS OR SERVICES, IN ORDER TO ATTEND OR PARTICIPATE IN A MEETING, SHOULD BE MADE TO THE SECRETARY OF THE BOARD IN ADVANCE OF THE MEETING TO ENSURE THE AVAILABILITY OF REQUESTED SERVICE OR ACCOMODATION. NOTICES, AGENDAS AND PUBLIC DOCUMENTS RELATED TO THE BOARD MEETINGS CAN BE MADE AVAILABLE IN ALTERNATIVE FORMAT UPON REQUEST.**

MINUTES OF THE  
CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT  
REGULAR BOARD MEETING, April 12, 2022

**A. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE:**

President Bouchard called the virtual meeting to order at 5:02 P.M. In attendance, Director Brewer, Director Debley, Director Nast, General Manager Peter Martinez, Clerk of the Board, Erika Davis, General Counsel, John Mathews, Office Manager, CJ Dillon, and Operations Manager Jesus (Chuy) Navarro.

**Vice President Marcus was absent.**

**B. PUBLIC COMMENTS:**

None.

**C. CONSENT CALENDAR:**

Director Brewer made the motion to approve the Consent Calendar. Director Debley seconded the motion. The motion passed.

**ROLL CALL VOTE:**

Bouchard: YES, Brewer: YES, Debley: YES, Nast: YES      4 - Yes 0 -No

**D. OPERATIONS REPORT:**

Using a PowerPoint presentation, Operations Manager Navarro discussed the month's projects which included a service upgrade at 124 Van Nuys Avenue, shed removal at the District office, repair of a service leak at 117 Eagle Rock Avenue, and repair of a service leak at the Harbor.

**E. ACTION CALENDAR:**

**1. CONSIDERATION AND ADOPTION OF RESOLUTION NO. 22-05 ENABLING CONTINUED USE OF REMOTE TELECONFERENCE MEETINGS IN ACCORDANCE WITH ASSEMBLY BILL 361:**

President Bouchard stated that this was the resolution required by law to continue teleconference meetings. There was no public comment. Director Brewer made the motion to follow staff's recommendation to adopt Resolution No 22-02 Enabling continued use of remote teleconference meetings in accordance with Assembly Bill 361. Director Debley seconded the motion. The motion passed.

ROLL CALL VOTE:

Bouchard: YES, Brewer: YES, Debley: YES, Nast: YES 4 - Yes 0 -No

**5:26 p.m. Vice President Marcus joined the meeting.**

## **2. PROPOSED PHWA AGREEMENT WITH HOLLISTER & BRACE**

General Manager Martinez explained that in the new agreement between PHWA and Hollister & Brace there is now a conflict waiver included with the City of Port Hueneme. General Counsel said should a conflict arise between PHWA and CIBCSD or the City of Port Hueneme and CIBCSD, Hollister & Brace would not be allowed to represent both agencies. In such an event then Hollister and Brace would represent CIBCSD. There was no public comment. Director Debley made the motion to follow staff's recommendation and Direct General Manager and Legal Counsel to request the City of Port Hueneme in addition to Port Hueneme Water Agency (PHWA) sign a conflict waiver in the updated agreement with PHWA. Director Brewer seconded the motion. The motion passed.

ROLL CALL VOTE:

Bouchard: YES, Marcus: YES, Brewer: YES, Debley: YES, Nast: YES 5 - Yes 0 -No

## **3. CONDITIONAL USE PERMIT UPDATE FROM COUNTY PLANNING COMMISSION HEARING**

General Manager Martinez used a PowerPoint presentation to lay out responses to the County Planning Commission comments. Board discussion ensued. The Board gave Staff direction to share the responses and forward what the community supported to the planning commission at the April 21, 2022, meeting. No Board action was taken.

## **4. SOLID WASTE HAULING CONTRACT**

Using a PowerPoint presentation, General Manager Martinez explained that to comply with the new requirements of Senate Bill 1383 (SB1383) either the current contract under EJ Harrison needs to be amended or Solicit a Request for Proposal (RFP) for a new contract for solid waste hauling services. There was no public comment. President Bouchard made the motion to move Staff's recommendation to proceed with amending the existing solid waste hauling contract with EJ Harrison & Sons knowing it is a 7-year term agreement. Vice President Marcus seconded the motion. The motion passed.

**ROLL CALL VOTE:**

Bouchard: YES, Marcus: YES, Brewer: YES, Debley: YES, Nast: YES 5 - Yes 0 -No

**5. MODIFICATION OF DISCONTINUATION OF RESIDENTIAL WATER SERVICE POLICY**

Office Manager Dillon explained that Administrative Staff would like to remove payments by check from reconnection choices, for customers that have been disconnected. There was no public comment. Director Brewer made the motion to approve Staff's recommendation to approve modification to Discontinuation of Residential Water Service Policy for Non-Payment pursuant to Senate Bill 998 and have the payment by check for disconnected customers removed from the payment choices. Vice President Marcus seconded the motion. The motion passed.

**ROLL CALL VOTE:**

Bouchard: YES, Marcus: YES, Brewer: YES, Debley: YES, Nast: YES 5 - Yes 0 -No

**F. INFORMATION CALENDAR:**

**1. Stage 2 Water Supply Shortage Regulations**

General Manager Martinez explained that on March 28<sup>th</sup> Governor Newsom signed an Executive order that requires local water suppliers to move to a "Level 2" of their water shortage contingency plans. The District will be moving to Stage 2 by Resolution per Ordinance 75.

**2. District New Technology Presentation**

Using a PowerPoint presentation General Manager Martinez gave an overview of new technology at the District which included Beacon, SmartCover, CUSI, XIO and Sedaru. General Manager Martinez said in addition to improving system Operations and reliability this new technology also optimizes Staff to allow for transitional leadership planning, flexibility within the organization and opportunity for growth.

**3. Report from Board Members for any meeting or conference where compensation for attendance was received.**

President Bouchard and Director Debley attended the PHWA meeting. Director Debley reported that in open session Don Villafana, Public Works Director, updated the Board

on the facility inspections of the water storage tank and electrical failures at the facility. Vice President Bouchard reported that PHWA is without a full-time water superintendent and now using contract employee Mike Oakley.

**G. BOARD MEMBER COMMENTS:**

Vice President Marcus wished everyone a happy and healthy holiday.

Director Nast announced that fourth shots of the COVID vaccine were now available.

Director Debley wanted to note that the County was now holding in person meetings and the Government center was back to normal operating hours.

**H. GENERAL COUNSEL & GENERAL MANAGER COMMENTS:**

General Manager Martinez said the audit will be presented at the April 26, 2022, Regular Board meeting. The Finance Committee will be meeting prior at 3:30 pm April 26, 2022, to review the Audit.

General Manager Martinez said the Valve Replacement Project bid will close Monday, April 18, 2022, and will be brought back to the Board on April 26, 2022, for award.

General Manager Martinez said that Robert Richardson is planning to present on the new iron and manganese treatment plant at the PHWA meeting. CIBCSD Board asked if Robert Richardson could also do the presentation at CIBCSD District Board meeting in May. General Manager said he would ask.

General Manager Martinez announced the Board Election Resolution and information will be presented at the May Board meeting.

General Manager Martinez said he will check with City of Oxnard to see if they are continuing to sample the wastewater, what they are finding and get back to the Board with that information.

The Board Meeting adjourned at 7:02 P.M.

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Jared Bouchard, President



Board of Directors:

JARED BOUCHARD, President  
MARCIA MARCUS, Vice President  
KRISTINA BREWER, Director  
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**Regular Board Meeting, April 26, 2022**

**To:** Board of Directors  
**From:** Peter Martinez, *General Manager*  
**Subject:** FY 2020 – 2021 Annual Audit Report  
**Item No.** D-1

**RECOMMENDATION:**

1. Approve Reserve and Allocations (transfers) for June 30, 2021.
2. Approve the Channel Islands Beach Community Services District Annual Audit Report for Fiscal Year Ended June 30, 2021.
3. Authorize staff to present a Final Audit Report.

**FINANCIAL IMPACT:** No impact to future budget. Board action validates the independent and professional review of the District’s financial statements to ensure the agency is compliant with all State reporting rules and guidelines.

**BACKGROUND/DISCUSSION:**

Attached for Board review is the Final FY 2020 – 2021 Audit Report prepared by Teaman, Ramirez, & Smith, Inc.

The report issues a clean report for the District’s financial statements, internal controls and compliance with fiscal policies set by the Board. The reports indicated the following breakdown of performance by enterprise and can be tied directly to the audit on the page indicated in the table below.

| Enterprise/Account            | Performance | Page    |
|-------------------------------|-------------|---------|
| <b>Water Enterprise</b>       | \$362,274   | Page 48 |
| <b>Sewer Enterprise</b>       | \$616,340   | Page 51 |
| <b>Solid Waste Enterprise</b> | (63,348)    | Page 54 |
| <b>Community Service</b>      | \$58,801    | Page 56 |

Pages 4 through 6 of the Audit Report detail the Financial Highlights of the fiscal year. The conclusions represented in the audit are arrived at based on the following procedures auditors perform during the audit, but are not limited to:



- Review all bank statements and cancelled checks, including bank reconciliations.
- Review accounts receivable, analysis and sampling of customer pay histories and rates and confirm with the customer the actual amount paid during the year.
- Review procedures and policies of the District to ascertain the staff is in compliance.
- Review accounts payable, including verification of payments.
- Review payroll records for accuracy of pay rates, overtime, accrued vacation and sick time.
- Review contracts with vendors to ascertain the District is in compliance with the agreement.
- Prepare the audited financial statements in accordance with Government Auditing Standards and generally accepted accounting principles.

Prior to considering the Audit Report, the Board must approve the allocations, or transfer of funds, between the District's accounts. This is an annual exercise that shifts funds within each Enterprise to help meet the District's established reserve policies. The allocations are summarized in Attachment 1.

**ATTACHMENTS:**

1. Allocations and Reserves for June 30, 2021
2. Final 2021 Financial Statements
3. Final 2021 Internal Control Report

Reserve calculation at 6/30/2021  
Based on 2021/2022 budget

### Operating and Rate Stabilization Reserves

|                              | Operating budget<br>2021/2022 | Operating reserve<br>25% of operating budget | Rate stabilization reserve<br>10% of operating reserve |
|------------------------------|-------------------------------|--|--|
| Water Enterprise             | 1,807,862                     | 451,966                                      | 180,786  |
| Sewer Enterprise             | 1,733,773                     | 433,443                                      | 173,377  |
| Solid Waste Enterprise       | 898,745                       | 224,686                                      | 89,875   |
| Community Service Enterprise | 29,120                        | <u>7,280</u>                                 | <u>-</u>   |
| <b>Total</b>                 |                               | <u><u>1,117,375</u></u>                      | <u><u>444,038</u></u>                                  |

Community service enterprise do not bill to the rate payers, hence no rate stabilization reserve is required.

### Capital Reserves

|                                |       |            |
|--------------------------------|-------|------------|
| Total Fixed Assets @ 6/30/2021 |       | 12,619,433 |
| Capital reserve 3.5% of assets | 3.50% | 441,680    |
| Allocated between:             |       |            |
| Water:                         | 51%   | 225,257    |
| Sewer:                         | 46%   | 203,173    |
| Solid Waste:                   | 3%    | 13,250     |

### Debt Service Reserves

|                       |      |         |         |
|-----------------------|------|---------|---------|
| Water Revenue Bonds   | 100% | 313,000 |         |
| Sewer Refunding Bonds | 100% | 191,000 |         |
| Water Meter Project   | 100% | 85,000  | 589,000 |

### Total Cash Available in each Enterprise

|   | Water            | Sewer            | Solid Waste     | Community Service | Total            |
|---|------------------|------------------|-----------------|-------------------|------------------|
| Total available @ 6/30/2021             | 3,499,540        | 4,374,032        | 364,616         | 290,272           | 8,528,460        |
| Less, Unrestricted cash                 | (35,000)         | (35,000)         | (35,000)        |                   | (105,000)        |
| Outside restricted                      | (31,485)         | (31,485)         | (31,485)        |                   | (94,455)         |
| Less, board designated reserves:        |                  |                  |                 |                   |                  |
| Operating reserve                       | (416,966)        | (398,443)        | (189,686)       | (7,280)           | (1,012,375)      |
| Rate stabilization reserve @ 6.30.21    | (180,786)        | (173,377)        | (89,875)        |                   | (444,038)        |
| Capital reserve @ 6.30.21               | (2,437,303)      | (3,544,727)      | (18,570)        | (282,992)         | (6,283,592)      |
| Debt service reserve 6.30.21            | <u>(398,000)</u> | <u>(191,000)</u> |                 |                   | <u>(589,000)</u> |
| Undesignated reserves (capital reserve) | <u><u>-</u></u>  | <u><u>-</u></u>  | <u><u>-</u></u> | <u><u>-</u></u>   | <u><u>-</u></u>  |

CIB COMMUNITY SERVICES DISTRICT  
 INCOME & INTEREST ALLOCATION  
 Year Ended June 30, 2021

|   | UNRESTRICTED     |               |               |               |                   | BOARD RESTRICTED |                  |                 |                    |                  |                  |                 |                    | OUTSIDE RESTRICTED |                 |                  | Difference   |                     |                      |               |               |                  |           |
|---|------------------|---------------|---------------|---------------|-------------------|------------------|------------------|-----------------|--------------------|------------------|------------------|-----------------|--------------------|--------------------|-----------------|------------------|--------------|---------------------|----------------------|---------------|---------------|------------------|-----------|
|   | TOTAL            | WATER         | SEWER         | TRASH         | COMMUNITY SERVICE | WATER OP RESERVE | WATER RM RESERVE | WATER RATE STAB | WATER Debt Service | SEWER OP RESERVE | SEWER RM RESERVE | SEWER RATE STAB | Sewer Debt Service | TRASH OP RESERVE   | TRASH RATE STAB | Trash Capital/RM |              | Comm Serv Operating | Comm Serv Capital/RM | WATER         | SEWER         | TRASH            |           |
| <b>Audited Income B4</b>                      |                  |               |               |               |                   |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     |                      |               |               |                  |           |
| Int *   | 825,601          | 241,818       | 592,639       | (67,657)      | 58,801            |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     |                      |               |               | 825,601          |           |
| Add:  |                  |               |               |               |                   |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     |                      |               |               |                  |           |
| Depreciation                                  | 332,296          | 169,471       | 152,856       | 9,969         |                   |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     |                      |               |               | 332,296          |           |
| Amortization                                  | 41,561           | 47,197        | (5,636)       |               |                   |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     |                      |               |               | 41,561           |           |
| Loss on Joint Venture                         | 88,169           | 88,169        |               |               |                   |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     |                      |               |               | 88,169           |           |
| Loss on disposal of assets                    | 0                | 0             | 0             | 0             |                   |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     |                      |               |               | 0                |           |
| Increase in Customer Deposit                  | 12,300           |               |               |               |                   |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     | 4,100                | 4,100         | 4,100         |                  | 12,300    |
| Increase in Pension related deferral outflows | (28,645)         | (11,172)      | (11,458)      | (5,443)       | (573)             |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     |                      |               |               |                  | (28,645)  |
| Increase in Pension liability                 | 4,944            | 1,928         | 1,978         | 939           | 99                |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     |                      |               |               |                  | 4,944     |
| Principle Pymts LTD                           | (463,088)        | (358,088)     | (105,000)     |               |                   |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     | 0                    |               |               |                  | (463,088) |
| New loan                                      | 0                | 0             |               |               |                   |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     | 0                    |               |               |                  | 0         |
| Pymts on CIP                                  | (262,652)        | (136,579)     | (73,543)      | (52,530)      |                   |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     |                      |               |               |                  | (262,652) |
| Purchase of Assets                            | (569,471)        | (569,471)     | 0             | 0             |                   |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     |                      |               |               |                  | (569,471) |
| Development Impact Fees                       | 68,416           | 68,416        |               |               |                   |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     |                      |               |               |                  | 68,416    |
| Proceed on sale of assets                     | 0                | 0             | 0             | 0             | 0                 |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     |                      |               |               |                  | 0         |
| LESS: Gain included in Audit Income           | 0                | 0             | 0             | 0             | 0                 |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     |                      |               |               |                  | 0         |
| Change in PP & Accruals                       | 158,453          | 48,159        | 12,857        | 86,134        | 11,303            |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     |                      |               |               |                  | 158,453   |
| Adj net income to draft financials            |                  | 0             | 0             | 0             |                   |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     |                      |               |               |                  | 0         |
| Alloc of CS                                   | 0                |               |               |               |                   |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     |                      |               |               |                  | 0         |
| Net inc(dec) in cash B4 int                   | 207,906          | (410,143)     | 564,702       | (28,583)      | 69,630            | 0                | 0                | 0               | 0                  | 0                | 0                | 0               | 0                  | 0                  | 0               | 0                | 0            | 0                   | 4,100                | 4,100         | 4,100         | 207,906          |           |
| Cash beginning of year                        | 8,277,461        | 35,000        | 35,000        | 35,000        | 0                 | 385,143          | 2,873,010        | 168,057         | 398,000            | 398,719          | 2,958,649        | 173,488         | 191,000            | 185,827            | 88,331          | 50,759           | 6,861        | 212,461             | 27,385               | 27,385        | 27,386        | 8,277,461        |           |
| Cash @ 6/30/21 B4 int                         | 8,485,367        | (375,143)     | 599,702       | 6,417         | 69,630            | 385,143          | 2,873,010        | 168,057         | 398,000            | 398,719          | 2,958,649        | 173,488         | 191,000            | 185,827            | 88,331          | 50,759           | 6,861        | 212,461             | 31,485               | 31,485        | 31,486        | 8,485,367        |           |
| AVERAGE CASH                                  | 8,381,414        | (170,071)     | 317,351       | 20,708        | 34,815            | 385,143          | 2,873,010        | 168,057         | 398,000            | 398,719          | 2,958,649        | 173,488         | 191,000            | 185,827            | 88,331          | 50,759           | 6,861        | 212,461             | 29,435               | 29,435        | 29,436        | 8,381,414        |           |
| <b>Interest Allocation:</b>                   |                  |               |               |               |                   |                  |                  |                 |                    |                  |                  |                 |                    |                    |                 |                  |              |                     |                      |               |               |                  |           |
| Direct Interest                               | 43,093           | (884)         | 1,649         | 108           | 181               | 2,001            | 14,929           | 873             | 2,068              | 2,072            | 15,374           | 901             | 992                | 966                | 459             | 264              | 36           | 1,104               |                      |               |               | 43,093           |           |
| Total Interest                                | 43,093           | (884)         | 1,649         | 108           | 181               | 2,001            | 14,929           | 873             | 2,068              | 2,072            | 15,374           | 901             | 992                | 966                | 459             | 264              | 36           | 1,104               | 0                    | 0             | 0             | 43,093           |           |
| Cash @ 6/20 B4 Brd Trans                      | 8,528,460        | (376,027)     | 601,351       | 6,524         | 69,811            | 387,144          | 2,887,939        | 168,930         | 400,068            | 400,791          | 2,974,023        | 174,389         | 191,992            | 186,793            | 88,790          | 51,023           | 6,897        | 213,565             | 31,485               | 31,485        | 31,486        | 8,528,460        |           |
| TRANSFERS                                     |                  | 411,027       | (566,351)     | 28,476        | (69,811)          | 29,822           | (450,637)        | 11,856          | (2,068)            | (2,348)          | 570,703          | (1,012)         | (992)              | 2,893              | 1,085           | (32,454)         | 383          | 69,428              |                      |               |               | 0                |           |
| <b>ACTUAL CASH @ 6/30/19</b>                  | <b>8,528,460</b> | <b>35,000</b> | <b>35,000</b> | <b>35,000</b> | <b>0</b>          | <b>416,966</b>   | <b>2,437,302</b> | <b>180,786</b>  | <b>398,000</b>     | <b>398,443</b>   | <b>3,544,726</b> | <b>173,377</b>  | <b>191,000</b>     | <b>189,686</b>     | <b>89,875</b>   | <b>18,569</b>    | <b>7,280</b> | <b>282,993</b>      | <b>31,485</b>        | <b>31,485</b> | <b>31,486</b> | <b>8,528,460</b> |           |

**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 41 - 42 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 \_\_\_\_\_, 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.

Riverside, California  
\_\_\_\_\_, 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>  |
|---|-----------------------------|-----------------------------|-----------------------------|
| <b>Assets</b>                           |                             |                             |                             |
| 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>        |
| <b>Deferred Outflows of Resources</b>   |                             |                             |                             |
| 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<br>OF RESOURCES | <u>\$ 153,932</u>           | <u>\$ 175,187</u>           | <u>\$ 200,135</u>           |
| <b>Liabilities</b>                      |                             |                             |                             |
| 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>         |
| <b>Deferred Inflows of Resources</b>    |                             |                             |                             |
| Pension Related Items                   | <u>\$ 38</u>                | <u>\$ 16</u>                | <u>\$ -</u>                 |
| TOTAL DEFERRED INFLOWS<br>OF RESOURCES  | <u>\$ 38</u>                | <u>\$ 16</u>                | <u>\$ -</u>                 |
| <b>Net Position</b>                     |                             |                             |                             |
| 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                 |
|--|----------------------|----------------------|----------------------|
| <b>Revenues</b>                          |                      |                      |                      |
| 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               |
| <b>TOTAL REVENUES</b>                    | <b>\$ 5,464,742</b>  | <b>\$ 5,182,626</b>  | <b>\$ 5,619,434</b>  |
| <b>Expenses</b>                          |                      |                      |                      |
| 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               |
| <b>TOTAL EXPENSES</b>                    | <b>\$ 4,544,570</b>  | <b>\$ 4,156,274</b>  | <b>\$ 4,099,642</b>  |
| <b>Change in Net Position</b>            | <b>\$ 920,172</b>    | <b>\$ 1,026,352</b>  | <b>\$ 1,519,792</b>  |
| <b>Net Position at Beginning of Year</b> | <b>\$ 14,221,366</b> | <b>\$ 13,195,014</b> | <b>\$ 11,675,222</b> |
| <b>Net Position at End of Year</b>       | <b>\$ 15,141,538</b> | <b>\$ 14,221,366</b> | <b>\$ 13,195,014</b> |

\* 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<br/>Accumulated Depreciation</u> | <u>Net<br/>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       |
|---|------------|------------|
| <b>ASSETS</b>   |            |            |
| 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  |
| <b>OTHER ASSETS</b>   |            |            |
| 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 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                     |            |            |
| 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          |
|--|---------------|---------------|
| <b>LIABILITIES</b>   |               |               |
| 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<br>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     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                         |               |               |
| Pension Related Items (Note 7)                               | 38            | 16            |
| Total Deferred Inflows of Resources                          | 38            | 16            |
| <b>NET POSITION (Notes 1 and 6)</b>                          |               |               |
| 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         |
|--|--------------|--------------|
| <b>OPERATING REVENUES</b>              |              |              |
| 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    |
| <b>OPERATING EXPENSES</b>              |              |              |
| 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              |
|---------------------------------------|-------------------|-------------------|
| <b>OPERATING EXPENSES (CONTINUED)</b> |                   |                   |
| 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         |
| <b>OPERATING INCOME</b>               | <b>\$ 924,895</b> | <b>\$ 984,295</b> |

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          |
|--|---------------|---------------|
| <b>NON-OPERATING REVENUES AND EXPENSES</b>   |               |               |
| 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        |
| <b>INCOME BEFORE CONTRIBUTIONS</b>           | 868,694       | 1,001,722     |
| <b>CAPITAL CONTRIBUTIONS (NOTE 1)</b>        |               |               |
| Developmental Impact Fee                     | 68,416        | 41,568        |
| Amortization on Contributed Capital          | (16,938)      | (16,938)      |
| Total Capital Contributions                  | 51,478        | 24,630        |
| <b>CHANGE IN NET POSITION</b>                | 920,172       | 1,026,352     |
| <b>NET POSITION, BEGINNING OF YEAR</b>       | 14,221,366    | 13,195,014    |
| <b>NET POSITION, END OF YEAR</b>             | \$ 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                |
|---|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |                     |                     |
| 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)           |
|   | <b>1,429,112</b>    | <b>1,642,623</b>    |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>          |                     |                     |
| County Tax Apportionment  | 83,329              | 92,685              |
|   | <b>83,329</b>       | <b>92,685</b>       |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b> |                     |                     |
| 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)           |
|   | <b>(1,339,573)</b>  | <b>(805,833)</b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |                     |                     |
| Investment Earnings   | 78,130              | 148,906             |
|   | <b>78,130</b>       | <b>148,906</b>      |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>     | <b>250,998</b>      | <b>1,078,381</b>    |
| <b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>            | <b>8,277,462</b>    | <b>7,199,081</b>    |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                  | <b>\$ 8,528,460</b> | <b>\$ 8,277,462</b> |

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                |
|---|---------------------|---------------------|
| <b>RECONCILIATION OF OPERATING INCOME</b>                               |                     |                     |
| <b>TO NET CASH PROVIDED BY (USED FOR)</b>                               |                     |                     |
| <b>OPERATING ACTIVITIES</b>   |                     |                     |
| Operating Income  | \$ 924,895          | \$ 984,295          |
| <b>ADJUSTMENTS TO RECONCILE NET OPERATING INCOME</b>                    |                     |                     |
| <b>TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>                     |                     |                     |
| 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                 |
| <b>TOTAL ADJUSTMENTS</b>  | <b>504,217</b>      | <b>658,328</b>      |
| <b>NET CASH PROVIDED BY (USED FOR)</b>                                  |                     |                     |
| <b>OPERATING ACTIVITIES</b>   | <b>\$ 1,429,112</b> | <b>\$ 1,642,623</b> |
| <b>SUPPLEMENTAL DISCLOSURES</b>   |                     |                     |
| 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   | <b>\$ 8,528,460</b> | <b>\$ 8,277,462</b> |
| 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

| <u>NOTE</u> | <u>DESCRIPTION</u>                                   | <u>PAGE</u> |
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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<br>Investment Type  | Maximum<br>Maturity | Maximum<br>Percentage<br>Of *Portfolio | Maximum<br>Investment<br>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<br>Legal<br>Rating | Exempt<br>From<br>Disclosure | Rating as of Year End |             |              |
|---|---------------------|----------------------------|------------------------------|-----------------------|-------------|--------------|
|   |                     |                            |                              | AAA                   | AA          | Not<br>Rated |
| Ventura County Treasurer's Pooled Investments | <u>\$ 7,888,828</u> | N/A                        | <u>\$ -</u>                  | <u>\$ 7,888,828</u>   | <u>\$ -</u> | <u>\$ -</u>  |
| Total   | <u>\$ 7,888,828</u> |                            | <u>\$ -</u>                  | <u>\$ 7,888,828</u>   | <u>\$ -</u> | <u>\$ -</u>  |

**June 30, 2020**

| Investment Type                               |                     | Minimum<br>Legal<br>Rating | Exempt<br>From<br>Disclosure | Rating as of Year End |             |              |
|---|---------------------|----------------------------|------------------------------|-----------------------|-------------|--------------|
|   |                     |                            |                              | AAA                   | AA          | Not<br>Rated |
| Ventura County Treasurer's Pooled Investments | <u>\$ 7,377,386</u> | N/A                        | <u>\$ -</u>                  | <u>\$ 7,377,386</u>   | <u>\$ -</u> | <u>\$ -</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<br>Unobservable<br>Inputs<br>(Level 3) | Uncategorized       |
| Investments:  |                     |  |                     |
| Ventura County Treasurer's Pooled<br>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,<br>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<br>Unobservable<br>Inputs<br>(Level 3) | Uncategorized       |
| Investments:  |                     |  |                     |
| Ventura County Treasurer's Pooled<br>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,<br>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<br>Balance | Additions    | Deletions  | Ending<br>Balance |
| Capital Assets, Not Depreciated:                |                      |              |            |                   |
| Land  | \$ 42,060            | \$ -         | \$ -       | \$ 42,060         |
| Construction in Progress                        | 177,815              | 836,923      | 574,271    | 440,467           |
| Total Capital Assets,<br>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<br>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<br>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<br>Balance   |
|---|----------------------|--------------------|-------------|---------------------|
|   | Beginning<br>Balance | Additions          | Deletions   |                     |
| Capital Assets, Not Depreciated:                |                      |                    |             |                     |
| Land  | \$ 42,060            | \$ -               | \$ -        | \$ 42,060           |
| Construction in Progress                        | -                    | 177,815            | -           | 177,815             |
| Total Capital Assets,<br>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<br>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<br>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                               | 2,422,864           | -                | 113,339           | 2,309,525           | 110,000             |
| 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                               | 2,541,203           | -             | 118,339           | 2,422,864           | 105,000             |
| 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 1<sup>st</sup> and March 1<sup>st</sup> 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 1<sup>st</sup> and May 1<sup>st</sup> 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<br>June 30, | Water Bond<br>Series 2012 |                 | Wastewater Bond<br>Series 2016 |                   | Total<br>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            |
| <b>Total</b>            | <b>\$ 303,604</b>         | <b>\$ 4,630</b> | <b>\$ 2,190,000</b>            | <b>\$ 567,039</b> | <b>\$ 2,493,604</b>        | <b>\$ 571,669</b> |

**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<br>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           |
| <b>Total</b>            | <b>\$ 579,324</b> | <b>\$ 99,128</b> |

**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   | 3,876,666            | 2,963,651            |
| Unrestricted Net Position                                | 11,264,872           | 11,257,715           |
| Total Net Position                                       | <u>\$ 15,141,538</u> | <u>\$ 14,221,366</u> |

<sup>(1)</sup> 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:

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

<sup>(1)</sup> 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<br>of Resources |                  | Deferred Inflows<br>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            |
| <b>Total</b>   | <b>\$ 103,388</b>                 | <b>\$ 74,743</b> | <b>\$ 38</b>                     | <b>\$ 16</b> |

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<br>June 30 | Deferred<br>Outflows/Inflows<br>of Resources |
|-----------------------|--|
| 2022                  | \$ 23,149                                    |
| 2023                  | 19,679                                       |
| 2025                  | 8,404  |
| 2026                  | 77   |
| <b>Total</b>          | <b>\$ 51,309</b>                             |

**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 <sup>(1)</sup>                  | Varies <sup>(1)</sup>                  |
| Mortality Rate Table             | CalPERS Membership Data <sup>(2)</sup> | CalPERS Membership Data <sup>(2)</sup> |
| Post Retirement Benefit Increase | See Footnote <sup>(3)</sup>            | See Footnote <sup>(3)</sup>            |

- (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 <sup>(a)</sup> | Assumed<br>Asset Allocation |       | Real Return<br>Years 1 - 10 <sup>(b)</sup> |       | Real Return<br>Years 11+ <sup>(c)</sup> |        |
|----------------------------|-----------------------------|-------|--|-------|---|--------|
|                            | 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%  |  |       |   |        |

<sup>(a)</sup> 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.

<sup>(b)</sup> An expected inflation of 2.00% used for this period.

<sup>(c)</sup> 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%   |
| 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.

|  | 2021          | 2020          |
|--|---------------|---------------|
| Total Assets                                       | \$ 15,560,967 | \$ 16,115,996 |
| Total Liabilities                                  | 1,145,605     | 1,168,752     |
| Net Position                                       |               |               |
| Net Investment in Capital Assets                   | 12,466,755    | 13,050,060    |
| Restricted for Operations                          | 463,349       | 461,928       |
| Unrestricted                                       | 1,485,258     | 1,435,256     |
| Total Net Position                                 | \$ 14,415,362 | \$ 14,947,244 |
| Total Revenues                                     | \$ 6,361,381  | \$ 5,112,758  |
| Total Expenses                                     | (6,893,263)   | (5,644,641)   |
| Net Increase (Decrease) in Net Position            | \$ (531,882)  | \$ (531,883)  |
| CIBCS D’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 1<sup>st</sup> 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<br>Year | Contractually<br>Required<br>Contribution<br>(Actuarially<br>Determined) | Contributions in<br>Relation to the<br>Actuarially<br>Determined<br>Contribution | Contribution<br>Deficiency (Excess) | Covered Payroll | Contributions as a<br>Percentage of<br>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 1<sup>st</sup> 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<br>and<br>Final Budget | Actual           | Variance<br>Positive<br>(Negative) |
|--|---------------------------------|------------------|------------------------------------|
| <b>OPERATING REVENUES</b>              |                                 |                  |                                    |
| 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>                    |
| <b>OPERATING EXPENSES</b>              |                                 |                  |                                    |
| 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<br>and<br>Final Budget | Actual            | Variance<br>Positive<br>(Negative) |
|---------------------------------------|---------------------------------|-------------------|------------------------------------|
| <b>OPERATING EXPENSES (CONTINUED)</b> |                                 |                   |                                    |
| 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<br>and<br>Final Budget | Actual            | Variance<br>Positive<br>(Negative) |
|---|---------------------------------|-------------------|------------------------------------|
| <b>OPERATING EXPENSES (CONTINUED)</b>     |                                 |                   |                                    |
| 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)                           |
| <b>OPERATING INCOME (LOSS)</b>            | <b>1,087,800</b>                | <b>924,895</b>    | <b>(162,905)</b>                   |
| <b>NONOPERATING REVENUES AND EXPENSES</b> |                                 |                   |                                    |
| 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)                           |
| <b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b> | <b>\$ 1,115,300</b>             | <b>\$ 868,694</b> | <b>\$ (246,606)</b>                |

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

|  | Original<br>and<br>Final Budget | Actual            | Variance<br>Positive<br>(Negative) |
|--|---------------------------------|-------------------|------------------------------------|
| <b>OPERATING REVENUES</b>              |                                 |                   |                                    |
| 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>                   |
| <b>OPERATING EXPENSES</b>              |                                 |                   |                                    |
| 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<br>and<br>Final Budget | Actual            | Variance<br>Positive<br>(Negative) |
|---------------------------------------|---------------------------------|-------------------|------------------------------------|
| <b>OPERATING EXPENSES (CONTINUED)</b> |                                 |                   |                                    |
| 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>                   |
| Total Operating Expenses              | <u>1,680,570</u>                | <u>1,772,592</u>  | <u>(92,022)</u>                    |
| <b>OPERATING INCOME (LOSS)</b>        | <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<br>and<br>Final Budget | Actual                   | Variance<br>Positive<br>(Negative) |
|---|---------------------------------|--------------------------|------------------------------------|
| <b>NONOPERATING REVENUES AND EXPENSES</b> |                                 |                          |                                    |
| 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>                    |
| <b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b> | <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<br>and<br>Final Budget | Actual            | Variance<br>Positive<br>(Negative) |
|-------------------------------------|---------------------------------|-------------------|------------------------------------|
| <b>OPERATING REVENUES</b>           |                                 |                   |                                    |
| 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>                      |
| <b>OPERATING EXPENSES</b>           |                                 |                   |                                    |
| 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<br>and<br>Final Budget | Actual            | Variance<br>Positive<br>(Negative) |
|---------------------------------------|---------------------------------|-------------------|------------------------------------|
| <b>OPERATING EXPENSES (CONTINUED)</b> |                                 |                   |                                    |
| 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              |                                 |                   |                                    |
| <b>OPERATING INCOME (LOSS)</b>        | <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<br>and<br>Final Budget | Actual                   | Variance<br>Positive<br>(Negative) |
|---|---------------------------------|--------------------------|------------------------------------|
| <b>NONOPERATING REVENUES AND EXPENSES</b> |                                 |                          |                                    |
| 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  |                                 |                          |                                    |
| <b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b> | <u><u>\$ 599,622</u></u>        | <u><u>\$ 616,340</u></u> | <u><u>\$ 16,718</u></u>            |

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

|                                  | Original<br>and<br>Final Budget | Actual         | Variance<br>Positive<br>(Negative) |
|----------------------------------|---------------------------------|----------------|------------------------------------|
| <b>OPERATING REVENUES</b>        |                                 |                |                                    |
| Trash Revenue                    | \$ 750,000                      | \$ 785,661     | \$ 35,661                          |
| Total Operating Revenues         | <u>750,000</u>                  | <u>785,661</u> | <u>35,661</u>                      |
| <b>OPERATING EXPENSES</b>        |                                 |                |                                    |
| 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<br>and<br>Final Budget | Actual             | Variance<br>Positive<br>(Negative) |
|---|---------------------------------|--------------------|------------------------------------|
| <b>OPERATING EXPENSES (CONTINUED)</b>     |                                 |                    |                                    |
| 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>                      |
| <b>OPERATING INCOME (LOSS)</b>            | <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>                     |
| <b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b> | <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<br>and<br>Final Budget | Actual      | Variance<br>Positive<br>(Negative) |
|----------------------------------|---------------------------------|-------------|------------------------------------|
| <b>OPERATING REVENUES</b>        |                                 |             |                                    |
|                                  | \$ -                            | \$ -        | \$ -                               |
| Total Operating Revenues         | -                               | -           | -                                  |
| <b>OPERATING EXPENSES</b>        |                                 |             |                                    |
| 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       | 6,640                           | 4,239       | 2,401                              |
| 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      | 19,982                          | 19,874      | 108                                |
| 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    | 821                             | 415         | 406                                |
| Other Operating Expenses:        |                                 |             |                                    |
| Depreciation                     | -                               | -           | -                                  |
| Total Other Operating Expenses   | -                               | -           | -                                  |
| Total Operating Expenses         | 27,443                          | 24,528      | 2,915                              |
| <b>OPERATING INCOME (LOSS)</b>   | \$ (27,443)                     | \$ (24,528) | \$ 2,915                           |

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

|   | Original<br>and<br>Final Budget | Actual           | Variance<br>Positive<br>(Negative) |
|---|---------------------------------|------------------|------------------------------------|
| <b>NONOPERATING REVENUES AND EXPENSES</b> |                                 |                  |                                    |
| 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>                     |
| <b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b> | <u>\$ 63,557</u>                | <u>\$ 58,801</u> | <u>\$ (4,756)</u>                  |

**Independent Auditors' Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Channel Islands Beach Community Services District (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated \_\_\_\_\_, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

Riverside, California  
\_\_\_\_\_, 2022





Board of Directors:

JARED BOUCHARD, President  
MARCIA MARCUS, Vice President  
KRISTINA BREWER, Director  
SEAN DEBLEY, Director  
BOB NAST, Director

Peter Martinez  
General Manager

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## Regular Board Meeting, April 26, 2022

**To:** Board of Directors  
**From:** Peter Martinez, *General Manager*  
**Subject:** Consideration of Resolution 22-07 Requesting Consolidation of the Channel Islands Beach Community Services District Election with the November 8, 2022, General Election  
**Item No.** D-2

### RECOMMENDATION:

1. Adopt Resolution 22-07
2. Approve the “Notice of Elective Offices” to be filed with the candidates being responsible for cost of candidate statements in the sample ballot.

**FINANCIAL IMPACT:** No impact. Costs for required notifications will be requested in FY 2022 – 2023 Operating Budget.

### BACKGROUND/DISCUSSION:

The District’s Board election is scheduled for November 8, 2022. This is a statewide consolidated election. The District has historically conducted all its elections utilizing the services of the County Clerk’s Office. The filing period for candidates for our Director positions is Monday, July 18, 2022, through Friday, August 12, 2022.

Attached is Resolution 22-07 which provides for the required language and request that the County provide election services for the District. Additionally, the ‘Notice of Elective Offices to be filled, designating those offices involved. Staff recommends that the District continues to require candidates filling for election to be responsible for the cost of their statement in the sample ballot. This sample ballot is prepared and mailed by the Clerk of the Board as part of their service package. All of these provisions are consistent with all the previous elections held for the Board of Director elections in District history.

### ATTACHMENT(S):

1. Resolution No. 22-07: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT REQUESTING CONSOLIDATION OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT GENERAL DISTRICT ELECTION WITH THE STATEWIDE GENERAL ELECTION

**RESOLUTION NO. 22-07**  
**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT REQUESTING CONSOLIDATION OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT GENERAL DISTRICT ELECTION WITH THE STATEWIDE GENERAL ELECTION**

**Whereas**, an election is scheduled to be held within the Channel Islands Beach Community Services District on November 8, 2022, for the purposes of electing three District Directors to the Channel Islands Beach Community Services District Board of Directors; and

**Whereas**, a statewide general election will be held within the County of Ventura on that same day;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board Community Services District, as follows:

1. The Board of Supervisors of Ventura County is requested to order that the Channel Islands Beach Community Services District election be consolidated with the statewide election on November 8, 2022 pursuant to Election Code Section 10400 et seq.
2. The Board of Supervisors is authorized to canvass the returns of that election pursuant to Elections Code 1041.
3. Pursuant to Elections Code Section 10002, the Board of Supervisors is requested to permit the county elections officials, to render all services specified by Elections Code Section 10418 relating to the election, for which services Channel Islands Beach Community Services District agrees to reimburse the County in accordance with established charges and procedures.
4. Each candidate is to pay for the printing, handling, translating, and mailing of the candidate's statements pursuant to Section 13307 of the Elections Code.
5. In the event of a tie vote, pursuant to Section 10551, subdivision b of the Elections Code the vote shall be determined by lot.

**PASSED AND ADOPTED** on this 26<sup>th</sup> day of April 2022, by the following vote, to Wit:

AYES:

NOES:

ABSENT:

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Jared Bouchard, *Board President*

I, Erika Davis, Secretary to the Board of Directors of Channel Islands Beach Community Services District, hereby certify that the foregoing Resolution was introduced at a Regular Meeting of the Board of Directors of said District, held on the 26th day of April 2022, and was adopted at this meeting.

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Erika F. Davis, *Clerk of the Board*



Board of Directors:

JARED BOUCHARD, President  
MARCIA MARCUS, Vice President  
KRISTINA BREWER, Director  
SEAN DEBLEY, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

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**Regular Board Meeting, April 26, 2022**

**To:** Board of Directors  
**From:** Peter Martinez, *General Manager*  
**Subject:** Award of Contract for Valve Replacement Project – CI 105  
**Item No.** D-3

**RECOMMENDATION:**

Board to consider and approve contract with Elite General Engineering, Inc. for a not-to-exceed amount of \$157,000 for the Water Valve Replacement Project (CI 105).

**FINANCIAL IMPACT:** The funding has been allocated and approved as part of the FY 2021-22 Capital Improvement Budget.

**BACKGROUND/DISCUSSION:**

On March 8, 2022, the Board authorized the General Manager to proceed with the advertisement of the Water Valve Replacement Project (CI 105). On March 18, 2022, the District formally advertised a Request for Bid for this project over a four-week duration. A mandatory pre-bid meeting was held on March 30, 2022, to provide an overview of the project and to answer any questions from the prospective bidders prior to the bid opening. On April 18, 2022, at 5:00 p.m. the bids were opened for review by the District and the lowest responsible bid was from Elite General Engineering, Inc. in the amount of \$142,163.10.

Please see the bid results in the table below. A full spreadsheet of the bid results that were competitively bid can be found in Attachment 1 (Bid Results).

| Contractors                     | Total Bid Amount |
|---------------------------------|------------------|
| Elite General Engineering, Inc. | \$142,163.10     |
| Sam Hill & Sons                 | \$233,200.00     |

As part of the District's water system maintenance program, we must replace defective gate and butterfly valves to ensure proper operation of the distribution system. Replacing inoperable and broken valves enhances our ability to respond to emergency shutdowns in a timely manner and minimizes the inconvenience to District customers during that time.

The Valve Replacement Project is located in the Silverstrand and Hollywood by the Sea neighborhoods. Based on the staff findings during the valve exercising maintenance program, the District is proposing to replace 18 valves in the defined project area. There are approximately 535 valves in the District's water distribution system. The goal is to replace all inoperable valves across the District's water distribution system over the next two years.

### **NEXT STEPS**

If approved, staff would issue a Notice of Award to Elite General Engineering, Inc. for the Water Valve Replacement Project with an estimated start date in May of 2022. If all work goes as planned, project completion will likely occur prior to June 30, 2022.

***The Water Valve Replacement Project (CI 105) Conformed Contract Document is available at [cibcsd.com](http://cibcsd.com)***

### **ATTACHMENTS:**

1. Bid Results

| BID ITEMS |   |          | *Elite General Engineering |              | Sam Hill & Sons |              |
|-----------|---|----------|----------------------------|--------------|-----------------|--------------|
| NO        | DESCRIPTION                                     | QUANTITY | UNIT PRICE                 | AMOUNT       | UNIT PRICE      | AMOUNT       |
| 1         | Mobilization, Permits, Cleanup & Demobilization | 1        | Lump Sum                   | \$ 5,500.00  | Lump Sum        | \$ 12,400.00 |
| 2         | Valve Replacement( 4-inch)                      | 9        | E.A                        | \$ 51,120.00 | E.A             | \$ 74,250.00 |
| 3         | Valve Replacement( 6-inch)                      | 2        | E.A                        | \$ 12,400.00 | E.A             | \$ 25,000.00 |
| 4         | Valve Replacement( 8-inch)                      | 7        | E.A                        | \$ 50,400.00 | E.A             | \$ 79,800.00 |
| 5         | Dewatering (T&M Upon District approval)         | 1        | Lump Sum                   | \$ 7,500     | Lump Sum        | \$ 7,500     |
| 6         | Concrete Panel Replacement                      | 320      | Square Feet                | \$ 9,523.60  | Square Feet     | \$ 17,600.00 |
| 7         | Gutter Replacement                              | 90       | Square Feet                | \$ 5,719.50  | Square Feet     | \$ 16,650.00 |
|           |   |          |                            |              |                 |              |

**Total Amount of Bid Items 1 Through 7**

**\$ 142,163.10**

**\$ 233,200.00**

\*Listed Subcontractors

Ventura Concrete Cutting

TBS