

CHANNEL ISLANDS BEACH
COMMUNITY SERVICES DISTRICT
ANNUAL AUDIT REPORT
Years Ended June 30, 2020 and 2019

Channel Islands Beach Community Services District
Annual Audit Report
Years Ended June 30, 2020 and 2019

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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, 2020 and 2019, 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, 2020 and 2019, 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.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1B to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. Our opinion is not modified with respect to this matter.

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 March 10, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Teaman Ramirez & Smith, Llc.

Riverside, California
March 10, 2021

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, 2020.

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 - \$2,873,010 for Capital and future unanticipated repairs and maintenance of the water distribution system, \$385,143 operating reserve, \$398,000 for debt service and \$168,057 for rate stabilization.
- ◆ Sewer - \$2,958,650 for Capital and future unanticipated repairs and maintenance of sewer system, 398,720 operating reserve, \$191,000 for debt service and \$173,488 for rate stabilization.
- ◆ Trash - \$50,759 for Capital and future unanticipated repairs and maintenance, \$185,827 for operating reserve and \$88,331 for rate stabilization.
- ◆ Community service - \$212,461 for Capital and future unanticipated repairs and maintenance and \$6,861 for operating reserve.

- Other receivable has decreased by \$212,773, most of which is related to receipt and payment of accrued wastewater charges from and to the City of Oxnard.
- In 2016, 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 2016 through 2020 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 July 15, 2018. There was an increase of 3% on water rate, 6% 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, 6% on wastewater rate and 2.5% on solid waste removal rate with effect from the billing period starting July 15, 2019. 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, 2020, 2019 and 2018 totaled \$14,221,366, \$13,195,014 and \$11,675,222 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 \$1,026,352 from the prior year.

FIGURE 1. NET POSITION

	<u>As of June 30, 2020</u>	<u>As of June 30, 2019</u>	<u>As of June 30, 2018</u>
Assets			
Current Assets	\$ 8,886,961	\$ 8,193,842	\$ 7,051,804
Restricted Assets	82,155	99,745	66,925
Capital Assets, Net	6,399,223	6,464,396	5,706,785
Other Assets	2,953,792	3,058,900	3,164,007
TOTAL ASSETS	\$ 18,322,131	\$ 17,816,883	\$ 15,989,521
Deferred Outflows of Resources			
Pension Related Items	\$ 74,743	\$ 49,791	\$ 5,985
Deferred Amount on Refunding	100,444	150,344	200,244
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 175,187	\$ 200,135	\$ 206,229
Liabilities			
Current Liabilities	\$ 1,074,736	\$ 1,149,785	\$ 1,081,473
Long-Term Debt	3,201,200	3,672,219	3,439,055
TOTAL LIABILITIES	\$ 4,275,936	\$ 4,822,004	\$ 4,520,528
Deferred Inflows of Resources			
Pension Related Items	\$ 16	\$ -	\$ -
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 16	\$ -	\$ -
Net Position			
Net Investment in Capital Assets	\$ 2,963,651	\$ 2,646,757	\$ 2,226,184
Unrestricted	11,257,715	10,548,257	9,449,038
TOTAL NET POSITION	\$ 14,221,366	\$ 13,195,014	\$ 11,675,222

Total assets increased by \$505,248, which is mostly due to increase in cash account due to current year's operating surplus. Total liabilities decreased by \$546,068 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 \$5,043,392, \$4,794,061 and \$4,727,017, respectively for the years ended June 30, 2020, 2019, and 2018. The District is reporting operating income of \$1,025,863, \$842,390, and \$970,224, respectively for the years ended June 30, 2020, 2019 and 2018. Operating expenses before depreciation and amortization totaled \$3,648,991, \$3,615,055 and \$3,450,424, respectively for the years ended June 30, 2020, 2019 and 2018. Depreciation and amortization expenses totaled \$368,538, \$336,616 and \$306,369, respectively as of June 30, 2020, 2019 and 2018.

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

	2020	2019	2018
Revenues			
Charges for Operating Services	\$ 5,043,392	\$ 4,794,061	\$ 4,727,017
Interest	134,719	133,019	64,486
Other Non-Operating Revenues*	4,515	648,194	(7,793)
Development impact fee	-	44,160	12,128
TOTAL REVENUES	\$ 5,182,626	\$ 5,619,434	\$ 4,795,838
Expenses			
Operating Expenses	\$ 4,017,529	\$ 3,951,671	\$ 3,756,793
Other Non-Operating Expenses	121,807	131,033	120,255
Depreciation on Contributed Assets	16,938	16,938	16,938
TOTAL EXPENSES	\$ 4,156,274	\$ 4,099,642	\$ 3,893,986
Change in Net Position	\$ 1,026,352	\$ 1,519,792	\$ 901,852
Net Position at Beginning of Year	\$ 13,195,014	\$ 11,675,222	\$ 10,773,370
Net Position at End of Year	\$ 14,221,366	\$ 13,195,014	\$ 11,675,222

* Includes \$88,169 loss from Joint Venture for year ended June 30, 2020, 2019, and 2018, respectively.

Total revenues decreased by \$436,808. Most of the decrease is due to a sale of a parcel of land included in 2019 that is not present in 2020.

Total expenses increased by \$56,632. Most of the increase is due to the combination of increase in amount due to the City of Oxnard for waste water transportation, sewer system operations and maintenance, and salaries and benefits.

CAPITAL ASSETS

The District's Capital Assets for 2018, 2019 and 2020 are as follows:

	<u>Cost</u>	<u>Less Accumulated Depreciation</u>	<u>Net Depreciable Assets</u>
2018	\$ 10,486,560	\$ (4,779,775)	\$ 5,706,785
2019	\$ 11,525,506	\$ (5,061,110)	\$ 6,464,396
2020	\$ 11,787,310	\$ (5,388,087)	\$ 6,399,223

During the current year, the District capitalized various operating assets totaling \$83,989. There is also a construction in progress in the current year totaling \$177,815. 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 \$3,664,288 total long-term debt outstanding. For 2019 and 2018, the District had \$4,130,716 and \$3,825,387 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 2020-21. 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, 2020 and 2019

	2020	2019
ASSETS		
Current Assets:		
Unrestricted Cash (Notes 1, 2 and 3)	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents (Notes 1, 2 and 3)	8,090,307	6,994,336
Accounts Receivable (Note 1)	385,327	495,887
Other Receivable (Note 1)	236,351	449,124
Interest Receivable	41,049	55,236
Prepaid Items (Note 1)	23,103	88,105
Inventory (Note 1)	5,824	6,154
Total Current Assets	8,886,961	8,193,842
Noncurrent Assets:		
Restricted Assets:		
Cash and Cash Equivalents (Notes 1, 2 and 3)	82,155	99,745
Land and Construction in Progress, Not Being Depreciated (Note 4)	219,875	42,060
Capital Assets, Net of Depreciation (Note 4)	6,179,348	6,422,336
Total Noncurrent Assets	6,481,378	6,564,141
OTHER ASSETS		
Investment in Water JPA, Net of Accumulated Depreciation (Notes 3 and 11)	2,953,792	3,058,900
Total Other Assets	2,953,792	3,058,900
Total Assets	18,322,131	17,816,883
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding (Note 1)	100,444	150,344
Pension Related Items (Note 7)	74,743	49,791
Total Deferred Outflows of Resources	\$ 175,187	\$ 200,135

The accompanying notes are an integral part of these statements.

Channel Islands Beach Community Services District
Statements of Net Position - Continued
June 30, 2020 and 2019

	2020	2019
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 354,635	\$ 492,221
Other Liabilities (Note 1)	46,714	-
Current Portion of Long-term Debt (Note 5)	463,088	458,497
Accrued Payroll, Taxes and Benefits	89,688	82,103
Customer Deposits	82,155	73,215
Accrued Interest	38,456	43,749
Total Current Liabilities	1,074,736	1,149,785
Long-term Debt (Note 5):		
Water Refunding Series 2012 Bond Payable, Net	600,273	889,513
Wastewater Refunding Series 2016 Bond Payable, Net	2,422,864	2,541,203
Loan Payable	640,743	700,000
Net Pension Liability	408	-
Total Long-term Debt, Net of Unamortized Premium (Note 5)	3,664,288	4,130,716
Less Current Portion	(463,088)	(458,497)
Total Long-term Debt	3,201,200	3,672,219
Total Liabilities	4,275,936	4,822,004
DEFERRED INFLOWS OF RESOURCES		
Pension Related Items (Note 7)	16	-
Total Deferred Inflows of Resources	16	-
NET POSITION (Notes 1 and 6)		
Net Investment in Capital Assets	2,963,651	2,646,757
Unrestricted	11,257,715	10,548,257
Total Net Position	\$ 14,221,366	\$ 13,195,014

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, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Water Revenue	\$ 2,030,678	\$ 1,941,516
Sewer Revenue	1,329,200	1,253,582
Sewer Revenue - Oxnard	921,827	875,845
Trash Revenue	761,687	723,118
Total Operating Revenues	5,043,392	4,794,061
OPERATING EXPENSES		
Water System Expenses:		
PHWA Water Expenses	710,806	591,186
Water Samples	12,225	12,819
SDHS Annual Administrative Fee	13,179	12,880
Cross Connect Contract Charges	1,260	1,681
Repairs and Maintenance - Distribution	117,014	102,576
Water Quality Report	3,675	3,669
Telemetry	9,979	6,296
Total Water System Expenses	868,138	731,107
Sewer System Expenses:		
Waste Water Transportation - Oxnard	912,026	878,237
Operations and Maintenance	72,657	174,425
Telemetry	27,477	16,069
Power	17,243	15,113
Total Sewer System Expenses	1,029,403	1,083,844
Trash Expenses:		
Trash Services	551,523	525,980
Total Trash Expenses	551,523	525,980
Maintenance Expenses:		
Vehicle Expenses	9,250	8,549
Building Maintenance and Security	8,219	6,461
Sign and Banner Expense	810	969
Public Landscape Project	4,357	7,089
Employee Workplace Safety	2,452	1,914
Gasoline Expenses	10,259	12,416
Emergency Preparedness Expense	489	2,016
Total Maintenance Expenses	35,836	39,414
Salaries and Benefits:		
Regular Salaries	656,053	662,168
Retirement Benefits	34,707	22,705
Uniforms	4,057	5,896
Insurance	127,648	127,604
Payroll Taxes	10,183	12,087
Employee Educational Expense	20,418	15,348
Total Salaries and Benefits	\$ 853,066	\$ 845,808

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, 2020 and 2019

	2020	2019
OPERATING EXPENSES (CONTINUED)		
Administrative Expenses:		
Board Meetings	\$ 7,500	\$ 8,900
Board/Committee Expenses	569	1,052
Conferences and Seminars - Board	6,843	9,224
Dues/ Membership	22,040	19,708
Office Supplies	8,085	7,151
E-Pay Online	3,693	7,486
Communications	15,121	14,860
Printing and Publications	5,796	5,050
Postage and Shipping	11,064	16,050
Utilities	2,866	2,646
Miscellaneous Office Expense	13,428	13,040
Other Professional Services	6,548	14,293
Office Equipment Maintenance	16,512	16,947
Insurance	26,642	30,421
Accounting Services	45,455	38,580
Computer Services	26,337	17,142
Legal Services	31,979	72,648
Engineering Services	47,236	87,707
Bank and Trustee Fees	2,500	2,500
Legal Notices Publication Expense	1,081	1,411
Public Information	8,306	1,154
Payroll Expense	-	394
	309,601	388,364
Total Administrative Expenses		
Other Operating Expenses:		
Depreciation (Note 4)	326,977	295,055
Amortization (Note 1)	41,561	41,561
Bad Debt (Note 1)	1,424	538
	369,962	337,154
Total Other Operating Expenses		
	4,017,529	3,951,671
Total Operating Expenses		
OPERATING INCOME	\$ 1,025,863	\$ 842,390

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, 2020 and 2019

	2020	2019
NON-OPERATING REVENUES AND EXPENSES		
Investment Earnings	\$ 134,719	\$ 133,019
Net Gain (Loss) from Joint Venture (Note 11)	(88,170)	(88,169)
Net Gain (Loss) on Sale of Capital Assets	-	639,374
County Tax Apportionment (Note 1)	92,685	96,989
Interest Expense	(121,807)	(131,033)
Total Non-Operating Revenues and Expenses	17,427	650,180
INCOME BEFORE CONTRIBUTIONS	1,043,290	1,492,570
CAPITAL CONTRIBUTIONS (NOTE 1)		
Developmental Impact Fee	-	44,160
Amortization on Contributed Capital	(16,938)	(16,938)
Total Capital Contributions	(16,938)	27,222
CHANGE IN NET POSITION	1,026,352	1,519,792
NET POSITION, BEGINNING OF YEAR	13,195,014	11,675,222
NET POSITION, END OF YEAR	\$ 14,221,366	\$ 13,195,014

The accompanying notes are an integral part of these statements.

Channel Islands Beach Community Services District
Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Water, Sewer and Trash Services	\$ 5,365,301	\$ 4,587,116
Cash Payments to Contract and Water System Services	(2,464,723)	(2,413,379)
Cash Payments to Maintenance and Administration Services	(346,378)	(421,814)
Cash Payments to Employees for Services	(870,009)	(899,900)
	1,684,191	852,023
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
County Tax Apportionment	92,685	96,989
	92,685	96,989
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(261,804)	(1,052,666)
Proceeds from the Sale of Capital Assets	-	639,374
Capital Contributions	-	44,160
Principal Paid on Debt	(458,497)	313,668
Interest Paid on Debt	(127,100)	(112,951)
	(847,401)	(168,415)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Earnings	148,906	107,072
	148,906	107,072
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,078,381	887,669
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	7,199,081	6,311,412
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 8,277,462	\$ 7,199,081

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, 2020 and 2019

	2020	2019
RECONCILIATION OF OPERATING INCOME		
TO NET CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Operating Income	\$ 1,025,863	\$ 842,390
ADJUSTMENTS TO RECONCILE NET OPERATING INCOME		
TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation and Amortization	368,538	336,616
Bad Debt Expense	1,424	538
(Increase) Decrease in Accounts and Other Receivables	321,909	(206,945)
(Increase) Decrease in Prepaid Items	65,002	(57,028)
(Increase) Decrease in Inventory	330	2,193
(Increase) Decrease in Deferred Outflows - Pension Related Items	(24,952)	(43,806)
Increase (Decrease) in Accounts Payable and Other Liabilities	(90,872)	(17,939)
Increase (Decrease) in Accrued Payroll, Taxes and Benefits	7,585	(10,286)
Increase (Decrease) in Customer Deposits	8,940	6,290
Increase (Decrease) in Deferred Inflows - Pension Related Items	16	-
Increase (Decrease) in Net Pension Liability	408	-
TOTAL ADJUSTMENTS	658,328	9,633
NET CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES	\$ 1,684,191	\$ 852,023
SUPPLEMENTAL DISCLOSURES		
Cash and Cash Equivalents		
Unrestricted Cash	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents	8,090,307	6,994,336
Restricted Cash and Cash Equivalents	82,155	99,745
Total	\$ 8,277,462	\$ 7,199,081
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.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

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

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. The District has elected not to early implement GASB No. 84 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, 2020 and 2019

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

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

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. 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-19 pandemic, GASB No. 95 delayed the implementation of this Statement by one year for reporting periods beginning after December 15, 2020. 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. 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, 2020. The District has elected not to early implement GASB No. 90 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, 2020 and 2019

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

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

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. 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. 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 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. The District has elected not to early implement GASB No. 93 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, 2020 and 2019

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

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

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. 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. 95

In May of 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides which are as follows:

- a. Statement 83 - Reporting periods beginning after June 15, 2019.
- b. Statement 84 and Implementation Guide 2019-2 - Reporting periods beginning after December 15, 2019.
- c. Statement 87 and Implementation Guide 2019-3 - Fiscal years beginning after June 15, 2021, and all reporting periods thereafter.
- d. Statement 88 - Reporting periods beginning after June 15, 2019.
- e. Statement 89 - Reporting periods beginning after December 15, 2020.
- f. Statement 90 - Reporting periods beginning after December 15, 2019.
- g. Statement 91 - Reporting periods beginning after December 15, 2021.
- h. Statement 92, paragraphs 6 and 7 - Fiscal years beginning after June 15, 2021.
- i. Statement 92, paragraphs 8, 9, and 12 - Reporting periods beginning after June 15, 2021.
- j. Statement 92, paragraph 10 - Government acquisitions occurring in reporting periods beginning after June 15, 2021.
- k. Statement 93, paragraphs 13 and 14 - Fiscal years beginning after June 15, 2021, and all reporting periods thereafter.
- l. Implementation Guide 2017-3, Questions 4.484 and 4.491 - The first reporting period in which the measurement date of the (collective) net OPEB liability is on or after June 15, 2019.
- m. Implementation Guide 2017-3, Questions 4.85, 4.103, 4.108, 4.109, 4.225, 4.239, 4.244, 4.245, and 5.1-5.4 - Actuarial valuations as of December 15, 2018, or later.
- n. Implementation Guide 2018-1 - Reporting periods beginning after June 15, 2019.
- o. Implementation Guide 2019-1 - Reporting periods beginning after June 15, 2020.

Statement No. 95 is effective immediately. The City has elected to delay certain provisions in the GASB Statements as allowed by GASB Statement No. 95.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

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

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

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. 95 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. 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. The District has elected not to early implement GASB No. 97 and has not determined its 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.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

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

D) Basis of Accounting and Measurement Focus - Continued

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.

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 budget for the year ended June 30, 2020.

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.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

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

H) Accounts Receivable

Accounts receivable include \$0 and \$175,647 of unbilled utility services as of June 30, 2020 and 2019, respectively, which is attributable to the second half of the June 30th service period billed in July in fiscal year 2019. During the 2020 fiscal year, the District switched from a mid-month utility billing period to a month end billing period. 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, 2020 and 2019 was \$5,000 and \$5,000, respectively. The Bad Debt expense was \$1,424 and \$538 as of June 30, 2020 and 2019, respectively.

I) Other Receivables and Other Liabilities

Other receivables include \$236,351 and \$449,124 from the City of Oxnard as of June 30, 2020 and 2019. 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 trash services of \$46,714 as of June 30, 2020.

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 \$12,246 for insurance and dues, and \$10,857 for water purchases (Port Hueneme Water Agency true-up), as of June 30, 2020. Prepaid items include \$10,976 for insurance and dues, and \$77,129 for water purchases (Port Hueneme Water Agency true-up), as of June 30, 2019.

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.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

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

L) Compensated Absences

Employees are entitled to accumulate vacation leave at a rate of two, three or four weeks per year, depending on the number of years of service completed. Upon termination, separation, or retirement, each employee is paid for all their accumulated vacation 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.

Employees are entitled to accumulate sick leave at a rate of twelve days per year. Once during a twelve month period, an employee may request to exchange excess sick leave accruals for vacation hours at the rate of one hour of vacation time for each two hours of sick leave accrued if they comply with the following conditions: 1) must have accrued at least twelve days of unused sick leave and used six days or less during the previous twelve months, and 2) must maintain a sick leave accrual balance of at least ten days of sick leave after the once a year exchange of excess sick leave for vacation hours takes place. Upon termination, separation, or retirement, each employee is paid for all their accumulated sick leave at the hourly rate 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.

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.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

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

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.

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, 2020, were \$2,808,480,715 and \$2,819,975,215, respectively and at June 30, 2019, were \$2,780,291,448 and \$2,796,216,686. The District's share of the Pool at June 30, 2020 and 2019 was approximately 0.262 percent and 0.231 percent.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

2) CASH AND INVESTMENTS - Continued

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, 2020 and 2019 the carrying amount of the District's petty cash, deposits and investments were \$8,277,462 and \$7,199,081 and are broken down as follows:

	2020	2019
Petty Cash	\$ 750	\$ 750
U. S. Bank	-	26,530
County Treasury	7,377,386	6,449,792
Pacific Western Bank	899,326	722,009
Total	\$ 8,277,462	\$ 7,199,081

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:

	2020	2019
Statement of Net Position:		
Unrestricted Cash	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents	8,090,307	6,994,336
Restricted Cash and Cash Equivalents	82,155	99,745
Total Cash and Investments	\$ 8,277,462	\$ 7,199,081

Cash and investments consist of the following:

	2020	2019
Cash on Hand	\$ 750	\$ 750
Deposits with Financial Institutions	899,326	722,009
Ventura County Treasurer's Pooled Investments	7,377,386	6,449,792
Investments	-	26,530
Total Cash and Investments	\$ 8,277,462	\$ 7,199,081

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

2) CASH AND INVESTMENTS - Continued

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of *Portfolio</u>	<u>Maximum Investment In One Issuer</u>
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.

The District had the following investments:

	<u>2020</u>		<u>2019</u>	
	<u>Amount</u>	<u>Maturity Date</u>	<u>Amount</u>	<u>Maturity Date</u>
Ventura County Treasurer's Pooled Investments	\$ 7,377,386	N/A	\$ 6,449,792	N/A
Held by Trustee: Money Market Funds	-	N/A	26,530	N/A
Total	<u>\$ 7,377,386</u>		<u>\$ 6,476,332</u>	

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

2) CASH AND INVESTMENTS - Continued

Disclosures Relating to Credit Risk

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

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, 2020

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

June 30, 2019

<u>Investment Type</u>		<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year End</u>		
				<u>AAA</u>	<u>AA</u>	<u>Not Rated</u>
Ventura County Treasurer's Pooled Investments	\$ 6,449,792	N/A	\$ -	\$ 6,449,792	\$ -	\$ -
Held by Trustee: Money Market Funds	26,530	AAA	-	26,530	-	-
Total	\$ 6,476,322		\$ -	\$ 6,476,322	\$ -	\$ -

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.

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.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

2) CASH AND INVESTMENTS - Continued

Custodial Credit Risk - Continued

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, 2020 and 2019, 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:

	<u>2020</u>	<u>2019</u>
Capital and Unanticipated Repairs and Maintenance	\$ 6,094,880	\$ 5,037,846
Rate Stabilization	429,876	388,877
Reserved for Operations	976,551	978,613
Debt Service	<u>589,000</u>	<u>589,000</u>
Total	<u>\$ 8,090,307</u>	<u>\$ 6,994,336</u>

Restricted Cash

Cash is restricted for the following:

	<u>2020</u>	<u>2019</u>
CSDA Loan Water Meter Project	\$ -	\$ 26,530
Customer Deposits	<u>82,155</u>	<u>73,215</u>
Total	<u>\$ 82,155</u>	<u>\$ 99,745</u>

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

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.

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

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

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

3) FAIR VALUE MEASUREMENTS - Continued

	2019		
	Fair Value	Significant Unobservable Inputs (Level 3)	Uncategorized
Investments:			
Ventura County Treasurer's Pooled Investments	\$ 6,449,792	\$ -	\$ 6,449,792
Held by Trustee: Money Market Funds	26,530	-	26,530
Total Investments	\$ 6,476,322	\$ -	\$ 6,476,322
Other Assets:			
Investment in Water JPA, Net of Accumulated Depreciation	\$ 3,058,900	\$ 3,058,900	\$ -
Total Other Assets	\$ 3,058,900	\$ 3,058,900	\$ -

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.

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

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

4) CAPITAL ASSETS - Continued

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

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

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

4) CAPITAL ASSETS - Continued

	2019			
	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Depreciated:				
Land	\$ 42,060	\$ -	\$ -	\$ 42,060
Total Capital Assets, Not Depreciated	42,060	-	-	42,060
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	86,144	38,635	13,878	110,901
Vehicles	175,867	-	-	175,867
Tools and Shop Equipment	277,130	-	-	277,130
Office Building	109,056	-	-	109,056
1911 Act Sewer Line	6,837,549	169,286	-	7,006,835
Water Distribution System	2,958,754	844,903	-	3,803,657
Total Capital Assets, Being Depreciated	10,444,500	1,052,824	13,878	11,483,446
Less Accumulated Depreciation:				
Office Furniture and Equipment	(59,660)	(13,189)	(13,720)	(59,129)
Vehicles	(162,803)	(11,838)	-	(174,641)
Tools and Shop Equipment	(188,540)	(12,211)	-	(200,751)
Office Building	(84,143)	(1,730)	-	(85,873)
1911 Act Sewer Line	(1,910,111)	(165,447)	-	(2,075,558)
Water Distribution System	(2,374,518)	(90,640)	-	(2,465,158)
Total Accumulated Depreciation	(4,779,775)	(295,055)	(13,720)	(5,061,110)
Total Capital Assets, Being Depreciated, Net	5,664,725	757,769	158	6,422,336
Capital Assets, Net of Depreciation	\$ 5,706,785	\$ 757,769	\$ 158	\$ 6,464,396

5) LONG-TERM DEBT

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

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	\$ 4,130,716	\$ 408	\$ 466,836	\$ 3,664,288	\$ 463,088

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

5) LONG-TERM DEBT - Continued

Changes in Long-Term Debt	2019				
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2012 Water Refunding Bonds Series	\$ 1,170,845	\$ -	\$ 281,332	\$ 889,513	\$ 289,240
2016 Wastewater Refunding Bonds Series	2,510,000	-	105,000	2,405,000	110,000
Premiums on Bonds	144,542	-	8,339	136,203	-
Subtotal	<u>2,654,542</u>	<u>-</u>	<u>113,339</u>	<u>2,541,203</u>	<u>110,000</u>
Direct Borrowing - Loan Payable	-	700,000	-	700,000	59,257
Total	<u>\$ 3,825,387</u>	<u>\$ 700,000</u>	<u>\$ 394,671</u>	<u>\$ 4,130,716</u>	<u>\$ 458,497</u>

Bonds Payable

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

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

Future debt requirements are as follows:

Year Ending June 30,	Water Bond Series 2012		Wastewater Bond Series 2016		Total Debt Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 296,669	\$ 13,784	\$ 105,000	\$ 75,606	\$ 401,669	\$ 89,390
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
2026-2030	-	-	700,000	213,656	700,000	213,656
2031-2035	-	-	840,000	87,309	840,000	87,309
2036	-	-	180,000	2,700	180,000	2,700
Total	<u>\$ 600,273</u>	<u>\$ 18,414</u>	<u>\$ 2,295,000</u>	<u>\$ 642,645</u>	<u>\$ 2,895,273</u>	<u>\$ 661,059</u>

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 \$618,687, payable through fiscal year 2022. For the current year, principal and interest paid by water revenues and investment earnings were \$289,240 and \$22,719, respectively.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

5) LONG-TERM DEBT - Continued

Revenues Pledged - Continued

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 \$2,937,645, payable through fiscal year 2036. For the current year, principal and interest paid by sewer revenues and investment earnings was \$110,000 and \$78,831, 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.

Year Ending June 30,	Loan Payable	
	Principal	Interest
2021	\$ 61,419	\$ 23,387
2022	63,661	21,145
2023	65,985	18,822
2024	68,393	16,413
2025	70,890	13,917
2026-2029	310,395	28,831
Total	\$ 640,743	\$ 122,515

6) NET POSITION

Net position at June 30, 2020 and 2019, consisted of the following:

	2020	2019
Net Position:		
Net Investment in Capital Assets	\$ 2,963,651 ⁽¹⁾	\$ 2,646,757 ⁽²⁾
Unrestricted Net Position	11,257,715	10,548,257
Total Net Position	\$ 14,221,366	\$ 13,195,014

⁽¹⁾ As of June 30, 2020, \$100,444 of deferred outflows of resources and \$(3,536,016) of capital related debt were included in the net investment in capital assets.

⁽²⁾ As of June 30, 2019, \$150,344 of deferred outflows of resources and \$(3,967,983) of capital related debt were included in the net investment in capital assets. Capital related debt is net of \$26,530 unspent loan proceeds and the bond premiums are excluded because the premiums were used for non-capital costs.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

7) CALPERS RETIREMENT PLAN

A) General Information about the Pension Plans

Plan Description

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, 2020 and 2019 are summarized as follows:

	<u>Miscellaneous</u>
	<u>On or After</u>
	<u>January 1, 2013</u>
Hire Date	
Benefit Formulas	2.0% at 62
Benefit Vesting Schedule	5 Years Service
Benefit Payments	Monthly for Life
Retirement Age	52 - 67+
Monthly Benefits, as a % of Eligible Compensation	1.0% - 2.5%
Required Employee Contribution Rates	6.25%
Required Employer Contribution Rates	
2020	6.985%
2019	6.842%

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

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, 2020 and 2019 were \$39,754 and \$43,807, respectively.

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

The District entered into a retirement contract with CalPERS effective May 5, 2018. As of June 30, 2020 and 2019, the District's net pension liability for its proportionate share of the net pension liability of the Plan was \$408 and \$0.

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, 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 net pension liability of the plan is measured as of June 30, 2018 for the 2019 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, 2017 rolled forward to June 30, 2018 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:

	<u>2020</u>		<u>2019⁽¹⁾</u>
Proportion - June 30, 2018	0.00000%	Proportion - June 30, 2017	0.00000%
Proportion - June 30, 2019	0.00001%	Proportion - June 30, 2018	0.00000%
Change - Increase (Decrease)	0.00001%	Change - Increase (Decrease)	0.00000%

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

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

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, 2020 and 2019, the District recognized had no pension expense since its proportionate share of the net pension liability was not included in the most recent actuarial valuation. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	2020	2019	2020	2019
Pension contributions subsequent to measurement date	\$ 39,754	\$ 49,791	\$ -	\$ -
Differences between actual and expected experience	28	-	2	-
Changes in assumptions	19	-	7	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	34,942	-	-	-
Net differences between projected and actual earnings on plan investments	-	-	7	-
Total	\$ 74,743	\$ 49,791	\$ 16	\$ -

The District reported \$39,754 and \$49,791 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 years ended June 30, 2021 and June 30, 2020, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/Inflows of Resources
2021	\$ 13,072
2022	12,723
2023	9,177
2024	1

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

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, 2019 and 2018 actuarial valuations were determined using the following actuarial assumptions:

	2020	2019
Valuation Date	June 30, 2018	June 30, 2017
Measurement Date	June 30, 2019	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.5%	2.5%
Salaries Increases	Varies ⁽¹⁾	Varies ⁽¹⁾
Mortality Rate Table	CalPERS Membership Data ⁽²⁾	CalPERS Membership Data ⁽²⁾
Post Retirement Benefit Increase	See Footnote ⁽³⁾	See Footnote ⁽³⁾

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

⁽²⁾ The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) 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 2019 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, 2019 and 2018 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 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.

Long-term Expected Rate of Return

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

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

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 - Continued

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

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

Asset Class ^(a)	Assumed Asset Allocation		Real Return Years 1 - 10 ^(b)		Real Return Years 11+ ^(c)	
	2019	2018	2019	2018	2019	2018
Global Equity	50.0%	50.0%	4.80%	4.80%	5.98%	5.98%
Global Fixed Income	28.0%	28.0%	1.00%	1.00%	2.62%	2.62%
Inflation Assets	-	-	0.77%	0.77%	1.81%	1.81%
Private Equity	8.0%	8.0%	6.30%	6.30%	7.23%	7.23%
Real Estate	13.0%	13.0%	3.75%	3.75%	4.93%	4.93%
Liquidity	1.0%	1.0%	-	-	-0.92%	-0.92%
Total	100%	100%				

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

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

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

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

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

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

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

		2020		2019
1% Decrease		6.15%		6.15%
Net Pension Liability (Asset)	\$	2,343	\$	-
Current Discount Rate		7.15%		7.15%
Net Pension Liability (Asset)	\$	408	\$	-
1% Increase		8.15%		8.15%
Net Pension Liability (Asset)	\$	(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, 2020 and 2019, the District reported, in accrued payroll, taxes and benefits, a payable of \$0 and \$4,455, respectively, for the outstanding amount of contributions to the pension plan required for the years ended June 30, 2020 and 2019.

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.

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.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

8) DEFERRED COMPENSATION - Continued

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

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, 2020 and 2019 were \$26,642 and \$26,651, 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, 2020 was \$13,511,984, of which CIBCSD's share was \$2,670,164 and through June 30, 2019 was \$14,093,866, of which CIBCSD's share was \$2,785,152. 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. A summary of the assets, liabilities and results of operations of PHWA are as follows.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

11) PORT HUENEME WATER AGENCY/JOINT VENTURE - Continued

	2020	2019
Total Assets	\$ 16,115,996	\$ 17,141,810
Total Liabilities	1,168,752	1,662,683
Net Position		
Net Investment in Capital Assets	13,050,060	13,628,211
Restricted for Operations	461,928	465,659
Unrestricted	1,435,256	1,385,257
Total Net Position	\$ 14,947,244	\$ 15,479,127
Total Revenues	\$ 5,112,758	\$ 4,206,792
Total Expenses	(5,644,641)	(4,739,230)
Net Increase (Decrease) in Net Position	\$ (531,883)	\$ (532,438)
CIBCSD's report its share of the PHWA as follows:		
Investment in PHWA	\$ 2,953,792	\$ 3,058,900
Profit (Loss) in PHWA Joint Venture	\$ (88,170)	\$ (88,169)
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.

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, 2020

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%

Notes to Schedule:

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

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

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

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

Channel Islands Beach Community Services District
Schedule of Contributions
CalPERS Pension Plan
Last Ten Years*
As of June 30, 2020

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

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

SUPPLEMENTAL INFORMATION

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - All Activities
Year Ended June 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Water Revenue	\$ 2,198,000	\$ 2,030,678	\$ (167,322)
Sewer Revenue	1,371,753	1,329,200	(42,553)
Sewer Revenue - Oxnard	898,247	921,827	23,580
Trash Revenue	731,000	761,687	30,687
	<u>5,199,000</u>	<u>5,043,392</u>	<u>(155,608)</u>
OPERATING EXPENSES			
Water System Expenses:			
PHWA Water Expense	810,000	710,806	99,194
Water Samples	16,000	12,225	3,775
SDHS Annual Admin. Fee	14,000	13,179	821
Cross Connect Contract Charges	1,800	1,260	540
Repairs and Maintenance - Distribution	130,000	117,014	12,986
Water Quality Report	4,000	3,675	325
Telemetry	11,000	9,979	20,979
	<u>986,800</u>	<u>868,138</u>	<u>118,662</u>
Sewer System Expenses:			
Waste Water Transportation - Oxnard	830,000	912,026	(82,026)
Operations and Maintenance	114,000	72,657	41,343
Telemetry	38,000	27,477	10,523
Power	20,000	17,243	2,757
	<u>1,002,000</u>	<u>1,029,403</u>	<u>(27,403)</u>
Trash Expenses:			
Trash Services	528,000	551,523	(23,523)
	<u>528,000</u>	<u>551,523</u>	<u>(23,523)</u>
Maintenance Expenses:			
Vehicle Expenses	10,000	9,250	750
Building Security	3,000	1,528	1,472
Building Maintenance	12,000	6,691	5,309
Sign and Banner Expense	1,500	810	690
Public Landscape Project	4,500	4,357	143
Employee Workplace Safety	5,000	2,452	2,548
Gasoline Expenses	15,000	10,259	4,741
Emergency Preparedness Expense	1,500	489	1,011
	<u>\$ 52,500</u>	<u>\$ 35,836</u>	<u>\$ 16,664</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - All Activities - Continued
Year Ended June 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Salaries and Benefits:			
Regular Salaries	\$ 673,000	\$ 656,053	\$ 16,947
Retirement Benefits	68,900	34,707	34,193
Uniforms	3,900	4,057	(157)
Group Insurance	119,000	117,507	1,493
Worker's Compensation Insurance	13,000	10,141	2,859
Payroll Taxes	19,000	10,183	8,817
Employee Educational Expense	18,000	20,418	(2,418)
	<u>914,800</u>	<u>853,066</u>	<u>61,734</u>
Administrative Expenses:			
Regular Board Payments	9,000	7,100	1,900
Special Board Meetings	2,350	400	1,950
Board/Committee Expenses	1,000	569	431
Conferences and Seminars - Board	5,000	355	4,645
Board Travel and Lodging	8,500	6,488	2,012
Dues/Membership - District	22,000	22,040	(40)
Office Supplies	7,500	8,085	(585)
E-Pay Online	7,000	3,693	3,307
Communications	16,000	15,121	879
Printing and Publications	6,000	5,796	204
Postage and Shipping	15,000	11,064	3,936
Utilities	3,800	2,866	934
Miscellaneous Office Expense	13,200	13,428	(228)
Other Professional Services	10,000	6,548	3,452
Office Equipment Maintenance	8,000	16,512	(8,512)
Equipment Purchases	49,000	-	49,000
Insurance	39,000	26,642	12,358
Accounting Services	48,000	45,455	2,545
Computer Services	19,000	26,337	(7,337)
Legal Services	60,000	31,979	28,021
Engineering Services	60,000	47,236	12,764
Bank and Trustee Fees	4,000	2,500	1,500
Legal Notices Publication Expense	3,000	1,081	1,919
Public Information Expense	14,000	8,306	5,694
	<u>\$ 430,350</u>	<u>\$ 309,601</u>	<u>\$ 120,749</u>
Total Administrative Expenses			

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - All Activities - Continued
Year Ended June 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Other Operating Expenses:			
Depreciation	\$ -	\$ 326,977	\$ (326,977)
Amortization	-	41,561	(41,561)
Bad Debt	-	1,424	(1,424)
Total Other Operating Expenses	-	369,962	(369,962)
Total Operating Expenses	3,914,450	4,017,529	(103,079)
OPERATING INCOME (LOSS)	1,284,550	1,025,863	(258,687)
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenue:			
Investment Earnings	38,000	134,719	96,719
Net Gain (Loss) from Joint Venture	-	(88,170)	(88,170)
County Tax Apportionment	91,000	92,685	1,685
Total Nonoperating Revenues	129,000	139,234	10,234
Nonoperating Expenses:			
Interest Expense	130,503	121,807	8,696
Total Nonoperating Expenses	130,503	121,807	8,696
Total Nonoperating Revenues and Expenses	(1,503)	17,427	18,930
INCOME (LOSS) BEFORE CONTRIBUTIONS	\$ 1,283,047	\$ 1,043,290	\$ (239,757)

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Water
Year Ended June 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Water Revenue	\$ 2,198,000	\$ 2,030,678	\$ (167,322)
Total Operating Revenues	<u>2,198,000</u>	<u>2,030,678</u>	<u>(167,322)</u>
OPERATING EXPENSES			
Water System Expenses:			
PHWA Water Expense	810,000	710,806	99,194
Water Samples	16,000	12,225	3,775
SDHS Annual Admin. Fee	14,000	13,179	821
Cross Connect Contract Charges	1,800	1,260	540
Repairs and Maintenance - Distribution	130,000	117,014	12,986
Water Quality Report	4,000	3,675	325
Telemetry	11,000	9,979	1,021
Total Water System Expenses	<u>986,800</u>	<u>868,138</u>	<u>118,662</u>
Maintenance Expenses:			
Vehicle Expenses	4,300	3,977	323
Building Security	990	504	486
Building Maintenance	3,960	2,208	1,752
Sign and Banner Expense	495	268	227
Employee Workplace Safety	2,150	1,055	1,095
Gasoline Expenses	6,450	4,412	2,038
Total Maintenance Expenses	<u>18,345</u>	<u>12,424</u>	<u>5,921</u>
Salaries and Benefits:			
Regular Salaries	262,470	255,861	6,609
Retirement Benefits	26,871	13,536	13,335
Uniforms	1,677	1,745	(68)
Group Insurance	46,410	45,828	582
Worker's Compensation Insurance	5,070	3,955	1,115
Payroll Taxes	7,410	3,971	3,439
Employee Educational Expense	7,020	7,964	(944)
Total Salaries and Benefits	<u>\$ 356,928</u>	<u>\$ 332,860</u>	<u>\$ 24,068</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Water - Continued
Year Ended June 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Administrative Expenses:			
Regular Board Payments	\$ 3,510	\$ 2,769	\$ 741
Special Board Meetings	916	156	760
Board/Committee Expenses	390	222	168
Conferences and Seminars - Board	1,950	139	1,811
Board Travel and Lodging	3,315	2,530	785
Dues/Membership - District	9,402	9,477	(75)
Office Supplies	2,475	2,668	(193)
E-Pay Online	2,310	1,219	1,091
Communications	5,280	4,990	290
Printing and Publications	1,980	1,913	67
Postage and Shipping	4,950	3,651	1,299
Utilities	1,254	946	308
Miscellaneous Office Expense	4,356	4,431	(75)
Other Professional Services	4,100	2,685	1,415
Office Equipment Maintenance	2,640	5,449	(2,809)
Equipment Purchases	17,668	-	17,668
Insurance	15,990	10,924	5,066
Accounting Services	19,680	18,637	1,043
Computer Services	7,790	10,798	(3,008)
Legal Services	34,200	18,228	15,972
Engineering Services	24,600	19,367	5,233
Bank and Trustee Fees	1,640	1,025	615
Legal Notices Publication Expense	990	357	633
Public Information Expense	4,620	2,741	1,879
	<u>176,006</u>	<u>125,322</u>	<u>50,684</u>
Total Administrative Expenses			
Other Operating Expenses:			
Depreciation	-	166,759	(166,759)
Amortization	-	47,197	(47,197)
Bad Debt	-	484	(484)
	<u>-</u>	<u>214,440</u>	<u>(214,440)</u>
Total Other Operating Expenses			
	<u>1,538,079</u>	<u>1,553,184</u>	<u>(15,105)</u>
Total Operating Expenses			
OPERATING INCOME (LOSS)	<u>\$ 659,921</u>	<u>\$ 477,494</u>	<u>\$ (182,427)</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Water - Continued
Year Ended June 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenues:			
Investment Earnings	\$ 13,300	\$ 47,152	\$ 33,852
Net Gain (Loss) from Joint Venture	-	(88,170)	(88,170)
Total Nonoperating Revenues	<u>13,300</u>	<u>(41,018)</u>	<u>(54,318)</u>
Nonoperating Expenses:			
Interest Expense	<u>79,760</u>	<u>43,526</u>	<u>36,234</u>
Total Nonoperating Expenses	<u>79,760</u>	<u>43,526</u>	<u>36,234</u>
Total Nonoperating Revenues and Expenses	<u>(66,460)</u>	<u>(84,544)</u>	<u>(18,084)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u><u>\$ 593,461</u></u>	<u><u>\$ 392,950</u></u>	<u><u>\$ (200,511)</u></u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Wastewater
Year Ended June 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Sewer Revenue	\$ 1,371,753	\$ 1,329,200	\$ (42,553)
Sewer Revenue - Oxnard	898,247	921,827	23,580
Total Operating Revenues	<u>2,270,000</u>	<u>2,251,027</u>	<u>(18,973)</u>
OPERATING EXPENSES			
Sewer System Expense:			
Waste Water Transportation - Oxnard	830,000	912,026	(82,026)
Operations and Maintenance	114,000	72,657	41,343
Telemetry	38,000	27,477	10,523
Power	20,000	17,243	2,757
Total Sewer System Expenses	<u>1,002,000</u>	<u>1,029,403</u>	<u>(27,403)</u>
Maintenance Expenses:			
Vehicle Expenses	4,100	3,793	307
Building Security	1,020	520	500
Building Maintenance	4,080	2,275	1,805
Sign and Banner Expense	510	275	235
Employee Workplace Safety	2,050	1,005	1,045
Gasoline Expenses	6,150	4,206	1,944
Total Maintenance Expenses	<u>17,910</u>	<u>12,074</u>	<u>5,836</u>
Salaries and Benefits:			
Regular Salaries	269,200	262,421	6,779
Retirement Benefits	27,560	13,883	13,677
Uniforms	1,599	1,663	(64)
Group Insurance	47,600	47,003	597
Worker's Compensation Insurance	5,200	4,056	1,144
Payroll Taxes	7,600	4,073	3,527
Employee Educational Expense	7,200	8,167	(967)
Total Salaries and Benefits	<u>\$ 365,959</u>	<u>\$ 341,266</u>	<u>\$ 24,693</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Wastewater - Continued
Year Ended June 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Administrative Expenses:			
Regular Board Payments	\$ 3,600	\$ 2,840	\$ 760
Special Board Meetings	940	160	780
Board/Committee Expenses	400	228	172
Conferences and Seminars - Board	2,000	142	1,858
Board Travel and Lodging	3,400	2,595	805
Dues/Membership - District	8,571	8,596	(25)
Office Supplies	2,550	2,749	(199)
E-Pay Online	2,380	1,256	1,124
Communications	5,440	5,141	299
Printing and Publications	2,040	1,970	70
Postage and Shipping	5,100	3,762	1,338
Utilities	1,292	974	318
Miscellaneous Office Expense	4,488	4,566	(78)
Other Professional Services	4,400	2,881	1,519
Office Equipment Maintenance	2,720	5,614	(2,894)
Equipment Purchases	18,351	-	18,351
Insurance	17,160	11,722	5,438
Accounting Services	21,120	20,000	1,120
Computer Services	8,360	11,588	(3,228)
Legal Services	19,200	10,233	8,967
Engineering Services	26,400	20,784	5,616
Bank and Trustee Fees	1,760	1,100	660
Legal Notices Publication Expense	1,020	367	653
Public Information Expense	4,760	2,824	1,936
	<u>167,452</u>	<u>122,092</u>	<u>45,360</u>
Total Administrative Expenses			
Other Operating Expenses:			
Depreciation	-	150,409	(150,409)
Amortization	-	(5,636)	5,636
Bad Debt	-	470	(470)
	<u>-</u>	<u>145,243</u>	<u>(145,243)</u>
Total Other Operating Expenses			
	<u>1,553,321</u>	<u>1,650,078</u>	<u>(96,757)</u>
Total Operating Expenses			
OPERATING INCOME (LOSS)	<u>\$ 716,679</u>	<u>\$ 600,949</u>	<u>\$ (115,730)</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Wastewater - Continued
Year Ended June 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenues:			
Investment Earnings	\$ 20,900	\$ 74,095	\$ 53,195
Total Nonoperating Revenues	<u>20,900</u>	<u>74,095</u>	<u>53,195</u>
Nonoperating Expenses:			
Interest Expense	50,743	78,281	(27,538)
Total Nonoperating Expenses	<u>50,743</u>	<u>78,281</u>	<u>(27,538)</u>
Total Nonoperating Revenues and Expenses	<u>(29,843)</u>	<u>(4,186)</u>	<u>25,657</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>\$ 686,836</u>	<u>\$ 596,763</u>	<u>\$ (90,073)</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Solid Waste Disposal
Year Ended June 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Trash Revenue	\$ 731,000	\$ 761,687	\$ 30,687
Total Operating Revenues	<u>731,000</u>	<u>761,687</u>	<u>30,687</u>
OPERATING EXPENSES			
Trash Expense:			
Trash Service	528,000	551,523	(23,523)
Total Trash Expense	<u>528,000</u>	<u>551,523</u>	<u>(23,523)</u>
Maintenance Expenses:			
Vehicle Expenses	1,400	1,295	105
Building Security	990	504	486
Building Maintenance	3,960	2,208	1,752
Sign and Banner Expense	495	267	228
Employee Workplace Safety	700	343	357
Gasoline Expenses	2,100	1,436	664
Total Maintenance Expenses	<u>9,645</u>	<u>6,053</u>	<u>3,592</u>
Salaries and Benefits:			
Regular Salaries	127,870	124,650	3,220
Retirement Benefits	13,091	6,594	6,497
Uniforms	546	568	(22)
Group Insurance	22,610	22,326	284
Worker's Compensation Insurance	2,470	1,927	543
Payroll Taxes	3,610	1,935	1,675
Employee Educational Expense	3,420	3,879	(459)
Total Salaries and Benefits	<u>173,617</u>	<u>161,879</u>	<u>11,738</u>
Administrative Expenses:			
Regular Board Payments	\$ 1,710	\$ 1,349	\$ 361
Special Board Meetings	447	76	371
Board/Committee Expenses	190	108	82
Conferences and Seminars - Board	950	67	883
Board Travel and Lodging	1,615	1,233	382
Dues/Membership - District	3,806	3,747	59
E-Pay Online	2,310	1,218	1,092

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Solid Waste Disposal - Continued
Year Ended June 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Administrative Expenses: (Continued)			
Office Supplies	\$ 2,475	\$ 2,668	\$ (193)
Communications	5,280	4,990	290
Printing and Publications	1,980	1,913	67
Postage and Shipping	4,950	3,651	1,299
Utilities	1,254	946	308
Miscellaneous Office Expense	4,356	4,431	(75)
Other Professional Services	1,500	982	518
Office Equipment Maintenance	2,640	5,449	(2,809)
Equipment Purchases	12,981	-	12,981
Insurance	5,850	3,996	1,854
Accounting Services	7,200	6,818	382
Computer Services	2,850	3,951	(1,101)
Legal Services	6,600	3,518	3,082
Engineering Services	9,000	7,085	1,915
Bank and Trustee Fees	600	375	225
Legal Notices Publication Expense	990	357	633
Public Information Expense	4,620	2,741	1,879
	<u>86,154</u>	<u>61,669</u>	<u>24,485</u>
Other Operating Expenses:			
Depreciation	-	9,809	(9,809)
Bad Debt	-	470	(470)
	<u>-</u>	<u>10,279</u>	<u>(10,279)</u>
	<u>797,416</u>	<u>791,403</u>	<u>6,013</u>
OPERATING INCOME (LOSS)	<u>(66,416)</u>	<u>(29,716)</u>	<u>36,700</u>
Nonoperating Revenues:			
Investment Earnings	3,800	13,472	9,672
	<u>3,800</u>	<u>13,472</u>	<u>9,672</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>\$ (62,616)</u>	<u>\$ (16,244)</u>	<u>\$ 46,372</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Community Service
Year Ended June 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
	\$ -	\$ -	\$ -
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES			
Maintenance Expenses:			
Vehicle Expenses	200	185	15
Public Landscape Project	4,500	4,357	143
Employee Workplace Safety	100	49	51
Gasoline Expenses	300	205	95
Emergency Preparedness Expense	<u>1,500</u>	<u>489</u>	<u>1,011</u>
Total Maintenance Expenses	<u>6,600</u>	<u>5,285</u>	<u>1,315</u>
Salaries and Benefits:			
Regular Salaries	13,460	13,121	339
Retirement Benefits	1,378	694	684
Uniforms	78	81	(3)
Group Insurance	2,380	2,350	30
Worker's Compensation Insurance	260	203	57
Payroll Taxes	380	204	176
Employee Educational Expense	<u>360</u>	<u>408</u>	<u>(48)</u>
Total Salaries and Benefits	<u>18,296</u>	<u>17,061</u>	<u>1,235</u>
Administrative Expenses:			
Regular Board Payments	180	142	38
Special Board Meetings	47	8	39
Board/Committee Expenses	20	11	9
Conferences and Seminars - Board	100	7	93
Board Travel and Lodging	170	130	40
Dues/Membership - District	<u>221</u>	<u>220</u>	<u>1</u>
Total Administrative Expenses	<u>738</u>	<u>518</u>	<u>220</u>
Other Operating Expenses:			
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>25,634</u>	<u>22,864</u>	<u>2,770</u>
OPERATING INCOME (LOSS)	<u>\$ (25,634)</u>	<u>\$ (22,864)</u>	<u>\$ 2,770</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Community Service - Continued
Year Ended June 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenue:			
County Tax Apportionment	\$ 91,000	\$ 92,685	\$ 1,685
Total Nonoperating Revenues	<u>91,000</u>	<u>92,685</u>	<u>1,685</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>\$ 65,366</u>	<u>\$ 69,821</u>	<u>\$ 4,455</u>