



Board of Directors:

JARED BOUCHARD, President
SHAWN THOMAS, Vice President
KRISTINA BREWER, Director
SEAN DEBLEY, Director
MICHAEL LEBOW, Director

PETER MARTINEZ
General Manager

353 Santa Monica Drive · Channel Islands Beach, CA · 93035-4473 · (805) 985-6021 · FAX (805) 985-7156
A PUBLIC ENTITY SERVING CHANNEL ISLANDS BEACHES AND HARBOR · CIBCSO.COM

BOARD OF DIRECTORS REGULAR BOARD MEETING NOTICE & AGENDA

NOTICE IS HEREBY GIVEN that the Board of Directors of the Channel Islands Beach Community Services District will hold a Regular Board Meeting beginning at 5:00 P.M. on Tuesday, May 12, 2026. The meeting will be held at the Channel Islands Beach Community Services District 353 Santa Monica Drive., Channel Islands Beach, CA 93035.

The agenda is as follows:

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

B. PUBLIC COMMENTS:

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

C. CONSENT CALENDAR:

1. Approve the Agenda Order

2. Financial Reports:
 - a. Cash Disbursal & Receipt Report – April 2026

3. Minutes:
 - a. April 22, 2026, Special Board Meeting

4. Authorize customer requests for relief from water charges due to leaks on the property consistent with Resolution 16-06:

	Account Number	Water Relief	Sewer Relief	Total Relief
a.	20960-01	\$0.00 <small>(sewer only account)</small>	\$525.63	\$525.63
b.	06610-01	\$10.44	\$64.11	\$74.55
d.	11210-03	\$356.82	\$847.73	\$1204.55
				\$1804.73

D. CLOSED SESSION:

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - Significant exposure to litigation (Gov. Code Section 54956.9(d)(2)) – One case.

2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (GOV. CODE § 54957) TITLE: GENERAL MANAGER

E. ACTION CALENDAR:

1. FY 2024-2025 ANNUAL AUDIT REPORT

Recommendation:

- 1) Approve Allocations of Reserves for June 30, 2025.
- 2) Approve the Channel Islands Beach Community Services District Annual Audit Report for Fiscal Year Ended June 30, 2025.
- 3) Authorize staff to present Final Audit Report.

2. ANNUAL PERFORMANCE AND SALARY REVIEW OF DISTRICT GENERAL MANAGER, THE BOARD WILL REVIEW AND CONSIDER THE GENERAL MANAGER’S PERFORMANCE AND COMPENSATION FOLLOWING CLOSED SESSION PERFORMANCE EVALUATION.

Recommendation:

- 1) Board Discretion

3. CONSIDERATION OF RESOLUTION 26-01 REQUESTING CONSOLIDATION OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT ELECTION WITH THE NOVEMBER 3, 2026, GENERAL ELECTION

Recommendation:

1. Adopt Resolution 26-01
2. Approve the "Notice of Elective Offices" to be filed with the candidates being responsible for cost of candidate statements in the sample ballot.

F. INFORMATION CALENDAR:

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

G. BOARD MEMBER COMMENTS:

H. GENERAL COUNSEL & GENERAL MANAGER COMMENTS:

AGENDA POSTING CERTIFICATION

This agenda was posted Thursday, May 7, 2026, by 5:00 PM. The agenda is posted at the District Office and two public notice bulletin boards, which are accessible 24 hours per day. The locations include:

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

Agendas are also posted on the District's website at www.cibcsd.com.



Peter Martinez
General Manager

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

Channel Islands Beach 2013

5/6/2026 1:53 PM

Register: 1002 · Checking Banc of CA

From 04/01/2026 through 04/30/2026

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/01/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			321.37	524,397.52
04/01/2026	ACH	Nationwide Retirement	-split-	Py pd 3/14/26 t...	4,442.59			519,954.93
04/01/2026	ACH	CalPERS	-split-	py pd 3/14/26 t...	4,936.95			515,017.98
04/01/2026	ACH	SEIU, Local 721	*2020 - Payroll Liabilit...	pr pd 3/14/26 t...	83.75			514,934.23
04/01/2026	ACH	Vanco Chrg	6 - Administrative Exp...		81.70			514,852.53
04/01/2026	10032	805 Cleaning Services	2000 - Accounts Payable		750.00			514,102.53
04/01/2026	10033	Amazon Capital Serv...	2000 - Accounts Payable		169.94			513,932.59
04/01/2026	10034	Atlantis Utility, INC.	2000 - Accounts Payable		232.53			513,700.06
04/01/2026	10035	Backflow Solutions, ...	2000 - Accounts Payable		995.00			512,705.06
04/01/2026	10036	Badger Meter	2000 - Accounts Payable		1,875.30			510,829.76
04/01/2026	10037	Mission Linen & Uni...	2000 - Accounts Payable		459.36			510,370.40
04/01/2026	10038	Patriot Environmenta...	2000 - Accounts Payable		1,750.30			508,620.10
04/01/2026	10039	Underground Service...	2000 - Accounts Payable		40.10			508,580.00
04/01/2026		QuickBooks Payroll ...	-split-	Created by Pay...	49,949.63			458,630.37
04/01/2026	To Print	Carol J Dillon	-split-	Direct Deposit		X		458,630.37
04/01/2026	To Print	Chaz C Ryan	-split-	Direct Deposit		X		458,630.37
04/01/2026	To Print	E.D. Brock	-split-	Direct Deposit		X		458,630.37
04/01/2026	To Print	Erica M Pena	-split-	Direct Deposit		X		458,630.37
04/01/2026	To Print	Erika F Davis	-split-	Direct Deposit		X		458,630.37
04/01/2026	To Print	Jesus Navarro	-split-	Direct Deposit		X		458,630.37
04/01/2026	To Print	Peter A. Martinez	-split-	Direct Deposit		X		458,630.37
04/01/2026	To Print	Rick J Rivera	-split-	Direct Deposit		X		458,630.37
04/02/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Correction			9.22	458,639.59
04/02/2026	10040	CIBCSO-Petty Cash	2000 - Accounts Payable		140.00			458,499.59
04/02/2026	10041	Wilmington Trust Fe...	2000 - Accounts Payable	Channel Island...	25,565.63			432,933.96
04/03/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			306.34	433,240.30
04/03/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			682.29	433,922.59
04/06/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			3,252.30	437,174.89
04/06/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			3,394.16	440,569.05
04/06/2026	10042	CUSI	2000 - Accounts Payable		103.54			440,465.51
04/06/2026	10043	Pacific Couriers	2000 - Accounts Payable		361.19			440,104.32
04/06/2026	10044	Sam Hill & Sons, Inc.	2000 - Accounts Payable	Welder-Sewer ...	1,737.94			438,366.38
04/07/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			1,551.68	439,918.06
04/07/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			2,604.43	442,522.49
04/07/2026	10045	American Quick Lube	2000 - Accounts Payable	F-250 2015 Ford	110.02			442,412.47
04/07/2026	10046	Wex Bank	2000 - Accounts Payable		1,236.40			441,176.07
04/07/2026	10047	Prime Masonry Mate...	2000 - Accounts Payable		92.48			441,083.59
04/07/2026	10048	FGL Environmental I...	2000 - Accounts Payable		572.00			440,511.59
04/07/2026	10049	FGL Environmental I...	2000 - Accounts Payable		284.00			440,227.59
04/08/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			1,985.44	442,213.03

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From 04/01/2026 through 04/30/2026

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/08/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			7,515.33	449,728.36
04/09/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			966.05	450,694.41
04/09/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			4,157.97	454,852.38
04/09/2026	10050	FGL Environmental I...	2000 - Accounts Payable		202.00			454,650.38
04/09/2026	10051	Michael K. Nunley ...	2000 - Accounts Payable		4,718.25			449,932.13
04/10/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			1,297.38	451,229.51
04/10/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			3,738.09	454,967.60
04/10/2026	10052	ACWA/JPIA	2000 - Accounts Payable	Property Progr...	11,412.00			443,555.60
04/10/2026	10053	City of Oxnard	2000 - Accounts Payable	VOID: To accr...		X		443,555.60
04/10/2026	10054	SSBP	2000 - Accounts Payable		1,122.66			442,432.94
04/10/2026	10055	Traffic Technologies ...	2000 - Accounts Payable		177.97			442,254.97
04/10/2026	10056	ACWA/JPIA	2000 - Accounts Payable	Excess Crime I...	790.00			441,464.97
04/10/2026	10057	ACWA/JPIA Health ...	2000 - Accounts Payable	1-1-26 to 3-31-...	2,917.23			438,547.74
04/13/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			701.26	439,249.00
04/13/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			1,920.01	441,169.01
04/13/2026	ACH	SCE- Office	-split-	3-23-26	568.21			440,600.80
04/13/2026	ACH	AT & T	6 - Administrative Exp...	4-1-26	1,025.70			439,575.10
04/13/2026	10058	A to Z Law, LLP	2000 - Accounts Payable		660.00			438,915.10
04/13/2026	10059	Ferguson Waterworks	2000 - Accounts Payable		979.98			437,935.12
04/13/2026	10060	Taft Electric Company	2000 - Accounts Payable	A Stn.	486.00			437,449.12
04/14/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			1,998.09	439,447.21
04/14/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			4,687.72	444,134.93
04/14/2026	ACH	SEIU, Local 721	*2020 - Payroll Liabilit...	pr pd 3-28-26 t...	83.75			444,051.18
04/14/2026	10061	EJ Harrison & Sons, ...	2000 - Accounts Payable	Pr pd 3-1-26 to...	56,303.40			387,747.78
04/15/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			62.27	387,810.05
04/15/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			4,910.54	392,720.59
04/15/2026	ACH	Nationwide Retirement	-split-	py pd 3-28-26 t...	3,093.30			389,627.29
04/15/2026	ACH	CalPERS	-split-	py pd 3/2/26 to...	4,936.95			384,690.34
04/15/2026	ACH	Banc of California	6 - Administrative Exp...	Analysis Fee	79.51			384,610.83
04/15/2026		QuickBooks Payroll ...	-split-	Created by Pay...	28,789.34			355,821.49
04/15/2026	To Print	Carol J Dillon	-split-	Direct Deposit		X		355,821.49
04/15/2026	To Print	Chaz C Ryan	-split-	Direct Deposit		X		355,821.49
04/15/2026	To Print	Erica M Pena	-split-	Direct Deposit		X		355,821.49
04/15/2026	To Print	Erika F Davis	-split-	Direct Deposit		X		355,821.49
04/15/2026	To Print	Jesus Navarro	-split-	Direct Deposit		X		355,821.49
04/15/2026	To Print	Peter A. Martinez	-split-	Direct Deposit		X		355,821.49
04/15/2026	To Print	Rick J Rivera	-split-	Direct Deposit		X		355,821.49
04/15/2026	To Print	E.D. Brock	-split-	Direct Deposit		X		355,821.49
04/16/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			1,777.80	357,599.29
04/16/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			2,073.96	359,673.25

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From 04/01/2026 through 04/30/2026

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment C	Deposit	Balance
04/16/2026	ACH	Spectrum	6 - Administrative Exp...	4-6-26	167.96		359,505.29
04/16/2026	10062	Taft Electric Company	2000 - Accounts Payable	A Station	578.00		358,927.29
04/16/2026	10063	American Red Cross	2000 - Accounts Payable	Red Cross CPR...	1,428.80		357,498.49
04/16/2026	10064	Brown Armstrong A...	2000 - Accounts Payable		177.25		357,321.24
04/16/2026	10065	City of Oxnard-Utilit...	2000 - Accounts Payable	January and Fe...	11,375.36		345,945.88
04/16/2026	10066	Great American Fina...	2000 - Accounts Payable		163.82		345,782.06
04/16/2026	10067	PHWA	2000 - Accounts Payable	March 2026	81,070.63		264,711.43
04/17/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/8		2,500.72	267,212.15
04/17/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/13		6,452.72	273,664.87
04/17/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/2		1,907.69	275,572.56
04/17/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/7		3,613.01	279,185.57
04/17/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/8		4,143.33	283,328.90
04/17/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/13		8,749.19	292,078.09
04/17/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/16		16,002.87	308,080.96
04/17/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/14		18,166.27	326,247.23
04/17/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/16		5,317.09	331,564.32
04/17/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/3		582.00	332,146.32
04/17/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/9		100.00	332,246.32
04/17/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/15		1,478.92	333,725.24
04/17/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/7		282.76	334,008.00
04/17/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		112.31	334,120.31
04/17/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		1,092.82	335,213.13
04/17/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Monthly Draft		128,277.99	463,491.12
04/17/2026	RETCK	QB:Returned Item	1200 - Accounts Recei...	Gonzales	136.84		463,354.28
04/20/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		3,028.37	466,382.65
04/20/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI Monthly ...		39,428.55	505,811.20
04/20/2026	RETCK	QB:Returned Item	1200 - Accounts Recei...	Grace	124.57		505,686.63
04/20/2026	RETCK	QB:Returned Item	1200 - Accounts Recei...	Ouellet	139.76		505,546.87
04/21/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		180.08	505,726.95
04/21/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		2,012.16	507,739.11
04/21/2026	ACH	CalPERS	-split-	4-14-26	15,416.47		492,322.64
04/21/2026	ACH	Frontier-Office	6 - Administrative Exp...	4-14-26	420.51		491,902.13
04/21/2026	10068	City of Oxnard	2000 - Accounts Payable		598.25		491,303.88
04/21/2026	10069	Famcon Pipe and Su...	2000 - Accounts Payable		688.01		490,615.87
04/22/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		1,725.83	492,341.70
04/22/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		2,583.26	494,924.96
04/22/2026	ACH	So. California Edison...	2 - Sewer System Expe...	4-16-26	481.61		494,443.35
04/22/2026	ACH	So. California Edison...	2 - Sewer System Expe...	4-16-26	989.99		493,453.36
04/22/2026	ACH	Aflac	*2020 - Payroll Liabilit...	646765	463.89		492,989.47
04/22/2026	10070	City of Oxnard	2000 - Accounts Payable		1,301.07		491,688.40

Channel Islands Beach 2013

5/6/2026 1:53 PM

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From 04/01/2026 through 04/30/2026

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/23/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			543.68	492,232.08
04/23/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			911.17	493,143.25
04/23/2026	ACH	So. California Edison...	2 - Sewer System Expe...		247.54			492,895.71
04/24/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4-22			12,996.22	505,891.93
04/24/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/22			174.00	506,065.93
04/24/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/20			7,283.21	513,349.14
04/24/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/20			14,431.20	527,780.34
04/24/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			691.85	528,472.19
04/24/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			2,696.99	531,169.18
04/24/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Correction	0.31			531,168.87
04/27/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			790.00	531,958.87
04/27/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			2,806.73	534,765.60
04/27/2026	10071	American Quick Lube	2000 - Accounts Payable	Reissue of chec...	140.31			534,625.29
04/27/2026	10072	FGL Environmental I...	2000 - Accounts Payable		606.00			534,019.29
04/27/2026	10073	Hollister & Brace	2000 - Accounts Payable		1,678.83			532,340.46
04/27/2026	10074	ACWA/JPIA	2000 - Accounts Payable	Flood/Earthqua...	10,208.78			522,131.68
04/28/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			794.16	522,925.84
04/28/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			2,017.87	524,943.71
04/29/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/28			3,564.35	528,508.06
04/29/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/28			855.51	529,363.57
04/29/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/24			18,709.76	548,073.33
04/29/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/27			4,910.63	552,983.96
04/29/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			794.16	553,778.12
04/29/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			3,309.99	557,088.11
04/29/2026	ACH	Nationwide Retirement	-split-	py pd 4-11-26 t...	3,134.26			553,953.85
04/29/2026	ACH	CalPERS	-split-	py pd 4-11-26 t...	4,936.95			549,016.90
04/29/2026	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Correction	0.82			549,016.08
04/29/2026		Peter A. Martinez	-split-	VOID: Direct ...		X		549,016.08
04/29/2026		QuickBooks Payroll ...	-split-	Adjusted for vo...	24,160.80			524,855.28
04/29/2026		QuickBooks Payroll ...	-split-	Created by Pay...	5,753.67			519,101.61
04/29/2026	To Print	Carol J Dillon	-split-	Direct Deposit		X		519,101.61
04/29/2026	To Print	Chaz C Ryan	-split-	Direct Deposit		X		519,101.61
04/29/2026	To Print	E.D. Brock	-split-	Direct Deposit		X		519,101.61
04/29/2026	To Print	Erica M Pena	-split-	Direct Deposit		X		519,101.61
04/29/2026	To Print	Erika F Davis	-split-	Direct Deposit		X		519,101.61
04/29/2026	To Print	Jesus Navarro	-split-	Direct Deposit		X		519,101.61
04/29/2026	To Print	Rick J Rivera	-split-	Direct Deposit		X		519,101.61
04/29/2026	To Print	Peter A. Martinez	-split-	Direct Deposit		X		519,101.61
04/30/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			641.70	519,743.31
04/30/2026	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			2,134.29	521,877.60

MINUTES OF THE
CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
SPECIAL BOARD MEETING April 22, 2026

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

President Bouchard called the meeting to order at 4:00 P.M. In attendance, Vice President Thomas, Director Brewer, Director Lebow, General Manager, Peter Martinez, Clerk of the Board, Erika Davis, Office Manager, CJ Dillon, and Operations Manager, Jesus (Chuy) Navarro.

Director Debley was absent.

B. PUBLIC COMMENTS:

None.

C. CONSENT CALENDAR:

Vice President Thomas made a motion to approve the Consent Calendar. Director Lebow seconded the motion. The motion passed.

Bouchard, Thomas, Brewer, Lebow

4 - Yes 0 -No

D. SPECIAL PRESENTATION: WATERWORTH RATE CONSULTANTS

Using a PowerPoint presentation, Waterworth explained the rate study and outlined multiple case scenarios. Board asked questions and requested Waterworth return to a future meeting with a revised presentation of the rate study, separating case scenarios by enterprise.

E. INFORMATION CALENDAR:

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

Vice President Thomas and Director Lebow attended the Port Hueneme Agency meeting and said that the plant is expected to be operational in May.

2. Annual Events Calendar

General Manager Martinez said that the Open House Community Event will be held on July 18th from 11:00 a.m. to 2:00 p.m. and the Community Clean Up will take place on September 19th from 9:00 a.m. to 1:00 p.m.

G. BOARD MEMBER COMMENTS:

President Bouchard said that the Ventura County Harbor Department will be hosting a community event at the Hollywood Beach School on April 30, 2026, at 7:30 p.m.

The Board Meeting adjourned at 5:18 p.m.

Jared Bouchard, President



Board of Directors:

JARED BOUCHARD, President
 SHAWN THOMAS, Vice President
 KRISTINA BREWER, Director
 SEAN DEBLEY, Director
 MICHAEL LEBOW, Director

PETER MARTINEZ
 General Manager

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Regular Board Meeting, May 12, 2026

To: Board of Directors
From: Peter Martinez, *General Manager*
Subject: FY 2024 – 2025 Annual Audit Report
Item No. E-1

RECOMMENDATION: The following recommendations must be approved in the order presented below in 3 separate motions.

1. Approve Allocations of Reserves for June 30, 2025.
2. Approve the Channel Islands Beach Community Services District Annual Audit Report for Fiscal Year Ended June 30, 2025.
3. Authorize staff to present a Final Audit Report.

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

BACKGROUND/DISCUSSION:

Attached for Board review is the Final FY 2024 – 2025 Audit Report prepared by Brown Armstrong Accountancy Corporation. Presented to the Board by Brooke Baird, CPA, Audit Engagement Partner, and Lindsey Gentry, CPA, Audit Engagement Manager.

There are no issues reported for the District’s financial statements, internal controls and compliance with fiscal policies set by the Board. The reports indicated the following breakdown of performance by enterprise and can be tied directly to the audit on the page indicated in the table below.

Enterprise/Account	Performance	Page
Water Enterprise	\$19,269	Page 54
Sewer Enterprise	\$464,713	Page 57
Solid Waste Enterprise	(\$91,005)	Page 60
Community Service	\$70,830	Page 62

Pages 4 through 8 of the Audit Report detail the Financial Highlights of the fiscal year. The conclusions represented in the audit are arrived at based on the following procedures auditors perform during the audit, but are not limited to:

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

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

ATTACHMENTS:

1. Allocations and Reserves for June 30, 2025
2. Final 2025 Financial Statements

DRAFT

Channel Islands Beach Community Services District			
Cash and Investments Summary			
Description	6/30/2025	6/30/2024	Change
Unrestricted:			
Water	\$ 35,000	\$ 35,000	\$ -
Sewer	35,000	35,000	-
Trash	35,000	35,000	-
Total Unrestricted	105,000	105,000	-
Restricted:			
Water	33,468	39,813	(6,345)
Sewer	33,468	39,813	(6,345)
Trash	33,468	39,814	(6,346)
Total Restricted	100,404	119,440	(19,036)
Board Restricted:			
<i>Water:</i>			
Operating Reserve	501,795	492,106	9,689
Rate Stabilization Reserve	214,718	210,843	3,875
Capital Reserve	964,800	1,837,379	(872,579)
Debt Service Reserve	85,000	85,000	-
Subtotal	1,766,313	2,625,328	(859,015)
<i>Sewer:</i>			
Operating Reserve	235,545	251,795	(16,250)
Rate Stabilization Reserve	108,218	114,718	(6,500)
Capital Reserve	3,082,178	4,000,574	(918,396)
Debt Service Reserve	191,000	191,000	-
Subtotal	3,616,941	4,558,087	(941,146)
<i>Trash:</i>			
Operating Reserve	180,104	217,996	(37,892)
Rate Stabilization Reserve	103,650	101,198	2,452
Capital Reserve	-	102,774	(102,774)
Subtotal	283,754	421,968	(138,214)
<i>Community Service:</i>			
Operating Reserve	8,460	8,128	332
Capital Reserve	458,163	383,789	74,374
Subtotal	466,623	391,917	74,706
Total Board Restricted	6,133,631	7,997,300	(1,863,669)
Total Cash and Investments	\$ 6,339,035	\$ 8,221,740	\$ (1,882,705)

**CHANNEL ISLANDS BEACH
COMMUNITY SERVICES DISTRICT**

ANNUAL AUDIT REPORT

**FOR THE YEARS ENDED
JUNE 30, 2025 AND 2024**

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
ANNUAL AUDIT REPORT
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information section, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 management's discussion and analysis and required supplementary information section in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

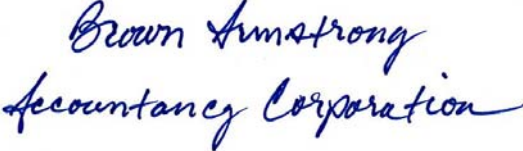
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information section, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 May 5, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation".

Bakersfield, California
May 5, 2026

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

As management of the Channel Islands Beach Community Services District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the District and its financial activities for the fiscal year ended June 30, 2025.

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 – \$964,800 for capital and future unanticipated repairs and maintenance of the water distribution system, \$501,795 for operating reserve, \$85,000 for debt service, and \$214,718 for rate stabilization.
- Sewer – \$3,082,178 for capital and future unanticipated repairs and maintenance of sewer system, \$235,545 for operating reserve, \$191,000 for debt service, and \$108,218 for rate stabilization.
- Trash – \$180,104 for operating reserve and \$103,650 for rate stabilization.
- Community service – \$458,163 for capital and future unanticipated repairs and maintenance and \$8,460 for operating reserve.

In 2021, the District engaged an outside consultant to perform a 5-year rate study evaluating the cost of providing services, the cost of future infrastructure maintenance, and the cost of planned capital expenditures. The study produced a rate adjustment schedule covering fiscal years 2021 through 2026, which was adopted through the Proposition 218 notice and hearing process. Pursuant to the study's recommendations, the Board of Directors implemented rate increases of 3% on water, 3% on wastewater, and 2.5% on solid waste removal effective September 1, 2021, followed by identical rate increases effective July 1, 2022. The Board of Directors anticipates further rate adjustments in the near term in order to maintain existing service levels.

Effective January 1, 2023, the District amended its shared-sewer-line contract with the City of Oxnard. Under the amended arrangement, the City of Oxnard bills the District directly for the District's estimated portion of the shared sewer line rather than invoicing the full cost and subsequently reimbursing the District for the City of Oxnard's share. The change has no net impact on the District's operating costs, but it reduced both reimbursement revenue from the City of Oxnard and the corresponding wastewater transportation expense by approximately 50%. Amounts reflected in the current and prior fiscal years reflect the amended billing methodology.

During a prior fiscal year, the District transitioned the majority of its invested funds from the Ventura County Treasurer's Investment Pool to the California Cooperative Liquid Assets Securities System (California CLASS), which has generally provided a higher rate of return. As of June 30, 2025, the District had approximately \$5,957,029 invested in the California CLASS Prime account, compared to \$7,924,300 at June 30, 2024.

During fiscal year 2025, the District incurred approximately \$1,916,249 of additions to construction in progress. The majority of these additions relate to the construction of a new administrative office building, which required staff to relocate to a temporary office during construction. The new administrative building was substantially completed during the year and transferred from construction in progress to depreciable capital assets.

FINANCIAL ANALYSIS

NET POSITION

The District's total net position at June 30, 2025, 2024, and 2023, was \$17,893,275, \$17,446,406, and \$16,539,948, respectively. At the end of the current fiscal year, the District reported positive balances in both components of net position. Net position increased \$446,869 (2.6%) during fiscal year 2025, indicating that the District's overall financial position continued to strengthen.

FIGURE 1. NET POSITION

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Current Year Increase/ (Decrease)</u>	<u>June 30, 2023</u>
ASSETS				
Current Assets	\$ 6,650,387	\$ 8,520,688	\$ (1,870,301)	\$ 8,910,715
Restricted Assets	100,404	119,440	(19,036)	112,300
Capital Assets, Net	11,607,916	9,744,064	1,863,852	7,943,184
Other Assets	<u>2,562,601</u>	<u>2,572,212</u>	<u>(9,611)</u>	<u>2,665,541</u>
TOTAL ASSETS	<u>20,921,308</u>	<u>20,956,404</u>	<u>(35,096)</u>	<u>19,631,740</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	140,267	137,620	2,647	122,529
Deferred Payments to PHWA	39,768	79,537	(39,769)	-
Deferred Amount on Refunding	<u>27,933</u>	<u>30,636</u>	<u>(2,703)</u>	<u>33,339</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>207,968</u>	<u>247,793</u>	<u>(39,825)</u>	<u>155,868</u>

FIGURE 1. NET POSITION (Continued)

	June 30, 2025	June 30, 2024	Current Year Increase/ (Decrease)	June 30, 2023
LIABILITIES				
Current Liabilities	967,960	1,249,793	(281,833)	628,043
Noncurrent Liabilities	<u>2,104,856</u>	<u>2,352,642</u>	<u>(247,786)</u>	<u>2,604,094</u>
TOTAL LIABILITIES	<u>3,072,816</u>	<u>3,602,435</u>	<u>(529,619)</u>	<u>3,232,137</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	217	456	(239)	262
OPEB Related Items	<u>162,968</u>	<u>154,900</u>	<u>8,068</u>	<u>15,261</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>163,185</u>	<u>155,356</u>	<u>7,829</u>	<u>15,523</u>
NET POSITION				
Net Investment in Capital Assets	9,605,454	7,548,415	2,057,039	5,561,845
Unrestricted	<u>8,287,821</u>	<u>9,897,991</u>	<u>(1,610,170)</u>	<u>10,978,103</u>
TOTAL NET POSITION	<u>\$ 17,893,275</u>	<u>\$ 17,446,406</u>	<u>\$ 446,869</u>	<u>\$ 16,539,948</u>

Total assets decreased by \$35,096 during fiscal year 2025. This relatively small net change reflects offsetting movements among the asset categories: a \$1,870,301 decrease in current assets, a \$9,611 decrease in the District's other assets (investment in the Port Hueneme Water Agency (PHWA) joint venture), a \$19,036 decrease in restricted assets, and a \$1,863,852 increase in capital assets (net of accumulated depreciation).

The \$1,870,301 decrease in current assets was driven primarily by the use of cash to fund capital activities. Board of Directors-restricted cash and cash equivalents decreased \$1,863,668 as cash reserves were drawn down to fund construction of the new administrative office building and other capital projects. Accounts receivable decreased \$9,739 and inventory decreased \$1,204. Interest receivable and prepaid items increased slightly, by \$2,047 and \$2,263, respectively.

Capital assets (net of accumulated depreciation) increased \$1,863,852, reflecting \$6,656,863 of gross additions, including \$1,916,249 of construction in progress additions and \$4,740,614 of additions to depreciable assets (a substantial portion of which represents the new administrative office building transferred from construction in progress). This increase is offset by current year depreciation of \$422,546 and asset retirements. See Note 4 to the financial statements and the Capital Assets discussion below for additional detail.

Other assets decreased \$9,611. This line represents the District's equity-method investment in the PHWA joint venture. The decrease reflects the District's share of PHWA's \$48,641 decrease in net position, offset by amortization on contributed capital. See Note 12 to the financial statements for additional detail regarding the PHWA joint venture.

Total liabilities decreased \$529,619 during fiscal year 2025. The decrease was primarily driven by a \$245,326 reduction in accounts payable (including related-party amounts owed to PHWA), a \$204,229 scheduled reduction in long-term debt principal, a \$39,769 reduction in the current and long-term portions of amounts due to PHWA under the deferred-payments arrangement, and a \$19,663 decrease in accrued interest, offset by a \$6,707 increase in the net pension liability.

REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Charges for operating services totaled \$4,626,899, \$4,437,996, and \$4,718,457 for the years ended June 30, 2025, 2024, and 2023, respectively. The District reported operating income of \$79,912, \$497,627, and \$450,564, respectively, for the same three fiscal years. Operating expenses before depreciation, amortization, and bad debt expense totaled \$4,121,317, \$3,569,668, and \$3,895,013; depreciation, amortization, and bad debt expense totaled \$425,670, \$370,701, and \$372,880, respectively.

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

	2025	2024	Current Year Increase/ (Decrease)	2023
REVENUES				
Charges for Operating Services	\$ 4,626,899	\$ 4,437,996	\$ 188,903	\$ 4,718,457
Investment Earnings	322,544	453,808	(131,264)	226,753
Other Nonoperating Revenues	114,436	98,692	15,744	50,004
Development Impact Fee	-	26,848	(26,848)	20,784
TOTAL REVENUES	5,063,879	5,017,344	46,535	5,015,998
EXPENSES				
Operating Expenses	4,546,987	3,940,369	606,618	4,267,893
Other Nonoperating Expenses	53,085	153,579	(100,494)	82,399
Depreciation on Contributed Assets	16,938	16,938	-	16,938
TOTAL EXPENSES	4,617,010	4,110,886	506,124	4,367,230
CHANGE IN NET POSITION	446,869	906,458	(459,589)	648,768
NET POSITION, BEGINNING OF YEAR	17,446,406	16,539,948	906,458	15,891,180
NET POSITION, END OF YEAR	\$ 17,893,275	\$ 17,446,406	\$ 446,869	\$ 16,539,948

Total revenues increased \$46,535 during fiscal year 2025. An increase of \$188,903 in charges for operating services (comprised of increases in water revenue of \$69,868, sewer revenue of \$83,372, and trash revenue of \$35,663, primarily attributable to the rate adjustments described above) was largely offset by a \$131,264 decrease in investment earnings as short-term market yields declined from the unusually high levels experienced during fiscal year 2024. Other nonoperating revenues increased \$15,744, and development impact fees decreased \$26,848 as no new development occurred during the year.

Total expenses increased \$506,124 during fiscal year 2025. The increase in operating expenses of \$606,618 was the primary driver, partially offset by a \$100,494 decrease in nonoperating expenses resulting from the District's \$7,327 share of joint venture income in fiscal year 2025 compared to a \$76,391 loss in fiscal year 2024, together with a \$24,103 decrease in interest expense.

The largest component of the operating expense increase was water system expenses, which grew \$361,403 due to higher PHWA water purchase costs and increased water system repair and maintenance activity. Salaries and benefits increased \$142,892 on account of regular salary adjustments and higher health and retirement benefit costs. Administrative expenses increased \$15,932, reflecting higher accounting, insurance, and professional services costs associated with the office relocation. Depreciation, amortization, and bad debt expense increased \$54,969 as the new administrative building was placed in service during the year. Sewer system expenses declined \$26,171, continuing to reflect the benefit of the amended City of Oxnard billing arrangement.

CAPITAL ASSETS

The District's Capital Assets for 2025, 2024, and 2023 are as follows:

	<u>Cost</u>	<u>Less Accumulated Depreciation</u>	<u>Capital Assets, Net</u>
2023	\$ 13,982,267	\$ (6,039,083)	\$ 7,943,184
2024	\$ 16,126,008	\$ (6,381,944)	\$ 9,744,064
2025	\$ 18,350,062	\$ (6,742,146)	\$ 11,607,916

During fiscal year 2025, the District added \$4,740,614 of depreciable capital assets and \$1,916,249 of construction in progress, for total gross capital asset additions of \$6,656,863. The majority of the depreciable additions relate to the new administrative office building, which was substantially completed and placed into service during the year; accordingly, \$4,370,465 of completed construction was transferred from construction in progress to depreciable capital assets. Dispositions of fully depreciated vehicles and office building components totaling \$62,344 (offset by \$62,344 of accumulated depreciation) were also recorded. Current year depreciation expense was \$422,546. See Note 4 to the financial statements for additional detail regarding the District's capital assets.

LONG-TERM DEBT

At June 30, 2025 and 2024, the District had total long-term debt outstanding of \$2,156,332 and \$2,400,330, respectively. Outstanding debt at June 30, 2025, is comprised of \$1,806,169 of Wastewater Revenue Refunding Bonds Series 2016 (including unamortized premium), \$310,395 under the District's direct borrowing loan payable to the CSDA Municipal Finance Corporation for a water meter project, and \$39,768 due to the Port Hueneme Water Agency under the District's share of PHWA's deferred pension and other post-employment benefits (OPEB) obligations. The net decrease of \$243,998 during fiscal year 2025 reflects scheduled principal payments on all three obligations. See Note 5 to the financial statements for additional detail regarding the District's long-term debt.

ECONOMIC FACTORS AND BUDGET

The District does not anticipate a significant increase in customer demand or water consumption within the Channel Islands Harbor during fiscal year 2025-26. However, when economic conditions improve, the District expects redevelopment and new development to occur within the Harbor, which would result in increased consumption and revenue. Management will consider these factors in developing future operating and capital budgets.

California's ongoing drought conditions and the State's mandated water conservation program also continue to affect the District's operations. While the District has sufficient water supplies to meet current customer demand, it has adopted Stage 1 water supply shortage regulations, which include limits on outdoor watering and prohibit certain wasteful water uses. The District's customers' responsiveness to State-mandated conservation requirements has resulted in lower water consumption and, accordingly, lower consumption-based water revenues than would otherwise be realized.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Board of Directors, the District's member agencies, taxpayers, and creditors with a general overview of the Channel Islands Beach Community Services District's stewardship of the funds it manages. If you have any questions about this report or need additional financial information, please contact the District's Administration Department at 353 Santa Monica Drive, Channel Islands Beach, California 93035.

BASIC FINANCIAL STATEMENTS

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024**

	2025	2024
ASSETS		
CURRENT ASSETS		
Unrestricted Cash (Note 2)	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents (Notes 2 and 3)	6,133,631	7,997,299
Accounts Receivable	390,360	400,099
Interest Receivable	3,491	1,444
Prepaid Items	14,887	12,624
Inventory	3,018	4,222
Total Current Assets	6,650,387	8,520,688
NONCURRENT ASSETS		
Restricted Cash and Cash Equivalents (Note 2)	100,404	119,440
Capital Assets - Not Depreciable (Note 4)	561,402	3,015,618
Capital Assets - Depreciable, Net (Note 4)	11,046,514	6,728,446
Total Noncurrent Assets	11,708,320	9,863,504
OTHER ASSETS		
Investment in Water JPA, Net of Accumulated Depreciation	2,562,601	2,572,212
Total Other Assets	2,562,601	2,572,212
Total Assets	20,921,308	20,956,404
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	27,933	30,636
Deferred Payments to PHWA (Note 5)	39,768	79,537
Pension Related Items (Note 7)	140,267	137,620
Total Deferred Outflows of Resources	207,968	247,793

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

CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
STATEMENTS OF NET POSITION (Continued)
JUNE 30, 2025 AND 2024

	2025	2024
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 511,562	\$ 756,888
Other Current Liabilities	7,861	7,861
Accrued Payroll, Taxes, and Benefits	96,549	101,943
Customer Deposits	100,404	119,440
Accrued Interest	-	19,663
Current Portion of Bonds Payable, Net of Premium (Note 5)	138,339	133,339
Current Portion of Loan Payable (Note 5)	73,477	70,890
Current Portion of Due to PHWA (Note 5)	39,768	39,769
Total Current Liabilities	967,960	1,249,793
NONCURRENT LIABILITIES		
Long-Term Portion of Bonds Payable, Net of Premium (Note 5)	1,667,830	1,806,169
Long-Term Portion of Loan Payable (Note 5)	236,918	310,395
Long-Term Portion of Due to PHWA (Note 5)	-	39,768
Net Pension Liability (Note 7)	64,254	57,547
Net OPEB Liability (Note 8)	135,854	138,763
Total Noncurrent Liabilities	2,104,856	2,352,642
Total Liabilities	3,072,816	3,602,435
DEFERRED INFLOWS OF RESOURCES		
Pension Related Items (Note 7)	217	456
OPEB Related Items (Note 8)	162,968	154,900
Total Deferred Inflows of Resources	163,185	155,356
NET POSITION		
Net Investment in Capital Assets (Note 6)	9,605,454	7,548,415
Unrestricted (Note 6)	8,287,821	9,897,991
Total Net Position	\$ 17,893,275	\$ 17,446,406

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

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
OPERATING REVENUES		
Water Revenue	\$ 2,250,770	\$ 2,180,902
Sewer Revenue	1,496,121	1,412,749
Trash Revenue	880,008	844,345
Total Operating Revenues	4,626,899	4,437,996
OPERATING EXPENSES		
Water System Expenses:		
PHWA Water Expenses	1,232,692	898,885
Water Samples	16,460	14,172
SDHS Annual Administrative Fee	21,879	19,737
Cross Connect Contract Charges	3,820	2,257
Repairs and Maintenance - Distribution	112,835	91,625
Water Quality Report	1,371	1,366
Telemetry	11,513	11,125
Total Water System Expenses	1,400,570	1,039,167
Sewer System Expenses:		
Waste Water Transportation - Oxnard	98,220	120,873
Operations and Maintenance	103,753	92,931
Telemetry	34,929	44,141
Power	24,812	29,940
Total Sewer System Expenses	261,714	287,885
Trash Expenses:		
Trash Services	655,877	615,394
Total Trash Expenses	655,877	615,394
Maintenance Expenses:		
Vehicle Expenses	16,692	13,758
Building Maintenance and Security	20,378	7,322
Sign and Banner Expense	2,732	481
Public Landscape Project	6,145	4,251
Employee Workplace Safety	2,032	2,927
Gasoline Expenses	12,911	15,041
Total Maintenance Expenses	60,890	43,780

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

CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (Continued)
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
OPERATING EXPENSES (CONTINUED)		
Salaries and Benefits:		
Regular Salaries	\$ 856,129	\$ 746,937
Retirement Benefits	105,974	115,768
Uniforms	4,004	3,213
Insurance	184,798	148,112
Payroll Taxes	15,358	14,582
Employee Educational Expense	19,595	14,354
	1,185,858	1,042,966
Administrative Expenses:		
Board Meetings	6,669	7,093
Board/Committee Expenses	957	2,009
Conferences and Seminars - Board	10,806	8,432
Dues/Membership	22,833	26,976
Office Supplies	9,396	8,881
E-Pay Online	3,746	3,346
Communications	29,973	30,363
Printing and Publications	7,856	8,222
Postage and Shipping	12,359	11,331
Utilities	9,195	2,492
Miscellaneous Office Expense	55,107	56,558
Other Professional Services	59,307	35,147
Office Equipment Maintenance	5,876	7,446
Insurance	52,991	44,229
Accounting Services	63,665	43,837
Computer Services	48,673	86,393
Legal Services	69,873	65,203
Engineering Services	75,167	83,743
Bank and Trustee Fees	4,000	3,912
Legal Notices Publication Expense	1,291	416
Public Information	6,668	4,447
	556,408	540,476
Other Operating Expenses:		
Depreciation	422,546	376,337
Amortization	(5,636)	(5,636)
Bad Debt	8,760	-
	425,670	370,701
Total Other Operating Expenses	425,670	370,701
Total Operating Expenses	4,546,987	3,940,369
OPERATING INCOME	79,912	497,627

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

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (Continued)
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
NONOPERATING REVENUES AND EXPENSES		
Investment Earnings	\$ 322,544	\$ 453,808
Net Gain (Loss) from Joint Venture	7,327	(76,391)
Net Gain on Sale of Capital Assets	5,000	-
County Tax Apportionment	102,109	98,692
Interest Expense	(53,085)	(77,188)
Total Nonoperating Revenues and Expenses	383,895	398,921
INCOME BEFORE CAPITAL CONTRIBUTIONS	463,807	896,548
CAPITAL CONTRIBUTIONS		
Developmental Impact Fee	-	26,848
Amortization on Contributed Capital	(16,938)	(16,938)
Total Capital Contributions	(16,938)	9,910
CHANGE IN NET POSITION	446,869	906,458
NET POSITION, BEGINNING OF YEAR	17,446,406	16,539,948
NET POSITION, END OF YEAR	\$ 17,893,275	\$ 17,446,406

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

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Water, Sewer, and Trash Services	\$ 4,627,878	\$ 4,419,427
Cash Payments to Contract and Water System Services	(2,597,410)	(1,293,186)
Cash Payments to Maintenance and Administration Services	(603,470)	(581,429)
Cash Payments to Employees for Services	(1,182,272)	(1,022,525)
NET CASH PROVIDED BY OPERATING ACTIVITIES	244,726	1,522,287
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
County Tax Apportionment	102,109	98,692
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	102,109	98,692
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(2,286,398)	(2,177,217)
Disposal and Sale of Capital Assets	5,000	-
Capital Contributions	-	26,848
Principal Paid on Debt	(195,890)	(188,393)
Interest Paid on Debt	(72,748)	(80,144)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(2,550,036)	(2,418,906)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Earnings	320,497	519,197
NET CASH PROVIDED BY INVESTING ACTIVITIES	320,497	519,197
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,882,704)	(278,730)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	8,221,739	8,500,469
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,339,035	\$ 8,221,739

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

CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 79,912	\$ 497,627
ADJUSTMENTS TO RECONCILE NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation and Amortization	416,910	370,701
Bad Debt Expense	8,760	-
(Increase) Decrease in Accounts and Other Receivables	979	(18,569)
(Increase) Decrease in Prepaid Items	(2,263)	55,943
Decrease in Inventory	1,204	1,394
(Increase) in Deferred Outflows of Resources - Pension Related Items	(2,647)	(15,091)
Increase (Decrease) in Accounts Payable and Other Liabilities	(245,326)	587,610
(Decrease) in Accrued Payroll, Taxes, and Benefits	(5,394)	(17,310)
Increase (Decrease) in Customer Deposits	(19,036)	7,140
Increase in Net Pension Liability	6,707	38,063
(Decrease) in Net OPEB Liability	(2,909)	(125,054)
Increase (Decrease) in Deferred Inflows of Resources - Pension Related Items	(239)	194
Increase in Deferred Inflows of Resources - OPEB Related Items	8,068	139,639
TOTAL ADJUSTMENTS	164,814	1,024,660
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 244,726	\$ 1,522,287
SUPPLEMENTAL DISCLOSURES		
Cash and Cash Equivalents		
Unrestricted Cash	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents	6,133,631	7,997,299
Restricted Cash and Cash Equivalents	100,404	119,440
Total	\$ 6,339,035	\$ 8,221,739
Non-Cash Investing and Financing Activities Consisted of the Following:		
Amortization Related to Long-Term Debt	\$ (5,636)	\$ (5,636)
Amortization on Contributed Capital	\$ 16,938	\$ 16,938

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

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Channel Islands Beach Community Services District (the District), a public agency, was created by election held on November 2, 1982, as the first such district in Ventura County (the 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 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 District's succession by its formation in 1982.

The 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, the City of Port Hueneme on the north, on the west by portions of the Cities of Oxnard and Port Hueneme, and on the south by the Pacific Ocean.

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

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

GASB Statements Implemented as of June 30, 2025

GASB Statement No. 101

In June of 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. GASB Statement No. 101 is effective for fiscal years beginning after December 15, 2023. This statement is required to be implemented in the 2025 fiscal year by the District. The District adopted the provisions of GASB Statement No. 101 effective July 1, 2024. The statement unifies the recognition and measurement model for compensated absences. The statement was applied retrospectively to all prior periods presented. Adoption did not result in a material change to the District's previously reported compensated absences liability or related disclosures.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

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

GASB Statements Implemented as of June 30, 2025 (Continued)

GASB Statement No. 102

In December of 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. If a government determines that the criteria for disclosure have been met for a concentration or constraint, it should disclose information in the notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. GASB Statement No. 102 is effective for fiscal years beginning after June 15, 2024. This statement is required to be implemented in the 2025 fiscal year by the District. The District implemented GASB Statement No. 102 during the fiscal year ended June 30, 2025. Based on management's evaluation, the District did not identify any concentrations or constraints meeting the criteria for disclosure under GASB Statement No. 102. Accordingly, adoption of this statement had no effect on the District's financial statements or related disclosures.

Future Accounting Standards

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

GASB Statement No. 103

In May 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The primary objective of this statement is to enhance the effectiveness of key components of the financial reporting model for state and local governments, providing more essential information for decision-making and assessing accountability. GASB Statement No. 103 is effective for fiscal years beginning after June 15, 2025. Governments are encouraged to implement the statement earlier, and any changes adopted at transition must be reported as a change in accounting principle. This statement is required to be implemented in the 2026 fiscal year by the District. The District has elected not to early implement GASB Statement No. 103 and has not determined its effect on the District's financial statements.

GASB Statement No. 104

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The primary objective of this statement is to enhance the disclosure requirements for specific types of capital assets, providing users of government financial statements with essential information. This statement introduces new disclosure requirements for two main categories: (1) separate disclosure of certain capital assets, including intangible right-to-use assets, lease assets, subscription-based information technology assets, and other intangible assets; and (2) capital assets held for sale. GASB Statement No. 104 is effective for fiscal years beginning after June 15, 2025. Early adoption of GASB 104 is encouraged, and the statement should be applied retroactively to all periods presented in the basic financial statements, if practicable. This statement is required to be implemented in the 2026 fiscal year by the District. The District has elected not to early implement GASB Statement No. 104 and has not determined its effect on the District's financial statements.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

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

Future Accounting Standards (Continued)

GASB Statement No. 105

In December 2025, GASB issued Statement No. 105, *Subsequent Events*. The primary objective of this statement is to establish clearer and more consistent requirements for evaluating and disclosing subsequent events in state and local government financial statements. This statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. It also clarifies the distinction between recognized and nonrecognized subsequent events, specifies when note disclosures are required, and identifies the information that should be included in those disclosures. GASB Statement No. 105 is effective for fiscal years beginning after June 15, 2026. Early application is encouraged, and the statement should be applied prospectively at transition. This statement is required to be implemented in the 2027 fiscal year by the District. The District has elected not to early implement GASB Statement No. 105 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. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies reflected in the financial statements are summarized as follows.

D. Basis of Accounting and Measurement Focus

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

Proprietary funds distinguish operating revenues and expenses from those revenues and expenses that are nonoperating. Operating revenues are those revenues that are generated by water sales and services while operating expenses pertain directly the furnishing of those services. Nonoperating 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 accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows/inflows of resources, and liabilities; the 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.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

F. Budgetary Data

Formal budgetary accounting is employed as a management control for the District. Annual operating budgets are adopted each fiscal year on the budgetary basis in accordance with existing legal requirements. Budgetary control is exercised at the utility enterprise divisional program level. The District did not modify its adopted operating budget for the years ended June 30, 2025 and 2024.

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 Statement No. 31, the District's investments are stated at fair value except for interest-earning investment contracts (See Notes 2 and 3).

In applying GASB Statement No. 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 Securities Exchange Commission (SEC) registered,
 - c. Items subject to involuntary participation in an external pool, and
 - d. Items associated with a fund other than the fund to which the income is assigned; and
- 3) The gain/loss resulting from valuation will be reported within the revenue account "investment earnings" on the statements of revenues, expenses, and changes in net position.

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

H. Accounts Receivable

The District has established a reserve for doubtful accounts based on the prior three years of bad debts. The amount of the reserve for doubtful accounts at June 30, 2025 and 2024, was \$5,000. The bad debt expense was \$8,760 and \$0 as of June 30, 2025 and 2024, respectively.

I. Other Liabilities

Other liabilities include unearned COVID-19 relief funds of \$7,861 as of June 30, 2025 and 2024.

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 \$0 for insurance and dues, and \$14,887 for water purchases (Port Hueneme Water Agency true-up) as of June 30, 2025. Prepaid items include \$12,624 for insurance and dues, and \$0 for water purchases (Port Hueneme Water Agency true-up) as of June 30, 2024.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net 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 of resources 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. The District also has deferred outflows related to installment payments due to the Port Hueneme Water Agency (PHWA) for the District's allocated share of PHWA's pension and OPEB obligations (see Note 5).

In addition to liabilities, the statements of net 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 of resources related to pensions and other post-employment benefits (OPEB). These amounts (see Notes 7 and 8) are amortized by an actuarial determined period.

L. Compensated Absences

Employees are entitled to annual leave at a rate of 7.12 hours (1 to 4 years of service), 8.65 hours (5 to 9 years of service) and 10.19 hours (10 years or more of services) per pay period, depending on the number of years of service completed. The annual maximum accrued leave is limited to 500 hours. All hours over that will be paid out to the employee after the pay period in which it was earned. Upon termination, separation, or retirement, each employee is paid for all their annual leave hours at the hourly rate then in effect. In accordance with accounting principles generally accepted in the United States of America, the liability is reflected in the line item for accrued payroll, taxes, and benefits on the statements 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 Wastewater Revenue Refunding Bonds Series 2016.

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.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

O. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Accounting principles generally accepted in the United States of America require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

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

P. Net Position

GASB 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 its use by creditors, grantors, contributors, laws, or regulations of other governments; 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.

Q. 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.

R. 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 No. 33, all such capital contributions are reflected as revenues.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

S. Income Taxes

The District is exempt from income taxes.

NOTE 2 – CASH AND INVESTMENTS

The District has defined cash for purposes of the statements 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 amount deposited in the Treasury. Investment policies and associated risk factors applicable to District monies are those of the County and are included in the County's Annual Comprehensive Financial Report. The carrying value and estimated market value of the County Pool at June 30, 2025, were \$4,542,684,799 and \$4,594,172,119, respectively, and at June 30, 2024, were \$4,277,613,526 and \$4,291,789,933, respectively.

The District also participates in the California Cooperative Liquid Assets Securities System (California CLASS) which is organized as a Joint Powers Authority (JPA) that was established by public agencies in California as a pooled investment option. Investments with California CLASS are highly liquid. California CLASS is governed by a Board of Trustees made up eligible participants of the program. The Board of Trustees sets overall policy for California CLASS. California CLASS offers the option of two accounts. The California CLASS Prime option is a stable \$1 net asset value (NAV) local government investment pool offering daily liquidity. The other option is California CLASS Enhanced Cash which is a next-day liquidity investment option that generates higher yields. As of June 30, 2025 and 2024, the District's investment in California Class is \$5,957,029 and \$7,924,300, respectively, in the California CLASS Prime account. The account offers daily liquidity and amounts withdrawn are based on the NAV per share which is currently \$1 per share. California CLASS Prime funds have a weighted average maturity target portfolio of 60 days or less. On June 30, 2025 and 2024, the weighted average maturity was 40 days and 27 days for California CLASS Prime funds, respectively.

The District utilized a commercial bank for all operational transactions. The District invests cash with the County Treasurer and in California CLASS. At June 30, 2025 and 2024, the carrying amount of the District's petty cash, deposits, and investments was \$6,339,035 and \$8,221,739, respectively, and are broken down as follows:

	<u>2025</u>	<u>2024</u>
Petty Cash	\$ 2,100	\$ 2,100
County Treasury	189,510	81,078
California CLASS	5,957,029	7,924,300
Pacific Western Bank	<u>190,396</u>	<u>214,261</u>
Total	<u>\$ 6,339,035</u>	<u>\$ 8,221,739</u>

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 investments. The District selects its investments based on safety, liquidity, and yield.

NOTE 2 – CASH AND INVESTMENTS (Continued)

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

	<u>2025</u>	<u>2024</u>
Statement of Net Position:		
Unrestricted Cash	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents	6,133,631	7,997,299
Restricted Cash and Cash Equivalents	<u>100,404</u>	<u>119,440</u>
 Total Cash and Investments	 <u><u>\$ 6,339,035</u></u>	 <u><u>\$ 8,221,739</u></u>

Cash and investments consist of the following:

	<u>2025</u>	<u>2024</u>
Cash on Hand	\$ 2,100	\$ 2,100
Deposits with Financial Institutions	190,396	214,261
Ventura County Treasurer's Pooled Investments	189,510	81,078
California CLASS	<u>5,957,029</u>	<u>7,924,300</u>
 Total Cash and Investments	 <u><u>\$ 6,339,035</u></u>	 <u><u>\$ 8,221,739</u></u>

NOTE 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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio ⁽¹⁾⁽²⁾	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations - CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
Federal Agency Securities	5 years	None	None
Bankers' Acceptance	180 days	40%	30%
Commercial Paper	270 days	25% ⁽³⁾	10%
Negotiable Certificates of Deposit	5 years	30%	10%
Non-Negotiable Certificates of Deposit	5 years	20%	None
Placement Service Deposits and Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium Term Notes	5 years	30%	5%
Mutual Funds and Money Market Funds	N/A	20%	10% ⁽⁴⁾
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass Through and Asset-Backed Securities	5 years	20%	5%
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years	30%	None
Public Bank Obligations	5 years	None	None

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

(2) No more than 30% of the portfolio may be in Municipal Securities.

(3) Pooled funds can be 40% of the maximum percentage of the portfolio.

(4) The 10% limitation does not apply to money market funds.

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.

NOTE 2 – CASH AND INVESTMENTS (Continued)

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:

	2025		2024	
	Amount	Maturity Date	Amount	Maturity Date
Ventura County Treasurer's Pooled Investments	\$ 189,510	N/A	\$ 81,078	N/A
California CLASS	5,957,029		7,924,300	
Total	\$ 6,146,539		\$ 8,005,378	

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, the District's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

June 30, 2025

Investment Type	Total	Minimum Legal Rating	Exempt from Disclosure	Rating as of Year End		
				AAA	AA	Not Rated
Ventura County Treasurer's Pooled Investments	\$ 189,510	N/A	\$ -	\$ 189,510	\$ -	\$ -
California CLASS	5,957,029		-	5,957,029	-	-
Total	\$ 6,146,539		\$ -	\$ 6,146,539	\$ -	\$ -

June 30, 2024

Investment Type	Total	Minimum Legal Rating	Exempt from Disclosure	Rating as of Year End		
				AAA	AA	Not Rated
Ventura County Treasurer's Pooled Investments	\$ 81,078	N/A	\$ -	\$ 81,078	\$ -	\$ -
California CLASS	7,924,300		-	7,924,300	-	-
Total	\$ 8,005,378		\$ -	\$ 8,005,378	\$ -	\$ -

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.

NOTE 2 – CASH AND INVESTMENTS (Continued)

Custodial Credit Risk

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

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following 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, 2025 and 2024, 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 Government Securities which are held in book entry form by the trustee.

Board of Directors Restricted Cash

Cash is restricted by the Board of Directors for the following:

	<u>2025</u>	<u>2024</u>
Capital and Unanticipated Repairs and Maintenance	\$ 4,505,141	\$ 6,324,515
Rate Stabilization	426,586	426,759
Reserved for Operations	925,904	970,025
Debt Service	<u>276,000</u>	<u>276,000</u>
Total	<u>\$ 6,133,631</u>	<u>\$ 7,997,299</u>

Restricted Cash

Cash is restricted for the following:

	<u>2025</u>	<u>2024</u>
Customer Deposits	<u>\$ 100,404</u>	<u>\$ 119,440</u>
Total	<u>\$ 100,404</u>	<u>\$ 119,440</u>

NOTE 3 – FAIR VALUE MEASUREMENTS

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 District 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:

	2025		
	Fair Value	Significant Unobservable Inputs (Level 3)	Uncategorized
Investments:			
Ventura County Treasurer's			
Pooled Investments	\$ 189,510	\$ -	\$ 189,510
California CLASS	5,957,029	-	5,957,029
Total Investments	\$ 6,146,539	\$ -	\$ 6,146,539
Other Assets			
Investment in Water JPA, Net of Accumulated Depreciation	\$ 2,562,601	\$ 2,562,601	\$ -
Total Other Assets	\$ 2,562,601	\$ 2,562,601	\$ -

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

	2024		
	Fair Value	Significant Unobservable Inputs (Level 3)	Uncategorized
Investments:			
Ventura County Treasurer's Pooled Investments	\$ 81,078	\$ -	\$ 81,078
California CLASS	7,924,300	-	7,924,300
Total Investments	\$ 8,005,378	\$ -	\$ 8,005,378
Other Assets			
Investment in Water JPA, Net of Accumulated Depreciation	\$ 2,572,212	\$ 2,572,212	\$ -
Total Other Assets	\$ 2,572,212	\$ 2,572,212	\$ -

The Ventura County Treasurer's Pooled Investments and California CLASS external investment pools are exempt under GASB Statement 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 12.

NOTE 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) capital 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

NOTE 4 – CAPITAL ASSETS (Continued)

A summary of changes in capital assets for the years ended June 30, 2025 and 2024, is as follows:

	2025			Ending Balance
	Beginning Balance	Additions	Deletions	
Capital Assets, Not Depreciated:				
Land	\$ 42,060	\$ -	\$ -	\$ 42,060
Construction in Progress	2,973,558	1,916,249	4,370,465	519,342
Total Capital Assets, Not Depreciated	3,015,618	1,916,249	4,370,465	561,402
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	92,786	-	-	92,786
Vehicles	165,836	84,401	37,894	212,343
Tools and Shop Equipment	287,673	-	-	287,673
Office Building	25,999	4,367,349	24,450	4,368,898
1911 Act Sewer Line	7,665,098	288,864	-	7,953,962
Water Distribution System	4,872,998	-	-	4,872,998
Total Capital Assets, Being Depreciated	13,110,390	4,740,614	62,344	17,788,660
Less Accumulated Depreciation:				
Office Furniture and Equipment	75,213	4,838	-	80,051
Vehicles	96,736	33,711	37,894	92,553
Tools and Shop Equipment	139,237	23,457	-	162,694
Office Building	25,348	66,249	24,450	67,147
1911 Act Sewer Line	2,960,034	184,559	-	3,144,593
Water Distribution System	3,085,376	109,732	-	3,195,108
Total Accumulated Depreciation	6,381,944	422,546	62,344	6,742,146
Total Capital Assets, Being Depreciated, Net	6,728,446	4,318,068	-	11,046,514
Capital Assets, Net of Depreciation	\$ 9,744,064	\$ 6,234,317	\$ 4,370,465	\$ 11,607,916

NOTE 4 – CAPITAL ASSETS (Continued)

	2024			Ending Balance
	Beginning Balance	Additions	Deletions	
Capital Assets, Not Depreciated:				
Land	\$ 42,060	\$ -	\$ -	\$ 42,060
Construction in Progress	869,294	2,104,264	-	2,973,558
Total Capital Assets, Not Depreciated	911,354	2,104,264	-	3,015,618
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	105,919	-	13,133	92,786
Vehicles	165,836	-	-	165,836
Tools and Shop Equipment	287,673	-	-	287,673
Office Building	46,342	-	20,343	25,999
1911 Act Sewer Line	7,626,074	39,024	-	7,665,098
Water Distribution System	4,839,069	33,929	-	4,872,998
Total Capital Assets, Being Depreciated	13,070,913	72,953	33,476	13,110,390
Less Accumulated Depreciation:				
Office Furniture and Equipment	81,577	6,769	13,133	75,213
Vehicles	78,502	18,234	-	96,736
Tools and Shop Equipment	115,337	23,900	-	139,237
Office Building	45,613	78	20,343	25,348
1911 Act Sewer Line	2,777,133	182,901	-	2,960,034
Water Distribution System	2,940,921	144,455	-	3,085,376
Total Accumulated Depreciation	6,039,083	376,337	33,476	6,381,944
Total Capital Assets, Being Depreciated, Net	7,031,830	(303,384)	-	6,728,446
Capital Assets, Net of Depreciation	\$ 7,943,184	\$ 1,800,880	\$ -	\$ 9,744,064

NOTE 5 – LONG-TERM DEBT

The following is a summary of the changes in long-term debt:

Changes in Long-Term Debt	2025				Due Within One Year
	Beginning Balance	Additions	Deletions	Ending Balance	
Wastewater Revenue Refunding					
Bonds Series 2016	\$ 1,845,000	\$ -	\$ 125,000	\$ 1,720,000	\$ 130,000
Premiums on Bonds	94,508	-	8,339	86,169	8,339
Subtotal	1,939,508	-	133,339	1,806,169	138,339
Due to PHWA	79,537	-	39,769	39,768	39,768
Direct Borrowing - Loan Payable	381,285	-	70,890	310,395	73,477
Total	\$ 2,400,330	\$ -	\$ 243,998	\$ 2,156,332	\$ 251,584

NOTE 5 – LONG-TERM DEBT (Continued)

Changes in Long-Term Debt	2024				Due Within One Year
	Beginning Balance	Additions	Deletions	Ending Balance	
Wastewater Revenue Refunding Bonds Series 2016	\$ 1,965,000	\$ -	\$ 120,000	\$ 1,845,000	\$ 125,000
Premiums on Bonds	102,847	-	8,339	94,508	8,339
Subtotal	2,067,847	-	128,339	1,939,508	133,339
Due to PHWA	-	119,306	39,769	79,537	39,769
Direct Borrowing - Loan Payable	449,678	-	68,393	381,285	70,890
Total	<u>\$ 2,517,525</u>	<u>\$ 119,306</u>	<u>\$ 236,501</u>	<u>\$ 2,400,330</u>	<u>\$ 243,998</u>

Bonds Payable

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 Ended June 30,	Wastewater Bond Series 2016		
	Principal	Interest	Total
2026	\$ 130,000	\$ 56,331	\$ 186,331
2027	135,000	51,131	186,131
2028	140,000	45,731	185,731
2029	145,000	40,131	185,131
2030	150,000	34,331	184,331
2031-2035	840,000	98,775	938,775
2036	180,000	5,400	185,400
Total	<u>1,720,000</u>	<u>\$ 331,830</u>	<u>\$ 2,051,830</u>
Less Current Portion	<u>(130,000)</u>		
Total Long-Term Portion	<u>\$ 1,590,000</u>		

Revenues Pledged

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 Series 2016 are payable solely from sewer revenues and a portion of investment earnings. Total principal and interest remaining on the Wastewater Revenue Refunding Bonds Series 2016 is \$2,238,162, payable through fiscal year 2036. For the current year, principal and interest paid by sewer revenues and investment earnings was \$125,000 and \$61,331, respectively.

NOTE 5 – LONG-TERM DEBT (Continued)**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. Total principal and interest remaining on the Wastewater Revenue Refunding Bonds is \$339,226, payable through fiscal year 2029.

Year Ended June 30,	Loan Payable		
	Principal	Interest	Total
2026	\$ 73,477	\$ 11,329	\$ 84,806
2027	76,159	8,648	84,807
2028	78,939	5,868	84,807
2029	81,820	2,986	84,806
Total	310,395	\$ 28,831	\$ 339,226
Less Current Portion	(73,477)		
Total Long-Term Portion	\$ 236,918		

Due to Port Hueneme Water Agency (PHWA)

In 2022, the City of Port Hueneme (COPH) discovered that the City's Pension and OPEB obligations had not been properly allocated to COPH's Water Plant Fund. This resulted in an outstanding liability in the amount of \$932,417 due from PHWA to COPH's Water Plant Fund. PHWA has elected to have these amounts paid by its customers based on historical 2020 water usage amounts. PHWA determined that the District is responsible for 12.8% of the outstanding liability, for a total of \$119,306 due over three annual installment payments. As of June 30, 2025, the District owed \$39,768 of this amount, with \$39,768 due within one year.

NOTE 6 – NET POSITION

Net position consisted of the following:

	2025	2024
Net Position:		
Net Investment in Capital Assets:		
Land and Construction in Progress, Not Being Depreciated	\$ 561,402	\$ 3,015,618
Capital Assets, Net of Depreciation	11,046,514	6,728,446
Capital Related Deferred Outflows of Resources:		
Deferred Charges on Refunding	27,933	30,636
Less Capital Related Debt:		
Wastewater Revenue Refunding Bonds Series 2016 ⁽¹⁾	(1,720,000)	(1,845,000)
Loan Payable	(310,395)	(381,285)
Subtotal	9,605,454	7,548,415
Unrestricted Net Position	8,287,821	9,897,991
Total Net Position	\$ 17,893,275	\$ 17,446,406

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

NOTE 7 – CALPERS RETIREMENT PLAN

A. General Information about the Pension Plan

Plan Description

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

Benefits Provided

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

The rate Plan provisions and benefits in effect at June 30, 2025 and 2024, are summarized as follows:

Hire Date	Miscellaneous
	On or After January 1, 2013
Benefit Formulas	2.0% at 62
Benefit Vesting Schedule	5 Years Service
Benefit Payments	Monthly for Life
Retirement Age	52 - 67+
Monthly Benefits, as a % of Eligible Compensation	1.0% - 2.5%
Required Employee Contribution Rates	6.75%
Required Employer Contribution Rates	
2025	7.87%
2024	7.68%

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.

NOTE 7 – CALPERS RETIREMENT PLAN (Continued)

A. General Information about the Pension Plans (Continued)

Contributions (Continued)

The District's contributions to the Plan for the years ended June 30, 2025 and 2024, were \$63,625 and \$51,342, respectively.

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

As of June 30, 2025 and 2024, the District's net pension liability for its proportionate share of the net pension liability of the Plan was \$64,254 and \$57,547, respectively.

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, 2024, for the 2025 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, 2023, rolled forward to June 30, 2024, using standard update procedures. The net pension liability of the Plan is measured as of June 30, 2023, for the 2024 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, 2022, rolled forward to June 30, 2023, 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 plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan was as follows:

	<u>2025</u>
Proportion - June 30, 2024	0.00115%
Proportion - June 30, 2025	<u>0.00133%</u>
Change - Increase (Decrease)	<u>0.00018%</u>
	<u>2024</u>
Proportion - June 30, 2023	0.00042%
Proportion - June 30, 2024	<u>0.00115%</u>
Change - Increase (Decrease)	<u>0.00073%</u>

NOTE 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, 2025 and 2024, the District recognized pension expense of \$67,445 and \$74,508, respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	2025	2024	2025	2024
Pension Contributions Subsequent to Measurement Date	\$ 63,625	\$ 51,342	\$ -	\$ -
Differences Between Actual and Expected Experience	5,555	2,940	217	456
Changes in Assumptions	3,699	3,474	-	-
Differences Between Projected and Actual Investment Earnings	42,179	47,862	-	-
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	23,558	22,685	-	-
Net Differences Between Projected and Actual Earnings on Plan Investments	1,651	9,317	-	-
Total	\$ 140,267	\$ 137,620	\$ 217	\$ 456

The District reported \$63,625 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. 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
2026	\$ 37,452
2027	31,226
2028	9,016
2029	(1,269)
Total	\$ 76,425

NOTE 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, 2023 and 2022 actuarial valuations were determined using the following actuarial assumptions:

	2025	2024
Valuation Date	June 30, 2023	June 30, 2022
Measurement Date	June 30, 2024	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Salaries Increases	Varies ⁽¹⁾	Varies ⁽¹⁾
Mortality Rate Table	CalPERS Membership Data ⁽²⁾	CalPERS Membership Data ⁽²⁾
Post Retirement Benefit Increase	See Footnote ⁽³⁾	See Footnote ⁽³⁾

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

⁽²⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

⁽³⁾ Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.3% thereafter.

Change of Assumptions

There were no assumption changes in the 2024 or 2023 measurement periods.

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2024 and 2023 measurement dates was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return

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

NOTE 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. For the 2024 measurement period, using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account assumed administrative expenses of 10 Basis points. For the 2023 measurement period, using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account assumed administrative expenses of 10 Basis points. 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 expected real rates of return by asset class.

Asset Class ^(a)	2024 Measurement Period	
	Assumed Asset Allocation	Real Return ^{(a),(b)}
Global Equity - Cap-Weighted	30%	4.54%
Global Equity - Non-Cap-Weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-Backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
Total	100%	

^(a) An expected inflation of 2.3% used for this period.

^(b) Figures based on the 2021 Asset Liability Management study.

NOTE 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)

2023 Measurement Period		
Asset Class ^(a)	Assumed Asset	
	Allocation	Real Return ^{(a),(b)}
Global Equity - Cap-Weighted	30%	4.54%
Global Equity - Non-Cap-Weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-Backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
Total	100%	

(a) An expected inflation of 2.3% used for this period.

(b) Figures based on the 2021 Asset Liability Management study.

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:

	2025		
	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Net Pension Liability (Asset)	\$ 15,827	\$ 64,254	\$ (12,771)
	2024		
	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Net Pension Liability (Asset)	\$ 1,330	\$ 57,547	\$ (4,598)

Pension Plan Fiduciary Net Position

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

NOTE 7 – CALPERS RETIREMENT PLAN (Continued)

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

Payable to the Pension Plan

At June 30, 2025 and 2024, the District reported, in accrued payroll, taxes, and benefits, a payable of \$94 and \$12, respectively, for the outstanding amount of contributions to the pension plan required for the years ended June 30, 2025 and 2024.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The District's defined benefit post-employment healthcare plan (District Retiree Healthcare Plan or DRHP) provides medical benefits to eligible retired employees. Effective January 1, 2022, the District began sponsoring healthcare coverage under the California Public Employees Medical and Hospital Care Act (PEMHCA), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. Participation in PEMHCA is financed in part by the District contributing the statutory minimum (PEMHCA Minimum) for each covered employee. The statutory minimum is \$158 per month for 2025 and \$157 per month for 2024 and will be indexed with medical inflation (CPI) for years 2024 and thereafter.

Funding Policy

The District offers lifetime PEMHCA coverage to individuals who retire under the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan administered by CalPERS. The employer contribution for each annuitant is the amount necessary to pay the full cost of his/her enrollment (including the enrollment of family members) up to a maximum of the PEMHCA Minimum (\$158 per month for 2025 and \$157 per month for 2024). The District also pays PEMHCA an administrative fee of a percent-of-premium for all active employees and retirees.

Employees Covered

As of June 30, 2024, actuarial valuation, the following current and former employees were covered by the benefit terms under the DRHP:

Active Employees	8
Inactive Employees or Beneficiaries Currently Receiving Benefits	<u>-</u>
Total	<u><u>8</u></u>

Contributions

Currently, the District is under a pay-as-you-go method under which contributions to the plan are generally made the same time and in the same amount as retiree benefits and expenses come due. For the fiscal years ended June 30, 2025 and 2024, the District was not required to make any cash contributions.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Net OPEB Liability

The District’s net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2024, based on the following actuarial methods and assumptions:

Actuarial Assumptions

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age, Level Percentage of Pay
Discount Rate	5.20%
Salary Increases	2.80%
Inflation Rate	2.30%
Healthcare Cost Trend Rate	5.50% for 2023-2034, 4.50% percent for 2035-2074, and 4.00 percent for 2075 and later years; Medicare ages: 4.00 percent for all years.
Pre-Retirement Mortality	CalPERS Public Agency Miscellaneous and Schools Pre-Retirement Mortality, with fully generational mortality improvement using 80% of MP-2020 (2021 CalPERS Experience Study)
Post-Retirement Mortality	CalPERS Public Agency Post-Retirement Mortality with fully generational mortality improvement using 80% of MP-2020 (2021 CalPERS Experience Study)
Retirement	CalPERS Miscellaneous 2% @62 (2021 CalPERS Experience Study)

The actuarial assumptions used in the June 30, 2024 valuation were based on the recommendations in the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Discount Rate

For OPEB Plans that are not administered through trusts that meet the criteria in Paragraph 4, GASB Statement No. 75 requires a discount rate that is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate used to measure the District’s Total OPEB liability is based on the following information:

<u>Reporting Date</u>	<u>Measurement Date</u>	<u>Fidelity GO AA 20 Years Municipal Index</u>	<u>Discount Rate</u>
June 30, 2025	June 30, 2025	5.20%	5.20%
June 30, 2024	June 30, 2024	3.97%	3.97%

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Changes in the OPEB Liability

The changes in the net OPEB liability for CalPERS Basic Health Plan Rates (DRHP) are as follows:

	2025		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2024 (Measurement Date June 30, 2024)	\$ 138,763	\$ -	\$ 138,763
Changes Recognized for the Measurement Period:			
Service Cost	17,503	-	17,503
Interest	6,188	-	6,188
Change of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	(25,778)	-	(25,778)
Contributions - Employer	-	822	(822)
Benefit Payments	(822)	(822)	-
Net Changes	(2,909)	-	(2,909)
Balance at June 30, 2025 (Measurement Date June 30, 2025)	\$ 135,854	\$ -	\$ 135,854
	2024		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2023 (Measurement Date June 30, 2023)	\$ 263,817	\$ -	\$ 263,817
Changes Recognized for the Measurement Period:			
Service Cost	19,053	-	19,053
Interest	10,919	-	10,919
Differences Between Expected and Actual Experience	(143,186)	-	(143,186)
Changes of Assumptions	(11,840)	-	(11,840)
Benefit Payments	-	-	-
Net Changes	(125,054)	-	(125,054)
Balance at June 30, 2024 (Measurement Date June 30, 2024)	\$ 138,763	\$ -	\$ 138,763

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement periods ended June 30, 2025 and 2024:

	2025		
	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Net OPEB Liability	\$ 156,324	\$ 135,854	\$ 118,939

	2024		
	1% Decrease 2.97%	Current Discount Rate 3.97%	1% Increase 4.97%
Net OPEB Liability	\$ 161,338	\$ 138,763	\$ 120,272

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

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement periods ended June 30, 2025 and 2024:

	2025		
	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 113,714	\$ 135,854	\$ 163,751

	2024		
	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 115,260	\$ 138,763	\$ 168,514

OPEB Plan Fiduciary Net Position

Currently, the District is under a pay-as-you-go method, and the DRHP has no fiduciary net position.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

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

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the years ended June 30, 2025 and 2024, the District recognized OPEB expense of \$5,159 and \$14,585, respectively. As of the years ended June 30, 2025 and 2024, the District reported deferred outflows or inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	2025	2024	2025	2024
Differences Between Expected and Actual Experience	\$ -	\$ -	\$ 117,152	\$ 130,169
Changes in Assumptions or Other Inputs	-	-	45,816	24,731
Differences Between Projected and Actual Return Investments	-	-	-	-
Total	\$ -	\$ -	\$ 162,968	\$ 154,900

Year Ended June 30,	Deferred Outflows/Inflows of Resources
2026	\$ 17,710
2027	17,710
2028	17,710
2029	17,710
2030	17,710
Thereafter	74,418
Total	\$ 162,968

NOTE 9 – 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. As of January 1, 2024, the District contributes 4% of gross pay, with all contributions being currently funded. The District begins to deposit its contributions to the employee’s annuity account upon successful completion of the employee’s initial six (6) month probationary period. Vesting of the District’s contributions begins at the end of the first year of employment. Thirty three and one third percent (33.3%) vests at the end of the first year, sixty-six and two thirds percent (66.6%) vests at the end of the second year, and one-hundred percent (100%) or full vesting occurs at the end of the third year of service, as measured from the date of initial hire of the employee. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Contributions for the fiscal years ended June 30, 2025 and 2024, were \$32,817 and \$26,443, respectively.

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

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

NOTE 9 – DEFERRED COMPENSATION (Continued)

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

NOTE 10 – COMPENSATED ABSENCES

The District accrues a liability for accumulated employee annual leave in accordance with GASB Statement No. 101, *Compensated Absences*, implemented by the District during the fiscal year ended June 30, 2025. See Note 1 for the District's compensated absences policy. The liability includes the District's share of salary-related payments and is reported within accrued payroll, taxes, and benefits on the statements of net position.

Activity for the fiscal years ended June 30, 2025 and 2024, presented on a net basis as permitted by GASB Statement No. 101, was as follows:

	<u>Balance June 30, 2024</u>	<u>Net Change</u>	<u>Balance June 30, 2025</u>	<u>Due Within One Year</u>
Compensated Absences	<u>\$ 86,733</u>	<u>\$ (9,414)</u>	<u>\$ 77,319</u>	<u>\$ 77,319</u>
	<u>Balance June 30, 2023</u>	<u>Net Change</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
Compensated Absences	<u>\$ 103,233</u>	<u>\$ (16,500)</u>	<u>\$ 86,733</u>	<u>\$ 86,733</u>

NOTE 11 – 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 years ended June 30, 2025 and 2024, were \$52,991 and \$44,229, respectively.

NOTE 12 – PORT HUENEME WATER AGENCY/JOINT VENTURE

In 1994, the District 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, construction, and operation of a water desalination plant and the necessary transport facilities to service the water need of the District, COPH, and 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.

NOTE 12 – PORT HUENEME WATER AGENCY/JOINT VENTURE (Continued)

The District'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, 2025, was \$11,040,305, of which the District's share was \$2,181,725, and through June 30, 2024, was \$11,382,150, of which the District's share was \$2,249,278. The District'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. As of June 30, 2025 and 2024, the District had a related party payable to PHWA of \$133,417 and \$74,780, respectively, for water purchases and fixed operations and maintenance costs, included in accounts payable on the statements of net position.

The District 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.

The District's share of the joint venture's net income is reported in the District's statements of revenues, expenses, and changes in net position as a profit or loss in the joint venture. Nonoperating transactions between the District 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:

	<u>2025</u>	<u>2024</u>
Total Assets	\$ 14,668,690	\$ 14,663,446
Total Liabilities	<u>1,701,019</u>	<u>1,647,134</u>
Net Position		
Net Investment in Capital Assets	10,587,530	10,929,473
Restricted for Operations	452,776	452,677
Unrestricted	<u>1,927,365</u>	<u>1,634,162</u>
Total Net Position	<u>\$ 12,967,671</u>	<u>\$ 13,016,312</u>
Total Revenues	\$ 7,523,845	\$ 6,629,813
Total Expenses	<u>(7,572,486)</u>	<u>(7,102,093)</u>
Net Increase (Decrease) in Net Position	<u>\$ (48,641)</u>	<u>\$ (472,280)</u>
District Reports its Share of the PHWA as Follows:		
Investment in PHWA	\$ 2,562,601	\$ 2,572,212
Profit (Loss) in PHWA Joint Venture	\$ 7,327	\$ (76,391)
Amortization on Contributed Capital	\$ (16,938)	\$ (16,938)

NOTE 13 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through May 5, 2026, and determined that there have been no events that have occurred that would require adjustments to the financials statements or the note disclosures.

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, 2025**

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018*	0.00000%	\$ -	\$ -	N/A	N/A
2019*	0.00000%	-	91,605	N/A	N/A
2020	0.00001%	408	603,461	0.07%	97.17%
2021	0.00013%	5,352	569,126	0.94%	95.12%
2022	0.00113%	(21,521)	673,063	-3.20%	109.37%
2023	0.00042%	19,484	704,053	2.77%	95.09%
2024	0.00115%	57,547	748,166	7.69%	77.97%
2025	0.00133%	64,254	783,722	8.20%	79.91%

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 was reduced from 7.65% to 7.15%. In 2023 (for the June 30, 2022 measurement period), the discount rate was reduced from 7.15% to 6.90%.

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 actuarial valuations related to those fiscal years. 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, 2025**

Fiscal Year	Contractually Required Contribution (Actuarially Determined)	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 5,985	\$ (5,985)	\$ -	\$ 91,605	6.53%
2019	43,807	(43,807)	-	603,461	7.26%
2020	39,754	(39,754)	-	569,126	6.99%
2021	52,041	(52,041)	-	673,063	7.73%
2022	53,438	(53,438)	-	704,053	7.59%
2023	53,828	(53,828)	-	720,585	7.47%
2024	51,342	(51,342)	-	748,166	6.86%
2025	63,625	(63,625)	-	783,722	8.12%

* 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.

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE MEASUREMENT PERIODS ENDED JUNE 30**

Measurement Period	2025	2024	2023	2022
Total OPEB Liability				
Service Cost	\$ 17,503	\$ 19,053	\$ 22,213	\$ 10,783
Interest on the Total OPEB Liability	6,188	10,919	9,978	4,456
Changes in Benefit Terms	-	-	-	-
Actual and Expected Experience Difference	-	(143,186)	-	-
Changes in Assumptions	(25,778)	(11,840)	(16,554)	-
Benefit Payments	(822)	-	-	-
Net Change in Total OPEB Liability	(2,909)	(125,054)	15,637	15,239
Total OPEB Liability - Beginning ⁽¹⁾	138,763	263,817	248,180	232,941
Total OPEB Liability - Ending (a)	<u>\$ 135,854</u>	<u>\$ 138,763</u>	<u>\$ 263,817</u>	<u>\$ 248,180</u>
Plan Fiduciary Net Position				
Contributions - Employer ⁽³⁾	\$ 822	\$ -	\$ -	\$ -
Net Investment Income	-	-	-	-
Benefit Payments	(822)	-	-	-
Administrative Expense	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 135,854</u>	<u>\$ 138,763</u>	<u>\$ 263,817</u>	<u>\$ 248,180</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll⁽²⁾	\$ 861,688	\$ 763,548	\$ 854,919	\$ 789,608
Net OPEB Liability as a Percentage of Covered-Employee Payroll⁽²⁾	15.77%	18.17%	30.86%	31.43%

Notes to Schedule:

- (1) The District began sponsoring healthcare coverage under the California Public Employees Medical and Hospital Care Act (PEMHCA) effective January 1, 2022. The beginning balance for the 2022 fiscal year total OPEB liability was measured as of January 1, 2022, by the actuary.
- (2) Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.
- (3) Contributions are determined by an actuarial valuation based on eligible participants' estimated medical benefits. Currently, no amounts have been contributed to a trust requiring an actuarial valuation.

SUPPLEMENTAL INFORMATION

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES –
BUDGET TO ACTUAL – ALL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

	Original and Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES			
Water Revenue	\$ 2,386,000	\$ 2,250,770	\$ (135,230)
Sewer Revenue	1,520,000	1,496,121	(23,879)
Trash Revenue	834,000	880,008	46,008
Total Operating Revenues	<u>4,740,000</u>	<u>4,626,899</u>	<u>(113,101)</u>
 OPERATING EXPENSES			
Water System Expenses:			
PHWA Water Expenses	1,097,000	1,232,692	(135,692)
Water Samples	16,000	16,460	(460)
SDHS Annual Administrative Fee	22,800	21,879	921
Cross Connect Contract Charges	2,500	3,820	(1,320)
Repairs and Maintenance - Distribution	1,500	112,835	(111,335)
Water Quality Report	140,000	1,371	138,629
Telemetry	11,100	11,513	(413)
Total Water System Expenses	<u>1,290,900</u>	<u>1,400,570</u>	<u>(109,670)</u>
 Sewer System Expenses:			
Waste Water Transportation - Oxnard	158,000	98,220	59,780
Operations and Maintenance	109,000	103,753	5,247
Telemetry	36,000	34,929	1,071
Power	37,000	24,812	12,188
Total Sewer System Expenses	<u>340,000</u>	<u>261,714</u>	<u>78,286</u>
 Trash Expenses:			
Trash Services	663,000	655,877	7,123
Total Trash Expenses	<u>663,000</u>	<u>655,877</u>	<u>7,123</u>
 Maintenance Expenses:			
Vehicle Expenses	12,000	16,692	(4,692)
Building Maintenance and Security	35,000	20,378	14,622
Sign and Banner Expense	5,000	2,732	2,268
Public Landscape Project	5,500	6,145	(645)
Employee Workplace Safety	5,000	2,032	2,968
Gasoline Expenses	24,000	12,911	11,089
Emergency Preparedness Expense	1,000	-	1,000
Total Maintenance Expenses	<u>87,500</u>	<u>60,890</u>	<u>26,610</u>

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES –
BUDGET TO ACTUAL – ALL ACTIVITIES (Continued)
FOR THE YEAR ENDED JUNE 30, 2025**

	Original and Final Budget	Actual	Variance with Final Budget
OPERATING EXPENSES (CONTINUED)			
Salaries and Benefits:			
Regular Salaries	\$ 877,500	\$ 856,129	\$ 21,371
Retirement Benefits	102,100	105,974	(3,874)
Uniforms	7,100	4,004	3,096
Group Insurance	173,000	172,119	881
Worker's Compensation Insurance	14,500	12,679	1,821
Payroll Taxes	16,000	15,358	642
Employee Educational Expense	19,000	19,595	(595)
	<u>1,209,200</u>	<u>1,185,858</u>	<u>23,342</u>
Administrative Expenses:			
Regular Board Payments	9,500	5,997	3,503
Special Board Meetings	4,000	672	3,328
Board/Committee Expenses	2,000	957	1,043
Conferences and Seminars - Board	5,000	-	5,000
Board Travel and Lodging	10,000	10,806	(806)
Dues/Membership - District	29,000	22,833	6,167
Office Supplies	10,000	9,396	604
E-Pay Online	4,500	3,746	754
Communications	28,000	29,973	(1,973)
Printing and Publications	6,000	7,856	(1,856)
Postage and Shipping	12,000	12,359	(359)
Utilities	4,500	9,195	(4,695)
Miscellaneous Office Expense	39,000	55,107	(16,107)
Other Professional Services	60,000	59,307	693
Office Equipment Maintenance	11,000	5,876	5,124
Equipment Purchases	158,000	-	158,000
Insurance	47,000	52,991	(5,991)
Accounting Services	50,000	63,665	(13,665)
Computer Services	55,000	48,673	6,327
Legal Services	70,000	69,873	127
Engineering Services	75,000	75,167	(167)
Bank and Trustee	4,000	4,000	-
Legal Notices Publication Expense	6,000	1,291	4,709
Public Information Expense	10,000	6,668	3,332
	<u>709,500</u>	<u>556,408</u>	<u>153,092</u>
Other Operating Expenses:			
Depreciation	-	422,546	(422,546)
Amortization	-	(5,636)	5,636
Bad Debt	-	8,760	(8,760)
	<u>-</u>	<u>425,670</u>	<u>(425,670)</u>
Total Other Operating Expenses	<u>-</u>	<u>425,670</u>	<u>(425,670)</u>
Total Operating Expenses	<u>4,300,100</u>	<u>4,546,987</u>	<u>(246,887)</u>
OPERATING INCOME (LOSS)	<u>439,900</u>	<u>79,912</u>	<u>(359,988)</u>

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES –
BUDGET TO ACTUAL – ALL ACTIVITIES (Continued)
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenues:			
Investment Earnings	\$ 300,000	\$ 322,544	\$ 22,544
Net Gain from Joint Venture	-	7,327	7,327
Net Gain on Sale of Capital Assets	-	5,000	5,000
County Tax Apportionment	115,000	102,109	(12,891)
Miscellaneous Revenues	<u>32,000</u>	<u>-</u>	<u>(32,000)</u>
 Total Nonoperating Revenues	 <u>447,000</u>	 <u>436,980</u>	 <u>(10,020)</u>
Nonoperating Expenses:			
Interest Expense	<u>-</u>	<u>53,085</u>	<u>(53,085)</u>
 Total Nonoperating Expenses	 <u>-</u>	 <u>53,085</u>	 <u>(53,085)</u>
 Total Nonoperating Revenues and Expenses	 <u>447,000</u>	 <u>383,895</u>	 <u>(63,105)</u>
 INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	 <u>\$ 886,900</u>	 <u>\$ 463,807</u>	 <u>\$ (423,093)</u>

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES –
BUDGET TO ACTUAL – WATER
FOR THE YEAR ENDED JUNE 30, 2025**

	Original and Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES			
Water Revenue	\$ 2,386,000	\$ 2,250,770	\$ (135,230)
Total Operating Revenues	<u>2,386,000</u>	<u>2,250,770</u>	<u>(135,230)</u>
OPERATING EXPENSES			
Water System Expenses:			
PHWA Water Expenses	1,097,000	1,232,692	(135,692)
Water Samples	16,000	16,460	(460)
SDHS Annual Administrative Fee	22,800	21,879	921
Cross Connect Contract Charges	2,500	3,820	(1,320)
Repairs and Maintenance - Distribution	1,500	112,835	(111,335)
Water Quality Report	140,000	1,371	138,629
Telemetry	11,100	11,513	(413)
Total Water System Expenses	<u>1,290,900</u>	<u>1,400,570</u>	<u>(109,670)</u>
Maintenance Expenses:			
Vehicle Expenses	5,160	7,178	(2,018)
Building Maintenance and Security	11,550	6,730	4,820
Sign and Banner Expense	1,650	902	748
Employee Workplace Safety	2,150	874	1,276
Gasoline Expenses	10,320	5,551	4,769
Total Maintenance Expenses	<u>30,830</u>	<u>21,235</u>	<u>9,595</u>
Salaries and Benefits:			
Regular Salaries	342,225	333,889	8,336
Retirement Benefits	39,819	41,330	(1,511)
Uniforms	3,053	1,721	1,332
Group Insurance	67,470	67,126	344
Worker's Compensation Insurance	5,655	4,944	711
Payroll Taxes	6,240	5,990	250
Employee Educational Expense	7,410	7,642	(232)
Total Salaries and Benefits	<u>471,872</u>	<u>462,642</u>	<u>9,230</u>

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES –
BUDGET TO ACTUAL – WATER (Continued)
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING EXPENSES (CONTINUED)			
Administrative Expenses:			
Regular Board Payments	\$ 3,705	\$ 2,339	\$ 1,366
Special Board Meetings	1,560	262	1,298
Board/Committee Expenses	780	373	407
Conferences and Seminars - Board	1,950	-	1,950
Board Travel and Lodging	3,900	4,215	(315)
Dues/Membership - District	10,502	8,270	2,232
Office Supplies	3,300	3,100	200
E-Pay Online	1,845	1,536	309
Communications	9,240	9,891	(651)
Printing and Publications	1,980	2,593	(613)
Postage and Shipping	3,960	4,079	(119)
Utilities	1,485	3,035	(1,550)
Miscellaneous Office Expense	15,826	22,363	(6,537)
Other Professional Services	24,600	24,316	284
Office Equipment Maintenance	3,630	1,939	1,691
Equipment Purchases	74,270	-	74,270
Insurance	19,270	21,726	(2,456)
Accounting Services	20,500	26,102	(5,602)
Computer Services	22,550	19,956	2,594
Legal Services	52,300	52,202	98
Engineering Services	30,750	30,819	(69)
Bank and Trustee	1,640	1,640	-
Legal Notices Publication Expense	1,980	426	1,554
Public Information Expense	3,300	2,201	1,099
	<u>314,823</u>	<u>243,383</u>	<u>71,440</u>
Total Administrative Expenses			
Other Operating Expenses:			
Depreciation	-	215,498	(215,498)
Bad Debt	-	2,978	(2,978)
	<u>-</u>	<u>218,476</u>	<u>(218,476)</u>
Total Other Operating Expenses			
	<u>2,108,425</u>	<u>2,346,306</u>	<u>(237,881)</u>
Total Operating Expenses			
OPERATING INCOME (LOSS)	<u>277,575</u>	<u>(95,536)</u>	<u>(373,111)</u>

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES –
BUDGET TO ACTUAL – WATER (Continued)
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenues:			
Investment Earnings	\$ 105,000	\$ 112,891	\$ 7,891
Net Gain from Joint Venture	-	7,327	7,327
Net Gain on Sale of Capital Assets	-	2,550	2,550
Miscellaneous Revenues	<u>3,200</u>	<u>-</u>	<u>(3,200)</u>
 Total Nonoperating Revenues	 <u>108,200</u>	 <u>122,768</u>	 <u>14,568</u>
Nonoperating Expenses:			
Interest Expense	<u>-</u>	<u>7,963</u>	<u>(7,963)</u>
 Total Nonoperating Expenses	 <u>-</u>	 <u>7,963</u>	 <u>(7,963)</u>
 Total Nonoperating Revenues and Expenses	 <u>108,200</u>	 <u>114,805</u>	 <u>6,605</u>
 INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	 <u>\$ 385,775</u>	 <u>\$ 19,269</u>	 <u>\$ (366,506)</u>

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES –
BUDGET TO ACTUAL – WASTEWATER
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES			
Sewer Revenue	\$ 1,520,000	\$ 1,496,121	\$ (23,879)
Total Operating Revenues	<u>1,520,000</u>	<u>1,496,121</u>	<u>(23,879)</u>
OPERATING EXPENSES			
Sewer System Expenses:			
Waste Water Transportation - Oxnard	158,000	98,220	59,780
Operations and Maintenance	109,000	103,753	5,247
Telemetry	36,000	34,929	1,071
Power	<u>37,000</u>	<u>24,812</u>	<u>12,188</u>
Total Sewer System Expenses	<u>340,000</u>	<u>261,714</u>	<u>78,286</u>
Maintenance Expenses:			
Vehicle Expenses	4,920	6,843	(1,923)
Building Maintenance and Security	11,900	6,923	4,977
Sign and Banner Expense	1,700	928	772
Employee Workplace Safety	2,050	833	1,217
Gasoline Expenses	<u>9,840</u>	<u>5,294</u>	<u>4,546</u>
Total Maintenance Expenses	<u>30,410</u>	<u>20,821</u>	<u>9,589</u>
Salaries and Benefits:			
Regular Salaries	351,000	342,452	8,548
Retirement Benefits	40,840	42,390	(1,550)
Uniforms	2,911	1,642	1,269
Group Insurance	69,200	68,848	352
Worker's Compensation Insurance	5,800	5,072	728
Payroll Taxes	6,400	6,143	257
Employee Educational Expense	<u>7,600</u>	<u>7,838</u>	<u>(238)</u>
Total Salaries and Benefits	<u>483,751</u>	<u>474,385</u>	<u>9,366</u>

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES –
BUDGET TO ACTUAL – WASTEWATER (Continued)
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING EXPENSES (CONTINUED)			
Administrative Expenses:			
Regular Board Payments	\$ 3,800	\$ 2,399	\$ 1,401
Special Board Meetings	1,600	269	1,331
Board/Committee Expenses	800	383	417
Conferences and Seminars - Board	2,000	-	2,000
Board Travel and Lodging	4,000	4,322	(322)
Dues/Membership - District	12,311	9,693	2,618
Office Supplies	3,400	3,195	205
E-Pay Online	1,980	1,648	332
Communications	9,520	10,191	(671)
Printing and Publications	2,040	2,671	(631)
Postage and Shipping	4,080	4,202	(122)
Utilities	1,530	3,126	(1,596)
Miscellaneous Office Expense	16,832	23,784	(6,952)
Other Professional Services	26,400	26,095	305
Office Equipment Maintenance	3,740	1,998	1,742
Equipment Purchases	78,705	-	78,705
Insurance	20,680	23,316	(2,636)
Accounting Services	22,000	28,013	(6,013)
Computer Services	24,200	21,416	2,784
Legal Services	13,200	13,178	22
Engineering Services	33,000	33,073	(73)
Bank and Trustee	1,760	1,760	-
Legal Notices Publication Expense	2,040	439	1,601
Public Information Expense	3,400	2,267	1,133
	<u>293,018</u>	<u>217,438</u>	<u>75,580</u>
Total Administrative Expenses			
Other Operating Expenses:			
Depreciation	-	194,372	(194,372)
Amortization	-	(5,636)	5,636
Bad Debt	-	2,891	(2,891)
	<u>-</u>	<u>191,627</u>	<u>(191,627)</u>
Total Other Operating Expenses			
	<u>1,147,179</u>	<u>1,165,985</u>	<u>(18,806)</u>
Total Operating Expenses			
OPERATING INCOME (LOSS)	<u>372,821</u>	<u>330,136</u>	<u>(42,685)</u>

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES –
BUDGET TO ACTUAL – WASTEWATER (Continued)
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenues:			
Investment Earnings	\$ 165,000	\$ 177,399	\$ 12,399
Net Gain on Sale of Capital Assets	-	2,300	2,300
Miscellaneous Revenues	<u>3,200</u>	<u>-</u>	<u>(3,200)</u>
 Total Nonoperating Revenues	 <u>168,200</u>	 <u>179,699</u>	 <u>11,499</u>
 Nonoperating Expenses:			
Interest Expense	<u>-</u>	<u>45,122</u>	<u>(45,122)</u>
 Total Nonoperating Expenses	 <u>-</u>	 <u>45,122</u>	 <u>(45,122)</u>
 Total Nonoperating Revenues and Expenses	 <u>168,200</u>	 <u>134,577</u>	 <u>(33,623)</u>
 INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	 <u><u>\$ 541,021</u></u>	 <u><u>\$ 464,713</u></u>	 <u><u>\$ (76,308)</u></u>

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES –
BUDGET TO ACTUAL – SOLID WASTE DISPOSAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Original and Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES			
Trash Revenue	\$ 834,000	\$ 880,008	\$ 46,008
Total Operating Revenues	<u>834,000</u>	<u>880,008</u>	<u>46,008</u>
OPERATING EXPENSES			
Trash Expenses:			
Trash Services	663,000	655,877	7,123
Total Trash Expenses	<u>663,000</u>	<u>655,877</u>	<u>7,123</u>
Maintenance Expenses:			
Vehicle Expenses	1,680	2,337	(657)
Building Maintenance and Security	11,550	6,725	4,825
Sign and Banner Expense	1,650	902	748
Employee Workplace Safety	700	284	416
Gasoline Expenses	3,360	1,808	1,552
Total Maintenance Expenses	<u>18,940</u>	<u>12,056</u>	<u>6,884</u>
Salaries and Benefits:			
Regular Salaries	166,725	162,665	4,060
Retirement Benefits	19,399	20,135	(736)
Uniforms	994	561	433
Group Insurance	32,870	32,703	167
Worker's Compensation Insurance	2,755	2,409	346
Payroll Taxes	3,040	2,918	122
Employee Educational Expense	3,610	3,723	(113)
Total Salaries and Benefits	<u>229,393</u>	<u>225,114</u>	<u>4,279</u>

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES –
BUDGET TO ACTUAL – SOLID WASTE DISPOSAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING EXPENSES (CONTINUED)			
Administrative Expenses:			
Regular Board Payments	\$ 1,805	\$ 1,139	\$ 666
Special Board Meetings	760	128	632
Board/Committee Expenses	380	182	198
Conferences and Seminars - Board	950	-	950
Board Travel and Lodging	1,900	2,053	(153)
Dues/Membership - District	5,952	4,685	1,267
Office Supplies	3,300	3,101	199
E-Pay Online	675	562	113
Communications	9,240	9,891	(651)
Printing and Publications	1,980	2,592	(612)
Postage and Shipping	3,960	4,078	(118)
Utilities	1,485	3,034	(1,549)
Miscellaneous Office Expense	6,178	8,729	(2,551)
Other Professional Services	9,000	8,896	104
Office Equipment Maintenance	3,630	1,939	1,691
Equipment Purchases	5,025	-	5,025
Insurance	7,050	7,949	(899)
Accounting Services	7,500	9,550	(2,050)
Computer Services	8,250	7,301	949
Legal Services	4,500	4,493	7
Engineering Services	11,250	11,275	(25)
Bank and Trustee	600	600	-
Legal Notices Publication Expense	1,980	426	1,554
Public Information Expense	3,300	2,200	1,100
	<u>100,650</u>	<u>94,803</u>	<u>5,847</u>
Total Administrative Expenses			
Other Operating Expenses:			
Depreciation	-	12,676	(12,676)
Bad Debt	-	2,891	(2,891)
	<u>-</u>	<u>15,567</u>	<u>(15,567)</u>
Total Other Operating Expenses			
	<u>1,011,983</u>	<u>1,003,417</u>	<u>8,566</u>
Total Operating Expenses			
OPERATING INCOME (LOSS)	<u>(177,983)</u>	<u>(123,409)</u>	<u>54,574</u>

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES –
BUDGET TO ACTUAL – SOLID WASTE DISPOSAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenues:			
Investment Earnings	\$ 30,000	\$ 32,254	\$ 2,254
Net Gain on Sale of Capital Assets	-	150	150
Miscellaneous Revenues	<u>3,200</u>	<u>-</u>	<u>(3,200)</u>
Total Nonoperating Revenues	<u>33,200</u>	<u>32,404</u>	<u>(796)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS			
	<u>\$ (144,783)</u>	<u>\$ (91,005)</u>	<u>\$ 53,778</u>

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES –
BUDGET TO ACTUAL – COMMUNITY SERVICE
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES			
Revenues	\$ -	\$ -	\$ -
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES			
Maintenance Expenses:			
Vehicle Expenses	240	334	(94)
Public Landscape Project	5,500	6,145	(645)
Employee Workplace Safety	100	41	59
Gasoline Expenses	480	258	222
Emergency Preparedness Expense	1,000	-	1,000
Total Maintenance Expenses	<u>7,320</u>	<u>6,778</u>	<u>542</u>
Salaries and Benefits:			
Regular Salaries	17,550	17,123	427
Retirement Benefits	2,042	2,119	(77)
Uniforms	142	80	62
Group Insurance	3,460	3,442	18
Worker's Compensation Insurance	290	254	36
Payroll Taxes	320	307	13
Employee Educational Expense	380	392	(12)
Total Salaries and Benefits	<u>24,184</u>	<u>23,717</u>	<u>467</u>
Administrative Expenses:			
Regular Board Payments	190	120	70
Special Board Meetings	80	13	67
Board/Committee Expenses	40	19	21
Conferences and Seminars - Board	100	-	100
Board Travel and Lodging	200	216	(16)
Dues/Membership - District	235	185	50
Miscellaneous Office Expense	164	231	(67)
Total Administrative Expenses	<u>1,009</u>	<u>784</u>	<u>225</u>
Total Operating Expenses	<u>32,513</u>	<u>31,279</u>	<u>1,234</u>
OPERATING INCOME (LOSS)	<u>(32,513)</u>	<u>(31,279)</u>	<u>1,234</u>

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES –
BUDGET TO ACTUAL – COMMUNITY SERVICE (Continued)
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenues:			
County Tax Apportionment	\$ 115,000	\$ 102,109	\$ (12,891)
Miscellaneous Revenues	<u>22,400</u>	<u>-</u>	<u>(22,400)</u>
Total Nonoperating Revenues	<u>137,400</u>	<u>102,109</u>	<u>(35,291)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>\$ 104,887</u>	<u>\$ 70,830</u>	<u>\$ (34,057)</u>

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF RESTRICTED CASH AND INVESTMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	June 30, 2025	June 30, 2024
UNRESTRICTED		
Water	\$ 35,000	\$ 35,000
Sewer	35,000	35,000
Trash	35,000	35,000
	105,000	105,000
RESTRICTED		
Water	33,468	39,813
Sewer	33,468	39,813
Trash	33,468	39,814
	100,404	119,440
BOARD RESTRICTED		
<i>Water:</i>		
Operating Reserve	501,795	492,106
Rate Stabilization Reserve	214,718	210,843
Capital Reserve	964,800	1,837,378
Debt Service Reserve	85,000	85,000
	1,766,313	2,625,327
<i>Sewer:</i>		
Operating Reserve	235,545	251,795
Rate Stabilization Reserve	108,218	114,718
Capital Reserve	3,082,178	4,000,574
Debt Service Reserve	191,000	191,000
	3,616,941	4,558,087
<i>Trash:</i>		
Operating Reserve	180,104	217,996
Rate Stabilization Reserve	103,650	101,198
Capital Reserve	-	102,774
	283,754	421,968
<i>Community Service:</i>		
Operating Reserve	8,460	8,128
Capital Reserve	458,163	383,789
	466,623	391,917
Total Board Restricted	6,133,631	7,997,299
Total Cash and Investments	\$ 6,339,035	\$ 8,221,739

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Channel Islands Beach Community Services District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 5, 2026.

Report on Internal Control over Financial Reporting

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

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

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

In the prior year, we identified one deficiency in internal control that we considered to be a significant deficiency. The current year status of this significant deficiency is presented in the accompanying Schedule of Findings and Recommendations.

Report on Compliance and Other Matters

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

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to findings identified in our audit and described in the accompanying Schedule of Findings and Recommendations. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on the response.

Purpose of This Report

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
May 5, 2026

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2025**

Current Year Findings and Recommendations

No current year findings or recommendations.

Status of Prior Year Findings and Recommendations

2024-01 Lack of Closing Procedures

Condition: Several accounts and balances within the Channel Islands Beach Community Services District's (the District) general ledger were not adequately reconciled, reviewed, or analyzed. Errors were identified in certain accounts that could have been detected through regular reviews or analyses. Furthermore, we observed delays in the financial close process at year-end. As a result, adjusting journal entries were required for the following:

- Recognizing amortization of bond-related amounts
- Adjusting customer deposits to actual amounts
- Recording adjustments to investment and investment-related income
- Reclassifying net assets based on actual amounts
- Reclassifying restricted cash based on actual amounts

Criteria: Management is responsible for designing, implementing, establishing, and maintaining effective controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. This includes following appropriate accounting guidance and standards for financial reporting.

Cause of Condition: The District appears to lack adequate internal procedures for timely year-end financial close and reporting. There is insufficient or timely application of current accounting standards and guidance related to financial statement preparation.

Potential Effect of Condition: Inadequate or untimely financial close and reporting procedures could result in material omissions or other misstatements in the financial statements. Lack of adherence to current accounting standards and guidance may lead to incomplete or inaccurate financial reporting.

Recommendation: We recommend that the District establish formal accounting policies and procedures for year-end closing processes, including conducting a timely and thorough review to ensure the financial statements are complete and accurate before they are submitted to the auditor.

Management's Response: Management acknowledges the identified deficiency in our financial close and reporting process. We agree with the auditor's recommendation and are committed to implementing procedures to address this issue. Our corrective actions include:

1. Developing and implementing formal, documented procedures for the year-end financial close process.
2. Establishing a comprehensive review process to ensure the completeness and accuracy of our financial statements.
3. Providing additional training to our accounting staff on current accounting standards and financial reporting requirements.
4. Implementing a more robust internal control system to ensure timely and accurate financial reporting.
5. Conducting regular internal audits of our financial close process to identify and address any issues promptly.

Management anticipates these measures will be fully implemented by June 30, 2025, and we will monitor their effectiveness closely. The District is committed to strengthening our financial reporting processes.

Current Year Status: Implemented.



RESULTS OF CHANNEL ISLANDS BEACH CSD'S FINANCIAL STATEMENT AUDIT

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



BROWN ARMSTRONG ACCOUNTANCY CORPORATION
4200 Truxtun Avenue, Ste. 300, Bakersfield California, 93309
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Contacts: Brooke Baird, CPA | bbaird@ba.cpa
Lindsey Gentry, CPA | lgentry@ba.cpa

May 12, 2026

The Board of Directors of
Channel Islands Beach Community Services District
353 Santa Monica Drive
Channel Islands Beach, California

We are pleased to present to you the results of our audit of the Channel Islands Beach Community Services District financial statements for the fiscal year ended June 30, 2025.

Sincerely,

Brooke Baird, CPA
Audit Engagement Partner

Lindsey Gentry, CPA
Audit Engagement Manager

BROWN ARMSTRONG ACCOUNTANCY CORPORATION



AGENDA

SCOPE OF SERVICES RECAP	4
AUDIT TIMELINE & CRITICAL DATES LIST	5
FINANCIAL HIGHLIGHTS	6
AUDIT AREAS OF FOCUS	10
RESULTS OF THE AUDIT	12
FINANCIAL STATEMENT REVIEW PROCESS	13
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SCOPE OF SERVICES

Audit of the District's financial statements 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 (GAS), issued by the Comptroller General of the United States

Other **communications and reports** required by professional standards including:

- Required Communication at the Conclusion of an Audit in Accordance with Professional Standards
- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters in Accordance with GAS

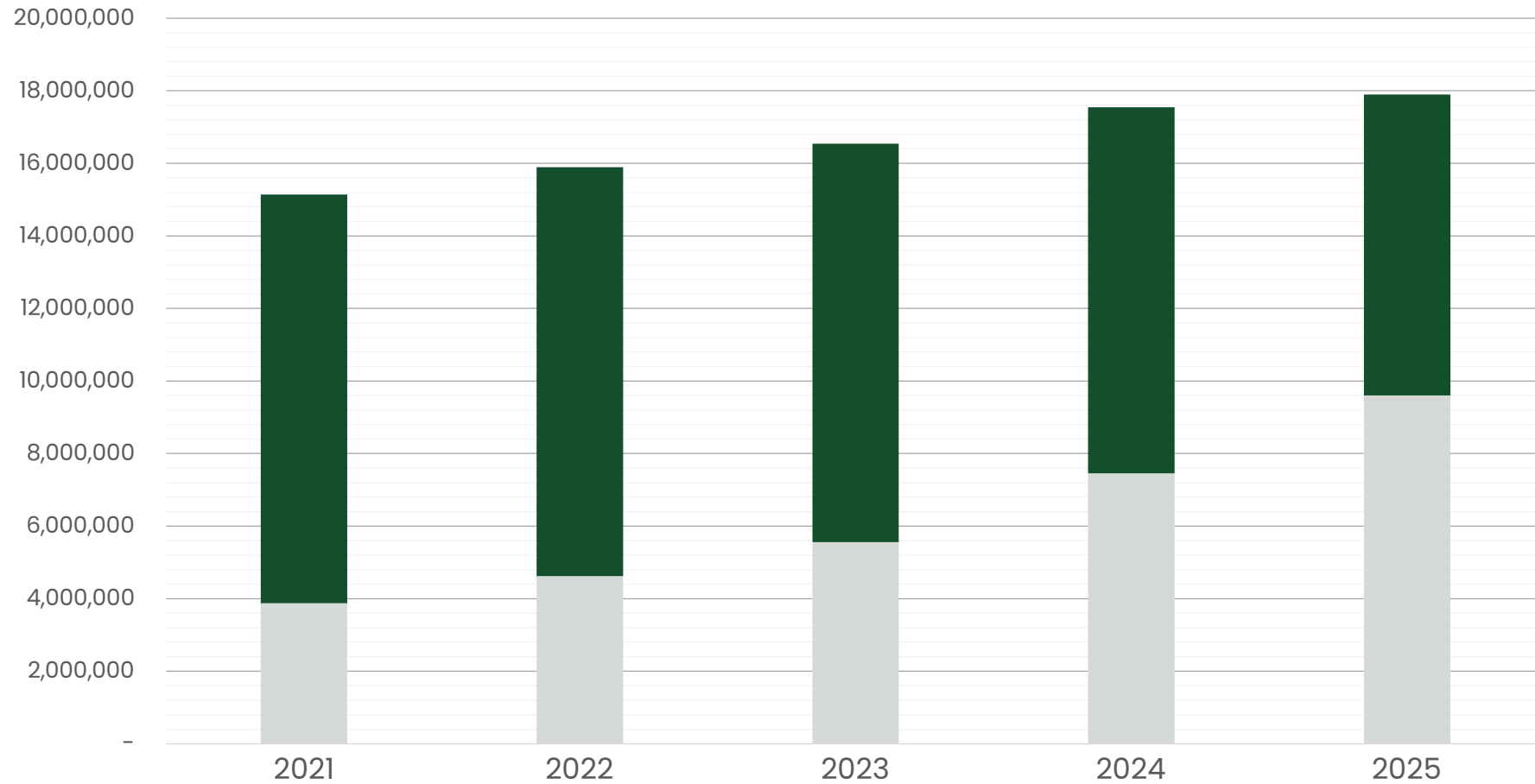


AUDIT TIMELINE & CRITICAL DATES

- Interim Fieldwork (Onsite) – August 4, 2025
 - Remote Testing of Internal Controls
 - Walkthroughs and Understanding of Key Accounting Areas
 - Update Minutes and Agreements
- Final Fieldwork (Remote) – November 3, 2025
 - Substantiate all Accounts and Balances
 - Review Confirmation Responses
- Draft Financials and Reports– December 2025
- Audit Opinions Issued – May 5, 2026

FINANCIAL HIGHLIGHTS

Net Position



■ Unrestricted Net Assets

■ Net Investment in Capital Assets

11,264,872

3,876,666

11,269,547

4,621,633

10,978,103

5,561,845

10,083,804

7,458,634

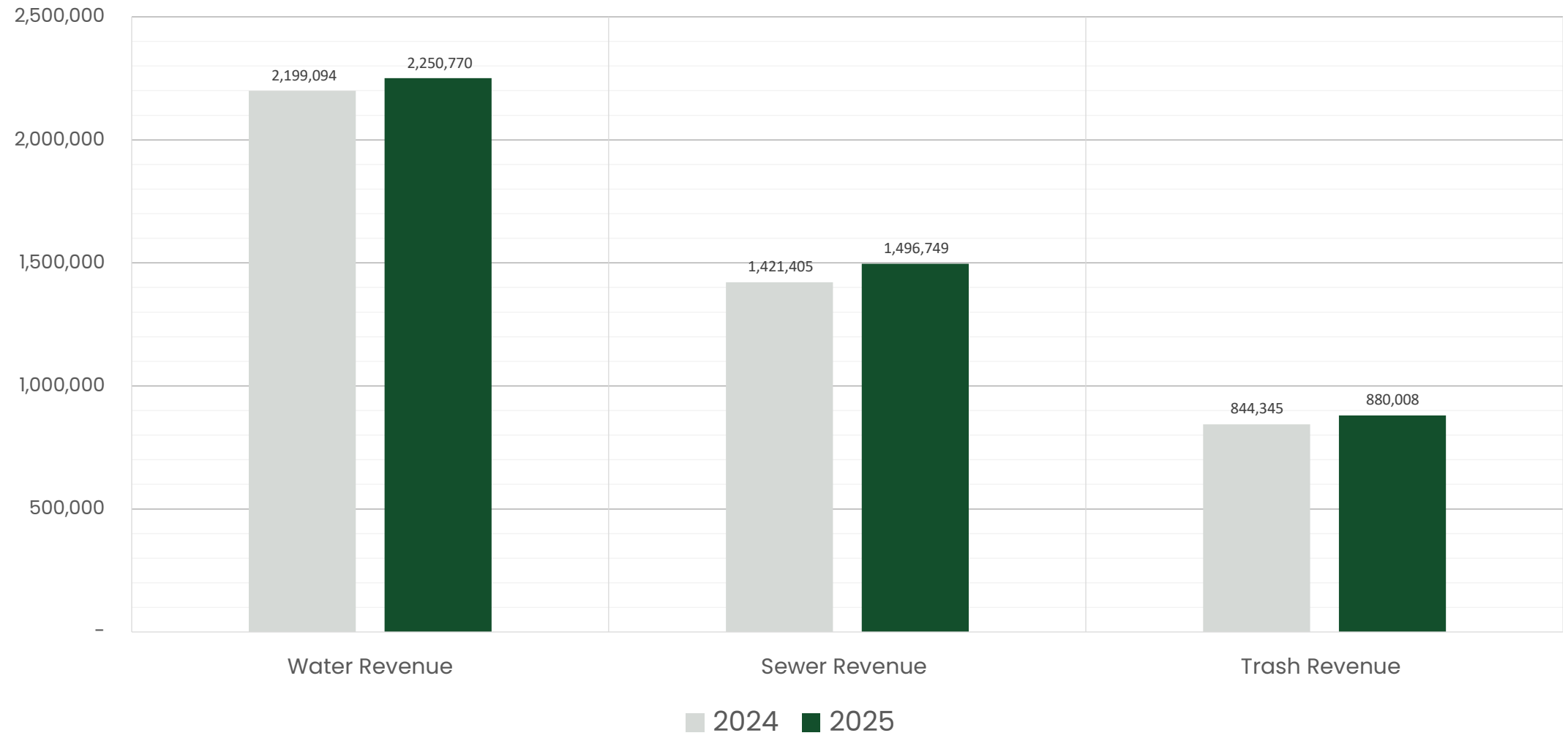
8,287,821

9,605,454



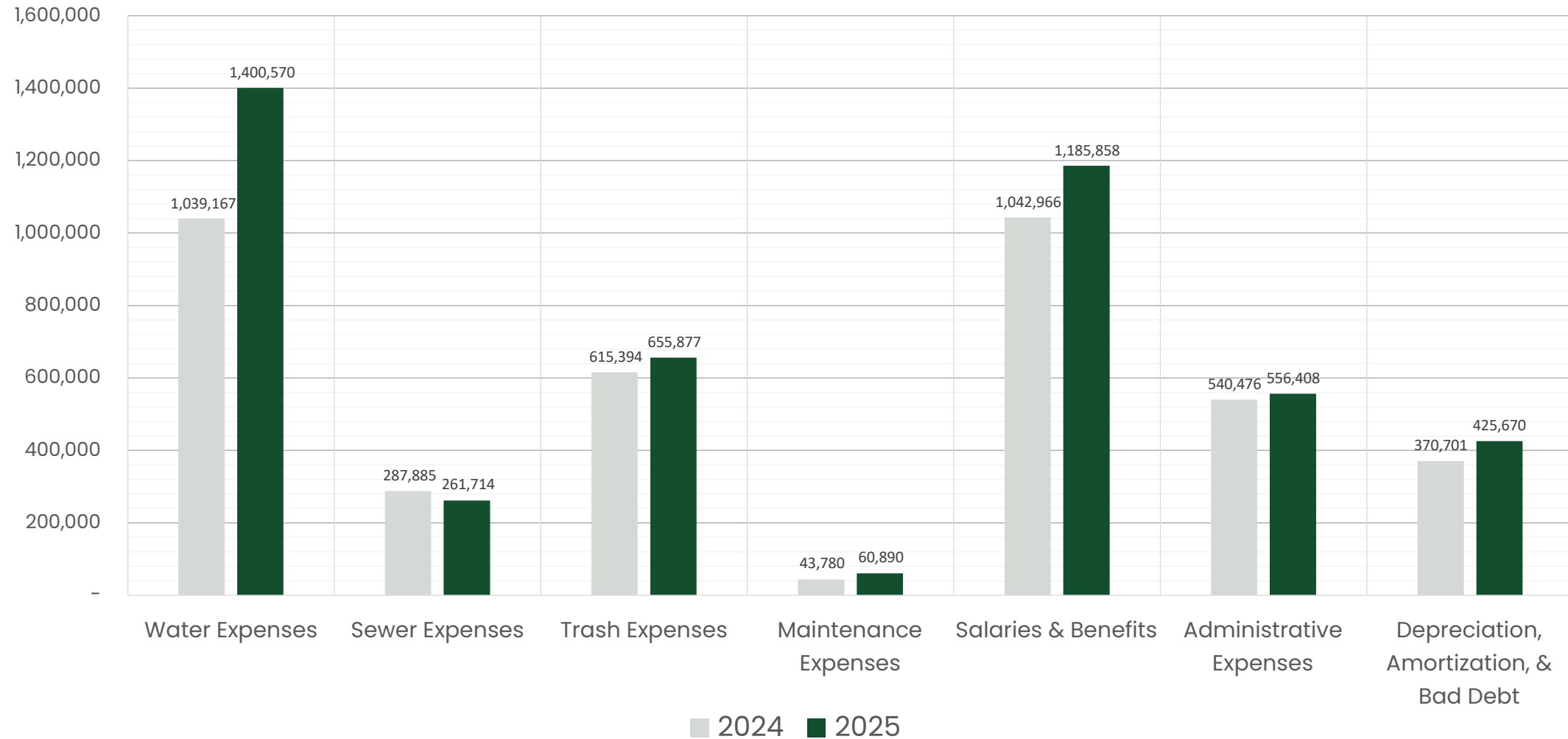
FINANCIAL HIGHLIGHTS (CONTINUED)

Operating Revenues



FINANCIAL HIGHLIGHTS (CONTINUED)

Operating Expenses



BOARD RESTRICTED CASH



AREAS OF FOCUS

SIGNIFICANT RISK AREA

BROWN ARMSTRONG'S RESPONSE

Revenue recognition

- Test of controls was performed over cash receipts as part of control testing
- Walkthrough of cash receipts procedures was performed
- Other substantive analytics were also performed

Management override of controls

- An understanding of controls over journal entries was obtained and a sample testing of individual journal entries was performed
- Inquiries performed with individual(s) involved in the financial reporting process, and ensuring no inappropriate or unusual activity was noted relating to journal entry processing
- Performed walkthroughs of significant audit areas to review adequate segregation of duties



AREAS OF FOCUS (CONTINUED)

SIGNIFICANT AUDIT AREA	BROWN ARMSTRONG'S RESPONSE
Capital assets	<ul style="list-style-type: none">• Walkthroughs of controls performed• Substantive testing of changes to capital assets• Overview of capitalization policy and useful lives for capital assets
Accounts receivable	<ul style="list-style-type: none">• Walkthrough of controls performed• Performed substantive testing procedures over receivables• High level analytics

RESULTS OF THE AUDIT

REPORT	SUMMARY OF OPINION / REQUIRED COMMUNICATION
Report on Financial Statements (Opinion)	<ul style="list-style-type: none"> • Unmodified (Clean)
Required Communication to the Board and Audit Committee in Accordance with Professional Standards	<ul style="list-style-type: none"> • New Accounting Standards Adopted <ul style="list-style-type: none"> ◦ <i>GASB 101 – Compensated Absences</i> ◦ <i>GASB 102 – Certain Risk Disclosures</i> • Significant Estimates and Sensitive Disclosures Reviewed <ul style="list-style-type: none"> ◦ Capital assets ◦ OPEB & pension plans • Corrected and Uncorrected Misstatements – None • Disagreements with Management – None • Other Audit Findings or Issues – None
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	<ul style="list-style-type: none"> • No noncompliance noted • No material weaknesses or significant deficiencies noted • Review of prior year significant deficiency noted <ul style="list-style-type: none"> ◦ 2024-01 Lack of Closing Procedures

FINANCIAL STATEMENT REVIEW PROCESS

- Review Process
 - Administrative Review
 - Engagement Team Review
 - Quality Control Review



THANK YOU! QUESTIONS?



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Board of Directors:

JARED BOUCHARD, President
SHAWN THOMAS, Vice President
KRISTINA BREWER, Director
SEAN DEBLEY, Director
MICHAEL LEBOW, Director

Peter Martinez
General Manager

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A PUBLIC ENTITY SERVING CHANNEL ISLANDS BEACHES AND HARBOR · CIBCS.D.COM

Regular Board Meeting, May 12, 2026

To: Board of Directors
From: Peter Martinez, *General Manager*
Subject: Consideration of Resolution 26-01 Requesting Consolidation of the Channel Islands Beach Community Services District Election with the November 3, 2026, General Election
Item No. E-3

RECOMMENDATION:

1. Adopt Resolution 26-01
2. Approve the “Notice of Elective Offices” to be filed with the candidates being responsible for cost of candidate statements in the sample ballot.

FINANCIAL IMPACT: No impact. Costs for required notifications will be requested in FY 2026 – 2027 Operating Budget.

BACKGROUND/DISCUSSION:

The District’s Board election is scheduled for November 3, 2026. This is a state wide consolidated election. The District has historically conducted all its elections utilizing the services of the County Clerk’s Office. The filing period for candidates for our Director positions is Monday, July 13, 2026, through Friday, August 7, 2026.

Attached is Resolution 26-01 which provides for the required language and request that the County provide election services for the District. Additionally, the ‘Notice of Elective Offices to be filled, designating those offices involved. Staff recommends that the District continues to require candidates filling for election to be responsible for the cost of their statement in the sample ballot. This sample ballot is prepared and mailed by the Clerk of the Board as part of their service package. All of these provisions are consistent with all the previous elections held for the Board of Director elections in District history.

ATTACHMENT(S):

1. Resolution No. 26-01: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT REQUESTING CONSOLIDATION OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT GENERAL DISTRICT ELECTION WITH THE STATEWIDE GENERAL ELECTION
2. Notice of Elective Offices to be filled

RESOLUTION NO. 26-01
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT REQUESTING CONSOLIDATION OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT GENERAL DISTRICT ELECTION WITH THE STATEWIDE GENERAL ELECTION

Whereas, an election is scheduled to be held within the Channel Islands Beach Community Services District on November 3, 2026, for the purposes of electing three District Directors to the Channel Islands Beach Community Services District Board of Directors; and

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

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

1. The Board of Supervisors of Ventura County is requested to order that the Channel Islands Beach Community Services District election be consolidated with the statewide election on November 3, 2026 pursuant to Election Code Section 10400 et seq.
2. The Board of Supervisors is authorized to canvass the returns of that election pursuant to Elections Code 1041.
3. Pursuant to Elections Code Section 10002, the Board of Supervisors is requested to permit the county elections officials, to render all services specified by Elections Code Section 10418 relating to the election, for which services Channel Islands Beach Community Services District agrees to reimburse the County in accordance with established charges and procedures.
4. Each candidate is to pay for the printing, handling, translating, and mailing of the candidate's statements pursuant to Section 13307 of the Elections Code.
5. In the event of a tie vote, pursuant to Section 10551, subdivision b of the Elections Code the vote shall be determined by lot.

PASSED AND ADOPTED on this 12th day of May 2026, by the following vote, to Wit:

AYES:

NOES:

ABSENT:

Jared Bouchard, *Board President*

I, Erika Davis, Secretary to the Board of Directors of Channel Islands Beach Community Services District, hereby certify that the foregoing Resolution was introduced at a Regular Meeting of the Board of Directors of said District, held on the 12th day of May 2026, and was adopted at this meeting.

Erika F. Davis, *Clerk of the Board*



MICHELLE ASCENCION
Clerk-Recorder & Registrar of Voters
Elections Division

Notice to the County Clerk of Elective Offices to be filled in the

Channel Islands Beach Community Services District

(Name of City, School or Special District)

You are hereby notified that a Statewide General Election will be held on November 3, 2026.

Records indicate that the elective offices held by the persons listed below are to be filled:

Name of Officeholder	Title & District/Division	Term of Office*
Jared Bouchard	Director	4 years
Michael Lebow	Director	4 years
Sean Debley	Director	4 years
Shawn Thomas	Director	2 years

The Candidate is to pay for the printing, handling, translating, and mailing
City/District/Candidate**

of the candidate's statements pursuant to Section 13307 of the Elections Code.

Dated: 5-12-26

(SEAL)

City Clerk/Elections Official

* Please note if any appointments were made to fill vacancies and indicate expiration of terms.

** Indicate City, District or Candidate depending upon which entity is to be billed for the cost of printing and handling the candidate's statement.