



Board of Directors:

KRISTINA BREWER, President  
MICHAEL LEBOW, Vice President  
JARED BOUCHARD, Director  
SEAN DEBLEY, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

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

# BOARD OF DIRECTORS REGULAR BOARD MEETING NOTICE & AGENDA

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**NOTICE IS HEREBY GIVEN** that the Board of Directors of the Channel Islands Beach Community Services District will hold a Regular Board Meeting beginning at 5:00 P.M. on Tuesday May 14, 2024. **The meeting will be held at the Temporary District Office Conference Room, 2300 Roosevelt Blvd., 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 3 minutes per speaker)

**C. CONSENT CALENDAR:**

1. Approve the Agenda Order
2. Financial Reports:
  - a. Cash Disbursal & Receipt Report – April 2024
3. Minutes:
  - a. April 9, 2024, Regular Board Meeting

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

	<b>Account Number</b>	<b>Water Relief</b>	<b>Sewer Relief</b>	<b>Total Relief</b>
<b>a.</b>	11710-03	\$110.41	\$302.16	\$412.57
				\$412.57

**D. ACTION CALENDAR:**

**1. FY 2022 – 2023 ANNUAL AUDIT REPORT**

Recommendation:

- 1) Approve Reserve and Allocations (transfers) for June 30, 2023.
- 2) Approve the Channel Islands Beach Community Services District Annual Audit Report for Fiscal Year Ended June 30, 2023.
- 3) Authorize staff to present a Final Audit Report.

**2. PROFESSIONAL SERVICES AGREEMENT BETWEEN CHANNEL ISLANDS BEACH CSD AND BROWN ARMSTRONG ACCOUNTANCY CORPORATION FOR FINANCIAL AUDITING SERVICES**

Recommendation:

- 1) Authorize the General Manager to execute an agreement with Brown Armstrong for a 3-year term for financial auditing for an amount not to exceed \$75,000.

**3. CONSIDERATION OF RESOLUTION 24-01 REQUESTING CONSOLIDATION OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT ELECTION WITH THE NOVEMBER 05, 2024, GENERAL ELECTION**

Recommendation:

- 1) Adopt Resolution 24-01
- 2) Approve Elective Office to be filled form

**4. DISTRICT ADMINISTRATION AND OPERATIONS FACILITY CONSTRUCTION UPDATE**

Recommendation:

- 1) Receive and File.

**E. INFORMATION CALENDAR:**

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

**F. BOARD MEMBER COMMENTS:**

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

**AGENDA POSTING CERTIFICATION**

This agenda was posted Friday, May 10, 2024, 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.
- Temporary District Office, 2300 Roosevelt Blvd.

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

5/8/2024 1:24 PM

Register: 1002 · Checking Pacific Western

From 04/01/2024 through 04/30/2024

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment C	Deposit	Balance
04/01/2024	ACH	Aflac	*2020 - Payroll Liabilit...	405424	210.74		606,618.12
04/01/2024	ACH	Cardmember Service	-split-	March 2024	3,977.35		602,640.77
04/01/2024	8733	Amazon Capital Serv...	2000 - Accounts Payable		436.70		602,204.07
04/01/2024	8734	Badger Meter	2000 - Accounts Payable		1,835.40		600,368.67
04/01/2024	8735	FGL Environmental I...	2000 - Accounts Payable		241.00		600,127.67
04/01/2024	8736	Hollister & Brace	2000 - Accounts Payable		6,284.00		593,843.67
04/01/2024	8737	Sam Hill & Sons, Inc.	2000 - Accounts Payable		25,764.36		568,079.31
04/01/2024	8738	Underground Service...	2000 - Accounts Payable		34.50		568,044.81
04/02/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		436.46	568,481.27
04/02/2024	8739	Diener's Electric, Inc.	2000 - Accounts Payable		602.00		567,879.27
04/02/2024	8740	Environmental Syste...	2000 - Accounts Payable	Annual Fee 3/2...	5,300.00		562,579.27
04/02/2024	8741	Famcon Pipe and Su...	2000 - Accounts Payable		218.80		562,360.47
04/02/2024	8742	Miguel Zavalza	2000 - Accounts Payable		150.00		562,210.47
04/02/2024	8743	WHITE CAP	2000 - Accounts Payable		325.67		561,884.80
04/02/2024	8744	County of Ventura - ...	2000 - Accounts Payable		19.21		561,865.59
04/03/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/1		200.00	562,065.59
04/03/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/2		19,165.49	581,231.08
04/03/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/2		1,094.78	582,325.86
04/03/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		2,263.29	584,589.15
04/03/2024	ACH	CalPERS	-split-	py period 3-16-...	3,669.99		580,919.16
04/03/2024	ACH	Nationwide Retirement	-split-	py period 03-1...	2,683.01		578,236.15
04/03/2024		QuickBooks Payroll ...	-split-	Created by Pay...	21,970.17		556,265.98
04/03/2024	To Print	Carol J Dillon	-split-	Direct Deposit		X	556,265.98
04/03/2024	To Print	E.D. Brock	-split-	Direct Deposit		X	556,265.98
04/03/2024	To Print	Erica M Pena	-split-	Direct Deposit		X	556,265.98
04/03/2024	To Print	Erika F Davis	-split-	Direct Deposit		X	556,265.98
04/03/2024	To Print	Jesus Navarro	-split-	Direct Deposit		X	556,265.98
04/03/2024	To Print	Peter A. Martinez	-split-	Direct Deposit		X	556,265.98
04/04/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		1,638.31	557,904.29
04/04/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		1,671.31	559,575.60
04/05/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		500.86	560,076.46
04/05/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		2,541.11	562,617.57
04/05/2024	ACH	ACWA/JPIA Health ...	5 - Salaries & Benefits...	0702413	828.77		561,788.80
04/05/2024	ACH	Arco	4 - Maintenance Expen...	4-3-24	135.66		561,653.14
04/05/2024	8745	805 Cleaning Services	2000 - Accounts Payable		375.00		561,278.14
04/05/2024	8746	CUSI	2000 - Accounts Payable		102.10		561,176.04
04/05/2024	8747	Erika Davis	2000 - Accounts Payable	Wellness MOU	129.00		561,047.04
04/05/2024	8748	Pacific Couriers	2000 - Accounts Payable		316.75		560,730.29
04/05/2024	8749	Prime Masonry Mate...	2000 - Accounts Payable		231.05		560,499.24
04/05/2024	8750	County of Ventura - ...	2000 - Accounts Payable	1000 Ocean & ...	800.00		559,699.24

Channel Islands Beach 2013

5/8/2024 1:24 PM

Register: 1002 - Checking Pacific Western

From 04/01/2024 through 04/30/2024

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment C	Deposit	Balance
04/05/2024	8751	Employee Relations, ...	2000 - Accounts Payable		15.60		559,683.64
04/05/2024	8752	Michael K. Nunley ...	2000 - Accounts Payable		13,446.15		546,237.49
04/05/2024	8753	FGL Environmental I...	2000 - Accounts Payable		503.00		545,734.49
04/05/2024	8754	CJ Dillon	2000 - Accounts Payable	Wellness	207.56		545,526.93
04/08/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		794.29	546,321.22
04/08/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		1,607.31	547,928.53
04/09/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	VAnco		1,845.69	549,774.22
04/09/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep CUSI		2,356.22	552,130.44
04/09/2024	ACH	Spectrum	6 - Administrative Exp...	4-1-24	418.14		551,712.30
04/09/2024	ACH	Tampa Hardware 2	-split-	3-31-24	195.57		551,516.73
04/09/2024	8755	A to Z Law, LLP	2000 - Accounts Payable		1,380.00		550,136.73
04/09/2024	8756	Base Auto Parts and ...	2000 - Accounts Payable		356.43		549,780.30
04/09/2024	8757	EJ Harrison & Sons, ...	2000 - Accounts Payable		268.00		549,512.30
04/09/2024	8758	Famcon Pipe and Su...	2000 - Accounts Payable		88.22		549,424.08
04/09/2024	8759	FGL Environmental I...	2000 - Accounts Payable		29.00		549,395.08
04/09/2024	8760	SSBP	2000 - Accounts Payable		1,686.16		547,708.92
04/09/2024	8761	CUSI	2000 - Accounts Payable		74.50		547,634.42
04/10/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 4/2/24		180.00	547,814.42
04/10/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 4/4/24		832.41	548,646.83
04/10/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 4/8/24		6,036.76	554,683.59
04/10/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 4/8/24		2,739.07	557,422.66
04/10/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 4/10/24		4,813.07	562,235.73
04/10/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 4/10/24		1,072.47	563,308.20
04/10/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		2,542.47	565,850.67
04/10/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		9,370.05	575,220.72
04/10/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		2,097.29	577,318.01
04/10/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Adjustment on ...	51.89		577,266.12
04/11/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		4,553.11	581,819.23
04/12/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		1,861.26	583,680.49
04/12/2024	8762	Atlantis Utility, INC.	2000 - Accounts Payable	New Phone Ser...	500.00		583,180.49
04/12/2024	8763	City of Oxnard	2000 - Accounts Payable	Jan & Feb 2024	32,115.79		551,064.70
04/12/2024	8764	FGL Environmental I...	2000 - Accounts Payable		187.00		550,877.70
04/12/2024	8765	Ventura Urgent Care	2000 - Accounts Payable	ryan physical	139.00		550,738.70
04/15/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		152.41	550,891.11
04/15/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		2,883.68	553,774.79
04/15/2024	ACH	Vanco Chrg	6 - Administrative Exp...		90.25		553,684.54
04/15/2024	8766	Coastal Architects	2000 - Accounts Payable		2,755.00		550,929.54
04/15/2024	8767	net2phone	2000 - Accounts Payable		349.06		550,580.48
04/15/2024	8768	S.L. Leonard & Asso...	2000 - Accounts Payable		2,311.41		548,269.07
04/15/2024	8769	WHITE CAP	2000 - Accounts Payable		204.71		548,064.36

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5/8/2024 1:24 PM

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From 04/01/2024 through 04/30/2024

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Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/15/2024	8770	Erica Marie Pena	2000 - Accounts Payable	Wellness Benefit	425.89			547,638.47
04/15/2024	8771	WHITE CAP	2000 - Accounts Payable	Reissue for Ch...	325.67			547,312.80
04/15/2024	8781	EJ Harrison & Sons, ...	2000 - Accounts Payable	Billing period ...	50,403.66			496,909.14
04/16/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit			874.20	497,783.34
04/16/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			3,575.98	501,359.32
04/16/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Pac West Draft			102,329.33	603,688.65
04/16/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Classic Wire Tr...			158,482.45	762,171.10
04/16/2024	ACH	CalPERS	-split-	Medical	11,089.77			751,081.33
04/16/2024	ACH	AT & T	6 - Administrative Exp...	4-1-24	1,058.60			750,022.73
04/16/2024	ACH	So. California Edison...	2 - Sewer System Expe...	4-15-24	652.13			749,370.60
04/16/2024	ACH	So. California Edison...	2 - Sewer System Expe...	4-15-24	976.81			748,393.79
04/16/2024	ACH	Pacific Western	6 - Administrative Exp...	Analysis Fee	186.42			748,207.37
04/16/2024	RETCK	QB:Returned Item	1200 - Accounts Recei...	Zalman	287.40			747,919.97
04/16/2024	RETCK	QB:Returned Item	1200 - Accounts Recei...	Ackerman	117.74			747,802.23
04/16/2024	8772	Coastal Architects	2000 - Accounts Payable	Invoice #100741	12,535.38			735,266.85
04/16/2024	8773	CUSI	2000 - Accounts Payable	Invoice #R35069	22.50			735,244.35
04/16/2024	8774	Diener's Electric, Inc.	2000 - Accounts Payable	Invoice #35762	504.00			734,740.35
04/16/2024	8776	McGillivray Constru...	2000 - Accounts Payable	#5 Payment for...	158,482.45			576,257.90
04/16/2024	8785	Wex Bank	2000 - Accounts Payable	Account #369-...	1,396.57			574,861.33
04/16/2024	8786	State Ready Mix Inc.	2000 - Accounts Payable	VOID:		X		574,861.33
04/17/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			4,820.59	579,681.92
04/17/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			34,735.54	614,417.46
04/17/2024		Chaz C Ryan	-split-	VOID:		X		614,417.46
04/17/2024	ACH	CalPERS	-split-	py pd 03-30-24...	4,025.84			610,391.62
04/17/2024	ACH	Nationwide Retirement	-split-	pr pd 3-30-24 t...	2,805.48			607,586.14
04/17/2024		QuickBooks Payroll ...	-split-	Created by Pay...	24,614.95			582,971.19
04/17/2024	DD	Carol J Dillon	-split-	Direct Deposit		X		582,971.19
04/17/2024	DD	E.D. Brock	-split-	Direct Deposit		X		582,971.19
04/17/2024	DD	Erica M Pena	-split-	Direct Deposit		X		582,971.19
04/17/2024	DD	Erika F Davis	-split-	Direct Deposit		X		582,971.19
04/17/2024	DD	Jesus Navarro	-split-	Direct Deposit		X		582,971.19
04/17/2024	DD	Peter A. Martinez	-split-	Direct Deposit		X		582,971.19
04/17/2024	DD	Chaz C Ryan	-split-	Direct Deposit		X		582,971.19
04/18/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			1,112.97	584,084.16
04/18/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			3,421.31	587,505.47
04/18/2024	RETCK	QB:Returned Item	1200 - Accounts Recei...	Huston	117.53			587,387.94
04/18/2024	RETCK	QB:Returned Item	1200 - Accounts Recei...	Frazee	616.90			586,771.04
04/18/2024	8777	FGL Environmental I...	2000 - Accounts Payable		241.00			586,530.04
04/18/2024	8778	Great American Fina...	2000 - Accounts Payable		189.82			586,340.22
04/18/2024	8779	FGL Environmental I...	2000 - Accounts Payable		355.00			585,985.22

Channel Islands Beach 2013

5/8/2024 1:24 PM

Register: 1002 - Checking Pacific Western

From 04/01/2024 through 04/30/2024

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment C	Deposit	Balance
04/19/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 04/18/24		400.00	586,385.22
04/19/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 4/18/24		887.61	587,272.83
04/19/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 4/19/24		216.60	587,489.43
04/19/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 4/18/24		1,839.03	589,328.46
04/19/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 4/19/24		11,638.69	600,967.15
04/19/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 4/16/24		12,162.51	613,129.66
04/19/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 4/15/24		11,178.12	624,307.78
04/19/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 4/12/24		9,476.85	633,784.63
04/19/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 4/11/24		5,696.27	639,480.90
04/19/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		198.43	639,679.33
04/19/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		1,591.37	641,270.70
04/19/2024	ACH	SEIU, Local 721	*2020 - Payroll Liabilit...	pr pd 3-30-24 t...	67.00		641,203.70
04/19/2024	Dep	QB:DEPOSIT	1200 - Accounts Recei...	4/19	0.26		641,203.44
04/19/2024	256	SEIU, Local 721	*2020 - Payroll Liabilit...	3-16-24 to 3-2...	50.25		641,153.19
04/19/2024	8780	PHWA	2000 - Accounts Payable		69,008.46		572,144.73
04/22/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		828.41	572,973.14
04/22/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		1,709.14	574,682.28
04/23/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		282.87	574,965.15
04/23/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		2,951.05	577,916.20
04/23/2024	8782	ACWA/Joint Powers ...	2000 - Accounts Payable	pr pd 1-1-24 to...	2,021.41		575,894.79
04/23/2024	8783	Traffic Technologies ...	2000 - Accounts Payable	VOID:		X	575,894.79
04/24/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		1,292.68	577,187.47
04/24/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		1,806.40	578,993.87
04/24/2024	8784	Coastal Pipco	2000 - Accounts Payable		12.86		578,981.01
04/24/2024	8787	Pipeline Products	2000 - Accounts Payable		4,425.29		574,555.72
04/24/2024	8788	Robert Lostutter	2000 - Accounts Payable	Rent and Utilities	3,508.48		571,047.24
04/25/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		1,011.62	572,058.86
04/25/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		3,981.69	576,040.55
04/26/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	4-23		23,686.24	599,726.79
04/26/2024	DEP	QB:DEPOSIT	1340 - Due from PHWA	Annual Pymt 1...		36,155.00	635,881.79
04/26/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/23		21,551.57	657,433.36
04/26/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/25		9,406.07	666,839.43
04/26/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/26		1,758.40	668,597.83
04/26/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		1,084.26	669,682.09
04/26/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		2,625.98	672,308.07
04/29/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		189.39	672,497.46
04/29/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		1,095.94	673,593.40
04/29/2024	ACH	Cardmember Service	-split-	April 2024	8,907.97		664,685.43
04/29/2024	ACH	So. California Edison...	2 - Sewer System Expe...	4-16-24	28.10		664,657.33
04/29/2024	8789	Famcon Pipe and Su...	2000 - Accounts Payable		1,467.18		663,190.15

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Register: 1002 · Checking Pacific Western

From 04/01/2024 through 04/30/2024

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment C	Deposit	Balance
04/29/2024	8790	WHITE CAP	2000 - Accounts Payable		384.60		662,805.55
04/29/2024	8791	Famcon Pipe and Su...	2000 - Accounts Payable		238.04		662,567.51
04/29/2024	8792	FGL Environmental I...	2000 - Accounts Payable		241.00		662,326.51
04/29/2024	8793	Hollister & Brace	2000 - Accounts Payable		5,627.50		656,699.01
04/29/2024	8794	Traffic Technologies ...	2000 - Accounts Payable	VOID:			656,699.01
04/30/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		393.01	657,092.02
04/30/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		2,997.42	660,089.44
04/30/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		1,878.67	661,968.11



MINUTES OF THE  
CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT  
REGULAR BOARD MEETING, April 9, 2024

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

President Brewer called the meeting to order at 5:00 P.M. In attendance, Vice President Lebow, Director Bouchard, Director Debley, Director Nast, General Manager, Peter Martinez, General Counsel, Dennis McNulty, Clerk of the Board, Erika Davis, Office Manager, CJ Dillon, and Operations Manager Jesus (Chuy) Navarro.

**B. PUBLIC COMMENTS:**

None.

**C. CONSENT CALENDAR:**

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

Brewer, Lebow, Bouchard, Debley, Nast 5 - Yes 0 -No

**D. ACTION CALENDAR:**

**1. DISTRICT ADMINISTRATION AND OPERATIONS FACILITY CONSTRUCTION UPDATE**

General Manager Martinez stated that the construction began October 2, 2023, and as of February 29, 2024, is at 28% completion. The projected completion date is the end of September 2024. As of February 2024, the District has made 5 payments for a total amount of \$914,148. To date there are 2 change orders. Change order #1 in the amount of \$52,148.08 and Change order #2 in the amount of \$42,399.83. General Manager Martinez noted that District Staff has self-performed various tasks onsite and will continue to self-perform necessary work to keep project costs down. The estimated savings to the District currently is about \$15,000- \$20,000. Board asked questions. There was no public comment. General Manager Martinez said per the request of the Facilities Committee Members District Administration and Operations Facility construction updates will be given at the Regular Board Meetings until the project is complete.

**2. AMENDMENT TO AGREEMENT WITH COASTAL ARCHITECTS**

General Manager said due to additional architectural services that needed to be performed he is asking the Board to approve an amendment to the agreement with Coastal Architects for an amount not to exceed \$33,436 bringing the revised total contract amount to \$81,211. There was no public comment. President Brewer made the motion to approve Staff's recommendation. Director Bouchard seconded the motion. The motion passed.

**ROLL CALL VOTE:**

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

**3. PROPOSED METROPOLITAN WATER DISTRICT RATE INCREASE**

General Manager Martinez explained that the District's current water portfolio is comprised of approximately 80% groundwater that we receive from United Water Conservation District and 20% of imported water that we receive via Calleguas Mutual Water District. These two water sources are blended at the Port Hueneme Water Agency Facility then delivered to the District. Metropolitan Water District (MWD) anticipates a rate increase of 13.6% effective January 2025 followed by an additional increase of 8% January 2026 due to the need to replenish reserves to meet minimum requirements, historically low water sales, inflation, and pending large necessary capital investments to maintain reliability. These rate increases would then be passed through via Calleguas Mutual Water District. The final impact of these increases will not be determined until June 2024 pending the approval of Calleguas Mutual Water District's budget and rate-setting process. Due to the implications for our District and its ratepayers the District has taken proactive measures by submitting an opposition letter concerning the rate increases. There was no public comment. Board discussion took place. General Manager Martinez emphasized that the District is closely monitoring the situation and will provide further updates as developments unfold.

**E. INFORMATION CALENDAR:**

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

Vice President Lebow and Director Debley attended the Facilities Committee Meeting on March 28, 2024. Vice President Lebow reported that the Facilities Committee members ask that Staff continue to keep the Board informed with comprehensive building updates at Regular Board meetings until the project's completion.

**F. BOARD MEMBER COMMENTS:**

President Brewer asked that General Manager Martinez provide information to residents that were affected by recent flooding in the area regarding the County of Ventura's response to the situation.

President Brewer asked that updates regarding the adjudication be given to the Board when important developments occur.

Director Bouchard asked General Manager Martinez to reach out to the CHP liaison in the area and ask what measures can be taken to deter speeding in high volume pedestrian areas within the District.

Director Nast asked that General Manager Martinez contact City of Oxnard regarding SCADA system and sharing information with Ventura Regional Sanitation District.

Director Debley shared that there were discussions underway about possibly redirecting the discharge from the storm drainage system at Kiddie Beach down Ocean Drive near Bardsdale Avenue.

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

General Counsel had no comment.

General Manager Martinez announced that new hire Chaz Ryan started at the District Monday, April 1, 2024, and new hire Rick Rivera will start Monday, April 15, 2024.

General Manager Martinez said the RFP for auditing services will close on Wednesday, April 17, 2024, and he will be bringing it to the Board next meeting.

General Manager Martinez asked that the Board complete the Strategic Planning Survey.

The Board Meeting adjourned at 5:43 p.m.

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Kristina Brewer, President



Board of Directors:

KRISTINA BREWER, President  
MICHAEL LEBOW, Vice President  
JARED BOUCHARD, Director  
SEAN DEBLEY, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

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**Regular Board Meeting, May 14, 2024**

**To:** Board of Directors  
**From:** Peter Martinez, *General Manager*  
**Subject:** FY 2022 – 2023 Annual Audit Report  
**Item No.** D-1

**RECOMMENDATION:**

1. Approve Reserve and Allocations (transfers) for June 30, 2023.
2. Approve the Channel Islands Beach Community Services District Annual Audit Report for Fiscal Year Ended June 30, 2023.
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 2022 – 2023 Audit Report prepared by Teaman, Ramirez, & Smith, Inc. Presented to the Board by Richard Teaman, Partner, CPA and Rick Gallo, Lead Field 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
<b>Water Enterprise</b>	\$199,783	Page 56
<b>Sewer Enterprise</b>	\$446,234	Page 59
<b>Solid Waste Enterprise</b>	(66,241)	Page 61
<b>Community Service</b>	\$65,146	Page 63

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, 2023
2. Final 2023 Financial Statements
3. Final 2023 Internal Control Report
4. Final 2023 Governance Conclusion Communication Letter

CIB COMMUNITY SERVICES DISTRICT  
 CASH ACCOUNT SUMMARY  
 30-Jun-23

	WATER	SEWER	TRASH	COMMUNITY SERVICE	TOTAL
Unrestricted	35,000	35,000	35,000	-	105,000
Board Restricted	2,937,332	4,761,380	332,130	252,328	8,283,169
Outside Restricted	37,433	37,433	37,434	-	112,300
Total Cash	3,009,765	4,833,813	404,564	252,328	8,500,469



**CHANNEL ISLANDS BEACH**  
**COMMUNITY SERVICES DISTRICT**  
**ANNUAL AUDIT REPORT**  
Years Ended June 30, 2023 and 2022





**Channel Islands Beach Community Services District**  
**Annual Audit Report**  
Years Ended June 30, 2023 and 2022

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>I. INDEPENDENT AUDITORS' REPORT</b>	1 - 3
<b>II. MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	4 - 8
<b>III. BASIC FINANCIAL STATEMENTS</b>	
Statements of Net Position	9 - 10
Statements of Revenues, Expenses and Changes in Net Position	11 - 13
Statements of Cash Flows	14 - 15
Notes to Financial Statements	16 - 47
<b>IV. REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of the District's Proportionate Share of the Net Pension Liability	
CalPERS Pension Plan	48
Schedule of Contributions	
CalPERS Pension Plan	49
Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios	50
<b>IV. SUPPLEMENTAL INFORMATION SECTION</b>	
Schedule of Revenues and Expenses - Budget to Actual - All Activities	51 - 53
Schedule of Revenues and Expenses - Budget to Actual - Water	54 - 56
Schedule of Revenues and Expenses - Budget to Actual - Wastewater	57 - 59
Schedule of Revenues and Expenses - Budget to Actual - Solid Waste Disposal	60 - 61
Schedule of Revenues and Expenses - Budget to Actual - Community Service	62 - 63



## INDEPENDENT AUDITORS' REPORT

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

### 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, 2023 and 2022, 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, 2023 and 2022, and the respective changes in financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *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 Responsibility for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 the required supplementary section on pages 4 - 8 and 48 - 50 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***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 is presented for the purpose 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 \_\_\_\_\_, 2024, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

Riverside, California  
\_\_\_\_\_, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Channel Islands Beach Community Services District, we offer readers of the Channel Islands Beach Community Services District's financial statements this narrative overview and analysis of the Channel Islands Beach Community Services District and its financial activities for the fiscal year ended June 30, 2023.

### OVERVIEW

#### FINANCIAL STATEMENTS

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

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

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

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

### FINANCIAL HIGHLIGHTS

#### SIGNIFICANT EVENTS AND TRANSACTIONS

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

- ◆ Water - \$2,190,672 for Capital and future unanticipated repairs and maintenance of the water distribution system, \$462,614 operating reserve, \$85,000 for debt service and \$199,045 for rate stabilization.
- ◆ Sewer - \$4,161,717 for Capital and future unanticipated repairs and maintenance of sewer system, 281,903 operating reserve, \$191,000 for debt service and \$126,761 for rate stabilization.
- ◆ Trash - \$18,000 for Capital and future unanticipated repairs and maintenance, \$214,378 for operating reserve and \$99,751 for rate stabilization.
- ◆ Community service - \$244,472 for Capital and future unanticipated repairs and maintenance and \$7,856 for operating reserve.

- In 2021, the District hired an outside consultant to conduct a 5-year rate study to calculate the cost of providing services, cost of future maintenance requirements of the District's infrastructure and cost of future capital expenditures. The results of this study gave the District a 5-year rate adjustment schedule from 2021 through 2026 and was implemented via Proposition 218 hearing and notice. Based on the recommendation of the outside consultants, the board of directors has initiated a rate increase with effect from the billing period starting September 1, 2021. There was an increase of 3% on water rate, 3% on wastewater rate and 2.5% on solid waste removal rate. The board of directors also initiated another rate increase of 3% on water rate, 3% on wastewater rate and 2.5% on solid waste removal rate with effect from the billing period starting July 1, 2022. The board anticipates more changes in rate structure will take place in the near term to maintain the level of services provided by the District.
- The District amended its contract with the City of Oxnard regarding a shared sewer line. Effective January 1, 2023, the City will bill the District the estimated charges for the District's use of the shared sewer line rather than the full charges of the shared sewer line. In previous years, the District would pay for the full charges of the shared sewer line and the City would then reimburse the District for the City's estimated portion. This reduced the reimbursement revenue from the City of Oxnard and the related wastewater transportation costs by 50%.
- Investments were mostly moved to a new investment account with California CLASS which is expected to have a higher rate of return than the Ventura County Treasurer's Investment Pool. The District had approximately \$8,153,256 invested in the California CLASS investment pool at year end.
- For construction in progress, the District had approximately \$1 million in additions and \$834,050 in deletions. Most of this is related to a waterline relocation project that was capitalized for \$617,262 and a valve improvement project capitalized for \$216,788. The District also started on the construction of the new administrative building which required staff to move to a temporary office location.

## **FINANCIAL STATEMENTS**

### **NET POSITION**

The District's Net Position as of June 30, 2023, 2022 and 2021 totaled \$16,539,948, \$15,891,180 and \$15,141,538 respectively. At the end of the current year, the District is able to report positive balances in all categories of net position. The District's net position increased by \$648,768 from the prior year.



**FIGURE 1. NET POSITION**

	<u>As of June 30, 2023</u>	<u>As of June 30, 2022</u>	<u>As of June 30, 2021</u>
<b>Assets</b>			
Current Assets	\$ 8,910,715	\$ 9,368,653	\$ 9,164,935
Restricted Assets	112,300	104,181	94,455
Capital Assets, Net	7,943,184	7,181,254	6,899,050
Other Assets	<u>2,665,541</u>	<u>2,772,731</u>	<u>2,848,685</u>
TOTAL ASSETS	<u>\$ 19,631,740</u>	<u>\$ 19,426,819</u>	<u>\$ 19,007,125</u>
<b>Deferred Outflows of Resources</b>			
Pension Related Items	\$ 122,529	\$ 139,436	\$ 103,388
Deferred Amount on Refunding	<u>33,339</u>	<u>36,042</u>	<u>50,544</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 155,868</u>	<u>\$ 175,478</u>	<u>\$ 153,932</u>
<b>Liabilities</b>			
Current Liabilities	\$ 619,704	\$ 934,660	\$ 1,298,941
Long-Term Debt	<u>2,612,433</u>	<u>2,774,044</u>	<u>2,720,540</u>
TOTAL LIABILITIES	<u>\$ 3,232,137</u>	<u>\$ 3,708,704</u>	<u>\$ 4,019,481</u>
<b>Deferred Inflows of Resources</b>			
Pension Related Items	\$ 262	\$ 2,413	\$ 38
OPEB Related Items	<u>15,261</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 15,523</u>	<u>\$ 2,413</u>	<u>\$ 38</u>
<b>Net Position</b>			
Net Investment in Capital Assets Unrestricted	\$ 5,561,845	\$ 4,621,633	\$ 3,876,666
	<u>10,978,103</u>	<u>11,269,547</u>	<u>11,264,872</u>
TOTAL NET POSITION	<u>\$ 16,539,948</u>	<u>\$ 15,891,180</u>	<u>\$ 15,141,538</u>

Total assets increased by \$204,921. This is due to the net variances from current assets, capital assets and other assets.

Current assets decreased by \$457,938. This was due to other receivables decreasing by \$248,760 and Board restricted cash and cash equivalents decreasing by \$244,823. Other receivables decreased due to the new agreement with the City of Oxnard and cash and cash equivalents decreased due to the increased activity for constructions in progress.

Capital assets increased by \$761,930. The increase was due to additions in construction in progress of \$1 million, mostly related to water system improvements, a vehicle purchase of \$91,176 and deletion of \$419,176 for older assets including the demolition of the old administrative office.

Other assets related to the investment in the Port Hueneme Water Agency decreased by \$85,669 since there were no significant capital contributions from the member agencies and it had a decrease in net position of \$433,512.

Total liabilities decreased by \$476,567 which is due to a decrease in long-term debt due to principal payments made on the outstanding sewer water bond and a loan for the water meter project.

**REVENUES, EXPENSES AND CHANGES IN NET POSITION**

Charges for operating services totaled \$4,718,457, \$5,292,413 and \$5,345,159, respectively for the years ended June 30, 2023, 2022, and 2021. The District is reporting operating income of \$450,564, \$798,810, and \$924,895, respectively for the years ended June 30, 2023, 2022 and 2021. Operating expenses before depreciation and amortization totaled \$3,903,358, \$4,137,222 and \$4,046,407, respectively for the years ended June 30, 2023, 2022 and 2021. Depreciation and amortization expenses totaled \$364,535, \$356,381 and \$373,857, respectively as of June 30, 2023, 2022 and 2021.

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

	2023	2022	2021
<b>Revenues</b>			
Charges for Operating Services	\$ 4,718,457	\$ 5,292,413	\$ 5,345,159
Interest	226,753	29,265	43,093
Other Non-Operating Revenues*	50,004	6,249	8,074
Development impact fee	20,784	24,840	68,416
<b>TOTAL REVENUES</b>	<b>\$ 5,015,998</b>	<b>\$ 5,352,767</b>	<b>\$ 5,464,742</b>
<b>Expenses</b>			
Operating Expenses	\$ 4,267,893	\$ 4,493,603	\$ 4,420,264
Other Non-Operating Expenses	82,399	92,584	107,368
Depreciation on Contributed Assets	16,938	16,938	16,938
<b>TOTAL EXPENSES</b>	<b>\$ 4,367,230</b>	<b>\$ 4,603,125</b>	<b>\$ 4,544,570</b>
<b>Change in Net Position</b>	<b>\$ 648,768</b>	<b>\$ 749,642</b>	<b>\$ 920,172</b>
<b>Net Position at Beginning of Year</b>	<b>\$ 15,891,180</b>	<b>\$ 15,141,538</b>	<b>\$ 14,221,366</b>
<b>Net Position at End of Year</b>	<b>\$ 16,539,948</b>	<b>\$ 15,891,180</b>	<b>\$ 15,141,538</b>

\* Includes \$68,731, \$80,537 and \$88,169 loss from Joint Venture for years ended June 30, 2023, 2022 and 2021, respectively.

Total revenues decreased by \$336,769. This was mostly due to a decrease in charges for services by \$573,956 and an increase in investment earnings by \$197,488. Charges for services decreased due to a decrease of \$497,519 of sewer revenue from the City of Oxnard. This was due to the amended agreement with the City. Investment earnings increased due to better rates of return from transferring amounts to the California CLASS investment pool and generally overall the rates of return have improved over the prior year.

Total expenses decreased by \$235,895. Most of the decrease is due to the decrease in sewer system expenses by \$340,361. This was due to the decrease in wastewater transportation costs from the amended agreement with the City of Oxnard. Generally, most of the other expenses increased due to rising costs and administrative costs increased due to relocation costs for the temporary administrative office.

## CAPITAL ASSETS

The District's Capital Assets for 2021, 2022 and 2023 are as follows:

	<u>Cost</u>	<u>Less Accumulated Depreciation</u>	<u>Net Depreciable Assets</u>
2021	\$ 12,619,433	\$ (5,720,383)	\$ 6,899,050
2022	\$ 13,251,855	\$ (6,070,601)	\$ 7,181,254
2023	\$ 13,982,267	\$ (6,039,083)	\$ 7,943,184

During the current year, the District capitalized various operating assets totaling \$115,361. There is a construction in progress in the current year totaling \$1,034,227. \$834,050 completed construction is moved from construction in progress to capital assets. There is a deletion of \$419,176 capital assets. Please refer to Note 4, *Capital Assets*, presented in the Notes to Financial Statements for additional detail regarding the District's Capital Assets.

## LONG-TERM DEBT

At the end of the current fiscal year, the District had \$2,800,826 total long-term debt outstanding. For 2022 and 2021, the District had \$2,955,029 and \$3,197,805 total long-term debt outstanding. Please refer to Note 5, *Long-Term Debt*, presented in the Notes to Financial Statements for additional detail regarding the District's Long-Term Debt.

## ECONOMIC FACTORS AND BUDGET

The District does not anticipate any increase in business or water consumption within the Harbor for Fiscal Year 2023-24. However, when the economic climate improves, the District anticipates significant redevelopment or new development to occur within the Channel Islands Harbor resulting in increased consumption and revenues. The District will take that into consideration in future budget years.

Another factor affecting the District's operation is California's ongoing drought and state's mandated water conservation program. Although the District has ample water supplies to meet current customer demands, the District has implemented stage 1 water supply shortage regulations, which includes limits on outdoor watering and wasteful water practices. The District's efforts to comply with state mandated water conservation requirements has resulted in decreased water consumption by District's customers.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

## **BASIC FINANCIAL STATEMENTS**



**Channel Islands Beach Community Services District**  
**Statements of Net Position**  
June 30, 2023 and 2022

	2023	2022
<b>ASSETS</b>		
Current Assets:		
Unrestricted Cash (Notes 1, 2 and 3)	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents (Notes 1, 2 and 3)	8,283,169	8,527,992
Accounts Receivable (Note 1)	381,530	398,375
Other Receivable (Note 1)	-	248,760
Interest Receivable	66,833	12,892
Prepaid Items (Note 1)	68,567	68,471
Inventory (Note 1)	5,616	7,163
Total Current Assets	8,910,715	9,368,653
Noncurrent Assets:		
Restricted Assets:		
Cash and Cash Equivalents (Notes 1, 2 and 3)	112,300	104,181
Net Pension Asset	-	21,521
Land and Construction in Progress, Not Being Depreciated (Note 4)	911,354	711,177
Capital Assets, Net of Depreciation (Note 4)	7,031,830	6,470,077
Total Noncurrent Assets	8,055,484	7,306,956
<b>OTHER ASSETS</b>		
Investment in Water JPA, Net of Accumulated Depreciation (Notes 3 and 12)	2,665,541	2,751,210
Total Other Assets	2,665,541	2,751,210
Total Assets	19,631,740	19,426,819
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charge on Refunding (Note 1)	33,339	36,042
Pension Related Items (Note 7)	122,529	139,436
Total Deferred Outflows of Resources	\$ 155,868	\$ 175,478

The accompanying notes are an integral part of these statements.

**Channel Islands Beach Community Services District**  
**Statements of Net Position - Continued**  
June 30, 2023 and 2022

	2023	2022
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 169,278	\$ 431,418
Other Liabilities (Note 1)	7,861	42,487
Current Portion of Long-term Debt (Note 5)	188,393	180,985
Accrued Payroll, Taxes and Benefits	119,253	148,116
Customer Deposits	112,300	104,181
Accrued Interest	22,619	27,473
Total Current Liabilities	619,704	934,660
Long-term Debt (Note 5):		
Wastewater Refunding Series 2016 Bond Payable, Net	2,067,847	2,191,186
Loan Payable	449,678	515,663
Net Pension Liability	19,484	-
Net OPEB Liability	263,817	248,180
Total Long-term Debt, Net of Unamortized Premium (Note 5)	2,800,826	2,955,029
Less Current Portion	(188,393)	(180,985)
Total Long-term Debt	2,612,433	2,774,044
Total Liabilities	3,232,137	3,708,704
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Related Items (Note 7)	262	2,413
OPEB Related Items (Note 8)	15,261	-
Total Deferred Inflows of Resources	15,523	2,413
<b>NET POSITION (Notes 1 and 6)</b>		
Net Investment in Capital Assets	5,561,845	4,621,633
Unrestricted	10,978,103	11,269,547
Total Net Position	\$ 16,539,948	\$ 15,891,180

The accompanying notes are an integral part of these statements.

**Channel Islands Beach Community Services District**  
**Statements of Revenues, Expenses and Changes in Net Position**  
Years Ended June 30, 2023 and 2022

	2023	2022
<b>OPERATING REVENUES</b>		
Water Revenue	\$ 2,026,885	\$ 2,086,617
Sewer Revenue	1,357,582	1,396,483
Sewer Revenue - Oxnard	497,520	995,039
Trash Revenue	836,470	814,274
Total Operating Revenues	4,718,457	5,292,413
<b>OPERATING EXPENSES</b>		
Water System Expenses:		
PHWA Water Expenses	805,104	754,937
Water Samples	14,137	11,264
SDHS Annual Administrative Fee	18,582	16,646
Cross Connect Contract Charges	2,650	1,500
Repairs and Maintenance - Distribution	143,345	109,509
Water Quality Report	-	1,354
Telemetry	10,422	10,310
Total Water System Expenses	994,240	905,520
Sewer System Expenses:		
Waste Water Transportation - Oxnard	506,089	905,371
Operations and Maintenance	95,673	36,291
Telemetry	32,021	32,805
Power	23,881	23,558
Total Sewer System Expenses	657,664	998,025
Trash Expenses:		
Trash Services	606,092	592,379
Total Trash Expenses	606,092	592,379
Maintenance Expenses:		
Vehicle Expenses	12,686	19,883
Building Maintenance and Security	8,708	17,405
Sign and Banner Expense	1,036	-
Public Landscape Project	4,099	5,181
Employee Workplace Safety	2,786	4,232
Gasoline Expenses	22,955	15,337
Total Maintenance Expenses	52,270	62,038
Salaries and Benefits:		
Regular Salaries	816,825	797,226
Retirement Benefits	170,701	263,417
Uniforms	4,257	6,181
Insurance	149,012	148,943
Payroll Taxes	14,154	12,325
Employee Educational Expense	15,774	15,111
Total Salaries and Benefits	\$ 1,170,723	\$ 1,243,203

The accompanying notes are an integral part of these statements.



**Channel Islands Beach Community Services District**  
**Statements of Revenues, Expenses and Changes in Net Position - Continued**  
Years Ended June 30, 2023 and 2022

	2023	2022
<b>OPERATING EXPENSES (CONTINUED)</b>		
Administrative Expenses:		
Board Meetings	\$ 9,164	\$ 8,478
Board/Committee Expenses	1,973	1,264
Conferences and Seminars - Board	9,202	2,687
Dues/ Membership	26,036	24,873
Office Supplies	10,262	8,487
E-Pay Online	5,048	4,377
Communications	24,643	20,787
Printing and Publications	5,256	5,285
Postage and Shipping	10,818	12,305
Utilities	3,378	2,753
Miscellaneous Office Expense	36,943	10,249
Other Professional Services	11,196	25,392
Office Equipment Maintenance	9,907	7,343
Insurance	46,149	22,918
Accounting Services	43,857	35,995
Computer Services	66,369	52,869
Legal Services	46,697	29,146
Engineering Services	43,321	49,259
Bank and Trustee Fees	2,500	3,781
Legal Notices Publication Expense	1,305	958
Public Information	-	1,942
	414,024	331,148
Total Administrative Expenses		
Other Operating Expenses:		
Depreciation (Note 4)	370,171	350,218
Amortization (Note 1)	(5,636)	6,163
Bad Debt (Note 1)	8,345	4,909
	372,880	361,290
Total Other Operating Expenses		
	4,267,893	4,493,603
Total Operating Expenses		
<b>OPERATING INCOME</b>	<b>\$ 450,564</b>	<b>\$ 798,810</b>

The accompanying notes are an integral part of these statements.

**Channel Islands Beach Community Services District**  
**Statements of Revenues, Expenses and Changes in Net Position - Continued**  
Years Ended June 30, 2023 and 2022

	2023	2022
<b>NON-OPERATING REVENUES AND EXPENSES</b>		
Investment Earnings	\$ 226,753	\$ 29,265
Net Gain (Loss) from Joint Venture (Note 12)	(68,731)	(80,537)
Net Gain (Loss) on Sale of Capital Assets	(9,986)	-
County Tax Apportionment (Note 1)	94,095	86,786
Miscellaneous Revenues	34,626	-
Interest Expense	(82,399)	(92,584)
Total Non-Operating Revenues and Expenses	194,358	(57,070)
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>644,922</b>	<b>741,740</b>
<b>CAPITAL CONTRIBUTIONS (NOTE 1)</b>		
Developmental Impact Fee	20,784	24,840
Amortization on Contributed Capital	(16,938)	(16,938)
Total Capital Contributions	3,846	7,902
<b>CHANGE IN NET POSITION</b>	648,768	749,642
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>15,891,180</b>	<b>15,141,538</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 16,539,948</b>	<b>\$ 15,891,180</b>

The accompanying notes are an integral part of these statements.

**Channel Islands Beach Community Services District**  
**Statements of Cash Flows**  
Years Ended June 30, 2023 and 2022

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Water, Sewer and Trash Services	\$ 4,975,717	\$ 5,308,028
Other Cash Receipts	34,626	-
Cash Payments to Contract and Water System Services	(2,551,813)	(2,575,917)
Cash Payments to Maintenance and Administration Services	(459,673)	(400,964)
Cash Payments to Employees for Services	(1,112,927)	(1,048,601)
	<b>885,930</b>	<b>1,282,546</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
County Tax Apportionment	94,095	86,786
	<b>94,095</b>	<b>86,786</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and Construction of Capital Assets	(1,149,587)	(632,422)
Capital Contributions	20,784	24,840
Proceeds from Sale of Assets	7,500	-
Principal Paid on Debt	(180,985)	(477,265)
Interest Paid on Debt	(87,253)	(98,157)
	<b>(1,389,541)</b>	<b>(1,183,004)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Earnings	172,812	22,385
	<b>172,812</b>	<b>22,385</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(236,704)</b>	<b>208,713</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>8,737,173</b>	<b>8,528,460</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 8,500,469</b>	<b>\$ 8,737,173</b>

The accompanying notes are an integral part of these statements.

**Channel Islands Beach Community Services District**  
**Statements of Cash Flows - Continued**  
Years Ended June 30, 2023 and 2022

	2023	2022
<b>RECONCILIATION OF OPERATING INCOME</b>		
<b>TO NET CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Operating Income	\$ 450,564	\$ 798,810
<b>ADJUSTMENTS TO RECONCILE NET OPERATING INCOME</b>		
<b>TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Miscellaneous Revenues	34,626	-
Depreciation and Amortization	364,535	356,381
Bad Debt Expense	8,345	4,909
(Increase) Decrease in Accounts and Other Receivables	257,260	15,615
(Increase) Decrease in Prepaid Items	(96)	(17,484)
(Increase) Decrease in Inventory	1,547	(891)
(Increase) Decrease in Net Pension Asset	21,521	(21,521)
(Increase) Decrease in Deferred Outflows - Pension Related Items	16,907	(33,635)
Increase (Decrease) in Accounts Payable and Other Liabilities	(296,766)	(79,122)
Increase (Decrease) in Accrued Payroll, Taxes and Benefits	(28,863)	6,968
Increase (Decrease) in Customer Deposits	8,119	9,726
Increase (Decrease) in Net Pension Liability	19,484	(5,352)
Increase (Decrease) in Net OPEB Liability	15,637	248,180
Increase (Decrease) in Deferred Inflows - Pension Related Items	(2,151)	(38)
Increase (Decrease) in Deferred Inflows - OPEB Related Items	15,261	-
<b>TOTAL ADJUSTMENTS</b>	435,366	483,736
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	\$ 885,930	\$ 1,282,546
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash and Cash Equivalents		
Unrestricted Cash	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents	8,283,169	8,527,992
Restricted Cash and Cash Equivalents	112,300	104,181
Total	\$ 8,500,469	\$ 8,737,173
Non-cash Investing and Financing Activities consisted of the following:		
Amortization Related to Long-term Debt	\$ (5,636)	\$ 6,163
Amortization on Contributed Capital	\$ 16,938	\$ 16,938

The accompanying notes are an integral part of these statements.

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**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

<u>NOTE</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
1	Reporting Entity and Significant Accounting Policies	17 - 23
2	Cash and Investments	23 - 28
3	Fair Value Measurements	28 - 29
4	Capital Assets	29 - 31
5	Long-term Debt	32 - 33
6	Net Position	34
7	CALPERS Retirement Plan	34 - 40
8	Other Post-Employment Benefits	40 - 45
9	Deferred Compensation	45
10	Income Tax	46
11	Joint Powers Agency (ACWAJPIA)	46
12	Port Hueneme Water Agency/Joint Venture	46 - 47

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A) Reporting Entity**

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

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

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

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

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

**GASB Statements Implemented as of June 30, 2023**

Governmental Accounting Standard Board Statement No. 91

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

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**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, 2023 - Continued**

Governmental Accounting Standard Board Statement No. 94

In March of 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. This statement is required to be implemented in the 2023 fiscal year by the District. Currently, this statement has no effect on the financial statements.

Governmental Accounting Standard Board Statement No. 96

In May of 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangement (SBITAs) for government end users (governments). Statement No. 96 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. This statement is required to be implemented in the 2023 fiscal year by the District. Currently, this statement has no effect on the financial statements.

**Pending Accounting Standards**

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

Governmental Accounting Standard Board Statement No. 99

In April of 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Statement No. 99 is effective upon issuance except for requirements related to leases, PPPs, and SBITAs which is effective for fiscal years beginning after June 15, 2022, and requirements related to financial guarantees and the classification and reporting of derivative instructions within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023. This statement is required to be implemented in the 2024 fiscal year by the District. The District has elected not to early implement GASB No. 99 and has not determined its effect on the District's financial statements.

Governmental Accounting Standard Board Statement No. 100

In June of 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Statement No. 100 is effective for fiscal years beginning after June 15, 2023. This statement is required to be implemented in the 2024 fiscal year by the District. The District has elected not to early implement GASB No. 100 and has not determined its effect on the District's financial statements.



**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

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

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

**Pending Accounting Standards - Continued**

Governmental Accounting Standard Board Statement No. 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. 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 has elected not to early implement GASB No. 101 and has not determined its effect on the District's financial statements.

Governmental Accounting Standard Board 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. This statement is required to be implemented in the 2025 fiscal year by the District. The District has elected not to early implement GASB No. 102 and has not determined its effect on the District's financial statements.

**C) Basis of Presentation**

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

**D) Basis of Accounting and Measurement Focus**

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

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

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

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

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

**E) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows/inflows of resources and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**F) Budgetary Data**

Formal budgetary accounting is employed as a management control for the District. Annual operating budgets are adopted each fiscal year on the budgetary basis in accordance with existing legal requirements. Budgetary control is exercised at the utility enterprise divisional program level. The District did not modify their adopted operating budget for the year ended June 30, 2023.

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, the District's investments are stated at fair value except for interest-earning investment contracts (See Notes 2 and 3).

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

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

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

**H) Accounts Receivable**

The District has established a reserve for doubtful accounts based on the prior three years of bad debts. The amount of the reserve for doubtful accounts at June 30, 2023 and 2022 was \$5,000 and \$5,000, respectively. The Bad Debt expense was \$8,345 and \$4,909 as of June 30, 2023 and 2022, respectively.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

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

**I) Other Receivables and Other Liabilities**

Other receivables include \$0 and \$248,760 from the City of Oxnard as of June 30, 2023 and 2022. The District and the City of Oxnard share a pipeline for wastewater transportation and treatment in which the City of Oxnard reimburses the District for the estimated cost for their portion of the use of the pipeline. The agreement was amended in fiscal year 2023 and, effective January 2023, the City directly bills the District for the District's estimated actual costs of the shared sewer pipeline. Other liabilities include unearned COVID-19 relief funds of \$7,861 and \$42,487 as of June 30, 2023 and 2022.

**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 \$14,057 for insurance and dues, and \$54,510 for water purchases (Port Hueneme Water Agency true-up) as of June 30, 2023. Prepaid items include \$19,131 for insurance and dues, and \$49,340 for water purchases (Port Hueneme Water Agency true-up) as of June 30, 2022.

**K) Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has deferred inflows related to pensions 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 6.77 hours (1 to 4 years of service), 8.30 hours (5 to 9 years of service) and 9.84 hours (10 years or more of services) per pay period, depending on the number of years of service completed. The annual maximum accrued leave is limited to 500 hours. All hours over that will be paid out to the employee after the pay period in which it was earned. Upon termination, separation, or retirement, each employee is paid for all their annual leave hours at the hourly rate then in effect. In accordance with accounting principles generally accepted in the United States of America, the liability is reflected in the line item for accrued payroll, taxes and benefits on the statement of net position and the current year allocation has been expensed.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

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

**M) Bond Discounts and Premiums**

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

**N) Pensions**

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

**O) Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability (asset), 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.

Generally accepted accounting principles 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, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

**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 them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

**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.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

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

**Q) County Tax Apportionment - Continued**

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 33 all such capital contributions are reflected as revenues.

**S) Reclassifications**

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

**2) CASH AND INVESTMENTS**

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

The District participates in the County Pool Investment Program with interest being allocated on the basis of deposit in the Treasury. Investment policies and associated risk factors applicable to District monies are those of the County of Ventura and are included in the County's Annual Financial Report. The carrying value and estimated market value of the County of Ventura Pool at June 30, 2023, were \$4,130,001,484 and \$4,091,859,832 respectively and at June 30, 2022, were \$3,784,920,807 and \$3,723,151,281. The District's share of the Pool at June 30, 2023 and 2022 was approximately 0.002 percent and 0.215 percent.

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, 2023 and 2022, the District's investment in California Class is \$8,153,256 and \$0 in the California CLASS Prime account. The account offers daily liquidity and amounts withdrawn are based on the net asset value 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, 2023, the weighted average maturity was 44 days for California CLASS Prime funds.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**2) CASH AND INVESTMENTS - Continued**

The District utilized a commercial bank for all operational transactions. The District invests cash with the County Treasurer and in California CLASS. At June 30, 2023 and 2022 the carrying amount of the District's petty cash, deposits and investments were \$8,500,469 and \$8,737,173 and are broken down as follows:

	2023	2022
Petty Cash	\$ 2,100	\$ 2,100
County Treasury	111,650	7,997,999
California CLASS	8,153,256	-
Pacific Western Bank	233,463	737,074
Total	\$ 8,500,469	\$ 8,737,173

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.

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

	2023	2022
Statement of Net Position:		
Unrestricted Cash	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents	8,283,169	8,527,992
Restricted Cash and Cash Equivalents	112,300	104,181
Total Cash and Investments	\$ 8,500,469	\$ 8,737,173

Cash and investments consist of the following:

	2023	2022
Cash on Hand	\$ 2,100	\$ 2,100
Deposits with Financial Institutions	233,463	737,074
Ventura County Treasurer's Pooled Investments	111,650	7,997,999
California Class Investment Pool	8,153,256	-
Total Cash and Investments	\$ 8,500,469	\$ 8,737,173

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**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 <sup>(1)</sup>	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% <sup>(3)</sup>	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% <sup>(4)</sup>
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 <sup>(5)</sup>	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

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

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

<sup>(3)</sup> Pooled funds can be 40% of the maximum percentage of the portfolio.

<sup>(4)</sup> The 10% limitation does not apply to money market funds.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**2) CASH AND INVESTMENTS - Continued**

**Investments Authorized by Debt Agreements**

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

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rates risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

The District had the following investments:

	2023		2022	
	Amount	Maturity Date	Amount	Maturity Date
Ventura County Treasurer’s Pooled Investments	\$ 111,650	N/A	\$ 7,997,999	N/A
California CLASS	8,153,256		-	
Total	<u>\$ 8,264,906</u>		<u>\$ 7,997,999</u>	

**Disclosures Relating to Credit Risk**

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

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

**June 30, 2023**

Investment Type		Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End		
				AAA	AA	Not Rated
Ventura County Treasurer’s Pooled Investments	\$ 111,650	N/A	\$ -	\$ 111,650	\$ -	\$ -
California CLASS	<u>8,153,256</u>		<u>-</u>	<u>8,153,256</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 8,264,906</u>		<u>\$ -</u>	<u>\$ 8,264,906</u>	<u>\$ -</u>	<u>\$ -</u>



**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**2) CASH AND INVESTMENTS - Continued**

**June 30, 2022**

<u>Investment Type</u>		<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year End</u>		
				<u>AAA</u>	<u>AA</u>	<u>Not Rated</u>
Ventura County Treasurer's Pooled Investments	\$ 7,997,999	N/A	\$ -	\$ 7,997,999	\$ -	\$ -
Total	\$ 7,997,999		\$ -	\$ 7,997,999	\$ -	\$ -

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

**Concentration of Credit Risk**

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

**Custodial Credit Risk**

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

The California Government Code and the Entity's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2023 and 2022, none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

**Cash and Investments with Fiscal Agent - Restricted Assets**

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

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**2) CASH AND INVESTMENTS - Continued**

**Board Restricted Cash**

Cash is Board restricted for the following:

	2023	2022
Capital and Unanticipated Repairs and Maintenance	\$ 6,614,861	\$ 6,624,085
Rate Stabilization	425,557	403,556
Reserved for Operations	966,751	911,351
Debt Service	276,000	589,000
Total	\$ 8,283,169	\$ 8,527,992

**Restricted Cash**

Cash is restricted for the following:

	2023	2022
Customer Deposits	\$ 112,300	\$ 104,181
Total	\$ 112,300	\$ 104,181

**3) FAIR VALUE MEASUREMENTS**

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

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

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

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

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

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**3) FAIR VALUE MEASUREMENTS - Continued**

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

	2023		
	Fair Value	Significant Unobservable Inputs (Level 3)	Uncategorized
Investments:			
Ventura County Treasurer's Pooled Investments	\$ 111,650	\$ -	\$ 111,650
California CLASS	8,153,256		8,153,256
Total Investments	<u>\$ 8,264,906</u>	<u>\$ -</u>	<u>\$ 8,264,906</u>
Other Assets:			
Investment in Water JPA, Net of Accumulated Depreciation	\$ 2,665,541	\$ 2,665,541	\$ -
Total Other Assets	<u>\$ 2,665,541</u>	<u>\$ 2,665,541</u>	<u>\$ -</u>
	2022		
	Fair Value	Significant Unobservable Inputs (Level 3)	Uncategorized
Investments:			
Ventura County Treasurer's Pooled Investments	\$ 7,997,999	\$ -	\$ 7,997,999
Total Investments	<u>\$ 7,997,999</u>	<u>\$ -</u>	<u>\$ 7,997,999</u>
Other Assets:			
Investment in Water JPA, Net of Accumulated Depreciation	\$ 2,751,210	\$ 2,751,210	\$ -
Total Other Assets	<u>\$ 2,751,210</u>	<u>\$ 2,751,210</u>	<u>\$ -</u>

The Ventura County Treasurer's Pooled Investments and California CLASS external investment pools are exempt under GASB No. 72 fair value measurements. The Investment in Water JPA, Net of Accumulated Depreciation, classified in Level 3 is valued using the equity method. See Note 12.

**4) CAPITAL ASSETS**

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

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**4) CAPITAL ASSETS - Continued**

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

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

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

	2023			
	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Depreciated:				
Land	\$ 42,060	\$ -	\$ -	\$ 42,060
Construction in Progress	669,117	1,034,227	834,050	869,294
Total Capital Assets, Not Depreciated	711,177	1,034,227	834,050	911,354
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	110,901	24,185	29,167	105,919
Vehicles	175,867	91,176	101,207	165,836
Tools and Shop Equipment	455,491	-	167,818	287,673
Office Building	109,056	-	62,714	46,342
1911 Act Sewer Line	7,626,074	-	-	7,626,074
Water Distribution System	4,063,289	834,050	58,270	4,839,069
Total Capital Assets, Being Depreciated	12,540,678	949,411	419,176	13,070,913
Less Accumulated Depreciation:				
Office Furniture and Equipment	(100,876)	(9,868)	(29,167)	(81,577)
Vehicles	(175,867)	(3,841)	(101,206)	(78,502)
Tools and Shop Equipment	(252,716)	(29,883)	(167,262)	(115,337)
Office Building	(90,837)	(1,482)	(46,706)	(45,613)
1911 Act Sewer Line	(2,594,232)	(182,901)	-	(2,777,133)
Water Distribution System	(2,856,073)	(142,196)	(57,348)	(2,940,921)
Total Accumulated Depreciation	(6,070,601)	(370,171)	(401,689)	(6,039,083)
Total Capital Assets, Being Depreciated, Net	6,470,077	579,240	17,487	7,031,830
Capital Assets, Net of Depreciation	\$ 7,181,254	\$ 1,613,467	\$ 851,537	\$ 7,943,184

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**4) CAPITAL ASSETS - Continued**

	2022			Ending Balance
	Beginning Balance	Additions	Deletions	
Capital Assets, Not Depreciated:				
Land	\$ 42,060	\$ -	\$ -	\$ 42,060
Construction in Progress	440,467	228,650	-	669,117
Total Capital Assets, Not Depreciated	<u>482,527</u>	<u>228,650</u>	<u>-</u>	<u>711,177</u>
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	110,901	-	-	110,901
Vehicles	175,867	-	-	175,867
Tools and Shop Equipment	301,996	153,495	-	455,491
Office Building	109,056	-	-	109,056
1911 Act Sewer Line	7,576,306	49,768	-	7,626,074
Water Distribution System	3,862,780	200,509	-	4,063,289
Total Capital Assets, Being Depreciated	<u>12,136,906</u>	<u>403,772</u>	<u>-</u>	<u>12,540,678</u>
Less Accumulated Depreciation:				
Office Furniture and Equipment	(88,351)	(12,525)	-	(100,876)
Vehicles	(175,867)	-	-	(175,867)
Tools and Shop Equipment	(229,063)	(23,653)	-	(252,716)
Office Building	(89,332)	(1,505)	-	(90,837)
1911 Act Sewer Line	(2,413,542)	(180,690)	-	(2,594,232)
Water Distribution System	(2,724,228)	(131,845)	-	(2,856,073)
Total Accumulated Depreciation	<u>(5,720,383)</u>	<u>(350,218)</u>	<u>-</u>	<u>(6,070,601)</u>
Total Capital Assets, Being Depreciated, Net	<u>6,416,523</u>	<u>53,554</u>	<u>-</u>	<u>6,470,077</u>
Capital Assets, Net of Depreciation	<u>\$ 6,899,050</u>	<u>\$ 282,204</u>	<u>\$ -</u>	<u>\$ 7,181,254</u>

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**5) LONG-TERM DEBT**

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

Changes in Long-Term Debt	2023				
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2016 Wastewater Refunding Bonds Series	\$ 2,080,000	\$ -	\$ 115,000	\$ 1,965,000	\$ 120,000
Premiums on Bonds	111,186	-	8,339	102,847	-
Subtotal	<u>2,191,186</u>	<u>-</u>	<u>123,339</u>	<u>2,067,847</u>	<u>120,000</u>
Direct Borrowing - Loan Payable	515,663	-	65,985	449,678	68,393
Net Pension Liability	-	72,922	53,438	19,484	-
Net OPEB Liability	<u>248,180</u>	<u>15,637</u>	<u>-</u>	<u>263,817</u>	<u>-</u>
Total	<u>\$ 2,955,029</u>	<u>\$ 88,559</u>	<u>\$ 242,762</u>	<u>\$ 2,800,826</u>	<u>\$ 188,393</u>

Changes in Long-Term Debt	2022				
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2012 Water Refunding Bonds Series	\$ 303,604	\$ -	\$ 303,604	\$ -	\$ -
2016 Wastewater Refunding Bonds Series	2,190,000	-	110,000	2,080,000	115,000
Premiums on Bonds	119,525	-	8,339	111,186	-
Subtotal	<u>2,309,525</u>	<u>-</u>	<u>118,339</u>	<u>2,191,186</u>	<u>115,000</u>
Direct Borrowing - Loan Payable	579,324	-	63,661	515,663	65,985
Net Pension Liability	5,352	46,689	52,041	-	-
Net OPEB Liability	<u>-</u>	<u>248,180</u>	<u>-</u>	<u>248,180</u>	<u>-</u>
Total	<u>\$ 3,197,805</u>	<u>\$ 294,869</u>	<u>\$ 537,645</u>	<u>\$ 2,955,029</u>	<u>\$ 180,985</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 1<sup>st</sup> and May 1<sup>st</sup> of each year. Principal on the bonds is payable in annual installments, ranging from \$95,000 to \$180,000, commencing November 1, 2017 through November 1, 2035.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**5) LONG-TERM DEBT - Continued**

Future debt requirements are as follows:

Year Ending June 30,	Wastewater Bond Series 2016	
	Principal	Interest
2024	\$ 120,000	\$ 63,731
2025	125,000	58,831
2026	130,000	53,731
2027	135,000	48,431
2028	140,000	42,931
2029-2033	785,000	134,791
2034-2036	530,000	23,782
<b>Total</b>	<b>\$ 1,965,000</b>	<b>\$ 426,228</b>

**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 are payable solely from sewer revenues and a portion of investment earnings. Total principal and interest remaining on the Wastewater Revenue Refunding Bonds are \$2,391,228, payable through fiscal year 2036. For the current year, principal and interest paid by sewer revenues and investment earnings was \$115,000 and \$68,431, respectively.

**Direct Borrowing - Loan Payable**

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

Year Ending June 30,	Loan Payable	
	Principal	Interest
2024	\$ 68,393	\$ 16,413
2025	70,890	13,917
2026	73,477	11,329
2027	76,159	8,648
2028	78,939	5,868
2029	81,820	2,986
<b>Total</b>	<b>\$ 449,678</b>	<b>\$ 59,161</b>

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**6) NET POSITION**

Net position consisted of the following:

	2023	2022
Net Position:		
Net Investment in Capital Assets:		
Land and Construction in Progress, Not Being Depreciated	\$ 911,354	\$ 711,177
Capital Assets, Net of Depreciation	7,031,830	6,470,077
Capital Related Deferred Outflows:		
Deferred Charges on Refunding	33,339	36,042
Less Capital Related Debt:		
2016 Wastewater Refunding Bonds Series	(1,965,000)	(2,080,000)
Loan Payable	(449,678)	(515,663)
	5,561,845	4,621,633
Subtotal		
Unrestricted Net Position	10,978,103	11,269,547
Total Net Position	\$ 16,539,948	\$ 15,891,180

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

**7) CALPERS RETIREMENT PLAN**

**A) General Information about the Pension Plans**

***Plan Description***

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



**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**7) CALPERS RETIREMENT PLAN - Continued**

**A) General Information about the Pension Plans - Continued**

***Benefits Provided***

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

The rate plan provisions and benefits in effect at June 30, 2023 and 2022 are summarized as follows:

	Miscellaneous
	On or After
	January 1, 2013
Hire Date	2.0% at 62
Benefit Formulas	5 Years Service
Benefit Vesting Schedule	Monthly for Life
Benefit Payments	52 - 67+
Retirement Age	1.0% - 2.5%
Monthly Benefits, as a % of Eligible Compensation	6.75%
Required Employee Contribution Rates	7.47%
Required Employer Contribution Rates	7.59%
2023	
2022	

***Contributions***

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

The District's contributions to the Plan for the years ended June 30, 2023 and 2022 were \$53,828 and \$53,438, respectively.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**7) CALPERS RETIREMENT PLAN - Continued**

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

As of June 30, 2023 and 2022, the District's net pension liability (asset) for its proportionate share of the net pension liability of the Plan was \$19,484 and \$(21,521).

The District's net pension liability (asset) 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, 2022 for the 2023 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, 2021 rolled forward to June 30, 2022 using standard update procedures. The net pension liability of the plan is measured as of June 30, 2021 for the 2022 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, 2020 rolled forward to June 30, 2021 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability (asset) for the Plan was as follows:

	2023		2022
Proportion - June 30, 2022	(0.00113)%	Proportion - June 30, 2021	0.00013%
Proportion - June 30, 2023	0.00042%	Proportion - June 30, 2022	(0.00113)%
Change - Increase (Decrease)	0.00155%	Change - Increase (Decrease)	(0.00126)%

For the years ended June 30, 2023 and 2022, the District recognized pension expense(credit) of \$109,588 and \$(7,108), 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	
	2023	2022	2023	2022
Pension contributions subsequent to measurement date	\$ 53,828	\$ 53,438	\$ -	\$ -
Differences between actual and expected experience	391	-	262	2,413
Changes in assumptions	1,996	-	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	62,745	67,211	-	-
Net differences between projected and actual earnings on plan investments	3,569	18,787	-	-
Total	\$ 122,529	\$ 139,436	\$ 262	\$ 2,413

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**7) CALPERS RETIREMENT PLAN - Continued**

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

The District reported \$53,828 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, 2024. 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
2024	\$ 35,345
2025	22,497
2026	8,414
2027	2,183
Total	\$ 68,439

***Actuarial Assumptions***

The total pension liabilities in the June 30, 2021 and 2020 actuarial valuations were determined using the following actuarial assumptions:

	2022	2021
Valuation Date	June 30, 2021	June 30, 2020
Measurement Date	June 30, 2022	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	7.15%
Inflation	2.3%	2.5%
Salaries Increases	Varies <sup>(1)</sup>	Varies <sup>(1)</sup>
Mortality Rate Table	CalPERS Membership Data <sup>(2)</sup>	CalPERS Membership Data <sup>(3)</sup>
Post Retirement Benefit Increase	See Footnote <sup>(4)</sup>	See Footnote <sup>(5)</sup>

- (1) Depending on age, service and type of employment.
- (2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 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) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.
- (4) Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.3% thereafter.
- (5) Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**7) CALPERS RETIREMENT PLAN - Continued**

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

*Change of Assumptions*

In the 2022 measurement period, the accounting discount rate changed from 7.15 percent to 6.9 percent and a change in inflation from 2.5 percent to 2.3 percent.

*Discount Rate*

The discount rate used to measure the total pension liability at June 30, 2022 and 2021 measurement dates was 6.9% and 7.15%. 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.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. For the 2022 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 2021 measurement period, using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**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***

The table below reflects the expected real rates of return by asset class.

2022 Measurement Period		
Asset Class <sup>(a)</sup>	Assumed Asset Allocation	Real Return <sup>(a),(b)</sup>
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	<u>100%</u>	

<sup>(a)</sup> An expected inflation of 2.3% used for this period.

<sup>(b)</sup> Figures based on the 2021 Asset Liability Management study.

2021 Measurement Period			
Asset Class <sup>(1)</sup>	Assumed Asset Allocation	Real Return Years 1 - 10 <sup>(2)</sup>	Real Return Years 11+ <sup>(3)</sup>
Public Equity	50.0%	4.8%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	-	-0.92%
Total	<u>100%</u>		

<sup>(1)</sup> In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>(2)</sup> An expected inflation of 2.0% used for this period.

<sup>(3)</sup> An expected inflation of 2.92% used for this period.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**7) CALPERS RETIREMENT PLAN - Continued**

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

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

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:

	2023	2022
1% Decrease	5.90%	6.15%
Net Pension Liability (Asset) \$	73,577	\$ 8,792
Current Discount Rate	6.90%	7.15%
Net Pension Liability (Asset) \$	19,483	\$ (21,521)
1% Increase	7.90%	8.15%
Net Pension Liability (Asset) \$	(25,023)	\$ (46,581)

*Pension Plan Fiduciary Net Position*

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

*Payable to the Pension Plan*

At June 30, 2023 and 2022, the District reported, in accrued payroll, taxes and benefits, a payable of \$118 and \$400, respectively, for the outstanding amount of contributions to the pension plan required for the years ended June 30, 2023 and 2022.

**8) OTHER POST-EMPLOYMENT BENEFITS**

**Plan Description**

The District’s defined benefit postemployment healthcare plan, (District Retiree Healthcare Plan, 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 \$149 per month for 2022 and \$151 per month for 2023 and will be indexed with medical inflation (CPI) for years 2024 and thereafter.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**8) OTHER POST-EMPLOYMENT BENEFITS - Continued**

**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 the California Public Employees' Retirement System (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 (\$149 per month for 2022 and \$151 per month for 2023). The District also pays PEMHCA an administrative fee of percent-of-premium for all active employees and retirees.

**Employees Covered**

As of June 30, 2022 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	-
<b>Total</b>	8

**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 year ended June 30, 2023, the District was not required to make any cash contributions.

**Net OPEB Liability**

The District's net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2022 based on the following actuarial methods and assumptions:

**Actuarial Assumptions**

Valuation Date	June 30, 2022
Valuation of Fiduciary Net Position	No assets held in an irrevocable trust as of the measurement date.
Actuarial Cost Method	Entry Age, Level Percentage of Pay
Amortization Method	Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB.
Salary Increases	3.00%
Inflation Rate	3.00%
Healthcare Cost Trend Rate	6.00% for 2022-2023, 5.20 percent for 2024-2069, and 4.50 percent for 2070 and later years; Medicare ages: 4.50 percent for all years.
Pre-retirement Mortality	Pre-retirement Mortality Rates from CalPERS Experience Study (2000-2019).
Post-retirement Mortality	Post-retirement Mortality Rates for Health Recipients from CalPERS Experience Study (2000-2019).

Actuarial assumptions used in the June 30, 2022 valuation were based on a review of plan experience during the period January 1, 2022 to June 30, 2022.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**8) OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Discount Rate**

For OPEB Plans that are not administered through trusts that meet the criteria in Paragraph 4, GASB 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>	Fidelity GO AA 20 Years <u>Municipal Index</u>	<u>Discount Rate</u>
June 30, 2022	June 30, 2022	3.69%	3.69%
June 30, 2023	June 30, 2023	3.86%	3.86%

**Changes in the OPEB Liability**

The changes in the net OPEB liability for CBRHP are as follows:

	2023		
	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability/(Asset) (c) = (a) - (b)</u>
Balance at June 30, 2022 <i>(Measurement Date June 30, 2022)</i>	\$ 248,180	\$ -	\$ 248,180
Changes Recognized for the Measurement Period:			
Service Cost	22,213	-	22,213
Interest	9,978	-	9,978
Differences between Expected and Actual Experience	-	-	-
Changes of Assumptions	(16,554)	-	(16,554)
Benefit Payments	-	-	-
Net Changes	<u>15,637</u>	<u>-</u>	<u>15,637</u>
Balance at June 30, 2023 <i>(Measurement Date June 30, 2023)</i>	<u>\$ 263,817</u>	<u>\$ -</u>	<u>\$ 263,817</u>



**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**8) OTHER POST-EMPLOYMENT BENEFITS - Continued**

	2022		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at January 1, 2022 <sup>(1)</sup> <i>(Measurement Date June 30, 2022)</i>	\$ 232,941	\$ -	\$ 232,941
Changes Recognized for the Measurement Period:			
Service Cost	10,783	-	10,783
Interest	4,456	-	4,456
Differences between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Benefit Payments	-	-	-
Net Changes	15,239	-	15,239
Balance at June 30, 2022 <i>(Measurement Date June 30, 2022)</i>	\$ 248,180	\$ -	\$ 248,180

<sup>(1)</sup> The District entered into the plan effective January 1, 2022. This is the estimated beginning balance measured by the actuarial valuation as of effective date of the plan.

**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, 2023 and 2022:

	2023	2022
1% Decrease	2.86%	2.69%
Net OPEB Liability	\$ 384,064	\$ 365,239
Current Discount Rate	3.86%	3.69%
Net OPEB Liability	\$ 263,817	\$ 248,180
1% Increase	4.86%	4.69%
Net OPEB Liability	\$ 188,933	\$ 175,738

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**8) OTHER POST-EMPLOYMENT BENEFITS - Continued**

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

The following presents the net OPEB liability of the City 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, 2023 and 2022:

	Net OPEB Liability	
	2023	2022
1% Decrease	\$ 178,982	\$ 167,342
Current Healthcare Cost Trend Rates	\$ 263,817	\$ 248,180
1% Increase	\$ 405,384	\$ 383,382

**OPEB Plan Fiduciary Net Position**

Currently, the City is under a pay-as-you-go method, and the CBRHP 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. Currently the District does not have any deferred outflows or inflows of resources related to OPEB.

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

For the fiscal years ended June 30, 2023 and 2022, the City recognized OPEB expense (credit) of \$30,898 and \$248,180. As of the fiscal years ended June 30, 2023 and 2022, the District reported deferred outflows or inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	2023	2022	2023	2022
Differences between actual and expected experience	\$ -	\$ -	\$ -	\$ -
Changes in assumptions	-	-	15,261	-
Total	\$ -	\$ -	\$ 15,261	\$ -

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**8) OTHER POST-EMPLOYMENT BENEFITS - Continued**

Year Ended June 30	Deferred Outflows/Inflows of Resources
2024	\$ (1,293)
2025	(1,293)
2026	(1,293)
2027	(1,293)
2028	(1,293)
Thereafter	(8,796)
Total	\$ (15,261)

**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. The District contributes up to 10% of gross pay, with all contributions being currently funded. The District begins to deposit its contributions to the employee’s annuity account upon successful completion of the employee’s initial six (6) month probationary period. Vesting of the District’s contributions begins at the end of the first year of employment. Thirty three and one third percent (33.3%) vests at the end of the first year, sixty-six and two thirds percent (66.6%) vests at the end of the second year, and one-hundred percent (100%) or full vesting occurs at the end of the third year of service, as measured from the date of initial hire of the employee. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Contributions for the fiscal years ended June 30, 2023 and 2022 were \$28,368 and \$26,879, 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.

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.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**10) INCOME TAX**

The District is exempt from income taxes.

**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 year ended June 30, 2023 and 2022 were \$46,149 and \$22,918, respectively.

**12) PORT HUENEME WATER AGENCY/JOINT VENTURE**

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

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

CIBCSD's percentage share in PHWA's cost of the improvements and related liabilities varies from 0% to 86%, based on each party's share of the facilities - overall the total cost of improvements through June 30, 2023 was \$11,854,130, of which CIBCSD's share was \$2,342,548 and through June 30, 2022 was \$12,436,844, of which CIBCSD's share was \$2,457,701. CIBCSD's share in ongoing operating costs vary from 12% to 16% for certain fixed costs; other variable operating costs are allocated based on the volume of water delivered to each party.

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

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

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**12) PORT HUENEME WATER AGENCY/JOINT VENTURE - Continued**

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

	<u>2023</u>	<u>2022</u>
Total Assets	\$ 16,304,808	\$ 15,519,519
Total Liabilities	<u>2,816,216</u>	<u>1,597,415</u>
Net Position		
Net Investment in Capital Assets	11,446,720	11,974,913
Restricted for Operations	457,707	461,933
Unrestricted	<u>1,584,165</u>	<u>1,485,258</u>
Total Net Position	<u>\$ 13,488,592</u>	<u>\$ 13,922,104</u>
Total Revenues	\$ 5,758,678	\$ 5,343,355
Total Expenses	<u>(6,192,190)</u>	<u>(5,836,613)</u>
Net Increase (Decrease) in Net Position	<u>\$ (433,512)</u>	<u>\$ (493,258)</u>
CIBCSD's report its share of the PHWA as follows:		
Investment in PHWA	\$ 2,665,541	\$ 2,751,210
Profit (Loss) in PHWA Joint Venture	\$ (68,731)	\$ (80,537)
Amortization on Contributed Capital	\$ (16,938)	\$ (16,938)

## **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, 2023

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%	\$ 19,483	\$ 704,053	2.77%	95.09%

**Notes to Schedule:**

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

**Changes in Assumptions.** In 2018 (for the June 30, 2017 measurement period), the discount rate reduced from 7.65% to 7.15%. In 2023 (for the June 30, 2022 measurement period), the discount rate reduced from 7.15% to 6.9%.

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

\* Fiscal year 2018 was the 1<sup>st</sup> year the District entered into a retirement contract with CalPERS. For fiscal years 2018 and 2019, the District has no net pension liability since its proportionate share was not included in the 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, 2023

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%

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

**Channel Islands Beach Community Services District**  
**Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios**  
For the Measurement Periods Ended June 30,

Measurement Period	2022	2023
<b>Total OPEB Liability</b>		
Service Cost	\$ 10,783	\$ 22,213
Interest on the Total OPEB Liability	4,456	9,978
Actual and Expected Experience Difference	-	-
Changes in Assumptions	-	(16,554)
Changes in Benefit Terms	-	-
Benefit Payments	-	-
<b>Net Change in Total OPEB Liability</b>	<b>15,239</b>	<b>15,637</b>
<b>Total OPEB Liability - Beginning<sup>(1)</sup></b>	<b>232,941</b>	<b>248,180</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 248,180</b>	<b>\$ 263,817</b>
<b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ -	\$ -
Net Investment Income	-	-
Benefit Payments	-	-
Administrative Expense	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net OPEB Liability (Asset) - Ending (a)-(b)</b>	<b>\$ 248,180</b>	<b>\$ 263,817</b>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0%	0%
Covered-employee Payroll <sup>(2)</sup>	\$ 789,608	\$ 854,919
Net OPEB Liability as a Percentage of Covered-employee Payroll <sup>(2)</sup>	31.43%	30.86%

**Notes to Schedule:**

- <sup>(1)</sup> 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.
- <sup>(2)</sup> Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.
- <sup>(3)</sup> 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.

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## **SUPPLEMENTAL INFORMATION**



**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - All Activities**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
Water Revenue	\$ 2,316,000	\$ 2,026,885	\$ (289,115)
Sewer Revenue	1,520,000	1,357,582	(162,418)
Sewer Revenue - Oxnard	560,000	497,520	(62,480)
Trash Revenue	793,000	836,470	43,470
	<u>5,189,000</u>	<u>4,718,457</u>	<u>(470,543)</u>
<b>OPERATING EXPENSES</b>			
Water System Expenses:			
PHWA Water Expense	850,000	805,104	44,896
Water Samples	16,000	14,137	1,863
SDHS Annual Admin. Fee	18,000	18,582	(582)
Cross Connect Contract Charges	2,600	2,650	(50)
Repairs and Maintenance - Distribution	130,000	143,345	(13,345)
Water Quality Report	1,500	-	1,500
Telemetry	10,600	10,422	178
	<u>1,028,700</u>	<u>994,240</u>	<u>34,460</u>
Sewer System Expenses:			
Waste Water Transportation - Oxnard	660,000	506,089	153,911
Operations and Maintenance	109,000	95,673	13,327
Telemetry	35,000	32,021	2,979
Power	29,000	23,881	5,119
	<u>833,000</u>	<u>657,664</u>	<u>175,336</u>
Trash Expenses:			
Trash Services	615,000	606,092	8,908
	<u>615,000</u>	<u>606,092</u>	<u>8,908</u>
Maintenance Expenses:			
Vehicle Expenses	12,000	12,686	(686)
Building Security	1,800	1,671	129
Building Maintenance	17,000	7,037	9,963
Sign and Banner Expense	1,500	1,036	464
Public Landscape Project	5,200	4,099	1,101
Employee Workplace Safety	5,000	2,786	2,214
Gasoline Expenses	20,000	22,955	(2,955)
Emergency Preparedness Expense	1,500	-	1,500
	<u>\$ 64,000</u>	<u>\$ 52,270</u>	<u>\$ 11,730</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - All Activities - Continued**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING EXPENSES (CONTINUED)</b>			
Salaries and Benefits:			
Regular Salaries	\$ 769,000	\$ 816,825	\$ (47,825)
Retirement Benefits	104,000	170,701	(66,701)
Uniforms	5,500	4,257	1,243
Group Insurance	157,000	135,548	21,452
Worker's Compensation Insurance	13,500	13,464	36
Payroll Taxes	14,000	14,154	(154)
Employee Educational Expense	14,000	15,774	(1,774)
Total Salaries and Benefits	<u>1,077,000</u>	<u>1,170,723</u>	<u>(93,723)</u>
Administrative Expenses:			
Regular Board Payments	10,000	7,225	2,775
Special Board Meetings	3,000	1,939	1,061
Board/Committee Expenses	2,000	1,973	27
Conferences and Seminars - Board	5,000	1,013	3,987
Board Travel and Lodging	8,500	8,189	311
Dues/Membership - District	27,000	26,036	964
Office Supplies	8,000	10,262	(2,262)
E-Pay Online	6,000	5,048	952
Communications	25,000	24,643	357
Printing and Publications	6,000	5,256	744
Postage and Shipping	12,000	10,818	1,182
Utilities	3,800	3,378	422
Miscellaneous Office Expense	16,400	36,943	(20,543)
Other Professional Services	10,000	11,196	(1,196)
Office Equipment Maintenance	7,000	9,907	(2,907)
Equipment Purchases	8,000	-	8,000
Insurance	37,000	46,149	(9,149)
Accounting Services	50,000	43,857	6,143
Computer Services	47,000	66,369	(19,369)
Legal Services	60,000	46,697	13,303
Engineering Services	75,000	43,321	31,679
Bank and Trustee Fees	4,000	2,500	1,500
Legal Notices Publication Expense	7,000	1,305	5,695
Public Information Expense	10,000	-	10,000
Total Administrative Expenses	<u>\$ 447,700</u>	<u>\$ 414,024</u>	<u>\$ 33,676</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - All Activities - Continued**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING EXPENSES (CONTINUED)</b>			
Other Operating Expenses:			
Depreciation	\$ -	\$ 370,171	\$ (370,171)
Amortization	-	(5,636)	5,636
Bad Debt	-	8,345	(8,345)
Total Other Operating Expenses	-	372,880	(372,880)
Total Operating Expenses	4,065,400	4,267,893	(202,493)
<b>OPERATING INCOME (LOSS)</b>	<b>1,123,600</b>	<b>450,564</b>	<b>(673,036)</b>
<b>NONOPERATING REVENUES AND EXPENSES</b>			
Nonoperating Revenue:			
Investment Earnings	90,000	226,753	136,753
Net Gain (Loss) from Joint Venture	-	(68,731)	(68,731)
Net Gain (Loss) on Sale of Capital Assets	-	(9,986)	(9,986)
County Tax Apportionment	105,000	94,095	(10,905)
Miscellaneous Revenues	-	34,626	34,626
Total Nonoperating Revenues	195,000	276,757	81,757
Nonoperating Expenses:			
Interest Expense	126,000	82,399	43,601
Total Nonoperating Expenses	126,000	82,399	43,601
Total Nonoperating Revenues and Expenses	69,000	194,358	125,358
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<b>\$ 1,192,600</b>	<b>\$ 644,922</b>	<b>\$ (547,678)</b>



**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Water**  
**Year Ended June 30, 2023**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
Water Revenue	\$ 2,316,000	\$ 2,026,885	\$ (289,115)
Total Operating Revenues	<u>2,316,000</u>	<u>2,026,885</u>	<u>(289,115)</u>
<b>OPERATING EXPENSES</b>			
Water System Expenses:			
PHWA Water Expense	850,000	805,104	44,896
Water Samples	16,000	14,137	1,863
SDHS Annual Admin. Fee	18,000	18,582	(582)
Cross Connect Contract Charges	2,600	2,650	(50)
Repairs and Maintenance - Distribution	130,000	143,345	(13,345)
Water Quality Report	1,500	-	1,500
Telemetry	10,600	10,422	178
Total Water System Expenses	<u>1,028,700</u>	<u>994,240</u>	<u>34,460</u>
Maintenance Expenses:			
Vehicle Expenses	5,160	5,455	(295)
Building Security	594	552	42
Building Maintenance	5,610	2,322	3,288
Sign and Banner Expense	495	342	153
Employee Workplace Safety	2,150	1,198	952
Gasoline Expenses	8,600	9,870	(1,270)
Total Maintenance Expenses	<u>22,609</u>	<u>19,739</u>	<u>2,870</u>
Salaries and Benefits:			
Regular Salaries	299,910	318,561	(18,651)
Retirement Benefits	40,560	66,574	(26,014)
Uniforms	2,365	1,831	534
Group Insurance	61,230	52,864	8,366
Worker's Compensation Insurance	5,265	5,251	14
Payroll Taxes	5,460	5,520	(60)
Employee Educational Expense	5,460	6,152	(692)
Total Salaries and Benefits	<u>\$ 420,250</u>	<u>\$ 456,753</u>	<u>\$ (36,503)</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Water - Continued**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING EXPENSES (CONTINUED)</b>			
Administrative Expenses:			
Regular Board Payments	\$ 3,900	\$ 2,818	\$ 1,082
Special Board Meetings	1,170	756	414
Board/Committee Expenses	780	769	11
Conferences and Seminars - Board	1,950	395	1,555
Board Travel and Lodging	3,315	3,194	121
Dues/Membership - District	10,182	9,894	288
Office Supplies	2,640	3,387	(747)
E-Pay Online	2,460	2,070	390
Communications	8,250	8,132	118
Printing and Publications	1,980	1,734	246
Postage and Shipping	3,960	3,570	390
Utilities	1,254	1,115	139
Miscellaneous Office Expense	6,664	15,147	(8,483)
Other Professional Services	4,100	4,590	(490)
Office Equipment Maintenance	2,310	3,269	(959)
Equipment Purchases	2,640	-	2,640
Insurance	15,170	18,921	(3,751)
Accounting Services	20,500	17,981	2,519
Computer Services	19,270	27,212	(7,942)
Legal Services	36,400	28,485	7,915
Engineering Services	30,750	17,762	12,988
Bank and Trustee Fees	1,640	1,025	615
Legal Notices Publication Expense	2,310	431	1,879
Public Information Expense	3,300	-	3,300
	<u>186,895</u>	<u>172,657</u>	<u>14,238</u>
Total Administrative Expenses			
Other Operating Expenses:			
Depreciation	-	188,787	(188,787)
Bad Debt	-	2,837	(2,837)
	<u>-</u>	<u>191,624</u>	<u>(191,624)</u>
Total Other Operating Expenses			
	<u>1,658,454</u>	<u>1,835,013</u>	<u>(176,559)</u>
Total Operating Expenses			
<b>OPERATING INCOME (LOSS)</b>	<u>\$ 657,546</u>	<u>\$ 191,872</u>	<u>\$ (465,674)</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Water - Continued**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>NONOPERATING REVENUES AND EXPENSES</b>			
Nonoperating Revenues:			
Investment Earnings	\$ 31,500	\$ 79,364	\$ 47,864
Net Gain (Loss) from Joint Venture	-	(68,731)	(68,731)
Net Gain (Loss) on Sale of Capital Assets	-	(5,092)	(5,092)
County Tax Apportionment	2,500	-	(2,500)
Miscellaneous Revenues	-	17,104	17,104
	<u>34,000</u>	<u>22,645</u>	<u>(11,355)</u>
Total Nonoperating Revenues			
Nonoperating Expenses:			
Interest Expense	19,000	14,734	4,266
	<u>19,000</u>	<u>14,734</u>	<u>4,266</u>
Total Nonoperating Expenses			
	<u>15,000</u>	<u>7,911</u>	<u>(7,089)</u>
Total Nonoperating Revenues and Expenses			
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<u>\$ 672,546</u>	<u>\$ 199,783</u>	<u>\$ (472,763)</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Wastewater**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
Sewer Revenue	\$ 1,520,000	\$ 1,357,582	\$ (162,418)
Sewer Revenue - Oxnard	560,000	497,520	(62,480)
Total Operating Revenues	<u>2,080,000</u>	<u>1,855,102</u>	<u>(224,898)</u>
<b>OPERATING EXPENSES</b>			
Sewer System Expense:			
Waste Water Transportation - Oxnard	660,000	506,089	153,911
Operations and Maintenance	109,000	95,673	13,327
Telemetry	35,000	32,021	2,979
Power	29,000	23,881	5,119
Total Sewer System Expenses	<u>833,000</u>	<u>657,664</u>	<u>175,336</u>
Maintenance Expenses:			
Vehicle Expenses	4,920	5,201	(281)
Building Security	612	568	44
Building Maintenance	5,780	2,393	3,387
Sign and Banner Expense	510	352	158
Employee Workplace Safety	2,050	1,142	908
Gasoline Expenses	8,200	9,412	(1,212)
Total Maintenance Expenses	<u>22,072</u>	<u>19,068</u>	<u>3,004</u>
Salaries and Benefits:			
Regular Salaries	307,600	326,730	(19,130)
Retirement Benefits	41,600	68,280	(26,680)
Uniforms	2,255	1,745	510
Group Insurance	62,800	54,219	8,581
Worker's Compensation Insurance	5,400	5,386	14
Payroll Taxes	5,600	5,662	(62)
Employee Educational Expense	5,600	6,310	(710)
Total Salaries and Benefits	<u>\$ 430,855</u>	<u>\$ 468,332</u>	<u>\$ (37,477)</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Wastewater - Continued**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING EXPENSES (CONTINUED)</b>			
Administrative Expenses:			
Regular Board Payments	\$ 4,000	\$ 2,889	\$ 1,111
Special Board Meetings	1,200	776	424
Board/Committee Expenses	800	790	10
Conferences and Seminars - Board	2,000	406	1,594
Board Travel and Lodging	3,400	3,275	125
Dues/Membership - District	10,781	10,414	367
Office Supplies	2,720	3,489	(769)
E-Pay Online	2,640	2,221	419
Communications	8,500	8,379	121
Printing and Publications	2,040	1,788	252
Postage and Shipping	4,080	3,678	402
Utilities	1,292	1,148	144
Miscellaneous Office Expense	7,096	15,885	(8,789)
Other Professional Services	4,400	4,927	(527)
Office Equipment Maintenance	2,380	3,368	(988)
Equipment Purchases	2,720	-	2,720
Insurance	16,280	20,306	(4,026)
Accounting Services	22,000	19,297	2,703
Computer Services	20,680	29,202	(8,522)
Legal Services	17,600	13,542	4,058
Engineering Services	33,000	19,061	13,939
Bank and Trustee Fees	1,760	1,100	660
Legal Notices Publication Expense	2,380	443	1,937
Public Information Expense	3,400	-	3,400
	<u>177,149</u>	<u>166,384</u>	<u>10,765</u>
Other Operating Expenses:			
Depreciation	-	170,279	(170,279)
Amortization	-	(5,636)	5,636
Bad Debt	-	2,754	(2,754)
	<u>-</u>	<u>167,397</u>	<u>(167,397)</u>
	<u>1,463,076</u>	<u>1,478,845</u>	<u>(15,769)</u>
<b>OPERATING INCOME (LOSS)</b>	<u>\$ 616,924</u>	<u>\$ 376,257</u>	<u>\$ (240,667)</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Wastewater - Continued**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>NONOPERATING REVENUES AND EXPENSES</b>			
Nonoperating Revenues:			
Investment Earnings	\$ 49,500	\$ 124,714	\$ 75,214
Net Gain (Loss) on Sale of Capital Assets	-	(4,594)	(4,594)
County Tax Apportionment	2,500	-	(2,500)
Miscellaneous Revenues	-	17,522	17,522
	<u>52,000</u>	<u>137,642</u>	<u>85,642</u>
Nonoperating Expenses:			
Interest Expense	<u>107,000</u>	<u>67,665</u>	<u>39,335</u>
	<u>107,000</u>	<u>67,665</u>	<u>39,335</u>
	<u>(55,000)</u>	<u>69,977</u>	<u>124,977</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<u><u>\$ 561,924</u></u>	<u><u>\$ 446,234</u></u>	<u><u>\$ (115,690)</u></u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Solid Waste Disposal**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
Trash Revenue	\$ 793,000	\$ 836,470	\$ 43,470
Total Operating Revenues	<u>793,000</u>	<u>836,470</u>	<u>43,470</u>
<b>OPERATING EXPENSES</b>			
Trash Expense:			
Trash Service	615,000	606,092	8,908
Total Trash Expense	<u>615,000</u>	<u>606,092</u>	<u>8,908</u>
Maintenance Expenses:			
Vehicle Expenses	1,680	1,776	(96)
Building Security	594	551	43
Building Maintenance	5,610	2,322	3,288
Sign and Banner Expense	495	342	153
Employee Workplace Safety	700	390	310
Gasoline Expenses	2,800	3,214	(414)
Total Maintenance Expenses	<u>11,879</u>	<u>8,595</u>	<u>3,284</u>
Salaries and Benefits:			
Regular Salaries	146,110	155,197	(9,087)
Retirement Benefits	19,760	32,433	(12,673)
Uniforms	770	596	174
Group Insurance	29,830	25,754	4,076
Worker's Compensation Insurance	2,565	2,558	7
Payroll Taxes	2,660	2,689	(29)
Employee Educational Expense	2,660	2,997	(337)
Total Salaries and Benefits	<u>204,355</u>	<u>222,224</u>	<u>(17,869)</u>
Administrative Expenses:			
Regular Board Payments	\$ 1,900	\$ 1,373	\$ 527
Special Board Meetings	570	368	202
Board/Committee Expenses	380	375	5
Conferences and Seminars - Board	950	192	758
Board Travel and Lodging	1,615	1,556	59
Dues/Membership - District	5,809	5,468	341
Office Supplies	2,640	3,386	(746)
E-Pay Online	900	757	143

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Solid Waste Disposal - Continued**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING EXPENSES (CONTINUED)</b>			
Administrative Expenses: (Continued)			
Communications	\$ 8,250	\$ 8,132	\$ 118
Printing and Publications	1,980	1,734	246
Postage and Shipping	3,960	3,570	390
Utilities	1,254	1,115	139
Miscellaneous Office Expense	2,580	5,911	(3,331)
Other Professional Services	1,500	1,679	(179)
Office Equipment Maintenance	2,310	3,270	(960)
Equipment Purchases	2,640	-	2,640
Insurance	5,550	6,922	(1,372)
Accounting Services	7,500	6,579	921
Computer Services	7,050	9,955	(2,905)
Legal Services	6,000	4,670	1,330
Engineering Services	11,250	6,498	4,752
Bank and Trustee Fees	600	375	225
Legal Notices Publication Expense	2,310	431	1,879
Public Information Expense	3,300	-	3,300
	<u>82,798</u>	<u>74,316</u>	<u>8,482</u>
Other Operating Expenses:			
Depreciation	-	11,105	(11,105)
Bad Debt	-	2,754	(2,754)
	<u>-</u>	<u>13,859</u>	<u>(13,859)</u>
	<u>914,032</u>	<u>925,086</u>	<u>(11,054)</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(121,032)</u>	<u>(88,616)</u>	<u>32,416</u>
Nonoperating Revenues:			
Investment Earnings	9,000	22,675	13,675
Net Gain (Loss) on Sale of Capital Assets	-	(300)	(300)
County Tax Apportionment	2,500	-	(2,500)
	<u>11,500</u>	<u>22,375</u>	<u>10,875</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<u>\$ (109,532)</u>	<u>\$ (66,241)</u>	<u>\$ 43,291</u>



**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Community Service**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
	\$ -	\$ -	\$ -
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>OPERATING EXPENSES</b>			
Maintenance Expenses:			
Vehicle Expenses	240	254	(14)
Public Landscape Project	5,200	4,099	1,101
Employee Workplace Safety	100	56	44
Gasoline Expenses	400	459	(59)
Emergency Preparedness Expense	1,500	-	1,500
Total Maintenance Expenses	<u>7,440</u>	<u>4,868</u>	<u>2,572</u>
Salaries and Benefits:			
Regular Salaries	15,380	16,337	(957)
Retirement Benefits	2,080	3,414	(1,334)
Uniforms	110	85	25
Group Insurance	3,140	2,711	429
Worker's Compensation Insurance	270	269	1
Payroll Taxes	280	283	(3)
Employee Educational Expense	280	315	(35)
Total Salaries and Benefits	<u>21,540</u>	<u>23,414</u>	<u>(1,874)</u>
Administrative Expenses:			
Regular Board Payments	200	145	55
Special Board Meetings	60	39	21
Board/Committee Expenses	40	39	1
Conferences and Seminars - Board	100	20	80
Board Travel and Lodging	170	164	6
Dues/Membership - District	228	260	(32)
Miscellaneous Office Expense	60	-	60
Total Administrative Expenses	<u>858</u>	<u>667</u>	<u>191</u>
Other Operating Expenses:			
Depreciation	-	-	-
Total Other Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>29,838</u>	<u>28,949</u>	<u>889</u>
<b>OPERATING INCOME (LOSS)</b>	<u>\$ (29,838)</u>	<u>\$ (28,949)</u>	<u>\$ 889</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Community Service - Continued**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>NONOPERATING REVENUES AND EXPENSES</b>			
Nonoperating Revenue:			
County Tax Apportionment	\$ 97,500	\$ 94,095	\$ (3,405)
Total Nonoperating Revenues	<u>97,500</u>	<u>94,095</u>	<u>(3,405)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<u>\$ 67,662</u>	<u>\$ 65,146</u>	<u>\$ (2,516)</u>

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Channel Islands Beach Community Services District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated \_\_\_\_\_, 2024.

**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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**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*.

## **Purpose of this Report**

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

Riverside, California  
\_\_\_\_\_, 2024

\_\_\_\_\_, 2024

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

We have audited the financial statements of the Channel Islands Beach Community Services District (the “District”) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 15, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As described in Note 1B to the financial statements, the District changed accounting policies related to leases and other matters by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 91, *Conduit Debt Obligations*, No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and No. 96, *Subscription-Based Information Technology Arrangements* in fiscal year 2023. These statements had no significant impact on the financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District’s financial statements were:

Management’s estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of capital assets depreciation is based on historical estimates of each capitalized item’s useful life. We evaluated the key factors and assumptions used to develop the capital assets depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the investment in the Port Hueneme Water Agency is based on a percentage from financial information provided by the Agency. We evaluated the key factors and assumptions used to develop the investment in the Port Hueneme Water Agency in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of debt related amortizations (premiums and on refunding) are based on the terms and amounts included in the debt documents. We evaluated the key factors and assumptions used to develop the debt related amortizations in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability and related pension deferred outflows and inflows of resources are based on an actuarial valuation and pension contributions made during the year. We evaluated the key factors and assumptions used to develop the net pension liability and related pension deferred outflows and inflows of resources in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of net other postemployment benefits (OPEB) liability and related OPEB deferred outflows and inflows of resources are based on an actuarial valuation and OPEB contributions made during the year. We evaluated the key factors and assumptions used to develop the net OPEB liability and related deferred outflows and inflows of resources in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the fair value of investments in Notes 2 and 3 to the financial statements represents amounts susceptible to market fluctuation.

The disclosure of capital assets in Note 4 to the financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the Port Hueneme Water Agency/Joint Venture in Note 12 to the financial statements is based on financial information provided by the agency which could differ from actual results.

The disclosure of debt related amortizations (premiums and on refundings) in Notes 1.K, 1.M, and 5 to the financial statements are based on the terms and amounts included in the related debt documents which could differ from actual results.

The disclosure of the employees' retirement, net pension liability and related pension deferred outflows and inflows of resources in Notes 1.K, 1.N and 7 to the financial statements represents management's estimate based on an actuarial valuation and pension contributions made during the year. Actual results could differ depending on the key factors and assumptions used for the actuarial valuation.

The disclosure of other postemployment benefits and the net OPEB liability and related OPEB deferred outflows and inflows of resources in Notes 1.K, 1.O and 8 to the financial statements represents management's estimate based on an actuarial valuation and OPEB contributions made during the year. Actual results could differ depending on the key factors and assumptions used for the actuarial valuation.

The financial statement disclosures are neutral, consistent and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit. However, the audit was delayed in waiting for financial information from the Port Hueneme Water Agency and the availability of the outside financial consulting firm.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management: Reversal of a \$248,760 prior year other receivable from the City of Oxnard.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated \_\_\_\_\_, 2024.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to management's discussion and analysis and the required supplementary section which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplemental information section, which accompany the financial statements but are not RSI. With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

As part of the audit, we assisted with the preparation of the financial statements and related notes and the calculation of the investment in the Port Hueneme Water Agency. However, these services, does not constitute an audit under *Government Auditing Standards* and are considered nonaudit services. Management has reviewed, approved, and accepted responsibility for the results of these services.

Restrictions on Use

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,





Board of Directors:

KRISTINA BREWER, President  
MICHAEL LEBOW, Vice President  
JARED BOUCHARD, Director  
SEAN DEBLEY, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

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

**Regular Board Meeting, May 14, 2024**

**To:** Board of Directors  
**From:** CJ Dillon, Office Manager  
**Subject:** Professional Services Agreement between Channel Islands Beach CSD and Brown Armstrong Accountancy Corporation for Financial Auditing Services  
**Item:** D-2

**RECOMMENDATION:**

1. Authorize the General Manager to execute an agreement with Brown Armstrong for a 3-year term for financial auditing for an amount not to exceed \$75,000.

**FINANCIAL IMPACT:** There is sufficient funding in line item 5520 (Accounting Services) of the Operating Budget to cover these costs.

**BACKGROUND:**

In 2001, the District contracted Teaman, Ramirez and Smith as our auditors. Through the years we have worked with many different field staff and partners. Fiscal year 2022-2023 will be their last year of government auditing due to shortages of CPA's working in that field. The District reached out to 13 auditing firms and received four proposals.

**DISCUSSION:**

Of the four proposals, Brown Armstrong came highly recommended by the District's CPA firm, Teaman, Ramirez and Smith, and other agencies we contacted. We are familiar with the firm from their work for PHWA. Although we will be sad to lose our current auditors, we feel Brown Armstrong will be a good fit for our District.

**ATTACHMENTS:** Professional Service Agreement Brown Armstrong

**PROFESSIONAL SERVICES AGREEMENT**  
between  
**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT**  
and  
**BROWN ARMSTRONG ACCOUNTANCY CORPORATION**  
for  
**Financial Audit Services**

The Channel Islands Beach Community Services District, herein "DISTRICT", and Brown Armstrong Accountancy Corporation, herein "CONSULTANT", agree as follows:

**SECTION 1 - PURPOSE**

Under this Agreement, the CONSULTANT shall provide financial audit services for the fiscal year ending June 30, 2024; June 30, 2025; and June 30, 2026.

**SECTION 2 - SCOPE OF SERVICES**

The CONSULTANT shall, in good workmanlike and professional manner and at its own expense, furnish all of the technical, administrative, professional and other labor, all supplies and materials, equipment, printing, vehicles, transportation, office space and facilities necessary to perform and complete the work and provide the services as set forth in Exhibit "A" of this Agreement.

**SECTION 3 - TERM**

The term of this Agreement shall extend until December 31, 2026.

**SECTION 4 - ACCEPTANCE**

This Agreement constitutes the DISTRICT'S offer to the CONSULTANT. Unless the CONSULTANT notifies the DISTRICT, in writing to the contrary, the commencement of performance required by this offer shall be conclusive evidence of the CONSULTANT'S approval of, and consent to the terms and conditions of this Agreement herein contained.

**SECTION 5 - TERMINATION**

(a) The DISTRICT may terminate or cancel this Agreement, in whole or in part, without liability to the DISTRICT, if CONSULTANT fails to perform in accordance with the requirements of Section 2 – Scope of Services of this Agreement, or in the event of a substantial breach of any of the other terms or conditions hereof.

(b) The DISTRICT may also terminate this Agreement, in whole or in part, even though CONSULTANT is not in default hereunder and no breach hereof has occurred, by notice in writing at any time. Such notice shall state the extent and effective date of termination and upon the receipt by CONSULTANT of such notice, CONSULTANT will, as and to the extent prescribed by the DISTRICT, stop work under the Agreement and placement of further purchase orders or subcontracts hereunder, terminate work under purchase order and subcontracts outstanding hereunder, and take any necessary action to protect property in the CONSULTANT'S possession in which the DISTRICT, has or may acquire an interest.

### **SECTION 6 – AGREEMENT ADMINISTRATION**

The Project Manager is the DISTRICT'S designated representative responsible for the administration of this Agreement. The Project Manager for this Agreement is:

Pete Martinez, General Manager  
353 Santa Monica Dr  
Oxnard, CA 93035  
(805) 985-6021  
pmartinez@cibcsd.com

### **SECTION 7 - CONSIDERATION**

The DISTRICT shall compensate the CONSULTANT on a time-and-material basis at the rates and in the amounts shown in Exhibit "A". Total payments shall not exceed Seventy-Five Thousand (\$75,000) dollars.

### **SECTION 8 -BILLING**

(a) CONSULTANT'S invoices shall be submitted on a monthly basis for the previous month's services.

(b) CONSULTANT shall submit an itemized invoice that includes:

- (1) Date or period of service.
- (2) A complete description of the services performed.
- (3) DISTRICT'S project name.
- (4) The name of the DISTRICT'S Project Manager.
- (5) CONSULTANT'S remittance address.

(6) Name and phone number of CONSULTANT'S accounts receivable representative.

(c) When applicable, CONSULTANT'S invoice shall be accompanied by support documentation sufficient to validate the charges for each invoice item.

(d) CONSULTANT shall submit invoices to the following address:

Channel Islands Beach Community Services District  
Attn: Accounts Payable  
353 Santa Monica Drive  
Oxnard, CA 93035

(e) Incomplete invoices will be returned to the CONSULTANT.

(f) DISTRICT'S payment terms are **Net 30 days** after receipt of invoice.

#### **SECTION 9 - NOTICES**

Notices required or permitted shall be given by personal delivery or by first class mail, postage prepaid, or facsimile transmission.

To: CONSULTANT  
Brown Armstrong Accountancy Corporation  
Brooke Baird, CPA/Partner  
4200 Truxtun Avenue, Suite 300  
Bakersfield, California 93309

To: DISTRICT  
Channel Islands Beach Community Services District  
Attn: Pete Martinez, General Manager  
353 Santa Monica Drive  
Oxnard, CA 93035

Phone: (805) 985-6021

## **SECTION 10 - OWNERSHIP OF DATA, REPORTS, AND DOCUMENTS**

The CONSULTANT shall deliver to the General Manager notes of surveys made, all reports of tests made, studies, reports, plans, a copy of electronic and digital files, and other materials and documents which shall be the property of the DISTRICT. The CONSULTANT is released from responsibility to third parties for the use by DISTRICT of data, reports, and documents on other projects. The CONSULTANT may retain copies of such documents for its own use. The DISTRICT may use or reuse the materials prepared by CONSULTANT without additional compensation to CONSULTANT.

## **SECTION 11 - CONFIDENTIALITY**

Except as required by law, CONSULTANT will not disclose or cause their respective officers, directors, employees, representatives, agents, advisors, or subconsultants to disclose or use any of the content of negotiations or Confidential Information furnished, or otherwise permitted for review, by one party to the other in connection with the proposed transactions. For purposes of this paragraph, "Confidential Information" means information supplied by one party to the other, except information which is part of public record.

## **SECTION 12 - FORCE MAJEURE**

Any prevention, delay, nonperformance or stoppage due to any of the following causes shall excuse nonperformance for a period equal to the duration of the force majeure event. The causes referred to above are strikes, walkouts, labor disputes, failure of power, irresistible superhuman cause, acts of public enemies of the State or United States, riots, insurrections, civil commotion, governmental restrictions or regulations or controls (except those reasonably foreseeable in connection with the uses contemplated by this Agreement), casualties not contemplated by insurance provisions of this agreement, or other causes beyond the reasonable control of the party obligated to perform.

## **SECTION 13 - INDEMNIFICATION**

CONSULTANT shall hold harmless, defend at its own expense, and indemnify DISTRICT, its officers, employees, and agents against any and all liability, claims, losses, damages, or expenses, including reasonable attorneys' fees, arising from all negligent or reckless acts or omissions, or acts of willful misconduct of CONSULTANT or its officers, agents, or employees in rendering services under this agreement; excluding, however,

such liability, claims, losses, damages, or expenses arising solely from DISTRICT'S active negligence or willful acts.

#### **SECTION 14 - INSURANCE REQUIREMENTS**

(a) The CONSULTANT shall procure and maintain, for the duration of the contract insurance against claims for injuries to persons or damages to property arising from or in connection with the performance of the work hereunder by the CONSULTANT, officers, agents, employees, or volunteers.

(b) The CONSULTANT shall provide the following coverages:

(1) Commercial General Liability insurance written on an occurrence basis (Insurance Service Office ("ISO") policy form CG 00 01 or insurer's equivalent) in the amount of \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. The insurance policy shall be amended to provide that the general aggregate limit shall apply separately to the work under this contract or the general aggregate shall be twice the required per occurrence limit.

(2) Business Automobile Liability insurance insuring all owned, non-owned and hired automobiles - coverage code 1 "any auto" (Insurance Service Office policy form CA 0001 or insurer's equivalent) in the amount of \$1,000,000 combined single limit per accident for bodily injury and property damage.

(3) Workers' Compensation and Employer's Liability Insurance - The CONSULTANT and all sub-consultants shall insure (or be a qualified self-insured) under the applicable laws relating to workers' compensation insurance, all of their employees working on or about the work site, in accordance with the "Workers' Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any Acts amendatory thereof. The CONSULTANT shall provide employer's liability insurance with limits of no less than \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease each employee.

(4) Professional Liability insurance appropriate to the CONSULTANT'S profession providing coverage for loss, damage or injury arising out of professional acts, errors or omissions in the amount of \$1,000,000 per claim. If a general policy aggregate limit is applicable to the coverage, the general policy aggregate limit shall apply separately to this contract (with an appropriate endorsement) or the general policy aggregate limit shall be twice the required per claim limit.

(c) The required limits for the insurance policies required above may be satisfied by a combination of a primary policy and an excess or umbrella policy.

(d) The insurance policies required above shall contain or be endorsed to contain the following specific provisions:

(1) Commercial General Liability - The DISTRICT and its Board Members, officers, employees, agents and volunteers are added as additional insureds. Additional insured endorsements shall provide coverage at least as broad as Commercial General Liability ISO form CG 20 10 11 85. If ISO form CG 20 10 11 85 is not provided, then ISO form CG 20 10 XX XX [most current version] may be provided but must be accompanied by ISO form CG 20 37 XX XX [most current version].

(2) The CONSULTANT'S insurance shall be primary insurance as respects the DISTRICT, its Board Members, officers, employees, agents and volunteers and any insurance or self-insurance maintained by the DISTRICT shall be excess of the CONSULTANT'S insurance and shall not contribute to it.

(3) Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage under the policy provided to the DISTRICT, its Board Members, officers, employees, agents and volunteers.

(4) The policies shall contain a waiver of transfer rights of recovery ("waiver of subrogation") against the DISTRICT, its Board Members, officers, employees, agents and volunteers for any claims arising out of the work of the CONSULTANT.

(5) The policies may provide coverage which contains deductible or self insured retentions. Such deductible and/or self insured retentions shall not be applicable with respect to the coverage provided to the DISTRICT under such policies. The CONSULTANT shall be solely responsible for deductible and/or self insured retention and the DISTRICT, at its option, may require the CONSULTANT to secure the payment of such deductible or self insured retentions by a surety bond or an irrevocable and unconditional letter of credit. The insurance policies that contain deductibles or self insured retentions in excess of \$25,000 per occurrence shall not be acceptable without the prior approval of the DISTRICT.

(6) Prior to start of work under the contract, the CONSULTANT shall file with the DISTRICT evidence of insurance as required above from an insurer or insurers certifying to the required coverage. The coverage shall be evidenced on an ACORD Certificate of Insurance form (latest version) and be signed by an authorized representative of the insurer(s). A copy of ISO form CG 20 10 11 85 (or ISO form CG 20 10 XX XX [latest version] accompanied by ISO form CG 20 37 XX XX [latest version]) required in above shall be attached to the Certificate of Insurance at the time that it is filed with the DISTRICT. Should the required coverage be furnished under more than one policy of insurance, the CONSULTANT may submit as many certificates of insurance as needed to provide the

required amounts. The DISTRICT reserves the right to require certified complete copies of any insurance coverage required by this contract but the receipt of such policy or policies shall not confer responsibility upon the DISTRICT as to sufficiency of coverage.

(7) All Coverages:

(i) Each policy required in this Section shall contain a policy cancellation clause that provides that the policy shall not be canceled or otherwise terminated by the insurer or the CONSULTANT or reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the DISTRICT, Attention: Project Manager.

(e) All insurance required by this contract shall be placed with insurers licensed by the State of California to transact insurance business of the types required herein. Each insurer shall have a current AM Best rating of not less than A:VII unless prior approval is secured from the DISTRICT as to the use of such insurer.

(f) The CONSULTANT shall include all subconsultants as insureds under its policies or shall furnish separate certificates and endorsements for each sub-consultant and sub-supplier.

(g) All coverages for sub-consultants shall be subject to all of the requirements stated herein. The CONSULTANT shall maintain evidence of compliance with the insurance requirements by the sub-consultants at the job site and make them available for review by the DISTRICT.

(h) CONSULTANT shall submit all required insurance documentation identified herein to DISTRICT not later than seven (7) calendar days from the initial receipt of this agreement for signature.

### **SECTION 15 – RIGHT TO AUDIT**

Following execution of this Agreement and for a period of three years following the completion of performance, DISTRICT shall have the right to audit the CONSULTANT'S invoices and all supporting documentation generated in performance of this agreement.

### **SECTION 16 - ATTORNEY'S FEES**

If any action is instituted to enforce this Agreement, the prevailing party shall be reimbursed all reasonable attorneys' fees, costs of collection, as well as any other costs and expenses incurred in connection with the enforcement effort.



### **SECTION 17 - ASSIGNMENT**

CONSULTANT shall not assign, sell, or otherwise transfer any obligation or interest in this Agreement without the specific written consent of the DISTRICT.

### **SECTION 18 - INDEPENDENT CONSULTANT**

The CONSULTANT is an independent CONSULTANT and not an employee of the DISTRICT.

### **SECTION 19 - APPLICABLE LAW**

This Agreement shall be construed in accordance with and governed by the laws of the State of California.

### **SECTION 20 - LABOR COMPLIANCE**

(a) Public Works

(1) Portions of this project for which services are provided in performance of this agreement may be considered a "Public Work" for purposes of prevailing wage laws.

(2) Channel Islands Beach Community Services District will file a form PWC-100 with the Department of Industrial Relations ("DIR") for this project, when applicable.

(3) A consultant, contractor, subconsultant or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for Public Work, unless currently registered and qualified to perform public work pursuant to Labor Code Section 1725.5. An unregistered consultant or contractor may submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the consultant or contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded.

(b) Prevailing Wages

(1) CONSULTANT, subconsultants and subcontractors will not pay less than the prevailing rates of wages. A determination of the general prevailing rates of per diem wages and holiday and overtime work where the work is to be performed is on file at the Agency's offices. CONSULTANT will post one copy of the prevailing rates of wages at the job site.

(2) CONSULTANT shall forfeit as penalty to the Agency a sum of not more than \$200.00 for each calendar day, or portion thereof, for each worker paid less than the prevailing rates. This penalty shall be in addition to any shortfall in wages paid.

(c) Travel and Subsistence Payments - Travel and subsistence payments shall be paid to each worker as specified by the Department of Industrial Relations for the particular craft, classification, or type of work.

(d) Hours of Work

(1) Eight (8) hours' labor constitutes a legal day's work. Workers shall be paid at a rate of one and one-half times the basic rate of pay for work in excess of eight (8) hours during a calendar day or 40 hours during a calendar week of the foregoing hours.

(2) As a penalty for failure to pay overtime when required, the CONSULTANT, subconsultant or subcontractor shall forfeit to the Agency \$25.00 for each worker for each calendar day during which such worker works more than eight (8) hours and is not paid overtime, and for each week during which such worker works more than 40 hours and is not paid overtime.

(e) Certified Payroll - CONSULTANT shall keep and make available an accurate record showing the name of each worker and hours worked each day and each week by each worker. CONSULTANT, subconsultant and subcontractor shall furnish electronic certified payroll records to the Labor Commissioner in accordance with Labor Code Section 1771.4

(f) Apprentices - CONSULTANT shall comply with the Labor Code concerning the employment of apprentices.

### **SECTION 21 - SUBSTITUTION OF SUBCONSULTANTS**

There may be occasion, during the course of this engagement, to substitute or introduce a new subconsultant in order to satisfy the requirements for a specific task request. Introduction of substitute or new subconsultants will be allowed, but, is subject to the express written approval of the DISTRICT. Such approval shall not be unreasonably withheld.

### **SECTION 22 - INTEGRATION**

This Agreement represents the entire understanding of the parties. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date of the latest signature below.

APPROVED:

CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT

By: \_\_\_\_\_ Date \_\_\_\_\_  
Pete Martinez, General Manager

APPROVED AS TO FORM:

By: \_\_\_\_\_ Date \_\_\_\_\_  
District Counsel

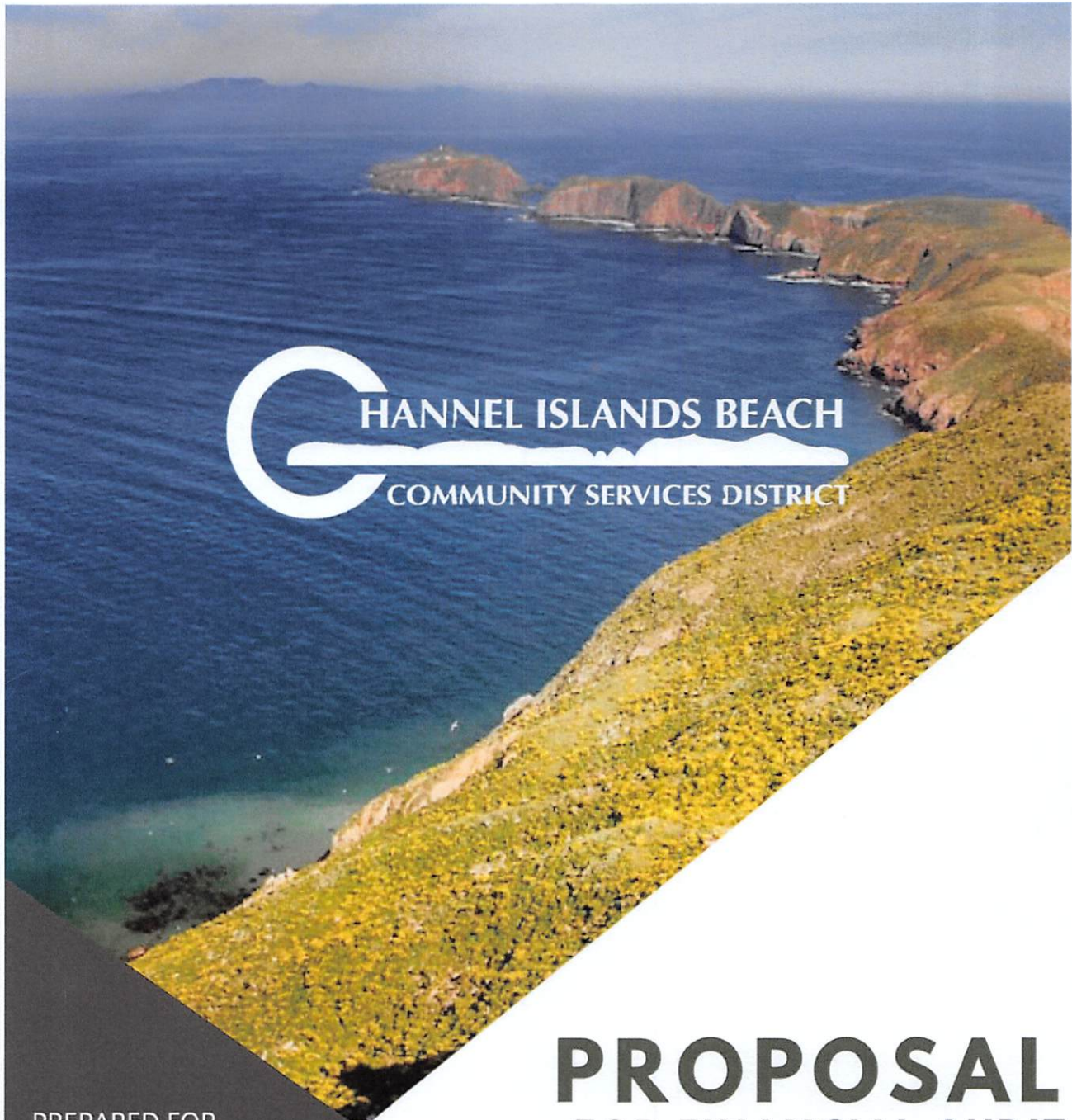
APPROVED:

Brown Armstrong Accountancy Corporation, INC.

By: \_\_\_\_\_ Date \_\_\_\_\_

Name & Title: \_\_\_\_\_  
(please print)

# EXHIBIT A



**C** CHANNEL ISLANDS BEACH  
COMMUNITY SERVICES DISTRICT

PREPARED FOR  
**Channel Islands Beach  
Community Services District**

# PROPOSAL FOR FINANCIAL AUDIT SERVICES

**APRIL 17, 2024**

PREPARED BY  
**Brown Armstrong Accountancy Corporation**  
Brooke Baird, CPA/Partner  
4200 Truxtun Avenue, Suite 300  
Bakersfield, California 93309  
T: (661) 324-4971 | F: (661) 324-4997 | E: bbaird@ba.cpa



# TABLE OF CONTENTS

## Channel Islands Beach Community Services District Table of Contents

	<u>Page</u>
Cover Letter .....	1
<b>Proposal</b>	
Firm Background and Qualifications .....	3
Partner, Supervisory and Staff Qualifications and Experience .....	7
References .....	8
Specific Audit Approach .....	8
Identification of Potential Audit Problems .....	12
Cost Proposal.....	13
<b>Appendices</b>	
I. Resumes .....	14
II. External Quality Control Review Report.....	17
III. Summary of Recent Governmental Experience.....	19
IV. Sample Audit Reports.....	20

# Cover Letter

April 17, 2024

CJ Dillon  
Office Manager  
Channel Islands Beach Community Services District  
2300 Roosevelt Boulevard, 2<sup>nd</sup> Floor  
Oxnard, California 93035

Dear Ms. Dillon:

Brown Armstrong Accountancy Corporation (Brown Armstrong) is pleased to submit this proposal to perform financial audit services to Channel Islands Beach Community Services District (the District) for the fiscal year ending June 30, 2024, with the option to renew for annual audits for the fiscal years ending June 30, 2025 and June 30, 2026. We believe our proposal exceeds the requirements outlined in your request for proposal.

We have thoroughly read your request for proposal (RFP) and understand its requests. We feel that we are the best candidate to meet your needs as listed in the RFP. We are committed to performance and the efficient completion of this audit on or before the dates you desire. At Brown Armstrong, we understand that your timeframes must be met. As one of our key strengths, we develop an approach by which specific deliverables are achieved within set timeframes. We will work with you to develop a timeline that meets your specific requirements, meeting dates, field work dates, status reporting dates, and final report dates.

Known as one of the largest regional accounting firms in Central California, Brown Armstrong's mission is "to exceed expectations and provide opportunities." Our sixty-three (63) employees lead us in achieving this mission by working with our clients individually to overcome any challenges with a special combination of knowledge and experience in governmental audits. We have audited numerous agencies similar to yours for four decades. We are experts in governmental accounting and auditing and have assisted numerous clients in receiving the Certificate of Achievement for Excellence in Financial Reporting.

Our firm's partners, managers, and seniors are actively involved in trade associations such as the Government Finance Officers Association (GFOA), California Transit Association, and the California Society of Municipal Finance Officers. Several of our Partners are pro bono recognized reviewers for the GFOA Certificate of Achievement Award Committee. We enthusiastically contribute our time to this Award process because as we review Annual Comprehensive Financial Reports (ACFRs) from all across the United States, we maintain current, up-to-date knowledge of municipal accounting principles.

1

Beyond the activity in trade associations, we offer our clients the education and organization to prepare themselves for upcoming regulation and compliance changes.

Our approach, people, commitment to timelines, and dedication to financial reporting excellence makes Brown Armstrong the best-qualified firm to meet your needs.

I certify that the requirements of the project as described in the RFP have been reviewed and I have conducted all necessary due diligence to confirm material facts upon which this proposal is based. In addition, I certify that Brown Armstrong and its employees are free from any conflicts of interest.

I will be the engagement partner and primary liaison responsible for all services provided to the District, and I am entitled to represent the firm, empowered to submit this bid, and authorized to negotiate and sign a contract with the District. I can be contacted at 4200 Truxtun Ave, Suite 300, Bakersfield, CA 93309, Tel (661) 324-4971, Fax (661) 324-4997, or by email at [bbaird@ba.cpa](mailto:bbaird@ba.cpa).

I, the undersigned, certify that I am duly authorized to represent the above named firm and am empowered to submit this bid. In addition, I certify that I am authorized to contract with the District on behalf of the above named firm. Please contact me if I can clarify or expand on any item contained in this proposal. We are available for an oral presentation, if requested. This proposal is a firm and irrevocable offer for one hundred twenty (120) days.

Sincerely,

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION



By: Brooke Baird, CPA  
Partner

California Corporation Number: C0808648

Incorporation Date: February 10, 1977

Registered as:

Brown Armstrong Accountancy Corporation  
4200 Truxtun Avenue, Suite 300  
Bakersfield, CA 93309

Title of person signing on behalf of the corporation: Partner

# TECHNICAL PROPOSAL

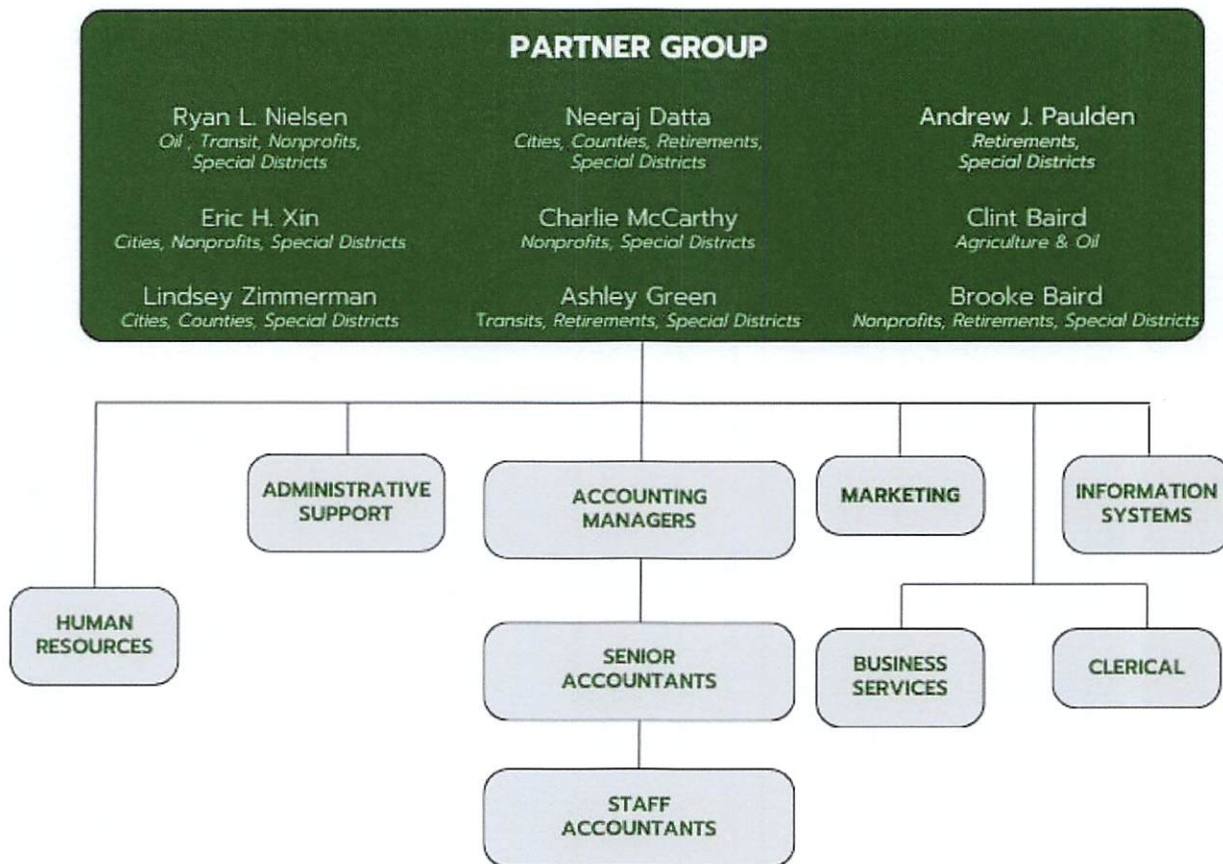
Channel Islands Beach Community Services District

## Firm Qualifications and Experience

Established in 1974, Brown Armstrong is one of the largest regional accounting firms serving California. We have built a full-service accounting and consulting firm serving clients from San Diego to Humboldt County. The dimension that Brown Armstrong is able to offer the District is dedicated years in public accounting, which has enabled us to become a true advisor to your organization and an assistant to your financial success. Now, with sixty-three (63) highly skilled employees, Brown Armstrong continues its growth as a regional firm by offering auditing, tax, accounting, consulting, and assurance services to governmental entities, nonprofits, corporations, partnerships and individuals in California.

## BROWN ARMSTRONG ACCOUNTANCY CORPORATION

### Organizational Chart



The firm now employs 63 people as follows:

Our Staff		Governmental Audit Staff	
Partners	9	Partners	7
Managers	11	Managers	7
Seniors	7	Seniors	6
Staff	21	Staff	18
Support Staff	<u>15</u>	Support Staff	<u>2</u>
	<u>63</u>		<u>40</u>



# TECHNICAL PROPOSAL

## Channel Islands Beach Community Services District

We are not proposing as a joint venture or consortium.

Brown Armstrong is a full-service accounting firm. Our accountants have the expertise to provide audit, accounting, tax, and bookkeeping services. In addition to these services, the Firm's accountants and consultants practice in the areas of risk assessment and Sarbanes-Oxley solutions, state and local tax, estate planning/wealth transfer, and information technology. We also perform peer reviews for other accounting firms. Our main Bakersfield office performs all listed services whereas our Stockton and Fresno offices perform mainly audit engagements.

Our governmental audit staff is made up of forty (40) professionals who are experts in their field. We have crafted expertise in auditing the public sector since the birth of the company. Through tireless planning, relationship building, and knowledge of the realm, we are dedicated to serving our clients and exceeding their needs and expectations.

All staff assigned to your engagement will be employed on a full-time basis from the Bakersfield office.

### Peer Review Report

As part of our commitment to quality control, our firm is a member of the Center for Public Firms Auditors Section (Center) of the American Institute of Certified Public Accountants (AICPA). We have completed several External Quality Control reviews under the AICPA's guidance, all of which included one or more governmental audits. Appendix II of this proposal contains a copy of our most recent report. As indicated in that report, our firm received a peer review rating of a "pass," which is the highest rating available.

### Quality Control

Brown Armstrong's objective is to establish and maintain a system of quality control to provide us with reasonable assurance - that is, a high, but not absolute, level of assurance - that the firm and its personnel comply with professional standards and applicable regulatory and legal requirements, and that the firm issues reports that are appropriate in the circumstances. A system of quality control consists of policies designed to achieve these objectives and the procedures necessary to implement and monitor compliance with those policies.

All employees and members of the firm have immediate and constant access to the firm's "System of Quality Control" and are personally responsible for understanding, implementing, and adhering to these policies and procedures. Brown Armstrong understands the importance of obtaining feedback on the system of quality control from its personnel and any firm member is strongly encouraged to communicate their views or concerns on quality control matters to any audit partner or manager.

The firm's system of quality control is intended to incorporate the six elements of a system of quality control as promulgated by the AICPA Auditing Standards Board's Statement on Quality Control Standards (SQCS) No. 8, "A Firm's System of Quality Control (Redrafted)," AICPA, Professional Standards, QC Section 10. The firm acknowledges that it must establish and maintain a system of quality control that includes policies and procedures addressing each of the following elements:

- Leadership responsibilities for quality and tone at the top
- Ethical requirements
- Acceptance and continuance of relationships
- Human resources
- Engagement performance
- Monitoring

Brown Armstrong has established an Audit Quality Committee that meets at least quarterly. The purpose of this committee is to discuss new GASB pronouncements and develop implementation plans to assist and ensure our clients implement new GASB pronouncements timely, monitor audit quality, and develop policies to train our staff and improve our audit procedures. All partners and managers involved with attestation engagements attend these meetings.

# TECHNICAL PROPOSAL

## Channel Islands Beach Community Services District

### Quality Control of Financial Publications

Our financial typing team of two has a combined total of 26 years of experience. They proforma prior year financial reports, paying close attention to ensure all prior year figures and information are accurately transitioned into the firm's own formatting. The financial statements are then updated to include current year's figures and go through our typing department for the initial review, which includes formatting, footing, and proofreading. Any comments are then provided to the manager. The manager will review, and consult with the City if necessary, regarding material findings or inconsistencies that need to be modified and provide approved changes back to the typing department to be updated. Once revisions are made, they are then verified for accuracy before providing back to the District. The manager will provide a clearly marked "DRAFT" of the financial statements that is password protected. The District may request a "tracked changes" version that will allow them to make changes. The changes are then reviewed and made by the typing department to ensure changes are consistent with what is currently presented in the financial statements. Once the financials are ready to be issued, it is provided to the Partner for final review, from there it will undergo review from the concurring/technical reviewer and then final issuance.

### Review Process

In addition, as part of our commitment to quality control, our firm conducts a primary partner review of all engagements and a concurring "cold" review.

### Desk or Field Reviews and Disciplinary Actions

In the normal course of business, our firm has been subjected to several field reviews during the past three years. Additionally, all of our reports are subjected to annual desk reviews by federal and state cognizant agencies. All of our reports for the past three years were accepted by these agencies. We have had no disciplinary action taken or pending against the Firm during the past five years with state regulatory bodies or professional organizations.

### Governmental Audit Experience

Brown Armstrong has conducted governmental audits since 1985. Not only is our team of professionals trained to perform audits, but all members have experience auditing cities similar to the District and actively participate in professional organizations to stay current on the latest issues affecting the profession. This knowledge and background will lead to an efficient, timely, and quality audit that will keep your operation running smoothly. Our firm has extensive experience in audits of local governments, having performed over 900 audits of public agencies over the past five (5) years.

On the following page is a list of current Brown Armstrong's southern California governmental clients and their respective scope(s). Please refer to Appendix III for a list of our recent governmental audit clients,

# TECHNICAL PROPOSAL

## Channel Islands Beach Community Services District

### Current Southern California Governmental Clients

Entity	Years of Service	Scope										
		ACFR	FS Audit	Single Audit	GANN Limit	SCO Report	Treasury	AUPs	First 5	TDA	Misc Audits	Tax Return
Anaheim Transportation Network	5		■	■								■
Antelope Valley Transit Authority	5		■	■								
Cawelo Water District	6		■			■						
City of Bakersfield	25	■		■	■						■	
City of Morro Bay	3	■		■		■				■		
County of Riverside	10	■		■		■		■			■	
County of Santa Barbara	17	■		■		■		■			■	
First 5 Kern	20							■				
Golden Empire Transit District	12		■	■								
Goleta Water District	9		■									
Kern Council of Governments	14		■	■						■		
Kern Delta Water District	8		■			■						
Kern Local Agency Formation Commission	6		■									
Kern Tulare Water District	12		■									
Kern Water Bank Authority	12		■									
Lebec County Water District	5		■									
Mojave Public Utility District	19		■			■						
North Kern Cemetery District	6		■									
Olcese Water District	6		■			■						
Pixley Public Utility District	15		■									
Riverside County Transportation Commission	3							■		■		
San Diego County Employees Retirement Association	18	■										
San Luis Obispo Council of Governments	4		■									
San Luis Obispo County Integrated Waste Management Authority	2		■									
San Luis Obispo County Pension Trust	20		■									
San Luis Obispo Regional Transit Authority	4		■									
Shafter Recreation and Park District	3		■			■						
West Valley County Water District	5		■									
Westside Mosquito and Vector Control District	5		■			■						

## TECHNICAL PROPOSAL

Channel Islands Beach Community Services District

# Partner, Supervisory and Staff Qualifications and Experience

Booke Baird, CPA will be the Engagement Partner and primary liaison responsible for all services to the District and she is authorized to contractually bind the firm.

The members of the audit team assigned to your engagement are:

## CHANNEL ISLANDS BEACH CSD TEAM



**Brooke Baird, CPA**

**Engagement Partner**

- **16+ years governmental auditing experience**
- Overall responsibility for the audit and delivery of client service
- Approves the overall audit risk assessment and audit procedures
- Communicates with executive management, and members of the District, regarding audit planning, fieldwork and reporting
- Available throughout the year to ensure proactive issue identification and service delivery



**Neeraj Datta, CPA, CGMA**

**Technical Review Partner**

- **13+ years governmental auditing experience**
- Responsible for assisting the Engagement Partner in performing the audit risk assessment and design audit procedures
- Assists in audit documentation review in significant areas
- Reviews financial statements to ensure they are in conformance with GAAP and GFOA requirements
- Advises the audit team regarding technical matters and provides concurring approval of financial statements and audit reports



**Lindsey Gentry, CPA**

**Engagement Manager**

- **5+ years governmental auditing experience**
- Reports to the Partners regarding audit and technical matters
- Assists in the coordination of planning, fieldwork, and reporting matters
- Reviews audit documentation for significant audit areas
- Is in constant communication with executive management and members of the District regarding audit planning, fieldwork, and reporting

The District requires auditors who can quickly identify and understand the pertinent issues and promptly provide assistance whenever and wherever needed. This cannot be accomplished without a comprehensive knowledge of operations. Brown Armstrong has assembled a key group of professionals that possess a firm grasp of the subject matter, as well as the experience, confidence, and friendliness you deserve. Our staff will be there when you need them, and they will be continually involved in the audit procedures. This will allow you to have access to decision makers and the resources you need at all times.

Resumes of the proposed engagement team can be found at Appendix I.

# TECHNICAL PROPOSAL

## Channel Islands Beach Community Services District

We want to provide the most stable, consistent staffing available during our partnership. Excessive personnel turnover can complicate engagements and decrease the efficiency of the audit due to "catch-up" time needed. Our mission to the District' maximum benefit from their working relationship with Brown Armstrong, we will continue to maintain the highest level of staff continuity throughout the course of the engagement. The engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office. We understand that the District staff retains the right to approve or reject replacements. We also understand that other audit personnel may be changed at our discretion, provided that replacements have substantially the same or better qualification or experience. If the District wishes to rotate staff members to enhance independence, we are willing to discuss those terms in the engagement.

## References

The following are engagements performed in the last five (5) years similar to that of the engagement described in the RFP and can be contacted as references.

Client	Hours	Years of Service	Scope of Work	Engagement Partner
<b>Mojave Public Utility District</b> Damian Rickman (661) 824-4161 <a href="mailto:damian.mpud@att.net">damian.mpud@att.net</a>	170	10+ years	Financial Statement Audit	Brooke Baird
<b>Goleta Water District</b> Tammy Gerenser (805) 964-6761 <a href="mailto:tgerenser@goletawater.com">tgerenser@goletawater.com</a>	160	9 years	Financial Statement Audit	Neeraj Datta
<b>Cawelo Water District</b> LeeAnn Giles (661) 393-6072 <a href="mailto:lgiles@cawelowd.org">lgiles@cawelowd.org</a>	170	6 years	Financial Statement Audit	Neeraj Datta
<b>Kern Tulare Water District</b> Stephanie Ritchie (661) 327-3132 <a href="mailto:stephanie@kern-tulare.com">stephanie@kern-tulare.com</a>	160	10 years	Financial Statement Audit	Lindsey Zimmerman
<b>Buena Vista Water Storage District</b> Marybeth Brooks (661) 324-1101 <a href="mailto:mbrooks@bv20.com">mbrooks@bv20.com</a>	170	6 years	Financial Statement Audit	Lindsey Zimmerman

## Specific Audit Approach

The audit will be performed in accordance with audit standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts.

As your auditor, we will evaluate the adequacy of the internal control system and, where weaknesses are noted, make appropriate recommendations for improvements. A management letter will be submitted if material weaknesses are noted or if otherwise deemed appropriate.

If conditions are discovered which lead to the belief that material errors, defalcations, or other irregularities may exist, or if any other circumstances are encountered that require extended services, the auditor will promptly advise the District's Board President and General Manager.

# TECHNICAL PROPOSAL

Channel Islands Beach Community Services District

## Preliminary Schedule

The following is a detailed audit schedule which includes a breakdown of each phase of the audit, staff levels, and hours projected for each phase. Our plan would be to obtain the trial balance one week prior to fieldwork and come onsite to complete fieldwork in one week due to our preparation prior.

Timing	Phase	Staff	Hours
June/July	<b>Planning and Scope of Work</b> <ul style="list-style-type: none"> <li>Entrance conference</li> <li>Perform predecessor audit workpaper review</li> <li>Obtain understanding of the District and its environment</li> <li>Develop audit programs</li> <li>Establish critical dates list with management by 1<sup>st</sup> week of July</li> <li>Provide information request to the District</li> <li>Obtain confirmations from the District for emailing or utilizing confirmation.com</li> </ul>	Partner Manager Staff Clerical	4 5 7 4
	<b>Internal Control Evaluation and Audit Risk Assessment, Establishment of Audit Plan, and Field Work</b> <ul style="list-style-type: none"> <li>Trial balance and draft financial statements to be obtained to perform analytical and substantive procedures.</li> <li>Document key accounting and compliance processes with management and/or District personnel</li> <li>Obtain support for testing of controls. We will provide sample selections at least one week prior</li> <li>Evaluate internal control testing results and findings, if any</li> <li>Fraud risk assessment and fraud interviews</li> <li>Evaluate key estimates and contingencies</li> <li>Single Audit compliance assessment, procedures and reporting, if required</li> <li>Progress conference</li> </ul>	Partner Manager Staff Clerical	2 25 80 1
September - December	<b>Completion of the Audit and Financial Reporting</b> <ul style="list-style-type: none"> <li>Review draft financial statement disclosures and supporting documentation</li> <li>Provide draft of the financial statements to the District</li> <li>Detailed Quality Control review by technical partner</li> <li>Issuance of required audit reports</li> <li>Prepare and forward to the State Controller's Office the Annual Report of Financial Transactions of Special Districts pursuant to Government Code Section 53891.</li> <li>Exit Conference With Board of Directors                             <ul style="list-style-type: none"> <li>Explain overall audit approach</li> <li>Discuss findings and recommendations</li> <li>Report opinions on financial statements and single audit, if required</li> <li>Address required communication topics</li> </ul> </li> </ul>	Partner Manager Staff Clerical	4 20 3 5
		<b>Total Hours</b>	<b>160</b>

Following is our detailed audit work plan to be followed to perform the services included in your request for proposal.

We will begin with scheduling an entrance conference with District Management as soon as possible after award issuance. During this time, we will begin the following procedures:

# TECHNICAL PROPOSAL

## Channel Islands Beach Community Services District

### Planning

During this phase of the audit, we will:

- Confer with management to coordinate our efforts with the District's efforts in terms of confirmations, schedules to be prepared, and critical dates to be met to ensure a smooth flow of the audit process;
- Prepare a preliminary assessment of the District's internal control structure utilizing the District's manuals and programs, including controls over federal and state financial assistance programs;
- Perform review of the Electronic Data Processing (EDP) controls relating to the District's computer system;
- Perform planning analytical procedures consisting of: (1) Comparative analytics (current balances versus budget and prior year); and (2) Predictive analysis (revenues and expenditures/expenses susceptible to such testing based on our expectations);
- Confer with management regarding the results of our planning;
- Submit questionnaires and requests for information to management regarding internal control. Our approach will emphasize transaction processing; investments, cash receipts, cash disbursements, payroll, capital assets, and external reporting;
- Obtain an understanding of general ledger and related reports available for audit; and
- Obtain basic information from management relating to risk assessment, including fraud risks.

### Internal Control Evaluation and Audit Risk Assessment

During this phase we will obtain an understanding of and evaluate key components of the District's internal control structure. We will also assess risk factors, including fraud risk relating to significant audit areas and transaction cycles. Procedures will consist of:

- Reviewing questionnaires and documents obtained from management regarding the internal control structure.
- Performing walk-throughs and tests of compliance with policies and procedures.
- Identifying risk factors, including fraud risk, relating to significant audit areas and transaction cycles.
- Interviewing key management personnel to verify or resolve complicated issues.
- Summarizing potential significant deficiencies and opportunities for efficiencies and improvements for discussion with management.

### Establishment of Final Audit Plan

Our audit plan will be based on the following:

- Results of our compliance and control testing;
- Analytical procedures applied to interim financial statements of the District;
- Results of our risk assessment;
- Results of audit brainstorming and team discussions; and
- Discussions with management.

### Field Work

We expect to begin the final stages of the work in August/September (subject to the District's approval).

During this phase, we will perform both analytical and substantive procedures such as variance analysis between prior year actual balances vs. current year actual balances and between current year actual balances vs. budget balances, predictive testing, confirming account balances, vouching revenues and expenditures and reviewing estimates for unpaid claims.

At the end of our field work, we will discuss any proposed adjustments with management, and we will request a representation letter from management regarding the audit.

# TECHNICAL PROPOSAL

Channel Islands Beach Community Services District

## Completion of the Audit

At the completion of all of the above procedures, we will review the financial statements for GAAP compliance at our manager and partner level. We will then issue drafts of all required reports, draft financial statements, and discuss these drafts with appropriate District personnel. Upon approval by the District, we will issue our reports in final form and be available for a presentation to the Finance Committee and/or present all reports to District Board of Directors at the meeting of their choice.

We will issue the following reports for the District:

1. An auditor's report relating to the examination of the business-type activities of the District's basic financial statements which will state the scope of the examination and that the audit was performed in accordance with generally accepted auditing standards and will include an opinion as to whether the statements conform to generally accepted accounting principles.
2. An audit report on the study and evaluation of the internal control structure which will identify the District's significant internal accounting controls. The report will identify the controls not evaluated, and the material weaknesses identified as a result of the evaluation.
3. A management letter that includes a statement of audit findings and recommendations affecting the financial statements, internal control structure, accounting procedures, accounting systems, legality of actions, other instances of non-compliance with laws and regulations and any other material matters.

## Statistical Sampling

Based on our preliminary assessment of the internal control structure and risk factors, we anticipate performing internal control testing in the following areas:

Review Area	Sample Size
Receipts and revenues	40-60
Disbursements and accounts payable	40-60
Payroll and related liabilities	40-60
Capital assets	40-60
Controls over requirements of federal and state grants, if required	40-60 (per major program)

Staff will perform internal control testing in August, with direct supervision by Ms. Gentry. Sample sizes will depend on the extent of reliance placed on the given sample and the volume of transactions involved. Statistical and random sampling will be used to ensure that all samples truly represent the population being tested. We will use audit command language (ACL) software and your on-site automated data system on an "inquiry only" basis for purposes of identifying the postings of items selected for testing. Findings will be discussed with management for accuracy and the process of recommendations immediately started.

## Internal Control Structure

Our primary approach to assimilating and gaining an understanding of internal controls is through inquiry and observation of your accounting and compliance staff, performing walkthroughs of all key accounting processes, and preparing detailed documentation annually. During this phase we will obtain an understanding of and evaluate key components of the District's internal control structure. We will also assess risk factors, including fraud risk relating to significant audit areas and transaction cycles. Procedures will consist of:

- Reviewing questionnaires and documents obtained from management regarding the internal control structure.
- Performing walk-throughs and tests of compliance with policies and procedures.
- Identifying risk factors, including fraud risk, relating to significant audit areas and transaction cycles.
- Interviewing key management personnel to verify or resolve complicated issues.
- Summarizing potential significant deficiencies and opportunities for efficiencies and improvements for discussion with management.



# TECHNICAL PROPOSAL

Channel Islands Beach Community Services District

## Approach to Determining Laws and Regulations

Our experience with various special districts has created a reservoir of knowledge of many laws and regulations. However, by inquiry and observation, we will determine all major programs (over \$750,000 annually) participated in by the District. We then consult the actual law, the Federal Register, Catalogue of Federal programs, or the California State Controllers guide to State and Federal Compliance to obtain understanding of the requirements of the law. For major programs, we specifically test those requirements by inspection of documents.

## Approach for Drawing Audit Samples for Compliance Tests

Compliance test samples will be drawn usually by statistical sampling techniques. The universe from which the sample is drawn begins at the beginning of the year under audit, and ends with the end of that year. If a null is picked, it is replaced in draw sequence until sufficient live items comprise the planned sample size.

## Method of Providing the District with Important Accounting Changes

As the selected firm, we will keep the District informed of new state and national developments affecting government finance and reporting, standards and trends including changes in federal/state grant program accounting, new GASBs and reporting requirements.

Each year Brown Armstrong organizes four days of CPE seminars in Bakersfield (two, two-day sessions covering 32 hours of CPE) for its professional staff and clients' personnel. One of the two-day CPE seminars is in the middle of January. It covers accounting and auditing updates relating to for-profit businesses (FASB, PCAOB, and SAS). Another two-day CPE seminar covering primarily governmental accounting and auditing updates (GASB, Yellowbook, Single Audit) is typically in May. The course material covers emerging issues, current pronouncements, auditing standards, risk alerts, information systems, reporting issues, and other topics of interest which concern auditing and accounting with an emphasis on governmental issues. Course materials are prepared by professional lecturers, our partners, managers, and seniors based on their own experience, research, and learning. Last year's attendance included Brown Armstrong professionals and nearly 60 clients and their accounting staff. All staff assigned to governmental entities meets the CPE requirements in accordance with *Government Auditing Standards*.

## Identification of Anticipated Potential Audit Problems

While we do not anticipate any issues with the audit, we will vigilantly examine and monitor the following relevant accounting issues.

Financial Reporting	Internal Control Structure
<ul style="list-style-type: none"><li>Financial statement's compliance with current reporting and GASB disclosure requirements</li><li>Compliance with various current GASB statements</li><li>Perform valuations of Pension and OPEB benefits to determine the liability for all benefits promised to active, retired, and inactive plan members as of each valuation date</li><li>Compliance with infrastructure obligations and regulatory provisions</li></ul>	<ul style="list-style-type: none"><li>District's internal control functions and compliance with proper internal control philosophies</li><li>Computer-system processes and controls and adequacy of the control environment</li></ul>

In the event problems are identified during the course of our audit procedures, we will resolve the problem as follows:

- Discussion amongst audit team at the time of identified potential audit problem for consultation and consensus amongst the team.
- Consultation and discussion with appropriate District personnel when identified to ensure all facts are known and agreed upon with the audit team.
- Consultation and discussion with liaison(s).
- Resolution with appropriate District personnel.
- If applicable, a management letter will be submitted documenting the criteria, condition, cause and effect of the issue, along with our recommendation and management's response and corrective action plan.

# TECHNICAL PROPOSAL

Channel Islands Beach Community Services District

## Cost Proposal

### Total All-Inclusive Maximum Price

Channel Islands Beach Community Services District					
All Inclusive Maximum Price					
Staff Classification	Hours	Rates	2024	Optional Years	
				2025	2026
Partners	10	\$300	\$ 3,000	\$ 3,000	\$ 3,000
Manager	50	\$220	11,000	11,000	11,000
Staff	90	\$140	12,600	12,600	12,600
Clerical	10	\$100	1,000	1,000	1,000
<b>Total All-Inclusive Maximum Price</b>	<b>160</b>		<del>\$ 27,000</del> <b>\$25,000</b>	<del>\$ 27,000</del> <b>\$25,000</b>	<del>\$ 27,000</del> <b>\$25,000</b>

### Rates for Additional Professional Services

We do not anticipate that additional services will be necessary to complete the audit. If it should become necessary for the District to request Brown Armstrong to render any additional services to either supplement the services requested in the Request for Proposal, or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an amendment to the contract between the District and the Firm. Any such additional work agreed to between the District and the Firm shall be performed at the same rates set forth in the schedule of professional fees.

### Manner of Payment

Brown Armstrong agrees to progress payments on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with our cost proposal. Interim billings shall cover a period of not less than a calendar month.

# APPENDICES

Channel Islands Beach Community Services District

## Appendix I Resumes



### Brooke Baird

Engagement Partner, CPA

#### Background

Brooke, a partner at the Bakersfield office, is the engagement partner of the project and has more than 19 years of governmental and non-profit auditing experience at Brown Armstrong. For this engagement, she will be the on-site supervisor. Her auditing and accounting specialties include non-profits, special districts, and retirement systems.

Brooke has always ensured that we have the highest level of audit services for her clients through relationship building. She is active in professional organizations such as the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. She and the senior accountant will be easily accessible for the District, at all times. Her ability to manage an audit has become invaluable for Brown Armstrong.

#### Contact

✉ [bbaird@ba.cpa](mailto:bbaird@ba.cpa)

☎ 661-324-4971

📍 Bakersfield, California

🌐 [www.ba.cpa](http://www.ba.cpa)

#### Education

California State University, Fresno  
*Bachelors of Science Degree in Business Administration - Concentration in Accounting*  
2004

#### Roles and Responsibilities

- Approves the overall audit risk assessment and audit procedures
- Communicates with executive management, and members of the District, regarding audit planning, fieldwork and reporting
- Available throughout the year to ensure proactive issue identification and service delivery

#### Experience

##### Retirements

Community Action Partnership of Madera County 403b  
Community Action Partnership of San Luis Obispo 403b  
Contra Costa County Employees' Retirement Association  
Fresno County Employees' Retirement Association  
Los Angeles City Employees' Retirement System  
Los Angeles County Employees' Retirement Association  
Marin County Employees' Retirement Association  
Proteus, Inc. 403b  
San Bernardino County Employees' Retirement Association  
San Diego County Employees' Retirement Association  
San Mateo County Employees' Retirement Association  
Santa Barbara County Employees' Retirement System  
Tulare County Employees' Retirement Association

##### Special Districts

Bear Mountain Recreation and Park District  
Carpinteria Valley Water District  
Cawelo Water District  
Eastern Kern Air Pollution Control District  
Indian Wells Valley Groundwater Authority  
Kern-Tulare Water District  
Lamont Public Utility District

##### Non-Profits

Bakersfield Homeless Center  
Bakersfield Symphony Orchestra  
Center for Sexuality and Gender Diversity  
Civil Justice Association of California  
Community Action Partnership of Kern  
Community Action Partnership of Madera County  
Community Action Partnership of San Luis Obispo  
Desert Tortoise Preserve  
Greater Bakersfield Legal Assistance, Inc.  
James Penny House, Inc.  
Kern County Bar Association  
New Start Youth Facility, Inc.  
Proteus, Inc.  
Tranquil Waters Guidance Clinic  
Victory Family Services

Mojave Public Utility District  
North of the River Municipal Water District  
North Kern Cemetery District  
Pixley Public Utilities District  
San Joaquin Valley Air Pollution Control District

# APPENDICES

Channel Islands Beach Community Services District



## Neeraj Datta

Technical Review Partner, CPA, CGMA

### Contact

- ✉ [ndatta@ba.cpa](mailto:ndatta@ba.cpa)
- 📞 661-324-4971
- 📍 Bakersfield, California
- 🌐 [www.ba.cpa](http://www.ba.cpa)

### Education

Dehli University, India  
*Bachelor of Commerce Honors Degree  
with a Concentration in Accounting*

### Experience

#### Cities

Fresno  
Pasadena  
Tulare

#### Counties

Fresno  
Tulare

#### Special Districts

Cawelo Water District  
Carpinteria Valley Water District  
Goleta Water District  
Mojave Air and Space Port  
North of the River Municipal Water District  
Pixley Public Utility District  
Port Hueneme Water Agency  
Westside Mosquito and Vector Control District

#### Transits

Golden Empire Transit District  
Kern Council of Governments  
Riverside Transit Agency  
Sam Joaquin Regional Transit District  
Tulare County Association of Governments

### Background

Neeraj is the technical review partner of the project from our Bakersfield office. He has more than 13 years of governmental auditing experience and 20 years of auditing experience. He has been with the firm since August of 2012, after 8 years of auditing experience that includes Big Four accounting firms, KPMG San Francisco, KPMG New York, Ernst and Young New York, and Deloitte and Touché, Toronto. His primary business focus is governmental entities audit and accounting. His audit specialties include special districts, counties, cities, retirement systems, and investment funds.

Neeraj has always ensured that we provide the highest level of audit and consulting services to all our clients. He currently serves as the firm's Quality Control Partner and chair of the Retirement Committee. He is actively involved in several professional organizations such as the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

### Roles and Responsibilities

- Responsible for assisting the Engagement Partner in performing the audit risk assessment and design audit procedures
- Assists in audit documentation review in significant areas
- Reviews financial statements to ensure they are in conformance with GAAP and GFOA requirements
- Advises the audit team regarding technical matters and provides concurring approval of financial statements and audit reports

#### Non-Profits

California State University, Sonoma Campus  
First Assembly of God Church  
Pasadena Community Access Corporation  
Rotary Club of Bakersfield  
Rotary Waterman Foundation  
Stockdale Christian School  
National Test Pilot School

#### Retirements

Community Action Partnership of Madera, Inc. 403b  
Community Action Partnership of San Luis Obispo, Inc. 403b  
Fresno County Employees' Retirement Association  
Hoffmann Hospice of the Valley, Inc. 403b  
Imperial County Employees' Retirement System  
Marin County Employees' Retirement Association  
Proteus, Inc. 403b  
San Bernardino County Employees' Retirement Association  
San Diego County Employees' Retirement Association  
Tulare County Employees' Retirement Association  
Ventura County Employees' Retirement Association

# APPENDICES

Channel Islands Beach Community Services District



## Lindsey Gentry

Engagement Manager, CPA

### Background

Lindsey is the engagement manager of the project and located in our Bakersfield office. She has more than 5 years of governmental auditing experience at Brown Armstrong. Her primary business focus is governmental entities audit and accounting. Her audit specialties include specials districts, retirements, and non-profits.

Lindsey will be highly involved in the field work and a face to face presence for Brown Armstrong. She and the supervisor accountant will be easily accessible to the District at all times. Her ability to manage an audit has become invaluable for Brown Armstrong. She is actively involved in a number of professional organizations such as the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

### Contact

✉ [lgentry@ba.cpa](mailto:lgentry@ba.cpa)

☎ 661-324-4971

📍 Bakersfield, California

🌐 [www.ba.cpa](http://www.ba.cpa)

### Education

California State University, Bakersfield  
*Bachelor of Science Degree in Business Administration, Concentration in Accounting and Business Administration*  
2008

### Experience

#### Non-Profits

Community Action Partnership of San Luis Obispo  
Community Action Partnership of Kern  
National Test Pilot School  
Rotary Club of Bakersfield  
Stockdale Christian School

#### Retirements

Imperial County Employees' Retirement System  
Marin County Employees Retirement Association  
Merced County Employees Retirement Association  
San Bernardino County Employees' Retirement Association  
San Diego County Employees' Retirement Association  
Stanislaus County Employees' Retirement Association  
Sacramento County Employees' Retirement System

### Roles and Responsibilities

- Reports to the Partners regarding audit and technical matters
- Assists in the coordination of planning, fieldwork, and reporting matters
- Reviews audit documentation for significant audit areas
- Is in constant communication with executive management and members of the District regarding audit planning, fieldwork, and reporting

#### Special Districts

Carpinteria Valley Water District  
Cawelo Water District  
First 5 Monterey County  
Goleta Water District  
Kern Tulare Water District  
Lake Isabella Community Services District  
Mojave Air and Space Port  
Pixley Public Utilities District  
Port Hueneme Water Agency  
Southwest Health Care District  
Westside Mosquito & Vector Control District

# APPENDICES

Channel Islands Beach Community Services District

## Appendix II External Quality Control Review Report



6025 SOUTH QUEBEC STREET, SUITE 260  
CENTENNIAL, COLORADO 80111  
303-792-3020 (o) | 303-792-5153 (f)  
WWW.WCRCPA.COM

### REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

June 30, 2022

To the Shareholders of  
Brown Armstrong Accountancy Corporation  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brown Armstrong Accountancy Corporation (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended October 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

#### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

RANDY WATSON | JEREMY RYAN | TROY COON | KELLY WATSON | JOHNNIE DOWNING

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## APPENDICES

### Channel Islands Beach Community Services District

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Brown Armstrong Accountancy Corporation applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended October 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Brown Armstrong Accountancy Corporation has received a peer review rating of *pass*.

*Watson Coon Ryan, LLC*

Watson Coon Ryan, LLC

# APPENDICES

## Channel Islands Beach Community Services District

### Appendix III

#### Summary of Recent Governmental Experience

##### TRANSITS

Anaheim Transportation Network  
Antelope Valley Transit Authority  
Central Contra Costa Transit Authority  
Eastern Contra Costa Transit Authority  
Fresno County Transportation Authority  
Gold Coast Transit District  
Golden Empire Transit District  
Kern Council of Governments  
Kings County Area Public Transit Agency  
Marin County Transit District  
Napa Valley Transportation Authority  
Peninsula Corridor Joint Powers Board  
Riverside County Transportation Commission  
Riverside Transit Agency  
San Joaquin Council of Governments  
San Joaquin Regional Transit District  
San Luis Obispo Council of Governments  
San Luis Obispo Regional Transit Authority  
Santa Barbara Metropolitan Transit District  
Santa Cruz Metropolitan Transit District  
Solano County Transit  
Stanislaus Council of Governments  
Stanislaus Regional Transit Authority  
Tulare County Association of Governments  
Tulare County Regional Transit Agency

##### NON-PROFITS

Bakersfield ARC  
California Association of County Treasurers  
and Tax Collectors  
California Association of Public Authorities  
for IHSS  
Civil Justice Association of California  
Community Action Partnership of Kern  
Community Action Partnership of San Luis Obispo  
Community Action Partnership of Madera County  
Kern County Bar Association  
Missionary Church Western Regional  
Tranquil Waters Guidance Center  
Valley Consortium for Medical Education  
Women's Center - High Desert

##### COUNTY RETIREMENTS

Fresno	San Diego
Imperial	San Joaquin
Kern	San Mateo
Los Angeles	Santa Barbara
Marin	Sonoma
Merced	Stanislaus
Mendocino	Tulare
Sacramento	Ventura
San Bernardino	

##### SPECIAL DISTRICTS

Antelope Valley East Kern Water Agency  
Bear Mountain Recreation and Park District  
Buena Vista Water Storage District  
California Valley Community Services District  
Carpinteria Valley Water District  
Cawelo Water District  
East Bay Regional Park District  
Eastern Kern Air Pollution Control District  
Golden Valley Municipal Water District  
Goleta Water District  
Indian Wells Valley Groundwater Authority  
James Water Bank Authority  
Kern Local Agency Formation Commission  
Kern Delta Water District  
Kern Tulare Water District  
Kern Water Bank Authority  
Lake Isabella Community Services District  
Lamont Public Utility District  
Lebec County Water District  
Mojave Public Utility District  
Napa Local Agency Formation Commission  
North Kern Cemetery District  
North Coast Unified Air Quality Management District  
Olcese Water District  
Riverside County Habitat Conservation Agency  
Pixley Public Utility District  
Port Hueneme Water Agency  
San Joaquin Area Flood Control Agency  
San Joaquin Valley Air Pollution Control District  
San Luis Obispo County Integrated Waste  
Management Authority  
Shafter Recreation and Park District  
Sonoma County Public Safety Consortium  
South San Joaquin Irrigation District  
West Valley County Water District  
Westside Mosquito and Vector Control District

##### HEALTHCARE

Liberty Health Advantage  
Heritage Provider Network  
Heritage California Medical Group  
Heritage New York Medical Group  
Southwest Health Care District  
Riverside County Health System - Medical Center

##### OTHER RETIREMENTS

City of Fresno Employees' Retirement Systems  
Los Angeles Fire and Police Pension System  
Los Angeles City Employees' Retirement System  
San Francisco Bay Area Rapid Transit District  
Money Purchase Plan and Deferred Compensation Plan  
San Joaquin Regional Transit District Retirement Plans  
San Luis Obispo County Employees' Pension Trust

##### CITIES

Bakersfield  
Fresno  
Huron  
Laguna Woods  
Morro Bay  
Paso Robles  
St. Helena  
Tulare  
Turlock

##### COUNTIES

Fresno  
Kern  
Merced  
Riverside  
San Joaquin  
Santa Barbara  
Santa Cruz  
Stanislaus  
Tulare  
Napa

##### FIRST 5

Kern  
Merced  
Monterey  
Napa  
San Mateo  
Sonoma  
Stanislaus  
Ventura



# APPENDICES

Channel Islands Beach Community Services District

## Appendix IV Sample Audit Reports



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661-324-4971

### INDEPENDENT AUDITOR'S REPORT

Board of Directors  
\_\_\_\_ Community Services District  
\_\_\_\_, California

#### Report on the Audit of the Financial Statements

##### Opinions

We have audited the accompanying financial statements of the business-type activities of \_\_\_\_\_ Community Services District (the District), as of and for the year ended June 30, 2024, and the related notes to the 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 business-type activities of the District, as of June 30, 2024, and the respective changes in financial position and cash flows thereof for the year 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.

BAKERSFIELD  
4200 Truxtun Avenue, Suite 300  
Bakersfield, CA 93309  
661-324-4971

FRESNO  
10 River Park Place East, Suite 208  
Fresno, CA 93720  
559-476-3592

STOCKTON  
2423 West March Lane, Suite 202  
Stockton, CA 95207  
209-451-4833

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## APPENDICES

### Channel Islands Beach Community Services District

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

# APPENDICES

## Channel Islands Beach Community Services District

### 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 budgetary comparison schedule 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 budgetary comparison schedule 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 \_\_\_\_\_, 2024, 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. The 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

Bakersfield, California  
\_\_\_\_\_, 2024

# APPENDICES

## Channel Islands Beach Community Services District



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### 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  
\_\_\_\_ Community Services District  
\_\_\_\_, 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 \_\_\_\_ Community Services District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon \_\_\_\_, 2024.

#### 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 District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

#### 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*.

BAKERSFIELD  
4200 Truxtun Avenue, Suite 300  
Bakersfield, CA 93309  
661-324-4971

FRESNO  
10 River Park Place East, Suite 208  
Fresno, CA 93720  
559-476-3592

STOCKTON  
2423 West March Lane, Suite 202  
Stockton, CA 95207  
209-451-4833

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# APPENDICES

*Channel Islands Beach Community Services District*

## **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

Bakersfield, California  
\_\_\_\_\_, 2024



Board of Directors:

KRISTINA BREWER, President  
MICHAEL LEBOW, Vice President  
JARED BOUCHARD, Director  
SEAN DEBLEY, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

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

**Regular Board Meeting, May 14, 2024**

**To: Board of Directors**  
**From: CJ Dillon, Office Manager**  
**Subject: Consideration of Resolution 24-01 Requesting Consolidation of the Channel Islands Beach Community Services District Election with the November 05, 2024, General Election**  
**Item No. D-3**

**RECOMMENDATION:**

1. Adopt Resolution 24-01
2. Approve Elective Office to be filled form

**FINANCIAL IMPACT:** No impact. Costs for required notifications will be requested in FY 2024 – 2025 Operating Budget.

**BACKGROUND/DISCUSSION:**

The District's Board election is scheduled for November 5, 2024. This is a statewide consolidated election. The District has historically conducted all its elections utilizing the services of the County Clerk's Office. The filing period for candidates for our Director positions is Monday, July 15, 2024 through Friday, August 9, 2024.

Attached is Resolution 24-01 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 these provisions are consistent with all the previous elections held for the Board of Director elections in District history.

**ATTACHMENT(S):**

1. Resolution No. 24-01: 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 to the County Clerk of Elective Offices to be filled form

**RESOLUTION NO. 24- 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**, the Board of Directors of the Channel Islands Beach Community Services District has called for an election to be held on November 5, 2024, for the purposes of electing two (2) District Directors to the Channel Islands Beach Community Services District Board of Directors (“Director Election”); and

**WHEREAS**, a Statewide General Election will be held within the County of Ventura on that same day;

**WHEREAS**, it is desirable that the Director Election be consolidated with the Statewide General Election to be held on the same date and that within the District, the precincts, polling places, and election officers of the two elections be the same, and that the Director Election be held in all respects as if there were only one election.

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

1. Pursuant to Elections Code Section 10400 et seq., the Board of Supervisors of Ventura County is requested to consent and agree to the consolidation of a Director Election with the Statewide General Election on Tuesday, November 5, 2024 pursuant to Elections Code Section 10400 et seq.
2. Pursuant to Elections Code Section 10401, the Board of Supervisors of Ventura County is authorized to canvass the returns of the Director Election.
3. Pursuant to Elections Code Section 10002, the Board of Supervisors of Ventura County is requested to issue instructions to the Ventura County election department to render all services, including those services specified in Elections Code Section 10418, and take any and all steps necessary for the holding of the consolidated election.
4. Pursuant to Elections Code Section 10002, the Channel Islands Beach Community Services District recognizes that additional costs will be incurred by the County and thereby agrees to reimburse the County in full for the services performed in accordance with established charges and procedures for such services.
5. Pursuant to Elections Code Section 13307(c), each candidate is to pay for the printing, handling, translating, and mailing of the candidate's statements.
6. Pursuant to Elections Code Section 15651, in the event of a tie vote, the vote shall be determined by lot.

**THE FOREGOING RESOLUTION** is approved and adopted by the Channel Islands Beach Community Services District Board of Directors on this 14th day of May 2024, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: \_\_\_\_\_

President of the Channel Islands Beach Community  
Services District Board of Directors

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 14th day of May 2024, 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 School or Special District)

You are hereby notified that a Presidential General Election will be held on November 5, 2024.

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

Name of Officeholder\*

Title & District/Division (if any)

Kristina Brewer

Director

Robert Nast

Director

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

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

Dated:   May 14, 2024  

Print Name & Title:   Peter Martinez, General Manager  

Signature: \_\_\_\_\_

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

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



Board of Directors:

KRISTINA BREWER, President  
MICHAEL LEBOW, Vice President  
JARED BOUCHARD, Director  
SEAN DEBLEY, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

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**Regular Board Meeting, May 14, 2024**

**To: Board of Directors**  
**From: Pete Martinez, General Manager**  
**Subject: District Administration and Operations Facility Construction Update**  
**Item: D-4**

**RECOMMENDATION:**

1. Receive and file.

**BACKGROUND/DISCUSSION:**

I am pleased to provide you with an update on the construction progress for the District Administration and Operations Facility. Here are the key highlights:

1. **Current Progress and Timeline:** Construction began on October 2, 2023, and is 42% complete as of April 30, 2024.
2. **Timeline:** Based on the General Contractor's (GC) baseline schedule and current critical path items the Project Team feels the GC is on schedule with a scheduled completion date of September 30, 2024.
3. **Budget Status:** Through April the District has made 7 monthly progress payments for a total amount of \$1,379,179.81 of the awarded amount of \$3,222,327. In addition to the board approved contract amount, a 7% contingency of \$225,000 was approved. According to Gordian, change orders account for approximately 8-14% of all capital construction dollars. Gordian provides solutions tailored to public sector construction needs for fast and flexible procurement of construction services. For over 30 years they have been helping state, local, and federal government agencies effectively manage building projects.
4. **Key Achievements:** McGillivray is near completion of the rough plumbing, electrical, mechanical, HVAC, and fire sprinklers in the Administration building and has completed the reframing of the Operations building.
5. **Change Orders:**
  - a. *Change Order #1* \$52,148.08
    - i. COR01 Additional Concrete Paving
    - ii. COR02 Additional Grading
    - iii. COR4R1 Elevator Machine Room Concrete
    - iv. COR05 Builders Risk Insurance

- v. COR06R1 Porous Concrete in lieu of Stormcrete Panels (Credit)
- vi. COR07 Delta 7 Electrical Changes
- vii. COR09 Building 2 Unforeseen Slab Demo and Pour Back
- viii. COR10 Delta 7 Mechanical Changes
- ix. COR11 Elevator Machine Room Door #19

b. *Change Order #2* - \$42,399.83 – Operations Building (Reframing)

**6. Upcoming Milestones:** GC is currently working on completing the rough plumbing, electrical, mechanical, and HVAC in the Operations building and will be starting the plastering process on the Admin building to be followed by the Ops building.

**7. Construction Management and Architect Agreements:**

- a. S.L. Leonard & Associates – As of April 30, 2024, District has paid \$32,154 of the Board approved \$60,000 contract.
- b. Coastal Architects – As of April 30, 2024, District has paid \$59,792 of the Board approved amount of \$81,211.

It is important to note that District staff has self-performed various tasks onsite and will continue to self-perform necessary work to help keep project costs at bay. The estimated savings to the District at this time is approximately \$15,000-\$20,000.