



MANILA COMMUNITY SERVICES DISTRICT

Agenda of Regular Meeting Tuesday May 21st, 2024 6:30 p.m.

Manila Community Center, 1611 Peninsula Drive Room A

Posted by Saturday May 18th, 2024 6:30 p.m.

This meeting is accessible remotely via Zoom <https://us02web.zoom.us/j/3742372467> and phone-in @ 669-900-6833. Unless otherwise noted, all items on the agenda are subject to action by the Board of Directors. Time specific items (if any) are noted on the applicable agenda item and will be discussed at that time or as soon after that time as practical. It is planned to record this meeting so that it is accessible by the public.

1. ROLL CALL, DETERMINE QUORUM:

2. APPROVE AGENDA:

3. PUBLIC INPUT / PETITIONS / ANNOUNCEMENTS: *The public is invited to present petitions, make announcements, or provide other information to the Board on matters **not** on the agenda. The Board may uniformly impose a time limit of 3 minutes for individual presentation to assure every subject is heard. By public law, the Board cannot take action on items not on the agenda.*

4. BUSINESS ACTION ITEMS:

- a) **Consideration of Contract Extension for Auditing Services and Receive FY22 Audit.**
- b) **Consideration of Redwood Coast Montessori Lease.**
- c) **Consideration of Budget FY2025.**

5. CONSENT CALENDAR: *(Items may be pulled for future consideration) – Amendments or corrections should be received in writing prior to approval.*

- a) **Draft Minutes of March 19th, 2024**
- b) **Receive Disbursements: March 19th, 2024 - to date**

6. BOARD DISCUSSION ITEMS:

- a) **Committee Member Updates/Reports**
- b) **General Manager's Report**

7. INCOMING COMMUNICATIONS:

8. ADJOURNMENT:

If open session items cannot be completed by 8:30 P.M., the meeting may be adjourned to the next regular meeting or the Board may vote to extend the meeting. A request for disability-related modification or accommodation, including auxiliary aids of services, may be made by a person with a disability, who requires a modification or accommodation in order to participate in the public meeting, by contacting the Manila CSD General Manager at least 24 hours prior to commencement of the meeting.



Manila Community Services District Board of Directors

Agenda Summary

Tuesday May 21st, 2024

Contract Extension for Auditing Services and Receive FY22 Audit

Summary:

Our District Auditor, Don Cole CPA, has completed his existing contractual obligations with the district and has informally agreed to engage the district for an additional 3-year cycle (state law requires agencies to rotate after 6 consecutive years with certain exemptions). A contract extension would prevent the district from having to submit new Requests For Proposals and would help facilitate catching up to the current fiscal cycle (we are currently a year behind).

Mr. Cole's original contract for 2020-2022 was \$8,800/year including the State Controller's Office annual report. This figure was exceeded by \$100 for FY22 for efforts related to the depreciation schedule.

Moving forward, the district's fiscal year for 2023 has already ended and 2024 ends next month ushering in FY2025 (begins July 1st, 2024). Mr. Cole's re-engagement is \$10,400/yr representing an 18% increase. For comparison, Mr. Cole's predecessor was \$12,000/year plus expenses. Mr. Cole has advised that he is prepared to begin the FY23 audit now and start FY24 in October.

Alternatively, the Board may direct staff to go out for bids for a new auditor.

Recommended Motion:

I move/second to approve extending contract with Don Cole, CPA for \$10,400 per year, for 3 years.

Vote: _____

Alternate Motion:

I move/second to direct staff to present a Request for Proposals for new auditing services.

Vote: _____

Receive FY22 Audit

Attached to this report is the completed FY2022 audit for reference. Members seeking clarifications or explanations that exceed staff's accounting knowledge are generally submitted to staff in writing as staff would need to consult the auditor. Answers are copied to the whole board or presented at a future meeting, depending on the complexity of the inquiry.

Recommended Motion:

I move/second to receive and file FY2022 audit.

Vote: _____

Attachments:

Don Cole, CPA original engagement letter (contract) 2020-2022
FY2022 Audit

DON COLE & COMPANY

CERTIFIED PUBLIC ACCOUNTANT

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**MANILA COMMUNITY SERVICES DISTRICT
ANNUAL FINANCIAL REPORT
INDEPENDENT AUDITOR'S REPORTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

**MANILA COMMUNITY SERVICES DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Manila Community Services District
Arcata, California

Qualified and Unmodified Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of Manila Community Services District as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Manila Community Services District's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-type Activities	Qualified
General Fund	Qualified
Enterprise Fund	Qualified
Teen Fund	Unmodified

Qualified Opinions

In my opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of my report, the financial statements referred to above present fairly, in all material respects the financial position of the governmental activities, business-type activities, general fund, and enterprise fund of the Manila Community Service District as of June 30, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Teen Fund of the Manila Community Services District as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section on my report. I am required to be independent of the Manila Community Services District and to meet my other ethical responsibilities, in accordance with the

relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinions

Management has not been able to provide sufficient information to demonstrate that the General Fund has the ability to repay the interfund loan payable to the enterprise fund within a reasonable period of time. Accounting principles generally accepted in the United States of America require that if repayment is not expected within a reasonable period of time, that the interfund balance should be reduced, and the lender fund should report a transfer to the borrower fund for the amount that is not expected to be repaid within a reasonable period of time. The balance of the interfund loan was \$150,341 at June 30, 2022.

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 Manila Community Services 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

My 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 my 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 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, I:

- 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 Manila Community Services 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Manila Community Services District's ability to continue as a going concern for a reasonable period of time.

I am 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 I 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 budgetary comparison information 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Manila Community Services District's basic financial statements. The combining schedules are presented for purposes of additional analysis and are 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 standard general accepted in the United States of America. In my opinion, the combining schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


Don Cole & Company
Sacramento, California

March 15, 2024

**MANILA COMMUNITY SERVICES DISTRICT
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2022**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

INTRODUCTION

As management of the Manila Community Services District (the District), we offer readers this discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2022. Readers are encouraged to consider the information presented here in conjunction with additional information, which can be found in the District's financial statements that follow this discussion.

FINANCIAL HIGHLIGHTS

- The District's net position at the end of the year increased by \$27,370 over the course of this year's operations. The net position of our business-type activities increased by \$10,259 and there was a \$17,111 increase in the net position of our governmental activities.
- During the year, the costs of operating the District's governmental activities were \$15,004 over related program revenues. The net position increase of \$17,111 was partially achieved using property tax and other revenues of \$32,115. Property taxes, rent revenues, and other user fees are used to fund the governmental activities.
- In the District's business-type activities, there was in fiscal 2022 a \$10,259 net increase after depreciation charges of \$29,748.
- At year-end, there was \$168,118 in cash and investments to fund future governmental activities, and \$468,543 in cash and investments to fund future business-type activities.
- The General fund ended fiscal 2022 with a fund deficit of \$927. This was a \$46,196 improvement over fiscal 2021. The Teen fund ended 2022 with a residual \$24,674 fund balance after curtailment of Teen fund programs and funding grants.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *notes to the basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District.

The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the District's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the District government, reporting the District's operations in more detail than the government-wide statements.

- The *governmental funds* statements tell how general government services like recreation, youth activities, the community center, and general administration were financed in the short term as well as what remains for future spending.
- *Proprietary fund* statements offer short- and long-term financial information about the activities the government operates like businesses, such as the water and wastewater operations.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS

Figure 1 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure 1

Major Features of Manila Community Services District Government-wide and Fund Financial Statements

	Fund Statements		
	<u>Government-wide Statements</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>
Scope	Entire District	The activities of the District that is not proprietary or fiduciary, such as community center, parks and recreation	Activities the District operates similar to private businesses: the water and wastewater operations
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset / liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow / outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health, or *position*.

Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District are divided into two categories:

- *Governmental Activities* – The District's basic services for community center activities, recreation and parks, youth programs and general government are included here. Rents, state and local grants, and charges for services finance most of these activities.
- *Business-Type Activities* – The District charges fees to customers to help it cover the costs of certain services it provides. The District's water and wastewater activities are included here.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The Board of Directors establishes certain funds to control and manage money for particular purposes or to show that it is properly using certain grants (like youth program grants).

The District has two kinds of funds:

- *Governmental funds* – Community center, parks and recreation and district administration basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flows in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term view* that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental fund statements, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary Funds* – Services which are primarily supported by fees and charges for services, such as the water and wastewater, are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information.

In fact, the District's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position. The District's *combined* net position increased by \$27,370 between fiscal years 2021 and 2022.

Table 1
Summary of Net Position
Fiscal Years 2020-21 and 2021-22

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2021-2022
	2021	2022	2021	2022	2021	2022	
ASSETS:							
Current and other assets	\$ 135,892	\$ 174,088	\$ 477,232	\$ 531,522	\$ 613,124	\$ 705,610	15%
Internal balances	(158,341)	(150,341)	158,341	150,341	-	-	0%
Capital assets, net	<u>1,095,932</u>	<u>1,066,576</u>	<u>1,513,126</u>	<u>1,483,378</u>	<u>2,609,058</u>	<u>2,549,954</u>	-2%
Total assets	<u>\$ 1,073,483</u>	<u>\$ 1,090,323</u>	<u>\$ 2,148,699</u>	<u>\$ 2,165,241</u>	<u>\$ 3,222,182</u>	<u>\$ 3,255,564</u>	1%
LIABILITIES:							
Current liabilities	\$ 271	\$ -	\$ 61,207	\$ 67,490	\$ 61,478	\$ 67,490	10%
Noncurrent liabilities	-	-	-	-	-	-	0%
Total liabilities	<u>\$ 271</u>	<u>\$ -</u>	<u>\$ 61,207</u>	<u>\$ 67,490</u>	<u>\$ 61,478</u>	<u>\$ 67,490</u>	10%
NET POSITION:							
Invested in capital assets	\$ 1,095,932	\$ 1,066,576	\$ 1,513,126	\$ 1,483,378	\$ 2,609,058	\$ 2,549,954	-2%
Restricted	24,674	24,674	141,620	141,899	166,294	166,573	0%
Unrestricted	<u>(47,394)</u>	<u>(927)</u>	<u>432,746</u>	<u>472,474</u>	<u>385,352</u>	<u>471,547</u>	22%
Total net position	<u>\$ 1,073,212</u>	<u>\$ 1,090,323</u>	<u>\$ 2,087,492</u>	<u>\$ 2,097,751</u>	<u>\$ 3,160,704</u>	<u>\$ 3,188,074</u>	1%

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net position of the District's governmental activities increased by \$17,111 to \$1.09 million. About 100% of the net position relating to governmental activities is represented by the District's investment in capital assets (land, equipment and facilities). The District has no significant debt relating to its governmental activities.

The net position of the District's business-type activities increased slightly in fiscal year 2022. These resources generally cannot be used for governmental activities. The District uses these net resources to finance the continuing operations of the District's water and wastewater activities.

There was in fiscal 2022 a \$10,259 net increase in the net position of the District business type activities. The District anticipates 100% grant funding to proceed with construction of water system improvements.

Changes in net position. The District's total revenues in fiscal year 2022 were 533,664 (see Table 2) which was about \$27,000 more than 2021 revenues. Virtually 94 cents of every dollar raised by the District comes from charges for providing water, wastewater collection services, and community center rents and recreation fees. The remaining 6 cents of every dollar raised comes from property taxes.

The total cost of all programs and services in fiscal 2022 decreased \$22,929 to 506,294. The District's expenses cover a range of services, with about 82% related to water and wastewater and the remaining 18% pertaining to the community center, parks and recreation activities.

Sources of revenues for the District's governmental and business type activities in fiscal 2022 were as follows:

<u>Sources of District revenues</u>	<u>Percentage</u>
Charges for services	94.0%
Operating & capital contributions	0.0%
Property taxes	6.0%
Other revenues	0.0%
Total sources	<u>100.0%</u>

Functional expenses of the District for fiscal 2022 were as follows:

<u>Expense category</u>	<u>Percentage</u>
Parks and recreation	5.4%
Community center	12.2%
Water	42.6%
Wastewater	39.8%
Total functional expenses by function	<u>100.0%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Revenues and expenses of the District

Table 2
Summary of Change in Net Position
Fiscal Years 2020-21 and 2021-22
(2021 rounded to the nearest hundred dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2021-2022
	2021	2022	2021	2022	2021	2022	
PROGRAM REVENUES:							
Charges for services	\$ 64,559	\$ 74,179	\$ 408,266	\$ 427,370	\$ 472,825	\$ 501,549	6.1%
Capital contributions	-	-	-	-	-	-	0.0%
GENERAL REVENUES:							
Property taxes	32,306	32,091	-	-	32,306	32,091	-0.7%
Other revenues	374	24	1,159	-	1,533	24	-98.4%
Total revenues	<u>97,239</u>	<u>106,294</u>	<u>409,425</u>	<u>427,370</u>	<u>506,664</u>	<u>533,664</u>	5.3%
EXPENSES:							
Parks and recreation	34,446	27,173	-	-	34,446	27,173	-21.1%
Community center	78,988	62,011	-	-	78,988	62,011	-21.5%
Water	-	-	202,185	215,568	202,185	215,568	6.6%
Wastewater	-	-	213,605	201,543	213,605	201,543	-5.6%
Total expenses	<u>113,433</u>	<u>89,183</u>	<u>415,790</u>	<u>417,111</u>	<u>529,223</u>	<u>506,294</u>	-4.3%
Change in net position	<u>\$ (16,194)</u>	<u>\$ 17,111</u>	<u>\$ (6,365)</u>	<u>\$ 10,259</u>	<u>\$ (22,559)</u>	<u>\$ 27,370</u>	-221.3%

The increase in the District's net position in fiscal year 2022 compared to 2021 was largely due to the increase in revenue and decreases in expenses.

Governmental Activities

The governmental activities operated at a net gain of \$17,111 over the prior year. Expenses decreased \$24,250 compared to 2021 with decreases of \$7,273 and \$16,997 in the parks and recreation and the community center respectively. Most of these costs are funded by those who directly benefited from the programs and property taxes of about \$32,000.

Business-type Activities

The business-type activities operated at a net gain of \$10,259, a difference of about \$17,000 compared to 2021. There was about a \$18,000 increase in revenues and \$19,000 increase in customer service revenues. Expenses in fiscal 2022 reported a combined increase of about \$1,300 compared to fiscal 2021.

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

As the District completed the year, its governmental funds reported a *combined* fund balance of \$23,747. This was an improvement of \$46,196 compared to the end of 2021.

The District's one enterprise fund ended the 2022 fiscal year with \$472,474 in unrestricted net position consisting primarily of cash and investments. In addition, the enterprise fund had \$123,949 in cash restricted for capital facilities and capital connection fees to be used for system connections.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

General Fund and Teen Fund Budgetary Highlights

General fund spending was \$29,356 less than the final budgeted costs. General fund revenues were \$13,150 over what was anticipated for fiscal 2022 mostly from property taxes and rents.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the District had invested \$2.6 million (after accumulated depreciation) in a broad range of capital assets, including land, buildings, equipment, vehicles, park facilities, community center, water treatment and distribution, and wastewater collection and treatment facilities. Additional information about the District's capital assets can be found on page 25 of this report.

Table 3
CAPITAL ASSETS, NET OF DEPRECIATION
Fiscal Years 2020-21 and 2021-22

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2021	2022	2021	2022	2021	2022	2021-2022
Land and work in progress	\$ 740,898	\$ 740,898	\$ 775,527	\$ 775,527	\$ 1,516,425	\$ 1,516,425	0.0%
Buildings and improvements	1,044,875	1,044,875	-	-	1,044,875	1,044,875	0.0%
Machinery and equipment	62,620	62,620	149,298	149,298	211,918	211,918	0.0%
Water plant and system	-	-	375,988	375,988	375,988	375,988	0.0%
Wastewater system	-	-	5,461,310	5,461,310	5,461,310	5,461,310	0.0%
Total	1,848,393	1,848,393	6,762,123	6,762,123	8,610,516	8,610,516	0.0%
Accumulated depreciation	(752,461)	(781,817)	(5,278,745)	(5,248,997)	(6,001,458)	(6,060,562)	1.0%
Net capital assets	<u>\$ 1,095,932</u>	<u>\$ 1,066,576</u>	<u>\$ 1,483,378</u>	<u>\$ 1,513,126</u>	<u>\$ 2,609,058</u>	<u>\$ 2,549,954</u>	-2.3%

The District was awarded in fiscal 2017 a \$500,000 water system improvement grant by the State of California. The project was commenced in fiscal 2017 and continued in 2020. Construction funding is currently being pursued.

Long-term Debt

The District has been able to conduct its operations and maintain and develop its capital facilities and systems without the need to incur significant long-term borrowing except of a State Loan for water system improvements that was fully retired in fiscal 2018. The District has no long-term debt outstanding at year end.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the 2023 fiscal year, the general fund revenues are expected to remain stable.

Much of the 2022 fiscal year will be devoted to implementing the grant award for \$3,504,000 for construction of the water system improvements, \$2,500,000 for flood protection and \$180,000 for park improvements.

The District's wastewater system is approaching the end of its useful life and may need replacement or modernization in the near future. The District is currently implementing modernization projects funded through State grant programs and is expecting to bid for construction in the coming year.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the General Manager, Manila Community Services District, 1901 Park Street, Arcata, California 95521.

**MANILA COMMUNITY SERVICES DISTRICT
BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

MANILA COMMUNITY SERVICES DISTRICT

GOVERNMENT-WIDE STATEMENT OF NET POSITION AS OF JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 168,118	\$ 326,644	\$ 494,762
Accounts receivables, net	5,970	48,716	54,686
Inventory	-	14,263	14,263
Total current assets	174,088	389,623	563,711
Restricted assets:			
Restricted cash and cash equivalents	-	141,899	141,899
Total restricted assets	-	141,899	141,899
Noncurrent assets:			
Internal balances	(150,341)	150,341	-
Net capital assets	1,066,576	1,483,378	2,549,954
Total noncurrent assets	916,235	1,633,719	2,549,954
Total assets	\$ 1,090,323	\$ 2,165,241	\$ 3,255,564
LIABILITIES:			
Current liabilities:			
Accounts payable	\$ -	\$ 9,542	\$ 9,542
Accrued payroll	-	922	922
Deposits	-	20,546	20,546
Compensated absences	-	10,325	10,325
Unearned capital connections	-	26,155	26,155
Total current liabilities	-	67,490	67,490
Total liabilities	\$ -	\$ 67,490	\$ 67,490
NET POSITION:			
Invested in capital assets, net of related debt	\$ 1,066,576	\$ 1,483,378	\$ 2,549,954
Restricted for:			
Debt service	-	17,950	17,950
Capital projects	-	123,949	123,949
Teen programs	24,674	-	24,674
Unrestricted	(927)	472,474	471,547
Total net position	\$ 1,090,323	\$ 2,097,751	\$ 3,188,074

See accompanying notes to basic financial statements

MANILA COMMUNITY SERVICES DISTRICT

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenues				Net (Expenses) Revenue		
	Operating Expenses	Charges for Services	Grants and Other Contributions		Governmental Activities	Business-type Activities	Total
			Operating	Capital			Total
Governmental activities:							
Parks and recreation	\$ 27,173	\$ 2,420	\$ -	\$ -	\$ (24,753)	\$ -	\$ (24,753)
Community center	<u>62,011</u>	<u>71,759</u>	<u>-</u>	<u>-</u>	<u>9,749</u>	<u>-</u>	<u>9,749</u>
Total governmental activities	<u>89,183</u>	<u>74,179</u>	<u>-</u>	<u>-</u>	<u>(15,004)</u>	<u>-</u>	<u>(15,004)</u>
Business-type activities:							
Water	215,568	227,322	-	-	-	11,754	11,754
Wastewater	<u>201,543</u>	<u>200,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,495)</u>	<u>(1,495)</u>
Total business-type activities	<u>417,111</u>	<u>427,370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,259</u>	<u>10,259</u>
Total District government	<u>\$ 506,294</u>	<u>\$ 501,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(15,004)</u>	<u>10,259</u>	<u>(4,745)</u>
General revenues:							
					32,091	-	32,091
					<u>24</u>	<u>-</u>	<u>24</u>
Total general revenues and transfers					<u>32,115</u>	<u>-</u>	<u>32,115</u>
Changes in net position					17,111	10,259	27,370
Net position, beginning of year					<u>1,073,212</u>	<u>2,087,492</u>	<u>3,160,704</u>
Net position, end of year					<u>\$ 1,090,323</u>	<u>\$ 2,097,751</u>	<u>\$ 3,188,074</u>

See accompanying notes to basic financial statements

MANILA COMMUNITY SERVICES DISTRICT

BALANCE SHEET GOVERNMENTAL FUNDS AS OF JUNE 30, 2022

	Major	Non-major	Total
	General Fund	Teen Fund	Governmental Funds
ASSETS:			
Cash and cash equivalents:			
Cash in bank	\$ 11,683	\$ -	\$ 11,683
Cash with Humboldt County	156,435	-	156,435
Accounts receivable	5,970	-	5,970
Due from other funds	-	24,674	24,674
Total assets	\$ 174,088	\$ 24,674	\$ 198,762
LIABILITIES AND FUND BALANCES:			
LIABILITIES:			
Due to other funds	\$ 24,674	\$ -	\$ 24,674
Advances from other funds	150,341	-	150,341
Total liabilities	175,015	-	175,015
FUND BALANCES:			
Restricted for teen programs	-	24,674	24,674
Unassigned	(927)	-	(927)
Total fund balances	(927)	24,674	23,747
Total liabilities and fund balances	\$ 174,088	\$ 24,674	\$ 198,762

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

Total fund balances, governmental funds	\$ 23,747
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets	1,848,393
Accumulated depreciation	(781,817)
Total net position – governmental activities	\$ 1,090,323

See accompanying notes to basic financial statements

MANILA COMMUNITY SERVICES DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Major	Non-major	Total
	General Fund	Teen Fund	Governmental Funds
REVENUES:			
Rents	\$ 74,179	\$ -	\$ 74,179
Property taxes	32,091	-	32,091
Interest income	24	-	24
Total revenues	106,294	-	106,294
EXPENDITURES:			
Parks	24,454	-	24,454
Community center	35,644	-	35,644
Total expenditures	60,098	-	60,098
Net change in fund balance	46,196	-	46,196
Fund balance, July 1	(47,123)	24,674	(22,449)
Fund balance, June 30	\$ (927)	\$ 24,674	\$ 23,747

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Total net change in fund balance, governmental funds	\$ 46,196
Amounts reported for governmental activities in the statement of activities are different from amounts reported in government funds because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.	
Depreciation expense	(29,356)
Governmental funds reported compensated absences when they become due and payable and require the use of current financial resources	271
Change in net position – governmental activities	\$ 17,111

See accompanying notes to basic financial statements

MANILA COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION – PROPRIETARY FUND AS OF JUNE 30, 2022

	<u>Major</u>
ASSETS:	
Current assets:	
Cash and cash equivalents:	
Cash in bank	\$ 148,893
Cash with Humboldt County	164,577
Local agency investment fund	13,174
Accounts receivables, net	48,716
Materials and supplies inventory	<u>14,263</u>
Total current assets	<u>389,623</u>
Restricted assets:	
Cash equivalents – debt service	17,950
Cash equivalents – capital projects	<u>123,949</u>
Total restricted assets	<u>141,899</u>
Capital assets:	
Capital assets not being depreciated	775,528
Capital assets being depreciated:	
Buildings and improvements	5,837,297
Machinery and equipment	149,298
Less accumulated depreciation	<u>(5,278,745)</u>
Net capital assets	<u>1,483,378</u>
Other assets:	
Advances to other funds	<u>150,341</u>
Total other assets	<u>150,341</u>
Total assets	<u>\$ 2,165,241</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	\$ 9,542
Accrued liabilities	922
Customer deposits	20,546
Unearned capital connections	26,155
Compensated absences	<u>10,325</u>
Total current liabilities	<u>67,490</u>
Total liabilities	<u>\$ 67,490</u>
NET POSITION:	
Invested in capital assets, net of related debt	\$ 1,483,378
Restricted for debt service	17,950
Restricted for capital projects	123,949
Unrestricted	<u>472,474</u>
Total net position	<u>\$ 2,097,751</u>

See accompanying notes to basic financial statements

MANILA COMMUNITY SERVICES DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Major</u>
OPERATING REVENUES:	
Charges for services	\$ 422,863
Other operating revenue	<u>4,507</u>
Total operating revenues	<u>427,370</u>
OPERATING EXPENDITURES:	
Salaries, wages and benefits	198,956
Administration	30,579
Maintenance	28,218
Professional fees	10,375
Travel and utilities	34,805
Water purchases	83,507
Other expenses	923
Depreciation	<u>29,748</u>
Total operating expenses	<u>417,111</u>
Change in net position	<u>10,259</u>
Net position, July 1	<u>2,087,492</u>
Net position, June 30	<u>\$ 2,097,751</u>

See accompanying notes to basic financial statements

MANILA COMMUNITY SERVICES DISTRICT

STATEMENT OF CASH FLOWS – PROPRIETARY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Major</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 442,508
Cash payments to suppliers for goods and services	(185,533)
Cash payments to employees for wages and benefits	<u>(198,947)</u>
Net cash provided by (used for) operating activities	<u>58,028</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Advances to other funds	<u>8,000</u>
Net cash provided by noncapital financing activities	<u>8,000</u>
Increase (decrease) in cash and cash equivalents	66,028
Cash and investments, beginning of the year	<u>402,515</u>
Cash and investments, end of the year	<u>\$ 468,543</u>
Cash in bank	\$ 75,144
Cash with Humboldt County	172,577
Local agency investment fund	13,174
Restricted cash	<u>141,620</u>
Cash and cash equivalents, end of the year	<u>\$ 402,515</u>
Reconciliation of operating income (loss) to cash provided by (used for) operating activities:	
Operating income (loss)	\$ 10,259
Adjustments to reconcile operating income to cash provided (used) by operating activities:	
Non-cash items:	
Depreciation expense	29,748
(Increase) decrease in assets:	
Accounts receivable, net	11,738
Increase (decrease) in liabilities:	
Accounts payable	2,874
Deposits	3,400
Payroll liabilities	33
Compensated absences	<u>(24)</u>
Net cash provided by (used for) operating activities	<u>\$ 58,028</u>

See accompanying notes to basic financial statements

MANILA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Manila Community Services District (District) is governed entity administered by a Board of Directors (Board) that acts as the authoritative and legislative body of the entity. The Board is comprised of five board members who are elected by voters living within the District's boundaries. The reporting entity for the District includes all the funds and operations under the jurisdiction of the District. There are no component or blended component units that are part of the District's operations.

Accounting Policies

The District operates as a self-governing governmental unit within the State of California. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the District and the primary government as a whole. These statements distinguish between the governmental and business-type activities of the District. The District's General and Teen funds are classified as governmental activities. The District's Water and Wastewater services are classified as business-type activities.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

In the government-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis by column. The accrual basis of accounting recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the District and for each governmental program. *Direct expenses* are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. *Program revenues* include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues are presented as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenue. Taxes and other items properly not included in program revenues are reported as general revenues.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

MANILA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The governmental funds (General and Teen funds) financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The proprietary funds (Water and Wastewater funds) financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

Governmental Funds

General Fund is the general operating fund of the District. It is used to account parks, community center and all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The District reports the General fund as a major governmental funds.

Proprietary Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis financed or recovered primarily through user charges.

The District reports the Utility fund as a major enterprise funds.

MANILA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other non-exchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measureable and available. "Available" means collectable within the current period or within 60 days after year end. Property taxes, intergovernmental revenues, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measureable and available only when cash is received by the government. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

Cash and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and all highly liquid investments with an original maturity of three months or less from the date of acquisition.

The District is authorized by its most recent investment policy to invest in the State of California Local Agency Investment Fund (LAIF), time deposits and savings and demand accounts and the Humboldt County Treasurer's Investment Pool. As a means of limiting its exposure to fair value losses the District's investment policy limits its investments portfolio to investments in securities having maturities less than five years at the time of purchase.

Investments for the District are reported at fair value. LAIF and the Humboldt County Treasurer's Investment Pool operate in accordance with appropriate state laws and regulations. The reported value of the pools is the same as the fair value of the pool shares using the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

Certain resources set aside for the repayment of debt obligation and the purchase of capital assets are classified as restricted cash because their use is legally restricted.

MANILA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. In the fund financial statements, receivables are revenues that are usually both measurable and available.

The District's proprietary fund uses an allowance for uncollectible accounts of \$5,000.

Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when used or consumed.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than five years. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value to an asset or materially extend assets lives are not capitalized.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. Acquisition, construction, and installation costs incurred have been charged to (or capitalized in) capital assets.

Under the GASB Statement No. 34 Implementation Rules, the District is a Phase 3 entity and was not required to record infrastructure assets existing or acquired prior to July 1, 2003 at the date these new financial reporting standards were implemented; and the District has not recorded such assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. Depreciation of capital assets is computed using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	30 to 60
Plants	45 to 50
Mains and laterals	30
Machinery and equipment	5 to 15

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

MANILA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unearned Capital Connections

Unearned capital connections arise when resources are received by the District before it provides the services (i.e., when money is received for water and wastewater connections prior to the District performing the connections).

Interfund Activity

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable government funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as invested in capital assets (net of related debt), restricted, and unrestricted.

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the District not restricted for any project or other purpose.

In the government-wide financial statements, when both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

MANILA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- *Non-spendable* – includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- *Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors of amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- *Assigned* – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance maybe assigned by the District Manager or Department Heads with District Council approval.
- *Unassigned* – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The District uses restricted or committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Property Tax

Property taxes are levied as of March 1 on property values assessed as of the same date. State statutes provide that the property tax rate be limited generally to one percent of market value, be levied by only the County, and be shared by applicable jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1, and become delinquent on December 10 and April 10. The District receives property taxes pursuant to an arrangement with the County known as the “Teeter Plan.” Under the plan, the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the District. The District recognizes property tax revenues in the fiscal year in which they are due to the District.

Operating Revenues and Expenses in Proprietary Funds

The District’s proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses of the District’s Water and Sewer funds consist of charges for services and the costs of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as nonoperating.

Budgetary Policy and Data

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Appropriations lapse at fiscal year-end. The appropriated budget is prepared by fund, function and department. The District Manager may make transfers of appropriations within a department. Transfers between departments and other changes require Board of Director’s approval.

MANILA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets 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.

Note 2 CASH AND CASH EQUIVALENTS

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Cash and cash equivalents:			
Cash in bank	\$ 11,683	\$ 148,893	\$ 160,576
Cash with Humboldt County	156,435	164,577	321,012
Local agency investment fund	<u>-</u>	<u>13,174</u>	<u>13,174</u>
Total cash and cash equivalents	<u>168,118</u>	<u>326,644</u>	<u>494,762</u>
Restricted cash and cash equivalents:			
Restricted for debt service:			
Cash with Humboldt County	-	17,950	17,950
Restricted for capital assets:			
Cash with Humboldt County	<u>-</u>	<u>123,949</u>	<u>123,949</u>
Total restricted cash and cash equivalents	<u>-</u>	<u>141,899</u>	<u>141,899</u>
TOTAL	<u>\$ 168,118</u>	<u>\$ 468,543</u>	<u>\$ 636,661</u>

Custodial credit risk

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires additional disclosures about a government's deposits and investments risk that include custodial credit risk. Custodial credit risk is the risk that in the event of a bank or counterparty failure the District's deposits or value of its investments may not be returned to it.

The California Government Code requires California banks and savings and loan associations to collateralize a District's deposits by pledging government securities. The market value of pledged securities must equal at least 110 percent of a District's deposits. California law also allows financial institutions to collateralize District deposits by pledging first trust deed mortgage notes having a value of 150 percent of a District's total deposits. The District may waive collateral requirements for deposits which are fully insured up to \$250,000 by Federal Deposit insurance.

At year end, the carrying amount of the District's cash in bank was \$160,576 and the bank balance was \$179,880. Differences between the bank balance and the carrying amount represents outstanding checks and deposits in transit. The bank balances are insured/collateralized as noted above.

Investments in LAIF and the Humboldt County Treasurer's Investment Fund are not evidenced by specific securities in the name of the District and are therefore not subject to custodial credit risk.

MANILA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 3 CAPITAL ASSETS AND DEPRECIATION

Governmental capital assets activity for the year ended June 30, 2022 was as follows:

<u>GOVERNMENTAL ACTIVITIES:</u>	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
Capital assets, not being depreciated:				
Land and rights of way	\$ 740,898	\$ -	\$ -	\$ 740,898
Total capital assets, not being depreciated	<u>740,898</u>	<u>-</u>	<u>-</u>	<u>740,898</u>
Depreciable capital assets:				
Buildings and improvements	1,044,875	-	-	1,044,875
Machinery and equipment	<u>62,620</u>	<u>-</u>	<u>-</u>	<u>62,620</u>
Total capital assets, being depreciated	<u>1,107,495</u>	<u>-</u>	<u>-</u>	<u>1,107,495</u>
Less: accumulated depreciation				
Buildings and improvements	(696,046)	(26,872)	-	(722,918)
Machinery and equipment	<u>(56,415)</u>	<u>(2,484)</u>	<u>-</u>	<u>(58,899)</u>
Total accumulated depreciation	<u>(752,461)</u>	<u>(29,356)</u>	<u>-</u>	<u>(781,817)</u>
Net capital assets, being depreciated	<u>355,034</u>	<u>(29,356)</u>	<u>-</u>	<u>325,678</u>
Governmental activities capital assets, net	<u>\$ 1,095,932</u>	<u>\$ (29,356)</u>	<u>\$ -</u>	<u>\$ 1,066,576</u>

Business-type capital assets activity for the year ended June 30, 2022 was as follows:

<u>BUSINESS-TYPE ACTIVITIES:</u>	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
Capital assets, not being depreciated:				
Land and rights of way	\$ 86,585	\$ -	\$ -	\$ 86,585
Construction in progress	<u>688,942</u>	<u>-</u>	<u>-</u>	<u>688,942</u>
Total capital assets, not being depreciated	<u>775,527</u>	<u>-</u>	<u>-</u>	<u>775,527</u>
Depreciable capital assets:				
Buildings and improvements	5,837,298	-	-	5,837,298
Machinery and equipment	<u>149,298</u>	<u>-</u>	<u>-</u>	<u>149,298</u>
Total capital assets, being depreciated	<u>5,986,596</u>	<u>-</u>	<u>-</u>	<u>5,986,596</u>
Less: accumulated depreciation				
Buildings and improvements	(5,101,679)	(29,512)	-	(5,131,191)
Machinery and equipment	<u>(147,318)</u>	<u>(236)</u>	<u>-</u>	<u>(147,554)</u>
Total accumulated depreciation	<u>(5,248,997)</u>	<u>(29,748)</u>	<u>-</u>	<u>(5,278,745)</u>
Net capital assets, being depreciated	<u>737,599</u>	<u>(29,748)</u>	<u>-</u>	<u>707,851</u>
Business-type activities capital assets, net	<u>\$ 1,513,126</u>	<u>\$ (29,748)</u>	<u>\$ -</u>	<u>\$ 1,483,378</u>

MANILA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 3 CAPITAL ASSETS AND DEPRECIATION (continued)

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:	
Parks and recreation	\$ 2,854
Community center	<u>26,502</u>
Total depreciation expense – governmental activities	<u>\$ 29,356</u>
Business-type activities:	
Water	\$ 1,635
Wastewater	<u>28,113</u>
Total depreciation expense – business-type activities	<u>\$ 29,748</u>

Note 4 ACCOUNTS RECEIVABLE, NET

The District's proprietary fund's utility accounts receivable at June 30, 2022 was as follows:

Accounts receivable	\$ 53,716
Allowance for doubtful accounts	<u>(5,000)</u>
Accounts receivable, net	<u>\$ 48,716</u>

Note 5 LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the year ended June 30, 2022:

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due in</u> <u>One Year</u>
Governmental activities:					
Compensated absences	\$ 271	\$ -	\$ (271)	\$ -	\$ -
Business-type activities:					
Compensated absences	<u>10,078</u>	<u>6,137</u>	<u>(5,890)</u>	<u>10,325</u>	<u>10,325</u>
Total	<u>\$ 10,349</u>	<u>\$ 6,137</u>	<u>\$ (6,161)</u>	<u>\$ 10,325</u>	<u>\$ 10,325</u>

MANILA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 6 INTERFUND ACTIVITY

Interfund transactions are reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation.

Interfund receivable and payable balances were comprised of the following as of June 30, 2022:

	<u>Due from other funds</u>	<u>Due to other funds</u>
Major governmental funds:		
General Fund	\$ -	\$ 24,674
Non-major governmental funds:		
Teen Fund	<u>24,674</u>	<u>-</u>
Total due from/to other funds	<u>\$ 24,674</u>	<u>\$ 24,674</u>
	<u>Advances to other funds</u>	<u>Advances from other funds</u>
Major governmental funds:		
General Fund	\$ -	\$ 150,341
Major business-type funds:		
Utility Fund	<u>150,341</u>	<u>-</u>
Total advances from/to other funds	<u>\$ 150,341</u>	<u>\$ 150,341</u>

Note 7 DEFICIT FUND BALANCES

The following funds had deficits in fund balances at June 30, 2022:

Major governmental funds:	
General Fund	\$ 927

Note 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and natural disasters for which the District carries insurance. The District, due to the costs of available coverage, participates as a member of the Special District Risk Management Authority (SDRMA) for purposes of general liability, property coverages and for workers compensation insurance.

The SDRMA provides joint protection programs for public entities covering automobile, general liability, errors and omissions claims. Under the program, the District has a \$500 retention limit similar to a deductible with the SDRMA being responsible for losses above that amount up to \$2.5 million for liability combined single limit. Property coverage is also provided up to the replacement cost of the property with a combined total for SDRMA members of one billion dollars per occurrence.

The SDRMA also provides employee dishonesty coverage with limits of \$1 million per loss. Boiler and machinery coverage is provided to members with coverage of up to \$100 million of replacement cost, and comprehensive and collision on selected vehicles. The District's obligations under the arrangement are to pay billed premiums for the specified coverages. The SDRMA may pay dividends to members or may make additional assessments depending on loss experience, but no dividends have been declared and no additional assessments have been levied.

MANILA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 8 RISK MANAGEMENT (continued)

The SDRMA provides worker's compensation statutory insurance coverage and \$5 million for Employer's liability coverage subject to the terms, conditions, and exclusions provided in the memorandum of Coverage. Financial information pertaining to SDRMA can be obtained from its administrative offices at 1112 I Street, Suite 300, Sacramento, California 95814.

Liabilities of the District are reported in the statement of net position when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The District's only exposure to claim liabilities would be for losses or additional assessments, if any, not covered by or imposed by SDRMA. There have been no significant changes in insurance coverages in fiscal 2022. Settlements have not exceeded coverage for each of the past four fiscal year. The District had no material uninsured claim liabilities at June 30, 2022 or 2021.

Note 9 COMMITMENTS AND CONTINGENCIES

The District has received or receivable from grant agencies for specific purposes that are subject to review and audit by the grantor agencies, principally the county and state government. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

In the natural course of events, the District can be named in lawsuits resulting in legal action against the District from normal operations. No amounts are provided in the accompanying financial statements for such contingencies.

Note 10 SUBSEQUENT EVENTS

Management of the District has evaluated the events subsequent to June 30, 2022 for disclosure and has determined that as of March 15, 2024, there are no material subsequent events that should be disclosed. If events requiring disclosure have occurred between the balance sheet date and the date the financial statements were available to be issued they would be disclosed here.

**MANILA COMMUNITY SERVICES DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

MANILA COMMUNITY SERVICES DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2022

1. BUDGETARY INFORMATION

The following is the budget comparison schedule for the District's governmental funds:

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Fund Balances, July 1, 2021	\$ (47,123)	\$ (47,123)	\$ (47,123)	
Resources (inflows):				
Rents:				
Community center	71,644	71,644	71,759	\$ 115
Charges for services:				
Park lease	1,500	1,500	2,420	920
Interest	-	-	24	24
Miscellaneous:				
Property taxes	<u>20,000</u>	<u>20,000</u>	<u>32,091</u>	<u>12,091</u>
Amounts available for charges to appropriations	<u>46,021</u>	<u>46,021</u>	<u>59,171</u>	<u>13,150</u>
Charges to appropriations:				
Parks:				
Personnel	10,000	10,000	11,426	(1,426)
Utilities	2,000	2,000	2,070	(70)
Administration	5,000	5,000	5,644	(644)
Other costs	<u>4,500</u>	<u>4,500</u>	<u>5,314</u>	<u>(814)</u>
Total parks	<u>21,500</u>	<u>21,500</u>	<u>24,454</u>	<u>(2,954)</u>
Community center:				
Personnel	40,000	40,000	13,221	26,779
Utilities	5,000	5,000	6,282	(1,282)
Administration	5,500	5,500	4,654	846
Other costs	<u>14,500</u>	<u>14,500</u>	<u>11,487</u>	<u>3,013</u>
Total community center	<u>65,000</u>	<u>65,000</u>	<u>35,644</u>	<u>29,356</u>
Total charges to appropriations	<u>86,500</u>	<u>86,500</u>	<u>60,098</u>	<u>26,402</u>
Fund balances, June 30, 2022	<u>\$ (40,479)</u>	<u>\$ (40,479)</u>	<u>\$ (927)</u>	<u>\$ 39,552</u>

Note A. Explanation of difference between budgetary inflows and outflows and GAAP revenues and expenditures:

Sources/Inflows resources:

Actual amounts "available for appropriation" from budgetary comparison schedule	\$ 59,171
Differences – budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	<u>47,123</u>
Total revenues as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$ 106,294</u>

**MANILA COMMUNITY SERVICES DISTRICT
SUPPLEMENTARY INFORMATION SECTION
JUNE 30, 2022**

**MANILA COMMUNITY SERVICES DISTRICT
COMBINING SCHEDULE OF WATER AND WASTEWATER DEPARTMENTS
STATEMENT OF ACTIVITY
JUNE 30, 2022**

	<u>Water System</u>	<u>Wastewater System</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for services	\$ 224,195	\$ 198,668	\$ 422,863
Other operating revenue	<u>3,127</u>	<u>1,380</u>	<u>4,507</u>
Total operating revenues	<u>227,322</u>	<u>200,048</u>	<u>427,370</u>
OPERATING EXPENDITURES:			
Salaries, wages and benefits	99,309	99,647	198,956
Administration	14,355	16,224	30,579
Maintenance	9,412	18,806	28,218
Professional fees	4,338	6,037	10,375
Travel and utilities	2,089	32,716	34,805
Water purchases	83,507	-	83,507
Other	923	-	923
Depreciation	<u>1,635</u>	<u>28,113</u>	<u>29,748</u>
Total operating expenses	<u>215,568</u>	<u>201,543</u>	<u>417,111</u>
Change in net position	11,754	(1,495)	10,259
Net position, July 1	<u>730,105</u>	<u>1,357,387</u>	<u>2,087,492</u>
Net position, June 30	<u>\$ 741,859</u>	<u>\$ 1,355,892</u>	<u>\$ 2,097,751</u>



Agenda Summary

Tuesday May 21st, 2024

***** It should be noted that the GM's personal residence is adjacent to the subject property *****

Consideration of Redwood Coast Montessori Lease.

Summary: The board is free to enter a closed session for lease negotiations but has historically directed staff to draft terms with concurrence of the tenant and return to the board for public consideration. Should the board elect to renegotiate the terms in closed session, a postponement would be appropriate.

Redwood Coast Montessori's 5-year lease expires this month and staff recommends considering a new lease with some modifications/corrections to the terms (as reviewed by Bryan Little, leaseholder):

1. Extend current lease 1 year +31 days to correct the "year zero" anomaly in the original terms:

Section 4 describes June 1st, 2024 as the *first day* of an increase in rent (but it's also the last day of the lease and invokes a 6th year, conflicting with the board's original intent of a 5-year lease). The +31 days aligns the terms with the district's fiscal years.

2. Increase monthly rent to cover increased cost of insurance to the district.

Our Property and Liability insurance for the buildings increased this year by \$415/month after revaluations. We expect the increase to remain stable depending on reinsurance markets.

3. Continuing existing methodology for additional annual increases of 1.50%.

	Lease Fiscal Yr	Cal yr	Lease	\$/sf	13278 facility sf													
Year 0		2019	\$ 5,710	\$ 0.430														
Year 1	06/01/20 - 05/31/21	2020	\$ 5,795	\$ 0.436														
Year 2	06/01/21 - 05/31/22	2021	\$ 5,882	\$ 0.443														
Year 3	06/01/22 - 05/31/23	2022	\$ 5,970	\$ 0.450														
Year 4	06/01/23 - 05/31/24	2023	\$ 6,060	\$ 0.456														
Year 5 *	06/01/24 - 05/31/25	2024	\$ 6,151	\$ 0.463	Ins:													
Year 1	07/01/25 - 06/30/26	2025	\$ 6,243	\$ 0.470	\$ 415	<table border="1"> <thead> <tr> <th>Lease</th> <th>\$/sf</th> </tr> </thead> <tbody> <tr> <td>\$ 6,658</td> <td>\$ 0.501</td> </tr> <tr> <td>\$ 6,752</td> <td>\$ 0.508</td> </tr> <tr> <td>\$ 6,847</td> <td>\$ 0.516</td> </tr> <tr> <td>\$ 6,943</td> <td>\$ 0.523</td> </tr> <tr> <td>\$ 7,041</td> <td>\$ 0.530</td> </tr> </tbody> </table>	Lease	\$/sf	\$ 6,658	\$ 0.501	\$ 6,752	\$ 0.508	\$ 6,847	\$ 0.516	\$ 6,943	\$ 0.523	\$ 7,041	\$ 0.530
Lease	\$/sf																	
\$ 6,658	\$ 0.501																	
\$ 6,752	\$ 0.508																	
\$ 6,847	\$ 0.516																	
\$ 6,943	\$ 0.523																	
\$ 7,041	\$ 0.530																	
Year 2	07/01/26 - 06/30/27	2026	\$ 6,337	\$ 0.477	\$ 415													
Year 3	07/01/27 - 06/30/28	2027	\$ 6,432	\$ 0.484	\$ 415													
Year 4	07/01/28 - 06/30/29	2028	\$ 6,528	\$ 0.492	\$ 415													
Year 5	07/01/29 - 06/30/30	2029	\$ 6,626	\$ 0.499	\$ 415													

Recommended Motion:

I move/second to approve extending RCM's current lease to 06/31/2025 and adopt new lease terms effective 07/01/2025. Vote: _____

Alternate Motion:

I move/second to direct staff to present a closed session for future RCM Lease negotiations. Vote: _____

Ref:

The current lease (as amended May 16th, 2019) in Section 2 describes terms an effective date *ending* June 1st 2024, the last day of the lease which was the board's original intent for a 5-year agreement:

Section 2. Term

2.1. Lease Term. This Lease shall be effective from June 1, 2019 (the "Effective Date") through June 1, 2024 unless terminated earlier in accordance with this Lease.

These terms, however, are contradicted in Section 4. where June 1st, 2024 describes the *first day* of a rent increase invoking a 6th year, presumably extending terms to May 31st, 2025:

Section 4. Rent and Deposit

4.1. Rent. [redacted]...rent will increase annually at a rate of 1.50% beginning June 1, 2020 through June 1, 2023 as follows: June 1, 2020 (\$5,795.00), June 1, 2021 (\$5,882.00), June 1, 2022 (\$5,970.00) and June 1, 2023 (\$6,060) and June 1, 2024 (\$6,151). The rates are based on 13,278 square feet multiplied by the rate \$0.430 psf and escalating 1.50% annually to \$0.463 psf in 2024.

Attachments: DRAFT FACILITIES USE AND LEASE AGREEMENT 2025-2030 (Amendments from previous lease are highlighted)

FACILITIES USE AND LEASE AGREEMENT 2025-2030

THIS FACILITIES USE AND LEASE AGREEMENT (“Lease” or “Agreement”) dated as of July 1, 2025 (“Effective Date”) is entered into between MANILA COMMUNITY SERVICES DISTRICT, a California special district (“Lessor”) and Redwood Coast Montessori School (“Lessee”). This Lease amends and restates in its entirety the original written Lease between the Parties (including any amendments thereto) and any other written or oral agreements between the Parties relating to the Property. Where joint reference is intended Lessor and Lessee are hereinafter referred to as the “Parties.”

Recitals

A. WHEREAS, Lessor is the owner of that certain real property with improvements, commonly known as the Manila Community Center in Manila, California (“the Property”), and more particularly depicted in **Exhibit A** attached hereto.

B. WHEREAS, Lessee seeks to lease from Lessor a portion of the Property, depicted as North Wing and South Wing classrooms on **Exhibit A** (referred to herein as the “Classrooms”) for Lessee’s exclusive use;

C. WHEREAS, Lessee also seeks to lease from Lessor a portion of the common areas of the Premises, depicted on Exhibit A as the Main Hall, Kitchen, Boys #7, Girls #5, House A, Parking Lot, Playfield and Garden area at the west end of the North Wing, (collectively referred to herein as the “Common Areas”) for Lessee’s non-exclusive use; and

D. WHEREAS, Lessor is willing to lease the Classrooms and the Common Areas located on the Property subject to the terms and conditions of this Lease and the appended Exhibits.

E. WHEREAS, Lessee and Lessor acknowledge the Property contains certain deed restrictions and covenants prohibiting the restriction of coastal access.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and incorporating the forgoing recitals of fact as material terms herein, the parties hereby agree as follows:

Agreement

Section 1. Leased Premises

Lessor leases to Lessee and Lessee leases from Lessor the Classrooms and non-exclusive use of the Common Areas, as defined in Recitals B and C, above, and depicted on **Exhibit A**. The Classrooms and Common Areas shall be collectively referred to herein as the “Premises”. Lessee shall have exclusive use of the Classrooms for the term

of this Agreement except for the District’s use of space for District Board Meetings or other uses as required. Lessee shall have the non-exclusive right to use the Common Areas, as more particularly described in Section 9, below.

Section 2. Term

2.1. Lease Term. This Lease shall be effective from **July 1, 2025** (the “Effective Date”) **through June 30, 2030**, unless terminated earlier in accordance with this Lease.

Section 3. Use of Premises

Lessee shall use and occupy the Premises solely for the operation of a Charter School for grades Kindergarten through Eighth Grade, and its related educational programs including the Manila Community Resource Center and in accordance with Lessee’s charter and the Education Code.

The Lessee agrees to limit use of the Premises, including RCM enrollment and daily Community Center activities to the designed capacity of the north and south wings. The original capacity of the north and south wings is based on 25 students multiplied by 8 classrooms (200 students).

Section 4. Rent and Deposit

4.1. Rent. Lessee shall pay to Lessor at the address set forth in Section 17, below **Six Thousand, Six Hundred, Fifty Eight (\$6,658.00)** per month for use of the Classrooms, Office Space, Kitchen, Common Areas (collectively referred to as “Rent”). Rent shall be paid by the 5th business day of each month, commencing on **July 1, 2025**. Additionally, rent will increase annually at a rate of 1.50% beginning **July 1, 2026** through **July 1, 2029** as follows: **July 1, 2026 (\$6,752.00)**, **July 1, 2027 (\$6,847.00)**, **July 1, 2028 (\$6,943.00)** and **July 1, 2029 (\$7,041)**. The rates are based on 13,278 square feet multiplied by the rate **\$0.501** psf and escalating 1.50% annually to **\$0.530** psf in **2029**.

4.2. Late Charges. If any sum due is from Lessee is not received by Lessor within 14 business days of when due, Lessee shall pay to Lessor a late charge equal to five percent (5%) or seventy-five dollars (\$75.00), whichever is greater. The Parties agree that the late charge represents a fair and reasonable estimate of the costs Lessor will incur because of late payment by Lessee.

4.3. Deposit. [Waived].

Section 5. Maintenance, Repairs and Cleaning

5.1 Maintenance. Except as otherwise provided in this Agreement, during the Lease Term, Tenant accepts repairs of all maintenance issue caused by Tenant or its invitees. Tenant accepts minor repairs of plumbing, electrical, and HVAC systems up to \$500 per incident with Landlord responsible for all major repairs above \$500 per incident. For instance, Tenant will change filters on the furnace with Landlord responsible for replacing the furnace if total replacement is needed. Tenant will also maintain the fields surrounding the building in exchange for using the fields as play areas. Lessee, at its sole expense shall be responsible for the costs of installation, maintenance and removal of systems or improvements made solely for the purposes of supporting Lessee's activities, including security, fire alarm and communication systems.

Lessor, at its expenses, shall maintain and repair the existing heating, and ventilation system, installed sprinklers, installed sewage system, electrical, installed water supply, foundation, roof, exterior walls and other structural members of the Premises. Lessee shall provide written notice to Lessor of any maintenance required under this section.

5.2. Repairs/Destruction of Premises. Lessor shall have ten (10) days after receiving notice from Lessee to perform any needed maintenance not attributable to the actions of Lessee, except that Lessor shall perform its obligations immediately if the nature of the needed maintenance presents a hazard or emergency, substantially interferes with Lessee's use of the Premises, or otherwise prevents Lessee from the regular use of the premises for school purposes. In the event of any damage or destruction to the Premises necessitating repairs estimated to cost in excess of Ten Thousand Dollars (\$10,000.00) and which results in the dispossession and/or inability of Lessee to occupy the Premises for a period of ten (10) days or longer, during any such period of disruption or dispossession that lasts beyond the ten (10) days permitted for repairs, Lessee shall not be responsible for daily rent for so long as such disruption continues past the ten (10) day period. Furthermore, in the event of any damage or destruction to the Premises necessitating repairs estimated to cost in excess of Ten Thousand Dollars (\$10,000.00) and which will result in the dispossession and/or inability of Lessee to occupy the Premises for a period of ten (10) days or longer, Lessor may chose, in Lessor's sole and absolute discretion, to terminate the Lease immediately and refund any pre-paid rent to Lessee and Lessor shall have no further obligation(s) to Lessee under this Lease. The Lessee shall be responsible for repairing any damage to the Premises that is attributable to the activities of the Lessee, its agents, employees and/or permitted occupants. The Lessee shall have ten (10) days to make the appropriate repairs or replacements after receiving a written request from the Lessor.

5.3. Cleaning. Lessee at its sole cost and expense shall provide routine custodial services for the interior of the Classrooms and restrooms. The Lessee at its sole cost and expense shall provide routine custodial service and maintenance of all common areas necessary to sustain the area and Premises in the same condition as of the commencement date of this Lease. If a private or Civic event is authorized by Lessor, Lessor at its sole cost and expense shall provide custodial service and maintenance of these common areas necessary to sustain the area and Premises in the same condition as of the commencement date of this Lease.

Section 6. Utilities

Lessee shall be solely responsible for payment of electrical (PG&E), propane gas, telephone services, internet, and any other services delivered to the Premises for the sole use of Lessee.

Section 7. Alterations and Improvements

Lessee shall not construct any improvements or make any alterations to the Premises without Lessor's prior written consent. All such approved alterations or improvements shall be made at the sole cost and expense of the Lessee, and except as otherwise agreed by Lessor in writing, the same shall become the property of the Lessor at no cost to Lessor. The Lessee shall obtain any and all necessary permits and approvals from appropriate governmental agencies prior to constructing any such improvements or alterations.

Section 8. Signs

With Lessor's approval, which shall not be unreasonably withheld, Lessee may erect and maintain on the Premises at Lessee's sole cost and expense, signs relating to the conduct of its business during the term of the Agreement. Any signs and the location thereof shall be subject to prior written approval of the Lessor.

Section 9. Common Areas

9.1 Parking. Lessee and Lessee's employees and invitees shall be entitled to use all designated vehicle parking spaces on the Property. Lessee acknowledges that the parking lot is a shared use parking lot and shall not prohibit other users of the Property from using the vehicle parking spaces on the Property.

9.2 Main Hall. Lessee acknowledges that the Main Hall is a shared use facility for public events and other civic uses. Lessee shall have use of the Main Hall during the hours of 7 a.m. to 5 p.m. during school days and at other times when it is not being used to accommodate special community or civic events or private rentals.

9.3 Kitchen. Lessee acknowledges that the kitchen is a shared use facility and is currently being operated as a commercial kitchen available for rent by members of the public. Lessee shall be entitled to use the Kitchen for a school lunch program and other incidental uses during the hours of 7 a.m. to 5 p.m. during school days and at other times when it is not being used to accommodate special community or civic events or private rentals. In the event that Lessee causes the hood fire suppression system in the Kitchen to be activated, Lessee shall be liable for payment of the cost to recharge the system.

9.4 Restrooms. Lessee shall have the exclusive use of the restrooms depicted on Exhibit A as Boys #7 and Girls #5 during the hours of 7 a.m. to 5 p.m., Monday through Friday. Lessee acknowledges that the restrooms may be used by other users of the Property during all other days and hours. Lessee will be responsible for their own toilet paper, soap, paper towels and other consumables. Lessor shall replace any used materials in kind that are consumed outside hours listed above. Lessor will also leave facility in the same functional condition as of the commencement date of this Lease.

9.5 Garden Area. Lessee shall be entitled to use Garden Area at the west end of the North Wing as depicted on Exhibit A during the hours of 7 a.m. to 5 p.m., Monday through Friday. Lessee acknowledges that the Garden Area is a shared use area which is open to the public for recreational purposes and that Lessee's use during the hours specified in this Section is non-exclusive.

9.5 Commercial Coach. Lessee shall be entitled to install a commercial coach approximately 28' by 8' for the duration of this Lease for exclusive use by Lessee, at Lessee's sole expense. Lessee shall be solely responsible for all costs of installation, maintenance and removal of the commercial coach.

9.6 House A: The Lessee acknowledges that "House A" has been created primarily for Manila Community Resource Center activities. While the building may be used for school activities on an as-needed basis, it is not regularly scheduled for classroom use. During school hours, the building may be used for Resource Center activities that are appropriate and safe for a school environment. Lessee shall have use of House A during school days and at other times when it is not being used to accommodate special community or civic events or private rentals.

9.7 Scheduling Use of Common Areas. Lessee and Lessor shall maintain a shared online calendar to schedule use of the Common Areas in order to avoid conflicts with other users of the Common Areas.

Section 10. Warranties of Title and Quiet Possession

Lessor covenants and represents that it has the full right and power to execute and perform this Agreement and that Lessor has a fee simple interest in the Property. Subject to the limitations stated in this Lease, Lessee shall have quiet and peaceable possession of the Premises during the term of this Agreement for all purposes contemplated by this Agreement.

Section 11. Lessor's Right of Entry

Lessee shall permit Lessor or Lessor's agents, representatives, or employees to enter the Premises at all reasonable times and with the purpose of inspecting said Premises to determine whether the Lessee is complying with the terms of this Lease and for the purpose of doing other lawful acts that may be necessary to protect the Lessor's interest in said Premises under this Agreement, or to perform Lessor's duties under this Lease, including but not limited to, posting notices, making any necessary repairs, alterations or additions to any portion of the Premises.

Section 12. Issuance of Keys

Lessee shall provide at least one (1) set of keys to Lessor to any leased rooms where the locks have been changed for the purposes described in Section 11. Keys provided by Lessor to Lessee shall not be duplicated without prior written consent of Lessor which shall not be unreasonably withheld, and use of the key is limited to use by the Lessee and its agents and employees in accord with the terms of this Lease. Upon termination of this Lease, all keys are to be returned to the Lessor.

Section 13. Subletting and Assignment

Lessee shall not at any time voluntarily or by operation of law, assign, sublet or otherwise transfer all or any portion of Tenant's interest in this Agreement or the Premises without the express written consent of Lessor.

Section 14. Limitation of Liability and Indemnity

14.1 Liability. Lessor shall not be liable for injuries to any person or damage to any property sustained by the Lessee or by any third party arising in any way out of the Lessee's use, operation or occupancy of the Premises.

14.2 Indemnity. The Lessee covenants and agrees to indemnify, defend, and hold harmless the Lessor and Lessor's employees, agents, and affiliates from and against any and all claims, costs, damages and liabilities of every kind or nature arising from or in connection with any and all injuries to persons (including, without limitation, death) or damage to property in, on, or about the Premises, or any portions thereof, or resulting from Lessee's use of the Premises, in whole or in part.

Section 15. Insurance

15.1 Workers' Compensation Insurance. Lessee shall maintain workers' compensation insurance as required by the laws of the State of California.

15.2 Commercial General Liability Insurance. Lessee shall maintain commercial general liability insurance covering Lessee against claims of bodily injury and property damage arising out of the use, occupancy or maintenance of the Premises. Such insurance shall be on an occurrence basis with minimum coverage of

\$1,000,000 (one million dollars) per incident with an annual aggregate of not less than \$2,000,000. Such policy shall name Lessor and its officers, agents and employees as additional insured on the policy. Lessee shall provide Lessor with proof of insurance prior to entering the Premises. The insurance policy shall not be cancelled, reduced or amended by Lessee during the Term of the Agreement without prior written consent of Lessor.

Section 16. Default

16.1 Default. The occurrence of any of the following shall constitute a default (“Default”) by Lessee under this Agreement:

A. The failure of Lessee to pay rent and/or other pro rata share or amounts of money due and owing to Lessor hereunder when and as the same becomes due and the continuation of such failure for a period of thirty (30) days after receipt of written notice from Lessor to Lessee specifying the nature of such failure.

B. The failure by Lessee to observe or perform any of the non-monetary covenants or provisions of this Agreement to be observed or performed by Lessee, where such failure has continued for a period of thirty (30) days, after receipt of written notice from Lessor to Lessee.

Lessor shall be in default and in material breach of this Agreement if Lessor fails to perform any obligation required by this Agreement within a reasonable time, but in no event later than thirty (30) days after receipt of written notice by Lessee to Lessor specifying wherein Lessor has failed to perform such obligation.

16.2 Remedies on Default.

A. Lessee’s Default. In the event of a Default by Lessee, Lessor, in addition to any and all remedies Lessor may have at law or in equity, shall have right of reentry using all lawful means and may remove all persons and property from the Premises. The property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of Lessee. Should Lessor elect to re-enter the Premises, as herein provided, or to take possession pursuant to legal proceedings, and there after re-let the Premises to another Tenant, and if Lessor pursues legal action to obtain the rent which would have been due under Lessee’s lease term, then any rent received from a new Tenant during Lessee’s lease term will be applied as a credit to Lessee for any further monies owed by Lessee to Lessor. Lessee waives all claims for damages which may be caused by reentry and the taking of possession of the Premises or removal or storage of any property as herein provided. Furthermore, no such entry will be considered or construed to be a forcible entry. Should Lessor at any time terminate this Lease for any default, in addition to any other remedy it may have at law Lessor may recover the balance of any unpaid Rent for the remainder of the Term of the Agreement plus any

reasonable expense to restore the Premises to the layout or configuration of the Premises at the time of initial deliver of the Premises to Lessee.

B. Lessor's Default. In the event of a Default by Lessor, Lessee may, at any time thereafter without limiting Lessee in the exercise of any right or remedy at law or in equity which Lessee may have by reason of default and subject to the limitations stated in this Lease, terminate the Lease with no further obligation to Lessor upon the provision of thirty (30) days written notice to Lessor to cure any default should Lessor fail to cure the default during said time period.

16.3 Attorneys Fees. In any action or proceeding by either party to enforce this Agreement or any provision of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and all other costs incurred.

Section 17. Notices

Any notice required or permitted to be given hereunder shall be in writing and may be served personally or may be sent by registered or certified mail, return receipt requested, and shall be deemed given upon actual deliver or 72 hours after deposited in the United States mail, certified and postage prepaid, and addressed as follows:

To Lessor: Manila Community Services District
Attn: Christopher Drop
1901 Park Street
Arcata, CA 95521

To Lessee: Redwood Coast Montessori School
Attn: Bryan Little
P.O Box 6103, Eureka CA. 95502

The address to which any notice, demand or other writing may be given or made or sent to any party as above provided may be changed by written notice given by such party as above provided.

Section 18. Compliance with Laws

Lessee shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Lessor and Lessee shall each do all acts required to comply with all applicable laws, applicable ordinances, regulations and rules of any authority relating to their respective maintenance obligations as set forth herein.

Section 19. Surrender

Upon termination or expiration of the Term of this Agreement, Lessee shall

peaceably and quietly quit and surrender the Premises to Lessor in good order and condition, ordinary wear and tear excepted.

Section 20. Holding Over

Any holding over by Lessee after the expiration of the Term of this Agreement, shall not be construed as a renewal of the term of this Agreement but shall constitute a month-to-month tenancy which may be terminated by either party upon thirty (30) days prior written notice, and shall otherwise be on the same terms and conditions herein set forth herein and at the Rent required to be paid by Lessee for the period immediately prior to the expiration of the term hereof.

Section 21. Severability

The invalidity of any portion of this Agreement shall not affect the remainder, and any invalid portion shall be deemed rewritten to make it valid so as to carry out as near as possible the expressed intention of the parties.

Section 22. Titles

The titles or headings to sections shall have no effect on interpretation of provisions.

Section 23. Waiver

The failure of Lessor to enforce a provision of this Agreement shall not be deemed a waiver for any purpose.

Section 24. Entire Agreement

This Agreement, together with each attached exhibit shall constitute the entire agreement of the parties, and may be modified only by a writing signed by the parties.

Section 25. Governing Law

This Agreement shall be governed by and construed in accordance with California law.

IN WITNESS HEREOF, the Parties have executed this Agreement on the date first written above.

LESSOR:

Manila Community Services District

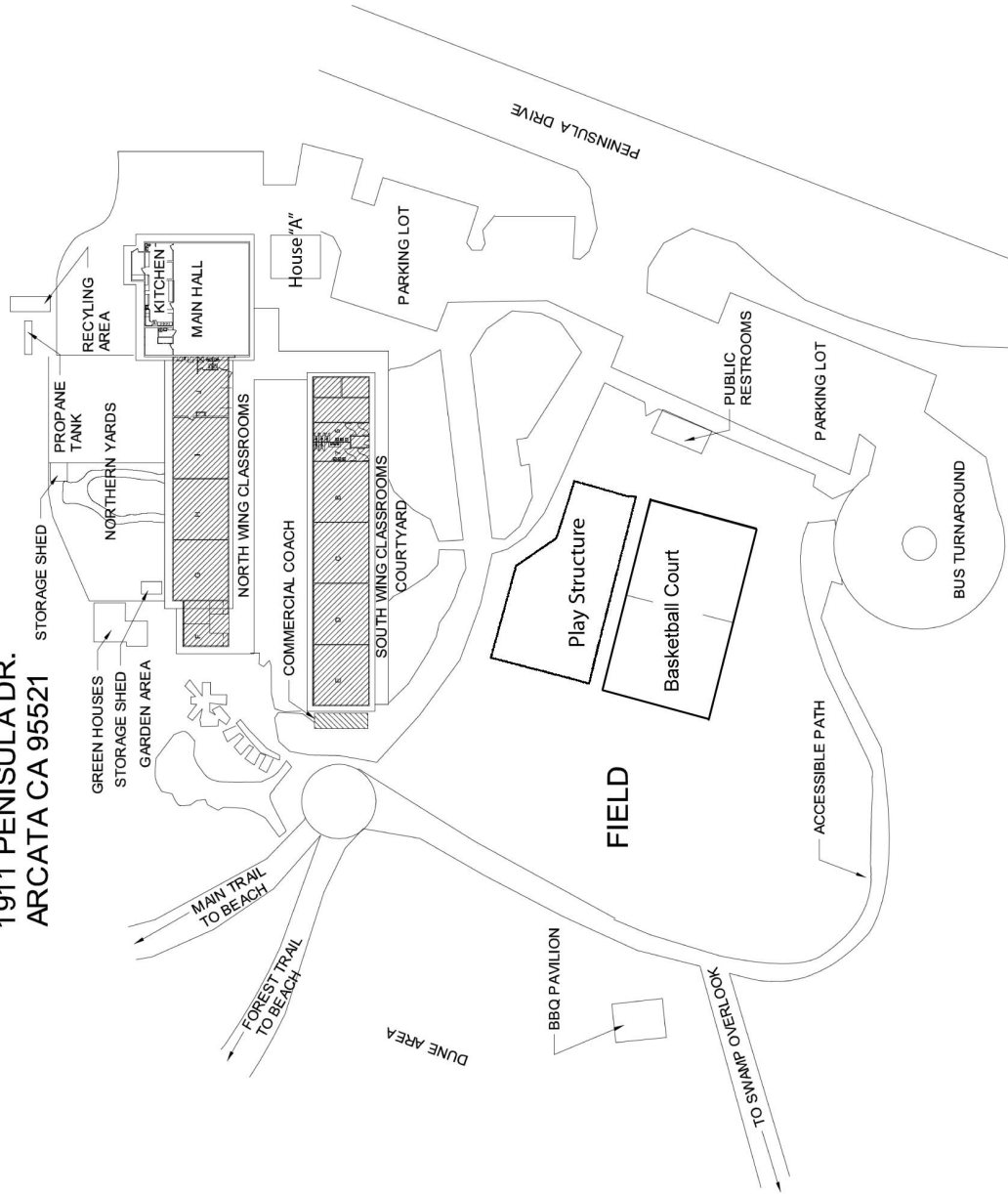
By: _____
Name: Meghan Ryan
Its: President of the Board

LESSEE:

Redwood Coast Montessori School

By: _____
Name: Bryan Little
Its: Director

EXHIBIT A Revised 03/21/2019
 1911 PENINSULA DR.
 ARCATA CA 95521





Manila Community Services District Board of Directors

Agenda Summary

Tuesday May 21st, 2024

Consideration of Budget FY2025.

Summary:

California Government Code says the district is required to adopt a *preliminary* budget on or before July 1 and shall adopt a *final* budget on or before September 1. Staff presents this draft budget in preparation for final adoption which may be this evening or at a future meeting depending on amendments or further direction from the board.

As expected, the district is facing upwards pressure on costs for everything and should consider a rate study (and assessment) in the near future. The district is receiving a free water rate study due to our water grant award and will use this study to augment a full study.

Some notable feature of this year's draft budget:

1. **Added \$8,500 in revenue for Park Per Capita grant for administration.**
2. **Added \$15,000 (half of \$30k allocation) in revenue for Wastewater grant administration.**
3. **Added 5% increase in Water Purchases (HBMWD).**
4. **Realized modest utility revenue increase from the budgeted figures in '24 (almost 5%)**
5. **Increases in P/L Insurance captured as well as myriad software and modernization costs.**

Personnel costs are also increasing to remain relatively competitive and to maintain qualified, licensed staff. One of the ways the district helps compensate staff is our accrued vacation buyback policy that allows selling of 60% of unused vacation. This effectively converts accrued vacation liabilities (on the balance sheet) to an expense not readily captured during budgeting and reflects overage. This is notable because all staff have exceeded 10 years of service which affords them 20 days per year of vacation which is not feasible to everyone use.

Recommended Motion:

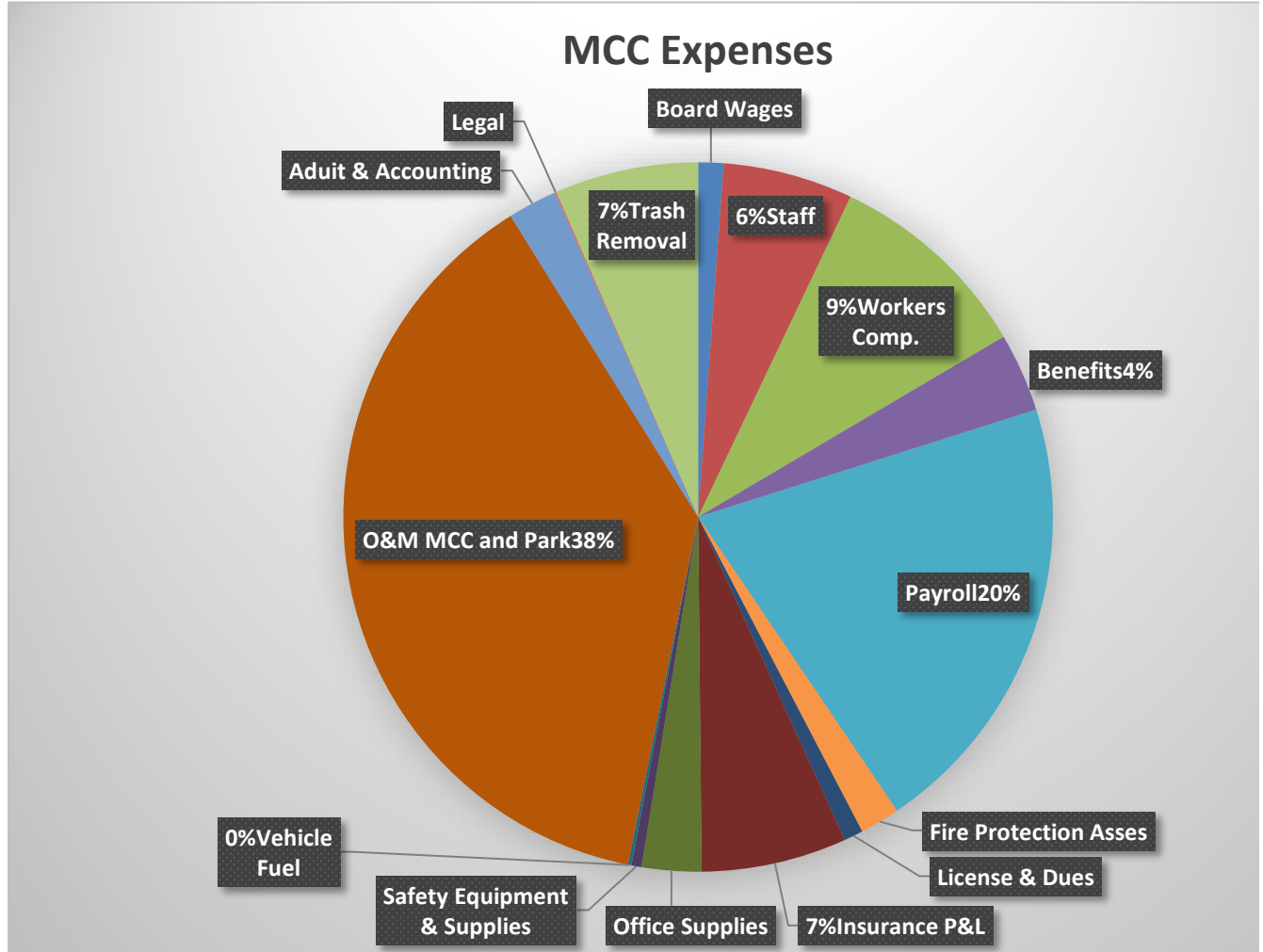
I move/second to approve the FY2025 budget as presented (or as amended). Vote:_____

Alternate Motion:

I move/second to direct staff to prepare alternate draft budget at a future meeting. Vote:_____

**Manila Community Services District
Transaction Detail By Account
July 2023 through March 2024**

	<u>Amount</u>
M80000 · Community Center Expense	
Board Wages	638.75
Staff	3,293.66
Workers Comp.	5,249.45
Benefits	1,995.70
Payroll	11,355.75
Fire Protection Asses	1,012.00
License & Dues	482.25
Insurance P&L	3,685.67
Office Supplies	1,508.35
Safety Equipment & Supplies	255.95
Vehicle Fuel	86.99
O&M MCC and Park	21,108.26
Aduit & Accounting	1,246.00
Legal	45.00
Trash Removal	3,637.47
Total M80000 · Community Center Expense	55,601.25





MANILA COMMUNITY SERVICES DISTRICT

Minutes of Regular Meeting Tuesday March 19th, 2024

1. ROLL CALL, DETERMINE QUORUM: *Broderick, Ryan, Faulk-Kellogg and Muniz present. Staff present: GM Drop, A. Watson*

2. APPROVE AGENDA:

3. PUBLIC INPUT / PETITIONS / ANNOUNCEMENTS: *There was no public input*

4. BUSINESS / DISCUSSION ITEMS (Action Items):

a) **BOARD VACANCY: ACCEPT RESIGNATION OF TRACY WOODS AND APPOINT NEW BOARD MEMBER- TERM EXPIRES DEC. 6TH, 2024**

Ryan/Broderick to appoint Thia Bachemin. Vote: 4-0

b) **BOARD STIPENDS: CONSIDERATION OF CHANGING TO \$100 PER MEETING (MAXIMUM FOR ALL POSITIONS PER STATE LAW).**

Ryan/Muniz to change board stipends. Vote 2-3 Motion failed.

Ryan/Muniz to revisit spends at a later date. Vote: 5-0

c) **LOCAL AREA FORMATION COMISSION: CALL FOR NOMINATIONS DUE MAR. 29TH, 2024**

No Action Taken

d) **MANILA DUNES RECREATION AREA: STATUS OF ENCAMPMENTS AND CONSIDERATION OF LONG-TERM MANAGEMENT DISPOSITION AND LAND TRANSFER**

Ryan/Faulk-Kellogg to have staff report back on MDRA, what the district has, and to fulfill information requested by members. Vote: 5-0

e) **GENERAL MANAGER'S REPORT: UPDATE ON DISTRICT PROJECTS**

No Action Taken

5. CONSENT CALENDAR: *(Items may be pulled for future consideration) – Amendments or corrections should be received in writing prior to approval.*

a) **Draft Minutes of January 16th, 2024**

Muniz/Broderick to approve 5a. Vote:5-0

b) **Receive Disbursements: January 16th, 2024 - to date**

Muniz/Ryan to approve 5b. Vote: 5-0

6. BOARD DISCUSSION ITEMS:

a) **Committee Member Updates: Form 700s due April 2nd, 2024**

b) **Future Agenda Items:**

8. INCOMING COMMUNICATIONS:

9. ADJOURNMENT:

_____, Secretary Date: _____

_____, Board President Date: _____

Manila Community Services District

5/15/2024 1:04 PM

Register: 10117 · Coast Central Checking

From 03/20/2024 through 05/15/2024

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
03/20/2024	2594	BADGER METER	22000 · Accounts Paya...	INV 80149794...	9.00			105,113.22
03/20/2024	2595	CALIFORNIA RUR...	22000 · Accounts Paya...	Membership D...	631.00			104,482.22
03/20/2024	2596	CBS LEASING CO...	22000 · Accounts Paya...	003-0610693-0...	136.59			104,345.63
03/20/2024	2597	Don Cole & Company	22000 · Accounts Paya...	FY22 Audit	8,900.00			95,445.63
03/20/2024	2598	gWorks	22000 · Accounts Paya...	invoice 2019-2...	1,461.00			93,984.63
03/20/2024	2599	HENSEL'S ACE HA...	22000 · Accounts Paya...	CUST 351	163.48			93,821.15
03/20/2024	2612	Humboldt Area Chap...	22000 · Accounts Paya...	Membership D...	50.00			93,771.15
03/20/2024	2613	HUMBOLDT BAY ...	22000 · Accounts Paya...	February 1-29, ...	7,312.36			86,458.79
03/20/2024	2614	KITTLESON, KEN*	22000 · Accounts Paya...	Reimbursement	32.29			86,426.50
03/20/2024	2615	MCMASTER-CARR	22000 · Accounts Paya...	INVOICE 860...	39.83			86,386.67
03/20/2024	2616	Microbac Laboraorie...	22000 · Accounts Paya...	February State...	285.00			86,101.67
03/20/2024	2617	PIERSON BUILDIN...	22000 · Accounts Paya...	CUST 1685	276.53			85,825.14
03/20/2024	2618	RECOLOGY HUMB...	22000 · Accounts Paya...	CUST 060790...	593.59			85,231.55
03/20/2024	2619	Restif Cleaning Servi...	22000 · Accounts Paya...		720.00			84,511.55
03/20/2024	2620	Robert Colburn Elect...	22000 · Accounts Paya...	MCSD	7,434.74			77,076.81
03/20/2024	2621	The Mitchell Law Fir...	22000 · Accounts Paya...	Inv 3288	385.00			76,691.81
03/20/2024	2622	VALLEY PACIFIC ...	22000 · Accounts Paya...	10366	188.79			76,503.02
03/21/2024			12000 · Accounts Rece...	Deposit			7,577.97	84,080.99
03/21/2024		QuickBooks Payroll ...	-split-	Created by Pay...	6,416.78			77,664.21
03/22/2024			12000 · Accounts Rece...	Deposit			2,419.53	80,083.74
03/22/2024			12450 · Accounts Rece...	Deposit			1,500.00	81,583.74
03/22/2024			12500 · Accounts Rece...	Deposit			251.17	81,834.91
03/22/2024			-split-	Deposit			16,480.29	98,315.20
03/22/2024		EFTPS	-split-	94-1653492	2,198.34			96,116.86
03/22/2024			-split-	Returned CK C...	170.00			95,946.86
03/22/2024	DD2099	BRODERICK, JOHN J	-split-	Direct Deposit		X		95,946.86
03/22/2024	DD2100	DROP, CHRISTOP...	-split-	Direct Deposit		X		95,946.86
03/22/2024	DD2101	FAULK-KELLOGG,...	-split-	Direct Deposit		X		95,946.86
03/22/2024	DD2102	KITTLESON, KEN...	-split-	Direct Deposit		X		95,946.86
03/22/2024	DD2103	Muniz**, Danielle	-split-	Direct Deposit		X		95,946.86
03/22/2024	DD2104	RYAN, MEGHAN	-split-	Direct Deposit		X		95,946.86
03/22/2024	DD2105	WATSON, ALISHA L	-split-	Direct Deposit		X		95,946.86
03/24/2024		OPTIMUM	-split-	paid online ACH	405.95			95,540.91
03/24/2024		OPTIMUM*	80000 · Sewer Dept. E...	paid online Ac...	73.66			95,467.25
03/25/2024			12000 · Accounts Rece...	ACH Returned ...	93.43			95,373.82
03/28/2024		VERIZON WIRELE...	-split-	Account #3420...	103.34			95,270.48
03/28/2024	2623	GHD	22000 · Accounts Paya...		53,373.75			41,896.73
03/29/2024			12000 · Accounts Rece...	Deposit			640.13	42,536.86
04/04/2024		QuickBooks Payroll ...	-split-	Created by Pay...	5,874.16			36,662.70
04/05/2024		EFTPS	-split-	94-1653492	2,029.48			34,633.22

Manila Community Services District

5/15/2024 1:04 PM

Register: 10117 · Coast Central Checking

From 03/20/2024 through 05/15/2024

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/05/2024	DD2106	DROP, CHRISTOP...	-split-	Direct Deposit		X		34,633.22
04/05/2024	DD2107	KITTLESON, KEN...	-split-	Direct Deposit		X		34,633.22
04/05/2024	DD2108	WATSON, ALISHA L	-split-	Direct Deposit		X		34,633.22
04/08/2024	2641	PACIFIC GAS AND...	22000 · Accounts Paya...	3428857410-5	3,500.00			31,133.22
04/09/2024			12000 · Accounts Rece...	Deposit			7,153.56	38,286.78
04/09/2024			12999 · Undeposited F...	Deposit			6,060.00	44,346.78
04/11/2024			12000 · Accounts Rece...	Deposit			1,280.65	45,627.43
04/11/2024		SDRMA Ancillary	60000 · Water Dept. E...	Auto-pay May ...	2,819.32			42,808.11
04/11/2024		PACIFIC GAS AND...	70000 · Sewer COG:70...	3428857410-5 ...	388.12			42,419.99
04/11/2024		Debit Card- CCCU	-split-	Clean it supply	231.86			42,188.13
04/11/2024	2624	TIM BRETHAUER	22000 · Accounts Paya...	INV 151737 I...	525.00			41,663.13
04/16/2024		EMPLOYMENT DE...	-split-	499-0210-9	2,688.42			38,974.71
04/18/2024			12000 · Accounts Rece...	Deposit			7,551.50	46,526.21
04/18/2024		Debit Card- CCCU	PW69000 · Public Wor...	Signs.com	79.86			46,446.35
04/18/2024		Debit Card- CCCU	PW69000 · Public Wor...	SafetySigns.com	308.32			46,138.03
04/18/2024		QuickBooks Payroll ...	-split-	Created by Pay...	5,975.35			40,162.68
04/18/2024		QuickBooks Payroll ...	-split-	Created by Pay...	4,833.22			35,329.46
04/19/2024		EFTPS	-split-	94-1653492	3,903.42			31,426.04
04/19/2024		OPTIMUM	-split-	paid online ACH	405.22			31,020.82
04/19/2024		OPTIMUM*	80000 · Sewer Dept. E...	paid online Ac...	73.37			30,947.45
04/19/2024	DD2109	DROP, CHRISTOP...	-split-	Direct Deposit		X		30,947.45
04/19/2024	DD2110	KITTLESON, KEN...	-split-	Direct Deposit		X		30,947.45
04/19/2024	DD2111	WATSON, ALISHA L	-split-	Direct Deposit		X		30,947.45
04/19/2024	DD2112	DROP, CHRISTOP...	-split-	Direct Deposit		X		30,947.45
04/22/2024			12000 · Accounts Rece...	Deposit			6,992.56	37,940.01
04/22/2024			12770 · Prop 1 Accoun...	Deposit			142,947.00	180,887.01
04/22/2024	2625	DROP*, CHRISTOP...	22000 · Accounts Paya...	Reimbursement	159.90			180,727.11
04/22/2024	2626	TIM BRETHAUER	22000 · Accounts Paya...	VOID: INV 15...		X		180,727.11
04/22/2024	2627	TIM BRETHAUER	22000 · Accounts Paya...	INV 151738 I...	450.00			180,277.11
04/24/2024	2628	ASHLEY SNOOK	23000 · CBSW Custo...	DEPOSIT REF...	51.05			180,226.06
04/24/2024	2629	JONA KAVANAUGH	23000 · CBSW Custo...	DEPOSIT REF...	34.96			180,191.10
04/24/2024	2630	ANDREW MORIN	23000 · CBSW Custo...	DEPOSIT REF...	79.79			180,111.31
04/24/2024	2631	ADVANCED SECU...	22000 · Accounts Paya...		201.00			179,910.31
04/24/2024	2632	BADGER METER	22000 · Accounts Paya...	INV 80154913...	4.50			179,905.81
04/24/2024	2633	CBS LEASING CO...	22000 · Accounts Paya...	003-0610693-0...	272.22			179,633.59
04/24/2024	2634	EFTPS	22000 · Accounts Paya...	VOID: Tax un...		X		179,633.59
04/24/2024	2635	EUREKA RUBBER ...	22000 · Accounts Paya...	Inv A37894	16.04			179,617.55
04/24/2024	2636	GHD	22000 · Accounts Paya...	INV 380-0045...	3,772.00			175,845.55
04/24/2024	2637	HENSEL'S ACE HA...	22000 · Accounts Paya...	CUST 351	275.35			175,570.20
04/24/2024	2638	HUMBOLDT BAY ...	22000 · Accounts Paya...	March 1-29, 20...	7,347.87			168,222.33

Manila Community Services District

5/15/2024 1:04 PM

Register: 10117 · Coast Central Checking

From 03/20/2024 through 05/15/2024

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/24/2024	2639	Kahle Industries	22000 · Accounts Paya...	Mowing Park 3...	487.50			167,734.83
04/24/2024	2640	MCMASTER-CARR	22000 · Accounts Paya...	INVOICE 198...	70.19			167,664.64
04/24/2024	2642	PIERSON BUILDIN...	22000 · Accounts Paya...	CUST 1685	199.92			167,464.72
04/24/2024	2643	RECOLOGY HUMB...	22000 · Accounts Paya...	CUST 060790...	593.59			166,871.13
04/24/2024	2644	SECURITY LOCK ...	22000 · Accounts Paya...	1813	24.58			166,846.55
04/24/2024	2645	The Mitchell Law Fir...	22000 · Accounts Paya...	Inv 3505	22.00			166,824.55
04/24/2024	2646	VALLEY PACIFIC ...	22000 · Accounts Paya...	10366	222.38			166,602.17
04/24/2024	2647	Wahlund Constructio...	22000 · Accounts Paya...	Engineer's proj...	139,175.00			27,427.17
04/24/2024	2648	IRS - EFTPS	22000 · Accounts Paya...	Tax underpaym...	1,205.16			26,222.01
04/24/2024	2649	Restif Cleaning Servi...	22000 · Accounts Paya...	Bathroom Clea...	360.00			25,862.01
05/01/2024			12000 · Accounts Rece...	Deposit			588.85	26,450.86
05/01/2024			12500 · Accounts Rece...	Deposit			279.35	26,730.21
05/02/2024		Debit Card- CCCU	-split-	target	99.31			26,630.90
05/02/2024		Debit Card- CCCU	-split-	Amazon	56.98			26,573.92
05/02/2024		QuickBooks Payroll ...	-split-	Created by Pay...	5,874.14			20,699.78
05/03/2024		EFTPS	-split-	94-1653492	2,029.50			18,670.28
05/03/2024	DD2113	DROP, CHRISTOP...	-split-	Direct Deposit		X		18,670.28
05/03/2024	DD2114	KITTLESON, KEN...	-split-	Direct Deposit		X		18,670.28
05/03/2024	DD2115	WATSON, ALISHA L	-split-	Direct Deposit		X		18,670.28
05/07/2024		SDRMA Ancillary	60000 · Water Dept. E...	Auto-pay June ...	2,819.32			15,850.96
05/07/2024		PACIFIC GAS AND...	70000 · Sewer COG:70...	3428857410-5 ...	3,824.25			12,026.71
05/07/2024		VERIZON WIRELE...	-split-	Account #3420...	103.30			11,923.41
05/07/2024		Debit Card- CCCU	-split-	Lemon Squeez...	59.99			11,863.42
05/07/2024		Debit Card- CCCU	PW69000 · Public Wor...	Mosquito Dunks	270.28			11,593.14
05/14/2024		QuickBooks Payroll ...	-split-	Created by Pay...	5,924.40			5,668.74
05/15/2024	DD2116	DROP, CHRISTOP...	-split-	Direct Deposit		X		5,668.74
05/15/2024	DD2117	KITTLESON, KEN...	-split-	Direct Deposit		X		5,668.74
05/15/2024	DD2118	WATSON, ALISHA L	-split-	Direct Deposit		X		5,668.74

GOVERNING BOARD MEMBER - SPECIAL DISTRICT

NOTICE OF APPOINTMENT

Elections Code 10515

NOTICE IS HEREBY GIVEN that on **March 19, 2024**, **CYNTHIA A BACHEMIN** was appointed to the office of Governing Board Member of the **MANILLA COMMUNITY SERVICE DISTRICT**, County of Humboldt, by the Governing Board of the above district. The term of this office is the remainder of 2 years ending on the first Friday of December, 2024.

Dated: _____

Juan P. Cervantes
County Registrar of Voters

By _____

Deputy Clerk

OATH OF OFFICE

Govt Code Sections 1360-1363, inclusive,
3105 Section 3, Article XX, State Constitution

I, **CYNTHIA A BACHEMIN**, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

(Signed) _____

(Dated) _____

(Residential Address) _____

Signature of person administering oath

ROSTER OF PUBLIC OFFICIALS

Legal Name of Agency: Manila Community Services District

Mailing Address: 1901 Park Street Arcata, CA. 95521

Telephone: 707-444-3803 Fax: 707-444-0231

EMAIL: manilacsd1@sbcglobal.net

Members of Governing Board (if you need additional space, please use a separate piece of paper)

Name: Meghan Ryan Current term ends: Dec 2026

Residence address: _____

Name: John Broderick Current term ends: Dec 2024

Residence address: _____

Name: Sequoyah Faulk Current term ends: Dec 2024

Residence address: _____

Name: Danielle Muniz Current term ends: Dec 2026

Residence address: _____

Name: Cynthia Bachemin Current term ends: Dec 2024

Residence address: _____

Title and name of Presiding Officer: President Meghan Ryan

Address: _____

Name of secretary or clerk: Secretary

Address: _____

Address where records are maintained: 1901 Park Street Arcata, CA. 95521

Frequency, time and place of board meetings: Third Tuesday/Month @ 6:30 p.m.
1611 Peninsula Dr. Arcata, CA. 95521 / Remote via Zoom 3742372467

Submitted by: _____ Date: May 10, 2024
(signature)

Title: General Manager