

# **CASITAS MUNICIPAL WATER DISTRICT**

Oak View, California

## ***COMPREHENSIVE ANNUAL FINANCIAL REPORT***

FISCAL YEAR ENDED

JUNE 30, 2003

ACCOUNTING SECTION

KENNETH W. WEBER – ACCOUNTING MANAGER/TREASURER

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**JUNE 30, 2003**

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December 23, 2003

Honorable Board of Directors  
Casitas Municipal Water District  
1055 Ventura Avenue  
Oak View, CA 93022

Gentlemen:

The Comprehensive Annual Financial Report of Casitas Municipal Water District ("District") for the year ended June 30, 2003 is hereby submitted in conformity with generally accepted accounting principles as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate, in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by its financial activity; and all disclosures necessary to enable the reader to gain a full understanding of the District's financial affairs have been included.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The Introductory Section includes the title page, a table of contents, this transmittal letter, a listing of elected District officials and management personnel, and the organizational chart for the District. The Financial Section includes the general purpose financial statements and the supplemental statements and schedules, as well as the independent auditor's report on the general purpose financial statements and supplemental information and schedules. The Statistical Section, which is un-audited, includes selected financial and demographic information generally presented on a multi-year basis.

## **GOVERNMENTAL STRUCTURE**

The Casitas Municipal Water District is a special district of the State of California that provides domestic and agricultural water services to the western portion of Ventura County. The District's Board of Directors is composed of five members who are elected in specified election districts. The Directors serve terms of four years with an election held every two years for alternating district. The District also provides recreational activities at Lake Casitas. The water district and the lake activities are accounted for in an enterprise fund.

Formed in 1952, the District was the inspiration of area civic leaders, cattlemen, and citrus ranchers who were frustrated by a severe drought and subsequent water rationing. Between 1952 and 1956, when ground was broken for Casitas Dam, the District sought and obtained commitments for 50-year federal loans to construct Casitas Dam and the Robles-Casitas Diversion Canal. Engineers drilled through 1,800 feet of rock for the outlet tunnel, and built an earthen dam with 9.2 million cubic yards of earth. Final cost of the reservoir, dam and Lake Casitas Recreation Area was \$ 31 million.

Drawing from the 105-square mile watershed, Lake Casitas began to form in the Santa Ana Valley. In 1978, 19 years after the dam's completion, the lake overflowed for the first time. With a capacity of 254,000-acre feet, the reservoir has a shoreline of 35 miles and provides water to over 50,000 people.

Water quality is strictly controlled in the surrounding 3,200-acre Charles M. Teague Memorial Watershed. Since 1974, the federal government has spent more than \$ 25 million to purchase lands in the watershed to preserve water quality from the pollution of over development.

For the past forty-two years, Casitas Municipal Water District has been a strong proponent of watershed protection and lake management. The efforts to protect Lake Casitas watershed and lake management practices developed by the District provide an excellent quality of water to the customers. Regulatory changes affecting surface waters had moved the District through considerations for filtration avoidance to the conclusion that construction of a water filtration plant was necessary to meet regulatory requirements. The Marion R. Walker Pressure Filtration Plant was designed and constructed to meet those requirements and became fully operational on November 6, 1997. Casitas was proud to receive a water supply permit from the Department of Health Services granting the District permission to supply water for domestic purposes after completion of the treatment plant.

## **ECONOMIC CONDITIONS AND OUTLOOK**

Much has happened over the past year, yet much is unchanged. At this time last year we had just gone through September 11. We had essentially completed a war in Afghanistan. We were just learning about a financial scandal at Enron. Industrial capacity utilization was low at just below 75 percent. Interest rates were at record low levels. Housing prices were increasing. California had not solved its energy problem. California had a budget problem of large, but unknown, size. We expected the United States' economy to grow only slowly in the coming year. We expected the California economy to underperform that of the United States. We expected the Ventura County economy to outperform those of California, the United States, and just about every place.

Many of these problems remain. What's more, some have become worse and new ones have joined them.

Last year our forecast was really pretty pessimistic for California and the United States. While we were more optimistic about Ventura County, the economic growth forecast of the County was quite a bit below the County's growth of the late 1990s. It is probably clear that the UCSB Economic Forecast Project's forecast for this year is pretty similar. The fundamentals just don't give us cause to be more optimistic.

Ventura County Housing is also an issue. Currently, only about 30 percent of the County's population could afford to purchase the County's median priced home at standard rates and terms. This compares to about 50 percent for the United States and about 30 percent for the state of California. Again, we expect this to remain relatively unchanged.

So, are home prices in Ventura County too high? Will home prices soon fall as they did in the early 1990s? My answer to both of these questions is : I do not think so. Perhaps the best way to proceed is to see exactly what happened in the early 1990s. The most important industry has clearly not swamped the market with new product. I expect supply to not increase significantly in the near future.

All this is not to say that there are no risks. In fact, the world is a much riskier place that it was two years ago. It is even riskier than it was one year ago. Economic growth is rather weak right now. It would not take much shock to push us into a new and potentially more serious recession. We have suffered one very serious terrorist attack, and another one could come at any time.



## **State**

We expect economic activity, nationally and in California, to be barely positive in 2003. California will feel not only the effects of the National recession, but it has its own problems. The budget problems are in the press daily. The concentration in High Tech is obvious. The energy issue is not so obvious. Still there are effects. The uncertainty about the availability of electricity is surely discouraging business investment in California, and slowing economic growth.

## **County Forecast Highlights**

- The income of Ventura County residents will continue to grow at impressive rates.
- Retail sales will increase more rapidly in Ventura County than in most United States markets.
- Manufacturing, particularly high-tech, will continue to expand in Ventura County.
- New construction of residential homes will slow as housing allocations impact supply.
- Home prices will continue to climb in Ventura County.
- The housing affordability measure will remain essentially unchanged.

## **Employment**

Service is the dominant Sector of Ventura County's economy with 27 percent of Ventura County's jobs. Government, with 17 percent of County jobs, and Retail Trade, with 19 percent of county jobs, are the other two very large sectors. Agriculture, while still important, now provides only 7 percent of County jobs.

## **Average Salary**

The average Ventura County salary was an estimated \$36,634 in 2002. This was up \$1,538 from the year 2001 County average salary of \$35,096. The Manufacturing sector saw the greatest increase in salaries.

## **Retail Sales**

Ventura County taxable sales and retail sales have been growing rather impressively for several years now. In 2002, total retail sales were \$7.1 billion up from the \$6.9

billion in 2001. However, given the national economic climate, these growth figures look pretty good.

### **Home Prices and Sales**

Residential real estate activity in Ventura County 2002 was a story of continuing strength. The level of sales and price appreciation has not been significantly slowed by 9/11. During the year 2002, the median resale price in the County averaged \$367,900, in 2001 the median resale price in the County averaged \$312,500 and sales levels were 8,652 units. The local market for homes continues to benefit from: relatively low mortgage rates, the continued expansion of the bio-tech industry in the area, (e.g. Amgen and Baxter Pharmaceuticals), and proximity to the still healthy Southern California communities of Santa Barbara and Los Angeles.

### **Issues in Ventura County Agriculture**

Agriculture is a difficult business. Competition, domestic and international, is always increasing. The technology is always changing. The pressure to control costs is unremitting. Regulatory changes are frequent. Pests, and the threat of pests, are ever present. However, Ventura County growers face additional challenges.

While we did not experience the electrical blackouts predicted last summer, California electrical prices are up substantially from the previous years. Ventura County agriculture is an energy intensive business, and these rising costs are putting new stresses on our growers. High housing costs increase the difficulty of finding quality labor. Increasing confrontations at the boundary of rural and urban areas increase grower's costs.

### **OUTLOOK FOR CASITAS**

The future outlook for Casitas continues to look good because of both an increase in water sales and recreation revenue and Casitas' ability to provide quality water. The financial statements prove this and also show an increase of operating revenue which demonstrates our controls over costs.

Under normal conditions Casitas will continue to meet its operating expenses. We continue to increase our water rates in January so that we can have a reserve to pay back our requirement of the work on the dam. We are planning to replace and increase our infrastructure over the next few years and this will have an effect in using our reserves that were set up for this particular type of work. Overall, Casitas is still striving to provide the best customer service in the industry.

### **FUTURE PROJECTS AND CHALLENGES**

In 1998, the United States Department of the Interior, Bureau of Reclamation (USBR) under the Safety of Dams Program had determined that the Casitas Dam needed to be modified to come up to the current standard for dam safety in the event of a major earthquake. The District and the USBR are still negotiating a contract with Casitas sharing a portion of the project cost. Casitas did pay \$2,125,765 during the year. Casitas still may be responsible for approximately \$3.8 million or more of the project's anticipated total cost.

In late 1997, the National Marine Fisheries Service (NMFS) listed the anadromous steelhead trout in Southern California as an endangered species. This action required that any project or action they may affect steelhead or their habitats require consultation with NMFS to obtain an incidental "take" permit. Since operations and maintenance or water diversions, flood control channels, and sewage treatment plants may affect steelhead in the Ventura River, project operators have been required to

consult with NMFS to obtain permits. Casitas has been part of a group of local public and private agencies that have been collaborating to develop a single management plan that can be used for all local agencies which will address the steelhead issues and permit required. The objectives of this plan are two fold; 1) to identify measures to mitigate impacts of ongoing operations and maintenance activities and of future projects, and 2) to identify evaluate opportunities to promote recovery and restoration of steelhead in the watershed.

In response to the steelhead objectives, Casitas has issued a construction contract to build a combination fish ladder and screen to be built in the 2003-2005 fiscal years for a cost of \$6.4 million to enable the steelhead trout to gain access to their natural habitat.

Casitas has hired a Fishery Biologist to help with the NMFS collaboration, to monitor the system and verify that we are doing all we can to protect the steelhead.

Casitas has designed a web site for the internet that would provide services to our customers and continues to modify it to meet our objectives. The web site would include features like reservations for activities of Lake Casitas, on line payments for utility billing and storage fees, information about Casitas, water applications forms, instructions for new customers and information about upcoming events. Casitas continues to use our Information Technology Manager to bring all our systems into the current technological mainstream. This project continues to be updated and designed as the technology changes. Casitas has hired a Public Relations Manager to help us get the information to our customers.

## **FINANCIAL INFORMATION**

### ***Internal Controls***

Casitas maintains an internal control structure designed to insure that assets of the District are protected from loss, theft, or misuse and to ensure adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that the assets of the District will be safeguarded against loss from unauthorized use or disposition, and to ensure the reliability of financial records, accurate preparation of financial statements, and maintenance of accountability for assets. Casitas is an Enterprise Fund and uses the modified accrual basis of accounting and is financed and operated in a manner similar to private business enterprises. The intent of Casitas is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

### ***General Functions***

The following schedule represents a summary of revenues and expenditures for all operations of Casitas. The total revenues increased from operation for the year ended June 30, 2002 compared to the previous year because of an increase in revenues from both water sales and service and its recreation operations.

The total expenditures increased for the year ended June 30, 2003 compared to the previous year due to the increased costs from Source and Supply, Pumping, Transmission and Distribution, Customer Service, Administration and General. Other expenditures were due to a drought year with high water production and a grant for building a boat ramp at Lake Casitas.

## ***Debt Administration***

Casitas adheres to prudent financial practices regarding all debt financing. Casitas has two voter-approved bonds outstanding for the Casitas Dam and State Water Project and a special assessment bond payable amounting to \$9,650,904 as of June 2003.

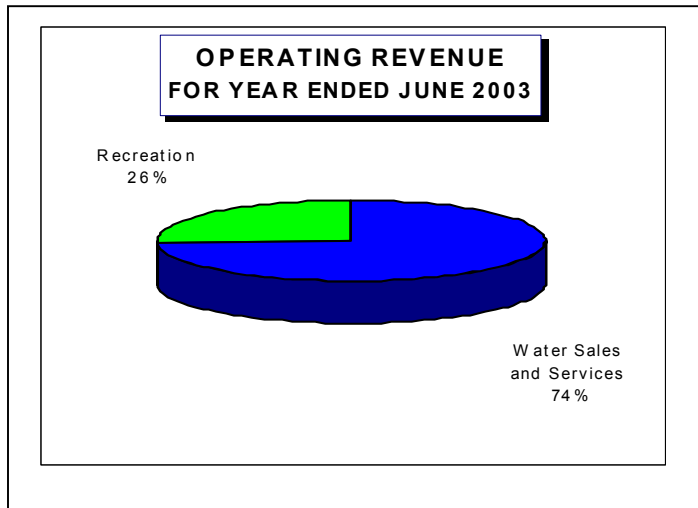
Casitas has a debt on the Marion R. Walker Pressure Filtration Plant of \$4,312,620 from the State of California Department of Water Resources, which is being repaid through its operational revenues.

<b>CASITAS MUNICIPAL WATER DISTRICT</b>				
<b>FINANCIAL OPERATING HIGHLIGHTS</b>				
<b>YEAR ENDED JUNE 30, 2003</b>				
<i>(with comparative totals for June 30, 2002)</i>				
<i>(In Thousands)</i>				
	<u>2002-2003</u>	<u>Percent</u>	<u>2001-2002</u>	<u>Percent</u>
	<u>Amount</u>	<u>of Total</u>	<u>Amount</u>	<u>of Total</u>
<b>OPERATING REVENUE:</b>				
WATER SALES AND SERVICE	\$6,226,072	74.0%	\$6,014,499	68.0%
RECREATION REVENUE	2,191,092	26.0%	2,835,952	32.0%
	<hr/>			
<b>TOTAL OPERATING REVENUES</b>	<b>\$8,417,164</b>	<b>100.0%</b>	<b>\$8,850,451</b>	<b>100.0%</b>
<hr/>				
<b>OPERATING EXPENSE:</b>				
SOURCE OF SUPPLY	\$833,874	9.9%	\$841,440	10.7%
PUMPING	1,673,384	19.8%	1,577,104	20.1%
WATER TREATMENT	1,322,218	15.7%	1,204,385	15.4%
TRANSMISSION AND DISTRIBUTION	631,967	7.5%	603,458	7.7%
TELEMETERING	179,509	2.1%	162,744	2.1%
CUSTOMER ACCOUNTS	302,980	3.6%	269,114	3.4%
ADMINISTRATION AND GENERAL	1,491,026	17.7%	1,309,717	16.7%
RECREATION	2,011,226	23.8%	1,866,149	23.8%
	<hr/>			
<b>TOTAL OPERATING EXPENSES</b>	<b>\$8,446,184</b>	<b>100.0%</b>	<b>\$7,834,111</b>	<b>100.0%</b>
<hr/>				
OPERATING PROFIT / (LOSS)	<u>(\$29,020)</u>		<u>\$1,016,340</u>	
<hr/>				
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
PROPERTY TAXES	\$2,698,760	94.9%	\$2,325,808	79.6%
FEDERAL AID	-	0.0%	55,330	1.9%
CAPITAL FACILITIES FEES	93,002	3.3%	134,426	4.6%
INTEREST INCOME	240,699	8.5%	495,218	17.0%
INTEREST EXPENSE	(326,681)	-11.5%	(141,823)	-4.9%
OTHER REVENUE/(EXPENSE) - NET	137,214	4.8%	52,550	1.8%
	<hr/>			
<b>NON-OPERATING REVENUE</b>	<u>\$2,842,994</u>		<u>\$2,921,509</u>	
<b>(EXPENSE) - NET</b>	<u>100.0%</u>		<u>100.0%</u>	
<hr/>				
<b>NET INCOME</b>	<b>\$2,813,974</b>		<b>\$3,937,849</b>	

### ***Cash Management***

Cash is pooled for the purpose of increasing interest income through investment activities. Pooled investments are stated at cost or amortized cost, which apportions market value. Cash and investments are kept at the Bank of America, State of California Local Agency Investment Fund (LAIF), the County Treasurer, the Federal Reserve, in the form of Treasury Bills. The average yield on investments for the fiscal year 2002-03 was 1.77%. Bank deposits

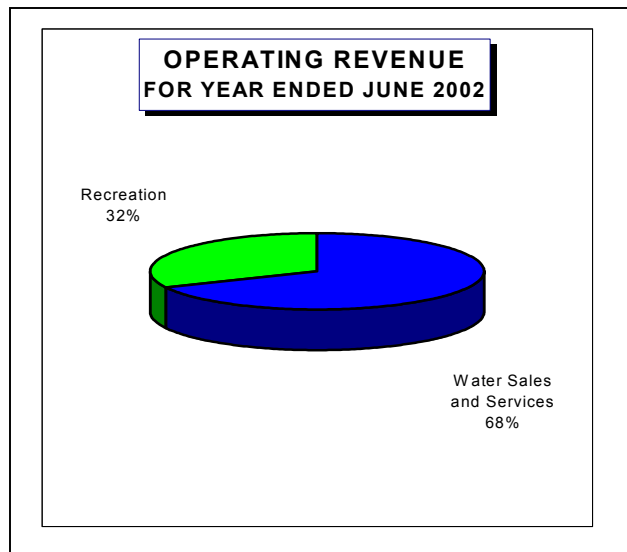
of \$100,000 or less are insured by FDIC insurance. Certain bank deposits over \$100,000 are required by California Government Code to be collateralized with U.S. Treasury Securities or first trust deed mortgages.



### ***Risk Management***

Casitas is insured through Driver Cal-Central for property, liability and worker's compensation coverage as our broker. Property coverage has a \$ 250,000 deductible and liability is \$ 25,000 self-insured. The commercial coverage was purchased for worker's compensation liability from State Compensation Fund.

The District has striven toward a goal of keeping employees safe by forming a Safety Committee comprised of members from each section of the District to discuss and implement training, regulations and practices in order to accomplish the goal. Safety inspections are performed regularly for employee safety and the reduction of public injury or liability.



## **OTHER INFORMATION**

### ***Independent Audit***

The financial statements have been audited by the certified public accounting firm of Porter & Company. Casitas' independent auditor has reviewed the adequacy of internal controls and the supplementary financial information included in the Comprehensive Annual Financial Report as they relate to the fairness of presentation of Casitas' financial statements. The Auditor's Report is included in the Financial Section of this report.

### ***Certificate of Achievement***

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Casitas Municipal Water District for its comprehensive annual financial report for the fiscal year ended June 30, 2002. This was the sixth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally acceptable accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

### ***Acknowledgments***

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Accounting Services Section of Casitas Municipal Water District. I express my appreciation to the members of the Accounting Services Section and our independent auditors, Porter & Company, all of whom assisted in and contributed to its preparation. I also thank the Board of Directors and the management members for their interest and support in planning and conducting the financial operations of the District in a responsible and effective manner.

Respectfully submitted,



Kenneth W. Weber  
Accounting Manager/Treasurer



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Casitas Municipal  
Water District, California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

# **CASITAS MUNICIPAL WATER DISTRICT**

## **DIRECTORY**

**JULY 1, 2002 – JUNE 3**

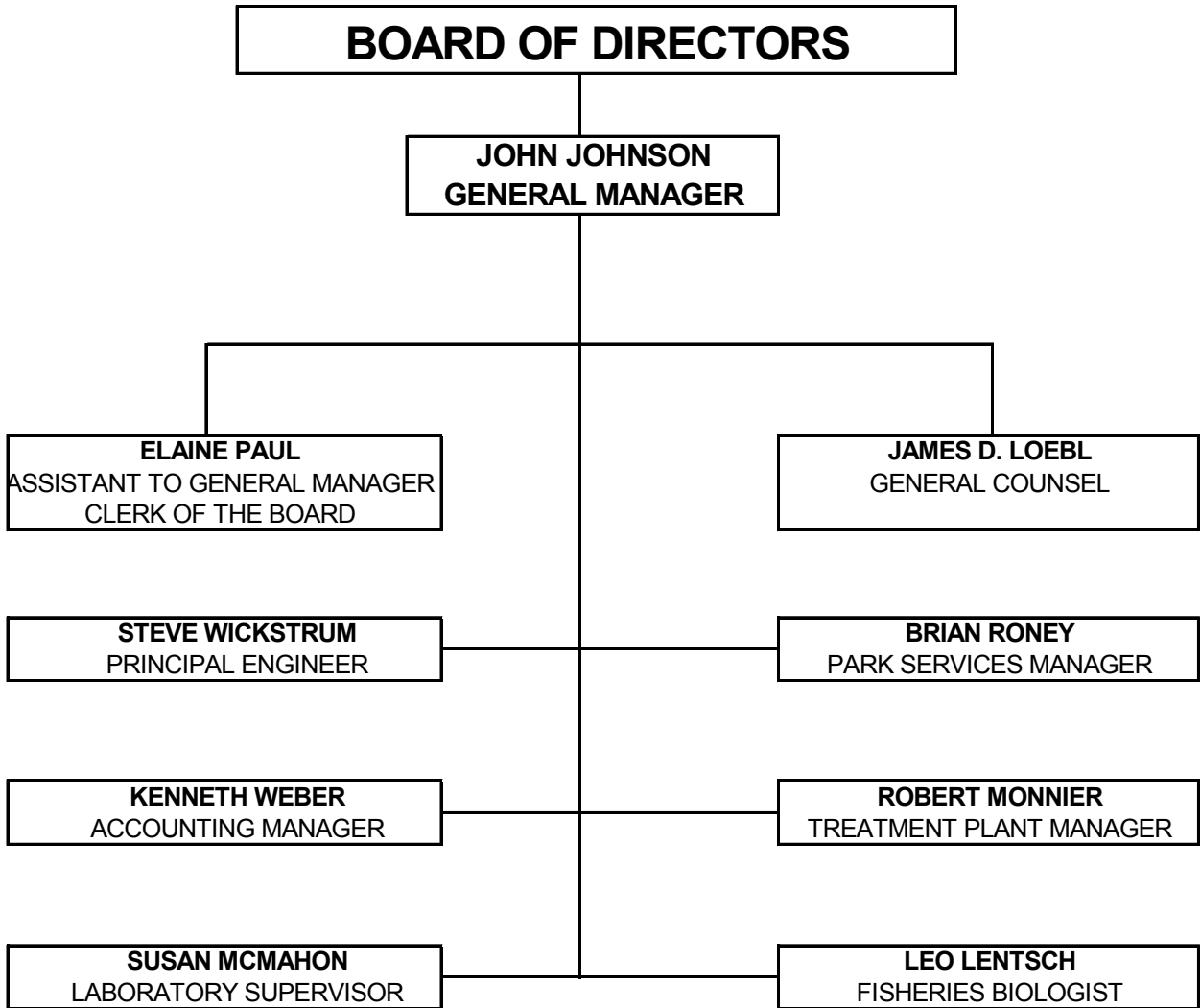
### **BOARD OF DIRECTORS**

<b>Board Member</b>	<b>Title</b>	<b>Date of Original Election of Appointment</b>	<b>Ending Date of Term</b>
<b>Chuck Bennett</b>	<b>President</b>	<b>September 1999</b>	<b>December 2006</b>
<b>James Word</b>	<b>Vice President</b>	<b>May 1997</b>	<b>December 2004</b>
<b>Bill Hicks</b>	<b>Secretary</b>	<b>November 1990</b>	<b>December 2006</b>
<b>Pete Kaiser</b>	<b>Assistant Secretary</b>	<b>November 2002</b>	<b>December 2004</b>
<b>James Coultas</b>	<b>Director</b>	<b>November 1981</b>	<b>December 2004</b>

### **STAFF**

John J. Johnson	General Manager
Elaine Paul	Assistant to General Manager/Clerk of the Board
James D. Loebel	General Counsel
Steve Wickstrum	Principal Civil Engineer
Brian Roney	Park Services Manager
Ken Weber	Accounting Manager
Bob Monnier	Treatment Plant Manager
Leo Lentsch	Fisheries Biologist

**ORGANIZATION CHART**  
JULY 1, 2002 TO JULY 30, 2003



# **FINANCIAL SECTION**



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E-mail: [info@porterandcompany.com](mailto:info@porterandcompany.com)

**Board of Directors and Members  
Casitas Municipal Water District  
Oak View, CA**

### **Independent Auditor's Report**

I have audited the accompanying balance sheets of Casitas Municipal Water District as of June 30, 2003 and 2002 and the related statements of revenues and expenses and changes in retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on the general-purpose financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California special districts. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of Casitas Municipal Water District as of June 30, 2003 and 2002 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

My audits were conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying supplemental schedules are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Porter & Company*

November 17, 2003



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E-mail: [info@porterandcompany.com](mailto:info@porterandcompany.com)

**Board of Directors and Members  
Casitas Municipal Water District  
Oak View, CA**

**Independent Auditor's Report on the Internal Control Structure  
Based on an Audit of General Purpose Financial Statements  
Performed in Accordance with Government Auditing Standards**

I have audited the general-purpose financial statements of the Casitas Municipal Water District as of and for the years ended June 30, 2003 and 2002, and have issued my report thereon dated November 17, 2003.

I conducted my audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A-128, "Audits of State and local governments." Those standards and OMB Circular A-128 require that I plan and perform the audits to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing my audits of the general purpose financial statements of the Casitas Municipal Water District for the years ended June 30, 2003 and 2002, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the Casitas Municipal Water District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories:

- Revenues/receipts
- Purchasing/disbursements
- Payroll
- General ledger

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

This report is intended for the information of management and the District. However, this report is a matter of public record and its distribution is not limited.

*Porter & Company*

November 17, 2003





PORTER & COMPANY

*Certified Public Accountant*

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Fax: (805) 650-0511  
Website: [www.porterandcompany.com](http://www.porterandcompany.com)  
E-mail: [info@porterandcompany.com](mailto:info@porterandcompany.com)

**Board of Directors and Members  
Casitas Municipal Water District  
Oak View, CA**

**Independent Auditor's Report on Compliance Based on an Audit of  
General Purpose Financial Statements Performed  
in Accordance with Government Auditing Standards**

I have audited the general-purpose financial statements of the Casitas Municipal Water District as of and for the years ended June 30, 2003 and 2002, and have issued my report thereon dated November 17, 2003.

I conducted my audits in accordance with generally accepted auditing standards, the Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Casitas Municipal Water District is the responsibility of the Casitas Municipal Water District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Casitas Municipal Water District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audits of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests indicate that, with respect to the items tested, the Casitas Municipal Water District complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the Casitas Municipal Water District had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the District. However, this report is a matter of public record and its distribution is not limited.

*Porter & Company*

November 17, 2003

# **GENERAL PURPOSE FINANCIAL STATEMENTS**



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# Casitas Municipal Water District

## Balance Sheet

As of June 30, 2003 and 2002

<b><u>ASSETS</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	\$ 5,616,575	\$ 1,021,172
Investments	5,485,847	3,190,306
Accounts Receivable	619,515	754,587
Other Receivables	205,382	376,284
Property Tax Receivable	24,523	333
Interest Receivable	-	68,597
Inventories		
Material and Supplies	54,004	64,816
Water in Storage	606,735	642,762
Prepaid Rent	47,775	47,775
Deposits	1,000	1,000
 Total Current Assets	 <u>12,661,356</u>	 <u>6,167,632</u>
<b><u>Restricted Assets</u></b>		
Investments	-	4,683,957
Taxes Receivable	36,740	1,251
Assessments Receivable	239,424	245,064
Due From Other Agencies	8,614	8,615
 Total Restricted Assets	 <u>284,778</u>	 <u>4,938,887</u>
 Plant and Equipment, Net	 <u>57,692,350</u>	 <u>53,657,355</u>
<b><u>Other Assets</u></b>		
Designated Investments	560,969	5,092,211
Noncurrent Receivable	28,555	33,409
Other	22,040	22,040
Prepaid Rent	214,988	262,763
Inventory - Water In Storage	3,033,674	3,213,809
Entitlement - State Water Project	11,294,084	10,854,824
Loan Fee, Net	195,083	205,628
 Total Other Assets	 <u>15,349,393</u>	 <u>19,684,684</u>
 Total Assets	 <u>\$ 85,987,877</u>	 <u>\$ 84,448,558</u>

(Continue)

See Auditor's Report  
The Notes to Financial Statements Are An Integral Part of This Statement

# Casitas Municipal Water District

## Balance Sheet *(continued)*

As of June 30, 2003 and 2002

### LIABILITIES AND EQUITY

	<u>2003</u>	<u>2002</u>
<b><u>Current Liabilities</u></b>		
Current Portion of Long-Term Debt	\$ 293,892	\$ 1,135,725
Accrued Interest on Long-Term Debt	17,323	17,976
Accounts Payable	1,345,296	583,758
Accrued Vacation and Sick Leave Benefits	656,441	654,002
Other Accrued Liabilities	476,349	503,367
Customer Deposits and Retentions	500	500
	<hr/>	<hr/>
Total Current Liabilities	2,789,801	2,895,328
	<hr/>	<hr/>
<b><u>Long-Term Liabilities</u></b>		
Long-Term Debt	13,669,632	14,838,760
	<hr/>	<hr/>
Total Liabilities	16,459,433	17,734,088
	<hr/>	<hr/>
<b><u>Equity</u></b>		
Contributed Capital	-	6,199,923
Retained Earnings		
Reserved for Debt Retirement	15,330	15,690
Net Assets Invested in Capital Assets	6,145,067	
Unreserved	63,368,047	60,498,857
	<hr/>	<hr/>
Total Equity	69,528,444	66,714,470
	<hr/>	<hr/>
Total Liabilities and Equity	\$ 85,987,877	\$ 84,448,558
	<hr/> <hr/>	<hr/> <hr/>

See Auditor's Report

The Notes to Financial Statements Are An Integral Part of This Statement

## Casitas Municipal Water District

### Statement of Revenues, Expenses and Changes in Retained Earnings

For the Years Ended June 30, 2003 and 2002

	<b>2003</b>	<b>2002</b>
<b><u>Operating Revenues</u></b>		
Water Sales and Services	\$ 6,226,072	\$ 6,014,499
Recreation Revenue	2,191,092	2,835,952
	<b>8,417,164</b>	<b>8,850,451</b>
<b><u>Operating Expenses</u></b>		
Source of Supply	833,874	841,440
Pumping	1,673,384	1,577,104
Water Treatment	1,322,218	1,204,385
Transmission and Distribution	631,967	603,458
Telemetry	179,509	162,744
Customer Accounts	302,980	269,114
Administration and General	1,491,026	1,309,717
Recreation	2,011,226	1,866,149
	<b>8,446,184</b>	<b>7,834,111</b>
Total Operating Expenses	<b>8,446,184</b>	<b>7,834,111</b>
Operating Income	<b>(29,020)</b>	<b>1,016,340</b>
<b><u>Non-Operating Revenues (Expenses)</u></b>		
Property Taxes	2,698,760	2,325,808
Federal Aid	-	55,330
Capital Facilities Charges	93,002	134,426
Interest Income	240,699	495,218
Interest Expense	(326,681)	(141,823)
Other Revenue - Net	137,214	52,550
	<b>2,842,994</b>	<b>2,921,509</b>
Total Non-Operating Revenues (Expenses)	<b>2,842,994</b>	<b>2,921,509</b>
Net Income	2,813,974	3,937,849
Depreciation on Contributed Capital	54,856	53,749
	<b>2,868,830</b>	<b>3,991,598</b>
Increase in Retained Earnings	<b>2,868,830</b>	<b>3,991,598</b>
Retained Earnings, Beginning of Year	60,514,547	56,522,949
Prior Period Adjustment	6,145,067	-
Retained Earnings, End of Year	<b>\$ 69,528,444</b>	<b>\$ 60,514,549</b>

See Auditor's Report

The Notes to Financial Statements Are An Integral Part of This Statement

**Casitas Municipal Water District**  
**Statement of Cash Flows**  
For the Years Ended June 30, 2003 and 2002

	<b>2003</b>	<b>2002</b>
<b><u>Cash Flows From Operating Activities:</u></b>		
Net Operating Income	\$ (29,020)	\$ 1,016,340
<b><u>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:</u></b>		
Depreciation and Amortization	1,594,628	1,501,096
<b><u>Change in Assets and Liabilities:</u></b>		
Change in Accounts Receivable	140,712	(123,519)
Change in Other Receivables	(257,812)	(617,705)
Change in Property Tax Receivable	(59,679)	
Change in Interest Receivable	68,597	
Change in Material and Supplies Inventory	10,812	(4,588)
Change in Prepaid Rent and Other Prepays	47,775	50,936
Change in Noncurrent Receivables	4,854	8,882
Change in Stored Water Inventory	216,162	398,717
Change in Deposits	-	-
Change in Accounts Payable	761,538	(18,766)
Change in Other Current Liabilities	(25,232)	4,719
Change in Other Revenues	137,214	52,550
Total Adjustments	2,639,569	1,252,322
Net Cash Provided By Operating Activities	2,610,549	2,268,662
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>		
Capital Contributions in Aid of Construction	(6,199,923)	(2,445)
Change in Fixed Assets	(5,115,011)	(4,798,670)
Repayment of Long-Term Debt	(2,010,961)	(556,215)
Interest Payments	(326,681)	(141,823)
State Water Project Costs	(459,756)	(447,896)
Prior Period Adjustment	6,145,067	-
Capital Facilities Charges	93,002	134,426
Net Cash (Used) by Capital and Related Financing Activities	(7,874,263)	(5,812,623)
<b><u>Cash Flows from Non-Capital Financing Activities:</u></b>		
Property Taxes Collected	2,698,760	2,325,808
Federal Aid	-	55,330
Net Cash Provided by Non-Capital Financing Activities	2,698,760	2,381,138
<b><u>Cash Flows from Investing Activities:</u></b>		
Interest Received	240,699	495,218
Use (Purchases) of Investments	6,919,658	298,555
Net Cash Provided (Used) by Investing Activities	7,160,357	793,773
Net Increase (Decrease) in Cash	4,595,403	(369,050)
Cash and Cash Equivalents, Beginning of Year	1,021,172	1,390,222
Cash and Cash Equivalents, End of Year	\$ 5,616,575	\$ 1,021,172

See Auditor's Report  
The Notes to Financial Statements Are An Integral Part of This Statement

# Casitas Municipal Water District

## Notes to Financial Statements

For the Years Ended June 30, 2003 and 2002

### **NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Reporting Entity.** The Casitas Municipal Water District (the "District"), a special district of the State of California, provides domestic and agricultural water services to the western portion of Ventura County. The District's Board of Directors is composed of five members who are each elected in a specified election district.

**Principles of Presentation.** The accompanying financial statements have been prepared on the accrual basis of accounting. The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental enterprise funds. In accordance with Governmental Accounting Standards Board (GASB) Statement 20, the District has elected to follow only GASB statements and pronouncements for the period beginning after November 30, 1989.

**Budgetary Accounting.** An annual budget is adopted by the Board of Directors but is not a legal requirement of the District. The budget is used for operating management and internal accounting control and is not presented in the accompanying financial statements.

**Inventories.** Inventories consist of materials and supplies and water in storage. Inventories are stated at the lower of cost (determined on a first-in, first-out basis) or market. Water in storage is calculated using direct costs (including costs to operate the District's collecting reservoirs), depreciation and an overhead allocation.

**Plant and Equipment.** Plant and equipment are stated at cost, which includes labor, materials, purchased services, and certain general and administrative costs applicable to construction activities. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 years for equipment to 150 years for the dam.

**Compensated Absences.** The District's personnel policies provide for accumulation of vacation and sick leave. Liabilities for vacation and sick leave are recorded when benefits are earned. Full cash payment of unused vacation is available to those employees who retire or terminate. Permanent full-time employees who have completed eight or more years of service are entitled to one-half of accumulated sick leave upon voluntary separation from the District.

**Accounts Receivable.** Accounts receivable are shown net of allowance for uncollectible accounts, \$-0- at June 30, 2003 and 2002. Water revenues resulting from customer usage occurring after the last meter reading date and prior to the end of the year are estimated and accrued, and totaled \$110,033 and \$124,095 at June 30, 2003 and 2002, respectively.

**Statement of Cash Flows.** For purposes of the statement of cash flows, the District considers funds in the Local Agency Investment Fund and County of Ventura Investment Fund as well as highly liquid investments with an original maturity date of three months or less to be cash equivalents.

**Use of Estimates.** The preparation of financial statements in conformity with generally accepted accounting principles requires the District's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(Continue)

See Auditor's Report



# Casitas Municipal Water District

## Notes to Financial Statements

For the Years Ended June 30, 2003 and 2002

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

**Property Taxes.** Property taxes are assessed and collected by the County of Ventura and remitted to the District. The taxes are levied and lien as of January 1 on property values assessed as of the same date. Secured taxes are billed November 1, and are due in two installments: December 10 and April 10. The funds are remitted to the District on December 24 and April 25. Unsecured taxes are billed July 1 and are due August 31. Those funds are remitted to the District October 31.

**Risk of Loss.** The District's main exposure to loss lies with the possible property damage inherent in water district infrastructure. The District carries commercial insurance coverage for liabilities and property damage. Any settlements reached during 2003, 2002, and 2001 were less than the District's commercial insurance coverage. The District is self insured with respect to District vehicles.

**NOTE 2 - CASH AND INVESTMENTS:**

United States Treasury Bills have a remaining maturity of one year or less at time of purchase and are reported at amortized cost. Certificates of deposit are non-participating investment contracts and are reported at cost. State of California Local Agency Investment Fund is adjusted to fair value when fair value is materially different from cost.

Cash and Investments consisted of the following at June 30, 2003 and 2002:

	2003	2002
Cash and Demand Deposits With Banks	\$ 5,062,510	\$ 480,300
State of California Local Agency Investment Fund ("LAIF")	60,969	9,776,168
County of Ventura Investment Fund	554,065	540,872
U.S. Treasury Bills	5,485,847	3,190,306
Deposit-In-Transit – U.S. Treasury Bills	500,000	-0-
Certificates of Deposit	-0-	-0-
Total Cash and Investments	\$ 11,663,391	\$ 13,987,646

As of June 30, 2003 and 2002, total cash and investments consisted of the following, as shown on the balance sheet:

**Current Assets**

Cash and Cash Equivalents	\$ 5,616,575	\$ 1,021,172
Investments	5,485,847	3,190,306

**Restricted Assets**

Investments	-0-	4,683,957
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**Other Assets**

Designated Investments	560,969	5,092,211
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Total Cash and Investments	\$ 11,663,391	\$ 13,987,646
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See Auditor's Report

**Casitas Municipal Water District**  
**Notes to Financial Statements**  
For the Years Ended June 30, 2003 and 2002

**NOTE 2 - CASH AND INVESTMENTS: Continued:**

**Credit Risk, Carrying Amount and Fair Value of Deposits.** Cash and deposits of the District are summarized below. The deposits are classified as to credit risk by three categories as follows:

Category 1: Includes deposits that are insured or collateralized, with securities held by the District or its agent in the District's name.

Category 2: Includes deposits that are uninsured but which are collateralized with securities held by the pledging financial institution's trust department in the District's name.

Category 3: Includes deposits that are uninsured and uncollateralized, or collateralized with securities held by the pledging financial institution, or by its safekeeping department or agent but not in the District's name.

	Category			Bank Balance	Carrying Amount
	1	2	3		
<b>Unrestricted Cash:</b>					
Cash in Bank	\$ 5,616,575	\$ -	\$ -	\$ 5,616,575	\$ 5,616,575
Total Unrestricted Cash	<u>\$ 5,616,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,616,575</u>	<u>\$ 5,616,575</u>

**Summary of Investments.** The District's investments are shown by type, carrying amount, market value and level of risk assumed in the holding of the various securities.

The level of risk assumed in the various investments are categorized as follows:

Category 1: Includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name.

Category 2: Includes uninsured and unregistered investments for which the securities are held by the dealer or bank's trust department or agent in the District's name.

Category 3: Includes uninsured and unregistered investments for which the securities are held by the bank or dealer, or by its trust department or agent but not in the District's name.

	Category			Carrying Amount	Fair Value
	1	2	3		
<b>Investment in:</b>					
State Treasurer's Investment Pool		Unable to Assign (*)		\$ 60,969	\$ 60,969
Treasury Bills	\$ 5,485,847	\$ -	\$ -	5,485,847	5,485,847
Total Unrestricted	<u>\$ 5,485,847</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,546,816</u>	<u>\$ 5,546,816</u>

See Auditor's Report

(Continue)

**Casitas Municipal Water District**  
**Notes to Financial Statements**  
For the Years Ended June 30, 2003 and 2002

**NOTE 2 - CASH AND INVESTMENTS: Continued:**

*(\*) Unclassified Investment – Restricted. Investment in State Treasurer's Investment Pool cannot be assigned a credit risk category because the District does not own specific securities. However, the funds' investment policies and practices with regard to the credit and market risks have been determined acceptable to the District's investment policies.*

**Investments.** In accordance with the California Government Code, the District is authorized to invest in obligations of the U.S. Treasury, U.S. agencies, bankers' acceptances, commercial paper rated A-1 by Standard and Poor's corporation or P-1 by Moody's Commercial Paper Record, certificates of deposit, and the Local Agency Investment Fund of the State of California.

The LAIF has oversight by the Local Investment Advisory Board. The LAIF Board consists of five members as designated by Statute. The fair value of the position in the external investment pool is the same as the value of the pool shares.

The District's investment in U.S. Treasury Bills is classified for credit risk purposes as category "1". This category includes securities that are insured or registered or for which the securities are held by the District or its agent in the District's name.

**NOTE 3 - PREPAID RENT:**

On April 30, 1959, the District entered into a 50-year lease agreement for the use of Matilija Dam. The agreement required annual installment payments through January 1, 2009.

At June 30, 2003 and 2002, the District had \$262,763 and \$310,538, respectively, of prepaid rent attributable to this lease agreement, of which \$47,775 is classified as current prepaid rent.

**NOTE 4 - PLANT AND EQUIPMENT:**

Plant and equipment consisted of the following at June 30, 2003 and 2002:

	<u>2003</u>	<u>2002</u>
Land	\$ 6,044,367	\$ 6,044,367
Utility Plant	64,651,077	58,896,432
Recreation Facilities	6,901,562	6,082,772
Construction-in-Progress	<u>5,415,826</u>	<u>6,460,418</u>
Total	83,012,832	77,483,989
Less, Accumulated Depreciation	<u>(25,320,482)</u>	<u>(23,826,634)</u>
Net, Plant and Equipment	<u>\$ 57,692,350</u>	<u>\$ 53,657,355</u>

Total depreciation expense was \$1,493,848 and \$1,436,893 for the years ended June 30, 2003 and 2002, respectively.

*(Continue)*

See Auditor's Report

# Casitas Municipal Water District

## Notes to Financial Statements

For the Years Ended June 30, 2003 and 2002

**NOTE 5 - RESERVED RETAINED EARNINGS:**

The District had reserved portions of retained earnings for the following purposes at June 30, 2003 and 2002:

	2003	2002
Reserved Retained Earnings		
For Debt Retirement	\$ 15,330	\$ 15,690

**NOTE 6 - STATE WATER PROJECT:**

In 1963, the Ventura County Flood Control District contracted with the State of California ("State") for 20,000 acre-feet per year of water from the State Water Project ("SWP"). The SWP conveys water from Northern California to Southern California through a system of reservoirs, canals, pump stations and power generation facilities. In 1970, the administration of the Water Supply Contract with the State was assigned to the District. Thereafter, the District contracted with the City of San Buenaventura and United Water Conservation District to assume the payment for the annual entitlement of 10,000 and 5,000 acre-feet, respectively, of SWP water. To participate in the SWP, the District is obligated through at least the year 2035, to pay, without regard to the quantity of water received, its allocable share of 1) SWP construction costs and 2) ongoing operating, maintenance, power and replacements costs, charges to ensure the availability of water, and certain other costs (collectively referred to as "ongoing operations and maintenance costs"). The construction, financing and ongoing operating costs of the SWP (including feasibility studies performed in connection with the transportation of the SWP's water to the District) have been capitalized by the District. The District anticipates that these costs and annual SWP operating costs will continue to be capitalized until construction of the District's transportation system is completed and in operation, at which time the total costs will be amortized over the remaining life of the SWP. The District is in the preliminary stages of assessing the feasibility of construction of such a transportation facility. In the event that the District, along with the other agencies involved, concludes that the project is not feasible and water deliveries will not be received, all previously capitalized costs will be adjusted to the estimated recovery value based on the sales value of the water rights. SWP costs and related debt are as follows at June 30, 2003 and 2002:

	<b>2003</b>	<b>2002</b>
Total State Water Project Costs	\$ 45,176,334	\$ 43,419,296
Less, Other Agencies' Share	(33,882,251)	(32,564,472)
Net State Water Project Costs	\$ 11,294,083	\$ 10,854,824
	<b>2003</b>	<b>2002</b>
Related Debt Outstanding	\$ 7,141,504	\$ 7,337,509
Less, Other Agencies' Share	(5,356,128)	(5,470,170)
Debt Related to the State Water Project	\$ 1,785,376	\$ 1,867,340

Debt service payments related to the State Water Project are provided by ad valorem taxes on property within the District.

*(Continue)*

See Auditor's Report

# Casitas Municipal Water District

## Notes to Financial Statements

For the Years Ended June 30, 2003 and 2002

**NOTE 6 - STATE WATER PROJECT: Continued**

Included in net state water project costs are accumulated capitalized interest amounting to \$12,422,448 and \$3,027,750, at June 30, 2003 and 2002, respectively.

The District's share of ongoing operations and maintenance cost is updated annually by the SWP. As of June 30, 2003, future estimated costs as provided by the SWP for the next five year are as follows:

**NOTE 7 - LONG-TERM DEBT:**

Fiscal Year Ending June 30

2004	\$	393,507
2005		410,485
2006		378,339
2007		379,186
2008		<u>372,841</u>
Total		<u>\$ 1,934,358</u>

Long-term debt consisted of the following:

	<b>2003</b>	<b>2002</b>
Note Payable to U.S. Bureau of Reclamation	\$ 8,492,814	\$ 9,436,460
Obligation Under State Water Project – Note 7	902,590	1,801,413
Special Assessment Bonds Payable	255,500	261,500
California Debt of Water Resources	<u>4,312,620</u>	<u>4,475,112</u>
Total	13,963,524	15,974,485
Less, Current Portion	<u>(293,892)</u>	<u>(1,135,725)</u>
Total Long-Term Debt	<u>\$ 13,669,632</u>	<u>\$ 14,838,760</u>

The note payable to the Bureau of Reclamation was incurred to construct the dam and main distribution system for Casitas Reservoir. The note is payable in decreasing annual installments ranging from \$260,000 to \$1,000,000 through the year 2012. Only the non-irrigation portion of the note bears interest at the rate of 2.6%, and that portion was paid off in 2000. Debt service payments on the note payable to the Bureau of Reclamation are provided by ad valorem taxes on property within the District.

See Note 6 for a description of the State Water Plan debt.

The special assessment bonds payable were incurred to repay the District for upgrading the Mira Monte Water System in order to meet the District's standards for water delivery systems. The bonds payable bear interest at an effective rate of 5% and is payable in annual installments of graduated amounts ranging from \$3,000 to \$21,000 through the year 2022. Debt service payments on the special assessment bonds payable are provided by assessments of property owners.

*(Continue)*

See Auditor's Report

# Casitas Municipal Water District

## Notes to Financial Statements

For the Years Ended June 30, 2003 and 2002

**NOTE 7 - LONG-TERM DEBT: Continued**

The loan payable to the California Department of Water Resources was incurred to assist the District in financing the costs to construct a water filtration plant for Lake Casitas. The loan bears interest at an effective rate of 3.2% and is payable in semi-annual installment of approximately \$145,000 beginning September 1, 1997, and ending October 1, 2021. Debt service payments on the California Department of Water Resources loan are provided by the water revenues of the District.

At June 30, 2003 and 2002, the District had restricted assets of \$284,778 and \$4,938,887, respectively, for debt service payments. The annual requirements to amortize all long-term debt outstanding as of June 30, 2003, are as follows:

Fiscal Year Ending June 30	Special Assessment Bonds	Notes Payable	Total
2004	\$ 6,000	\$ 287,892	\$ 293,892
2005	6,000	1,178,030	1,184,030
2006	6,000	1,186,518	1,192,518
2007	6,000	1,197,518	1,203,518
2008	6,000	1,197,554	1,203,554
Thereafter	225,500	8,660,512	8,886,012
Total	\$ 255,500	\$ 13,708,024	\$ 13,963,524

**NOTE 8 – PENSION PLAN:**

*Plan Description.* The District contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS’ annual financial report may be obtained from their Executive Office, 400 P Street, Sacramento, California 95814.

*Funding Policy.* Participants are required to contribute 7% of their annual covered salary. The District makes the contributions required of District employees on their behalf and for their account. The District is required to contribute at an actuarially determined rate; the current rate of 0% for all employees of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by PERS.

*Annual Pension Cost.* For fiscal year 2001/02, the District's annual pension cost of \$139,330 for PERS was equal to the District's required and actual contributions. The required contribution was determined as part of the June 30, 2003, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.5%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a two to five year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2003, was six years.

*(Continue)*

See Auditor’s Report

**Casitas Municipal Water District**  
**Notes to Financial Statements**  
For the Years Ended June 30, 2003 and 2002

**NOTE 8 – PENSION PLAN: Continued**

Three-year Trend Information for PERS

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/01	\$ 132,366	100%	\$ -0-
06/30/02	\$ 137,560	100%	\$ -0-
06/30/03	\$ 139,330	100%	\$ -0-

Funded Status of the Plan

Valuation Date	Entry Age Normal Accrual Liability	Actuarial Value of Assets	Unfunded Liability/ (Excess Assets)	Funded Status	Annual Covered Payroll	UAAL As a % of Payroll
06/30/00	14,106,672	19,218,810	(5,112,138)	136.2 %	1,973,174	(259.1)
06/30/01	14,652,840	19,467,778	(4,814,938)	132.9 %	1,946,279	(247.4)
06/30/02	15,227,515	18,100,974	(2,873,459)	118.9 %	2,223,883	(129.2)

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS:**

In addition to the pension benefits described in Note 9, the District provides postretirement health care benefits, including health, dental and vision, in accordance with State statutes. Employees who were eligible for PERS retirement at the District as of June 23, 1993, and did or will retire in the District with PERS benefits, are eligible to receive normal health care benefits after retirement. Currently, twenty-five employees meet those eligibility requirements. All others full time employees, including employees hired after June 23, 1993, are eligible to receive limited health care benefits after retirement only after employment with the District for 20 years and at least 60 years old upon retirement. At June 30, 2003 there were twelve employees hired after June 23, 1993. During the years ending June 30, 2003 and 2002, expenditures of \$159,947 and \$145,854, respectively, were recognized for post-retirement insurance benefits, using the pay-as-you-go basis of accounting.

**NOTE 10 – CONTINGENCY:**

The United State Bureau of Reclamation (USBR) has undertaken a project to strengthen Casitas Dam to better withstand seismic activity. The District and the USBR are negotiating Casitas' share of the cost of the project. Casitas may be responsible for approximately \$6,000,000 of the project's anticipated total cost. The amount actually paid is \$2,125,765, which is shown in construction in progress this year and upon completion of the dam it will be shown as a capitalized asset.

**NOTE 11 – RETAINED EARNINGS DEFICIT:**

With in the financial reporting entity, the Financing Fund has a \$9,429,441 retained earnings deficit. The District receives property taxes from Ventura County for repayment of this debt.

*(Continue)*

See Auditor's Report

**Casitas Municipal Water District**  
Notes to Financial Statements  
For the Years Ended June 30, 2003 and 2002

***NOTE 12 – ECONOMIC DEPENDENCY***

The District received one-third of its water sales revenue from the City of Ventura. The District's top ten customers represent one-half of total water sales revenue received. The District would lose a significant amount of its revenue if these major customers obtained water services from another source.

***NOTE 13 – PRIOR PERIOD ADJUSTMENT:***

The District has chosen early implementation of GASB Statement 34 paragraph 98 with regards to how contributed capital must be reported. Under this statement, contributed capital is required to be reported as "Net Assets Invested in Capital Assets" and not as a separate component of equity labeled "Contributed Capital". Therefore, a prior period adjustment has been made to reclassify the contributed capital in accordance with this standard. Total prior period adjustment is \$6,145,067.

It has been determined that any activity recorded during the prior years with regards to contributed capital has been treated properly in the Statement of Revenues, Expenses and Changes in Retained Earnings in accordance with GASB Statement 34, paragraph 103. Therefore no cumulative effect is present.

See Auditor's Report





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# **SUPPLEMENTAL SCHEDULES**



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# Casitas Municipal Water District

## Combining Balance Sheet

As of June 30, 2003

<b>ASSETS</b>	<b>Proprietary Operating Fund</b>	<b>Financing Fund</b>	<b>Improvement Assessment Fund</b>	<b>Total</b>
<b><u>Current Assets</u></b>				
Cash and Cash Equivalents	\$ 5,616,575	\$ -	\$ -	\$ 5,616,575
Investments	5,485,847	-	-	5,485,847
Accounts Receivable	619,515	-	-	619,515
Other Receivables	205,382	-	-	205,382
Property Tax Receivable	24,523	-	-	24,523
Interest Receivable	-	-	-	-
Inventories				
Material and Supplies	54,004	-	-	54,004
Water in Storage	606,735	-	-	606,735
Prepaid Expenses	47,775	-	-	47,775
Deposits	1,000	-	-	1,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Assets	12,661,356	-	-	12,661,356
	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>Restricted Assets</u></b>				
Investments	-	-	-	-
Taxes Receivable	-	-	36,740	36,740
Assessments Receivable	-	-	239,424	239,424
Due From Other Agencies	-	8,614	-	8,614
	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted Assets	-	8,614	276,164	284,778
	<hr/>	<hr/>	<hr/>	<hr/>
Plant and Equipment, Net	57,692,350	-	-	57,692,350
	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>Other Assets</u></b>				
Designated Investments	560,969	-	-	560,969
Noncurrent Receivable	28,555	-	-	28,555
Other	22,040	-	-	22,040
Prepaid Rent	214,988	-	-	214,988
Inventory - Water In Storage	3,033,674	-	-	3,033,674
Entitlement - State Water Project	11,294,084	-	-	11,294,084
Loan Fee, Net	195,083	-	-	195,083
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Assets	15,349,393	-	-	15,349,393
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 85,703,099</u>	<u>\$ 8,614</u>	<u>\$ 276,164</u>	<u>\$ 85,987,877</u>

(Continue)

See Auditor's Report

**Casitas Municipal Water District**  
**Combining Balance Sheet (continued)**  
As of June 30, 2003

<b><u>LIABILITIES AND EQUITY</u></b>	<b>Proprietary Operating Fund</b>	<b>Financing Fund</b>	<b>Improvement Assessment Fund</b>	<b>Total</b>
<b><u>Current Liabilities</u></b>				
Current Portion of Long-Term Debt	\$ 167,791	\$ 120,101	\$ 6,000	\$ 293,892
Accrued Interest on Long-Term Debt	17,323	-	-	17,323
Accounts Payable	1,302,645	42,652	-	1,345,297
Accrued Vacation and Sick Leave Benefits	656,441	-	-	656,441
Other Accrued Liabilities	476,349	-	-	476,349
Customer Deposits and Retentions	-	-	500	500
 Total Current Liabilities	 <u>2,620,549</u>	 <u>162,753</u>	 <u>6,500</u>	 <u>2,789,802</u>
 <b><u>Long-Term Liabilities</u></b>				
Long-Term Debt	4,144,829	9,275,302	249,500	13,669,631
 Total Liabilities	 <u>6,765,378</u>	 <u>9,438,055</u>	 <u>256,000</u>	 <u>16,459,433</u>
 <b><u>Equity</u></b>				
Retained Earnings				
Reserved for Debt Retirement	-	-	15,330	15,330
Net Assets Invested in Capital Assets	6,145,067	-	-	6,145,067
Unreserved	72,792,654	(9,429,441)	4,834	63,368,047
 Total Equity	 <u>78,937,721</u>	 <u>(9,429,441)</u>	 <u>20,164</u>	 <u>69,528,444</u>
 Total Liabilities and Equity	 <u>\$ 85,703,099</u>	 <u>\$ 8,614</u>	 <u>\$ 276,164</u>	 <u>\$ 85,987,877</u>

See Auditor's Report

**Casitas Municipal Water District**  
**Detail Schedules of Operating Expenses - *Utility Department***  
For the Years Ended June 30, 2003 and 2002

<b><u>Source of Supply</u></b>	<b>2003</b>	<b>2002</b>
Salaries and Benefits	\$ 310,772	\$ 161,572
District Equipment	5,755	6,975
Services and Supplies	21,309	11,524
Utilities	2,631	2,239
Rent - Matilija Dam	47,775	47,775
Communications	2,391	2,469
Work Order Materials	-	-
Outside Contracts	32,737	25,561
All Other Charges	37,861	28,851
Depreciation	156,481	155,757
Cost Applied (To) From Inventory	216,162	398,717
Total Source of Supply	833,874	841,440
<b><u>Pumping Expense</u></b>		
Salaries and Benefits	130,497	111,564
District Equipment	4,784	4,813
Services and Supplies	30,763	26,556
Pumping Power	1,276,696	1,315,898
Depreciation	187,305	110,245
All Other Charges	43,339	8,028
Total Pumping Expense	1,673,384	1,577,104
<b><u>Water Treatment Expense</u></b>		
Salaries and Benefits	392,266	314,940
District Equipment	10,776	9,971
Services and Supplies	61,770	54,036
Utilities	188,633	169,819
Chemicals	103,194	120,147
Outside Contracts	14,699	7,084
Depreciation	536,886	520,786
Communications	2,014	2,096
All Other Charges	11,980	5,506
Total Water Treatment Expense	1,322,218	1,204,385
<b><u>Transmission and Distribution Expense</u></b>		
Salaries and Benefits	223,465	185,720
District Equipment	21,394	22,120
Services and Supplies	58,555	73,628
Work Order Materials	9,330	18,379
Outside Contracts	20,874	23,083
Communication	2,643	2,414
Depreciation	275,903	270,642
All Other Charges	19,803	7,472
Total Transmission and Distribution Expense	631,967	603,458

*(Continue)*

See Auditor's Report

# Casitas Municipal Water District

## Detail Schedules of Operating Expenses - *Utility Department (continued)*

For the Years Ended June 30, 2003 and 2002

<u><b>Telemetry Expense</b></u>	<u><b>2003</b></u>	<u><b>2002</b></u>
Salaries and Benefits	\$ 116,190	\$ 117,379
District Equipment	6,657	6,059
Services and Supplies	17,539	11,106
Utilities	27,547	12,197
Telemetry Lease Line	5,647	10,983
All Other Charges	5,929	5,020
Total Telemetry Expense	179,509	162,744
<u><b>Customer Accounts Expense</b></u>		
Salaries and Benefits	250,451	228,037
District Equipment	8,649	8,851
Services and Supplies	21,363	19,838
All Other Charges	22,517	12,388
Total Customer Accounts Expense	302,980	269,114
<u><b>Administration and General Expense</b></u>		
Salaries and Benefits		
Board and Management	549,038	482,361
Administration	307,279	269,806
Engineering	130,445	119,045
Operations and Maintenance	370,451	335,430
District Equipment		
Board and Management	546	153
Administration	1,547	1,559
Engineering	1,082	3,067
Operations and Maintenance	52,865	53,295
Services and Supplies		
Board and Management	18,030	6,139
Administration	11,222	21,152
Engineering	10,055	10,221
Operations and Maintenance	53,462	63,943
Utilities	34,215	25,914
Employee Benefits		
Retirement - PERS	-	-
Social Security	127,870	106,018
Group Insurance	416,664	330,060
Medicare Insurance	32,351	26,515
Cafeteria Plan	56,106	47,843
General Plan Maintenance		
Salaries and Benefits	66,976	57,538
District Equipment	4,065	5,210
Services and Supplies	18,619	14,880
Outside Contracts	9,890	8,020
Small Tools	5,887	2,563
Training and Education	353	155
All Other Charges	3,763	664

*(Continue)*

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**Casitas Municipal Water District**  
**Detail Schedules of Operating Expenses - *Utility Department (continued)***  
For the Years Ended June 30, 2003 and 2002

<u><b>Administration and General Expense (continued)</b></u>	<u><b>2003</b></u>	<u><b>2002</b></u>
Other Supplies and Expenses		
Clothing	\$ 3,274	\$ 1,430
Communications	30,324	28,498
Worker Orders	10,765	41,359
Office Equipment and Maintenance	3,504	9,423
Memberships and Dues	31,558	29,160
Printing and Binding	8,621	2,506
Books and Publications	4,528	3,271
Office Supplies	10,259	8,395
Postage	13,307	4,698
Other Professional Services	91,889	47,530
License and Permits	3,913	4,702
Publications and Legal Notices	5,291	4,421
Small Tools	1,608	7,221
Safety Program	294	576
Private Vehicle Mileage	9,661	11,038
Travel Expense	25,327	28,129
Property Tax Collection Fees	6,502	5,867
Education and Training	8,941	5,645
Computer Upgrades	37,417	38,710
Miscellaneous	132,536	39,321
Director's Fees	63,579	62,608
Election Fees	3,162	-
Depreciation	200,756	181,683
Amortization	10,545	10,545
Insurance		
Liability	64,929	53,310
Workers Compensation	44,760	89,921
Miscellaneous Premiums	-	-
	<hr/>	<hr/>
Administration and General Expense Prior to Cost Applied	3,110,031	2,711,518
	<hr/>	<hr/>
<u><b>Cost Applied</b></u>		
Benefits Applied	(632,991)	(510,436)
Overhead Applied to Work Orders	(132,341)	(122,476)
Overhead Applied to Recreation	(497,745)	(430,862)
Salaries Applied to Recreation	(252,854)	(239,007)
Services and Supplies Applied to Recreation	(103,074)	(99,020)
	<hr/>	<hr/>
Total Cost Applied	(1,619,005)	(1,401,801)
	<hr/>	<hr/>
Total Administration and General Expense	1,491,026	1,309,717
	<hr/>	<hr/>
Total Utility Department Operating Expenses	\$ 6,434,958	\$ 5,967,962
	<hr/>	<hr/>

*(Continue)*



**Casitas Municipal Water District**  
**Detail Schedule of Revenues and Expenses - Recreation Department**  
For the Years Ended June 30, 2003 and 2002

<u>Revenues</u>	<u>2003</u>	<u>2002</u>
Area Use Permits		
Commercials	\$ 24,901	\$ 33,900
Events	39,410	46,039
Entrance Fees		
Daily	267,415	275,767
Annual	130,986	146,401
Boat Permits		
Daily	42,827	47,272
Annual	47,491	55,046
Camping	988,596	998,821
Trailer Storage	143,023	126,084
Shower Facilities	13,290	13,720
Animal Permits	6,954	5,035
Boat Rental Concession	139,049	149,363
Park Store Concession	15,313	14,646
Reservation Fees	74,223	70,059
Water Playground	113,959	133,594
Boating Grant	109,803	718,359
Grant Income – California	2,787	-
Miscellaneous	31,065	1,846
Total Recreation Department Revenues	<u>\$ 2,191,092</u>	<u>\$ 2,835,952</u>
<u>Operating and Maintenance Expenses</u>		
Salaries and Benefits	\$ 756,414	\$ 714,180
District Equipment	15,070	18,659
Services and Supplies	56,198	60,644
Utilities	77,808	84,909
Chlorine	1,837	7,600
Computer Upgrades	23,711	3,625
Work Order Expense	8,644	5,103
Outside Contracts	60,147	57,403
Clothing and Personal Supplies	8,232	7,989
Communications	14,125	6,624
Printing and Binding	24,946	6,845
Office Expense	1,519	1,353
Purchase Water	40,989	46,851
Bad Debt Provision	904	5,083
License and Permits	1,345	1,973
Credit Card Fees	28,420	25,835
Miscellaneous	7,764	12,503
Private Vehicle Mileage	441	330
Travel Expense	3,253	998
Fish Stockings	29,999	29,999
Administrative Overhead	497,746	430,862
Legal Notices	1,528	499
Books, Publications and Dues	-	467
Office Equipment Maintenance	9,738	3,448
Cost Charged for Service and Supplies	103,074	99,020
Depreciation Expense	237,297	233,347
Total Recreation Department Operating Expenses	<u>\$ 2,011,226</u>	<u>\$ 1,866,149</u>

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# STATISTICAL INFORMATION



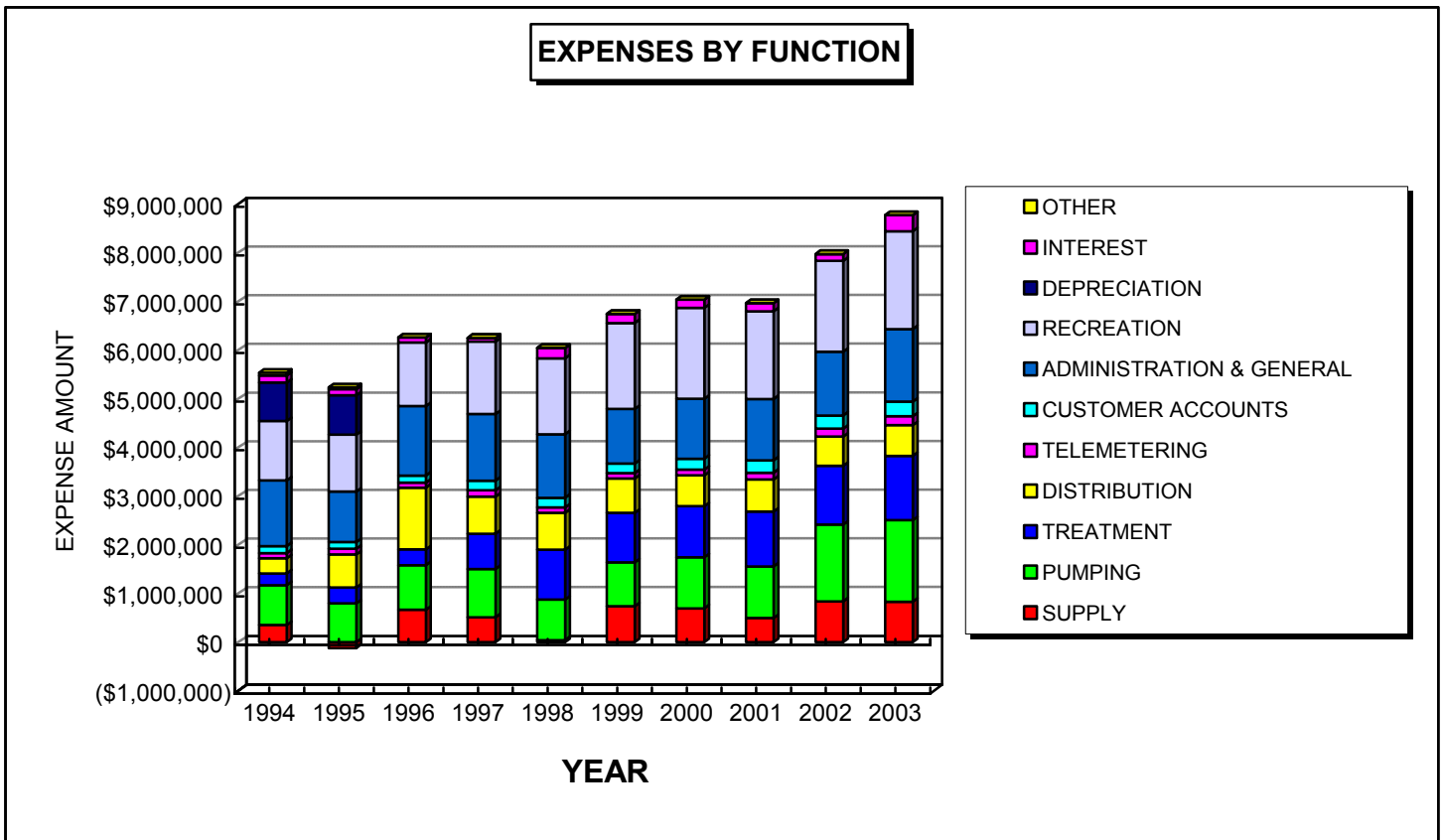
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**CASITAS MUNICIPAL WATER DISTRICT  
EXPENSES BY FUNCTION  
FOR TEN YEARS ENDED JUNE 30, 2003**

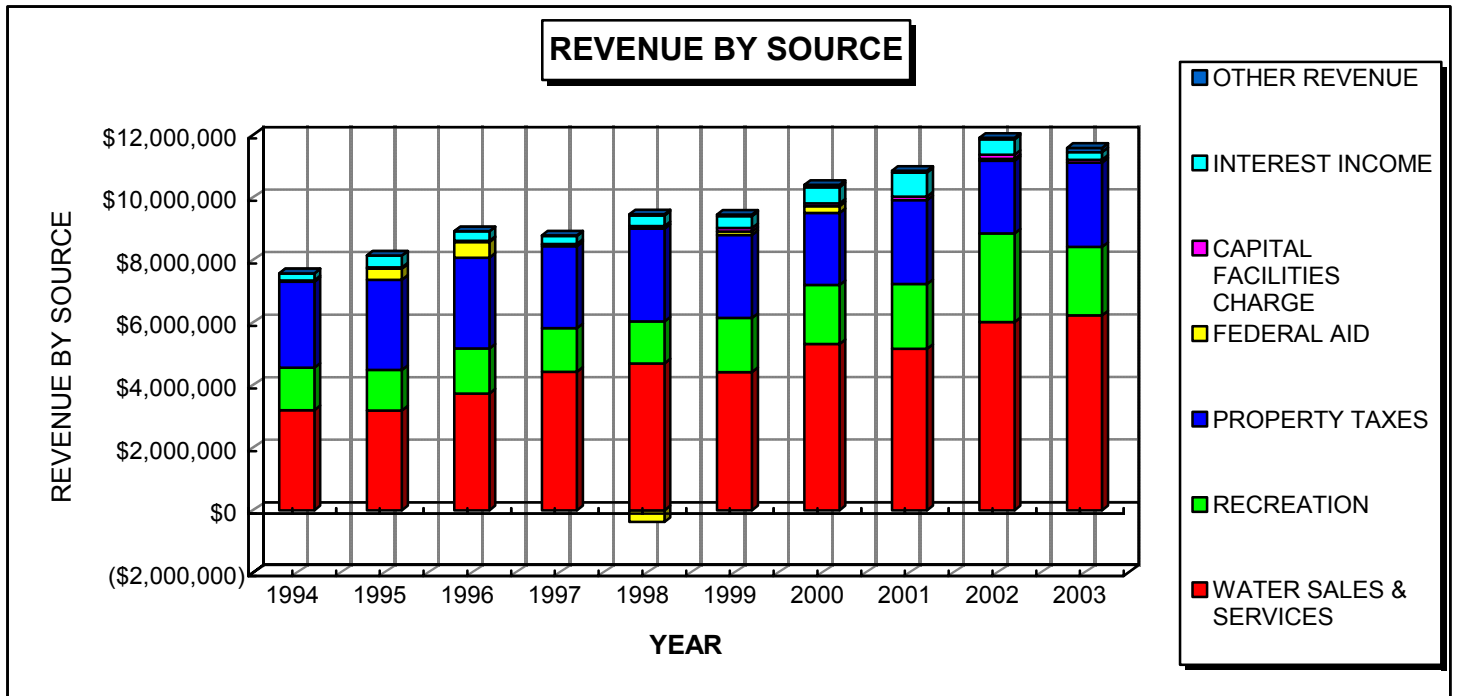
YEAR ENDED JUNE 30	SOURCE OF SUPPLY	PUMPING	WATER TREATMENT	TRANSMISSION AND DISTRIBUTION	TELEMETERING	CUSTOMER ACCOUNTS	ADMINISTRATION AND GENERAL	RECREATION	DEPRECIATION	INTEREST	OTHER	TOTAL
1994	\$352,537	\$822,249	\$239,659	\$309,018	\$110,640	\$142,716	\$1,349,153	\$1,219,665	\$788,574	\$143,909	\$60,096	\$5,538,216
1995	(\$118,714)	\$799,193	\$325,143	\$681,362	\$115,957	\$134,980	\$1,040,965	\$1,165,543	\$810,714	\$123,300	\$40,510	\$5,118,953
1996	\$665,758	\$918,496	\$322,602	\$1,271,363	\$100,586	\$146,217	\$1,427,858	\$1,306,130	**	\$101,209	\$0	\$6,260,219
1997	\$514,151	\$991,962	\$724,858	\$758,774	\$130,672	\$201,225	\$1,369,005	\$1,484,447	**	\$77,255	\$0	\$6,252,349
1998	\$45,141	\$831,251	\$1,025,108	\$758,902	\$109,220	\$199,111	\$1,305,796	\$1,560,849	**	\$209,808	\$0	\$6,045,186
1999	\$740,149	\$898,699	\$1,021,603	\$702,347	\$111,914	\$194,711	\$1,121,746	\$1,767,659	**	\$186,120	\$0	\$6,744,948
2000	\$698,038	\$1,046,696	\$1,052,058	\$633,295	\$114,597	\$227,199	\$1,228,130	\$1,868,111	**	\$169,504	\$0	\$7,037,628
2001	\$499,348	\$1,058,990	\$1,126,172	\$659,855	\$141,110	\$252,638	\$1,261,007	\$1,800,565	**	\$165,594	\$0	\$6,965,279
2002	\$841,440	\$1,577,104	\$1,204,385	\$603,458	\$162,744	\$269,114	\$1,309,717	\$1,866,149	**	\$141,823	\$0	\$7,975,934
2003	\$833,874	\$1,673,384	\$1,322,218	\$631,967	\$179,509	\$302,980	\$1,491,026	\$2,011,226	**	\$326,681	\$0	\$8,772,865

\*\* NOTE: In 1996 we included depreciation in the function (source of supply, pumping, ect.) expense to reflect the true cost of each function.



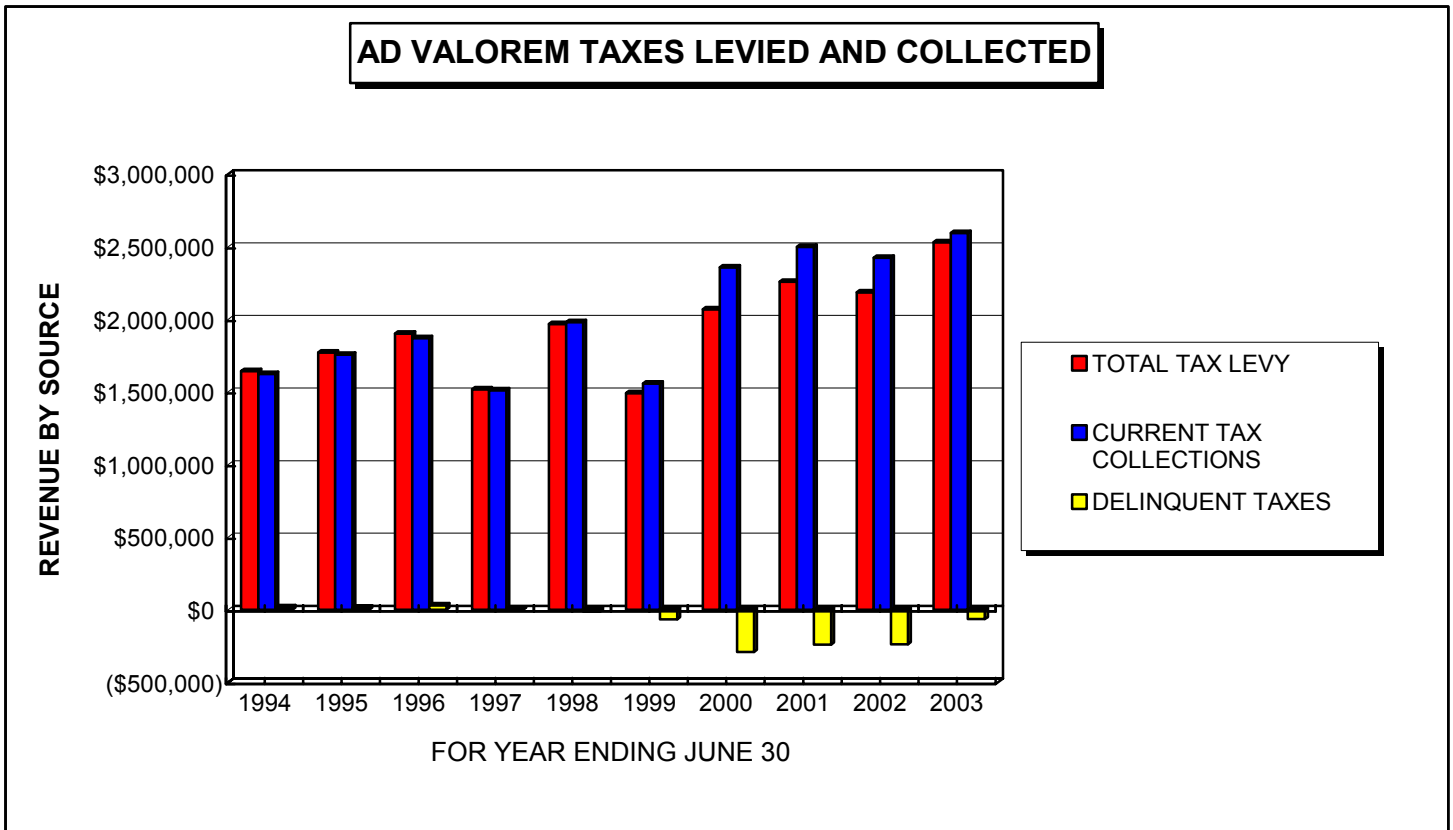
**CASITAS MUNICIPAL WATER DISTRICT  
REVENUE BY SOURCE  
FOR TEN YEARS ENDED JUNE 30, 2003**

YEAR ENDED JUNE 30	WATER SALES & SERVICES	RECREATION	PROPERTY TAXES	FEDERAL AID	CAPITAL FACILITIES CHARGE	INTEREST INCOME	OTHER REVENUE	TOTAL
1994	\$3,203,666	\$1,359,490	\$2,743,773	\$0	\$43,253	\$223,752	\$0	\$7,573,934
1995	\$3,192,768	\$1,298,931	\$2,877,873	\$352,385	\$40,678	\$383,970	\$0	\$8,146,605
1996	\$3,735,937	\$1,440,279	\$2,899,788	\$502,500	\$34,058	\$304,348	\$0	\$8,916,910
1997	\$4,431,012	\$1,391,897	\$2,617,560	\$48,684	\$27,590	\$251,488	\$15,516	\$8,783,747
1998	\$4,697,686	\$1,340,186	\$2,967,545	(\$373,043)	\$80,965	\$339,386	\$34,081	\$9,086,806
1999	\$4,422,236	\$1,727,801	\$2,651,390	\$110,417	\$110,482	\$375,523	\$56,165	\$9,454,014
2000	\$5,315,618	\$1,883,613	\$2,309,402	\$216,435	\$82,935	\$520,133	\$74,492	\$10,402,628
2001	\$5,162,660	\$2,073,030	\$2,677,581	\$0	\$118,790	\$767,526	\$58,902	\$10,858,489
2002	\$6,014,499	\$2,835,952	\$2,325,808	\$55,330	\$134,426	\$495,218	\$52,550	\$11,913,783
2003	\$6,226,072	\$2,191,092	\$2,698,760	\$0	\$93,002	\$240,699	\$137,214	\$11,586,839



**CASITAS MUNICIPAL WATER DISTRICT  
AD VALOREM TAXES LEVIED AND COLLECTED  
FOR TEN YEARS ENDED JUNE 30, 2003  
(UNAUDITED)**

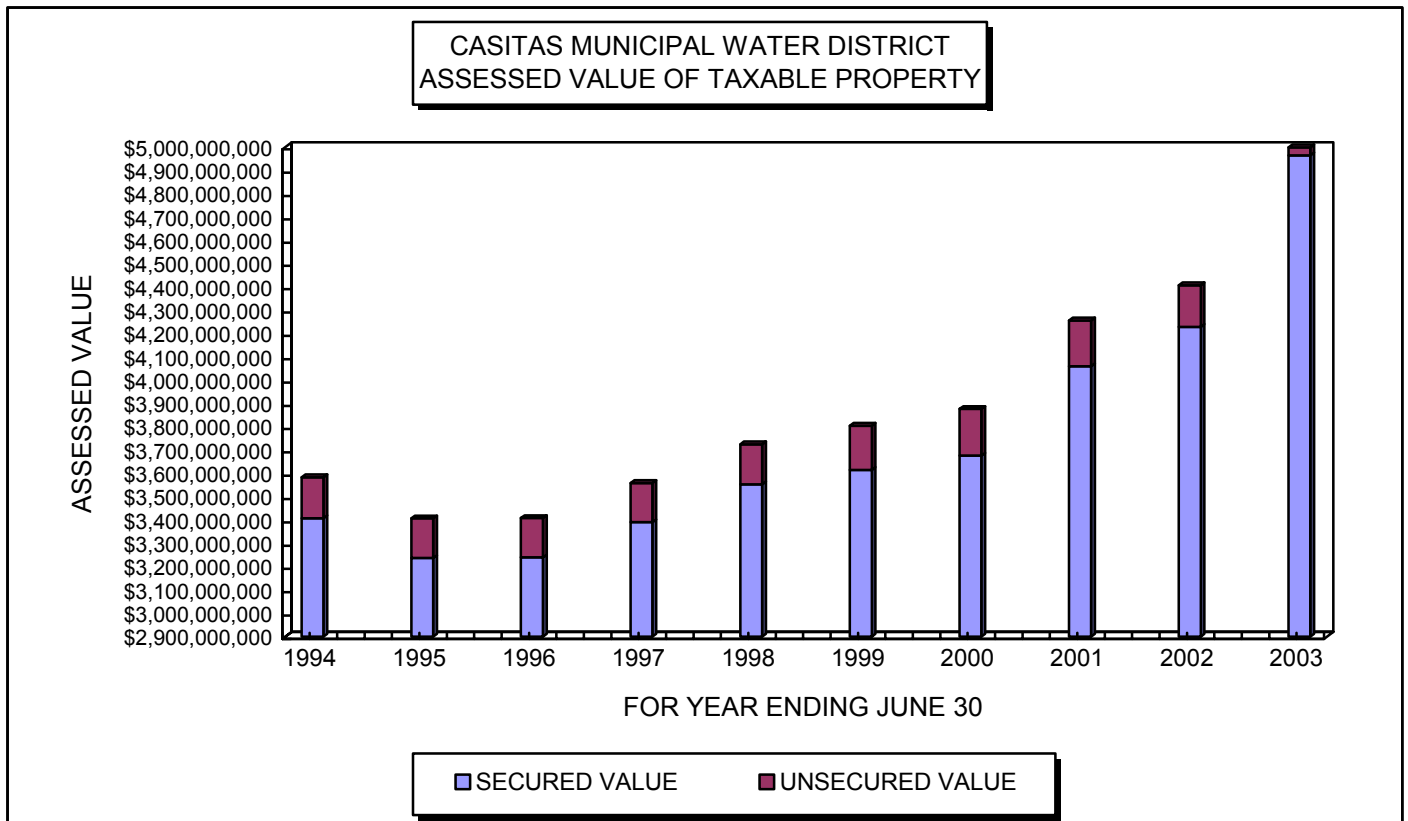
YEAR ENDED JUNE 30	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAXES	PERCENT OF DELINQ. TAX TO TOTAL TAX LEVY
1994	\$1,643,140	\$1,624,069	98.8%	\$19,071	1.2%
1995	\$1,771,242	\$1,756,299	99.2%	\$14,943	0.8%
1996	\$1,901,728	\$1,870,531	98.4%	\$31,197	1.6%
1997	\$1,517,120	\$1,510,907	99.6%	\$6,213	0.4%
1998	\$1,967,187	\$1,981,165	100.7%	(\$13,978)	-0.7%
1999	\$1,492,504	\$1,558,689	104.4%	(\$66,185)	-4.4%
2000	\$2,068,571	\$2,358,949	114.0%	(\$290,378)	-14.0%
2001	\$2,259,560	\$2,499,716	110.6%	(\$240,156)	-10.6%
2002	\$2,186,783	\$2,424,251	110.9%	(\$237,468)	-10.9%
2003	\$2,530,350	\$2,594,992	102.6%	(\$64,642)	-2.6%



**CASITAS MUNICIPAL WATER DISTRICT  
 ASSESSED VALUE OF TAXABLE PROPERTY  
 FOR TEN YEARS ENDED JUNE 30, 2003**

YEAR ENDED JUNE 30	ASSESSED PROPERTY VALUE		TOTAL ASSESSED VALUE
	SECURED VALUE	UNSECURED VALUE	
1994	\$3,408,025,221	\$176,316,564	\$3,584,341,785
1995	\$3,237,472,762	\$170,331,396	\$3,407,804,158
1996	\$3,240,304,922	\$168,788,539	\$3,409,093,461
1997	\$3,391,304,470	\$167,739,161	\$3,559,043,631
1998	\$3,553,869,741	\$171,290,682	\$3,725,160,423
1999	\$3,615,303,908	\$189,400,758	\$3,804,704,666
2000	\$3,676,795,373	\$200,224,509	\$3,877,019,882
2001	\$4,060,222,355	\$196,204,286	\$4,256,426,641
2002	\$4,229,604,724	\$177,978,898	\$4,407,583,622
2003	\$4,964,781,465	\$192,707,463	\$5,157,488,928

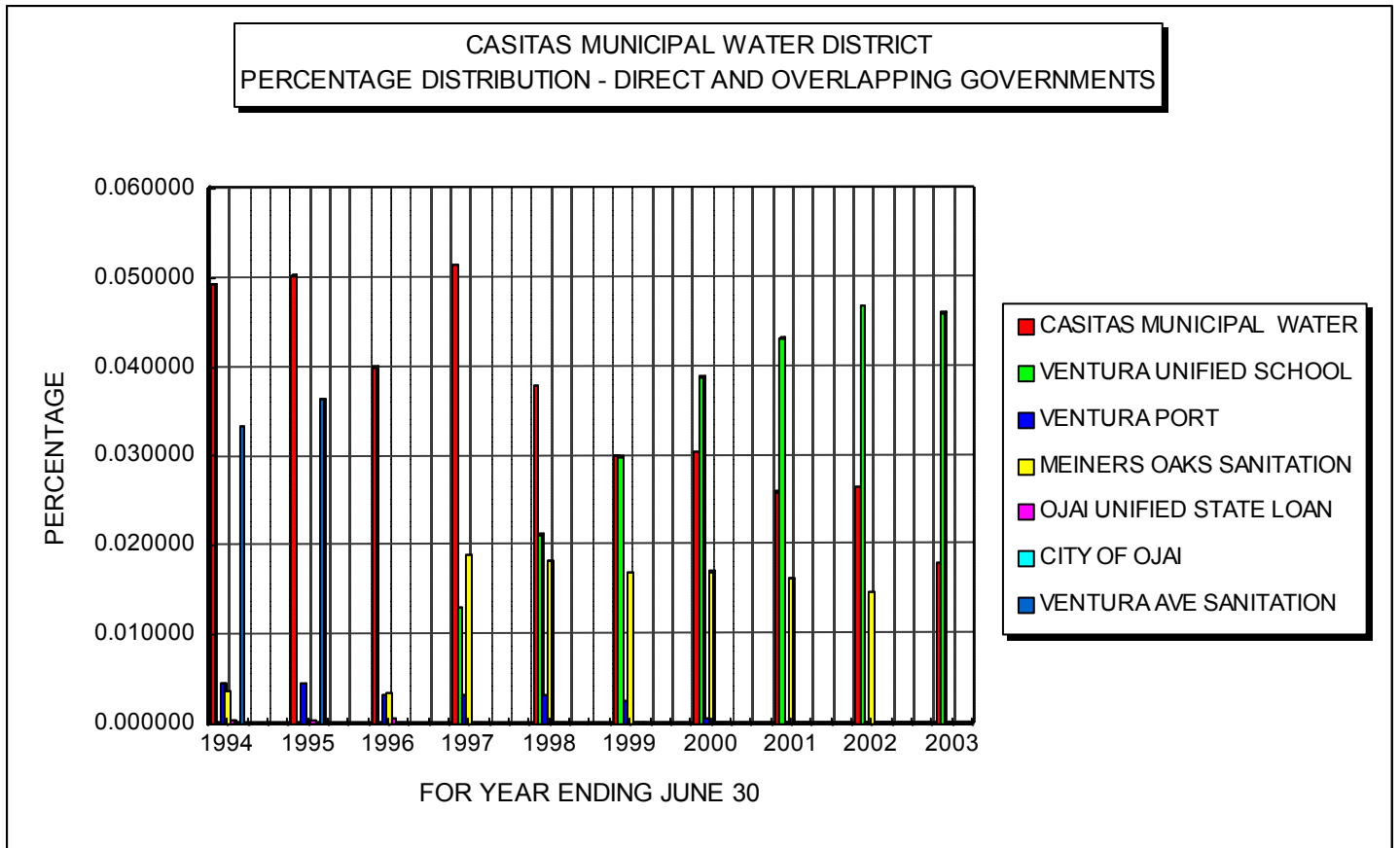
NOTE: Assessments are at full value in accordance with Section 135 of the Revenue and Taxation Code.



**CASITAS MUNICIPAL WATER DISTRICT**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**FOR TEN YEARS ENDED JUNE 30, 2003**  
**(Per \$100 of Assessed Value)**  
**(UNAUDITED)**

YEAR ENDED JUNE 30	BASIC TAX LEVY	CASITAS MUNICIPAL WATER	VENTURA UNIFIED SCHOOL	VENTURA PORT	MEINERS OAKS SANITATION	OJAI UNIFIED STATE LOAN	CITY OF OJAI	VENTURA AVE SANITATION	TOTAL
1994	1.000000	0.049238	0.000000	0.004531	0.003688	0.000300	0.000000	0.033328	1.091085
1995	1.000000	0.050140	0.000000	0.004502	0.000000	0.000300	0.000000	0.036344	1.091286
1996	1.000000	0.039896	0.000000	0.003145	0.003461	0.000500	0.000000	0.000000	1.047002
1997	1.000000	0.051370	0.013000	0.003127	0.018825	0.000000	0.000000	0.000000	1.086322
1998	1.000000	0.037776	0.021200	0.003125	0.018194	0.000000	0.000000	0.000000	1.080295
1999	1.000000	0.030040	0.029900	0.002495	0.016980	0.000000	0.000000	0.000000	1.079415
2000	1.000000	0.030383	0.038800	0.000532	0.017055	0.000000	0.000000	0.000000	1.086770
2001	1.000000	0.025977	0.043200	0.000000	0.016304	0.000000	0.000000	0.000000	1.085481
2002	1.000000	0.026572	0.046800	0.000000	0.014800	0.000000	0.000000	0.000000	1.088172
2003	1.000000	0.018077	0.046000	0.000000	0.000000	0.000000	0.000000	0.000000	1.064077

Note: The above information furnished from the County of Ventura, County Auditor's Office.

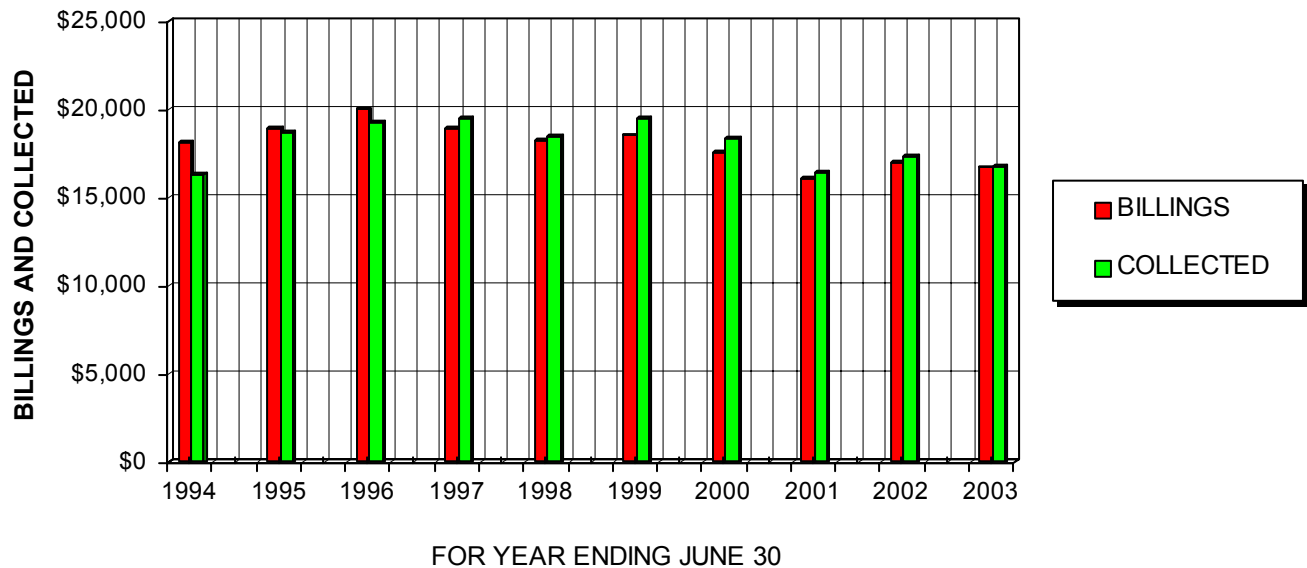




**CASITAS MUNICIPAL WATER DISTRICT  
SPECIAL ASSESSMENT  
BILLINGS AND COLLECTIONS  
FOR TEN YEARS ENDED JUNE 30**

YEAR ENDED JUNE 30	SPECIAL ASSESSMENT BILLINGS	SPECIAL ASSESSMENT COLLECTED
1994	\$18,096	\$16,294
1995	\$18,923	\$18,738
1996	\$20,009	\$19,298
1997	\$18,923	\$19,510
1998	\$18,206	\$18,457
1999	\$18,521	\$19,525
2000	\$17,562	\$18,363
2001	\$16,056	\$16,396
2002	\$17,005	\$17,319
2003	\$16,707	\$16,768

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS**



# **CASITAS MUNICIPAL WATER DISTRICT**

## **COMPUTATION OF LEGAL DEBT MARGIN FOR YEAR ENDING JUNE 30, 2003**

**Per our government codes for the State of California, Casitas Municipal Water District does not have any legal debt limitation.**

## **RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA FOR TEN YEARS ENDED JUNE 30, 2003**

**Casitas Municipal Water District does not have any general obligation bonded debt and has not had any bonded debt in the last ten years.**

## **RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES FOR TEN YEARS ENDED JUNE 30, 2003**

**Casitas Municipal Water District does not have any general obligation bonded debt and has not had any bonded debt in the last ten years.**

## **COMPUTATION OF DIRECT AND OVERLAPPING DEBT FOR TEN YEARS ENDED JUNE 30, 2003**

**Casitas Municipal Water District does not have any direct or overlapping debt and has not had any direct or overlapping debt in the last ten years.**

## **REVENUE BOND COVERAGE FOR TEN YEARS ENDED JUNE 30, 2003**

**Casitas Municipal Water District does not have revenue bonds and has not had any revenue bonds in the last ten years.**

**CASITAS MUNICIPAL WATER DISTRICT  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS ENDING JUNE 30, 2003**

FISCAL YEAR	POPULATION VENTURA COUNTY	% GROWTH RATE	BIRTHS	DEATHS	UNEMPLOYMENT RATE %	TOTAL EMPLOYED (IN THOUSANDS)
1994	706,200	0.97%	12,144	3,977	7.8%	355.2
1995	712,200	0.85%	12,156	4,191	7.5%	353.6
1996	716,000	0.53%	11,933	4,040	7.1%	350.9
1997	720,800	0.67%	11,874	4,319	6.6%	356.5
1998	732,200	1.58%	11,494	4,265	5.6%	366.8
1999	739,700	1.02%	11,259	4,622	4.8%	378.4
2000	753,600	1.88%	11,534	4,490	4.5%	392.7
2001	758,100	0.60%	10,920	4,508	4.5%	396.2
2002	773,900	2.08%	11,768	4,527	5.0%	403.9
2003	791,310	2.25%	N/A	N/A	3.7%	291.6

Note: The above information was furnished by the "Economic Outlook" by UCSB Economic Forecast Project - Ventura County - 2002

The 2003 information wa furnished by the Ventura County Star, December 26, 2003 publication.

**CASITAS MUNICIPAL WATER DISTRICT  
CONSTRUCTION AND BANK DEPOSITS  
FOR TEN YEARS ENDED JUNE 30, 2003  
(UNAUDITED)**

YEAR ENDED JUNE 30	COMMERCIAL CONSTRUCTION VALUE (a) (In Thousands)	RESIDENTIAL CONSTRUCTION		BANK DEPOSITS (a) (In Thousands)
		NUMBER OF UNITS (a)	VALUE (a) (In Thousands)	
1994	\$76,179	1,945	\$198,923	\$4,235,286
1995	\$106,072	2,305	\$181,739	\$4,151,251
1996	\$155,762	2,346	\$227,050	\$3,425,696
1997	\$206,749	2,304	\$246,332	\$6,477,957
1998	\$241,206	2,607	\$191,737	\$6,842,846
1999	(b)	3,977	(b)	\$7,147,592
2000	\$365,132	4,180	\$431,938	\$7,373,216
2001	\$200,808	3,782	\$498,260	\$7,934,198
2002	\$269,727	2,826	\$421,194	\$8,721,314
2003	\$159,034	3,421	\$418,932	\$9,771,188

(a) Sources: County of Ventura Comprehensive Annual Financial Report June 30, 2003.

(b) Information was not available as of report date.

**CASITAS MUNICIPAL WATER DISTRICT**  
**TEN LARGEST PROPERTY TAXPAYERS RANKED BY ASSESSED VALUE**  
**YEAR ENDED JUNE 30, 2003**  
(in thousand)

NAME	TYPE OF BUSINESS	GROSS ASSESSED VALUE	PERCENTAGE OF TOTAL GROSS ASSESSED VALUE
Amgen, Inc.	Pharmaceuticals	\$880,197	1.24%
Verizon California Inc.	Utility	\$311,001	0.44%
Southern California Edison Co.	Utility	\$303,145	0.43%
Proctor-Gamble Paper Products	Consumer Products	\$246,167	0.35%
Aera Energy LLC	Petroleum	\$171,276	0.24%
Vintage Petroleum Inc	Petroleum	\$168,663	0.24%
The Oaks Shopping Center L P	Developer	\$140,526	0.20%
Baxter Healthcare Corp	Pharmaceuticals	\$139,788	0.20%
Janss Marketplace LLC	Developer	\$136,429	0.19%
Pacific Bell	Utility	\$132,652	0.19%
Total attributable to ten largest property taxpayers		\$2,629,844	3.71%
Total gross assessed value		\$70,791,834	100.00%

Source: County of Ventura Comprehensive Annual Financial Report June 30, 2003

**CASITAS MUNICIPAL WATER DISTRICT  
TEN LARGEST WATER USERS RANKED BY ACRE FEET  
YEAR ENDED JUNE 30, 2003**

NAME	TYPE OF BUSINESS	ACRE FEET PURCHASED	PERCENTAGE OF TOTAL ACRE FEET PURCHASED
City of Ventura	Resale	6,207	34.73%
Hermitage Mutual Water	Resale	747	4.18%
Southern California Water	Resale	386	2.16%
Mary Bergen	Agriculture	280	1.57%
Rincon Water & Road Works	Agriculture	260	1.46%
Ventura River Co. Water	Resale	238	1.33%
Topa Topa Ranch & Nursery	Agriculture	188	1.05%
Rancho Del Cielo Mutual	Agriculture	174	0.97%
La Conchita Ranch	Agriculture	166	0.93%
Rancho La Vista	Agriculture	162	0.91%
Total attributable to ten largest water users:		8,808	49.29%
Total water sold in acre feet:		17,871	100.00%

**CASITAS MUNICIPAL WATER DISTRICT  
MISCELLANEOUS STATISTICS  
FOR YEAR ENDED JUNE 30, 2003**

<b>Date of Incorporation</b>	<b>1956</b>
<b>Form of Government</b>	<b>Special District, Enterprise Fund, governed by a five member Board of Directors</b>
<b>Number of employees</b> Permanent as of June 30, 2003	<b>37</b>
<b>Lake Casitas capacity</b>	<b>254,000 acre feet</b>
<b>Lake Casitas shore line</b>	<b>35 miles</b>
<b>Lake Casitas provides water to</b>	<b>over 50,000 people</b>