

Julie Kennedy, President
Lisa Palmer, Vice President
Tom Fayram, Director
Greg Parks, Director
Nina Stormo, Director



**LOS OLIVOS COMMUNITY SERVICES DISTRICT
FINANCE SUBCOMMITTEE MEETING**

Posted: 6-28-2024

July 3, 2024 – 8:30 AM

**St Mark's in the Valley Episcopal Church
2901 Nojoqui Ave, Los Olivos CA 93441**

Please observe decorum and instructions from the Subcommittee Chair

Finance Committee: President Julie Kennedy (Chair), Vice President Lisa Palmer and General Manager Guy Savage

This meeting will be held both in-person and electronically via Zoom Meetings. In-person the meeting will be held at the following locations:
St Mark's in the Valley Episcopal Church, 2901 Nojoqui Ave, Los Olivos CA 93441

The public will also be able to hear and participate electronically via Zoom by using the following links:

Zoom: <https://us06web.zoom.us/j/81937722522?pwd=SWpSU0RYZFliZTBLNGphZG41TGs4dz09>
By Phone: +1 669 900 6833 US (San Jose) Meeting ID: 819 3772 2522 Passcode: 914085
One tap mobile: +14086380968,,81937722522#,,,,*914085# US (San Jose)

The Los Olivos Community Services District is committed to ensuring equal access to meetings. In compliance with the American Disabilities Act, if you need special assistance to participate in the meeting or need this agenda provided in a disability-related alternative format, please call 805.500.4098 or email to losolivoscscsd@gmail.com. Any public records, which are distributed less than 72 hours prior to this meeting to all, or a majority of all, of the District's Board members in connection with any agenda item (other than closed sessions) will be available for public inspection at the time of such distribution at a location to be determined in Los Olivos, California 93441.

MEETING AGENDA

1. CALL TO ORDER

2. ROLL CALL

3. PUBLIC COMMENTS

Members of the public may address the Board of Directors on any items of interest within the subject matter and jurisdiction of the Board but not on the agenda today (Gov. Code - 54954.3). The public may also request future agenda topics at this time. Speakers are limited to a maximum of 3 minutes. Due to the requirements of the Ralph M. Brown Act, the Board of Directors cannot take action today on any matter not on the agenda, but a matter raised during Public Comments can be referred to District staff for discussion and possible action at a future meeting.

ADMINISTRATIVE ITEMS:

All matters listed hereunder constitute an administrative / consent agenda and will be acted upon by a single vote of the Board. Matters listed on the Consent Agenda will be read only on the request of a member of the Subcommittee, in which event the matter may be removed from the Consent Agenda and considered as a separate item. Public may comment on any of the items prior to the vote being taken by the Subcommittee.

4. CONSENT AGENDA

A. MINUTES APPROVAL

Approval of the minutes from June 7, 2024.

BUSINESS ITEMS:

All matters listed hereunder will be acted upon separately and public comment will be held for each item.

Los Olivos Community Services District, P.O. Box 345, Los Olivos, CA 93441, (805) 500-4098

losolivoscscsd@gmail.com, www.losolivoscscsd.com

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5. INVOICE REVIEW AND RECOMMENDATION

The Subcommittee will review and recommend to the full Board of Directors, payment of those unpaid invoices that were received on or before June 28, 2024.

No.	Invoice Date	Invoice #	Provider	Amount
1	6/13/2024	00876.005 - 1	GSI – Monitoring wells – split sample, add constituents, report (Grant Reimbursable)	\$ 14,739.76
2	6/14/2024	00876.005 - 2	GSI – Monitoring wells – split sample, add constituents, report, lab reports, draft TM (Grant Reimbursable)	\$ 2,231.25
3	6/14/2024	7948	SDRMA – Annual Insurance	\$ 2,769.86
4	6/28/2024	20246	Savage – GM Services (Portions Grant Reimbursable)	\$ 6,345.99

Each year, the District is billed via a Journal Entry for usage of the County’s financial system, FIN. The amount billed for this past year is shown below. Payment was approved by the GM, consistent with his authorization.

No.	Invoice Date	Invoice #	Provider	Amount
1	6/10/2024	JOURNAL ENTRY	County of Santa Barbara FIN Usage	\$ 836.00

Project	Vendor	To Date (inc. above)	Remaining Authorization
Audit (Pre 2023)	Moss, Levy & Hartzheim, LLP	\$ 2,780.00	\$ 4,995.00
Audit (2023)	Moss, Levy & Hartzheim, LLP	\$ 0.00	\$ 2,900.00
Groundwater Wells	Various	\$ 107,215.50	\$ 14,229.50

6. BUDGET REPORTS

The General Manager will review the most recent budget reports (attached) and comment on changes to financial systems.

7. CONSIDERATION OF THE DRAFT AUDIT REPORT FOR YEAR ENDING JUNE 30, 2023 (LOCSD FY 2022-23)

The Subcommittee will consider making a recommendation to the full Board of Directors regarding the draft audit report submitted by Moss, Levy & Hartzheim for the fiscal year ended June 30, 2023 (LOCSD fiscal year 2022-23).

INFORMATIONAL ITEMS:

All matters listed hereunder are informational only, no action will be taken, and public comment not received.

8. SUBCOMMITTEE MEMBER COMMENTS

Subcommittee members will give reports on any meetings that they attended on behalf of the Subcommittee and/or choose to comment on various Subcommittee activities. Subcommittee member requests for future agenda items may also be made at this time.

9. ADJOURNMENT

ITEM 4 – MINUTES

MINUTES

Julie Kennedy, President
Lisa Palmer, Vice President
Tom Fayram, Director
Greg Parks, Director
Nina Stormo, Director



**LOS OLIVOS COMMUNITY SERVICES DISTRICT
FINANCE SUBCOMMITTEE MEETING**

Posted: 6-2-2024

June 7, 2024 – 8:30 AM

**St Mark's in the Valley Episcopal Church
2901 Nojoqui Ave, Los Olivos CA 93441**

Please observe decorum and instructions from the Subcommittee Chair

Finance Committee: President Julie Kennedy (Chair), Vice President Lisa Palmer and General Manager Guy Savage

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By Phone: +1 669 900 6833 US (San Jose) Meeting ID: 819 3772 2522 Passcode: 914085
One tap mobile: +14086380968,,81937722522#,,,,*914085# US (San Jose)

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MEETING AGENDA

1. CALL TO ORDER

Chair Kennedy calls the meeting to order at: 8:30 AM

2. ROLL CALL

Present: President (Chair) Kennedy, Vice President Palmer, General Manager Savage

Absent: None

3. PUBLIC COMMENTS

Members of the public may address the Board of Directors on any items of interest within the subject matter and jurisdiction of the Board but not on the agenda today (Gov. Code - 54954.3). The public may also request future agenda topics at this time. Speakers are limited to a maximum of 3 minutes. Due to the requirements of the Ralph M. Brown Act, the Board of Directors cannot take action today on any matter not on the agenda, but a matter raised during Public Comments can be referred to District staff for discussion and possible action at a future meeting.

Chair Kennedy opens the floor to public comment.

No requests to speak.

ADMINISTRATIVE ITEMS:

All matters listed hereunder constitute an administrative / consent agenda and will be acted upon by a single vote of the Board. Matters listed on the Consent Agenda will be read only on the request of a member of the Subcommittee, in which event the matter may be removed from the Consent Agenda and considered as a separate item. Public may comment on any of the items prior to the vote being taken by the Subcommittee.

4. CONSENT AGENDA

A. MINUTES APPROVAL

Approval of the minutes from May 10, 2024.

Los Olivos Community Services District, P.O. Box 345, Los Olivos, CA 93441, (805) 500-4098

losolivoscscsd@gmail.com, www.losolivoscscsd.com

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Chair Kennedy opens the floor to public comment.

No requests to speak

Motion to approve the consent agenda.

Motion by: VP Palmer, Second: President Kennedy

Voice vote 3-0

BUSINESS ITEMS:

All matters listed hereunder will be acted upon separately and public comment will be held for each item.

5. INVOICE REVIEW AND RECOMMENDATION

The Subcommittee will review and recommend to the full Board of Directors, payment of those unpaid invoices that were received on or before June 2, 2024.

No.	Invoice Date	Invoice #	Provider	Amount
1	5/1/2024	1321	REGEN – 30% Engineering – Hybrid Models	\$ 11,250.00
2	5/6/2024	86513	Aleshire & Wynder – Legal Services	\$752.40
3	6/1/2024	20245	Savage – GM Services (Portions Grant Reimbursable)	\$7,523.64

Project	Vendor	To Date (inc. above)	Remaining Authorization
Audit (Pre 2023)	Moss, Levy & Hartzheim, LLP	\$ 2,780.00	\$ 4,995.00
Audit (2023)	Moss, Levy & Hartzheim, LLP	\$ 0.00	\$ 2,900.00
30% Hybrid Design	REGEN, LLC.	\$ 71,856.59	\$ 3,143.41
Groundwater Wells	Various	\$ 97,335.36	\$ 24,109.64
Groundwater Wells	Various	\$ 97,335.36	\$ 24,109.64

GM Savage briefly introduces the item, noting that there isn't anything spectacular in the invoices. He adds that MLH has almost completed the 2023 audit.

Chair Kennedy opens the floor to public comment.

No requests to speak

VP Palmer asks about the pre2023 audit amounts for MLH. GM Savage responds that he will clean things up with the 2023 audit.

VP Palmer asks about REGEN billings. GM Savage responds that he does not anticipate additional billings from REGEN, but perhaps the funds could be used to bring REGEN back for a future workshop.

Motion to recommend invoices 1-3, as presented.

Motion by: VP Palmer, Second: President Kennedy

Voice vote 3-0

6. BUDGET REPORTS

The General Manager will review the most recent budget reports (attached) and comment on changes to financial systems.

GM Savage walks through the provided budget reports. He asks if the history of cash balance is helpful to the Directors.

VP Palmer and President Kennedy agree it is helpful to see the history over time.

Chair Kennedy opens the floor to public comment.

No requests to speak.

7. FISCAL YEAR 2024-25 (FY 2024-25) BUDGET

The General Manager will review the proposed budget for the Fiscal Year 2024-25. The District's Fiscal Year runs from July 1, 2024 to June 30, 2025. The hearing for the FY 2024-25 budget is set for June 12, 2024.

Chair Kennedy opens the floor to public comment.

Mike Brady speaks.

GM Savage notes that the funds recommended by this Subcommittee are included – specifically \$60k for Solvang investigation and \$100k towards a 60% design. He walks through the spreadsheet provided with the agenda. VP Palmer asks about getting the County to pay for the ongoing testing of the wells. GM Savage responds that direction from the full Board would be needed to pursue more grants through the County.

President Kennedy asks why the amount for Counsel is lower. GM Savage confirms it is related to not paying for travel as we did with prior Counsel. She then asks about whether additional support for Counsel is needed as we pursue a property owner (Prop 218) vote. VP Palmer comments that we can use some of the unused funds to pay for it. GM Savage notes that no major action is required to allocate the unallocated funds – just a majority vote at a Board meeting.

Motion to recommend the adjusted Proposed FY 2024-25 budget to the full Board of Directors.

Motion by: VP Palmer; Second: Director Kennedy

Voice vote: 3-0

INFORMATIONAL ITEMS:

All matters listed hereunder are informational only, no action will be taken, and public comment not received.

8. SUBCOMMITTEE MEMBER COMMENTS

Subcommittee members will give reports on any meetings that they attended on behalf of the Subcommittee and/or choose to comment on various Subcommittee activities. Subcommittee member requests for future agenda items may also be made at this time.

Chair Kennedy – none

Director Palmer – none

GM Savage – none

ADJOURNMENT

Motion to adjourn at 8:52 AM.

Motion by: Director Palmer; Second: Director Kennedy

Voice vote: 3-0

Respectfully submitted:



Guy W. Savage

General Manager – Los Olivos Community Services District

Approved:

President Julie Kennedy

ITEM 5 - INVOICES

INVOICES



650 NE Holladay St., Suite 900
 Portland, OR 97232
 P: 503.239.8799
 accounting@gsiws.com
 www.gsiws.com

Guy Savage
 Los Olivos Community Services District
 PO Box 345
 Los Olivos, CA 93441

June 13, 2024
 Invoice No: 00876.005 - 1

Project 00876.005 Dual Sampling Monitoring Event at 5 LOCSD Monitoring Wells
Professional Services from May 01, 2024 to May 31, 2024

Task .001 Sample 5 Existing Monitoring Network Wells
Labor

	Hours	Rate	Amount	
Principal Consultant				
Thompson, Timothy	8.00	305.00	2,440.00	
Supervising Hydrogeologist				
Nicely, Timothy	.50	300.00	150.00	
Managing Hydrogeologist				
Lapostol, Andres	19.25	175.00	3,368.75	
Staff Hydrogeologist				
Fortunelli, Nehuen	18.00	155.00	2,790.00	
Robertson, Sydney	.50	145.00	72.50	
Administration				
Blagg, Paige	.50	125.00	62.50	
Steensma, Nancy	.50	115.00	57.50	
Totals	47.25		8,941.25	
Total Labor				8,941.25

Subconsultants

Eurofins Environment Testing				
6/13/2024 Eurofins Environment Testing Lab Analysis			4,495.00	
Total Subconsultants		1.1 times	4,495.00	4,944.50

Reimbursable Expenses

Equipment Rental/Purchase			623.36	
Field Supplies			78.09	
Total Reimbursables		1.1 times	701.45	771.60

GSI Owned Equipment Billing

GSI Owned Vehicle				
LOCSD Supplies	25.0 miles @ 0.67		16.75	
GW Monitoring	74.0 miles @ 0.67		49.58	
Fedex Pump Return	24.0 miles @ 0.67		16.08	
Total GSI Owned Equipment			82.41	82.41

Total this Task \$14,739.76

Project Summary	Current Period	Prior Periods	Invoiced to Date
Total Billings	14,739.76	0.00	14,739.76
Authorized Budget			22,150.00
Budget Remaining			7,410.24

Project	00876.005	LOCSD: Dual Sampling Monitoring Event	Invoice	1
			Total this Invoice	<u>\$14,739.76</u>



Environment Testing

Proforma Invoice

Do not pay!

Invoice No.	00187964	Invoice Date	May 20, 2024
Terms	30 Day Payment Terms	Federal Tax ID	33-0327665
Remit to	Eurofins Environment Testing Southwest, LLC , PO BOX 1455, Carol Stream, IL 60132-1455		
Wire	Citibank ABA: 031100209 Acct# 38996675 SWIFT Code: CITIUS33		
ACH	Citibank ABA: 031100209 Acct# 38996675 SWIFT Code: CITIUS33		

Bill to:
GSI Water Solutions, Inc. Attn: Accounts Payable 418 Chapala Street Santa Barbara, CA 93101-8056

Ship to:
GSI Water Solutions, Inc 418 Chapala Street, Suite E Santa Barbara, CA 93101

P.O. Number	W.O. Number	Contract Number	Work Ordered by
Purchase Order not required			Andres Lapostol
Job Description	Site Name	SDG Number	Invoice Contact
See below			Accounts Payable

Job No.	Job Description	Receipt Date	Quantity	Unit Price	Amount
	Method/Test Description				
J184998-1	LOCSD	05/17/2024			
	200.7 Rev 4.4 - Total Recoverable Total Metals (Boron, Sodium)		10.00	32.00	320.00
	SM 2540C - Total Dissolved Solids (TDS)		10.00	23.00	230.00
	300.0 - Chloride, Sulfate		10.00	45.00	450.00
	300.0 - Nitrate as N, Nitrite as N		10.00	45.00	450.00
	351.2 - Total Kjeldahl Nitrogen (TKN)		9.00	50.00	450.00
	Total Nitrogen - Total Nitrogen (Calc)		9.00	5.00	45.00
	NO2NO3 Calc - Nitrate-Nitrite as N (Calc)		10.00	5.00	50.00
	Nitrogen & Oxygen Isotopes--15N/14N & 18O/16O analysis of Diss NO3		5.00	494.00	2,470.00
Safe and Environmentally Responsible Waste Management (per sample)		10.00	3.00	30.00	

Project Number	Client Number	Project Manager	Subtotal (USD)	\$4,495.00
57020136	7340	Jennifer Moffatt		
Latest Sample Receipt Date	Latest Report Date	Phone Number	Total (USD)	\$4,495.00
05/17/2024	05/20/2024	(657) 210-6362		

For proper credit, please include invoice number on all remittance.

Eurofins Calscience - 2841 Dow Avenue, Suite 100, Tustin, CA 92780

This invoice falls under Eurofins Environment Testing Southwest, LLC Standard T&C's of Net 30 Days unless superseded by another valid contract vehicle in place at the time these services were rendered.



650 NE Holladay St., Suite 900
 Portland, OR 97232
 P: 503.239.8799
 accounting@gsiws.com
 www.gsiws.com

Guy Savage
 Los Olivos Community Services District
 PO Box 345
 Los Olivos, CA 93441

June 14, 2024
 Invoice No: 00876.005 - 2

Project 00876.005 Dual Sampling Monitoring Event at 5 LOCSD Monitoring Wells

Professional Services from June 01, 2024 to June 30, 2024

Task .001 Sample 5 Existing Monitoring Network Wells

Labor

	Hours	Rate	Amount	
Principal Consultant				
Thompson, Tim	3.00	305.00	915.00	
Managing Hydrogeologist				
Lapostol, Andy	3.00	175.00	525.00	
Project Hydrogeologist				
Fortunelli, Nehuen	4.50	155.00	697.50	
Administration				
Blagg, Paige	.75	125.00	93.75	
Totals	11.25		2,231.25	
Total Labor				2,231.25
				Total this Task
				\$2,231.25

Project Summary

	Current Period	Prior Periods	Invoiced to Date
Total Billings	2,231.25	14,739.76	16,971.01
Authorized Budget			22,150.00
Budget Remaining			5,178.99
			Total this Invoice
			<u><u>\$2,231.25</u></u>

Outstanding Invoices

Number	Date	Balance
1	6/13/2024	14,739.76
Total		14,739.76

Special District Risk Management Authority



Property/Liability Program

Los Olivos CSD

Member Number: 7948

Statement of Activity

Statement as of: 6/14/2024

Date	Type	Reference Number	Description	Debit	Credit	Balance
6/19/2023	IN	74160	2023-24 PL Renewal Invoice	2,932.81	0.00	2,932.81
11/29/2023	PA	HA231129	Payment Applied	0.00	2,932.81	0.00
6/5/2024	IN	75635	2024-25 PL Renewal Invoice	2,769.86	0.00	2,769.86
Statement Balance						2,769.86

Current	30 Days	60 Days	90 Days	120 Days
2,769.86	0.00	0.00	0.00	0.00

INVOICE

FROM:

Guy W. Savage
 PO Box 894
 Los Olivos, Ca 93441

BILL TO:

Via electronic delivery
 President Julie Kennedy
 Los Olivos Community Services District
 PO Box 345
 Los Olivos, Ca 93441

Invoice #: 20246
Invoice Date: 6/24/2024

Dear President Kennedy,

Please see the below for professional services provided, plus any expenditures made on behalf of the District. The attached tally of hours (units) exceeds those being billed below. This is being done to track the hours for future reference. Per agreement, the hours will be capped at thirty (30) or as authorized by the District.

Date	Description	Units	Rate	Amount
6/28/2024	General Manager Services - LOCSD (6/1/24-6/28/24) See Attached for Details	30	\$ 138.65	\$ 4,159.35
6/28/2024	Grant Reimbursable - General Manager Services - Groundwater Monitoring Wells (6/1/24-6/28/24) See Attached for Details	5	\$ 138.65	\$ 693.23
6/2/2024	GoDaddy URL Renewal	1	\$ 66.51	\$ 66.51
6/23/2024	Gromatici Invoice - Groundwater Well Surveying	1	\$ 1,300.00	\$ 1,300.00
6/27/2024	Santa Maria Times - Budget Notice posting	1	\$ 135.90	\$ 135.90
Total				\$ 6,354.99

Thank you for your continued support.



Email: GM.LOCSD@gmail.com

Date	Description	Grant			Amount	Amount Grant Reimbursable
		Hours	Reimbursable	Rate		
1-Jun	Emails, phone calls	0.5		\$ 138.65	\$ 69.32	\$ -
2-Jun	June 7 Finance Agenda	0.75		\$ 138.65	\$ 103.98	\$ -
	Emails	0.25		\$ 138.65	\$ 34.66	\$ -
	Budget	1.25		\$ 138.65	\$ 173.31	\$ -
	Website updates	0.5		\$ 138.65	\$ 69.32	\$ -
	Invoices	0.5		\$ 138.65	\$ 69.32	\$ -
3-Jun	Emails, phone calls	0.5		\$ 138.65	\$ 69.32	\$ -
	Quarterly update	1.5		\$ 138.65	\$ 207.97	\$ -
	Monitoring wells, Gromatici / GSI		0.25	\$ 138.65	\$ -	\$ 34.66
	Elections preparation	1		\$ 138.65	\$ 138.65	\$ -
	Regular agenda	0.75		\$ 138.65	\$ 103.98	\$ -
	Phone call w/Counsel re: WSC and Carollo contracts and follow up	1		\$ 138.65	\$ 138.65	\$ -
5-Jun	Minutes May Regular meeting	1.75		\$ 138.65	\$ 242.63	\$ -
6-Jun	Regular agenda	1.25		\$ 138.65	\$ 173.31	\$ -
7-Jun	Finance Subcommittee meeting and follow up	1		\$ 138.65	\$ 138.65	\$ -
	Kennedy meeting	0.5		\$ 138.65	\$ 69.32	\$ -
10-Jun	Emails	0.5		\$ 138.65	\$ 69.32	\$ -
11-Jun	Video post, emails	0.75		\$ 138.65	\$ 103.98	\$ -
	Monitoring wells, Gromatici / GSI		0.25	\$ 138.65	\$ -	\$ 34.66
12-Jun	Well research	1		\$ 138.65	\$ 138.65	\$ -
	Final grant submittal		2.75	\$ 138.65	\$ -	\$ 381.27
	REGEN report review w/Doug	0.75		\$ 138.65	\$ 103.98	\$ -
	WSC / Carollo contracts, post 5.10 Fin minutes	0.5		\$ 138.65	\$ 69.32	\$ -
	Final site remediation - MW 2		1.25	\$ 138.65	\$ -	\$ 173.31
	Regular meeting and draft minutes	0.5		\$ 138.65	\$ 69.32	\$ -
	Fin 6.7 minutes	0.5		\$ 138.65	\$ 69.32	\$ -
13-Jun	Monthly memo to CCRWQCB		0.5	\$ 138.65	\$ -	\$ 69.32
	Minutes May Regular meeting	0.75		\$ 138.65	\$ 103.98	\$ -
	2nd Quarter update	1		\$ 138.65	\$ 138.65	\$ -
	Elections prep / resolutions	1		\$ 138.65	\$ 138.65	\$ -
	July / August workshop coordination	0.5		\$ 138.65	\$ 69.32	\$ -
	Adopted Budget and post	1.5		\$ 138.65	\$ 207.97	\$ -
14-Jun	Tax Roll / Elections	0.75		\$ 138.65	\$ 103.98	\$ -
	July / August workshop coordination	0.75		\$ 138.65	\$ 103.98	\$ -
16-Jun	Emails, phone calls	0.5		\$ 138.65	\$ 69.32	\$ -
	GSI / Lab results follow up		0.25	\$ 138.65	\$ -	\$ 34.66
19-Jun	Coffee flyer	0.25		\$ 138.65	\$ 34.66	\$ -
21-Jun	Emails	0.25		\$ 138.65	\$ 34.66	\$ -
	Technical Subcommittee agenda	0.5		\$ 138.65	\$ 69.32	\$ -
24-Jun	Emails, Tech Subcommittee preparation	0.5		\$ 138.65	\$ 69.32	\$ -
	Elections follow up	0.25		\$ 138.65	\$ 34.66	\$ -
	PM - City of Solvang efforts	0.5		\$ 138.65	\$ 69.32	\$ -
25-Jun	Social media plan	2.25		\$ 138.65	\$ 311.95	\$ -
27-Jun	Finance Subcommittee agenda	0.75		\$ 138.65	\$ 103.98	\$ -
28-Jun	Technical Subcommittee	1		\$ 138.65	\$ 138.65	\$ -
	Technical Subcommittee minutes	0.5		\$ 138.65	\$ 69.32	\$ -
Totals		31	5.25		\$ 4,298.00	\$ 727.89
Grand Totals		Hours	36.25			\$ 5,025.88



Guy Savage <gm.locsd@gmail.com>

Re: Request to exceed 30 hours - need 5+ hours for monitoring well grant work

Julie Kennedy <julie.kennedy.locsd@gmail.com>
To: General Manager - LOCSD <gm.locsd@gmail.com>

Tue, Jun 25, 2024 at 11:37 AM

Yes, approved. Thank you!

Julie Kennedy , Los Olivos Community Services District



Phone: 805.946.0431
Mobile: 805.693.4077
Email: julie.kennedy.locsd@gmail.com
Website: www.losolivoscscd.com
Address: PO Box 345, Los Olivos, CA 93441

On Mon, Jun 24, 2024 at 12:43 PM General Manager - LOCSD <gm.locsd@gmail.com> wrote:

Julie,

I'm closing out the monitoring well grant and expect to need an additional five (5) hours or so this month. Non-well related hours will come in close to 30 hours, with well work adding the 5 more. Please approve if you concur.

Guy

Guy Savage
General Manager
Los Olivos Community Services District
PO Box 345, Los Olivos, CA 93441
(805) 500-4098
www.LosOlivosCSD.com

CONTACT US 24/7 1-480-505-8877

Receipt

№ 3115310405

DATE:

6/2/2024

CUSTOMER #:

190699995

BILL TO:

Guy Savage

PO Box 894,

Los Olivos, California 93441,

United States

Los Olivos CSD

8054035384

PAYMENT:

MasterCard •••• 1915

\$66.51

Previous Balance

\$66.51

Received Payment

(\$66.51)

Balance Due (USD)

\$0.00

Term

Product

Amount

3 yrs

.COM Domain Renewal

\$65.97

LOSOLIVOSCSD.com ¹

Subtotal	\$65.97
Taxes	\$0.00
Fees	\$0.54

Total (USD) \$66.51

REFERENCE

Taxes	\$0.00
-------	--------

GoDaddy.com, LLC 2155 E GoDaddy Way, Tempe, Arizona 85284, United States	\$0.00
---	--------

Fees	\$0.54
------	--------

1. ICANN	\$0.54
LOSOLIVOSCSD.com	\$0.54

[Universal Terms of Service](#)

Column Software PBC
 PO Box 208098
 Dallas, TX 75320-8098
help.column.us

Paid by
 Los Olivos Community Service District

Receipt number
 Invoice number BD88A4A8-0002
 Invoice id in_1PIuRxHmcZCnOTsLIGmt00OU
 Notice ID YLItEPv7mkOYgXYj52vt
 Publisher Santa Maria Times
 Date paid Jun 27, 2024
 Payment method VISA - 0153

Description	Qty	Unit price	Amount
05/21/2024: Other Notice	1	119.00	119.00

=== Notes ===

Notice Name: FY 2024-25 Budget
 Order Number: 342412

Net Subtotal	\$119.00
Tax	0.00
Processing Fee	16.90
Amount paid	\$135.90



Guy Savage <gm.locsd@gmail.com>

Invoice 6633 from Gromatici Land Surveying, Inc.

1 message

Gromatici Land Surveying, Inc. <quickbooks@notification.intuit.com>
Reply-To: eackerman@gromatici.com
To: gm.locsd@gmail.com

Fri, Jun 7, 2024 at 3:40 PM

INVOICE 6633

Gromatici Land Surveying, Inc.

DUE 07/07/2024

\$1,300.00

Review and pay

Powered by QuickBooks

Dear Guy Savage,

Here's your invoice! We appreciate your prompt payment.

Thanks for your business!
Gromatici Land Surveying, Inc.

Gromatici Land Surveying, Inc.

PO Box 650 Los Olivos, CA 93441 US

805-691-9112 eackerman@gromatici.com www.gromatici.com

If you receive an email that seems fraudulent, please check with the business owner before paying.



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JE - 0266687

eForms | Reports | Tables | Search | Budget | Admin | Auditor

County of Santa Barbara

Save | Edit Check | Send | Return To Preparer | Close | Archive | Delete | Save as Template | Print | Post | View All Images

Journal Entry: FIN Billing Q1-Q4 FY 23-24: Los Olivos CSD
Last Saved On: 6/10/2024 3:50:29 PM; By: Courtney Kraemer
6/10/2024

Warnings (0) | Signatures Needed (0) | Actions to Complete (0) | Posting Status | Note (!)

Los Olivos CSD please complete the attached authorization form and attach as the back-up. This JE is for Q1-Q4 services.
Courtney Kraemer

Cash Type: I - Interfund

Import (.xml): Choose File No file chosen Upload Import Doc Nbr: Reverse Debits & Credits Import

Line	Dept	GLAcct	LIAcct	Debit Amount	Credit Amount	Prog	OUnit	Proj	Actv	Area	Equip	Depositor	Description
0		2810	7324	418.00									FIN Billing Q1-Q4 FY 23-24: Los Olivos CSD
0		0110			418.00								FIN Billing Q1-Q4 FY 23-24: Los Olivos CSD
1		0110		418.00									FIN Billing Q1-Q4 FY 23-24: Los Olivos CSD
1	061	2710	5739		418.00	1010							FIN Billing Q1-Q4 FY 23-24: Los Olivos CSD
				836.00	836.00								

Update Similar Descriptions

Insert

Approvals

[Sign Document](#) | [Remove Signature](#) | [Signature Invalidation Info](#)

Signatures:

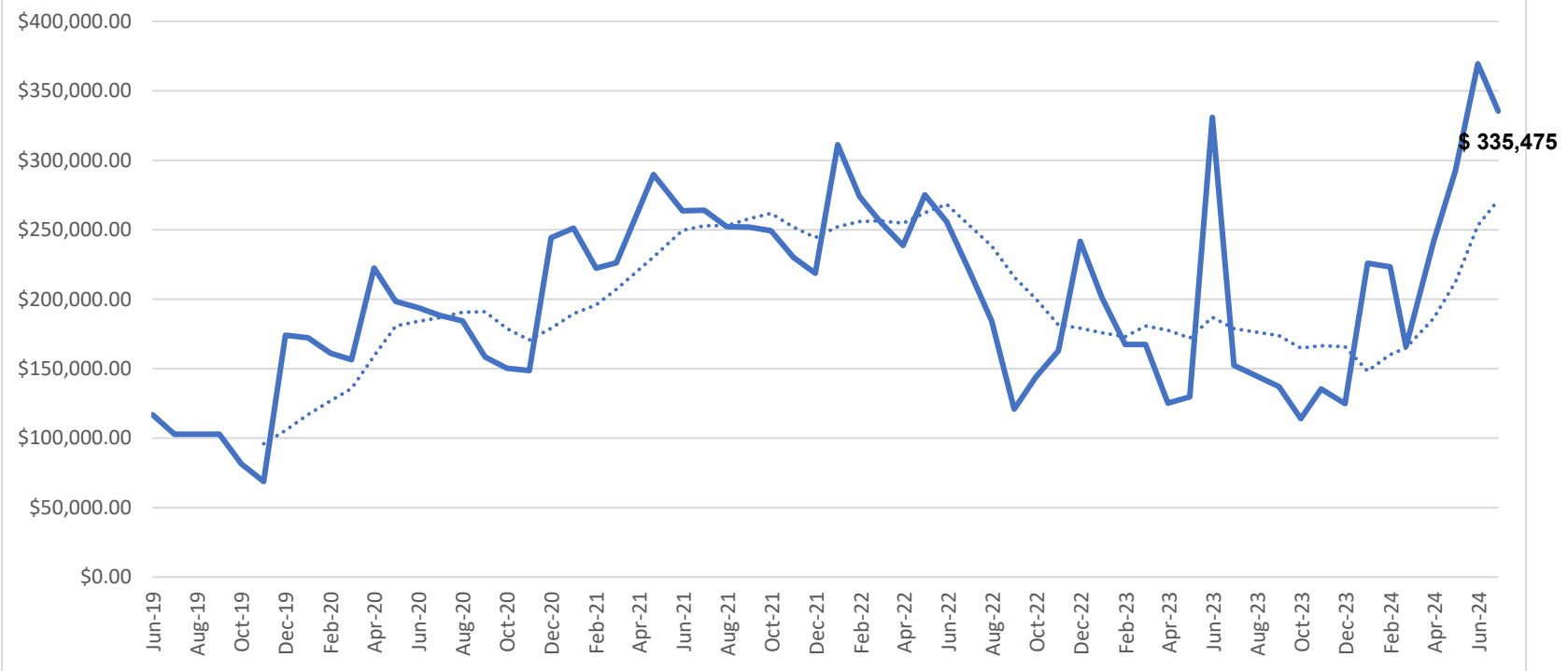
Courtney Kraemer | 061-Auditor-Controller | 6/10/2024 3:50:29 PM

Courtney Kraemer On: 6/10/2024 2:36:48 PM

ITEM 6 – BUDGET REPORTS

BUDGET REPORTS

Los Olivos CSD Cash Balance History - w/6 month Trendline



Financial Status

As of: 6/27/2024 (99% Elapsed)
Accounting Period: OPEN

Selection Criteria: Fund = 3490

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 3490 -- Los Olivos CSD

Line Item Account	6/30/2024 Fiscal Year Adjusted Budget	6/27/2024 Year-To-Date Actual	6/30/2024 Fiscal Year Variance	6/30/2024 Fiscal Year Pct of Budget
Revenues				
Taxes				
3066 -- Special Tax Assessment	227,650.00	239,513.34	11,863.34	105.21 %
Taxes	227,650.00	239,513.34	11,863.34	105.21 %
Use of Money and Property				
3380 -- Interest Income	744.00	3,754.34	3,010.34	504.62 %
Use of Money and Property	744.00	3,754.34	3,010.34	504.62 %
Intergovernmental Revenue-State				
4339 -- State-Other	0.00	75,000.00	75,000.00	--
Intergovernmental Revenue-State	0.00	75,000.00	75,000.00	--
Intergovernmental Revenue-Other				
4840 -- Other Governmental Agencies	0.00	105,508.33	105,508.33	--
Intergovernmental Revenue-Other	0.00	105,508.33	105,508.33	--
Miscellaneous Revenue				
5895 -- Other-Donations	0.00	20,000.00	20,000.00	--
5909 -- Other Miscellaneous Revenue	0.00	20.00	20.00	--
Miscellaneous Revenue	0.00	20,020.00	20,020.00	--
Revenues	228,394.00	443,796.01	215,402.01	194.31 %
Expenditures				
Services and Supplies				
7090 -- Insurance	2,934.00	2,932.81	1.19	99.96 %
7324 -- Audit and Accounting Fees	2,500.00	843.50	1,656.50	33.74 %
7430 -- Memberships	1,300.00	1,244.00	56.00	95.69 %
7450 -- Office Expense	0.00	756.00	-756.00	--
7460 -- Professional & Special Service	78,886.00	148,986.20	-70,100.20	188.86 %

Financial Status

As of: 6/27/2024 (99% Elapsed)
Accounting Period: OPEN

Selection Criteria: Fund = 3490

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 3490 -- Los Olivos CSD

Line Item Account	6/30/2024 Fiscal Year Adjusted Budget	6/27/2024 Year-To-Date Actual	6/30/2024 Fiscal Year Variance	6/30/2024 Fiscal Year Pct of Budget
7508 -- Legal Fees	45,529.00	23,268.36	22,260.64	51.11 %
7510 -- Contractual Services	98,643.00	95,760.58	2,882.42	97.08 %
7530 -- Publications & Legal Notices	1,750.00	0.00	1,750.00	0.00 %
7671 -- Special Projects	0.00	573.64	-573.64	--
Services and Supplies	231,542.00	274,365.09	-42,823.09	118.49 %
Expenditures	231,542.00	274,365.09	-42,823.09	118.49 %
Changes to Fund Balances				
Decrease to Residual Fund Balance				
9601 -- Residual Fund Balance-Inc/Dec	3,148.00	0.00	-3,148.00	0.00 %
Decrease to Residual Fund Balance	3,148.00	0.00	-3,148.00	0.00 %
Changes to Fund Balances	3,148.00	0.00	-3,148.00	0.00 %
Los Olivos CSD	0.00	169,430.92	169,430.92	--
Net Financial Impact	0.00	169,430.92	169,430.92	--

Cash Balances

As of: 6/27/2024
Accounting Period: OPEN

Selection Criteria: Fund = 3490

Layout Options: Summarized By = Fund; Page Break At = Fund

Fund	6/1/2024 Beginning Balance	Month-To-Date Cash Receipts (+)	Month-To-Date Treasury Credits (+)	Month-To-Date Warrants and Wire Transfers (-)	Month-To-Date Treasury Debits (-)	6/27/2024 Ending Balance
3490 -- Los Olivos CSD	369,426.01	0.00	5,822.43	0.00	39,773.77	335,474.67
Total Report	369,426.01	0.00	5,822.43	0.00	39,773.77	335,474.67

General Ledger Trial Balance

As of: 6/27/2024
Accounting Period: OPEN

Selection Criteria: Fund = 3490

Layout Options: Summarized By = Fund; Page Break At = Fund

Fund 3490 -- Los Olivos CSD

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 6/30/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	154,050.07	680,409.69	498,985.09	335,474.67
0240 -- Interest Receivable	743.68	3,485.25	4,228.93	0.00
Total Assets	154,793.75	683,894.94	503,214.02	335,474.67
Total Assets & Other Debits	154,793.75	683,894.94	503,214.02	335,474.67
Liabilities, Equity & Other Credits				
Liabilities				
1010 -- Warrants Payable	0.00	3,052.00	3,052.00	0.00
1015 -- EFT Payable	0.00	258,925.95	270,175.95	-11,250.00
1210 -- Accounts Payable	0.00	273,227.95	273,227.95	0.00
1730 -- Unidentified Deposits	0.00	125,020.00	125,020.00	0.00
Total Liabilities	0.00	660,225.90	671,475.90	-11,250.00
Equity				
2200 -- Fund Balance-Residual	-154,793.75	0.00	0.00	-154,793.75
2410 -- Est Revenues/Oth Fin Src	0.00	231,542.00	0.00	231,542.00
2510 -- Appropriations/Oth Fin Use	0.00	0.00	231,542.00	-231,542.00
2710 -- Revenues/Other Fin Sources	0.00	235,870.00	679,666.01	-443,796.01
2810 -- Expenditures/Other Fin Uses	0.00	274,365.09	0.00	274,365.09
Total Equity	-154,793.75	741,777.09	911,208.01	-324,224.67
Total Liabilities, Equity & Other Credits	-154,793.75	1,402,002.99	1,582,683.91	-335,474.67
Total Los Olivos CSD	0.00	2,085,897.93	2,085,897.93	0.00

ITEM 7 – DRAFT AUDIT YE 6/30/2023

DRAFT AUDIT YE 6/30/2023



Moss, Levy & Hartzheim LLP

Certified Public Accountants

June 11, 2024

Los Olivos Community Services District
PO Box 345
Los Olivos, CA 93441

Attached is a draft copy of your 2023 audit for your review. After reviewing and upon your approval, please sign and fax back this letter to our office. We will not finalize the audit until we receive your response, a signed and dated Management Representation Letter (to be prepared by you), a written response from your attorney to the legal representation letter or a letter from you stating that no legal counsel was retained.

Sincerely,

MOSS, LEVY & HARTZHEIM LLP

Moss, Levy & Hartzheim LLP

RESPONSE:

I have reviewed the draft copy of the audit for Los Olivos Community Services District and give my approval

By: _____

Title: _____

Date: _____

[Client's Letterhead]

[Date]

Moss, Levy & Hartzheim LLP
2400 Professional Parkway Ste. 205
Santa Maria, CA 93455

This representation letter is provided in connection with your audit(s) of the financial statements of [Name of Governmental Unit], which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of [Date(s)], and the respective changes in financial position and, where applicable, cash flows for the fiscal year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of [Date of Auditor's Report], the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated [Date of Engagement Letter], including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements [or in the schedule of findings and questioned costs].
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

- 10) Guarantees, whether written or oral, under which the [Describe governmental unit, e.g., city, county, school district, etc.] is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
- Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters [and all audit or relevant monitoring reports, if any, received from funding sources].
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the [Describe governmental unit, e.g., city, county, school district, etc.] from whom you determined it necessary to obtain audit evidence.
 - Minutes of the meetings of [Name of Governing Body such as City Council, Board of Education, etc.] or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the [Describe governmental unit, e.g., city, county, school district, etc.] and involves—
- Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the [Describe governmental unit, e.g., city, county, school district, etc.]'s financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the names of the [Describe governmental unit, e.g., city, county, school district, etc.]'s related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have taken timely and appropriate steps to remedy identified and suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us. [Omit or modify this item if these findings are not reported.]
- 21) We have a process to track the status of audit findings and recommendations. [Omit or modify this item if there are no audit findings.]
- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 23) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

- 24) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report. [Omit or modify this item if there are no audit findings.]
- 25) The [Describe governmental unit, e.g., city, county, school district, etc.] has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 26) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 27) We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91 .
- 28) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 29) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 30) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 31) The [Describe governmental unit, e.g., city, county, school district, etc.] has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 32) The [Describe governmental unit, e.g., city, county, school district, etc.] has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 33) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 34) The financial statements include all fiduciary activities required by GASBS No. 84 , as amended.
- 35) The financial statements properly classify all funds and activities in accordance with GASBS No. 34 , as amended.
- 36) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 37) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 38) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 39) Provisions for uncollectible receivables have been properly identified and recorded.
- 40) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 41) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 42) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 43) Special and extraordinary items are appropriately classified and reported. [Omit or modify this item if there are no special or extraordinary items.]

- 44) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 45) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 46) The government meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach. [Omit this item if the modified approach is not used.]
- 47) We have appropriately disclosed the [Describe governmental unit (e.g., city, county, school district, etc.)]'s policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 48) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 49) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 50) With respect to the [Identify supplementary information on which an in-relation-to opinion is issued (e.g., combining statements, individual fund statements)].
 - a) We acknowledge our responsibility for presenting the [Identify supplementary information.] in accordance with accounting principles generally accepted in the United States of America, and we believe the [Identify supplementary information.], including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the [Identify supplementary information.] have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the [Identify supplementary information.] is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: _____
 Title: _____

Signature: _____
 Title: _____

**LOS OLIVOS COMMUNITY
SERVICES DISTRICT**

FINANCIAL STATEMENTS
June 30, 2023

DRAFT

LOS OLIVOS COMMUNITY SERVICES DISTRICT
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June 30, 2023

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Statement of Cash Flows – Proprietary Fund 5

Notes to Basic Financial Statements 6

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Los Olivos Community Services District
Los Olivos, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the Los Olivos Community Services District (the District) as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Los Olivos Community Services District, as of June 30, 2023, and the respective changes in financial position thereof and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Los Olivos 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Los Olivos 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Los Olivos Community Services District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June XX, 2024, on our consideration of the Los Olivos Community Services District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Santa Maria, CA
June XX, 2024

LOS OLIVOS COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUND
 June 30, 2023

ASSETS

Current Assets:

Cash in county treasury	\$ 148,925
Interest receivable	744
Total current assets	<u>149,669</u>

Noncurrent Assets:

Construction in progress	206,303
Capital assets, net	<u>49,081</u>
Total noncurrent assets	<u>255,384</u>
Total assets	<u>405,053</u>

LIABILITIES

Accounts payable	<u>24,737</u>
Total liabilities	<u>24,737</u>

NET POSITION

Net investment in capital assets	255,384
Unrestricted	<u>124,932</u>
Total net position	<u>\$ 380,316</u>

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The notes to basic financial statements are an integral part of these basic financial statements.

LOS OLIVOS COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2023

Operating Expenses:	
Professional services	\$ 94,954
Insurance	2,800
Contractual services	80,590
Other services and supplies	1,887
Depreciation	<u>1,692</u>
 Total operating expenses	 <u>181,923</u>
 Operating Loss	 <u>(181,923)</u>
Non-Operating Revenues (Expenses):	
Interest income	4,452
Assessments	232,834
Intergovernmental revenue	<u>30,131</u>
 Total Non-Operating Revenues (Expenses)	 <u>267,417</u>
 Change in net position	 85,494
Net Position	
Net Position, beginning of fiscal year	<u>294,822</u>
Net Position, end of fiscal year	<u><u>\$ 380,316</u></u>

DRAFT

The notes to basic financial statements are an integral part of these basic financial statements.

LOS OLIVOS COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Payments to vendors	\$ (235,156)
Net cash used by operating activities	<u>(235,156)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Intergovernmental revenue	30,131
Property assessments	232,834
Payment of construction in progress	<u>(96,371)</u>
Net cash provided by noncapital financing activities	<u>166,594</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>4,105</u>
Net cash provided by investing activities	<u>4,105</u>

Net increase in cash and cash equivalents (64,457)

Cash and cash equivalents - July 1, 2022 213,382

Cash and cash equivalents - June 30, 2023 \$ 148,925

Reconciliation to Statement of Net Position:
Cash in county treasury \$ 148,925

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Reconciliation of operating loss to net cash used by operating activities:

Operating loss	\$ (181,923)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	1,692
Change in assets and liabilities:	
Accounts payable	<u>(54,925)</u>
Net cash used by operating activities	<u>\$ (235,156)</u>

The notes to basic financial statements are an integral part of these basic financial statements.

NOTE 1 - ORGANIZATION

The Los Olivos Community Services District is an independent governmental unit within the unincorporated area of the County of Santa Barbara and derives its decision-making capabilities from State legislation. The District is governed by a Board of Directors elected to serve four-year terms. The primary purpose of the District is the building and operation of facilities needed to collect, treat, and dispose of sewage, wastewater, recycled water, and storm water.

There are no component units included in this report which meet the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39, No. 61, No. 80 and No. 90.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Accounting Policies - 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 American Institute of Certified Public Accountants (AICPA).

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the District has opted to apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

- B. Accounting Method - The District is organized as an Enterprise Fund and follows the accrual method of accounting, whereby revenues are recorded when earned and expenses are recorded when incurred.

- C. Fund Financial Statements - The fund financial statements provide information about the District's proprietary fund.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

GASB Statement No. 34 defines major funds and requires that the District's major business-type fund be identified and presented separately in the fund financial statements.

Major funds are defined as funds that have assets, liabilities, revenues, or expenses equal to ten percent of their fund-type total and five percent of the grand total. The District maintains one proprietary fund.

Proprietary Fund Type

Enterprise Fund:

Enterprise fund is used to account for operations (a) 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 be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The District reported its enterprise fund as a major fund in the accompanying basic financial statements.

Sewer Fund – The Sewer Fund is to account for the provision of sewer services to the residents of the District.

- D. Cash and Cash Equivalents – For purposes of the statement of cash flows, cash and cash equivalents include restricted and unrestricted cash and investments with original maturities of three months or less.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- E. Property, Plant and Equipment – Capital assets purchased by the District are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired.
- F. Depreciation – Capital assets purchased by the District are depreciated over their estimated useful lives (ranging from 5-50 years) under the straight-line method of depreciation according to the following schedule:

<u>Item</u>	<u>Years</u>
Office Furniture and Equipment	5
Plant Equipment	10-20
Manholes, Laterals, and Sewer lines	30
Treatment Plant Structures	30-50

- G. Receivables - The District did not experience any significant bad debt losses; accordingly, no provision has been made for doubtful accounts and accounts receivable are shown at full value.
- H. Construction in Progress - The District occasionally constructs capital assets for its own use in the plant operations. The costs associated with these projects are accumulated in a construction in progress account while the project is being developed. Once the project is completed, the entire cost of the constructed assets are transferred to the capital assets account and depreciated over the estimated useful life of the capital assets.
- I. Use of Estimates -The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, 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 reported period. Actual results could differ from those estimates.
- J. Net Position - GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets, consists of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position are those net position that have external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consist of net position that do not meet the definition of invested in capital assets, net of related debt, or restricted net position.

K. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 99	"Omnibus 2022"	The provisions of this statement are effective in April 2022 except for the provisions related to leases, PPPs, SBITAs, financial guarantees and derivative instruments. The provisions related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The provisions related to financial guarantees and derivative instruments are effective for fiscal years beginning after June 15, 2023.
Statement No. 100	"Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62"	The provisions of this statement are effective for fiscal years beginning after June 15, 2023.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Future Accounting Pronouncements (Continued)

Statement No. 101 "Compensated Absences"

The provisions of this statement are effective for fiscal years beginning after December 15, 2023.

NOTE 3 - CASH AND INVESTMENTS

On June 30, 2023, the District had the following cash and investments on hand:

Cash in county treasury	\$ <u>148,925</u>
Total cash and investments	\$ <u>148,925</u>

Cash and investments listed above, are presented on the accompanying statement of net position as follows:

Cash in county treasury	\$ <u>148,925</u>
	\$ <u>148,925</u>

The District categorizes its fair value measurements within the fair value hierarchy established by U.S. Generally Accepted Accounting Principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District did not have investments that are measured under Level 1, Level 2, or Level 3.

Investments Authorized by the District's Investment Policy

The District's investment policy only authorizes investment in the local government investment pool administered by the County of Santa Barbara. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk.

Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
Santa Barbara County Investment Pool	\$ <u>148,925</u>	\$ <u>148,925</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Total	\$ <u>148,925</u>	\$ <u>148,925</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

NOTE 3 - CASH AND INVESTMENTS (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below, is the minimum rating required by the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Minimum Carrying Amount</u>	<u>Exempt Legal Rating</u>	<u>From Disclosure</u>	<u>Rating as of Fiscal Year End</u>		
				<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Santa Barbara County Investment Pool	\$ 148,925	N/A	\$ -	\$ -	\$ -	\$ 148,925
Total	\$ 148,925		\$ -	\$ -	\$ -	\$ 148,925

Custodial Credit Risk

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

None of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Investment in Santa Barbara County Investment Pool

The District is a participant in the Santa Barbara County Investment Pool that is regulated by the California Government Code. The fair value of the District's investment in this pool is based upon the District's pro-rata share of the fair value provided by the Santa Barbara County Investment Pool for the entire Santa Barbara County Investment Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the Santa Barbara County Investment Pool, which are recorded on an amortized cost basis.

LOS OLIVOS COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 4 – SCHEDULE OF CAPITAL ASSETS

A schedule of changes in capital assets for the fiscal year ended June 30, 2023, is shown below:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>
Nondepreciable capital assets				
Construction in Progress	\$ 160,705	\$ 45,598	\$ -	\$ 206,303
Total nondepreciable capital assets	<u>\$ 160,705</u>	<u>\$ 45,598</u>	<u>\$ -</u>	<u>\$ 206,303</u>
Depreciable capital assets				
Building improvements	\$ -	\$ 50,773	\$ -	\$ 50,773
Total depreciable capital assets		50,773		50,773
Less Accumulated Depreciation		1,692		1,692
Net depreciable capital assets	<u>\$ -</u>	<u>\$ 49,081</u>	<u>\$ -</u>	<u>\$ 49,081</u>
Net capital assets	<u>\$ 160,705</u>	<u>\$ 94,679</u>	<u>\$ -</u>	<u>\$ 255,384</u>

NOTE 5 – COMMITMENTS AND CONTINGENCIES

According to the District's staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.

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