

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: 9-28-2024

October 4, 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 above locations.

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=SWpSU0RYZFJjZTBLNGphZG41TGs4dz09>
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 losolivoscscd@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 September 6, 2024.

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 September 28, 2024.

No.	Invoice Date	Invoice #	Provider	Amount
1	9/12/2024	89707	A&W – Legal Services	\$ 1,938.00
2	8/31/2024	9919	WSC – City of Solvang Connection Engineering	\$ 8,409.75
3	9/3/2024	24040	REGEN – Collection Workshop	\$ 2,500.00
4	9/26/2024	20249	Savage – General Manager Services	\$ 6,020.00

Project	Vendor	To Date (inc. above)	Total Authorization
City of Solvang Connection	WSC – Treatment Infrastructure (pumps, pipes)	\$ 8,409.75	\$ 18,787.00
City of Solvang Connection	Carollo – Treatment Plant Impacts	\$ 0.00	\$ 40,240.00

- 6. CONSIDERATION OF A CONTRACT FOR YEAR ENDING JUNE 30, 2024 (FY 2023-24) AUDIT SERVICES FROM MOSS, LEVY, & HARTZHEIM, IN THE AMOUNT NOT TO EXCEED \$3,500 (THREE THOUSAND AND FIVE HUNDRED DOLLARS)**
The Subcommittee will consider making a recommendation to the full Board of Directors regarding the proposal submitted by Moss, Levy & Hartzheim to perform audit services for the fiscal year ended June 30, 2024 (LOCSD fiscal year 2024-24).

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

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 4A – 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: 9-2-2024

September 6, 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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St Mark's in the Valley Episcopal Church, 2901 Nojoqui Ave, Los Olivos CA 93441

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By Phone: +1 669 900 6833 US (San Jose) Meeting ID: 819 3772 2522 Passcode: 914085

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MEETING AGENDA

1. CALL TO ORDER

VP Palmer calls the meeting to order at: 8:31 AM

2. ROLL CALL

Present: VP Palmer, GM Savage

Absent: President Kennedy

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.

VP Palmer opens the floor to public comment

No requests to speak. No audience in attendance.

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 July 3, 2024.

VP Palmer opens the floor to public comment
No requests to speak.

Motion to approve the Consent Agenda.
Motion by: GM Savage, Second VP Palmer
Voice vote: 2-0

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 September 2, 2024.

No.	Invoice Date	Invoice #	Provider	Amount
1	6/14/2024	87236	A&W – Legal Services	\$ 1,915.20
2	7/3/2024	87876	A&W – Legal Services	\$ 1,117.20
3	8/12/2024	88724	A&W – Legal Services	\$ 1,618.80
4	5/31/2024	86487	MNS – Engineering and Support Services	\$ 790.00
5	6/28/2024	86723	MNS – Engineering and Support Services	\$ 303.75
6	7/9/2024	86857	MNS – Engineering and Support Services	\$ 815.00
7	8/20/2024	87185	MNS – Engineering and Support Services	\$ 2,085.00
8	9/2/2024	20247	Savage – General Manager Services	\$ 6,398.23
9	9/2/2024	20248	Savage – General Manager Services	\$ 4,637.98
10	7/8/2024	00876.005 - 3	GSI – Monitoring Wells (Grant Reimbursable)	\$ 901.25
11	6/30/2024	I-5038	MLH – 2022-23 Audit Services	\$ 2,900.00

Project	Vendor	To Date (inc. above)	Remaining Authorization
Audit (2023)	Moss, Levy & Hartzheim, LLP	\$ 2,900.00	\$ 2,900.00

GM Savage provides a brief introduction, noting that this is a catch up as the subcommittee did not meet last month. He adds that when the subcommittee gets to item 6, one can note the \$901.25 as a revenue from the County, as the GSI bill was reimbursable.

VP Palmer opens the floor to public comment
No requests to speak.

Motion to recommend to the full Board of Directors the invoices as presented.
Motion by: VP Palmer, Second GM Savage
Voice vote: 2-0

6. BUDGET REPORTS

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

GM Savage provides a brief walk-through of the budget reports. The subcommittee discusses upcoming expenses and timing of revenue through tax bills. GM Savage notes that there are a few upcoming activities, including a 30% design on a pipeline to carry wastewater from the District to Sunny Fields Park, and the nearly \$70,000 for the WSC and Carollo contracts.

VP Palmer opens the floor to public comment
No requests to speak.

7. CONSIDERATION OF THE 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 audit report submitted by Moss, Levy & Hartzheim for the fiscal year ended June 30, 2023 (LOCSD fiscal year 2022-23).

GM Savage introduces the item, noting that his concerns with the draft were appropriately addressed by MLH. He then adds that he checked applicable Gov't Code and the District can use MLH for one more audit, as the maximum is six (6) years. He has requested a quote from MLH to complete the FY 2023-24 audit.

VP Palmer opens the floor to public comment
No requests to speak.

Motion to recommend that the full Board of Directors approve the audit report.
Motion by: GM Savage, Second VP Palmer
Voice vote: 2-0

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.

GM Savage – None

VP Palmer – None

9. ADJOURNMENT

Motion to adjourn at 8:42 AM.

Motion by: GM Savage, Second VP Palmer

Voice vote: 2-0



Water Systems Consulting, Inc.

P.O. Box 4255
 San Luis Obispo, CA 93403
 805-457-8833

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

Invoice number 9919
 Date 08/31/2024

Project **2582-11920 Solvang Wastewater Treatment Infrastructure and Plant**

For Services Rendered From 7/1/24 through 8/31/24

Invoice Summary

Description	Contract Amount	Previously Billed	Current Billed	Total Billed to Date	Contract Balance Remaining
Task 0 - Project Management					
0.1 - Project Administration	1,886.00	0.00	179.00	179.00	1,707.00
0.2 - Progress Meetings	514.00	0.00	0.00	0.00	514.00
Subtotal	2,400.00	0.00	179.00	179.00	2,221.00
Task 1 - Data Gathering					
1.1 - Data Gathering	1,427.00	0.00	1,099.00	1,099.00	328.00
Subtotal	1,427.00	0.00	1,099.00	1,099.00	328.00
Task 2 - Solvang Capacity Analysis					
2.1 - Hydraulic Model Analysis	9,536.00	0.00	5,654.00	5,654.00	3,882.00
2.2 - Hydraulic Modeling TM	5,424.00	0.00	1,477.75	1,477.75	3,946.25
Subtotal	14,960.00	0.00	7,131.75	7,131.75	7,828.25
Total	18,787.00	0.00	8,409.75	8,409.75	10,377.25

Task 0 - Project Management

0.1 - Project Administration

Labor

	Hours	Rate	Billed Amount
Administration/Clerical III			
Kay E. Merrill	1.00	179.00	179.00
Task 0 - Project Management subtotal			179.00

Task 1 - Data Gathering

1.1 - Data Gathering

Labor

	Hours	Rate	Billed Amount
Senior I			
Adam J. Donald	3.50	257.00	899.50

Task 1 - Data Gathering

1.1 - Data Gathering

Labor

	Hours	Rate	Billed Amount
Principal III			
Joshua H. Reynolds	0.50	399.00	199.50
	Labor subtotal		1,099.00
			Phase subtotal
			1,099.00
			Task 1 - Data Gathering subtotal
			1,099.00

Task 2 - Solvang Capacity Analysis

2.1 - Hydraulic Model Analysis

Labor

	Hours	Rate	Billed Amount
Senior I			
Adam J. Donald	22.00	257.00	5,654.00

2.2 - Hydraulic Modeling TM

Labor

	Hours	Rate	Billed Amount
Senior I			
Adam J. Donald	5.75	257.00	1,477.75
			Task 2 - Solvang Capacity Analysis subtotal
			7,131.75

Invoice total **8,409.75**

Aging Summary

Invoice Number	Invoice Date	Outstanding	Current	Over 30	Over 60	Over 90	Over 120
9919	08/31/2024	8,409.75	8,409.75				
	Total	8,409.75	8,409.75	0.00	0.00	0.00	0.00

*Make all checks payable to Water Systems Consulting, Inc.
 If you have any questions concerning this invoice,
 contact Kay Merrill, (805) 441-3219 kmerrill@wsc-inc.com.*

THANK YOU FOR YOUR BUSINESS!

INVOICE

Regen PLLC
217 S 11th St
Boise, ID 83702-6902

accounting@regenaec.com
+1 (208) 297-7712
www.regenaec.com



Los Olivos Community Service District:22031 Los Olivos Community Service Distri

Bill to

Guy Savage
PO Box 345
Los Olivos, CA 93441

Ship to

Guy Savage
Guy Savage

Invoice details

Invoice no.: 24040
Terms: Due on receipt
Invoice date: 09/03/2024
Due date: 10/01/2024

#	Product or service	Description	Qty	Rate	Amount
1.	Engineering	Travel Expenses	1	\$1,500.00	\$1,500.00
2.	Engineering	Workshop preparation and attendance	1	\$1,000.00	\$1,000.00

Total **\$2,500.00**

Ways to pay



[View and pay](#)



1 Park Plaza, Suite 1000
 Irvine, CA 92614
 P (949) 223-1170 • F (949) 223-1180
 awattorneys.com

Federal Tax ID: 55-0814676

**LOS OLIVOS COMMUNITY SERVICES DISTRICT (01245)
 MONTHLY BILLING SUMMARY**

Billing Period: August 2024

Matter Description	Total Hours	Total Fees	Total Costs	Total Other Charges	Total Billed	Comments
0001 General	8.50	1,938.00	0.00	0.00	1,938.00	
TOTALS:	8.50	1,938.00	0.00	0.00	1,938.00	



1 Park Plaza, Suite 1000
 Irvine, CA 92614
 Phone: (949) 223-1170
 Fax: (949) 223-1180
 Federal Tax ID: 55-0814676

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

September 12, 2024
 Bill No. 89707

For Legal Services Rendered Through 8/31/24

CLIENT: 01245 - Los Olivos Community Services District
 MATTER: 0001 - General

PROFESSIONAL SERVICES

Date	Attorney	Description	Hours	Amount
08/02/24	SON	EMAIL RE LAFCO PRESENTATION	0.10	22.80
08/07/24	SON	TELEPHONE CONFERENCE WITH GUY RE MANDATORY SERVICE	0.30	68.40
08/08/24	SON	CORRESPONDENCE RE BOARD MEETING AUDIO	0.10	22.80
08/10/24	SON	AMEND PRESENTATION	1.00	228.00
08/14/24	SON	TRAVEL AND ATTEND BOARD MEETING	6.20	1,413.60
08/21/24	SON	TELEPHONE CONFERENCE WITH GUY RE BROWN ACT QUESTION; REVIEW CORRESPONDENCE RE SAME	0.20	45.60
08/22/24	SON	CORRESPONDENCE WITH GENERAL MANAGER RE VIRTUAL MEETINGS	0.10	22.80
08/31/24	SON	RESEARCH RE ACCESS TO PROPOSED CSD SEWER LINE	0.50	114.00
Total Professional Services			8.50	\$1,938.00

PROFESSIONAL SERVICES SUMMARY

Code	Name	Hours	Rate	Amount
SON	Steven O'Neill	8.50	228.00	1,938.00
Total Professional Services		8.50		\$1,938.00

CURRENT BILL TOTAL AMOUNT DUE

\$1,938.00

Balance Forward:

4,651.20

Total Due:

\$6,589.20

Please return this page with remittance

to
Aleshire & Wynder LLP

Bill Number: 89707
Bill Date: September 12, 2024
Client Code: 01245
Client Name: Los Olivos Community Services District
Matter Code: 0001
Matter Name: General

Total Professional Services:	1,938.00
Total Disbursements:	0.00
CURRENT BILL TOTAL AMOUNT DUE	<u>\$1,938.00</u>
Balance Forward:	4,651.20
Total Due:	<u>\$6,589.20</u>

Amount enclosed: _____

Thank You

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 #: 20249
Invoice Date: 9/26/2024

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
9/26/2024	General Manager Services - LOCSD (9/1/24-9/26/24) See Attached for Details	30	\$ 145.00	\$ 4,350.00
8/21/2024	USPS - PO Box 345 Annual Rental	1	\$ 170.00	\$ 170.00
9/26/2024	Cantella Consulting - Social Media	1	\$ 1,500.00	\$ 1,500.00
				\$ -
Total				\$ 6,020.00

Thank you for your continued support.



Date	Description	Hours	Grant			Amount Grant Reimbursable
			Reimbursable	Rate	Amount	
2-Sep	Finance Agenda	1		\$ 145.00	\$ 145.00	\$ -
	Room reidentification PM Subcommittee	0.75		\$ 145.00	\$ 108.75	\$ -
	Audit review / SCO follow up	0.75		\$ 145.00	\$ 108.75	\$ -
3-Sep	Draft 9/11 Regular agenda	0.75		\$ 145.00	\$ 108.75	\$ -
	Website updates, 9/4 meeting location updates	1.25		\$ 145.00	\$ 181.25	\$ -
	9/4 PM subcommittee prep, including updating schedule	1.25		\$ 145.00	\$ 181.25	\$ -
4-Sep	PM subcommittee	1.5		\$ 145.00	\$ 217.50	\$ -
	PM subcommittee minutes and video post	0.5		\$ 145.00	\$ 72.50	\$ -
	Palmer discussion	0.75		\$ 145.00	\$ 108.75	\$ -
	Emails, general administration	0.5		\$ 145.00	\$ 72.50	\$ -
	Cantella - social media strategic plan discussion	0.5		\$ 145.00	\$ 72.50	\$ -
	Social media policy and guidelines, research/development/draft	2		\$ 145.00	\$ 290.00	\$ -
5-Sep	Project Plan	0.5		\$ 145.00	\$ 72.50	\$ -
6-Sep	Finance Subcommittee meeting	1		\$ 145.00	\$ 145.00	\$ -
	Regular meeting agenda and post	1.25		\$ 145.00	\$ 181.25	\$ -
	Finance Subcommittee meeting minutes and video post	0.5		\$ 145.00	\$ 72.50	\$ -
	Emails, follow up Dunn, Los Alamos, LO School, WRDA	1		\$ 145.00	\$ 145.00	\$ -
	Project Plan	0.25		\$ 145.00	\$ 36.25	\$ -
7-Sep	Regular meeting agenda and post	0.25		\$ 145.00	\$ 36.25	\$ -
11-Sep	Regular meeting	3.5		\$ 145.00	\$ 507.50	\$ -
12-Sep	Minutes Regular meeting	0.75		\$ 145.00	\$ 108.75	\$ -
	Debug video post failure	0.75		\$ 145.00	\$ 108.75	\$ -
	Workshop - QnA Summary	2.25		\$ 145.00	\$ 326.25	\$ -
15-Sep	Debug video post failure	0.5		\$ 145.00	\$ 72.50	\$ -
19-Sep	Debug video post failure	0.5		\$ 145.00	\$ 72.50	\$ -
20-Sep	Community Update	2.25		\$ 145.00	\$ 326.25	\$ -
26-Sep	Community Update	0.75		\$ 145.00	\$ 108.75	\$ -
	Facebook	0.25		\$ 145.00	\$ 36.25	\$ -
	Debug video post failure, successful post	0.5		\$ 145.00	\$ 72.50	\$ -
	October Finance and Tech Subcommittee agendas	1.75		\$ 145.00	\$ 253.75	\$ -
	Agenda post	0.5		\$ 145.00	\$ 72.50	\$ -
				\$ 145.00	\$ -	\$ -
	Totals	30.5	0		\$ 4,422.50	\$ -
	Grand Totals	Hours	30.50			\$ 4,422.50



Valerie Cantella Consulting LLC
(805) 689-8044
5418 Tree Farm Lane
Santa Barbara 93111

Billed To
Guy Savage
Los Olivos Community Services
District
P.O. Bos 345
Los Olivos 93441

Date of Issue
09/13/2024

Due Date
10/13/2024

Invoice Number
24LOCSD1

Amount Due (USD)
\$1,500.00

Description	Rate	Qty	Line Total
Social Media Strategy & Implementation Plan	\$1,500.00	1	\$1,500.00
	\$0.00	1	\$0.00
	Subtotal		1,500.00
	Tax		0.00
	Total		1,500.00
	Amount Paid		0.00
	Amount Due (USD)		\$1,500.00



LOS OLIVOS
2880 GRAND AVE STE B
LOS OLIVOS, CA 93441-9997
(800)275-8777

08/21/2024 09:12 AM

Product	Qty	Unit Price	Price
Box Renewal			\$170.00
ZIP Code™: 93441			
Box #: 345			
Rental Start Date: 09/01/2024			
Next Renewal Date: 08/31/2025			
Customer Name: LISA PALMER			

Grand Total: \$170.00

Personal/Bus Check \$170.00

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or call 1-800-410-7420.

UFN: 054560-0441
Receipt #: 840-59130124-1-3832254-1
Clerk: 07

ITEM 6 – MLH AUDIT PROPOSAL

AUDIT PROPOSAL

ITEM 7 – BUDGET REPORTS

BUDGET REPORTS



September 14, 2024

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

We are pleased to confirm our understanding of the services we are to provide Los Olivos Community Services District for the period ended June 30, 2024. We will audit the financial statements of the business-type activities, the major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Los Olivos Community Services District as of and for the period year ended June 30, 2024. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Los Olivos Community Services District's basic financial statements. Such 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Los Olivos Community Services District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Los Olivos Community Services District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Los Olivos Community Services District's financial statements. Our report will be addressed to the Board of Directors of Los Olivos Community Services District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will

2400 Professional Parkway, Suite 205 Santa Maria, CA 93455 Tel 805.925.2579 Fax 805.925.2147 mlhcpas.com

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also state that the report is not suitable for any other purpose. If during our audit we become aware that Los Olivos Community Services District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Los Olivos Community Services District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of Los Olivos Community Services District in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls, including evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Agency; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Moss, Levy & Hartzheim LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State of California or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Moss, Levy & Hartzheim LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the State of California. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately December 1, 2024 and to issue our reports no later than February 15, 2025. Alexander C. Hom, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$3,500. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to Los Olivos Community Services District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Moss, Levy & Hartzheim LLP

Moss, Levy & Hartzheim LLP

RESPONSE:

This letter correctly sets forth the understanding of Los Olivos Community Services District.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

ITEM 6 – MLH AUDIT PROPOSAL

AUDIT PROPOSAL



September 14, 2024

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

We are pleased to confirm our understanding of the services we are to provide Los Olivos Community Services District for the period ended June 30, 2024. We will audit the financial statements of the business-type activities, the major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Los Olivos Community Services District as of and for the period year ended June 30, 2024. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Los Olivos Community Services District's basic financial statements. Such 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Los Olivos Community Services District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Los Olivos Community Services District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Los Olivos Community Services District's financial statements. Our report will be addressed to the Board of Directors of Los Olivos Community Services District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will

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also state that the report is not suitable for any other purpose. If during our audit we become aware that Los Olivos Community Services District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Los Olivos Community Services District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of Los Olivos Community Services District in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls, including evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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Engagement Administration, Fees, and Other

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We appreciate the opportunity to be of service to Los Olivos Community Services District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Moss, Levy & Hartzheim LLP

Moss, Levy & Hartzheim LLP

RESPONSE:

This letter correctly sets forth the understanding of Los Olivos Community Services District.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

ITEM 7 – BUDGET REPORTS

BUDGET REPORTS