



BELL CANYON COMMUNITY SERVICES DISTRICT
30 HACKAMORE LANE
BELL CANYON, CALIFORNIA 91307



SPECIAL MEETING

OF THE BOARD OF DIRECTORS

DATE/TIME:

April 9, 2024 at 7:00 p.m.

LOCATION: Bell Canyon Community Center

ALSO VIA ZOOM for the Public:

General Manager is inviting you to a scheduled Zoom meeting.

Topic: Special Meeting Tuesday, April 9, 7:00 PM

Time: Apr 9, 2024 07:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://zoom.us/j/92349006041?pwd=OGtoOVhqOTdYQlB6czdjTk9pT3FDZz09>

Meeting ID: 923 4900 6041

Passcode: 633260

One tap mobile

+16699009128,,92349006041#,,,,*633260# US (San Jose)

+16694449171,,92349006041#,,,,*633260# US

Dial by your location

- +1 669 900 9128 US (San Jose)
- +1 669 444 9171 US
- +1 719 359 4580 US
- +1 253 205 0468 US

AGENDA

In accordance with Government Code Section 54954, notice is hereby given that the Board of Directors of the Bell Canyon Community Services District will hold a special meeting at 7:30 PM on Tuesday, April 9, 2024, at 30 Hackamore Lane, Bell Canyon, California in the Community Center to consider those items set forth in the following agenda, except in accordance with Government Code Section 54954.2[b]. The Board reserves the right to modify the order in which items are heard.

The District welcomes any member of the public to attend the meeting. Any non-resident who wishes to attend in-person can, upon their arrival at the front gate, inform gate personnel of their attendance at the District's meeting. No pre-registration is required.

Agenda Materials

The complete agenda for this meeting is available at <https://bellcanyoncsd.ca.gov> and at the District Office, 30 HACKAMORE LANE, SUITE #2B, BELL CANYON, CA 91307. Any materials submitted to the legislative body after distribution of this agenda will be available for public inspection at the District Office and available on the web site. Requests for agenda materials or meeting participation assistance can also be made by email to gregory.mchugh@bellcanyoncsd.ca.gov.



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Americans with Disabilities Act (ADA) Accommodations

In compliance with the ADA, any person with a disability who requires accommodation in order to participate in a meeting should contact the District Office at gregory.mchugh@bellcanyoncsd.ca.gov to request accommodation. The District will use its best efforts to provide reasonable accommodations related to the meeting.

Per Government Code Section 54954.3, every agenda for a special meeting of the Board of Directors shall provide an opportunity for members of the public to directly address the legislative body on any item listed on this agenda, provided that no action shall be taken on any item not appearing on the agenda unless that action is otherwise governed by Government Code Section 54954.2[b]. Public forum will be conducted as the first item of business.

1. Call to Order and Roll Call

2. Pledge of Allegiance

3. A moment of silence in memory of the victims of terror in Israel; Ukraine and elsewhere in the world.

4. Rules of behavior Due to hybrid nature of meeting using Zoom along with a live audience, the following procedures will be implemented:

- Any person desiring to speak must first be recognized by the Presiding Officer. Zoom speakers shall be recognized prior to in-person speakers.
- In-person speakers shall first be recognized and notified on an individual basis by the Presiding Officer to come to the podium to speak. Each speaker shall use the microphone in order to be heard on Zoom.
- Zoom speakers shall use the "raise hand" function prior to being recognized and notified on an individual basis by the Presiding Officer.
- Each speaker will be allotted a maximum of 3 minutes for each agenda item.

5. Public comments on Agenda Items. In accordance with Government Code Section 54954.3, every agenda for a special meeting of the Board of Directors shall provide an opportunity for members of the public to directly address the legislative body on any item listed on this agenda, provided that no action shall be taken on any item not appearing on the agenda unless that action is otherwise governed by Government Code Section 54954.2[b].

- Minutes for 3/8/24, 3/25/24
- Request to BCCC for refund of prior rent payments
- Cleanup Day
- FY23 Audit results
- Mailing list from Boardmember Lantz' "CSD" website
- Payment of existing legal bills
- AT&T carrier for Landlines
 - Letter from BOS to CPUC regarding AT&T as Carrier of Last Resort
 - Letter to BOS re AT&T as Carrier of Last Resort
- Application for new latent powers
- Expansion of existing powers
- Other committee reports
- CHP update
- Alternate venues for Movie Night
- Improvements to Audio/Visual Technology for Zoom meetings
- Credit Card Logs
- SUV Log
- 3/18/24 E mail from Olga Damascus
- Executive Session



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1 W/A

6. BUSINESS ITEMS

- 6A. Review and approval of CSD meeting minutes from 3/8/24, 3/25/24
See agenda packet.
- 6B. Discussion – Consider requesting BCCC for refund of prior rent payments and motions as needed. After accepting full payment for our lease, the BCCC President conveyed a message to J. Lantz that he is now treating CSD rent payments for 2A and 2B that are over the previous lease amount for 2B alone as payment in advance on 2B only. J. Lantz requested that this be put on the agenda for discussion.
- 6C. Discussion – Cleanup Day. 9
Cleanup Day has been scheduled and will be hosted on non-HOA property. See agenda packet.
- 6D. Receive and File FY23 Audit results and motion as needed. 10
See agenda packet.
- 6E. Discussion of J. Lantz’s mailing list from her “CSD” website.
J. Lantz emailed a copy to the interim General Manager on 3/25/24.
- 6F. Review and approval of existing legal bills. The CSD has existing legal bills that need to be paid.
See agenda packet. 36
- 6G. Discussion – AT&T as Carrier of Last Resort and motions as needed.
See agenda packet.
 - Letter from Ventura County Board of Supervisors to CPUC 37
 - Draft Letter from Interim General Manager to Ventura County Board of Supervisors 38
- 6H. Discussion – Application for new latent powers and motions as needed.
Propose that President and Interim General Manager engage with LAFCo:
 - Transportation
 - Any other powers as determined by the Board
- 6I. Discussion – Consider expansion of existing powers and motions as needed.
 - Security
- 6J. Discussion – Other committee reports and motions as needed.
 - Documents Committee - no progress
 - Trash bin ordinance - no progress
- 6K. Receive and File CHP Update 39
See agenda packet.
- 6L. Discussion – Alternate venues for Movie Night and motion as needed.
- 6M. Discussion - Improvements to audio/visual technology of CSD Zoom meetings and motions as needed.
- 6N. Receive and File Credit Card Logs and motions as needed.
See agenda packet. 41
- 6O. Receive and File SUV log and motions as needed.
See agenda packet. 43



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CV

6P. Discussion – Review 3/18/24 email from Olga Damascus and motions as needed. See agenda packet. P. Machuga requested that this be put on the agenda (45)

7. EXECUTIVE SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Govt. § 54956.9(d)(4)) – 2 matters

CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code § 54956.8.)

Property: 685-0-060-235

Agency negotiator: Interim General Manager

Negotiating parties: Bell Canyon Community Center and Bell Canyon Association

Under negotiation: price and terms

8. NEXT MEETING

The next regular meeting is on Monday, April 22, at 7 PM

9. ADJOURNMENT



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MINUTES OF BELL CANYON CSD SPECIAL MEETING ON MARCH 8, 2024:

In accordance with Government Code Section 54954, Notice is hereby given that the Board of Directors of the Bell Canyon Community Services District held a Special meeting at 7:30PM on March 8, 2024, to consider those items set forth in the posted agenda, except in accordance with Government Code Section 54954.2(b). Please note that the Board reserved the right to modify the order (listed in the agenda) in which items were heard.

1. Call to Order and Roll Call: The meeting commenced at 7:40 PM. Directors present were Judy Lantz, Richard Levy, Peter Machuga, Michael Robkin (President) and Eric Wolf. Also present was Gregory McHugh, Interim General Manager, and Samantha Becker, Recreation Coordinator. Pam Lee, Counsel, was present via Zoom.

2. The Pledge of Allegiance

3. A moment of silence was observed in memory of the victims of terror in Israel, Ukraine and elsewhere.

4. M. Robkin reviewed the rules of behavior due to hybrid nature of meeting using Zoom along with a live audience.

5. Public Comments on Agenda Items.

In accordance with Government Code Section 54954.3, every agenda for a special meeting of the Board of Directors shall provide an opportunity for members of the public to directly address the legislative body on any item listed on this agenda, provided that no action shall be taken on any item not appearing on the agenda unless that action is otherwise governed by Government Code Section 54954.2[b]. Public forum will be conducted with each agenda item.

- Discussion of the pros and cons of conducting upcoming events

Andres Castizo – Judy Lantz is part of the Restorebellcanyon group. Why is she trying to prevent us from having events such as Eggstravaganza?



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Judy Lantz

- On the CSD board 8 years
- Feels HOA should pay for events
- Funded today by taxpayers – need to advertise to the outside community
- Should be HOA events – does not want to stop events

Rana – Voiced concern on having community events canceled. Events are part of the attraction of Bell Canyon. Helps connect with neighbors. Opposed to canceling any events in any way, shape or form.

Lisa Riccomini – saying the park is unsafe is an example of interfering with the BCEC and HOA.

Mathew Perelman – Has been coming to Bell Canyon events since he was 10 years old. Moved here as an adult. Plan to provide free rentals to add extra (to?) events. We want the park handled with respect and by following the law. Doing electrical work without permits is dangerous. Don't want the park to burn. Want events and want park to be safe.

A homeowner made a comment about permits.

Daniel Samimi

- Don't need computer camps
- Been taking a 3 yr old kid to the park since they were 18 months old
- Residents walk dogs without a leash
- Kids being abused
- Use language we cannot record

RMDDM

- Rhetoric and language used in the meeting is abhorrent
- Behave in a different manner
- What is the plan?

Jan Hurst

- Grew up in Bell Canyon – 4-21 years old



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- Moved back in 2020 with own children
- Excited about Bell Canyon and much of that was about events
- Find solutions – don't just cancel

Geoff Abadee

- We have parties that other communities don't
- Comments on past board discussions
- Comments on Judy Lantz

Clayton Coleman

- Grew up here
- Returned and have been a resident for 12 years
- Opposed to canceling events
- CSD does trash and these events
- What value does CSD provide besides this?
- Continue events and expand support for the community

Olga Damascus

- CSD has been unequivocally told they cannot use private property for events
- Cannot spend public funds on events
- To be legal it must be entirely public and not on private land
- HOA does not have money for events. So they tried to push it on to the CSD

6. Discussion of pros and cons of events and motions as needed

Pam Lee, District Counsel, made a statement:

- A decision on events is a District policy decision
- The District has the authority to hold events
- It is acceptable to hold events on HOA property as the District enters into an arm's length transaction with the HOA
- The HOA exists within the District's boundaries
- It is not illegal to conduct a transaction with the HOA as long as it is arm's length
- Whether or not public funds are used does not determine whether or not the public needs to be given access
- When holding an event can limit access due to capacity and charge different rates



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-If held in the park, an event would need to be available to the public, (Note: but capacity limits could still be applied as could different rates, and priority could be given to residents and owners. This is a matter of case law.)

J. Lantz made a statement:

- Does not want to deprive anyone of these events
- Surprised to receive this agenda
- Asked at the las meeting to research park safety before any event. The problems seem to be remedied
- Question who pays for the events. Not in favor of cancelling them

E. Wolf made a statement:

- The District gets 100% of it's funding from Bell Canyon property tax revenue
- Since last year multiple people including non-residents have complained to the District Attorney about the District. They have had to investigate
- A significant volume of complaints also were submitted to LAFCo
- They found that there was no missing money but are focusing on the relationship between the District and the HOA
- Our latent powers allow us to conduct events
- The District Attorney is responding to public outcry from Olga Damascus, Micki Davidovicz and Yossi

J. Lantz:

- At the last movie event work was done for lighting without permits
- Looks restored now

P. Machuga made a statement – see attached statement

Chris Becker (HOA Board Member) was recognized by the President:

- Have not seen J. Lantz at a Movie Night
- You guys – CSD – have nothing to fix the situation
- Have legal counsel telling us what we can do and not do



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R. Levy:

- All events on HOA property – requires cooperation with HOA
- Security at front gate
- Cleanup after an event
- HOA locked us out of one of our offices
- Can't cooperate with the HOA

M. Robkin:

- No missing money
- MSR - we can work with the HOA if arms-length
- Holding an event in the park means we have to allow the public – NOT TRUE

P. Machuga:

- Walked the park
- May need barriers in some small areas but seems safe
- But not a safety expert
- Can we rent the facility from the BCA? With a contract, details and paying for value received?

P. Machuga moved that the District hold Eggstravaganza given that additional safety measures are provided and a rental contract for the park is in place. Work with the HOA. No second to the motion.

Technically, the District Attorney argued that anything we do has to be through a Park & Rec department. Not agreed to by District Counsel. Until this is cleared up it is difficult to work with the HOA.

Not a safety issue. The HOA is trying to bring electricity to the park. Contacted many agencies. SCE was supposed to pull the permit but then refused after all the complaints. The issue is how the District works together with the HOA. The DA is questioning the District paying for events.

P. Machuga: Events are hold with staff cooperation between the District and the HOA. Eggstravaganza – simple to pull off – let them do it. Safe enough to hold the event.



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M. Robkin: That is how it works General Manager to General Manager. We have been doing things exactly how LAFCo and the MSR required. However:

1. No one can tell me the park is safe for Eggstravaganza
2. Now hearing noise from the District Attorney. He is no longer 100% behind the agreement we have with LAFCo from the last MSR
3. Not taking any risk with the communities money until a 100% green light from the DA.

M. Robkin moved that the District cancel their funding for Eggstravaganza in the park this year. R. Levy seconded the motion.

E. Wolf – the DA now saying things are different – not like the MSR.

M. Robkin – would need a letter from the DA stating that what was agreed to in the MSR and SOI is OK. Also, safety is being prudent.

E. Wolf – Issue not the safety issue – more what the DA said – the relationship between the District and the HOA. District Counsel presented an argument to them about our ability to work with the HOA. The DA's view is that we can only work with other government agencies. LAFCo agrees with us.

M. Robkin – Modify the motion to state that the District will no longer fund Eggstravaganza this year and communicate to the HOA that they can take it on this year. Richard seconded the modified motion.

The motion passed as follows:

Aye: J. Lantz, R, Levy, M. Robkin, E. Wolf

No:

Abstain: P. Machuga

For Movie Night we will attempt to use the multi-use parcel.

Clean-up day is planning to use the multi-use parcel and the gravel lot outside HOA maintenance yard. That will be confirmed with WM on 3/15/24. We will call a Special meeting if we have to cancel.

Movie Night not scheduled until the first Friday in May, also tabled.



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The topic of Halloween was tabled as it is not until October and we have time to obtain a clarification.

9. Adjournment

The meeting was adjourned at 9:05 PM.

Peter Michalski Statement

3-8-23

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Bell Canyon Community Services District

Recreation Programs Discussion

Does the BCCSD have the power (authority) to hold recreation activities?

Per the MSR---Yes, to organize, promote, conduct, and advertise community recreational programs.

What is the purpose of the recreation program?

To provide an outdoor activity for the purpose of exercise, relaxation, or pleasure.

How do you determine the programs that take into consideration the wishes, needs and desires of the community?

Board judgment, past practices, community survey or representative focus groups?

Share of total revenue?

How do you evaluate the benefit of the programs?

Attendance alone, cost per attendee, questionnaire or other?

Who is responsible for managing execution?

Staff, Volunteers, Board

Who can participate?

District residents, invitation only, or public at large?

Where can the activity be held?

Homeowners' private property?

Rent? Liability?

Other consideration?



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Cleanup Day – Saturday, 4/20/24, 9 AM - 1 PM

1. At the gravel lot adjacent to the playground
 - a. Large Items (no refrigerators or LPG tanks)
 - b. Trash
 - c. Green Waste and palm trees
 - d. Branches for chipping – no Palm Trees

2. At the multi-use parcel (lower bus stop)
 - a. Hazardous Household Waste (no refrigerators or LPG tanks)
 - b. Electronic waste

3. Paper Shredding – TBD. Will know later this week.

Michael Robkin
President

Richard Levy
Vice President


Judy Lantz
Director


Peter Machuga
Director

Eric Wolf
Director



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December 20, 2023

To the Board of Directors
Bell Canyon Community Services District
Bell Canyon, California

We have audited the financial statements of Bell Canyon Community Services District (District) as of and for the year ended June 30, 2023, and have issued our report thereon dated December 20, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 18, 2023 our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have issued a separate report on internal control over financial reporting, compliance and other matters dated December 20, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

Our firm has identified the self-review of financial statements as a threat to independence. To eliminate this threat, the firm requires review of the financial statements by an independent partner, and acceptance of the report by management.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events.

Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

Significant Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain representations from management that are included in the management representation letter dated December 20, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

To the Board of Directors
Bell Canyon Community Services District

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December 20, 2023
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Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Restriction on Use

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

Very truly yours,

Eadie and Payne, LLP



BELL CANYON COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2023



BELL CANYON COMMUNITY SERVICES DISTRICT
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Bell Canyon Community Services District
Bell Canyon, California

Opinions

We have audited the financial statements of the governmental activities and major fund of Bell Canyon Community Services District (District), as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the District as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-7 and budgetary comparison information on page 18 be presented to supplement the 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Eadie and Payne, LLP

Riverside, California

December 20, 2023

Management's Discussion and Analysis

As management of the Bell Canyon Community Services District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023.

Financial Highlights

- On June 30, 2023, District assets exceeded its liabilities by \$1,964,695 (net position). This amount consists of \$14,911 of net investment in capital assets and the rest is unrestricted.
- The District's net position increased by \$14,575 during the fiscal year. Revenues increased by \$89,249 compared to June 30, 2022. Expenses increased by \$121,021 compared to June 30, 2022. The increase in expenses was mainly due to increase in general government, solid waste disposal fees and maintenance expenses during the fiscal year ended June 30, 2023.
- On June 30, 2023, the District's fund balance is \$1,949,784. Of this amount, \$7,520 is nonspendable and the rest is unassigned.
- The District's fund balance increased by \$7,682 during the fiscal year. Revenues and other sources increased by \$89,249 compared to June 30, 2022. Expenditures increased by \$131,614 compared to June 30, 2022.
- Actual revenues were higher than budgeted due to increase in property tax revenue. Actual expenditures were less than budgeted mainly due to decrease in outside services, payroll expenses and professional services that offset the increase in capital outlay.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components:

1) Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. The statement of net position includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to District creditors (liabilities), with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The statement of net position also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The statement of activities presents information showing how the District's net position changed during the fiscal year. All the current year's revenues and expenses, regardless of when cash is received or paid, are accounted for in the statement of activities. This statement measures the success of the District's activities over the past year and can be used to determine whether the District has successfully recovered all its costs. This statement also measures profitability and credit worthiness.

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2) Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District uses governmental funds to report its activities. The District's governmental fund financial statements include the balance sheet and the statement of revenues, expenditures and changes in fund balance.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

The District maintains one governmental fund – the General Fund. The District adopts an annual appropriated budget for its General Fund, and a budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the budget.

3) Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes provide a narrative description of certain items contained in the financial statements to enhance the understanding of those items.

Government-Wide Financial Analysis

One of the most important questions asked about the District's finances is, "Is the District, as a whole, better off or worse off as a result of this year's activities?" The statement of net position and the statement of activities report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and the changes therein. One can think of the District's net position – the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources – as one way to measure financial health or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

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Summarized Statements of Net Position

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Assets			
Current assets	\$ 1,985,464	\$ 1,976,755	\$ 8,709
Noncurrent assets	<u>14,911</u>	<u>8,018</u>	<u>6,893</u>
Total Assets	<u>2,000,375</u>	<u>1,984,773</u>	<u>15,602</u>
Liabilities			
Current liabilities	<u>35,680</u>	<u>34,653</u>	<u>1,027</u>
Total Liabilities	<u>35,680</u>	<u>34,653</u>	<u>1,027</u>
Net position			
Net investment in capital assets	14,911	8,018	6,893
Unrestricted	<u>1,949,784</u>	<u>1,942,102</u>	<u>7,682</u>
Total Net Position	<u>\$ 1,964,695</u>	<u>\$ 1,950,120</u>	<u>\$ 14,575</u>

Summarized Statements of Activities

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Expenses			
General government	\$ 195,704	\$ 142,044	\$ 53,660
Solid waste disposal fees	493,522	462,892	30,630
Other expenses	<u>50,281</u>	<u>13,550</u>	<u>36,731</u>
Total Expenses	<u>739,507</u>	<u>618,486</u>	<u>121,021</u>
General Revenues			
Property taxes	731,618	659,671	71,947
Other revenues	<u>22,464</u>	<u>5,162</u>	<u>17,302</u>
Total General Revenues	<u>754,082</u>	<u>664,833</u>	<u>89,249</u>
Change in net position	<u>14,575</u>	<u>46,347</u>	<u>(31,772)</u>
Net Position at Beginning of Year	<u>1,950,120</u>	<u>1,903,773</u>	<u>46,347</u>
Net Position at End of Year	<u>\$ 1,964,695</u>	<u>\$ 1,950,120</u>	<u>\$ 14,575</u>

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Analysis of variations between original and final budget amounts

The District adopts its budget in accordance with California law. It is District policy to modify the budget as needed. No significant budget transfers were made during the year ended June 30, 2023. Budget variances are reviewed by District management on an ongoing basis as part of the financial management of the District.

	Final Budget	Actual	Variances with Final Budget Positive (Negative)
Revenues			
Property taxes	\$ 705,141	731,618	\$ 26,477
Interest income	5,095	19,261	14,166
Other income	3,183	3,203	20
Total Revenues	713,419	754,082	40,663
Expenditures			
Residential trash - solid waste	494,000	493,522	478
Restroom maintenance	6,636	6,636	-
Recreational Activities	40,500	39,945	555
General and administrative	214,395	206,297	8,098
Total Expenditures	755,531	746,400	9,131
Excess of Revenues			
Over (Under) Expenditures	(42,112)	7,682	49,794
Changes in Fund Balances	\$ (42,112)	\$ 7,682	\$ 49,794

Capital Assets

The District's investment in capital assets consist of \$40,528 for equipment, with accumulated depreciation of \$25,617 as of June 30, 2023.

Economic Factors and Next Year's Rates

While the District has the authority to levy an assessment on all property and homeowners within Bell Canyon, it has not exercised that authority, and has no plans to do so in the foreseeable future.

The District's sole source of revenue is a percentage of the property taxes levied on homes and property within the District. This amount varies from year to year based upon the assessed valuation of said properties, and the applicable percentage as determined by the County of Ventura. These factors were considered in preparing the District's budget for the 2024 fiscal year. It is anticipated that positive unrestricted net position will avoid the need to raise taxes or charges during the next fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Bell Canyon Community Service District – Treasurer, 30 Hackamore Lane, Suite 2B, Bell Canyon, CA 91307.

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BELL CANYON COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION
June 30, 2023

Assets

Cash and cash equivalents	\$ 1,953,505
Accounts and other receivables, net	24,439
Prepaid expenses	7,520
Capital assets being depreciated, net	14,911
Total Assets	<u>2,000,375</u>

Liabilities

Accounts payables and accrued expenses	<u>35,680</u>
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Net Position

Net investment in capital assets	14,911
Unrestricted	1,949,784
Total Net Position	<u>\$ 1,964,695</u>

The accompanying notes are an integral part of the financial statements.

BELL CANYON COMMUNITY SERVICES DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

(24)

Expenses

General government	\$ 195,704
Solid waste disposal fees	493,522
Recreational activities	39,945
Maintenance expenses	6,636
Depreciation expense	3,700
Total Expenses	<u>739,507</u>

General Revenues

Property taxes	731,618
Interest income	19,261
Other income	3,203
Total General Revenues	<u>754,082</u>
Change in Net Position	<u>14,575</u>

Net Position at Beginning of Year 1,950,120

Net Position at End of Year \$ 1,964,695

The accompanying notes are an integral part of the financial statements.

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BELL CANYON COMMUNITY SERVICES DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

Assets

Cash and cash equivalents	\$ 1,953,505
Accounts and other receivables, net	24,439
Prepaid expenses	7,520
Total Assets	<u>\$ 1,985,464</u>

Liabilities and Fund Balances

Liabilities	
Accounts payables and accrued expenses	\$ <u>35,680</u>
Fund Balance	
Nonspendable	7,520
Unassigned	1,942,264
Total Fund Balance	<u>1,949,784</u>
Total Liabilities and Fund Balance	<u>\$ 1,985,464</u>

Reconciliation of Fund Balance to Net Position
Reported on the Statement of Net Position

Fund Balance	\$ 1,949,784
Capital assets used in governmental activities that are not current financial resources and, therefore, are not reported in the fund Net Position	14,911
	<u>\$ 1,964,695</u>

The accompanying notes are an integral part of the financial statements.

BELL CANYON COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

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Revenues	
Property taxes	\$ 731,618
Interest income	19,261
Other income	<u>3,203</u>
Total Revenues	<u>754,082</u>
Expenditures	
General and administrative	195,704
Solid waste disposal fees	493,522
Recreational activities	39,945
Maintenance expenses	6,636
Capital outlay	<u>10,593</u>
Total Expenditures	<u>746,400</u>
Excess of Revenues Over Expenditures	<u>7,682</u>
Change in Fund Balance	<u>7,682</u>
Fund Balance, Beginning of Year	<u>1,942,102</u>
Fund Balance, End of Year	<u>\$ 1,949,784</u>

Reconciliation to Statement of Activities

Change in fund balances	\$ 7,682
Capital outlays are reported as expenditures in the statement of governmental revenues, expenditures, and changes in fund balances; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation. Upon disposition applicable gains (losses) are recorded:	
Capital outlay	10,593
Depreciation expense	<u>(3,700)</u>
Change in Net Position	<u>\$ 14,575</u>

The accompanying notes are an integral part of the financial statements.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations of the Reporting Entity

The Bell Canyon Community Services District (District) is an independent, multi-service district formed in 1984, which currently provides enhanced traffic patrol, recreational services, and solid waste collection and recycling. Services granted but not currently being provided are paramedic services (which are not provided by the County of Ventura), roving patrol services and graffiti abatement. The District serves an area of approximately 1,700 acres with an estimated population of 2,700. The District was formed under the Community Services District Law (Government Code, Section 61000, et seq.) to provide a local public agency for the Bell Canyon community adjacent to the Los Angeles County boundary. The District serves a private, gated community that is geographically isolated from other communities within Ventura County. The District is governed by a five member Board of Directors, elected at-large to overlapping four year terms by the voters within the District boundaries. The District relies on property tax for all operating revenue; it does not charge any fees.

The District's reporting entity includes all significant operation and revenue sources which the District Board of Directors exercises oversight responsibility. Oversight responsibility is determined on the basis of selection of the governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, and the scope of public service.

Government-Wide and Fund Financial Statements

The government-wide financial statements (e.g., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the reporting entity. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Currently, the District does not have proprietary or fiduciary fund types.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting, and Financial Statements Presentation

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balance. An accompanying schedule is presented to reconcile and explain differences in net position as presented in these statements to the net position presented in the government-wide financial statements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes are considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District has one major governmental fund – the general fund. The general fund is used for all the general revenues and accounts for all financial resources of the District.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition.

Property Taxes

Secured property taxes are levied in two equal installments, November 1 and February 1. They become delinquent with penalties on December 10 and April 10, respectively. The lien date is January 1 of each year. Unsecured property taxes are due on March 1 and become delinquent with penalties on August 31.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

No allowance for uncollectibles were recorded at June 30, 2023, based on management's expectation that all accounts receivable will be collected.

Capital Assets

Capital assets, which include equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with have an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation in accordance with GASB Statement No. 72.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvement are capitalized as projects are constructed.

Depreciable capital assets of the government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Equipment	5-10

Fund Equity

The fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes.

- *Nonspendable Fund Balance:* Amounts cannot be spent because they are: (a) not in spendable form or (b) legally or contractually required to be maintained intact. Due to the nature or form of the resources, they generally cannot be expected to be converted into cash.
- *Restricted Fund Balance:* Amounts are restricted by external parties, i.e., creditors, grantors, contributors, or laws/regulations of other governments or restricted by law through constitutional provision or enabling legislation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Equity (continued)

- *Committed Fund Balance:* Amounts can only be used for a specific purpose pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (the Board of Directors). The formal action must occur prior to the end of the reporting period; however, the amount may be determined in the subsequent period. These are self-imposed limitations on available resources. These committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same level of action it employed to previously commit those amounts. These committed amounts would be approved and adopted by formal action of the Board.
- *Assigned Fund Balance:* Amounts are constrained by the District's intent to be used for specific purposes that are neither restricted nor committed. The intent will be expressed by the body or official to which the governing body has delegated the authority.
- *Unassigned Fund Balance:* The unassigned fund balance has net resources in excess of what can properly be classified in one of the four categories already described.

When both restricted and unrestricted resources are available for use when expenditure is incurred, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. It is the District's policy to consider committed amounts as being reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Net Position Flow Assumption

In the Government-Wide Financial Statements, net position is classified in the following categories:

- *Net Investment in Capital Assets* consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.
- *Restricted Net Position* is restricted by external creditors, grantors, contributors, laws or regulations of other governments.
- *Unrestricted Net Position* is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position Flow Assumption (continued)

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date, but before financial statements are available to be issued. The District recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. The District's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet, but arose after the balance sheet date and before the financial statements were available to be issued. The District has evaluated subsequent events through December 20, 2023, which is the date the financial statements were available to be issued.

2. CASH AND CASH EQUIVALENTS

The District at times maintains deposits with financial institutions in excess of federal depository insurance limits. California law requires banks and savings and loan institutions to pledge government securities with a market value of 110 percent of the District's cash on deposit or first trust deed mortgage notes with a market value of 150 percent of the deposit as collateral for these deposits. Under California law, this collateral is held in a separate investment pool by another institution in the District's name and places it ahead of general creditors of the institution.

At June 30, 2023, the carrying amount of the District's deposits were \$1,953,505 and the bank balances were \$1,964,853. The District has cash in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

BELL CANYON COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

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3. CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, being depreciated:				
Equipment	\$ 29,935	\$ 10,593	\$ -	\$ 40,528
Less accumulated depreciation for:				
Equipment	(21,917)	(3,700)	-	(25,617)
Total capital assets, being depreciated, net	<u>\$ 8,018</u>	<u>\$ 6,893</u>	<u>\$ -</u>	<u>\$ 14,911</u>

4. GRANT DEED

The District was deeded property known as the “school bus stop” by the County of Ventura on March 21, 2008 to be used for the benefit of the District for a period of at least 25 years. If the property is not used for the benefit of the District for at least 25 years, the property shall revert to County of Ventura. The property has no fair value and as such has not been recorded as capital asset by the District.

5. RISK AND UNCERTAINTIES

Concentrations of Credit Risk

The District’s financial instruments that are exposed to concentrations of credit risk consist primarily of cash and accounts receivable. The District places its cash with high credit worthy institutions. At times, such cash may be in excess of the FDIC insurance limit. The District routinely assesses the financial strength of its customers and, as a consequence, believes that its account receivable credit risk exposure is limited.

Custodial Risk

Custodial risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2023, \$1,464,853.37 was uninsured by FDIC.

**BELL CANYON COMMUNITY SERVICES DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE**
 For the Year Ended June 30, 2023

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	Budgeted Amounts		Actual	Variances with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Property taxes	\$ 663,000	\$ 705,141	731,618	\$ 26,477
Interest income	1,500	5,095	19,261	14,166
Other income	3,000	3,183	3,203	20
Total Revenues	667,500	713,419	754,082	40,663
Expenditures				
Residential trash - solid waste	485,000	494,000	493,522	478
Restroom maintenance	8,500	6,636	6,636	-
Recreational activities	85,000	40,500	39,945	555
Security services	5,000	-	-	-
Graffiti abatement services	5,000	-	-	-
Emergency medical services	5,000	-	-	-
Traffic enforcement services	5,000	-	-	-
General and administrative				
Capital Outlay	-	35,000	10,593	24,407
CSD vehicle expenses	2,200	2,259	2,139	120
Clean-up events	2,000	1,928	2,013	(85)
Cost of elections	1,000	2,134	2,131	3
Outside services	5,000	7,263	13,553	(6,290)
Rent	3,000	3,200	3,225	(25)
Payroll expenses	45,100	39,463	41,175	(1,712)
Professional services	60,500	102,030	110,778	(8,748)
Dues	2,000	2,205	2,355	(150)
Taxes and admin fees - Ventura	7,700	8,200	8,443	(243)
LAFCo fee	350	350	0	350
Telephone and internet	300	890	830	60
Office supplies and printing	1,000	2,827	2,581	246
Insurance	7,000	6,032	6,032	-
Meetings	1,200	500	336	164
Latent powers application	5,000	-	-	-
Miscellaneous	-	114	113	1
Total Expenditures	741,850	755,531	746,400	9,131
Excess of Revenues				
Over (Under) Expenditures	(74,350)	(42,112)	7,682	49,794
Changes in Fund Balances	\$ (74,350)	\$ (42,112)	7,682	\$ 49,794
Fund Balance, Beginning of Year			1,942,102	
Fund Balance, End of Year			\$ 1,949,784	

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors and Management
Bell Canyon Community Services District
Bell Canyon, California

We have audited, 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, and the State Controller's Minimum Audit Requirements for California Special Districts, the financial statements of the governmental activities and major fund of Bell Canyon Community Services District (District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our reports thereon dated December 20, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Eadie and Payne, LLP

Riverside, California
December 20, 2023

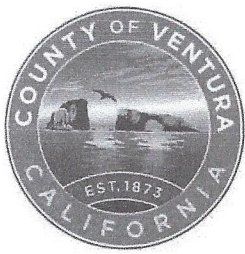
BELL CANYON COMMUNITY SERVICES DISTRICT (01324) MONTHLY BILLING SUMMARY

Billing Period: February 1st thru 29th, 2024

	Total Hours	Hourly Rate	Total Fees	Total Costs	Total Fees & Costs	Writeoff Value	Comments
0001 General (\$234 Blended)	5.00	234.00	1,170.00	0.00	1,170.00	0.00	
0002 Special Projects (\$281 Partner; \$254 Associate)	18.10	281.00	5,086.10	0.00	5,086.10	0.00	
0004 Employment/Personnel (\$281 Partner; \$254 Associate)	11.90	281.00	3,343.90	783.10	5,676.40	152.40	
	6.10	254.00	1,549.40				
0011 PRA Requests (\$234 Blended)	2.20	234.00	514.80	0.00	582.80	0.00	
	0.40	170.00	68.00				
TOTALS	43.70		11,732.20	783.10	\$12,515.30	152.40	

Misc. Hourly Rates:

- \$170 Paralegal
- \$106 Law Clerk
- \$0.20 Photocopies



COUNTY OF VENTURA
BOARD OF SUPERVISORS

39

SUPERVISOR
JANICE S. PARVIN
Fourth District

MEMBERS OF THE BOARD
KELLY LONG, CHAIR
MATT LAVERE
JEFF GORELL
JANICE S. PARVIN
VIANEY LOPEZ

February 27, 2024

California Public Utilities Commission
Ms. Alive Busching Reynolds, President
300 Capitol Mall, Suite 500
Sacramento, CA. 95814

Dear Ms. Busching Reynolds,

I am the writing on behalf of the constituents of District 4 regarding the application from AT&T to discontinue providing landline (copper wire / POTS) service in California. We are concerned that in the event of a disaster, portions of my District could be cut off from communication with local emergency services. During the 2018 Woolsey Fire, the area of Bell Canyon only had their landlines working: Internet, VOIP, and cell service went down. As you know, on February 22, 2024, AT&T experienced a complete shutdown of their cellular service which emphasizes the need to keep land line services for public safety.

Landlines are known for their reliability, especially during emergencies or natural disasters. Unlike mobile networks, landlines are less prone to disruptions caused by network congestion or power outages. Although the hard-wired service can experience an issue, the duration and frequency of such outages are usually lower compared to mobile networks.

Mobile networks may not provide coverage in certain areas, particularly in remote or rural regions such as Bell Canyon in my District. Landlines, on the other hand, have wider coverage and can often be relied upon in areas where mobile signals are weak or non-existent.

Landlines are directly connected to emergency services, making it easier for them to trace the resident's location in case of an emergency call. This can be crucial when you are unable to provide your exact location or if you are in a situation where every second counts.

In closing, Landlines can still function during power outages as they are powered by the telephone line itself. On the other hand, mobile phones require battery power and may not be usable if the battery is drained and there is no way to recharge it.

I urge you to reject AT&T's application as submitted until a comprehensive state-wide assessment can be completed.

Sincerely,

Janice S. Parvin
Supervisor, District 4
County of Ventura



BELL CANYON COMMUNITY SERVICES DISTRICT
30 HACKAMORE LANE, SUITE 2B
BELL CANYON, CALIFORNIA 91307

38

March 19, 2024

Ventura County Board of Supervisors
800 South Victoria Avenue
Ventura, California 93009

Re: Thank you for your stance against AT&T shedding their responsibility as Carrier of Last Resort and as Eligible Telecommunications Carrier

Dear Board of Supervisors:

I and the Bell Canyon residents who have signed below thank all of you for your letter to the California Public Utilities Commission opposing AT&T's request to be relieved of their Carrier of Last Resort (COLR) and Eligible Telecommunications Carrier (ETC) designations.

Bell Canyon is in a very high wildfire hazard risk area and is part of the "Large areas of Ventura County have been impacted by, or at high risk for catastrophic wildfires..." area identified in your letter. Our residents deeply appreciate your action and support, as many experienced the complete loss of all telecommunications services except for land line service during the 2018 Woolsey Fire.

AT&T retaining the COLR designation will allow residents in Ventura County to continue to obtain land line telephone service that can be the only telecommunications service that is working during an emergency especially during power outages. Retention of the ETC designation will allow eligible low-income individuals to continue to obtain that service at a discounted rate.

We want to specifically thank the Honorable Janice Parvin for her leadership in this matter.

Thank you.

Sincerely,

/s/

Gregory F. McHugh
Interim General Manager

Michael Robkin
President

Richard Levy
Vice President

Judy Lantz
Director

Peter Machuga
Director

Eric Wolf
Director

BELL CANYON TRAFFIC ENFORCEMENT STAT SHEET

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Moving Violation	Month	2023		2024												Total		
		N	D	J	F	M	A	M	J	J	A	S	O	N	D			
22350 VC - speed	VERBAL	4																4
	CITE																	0
22107 VC - unsafe turning movement	VERBAL																	0
	CITE																	0
21650 VC - failure to drive on right half of roadway	VERBAL																	0
	CITE																	0
22454 VC - school bus, red light/stop sign	VERBAL																	0
	CITE																	0
21461 VC - failure to obey regulatory sign	VERBAL																	0
	CITE																	0
12500 VC / 14601 VC - unlicensed or suspended	VERBAL																	0
	CITE	2	1	1														4
22450 VC - stop sign	VERBAL	35	8	4	3													50
	CITE	32	41	14	7													94
27315 VC / 27360 VC- seatbelt/ child restraints	VERBAL																	0
	CITE		2	1														3
21651 VC - driving across a divided section of highway	VERBAL																	0
	CITE																	0
23123 VC - cellphone violation	VERBAL																	0
	CITE																	0
OTHER - Moving Violation	VERBAL																	0
	CITE	2																2
26708 VC - tinted film	VERBAL																	0
	CITE																	0
12951 VC - driver license not in possession	VERBAL																	0
	CITE			1														1
5200 VC - missing one or more plates	VERBAL		2															2
	CITE	1			1													2
4000 VC - none/expired registration	VERBAL																	0
	CITE																	0
5204 VC - license plate improperly displayed	VERBAL																	0
	CITE																	0
27151 VC - modified exhaust	VERBAL																	0
	CITE																	0
16028 VC - no proof of insurance	VERBAL																	0
	CITE			1														1
14600 VC - change of address with DMV	VERBAL																	0
	CITE			1														1
Any Lighting Violations	VERBAL																	0
	CITE																	0
OTHER - Mechanical Violation	VERBAL	1																0
	CITE			1														1
IMPOUNDS		1	1															2
DUI ARRESTS																		0
OTHER ARRESTS																		0

CITES	109
VERBALS	56

Bell Canyon Community Services District
California Highway Patrol
Monthly cost

<u>Month</u>	<u>Fee charged</u>
Nov-23	4529.14
Dec-23	3735.92
Jan-23	2714.03
Feb-23	1633.25

VEHICLE LOG BOOK

Name: _____ Employee No.: _____ Vehicle Registration: _____
 Log for the month of _____ Vehicle Type: _____

Date the journey Began	Date the journey Ended	Odometer Reading Start	Odometer Reading Finish	Travelled	Purpose of the Journey	Date of Entry	Name of the Driver	Name of person making entry	Signature of person making entry
5/24/23	5/24			38	TRASH PATROL	5/24	Barbara	Barbara	Barbara
6/1/23	6/1				"	6/1	"	"	"
6/7	6/7				"	6/7	"	"	"
6/14	6/14				"	6/14	"	"	"
6/21	6/21				"	6/21	"	"	"
6/28	6/28				"	6/28	"	"	"
7-4	7-4				FUEL	7-4	RICHARD	R	R
7/6	7/6				TRASH PATROL	7/6	Barbara	Barbara	Barbara
7/12	7/12				"	7/12	"	"	"
7/26	7/26				"	7/26	"	"	"
8/2	8/2				"	8/2	"	"	"
8/16	8/16				"	8/16	"	"	"
8/23	8/23				"	8/23	"	"	"
8/30	8/30				"	8/30	"	"	"
8/31	8/31				FUEL - CHEVRON	8/31	"	"	"
9/7	9/7				TRASH PATROL	9/7	"	"	"
9/20	9/20				"	9/20	"	"	"
10/4	10/4				"	10/4	"	"	"
10/11	10/11				"	10/11	"	"	"
10/18	10/18				"	10/18	"	"	"
11/1	11/1				"	11/1	"	"	"
11/22	11/22				"	11/22	"	"	"
11/29	11/29				"	11/29	"	"	"
12/1	12/1				"	12/1	"	"	"
1/1/24	1/1				"	1/1	"	"	"

(43)

AUTHORISED BY: _____ Name: _____ Signature: _____ Date: _____

VEHICLE LOG BOOK

Name: _____

Employee No: _____

Log for the month of _____

Vehicle Type: _____

Vehicle Registration: _____

Date the journey		Odometer Reading		Travelled	Purpose of the Journey	Date of Entry	Name of the Driver	Name of person making entry	Signature of person making entry
Began	Ended	Start	Finish						
1/10/24	1/10		76834	38	TRASH PATROL	1/14	BARBANA	B	A
1/14/24	1-14	76834	76845	9	FUEL	1/24	B	B	R
1/24/24	-	76843	76864	20	TRASH PATROL TO AUTO SHOPS		B	B	B
3/28	3/28	76881			TRASH PATROL	3/28	B	B	B
3/7	3/7	76881	76883	38	LL		B	B	B
4/4/24	4/4/24	76924	76931	7	Tire 7 GAS	4/4/24	G. MICHYA	G. MICHYA	G. MICHYA

AUTHORISED BY: Name: _____

Signature: _____

Date: _____

(44)

BCCSD office access, credit cards, et al

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From olga damascus <olgadamascus@yahoo.com>
To Greg McHugh <gregory.mchugh@bellcanyoncsd.ca.gov>, Judy Lantz <parrotsnaturally@earthlink.net>, PETER MACHUGA <ptmachuga@aol.com>, mikerobkin <mikerobkin@gmail.com>, Richard Levy <richard@levynelson.com>, Eric Wolf <abetterbc@gmail.com>, Kai.Luoma@ventura.org <kai.luoma@ventura.org>
CC Yossi Kviatkovsky <yossikv@gmail.com>, Micki Davidovicz <georgetownmom25@gmail.com>, Mike Klein <mklein4320@aol.com>, Leon Reingold <leonreingold@gmail.com>, af@uswede.com, tata <mile@milenikolic.com>, Lynn Knutson <lynn@stoverseed.com>
Date Monday, March 18th, 2024 at 10:35 PM

Dear BCCSD Board and Greg:

It has come time that you FINALLY follow this law:

CA Gov Code 61051. The general manager shall be responsible for all of the following:

- (a) The implementation of the policies established by the board of directors for the operation of the district.
- (b) The appointment, supervision, discipline, and dismissal of the district's employees, consistent with the employee relations system established by the board of directors.
- (c) The supervision of the district's facilities and services.
- (d) The supervision of the district's finances.

Per 61051(c) only the GM is to have a key to the office, and should anyone need access, he/she must be accompanied by the GM. This includes the bookkeeper so you should find one that keeps daytime work hours and works remotely.

Everyone is to return his key to Greg and no one is to have access to the office unless supervised by Greg.

There is also the issue under this law that only the GM is legally authorized to have or drive a CSD vehicle. Richard is to hand in the keys to the Tahoe immediately. As BCCSD has no legitimate public use for the vehicle, it is to be sold.

The office is only to be used during normal work hours 830am-5pm. The office should not be used outside of those hours. It is not a hangout spot for late night ping pong or lounging on the couch. There is no public served by either so both must be removed. The office is not a

storeroom either. It is to be furnished and treated as a working government office with only the GM having access to it. (46)

Per 61051(d) only the GM is to have a credit card. There is no one else legally authorized to spend CSD money, especially as the GM for BCCSD is also the treasurer. Richard is to return his credit card immediately. No one is an authorized user or is to have any access to spending BCCSD money other than the GM.

Not included in this law but an issue related to the office, is that it is a disgrace that BCCSD does not pay market rent for its office space. As a show of goodwill to the community you should insist to pay market price. Per Loopnet, current average office space rent in West Hills is \$36.55 per sq ft.

All of this needs to be settled ASAP due to the coming MSR. These shenanigans have been addressed before, and yet you persisted. You are risking that BCCSD be dissolved. Eric Wolf's interviews with the DA should serve as a clear announcement you are being watched by the authorities.

Sincerely,
Dr. Olga Damascus

RE: BCCSD office access, credit cards, et al

47

From Pam K. Lee <plee@awattorneys.com>
To Gregory McHugh <gregory.mchugh@bellcanyoncsd.ca.gov>
Date Tuesday, March 19th, 2024 at 4:49 PM

The law only says that the GM has the supervision and oversight of implementing policies of the CSD and the CSD's facilities and services. It says nothing about access, keys, hours, credit cards, etc. Our internal policies and practices dictate that. And for her to require the CSD to pay more than what is being charged, that's a gift of public funds.

- Pam

From: Gregory McHugh <gregory.mchugh@bellcanyoncsd.ca.gov>
Sent: Tuesday, March 19, 2024 11:10
To: Pam K. Lee <plee@awattorneys.com>
Subject: Fw: BCCSD office access, credit cards, et al

*** EXTERNAL SENDER ***

I don't believe that the law says what she is reading it. Please confirm.

Thank you.

[OBJ]

Sent from Proton Mail mobile

----- Original Message -----

On Mar 18, 2024, 10:35 PM, olga damascus <olgadamascus@yahoo.com> wrote:

Dear BCCSD Board and Greg:

It has come time that you FINALLY follow this law: