

**TOMALES VILLAGE  
COMMUNITY SERVICES DISTRICT**

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**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
for the year ended June 30, 2017**

**ROBERT W. JOHNSON**  
**Certified Public Accountant**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Tomales Village Community Services District  
Tomales, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the enterprise activities and the governmental activities of Tomales Village Community Services District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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; this includes 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards issued by the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the enterprise activities and the governmental activities of Tomales Village Community Services District as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

## **Other-Matters**

### *Required Supplementary Information*

The Management's Discussion and Analysis is not a required part of the financial statements but is supplemental information required by the Government Auditing Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Robert W. Johnson, An Accountancy Corporation*

Citrus Heights, California  
September 14, 2017

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017

This section of the District's Financial Statement presents our analysis of the District's financial performance for the Fiscal Year that ended June 30, 2017. Readers are encouraged to read this section in conjunction with the accompanying financial statements.

**The District's Operation – an Overview**

The TVCSD is a special district formed under Government Code §61000 to operate and manage the community's wastewater treatment plant (WWTP) and the Community Park. The District is also a nonprofit corporation authorized in the state of California. The WWTP is funded through sewer service fees, some ad-valorem property taxes and low interest loans through the State Water Resources Control Board. The operation of the Tomales Community Park has been funded through donations, Measure A sales taxes, park rentals, fund raisers and grants.

When the District was formed in 1998, the Wastewater Treatment Plant was acquired from North Marin Water District in an "as-is condition" with several problem areas due to lack of maintenance. The District was able to garner a Small Communities Grant from the SWRCB and a low interest loan through the State Revolving Fund to fund major improvements.

The District has a Solar System to provide the energy needs to operate the wastewater treatment system and the irrigation field. The District sold zero interest Clean Renewable Energy Bonds that have a repayment period of 16 years and will return on the investment in year 18. After that the system will provide a savings of \$50,000 - \$100,000 in energy costs over the subsequent 10 years.

During the 2016/2017 fiscal year the Board instituted annual video inspection of the collection system, adopted a ten-year sewer capital improvement plan and negotiated a new operations and maintenance contract with a revised scope that will result in considerable savings. After staff, Board and committee review of cash projections, budget analysis, the capital improvement plan, and the RCAC rate study, the Board approved a rate increase to generate funds to meet annual debt service payment requirements.

The Community Park that the District inherited when the District was formed was also in disrepair. The Park was built in 1982 and had served the community well for a number of years. However, after a state mandated inspection of the play equipment, it was determined that all of the equipment had to be replaced. The Park Renovation Project involved extensive grading and terracing in order to meet the strict accessibility regulations and large containment areas for play equipment and play structures for safety reasons. Continued capital project work in fiscal year 2016/2017 included an ADA-compliant water fountain, new playground surfacing and landscape improvements. The District is currently seeking bids for replacement fencing, gazebo, and ADA-compliant ramps for access to the play structures.

**Financial Highlights**

The Sewer Enterprise Fund received \$161,495 in sewer service charges in 2016/2017; other funding resulted in total income of \$180,529. Expenses for the year, except for depreciation, were \$173,253. Debt service payments reduced the amount owed by \$38,202, but the continuing drain on cash balances necessitated the rate increases for 2017/2018 and 2018/2019 to avoid a liquidity risk.

The Park Governmental Fund received \$33,402 in Measure A funding in 2016/2017 of which \$10,283 was spent. Plans for 2017/2018 include \$88,800 in park improvement projects, the ramps, fence and gazebo. Cash balance at 6/30/2017 of \$120,374 will make possible these major expenditures.

**Contacting the District Administrator**

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact General Manager Jose Ortiz at Tomales Village Community Services District, Post Office Box 303, Tomales CA 94971 or [admin@tomalescsd.ca.gov](mailto:admin@tomalescsd.ca.gov) or 707-878-2767.

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET  
June 30, 2017

ASSETS	Governmental Fund			Enterprise Fund	<u>Total</u>
	<u>General Fund</u>	Park	<u>Statement of Net Position</u>	Sewer	
		<u>Adjustments</u>			
<b>Current assets:</b>					
Cash and investments (Note 3)	\$ 120,374	\$ -	\$ 120,374	\$ 201,745	\$ 322,119
Accounts receivable	70	-	70	63	133
Current portion of note receivable (Note 4)	-	-	-	1,544	1,544
Interfund receivable	-	-	-	-	-
Total current assets	<u>120,444</u>	<u>-</u>	<u>120,444</u>	<u>203,352</u>	<u>323,796</u>
<b>Other assets:</b>					
Note receivable, net of current portion (Note 4)	-	-	-	<u>16,732</u>	<u>16,732</u>
Total other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,732</u>	<u>16,732</u>
Capital assets, at cost (Notes 5 and 6):	-	446,653	446,653	2,071,040	2,517,693
Less accumulated depreciation	<u>-</u>	<u>( 59,064)</u>	<u>( 59,064)</u>	<u>( 586,305)</u>	<u>( 645,369)</u>
	<u>-</u>	<u>387,589</u>	<u>387,589</u>	<u>1,484,735</u>	<u>1,872,324</u>
	<u>\$ 120,444</u>	<u>\$ 387,589</u>	<u>\$ 508,033</u>	<u>\$1,704,819</u>	<u>\$2,212,852</u>

See notes to financial statements

LIABILITIES	Governmental Fund		Statement of Net Position	Enterprise Fund	
	General Fund	Park		Sewer	Total
		Adjustments			
<b>Current liabilities:</b>					
Current portion of long-term debt (Note 6)	\$ -	\$ -	\$ -	\$ 38,708	\$ 38,708
Accounts payable	304	-	304	8,174	8,478
Interfund payable	-	-	-	-	-
Unearned revenue - Gazebo	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total current liabilities	<u>25,304</u>	<u>-</u>	<u>25,304</u>	<u>46,882</u>	<u>72,186</u>
Long-term debt, net of current portion (Note 6)	<u>-</u>	<u>-</u>	<u>-</u>	<u>257,577</u>	<u>257,577</u>
<b>Fund balances/ net position</b>					
<b>Fund balances:</b>					
Assigned	-	-	-	-	-
Unassigned	<u>95,140</u>	<u>( 95,140)</u>	<u>-</u>	-	-
Total fund balances	<u>95,140</u>	<u>( 95,140)</u>	<u>-</u>	-	-
Total liabilities and fund balances	<u>\$ 120,444</u>				
<b>Net position:</b>					
Net investment in capital assets		387,589	387,589	1,188,450	1,576,039
Restricted		-	-	-	-
Unrestricted		<u>95,140</u>	<u>95,140</u>	<u>211,910</u>	<u>307,050</u>
Total net position		<u>482,729</u>	<u>482,729</u>	<u>1,400,360</u>	<u>1,883,089</u>
		<u>\$ 387,589</u>	<u>\$ 508,033</u>	<u>\$1,704,819</u>	<u>\$2,212,852</u>

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
 STATEMENT OF ACTIVITIES  
 for the year ended June 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Park	\$ <u>18,651</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Total governmental activities	<u>18,651</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities:				
Sewer	<u>227,438</u>	<u>161,745</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>227,438</u>	<u>161,745</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 246,089</u>	<u>\$ 161,745</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:  
 Property taxes  
 Interest income  
 Other

Change in net position

Net position – beginning

Net position – ending

See notes to financial statements



Net (Expense) and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$( 18,651)		\$( 18,651)
( 18,651)		( 18,651)
	\$( 65,693)	( 65,693)
	( 65,693)	( 65,693)
( 18,651)	( 65,693)	( 84,344)
-	9,313	9,313
6	1,409	1,415
<u>35,592</u>	<u>8,062</u>	<u>43,654</u>
<u>35,598</u>	<u>18,784</u>	<u>54,382</u>
16,947	( 46,909)	( 29,962)
<u>465,782</u>	<u>1,447,269</u>	<u>1,913,051</u>
<u>\$ 482,729</u>	<u>\$ 1,400,360</u>	<u>\$ 1,883,089</u>

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
ENTERPRISE FUND - SEWER  
for the year ended June 30, 2017

Operating revenues:		
Service charges		\$ 161,495
Other		<u>250</u>
Total operating revenues		161,745
Operating expenses:		
Collection	\$ 15,376	
Treatment	38,501	
Disposal	30,185	
Administrative and general	85,314	
Depreciation	<u>54,185</u>	
Total operating expenses		<u>223,561</u>
Operating loss		( 61,816)
Non-operating revenues (expenses):		
Property taxes	9,313	
Interest income	1,409	
SUSD sinking fund revenue	8,062	
Other revenue	-	
Interest expense	<u>( 3,877)</u>	
		<u>14,907</u>
Income/(loss) before contributions		( 46,909)
Capital contributions		<u>-</u>
Change in net position		( 46,909)
Total net position:		
Beginning		<u>1,447,269</u>
Ending		<u>\$1,400,360</u>

See notes to financial statements

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
STATEMENT OF CASH FLOWS  
ENTERPRISE FUND - SEWER  
for the year ended June 30, 2017

Cash flows from operating activities:		
Receipts from customers		\$ 164,680
Payments to suppliers		( 168,977)
Payments to employees		<u>( 3,250)</u>
Net cash provided by (to) operating activities		( 7,547)
Cash flows from noncapital financing activities:		
Property taxes and other income		17,375
Cash flows from capital and related financing activities:		
Payment of long-term debt	\$( 38,202)	
Interest expense	( 3,877)	
Property additions	<u>-</u>	( 42,079)
Cash flows from investing activities:		
Interest income		<u>1,409</u>
Net increase(decrease) in cash and cash equivalents		( 30,842)
Cash and cash equivalents:		
Beginning of year		<u>232,587</u>
End of year		<u>\$ 201,745</u>

See notes to financial statements

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
STATEMENT OF CASH FLOWS, continued  
ENTERPRISE FUND - SEWER  
for the year ended June 30, 2017

Reconciliation of operating income (loss) to net cash provided by (to) operating activities:		
Operating loss		\$( 61,816)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization expense	\$ 54,185	
Changes in operating assets and liabilities:		
Receivables	1,391	
Interfund receivable	-	
Payables	<u>( 1,307)</u>	
Total adjustments		<u>54,269</u>
Net cash provided by (to) operating activities		<u>\$( 7,547)</u>
Supplemental information:		
Cash expended for interest		<u>\$ 3,877</u>

See notes to financial statements

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUND - PARK  
for the year ended June 30, 2017

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Program expenditures/expenses:			
Park	\$ 11,020	\$ -	\$ 11,020
Capital outlay	5,367	( 5,367)	-
Depreciation	<u>-</u>	<u>7,631</u>	<u>7,631</u>
Total program expenditures/ expenses	<u>16,387</u>	<u>2,264</u>	<u>18,651</u>
Program revenues:			
Service fees	<u>-</u>	<u>-</u>	<u>-</u>
General revenues:			
Property taxes	-	-	-
Measure A	33,402	-	33,402
Donations	850	-	850
Interest	6	-	6
Other	<u>1,340</u>	<u>-</u>	<u>1,340</u>
	<u>35,598</u>	<u>-</u>	<u>35,598</u>
Excess of revenues over expenditures/changes in net position	19,211	( 2,264)	16,947
Beginning fund balances/ net position	<u>75,929</u>	<u>389,853</u>	<u>465,782</u>
Ending fund balances/ net position	<u>\$ 95,140</u>	<u>\$ 387,589</u>	<u>\$ 482,729</u>

See notes to financial statements

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
GOVERNMENTAL FUND - PARK  
for the year ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Measure A	32,900	33,402	502
Contributions	400	850	450
Grants	-	-	-
Interest	3	6	3
Rental	550	500	( 50)
Power refund	840	840	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>34,693</u>	<u>35,598</u>	<u>905</u>
Expenditures:			
Measure A - maintenance	34,100	10,283	23,817
Measure A - capital outlay	40,300	5,367	34,933
Miscellaneous	<u>-</u>	<u>737</u>	<u>( 737)</u>
Total expenditures	<u>74,400</u>	<u>16,387</u>	<u>58,013</u>
Excess of revenues (expenditures)	<u>\$ ( 39,707)</u>	<u>\$ 19,211</u>	<u>\$ 58,918</u>

See notes to financial statements

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
NOTES TO FINANCIAL STATEMENTS

1. Organization:

Tomales Village Community Services District (the “District”) was formed in 1999 to provide sewer and park services to the Tomales community.

The District’s financial and administrative functions are governed by a five member Board of Directors elected by the voting population within the District.

2. Summary of Significant Accounting Policies:

The basic financial statements of Tomales Village Community Services District have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

Fund Accounting

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

Enterprise Funds

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

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies, continued:

Governmental Fund

The governmental fund is used to account for all financial resources of the park department. This fund is also used to establish accounting control and accountability for fixed assets of the aforementioned activities.

Depreciation and Amortization

Fixed assets are stated at cost or estimated historical cost.

Depreciation of those assets is computed by the use of the straight-line method over the estimated useful lives.

Maintenance, repairs and renewals of a minor nature are charged to expense as incurred. Major repairs or renewals and betterments which extend the useful life are capitalized. Upon sale or retirement, cost and accumulated depreciation are eliminated from the accounts and any gain or loss on disposal is included in the statement of income and changes in retained earnings.

Basis of Accounting

The basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All government funds are accounted for using the current financial resources measurement focus. Under this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) as changes in net current assets.

Governmental funds are maintained on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period they become measurable and available. The District considers revenues as available if they are collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues considered susceptible to accrual include property taxes, interest and certain other intergovernmental revenues. Expenditures are recognized in the accounting period in which the liability is incurred.



TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies, continued:

Basis of Accounting, continued

Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the period earned and expenses are recognized in the period incurred. Under this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) as changes in net total assets.

Statement of Cash Flows

All highly liquid investment with a maturity of three months or less when purchased, are considered to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Budget and Budgetary Accounting

The Board of Directors annually adopts an operating budget. The operating budgets are prepared on the accrual basis to match the operating statements.

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies, continued:

Property Taxes

The District's monthly sewer service rate and applicable property taxes are levied annually as components of the Marin County property tax bill. Property taxes attach as an enforceable lien on property as of January 1 proceeding the fiscal year for which property taxes are collected. Taxes are payable to the county in two installments on November 1 and February 1. The County of Marin collects these taxes and remits them to the District. Property taxes are recognized as revenue in the period for which levied, which is the fiscal year during which the payments are due, provided the taxes are receivable within sixty days after year-end.

3. Cash:

At year-end the carrying amount of the District's deposits was \$322,119 and the bank balance was \$323,346. The bank balance was covered by Federal depository insurance and NCUA. Cash consists of:

	Balance, June 30, <u>2017</u>
Checking (4)	\$ 288,547
Savings	106
Money market	<u>33,466</u>
	<u>\$ 322,119</u>

Cash consists of the following at June 30, 2017:

Restricted – Measure A funds	\$ 75,915
Unrestricted	<u>246,204</u>
	<u>\$ 322,119</u>

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

4. Note Receivable:

The balance of a note due from the Shoreline Unified School District (SUSD) in the amount \$34,984 was transferred to the District in October 1999. The original note in the amount of \$39,736 was contracted by North Marin Water District in June of 1985 at an annual interest rate of six percent, due November 2026. The note was for SUSD's portion of sewer improvements completed prior to the transfer to the District and is unsecured. Scheduled maturities of principal and interest for the note receivable are as follows at June 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,544	\$ 1,097	\$ 2,641
2019	1,637	1,004	2,641
2020	1,735	906	2,641
2021	1,837	804	2,641
2022	1,950	691	2,641
2023-2027	9,573	1,556	11,129
	<u>\$ 18,276</u>	<u>\$ 6,058</u>	<u>\$ 24,334</u>

5. Capital Assets:

Changes in enterprise capital assets for the year-ended June 30, 2017 are as follows:

	<u>Balance, 7/1/16</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance, 6/30/17</u>
<u>Sewer</u>				
Land	\$ 52,788	\$ -	\$ -	\$ 52,788
Maps & records	17,248	-	-	17,248
Sewer treatment	791,666	-	-	791,666
Solar equipment	269,945	-	-	269,945
Pond improvements	939,393	-	-	939,393
	<u>\$2,071,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,071,040</u>

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

5. Capital Assets, continued:

Changes in governmental capital assets for the year-ended June 30, 2017 are as follows:

<u>Park</u>	<u>Balance, 7/1/16</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance, 6/30/17</u>
Land	\$ 132,000	\$ -	\$ -	\$ 132,000
Equipment	<u>299,899</u>	<u>5,236</u>	<u>-</u>	<u>305,135</u>
	<u>\$ 431,899</u>	<u>\$ 5,236</u>	<u>\$ -</u>	<u>\$ 437,135</u>
Work in progress – Gazebo	<u>\$ 9,387</u>	<u>\$ 131</u>	<u>\$ -</u>	<u>\$ 9,518</u>

6. Long-term Debt:

The following is a summary of the long-term debt activities for the year ended June 30, 2017:

	<u>Balance, 7/1/16</u>	<u>New Debt Issued</u>	<u>Debt Retired</u>	<u>Balance, 6/30/17</u>	<u>Current Portion</u>
State Water Resource Control Board	\$ 155,074	\$ -	\$ 20,261	\$ 134,813	\$ 20,767
Clean Renewable Energy Bonds	<u>179,413</u>	<u>-</u>	<u>17,941</u>	<u>161,472</u>	<u>17,941</u>
	<u>\$ 334,487</u>	<u>\$ -</u>	<u>\$ 38,202</u>	<u>\$ 296,285</u>	<u>\$ 38,708</u>

State Water Resource Control Board

A construction loan from the State Water Resources Control Board in December 2003 was converted to a note payable in December 2008. The loan is repaid annually in installments of \$24,137 including principal and interest at 2.5%. The loan matures in December 2022.

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

6. Long-term Debt, continued:

Clean Renewable Energy Bonds

On July 14, 2009 the District issued \$305,000 of clean renewable energy bonds as authorized by the Internal Revenue Service under Section 54 of the Internal Revenue Code (the Code) of 1986, as amended. The bonds were issued at a 0% interest rate and benefits of the bonds are paid in form of federal tax credits in lieu of interest. The District installed two solar power systems at the irrigation field and the treatment plant with the proceeds from the bonds.

Annual payments of \$17,941 are due annually in December and the final payment is due July 2025.

The future annual maturities of all long-term borrowings as of June 30, 2017 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 38,708	\$ 3,370	\$ 42,078
2019	39,227	2,851	42,078
2020	39,760	2,319	42,079
2021	40,305	1,774	42,079
2022	40,864	1,215	42,079
2023-2026	<u>97,421</u>	<u>640</u>	<u>98,061</u>
	<u>\$ 296,285</u>	<u>\$ 12,169</u>	<u>\$ 308,454</u>

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

7. Risk of Loss:

Tomales Village Community Services District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; and injuries to employees. During the 2017 fiscal year, the District purchased certain commercial insurance coverages to provide for those risks.

8. Subsequent Events:

Management has evaluated subsequent events through September 14, 2017, the date these June 30, 2017 financial statements were available to be issued.

## SUPPLEMENTAL INFORMATION

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
PRINCIPAL OFFICIALS

Board of Directors:

Dru Fallon O'Neill	President
Donna Clavaud	Vice President
Peter MacLaird	
Bill Bonini	
Deborah Parrish	

Operations:

Jose Ortiz	General Manager
Melinda Bell	Financial Manager
Cynthia Hammond	Secretary