

**TOMALES VILLAGE
COMMUNITY SERVICES DISTRICT**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

for the year ended June 30, 2018

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, 2018, 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, 2018, 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, At Accountant Corporation

Citrus Heights, California
September 19, 2018

**TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

This section of the District's Financial Statement presents our analysis of the District's financial position and performance for the Fiscal Year that ended June 30, 2018. 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 WWTP is funded through sewer service fees and some Ad Valorem property taxes. The operation of the Tomales Community Park has been funded through donations, County of Marin Measure A sales taxes dedicated to parks, 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. Loan repayments will be required for five more years.

The District has a Solar System to provide the energy to operate the wastewater treatment system and the irrigation field. To acquire the system the District sold \$305,000 in zero interest Clean Renewable Energy Bonds in July 2009 that have eight more years of debt repayment. Electricity costs were averaging \$6,500 a year before the solar system was installed. From 2010 to 2015 the District earned a rebate for the purchase of the equipment. During those years the solar system returned a positive net income averaging \$10,500 annually over the cost of the electricity. Since 2015 without the rebate, costs for electricity are now averaging \$2,000 annually.

During the 2017/2018 fiscal year a sewer service rate increase was implemented to replace revenues generated in prior years from the solar rebate and the higher Ad Valorem tax rate. Sewer system expenses have been reduced in recent years. But revenues must also fund the debt repayments, formerly funded by the higher Ad Valorem tax rate and the solar rebate. The second and last planned sewer service rate increase will be implemented in fiscal year 2018/2019. During the year the services contract for the operation and maintenance of the sewer facilities was renegotiated, and the Operation and Maintenance Manual for the facilities was revised. The website was updated in compliance with Grand Jury recommendations, and the future election cycle was amended to consolidate with statewide general elections beginning in November 2020. Review of policies and by-laws is a continuing process.

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. For its next improvement project in 2018/2019 the District is planning a wall mural, picnic table and bench, replacement fencing, gazebo, and ADA-compliant ramps.

Financial Highlights

The Sewer Enterprise Fund received \$165,371 in sewer service charges in 2017/2018; other funding brought total income to \$182,987. Expenses for the year, except for depreciation, were \$164,243. Debt service payments reduced the debt by \$38,709. Net operations funded \$24,136 of this debt repayment, but cash balances were reduced \$14,573 to meet the remaining debt service requirement. The 2018/2019 rate increase will help to alleviate this ongoing drain on cash reserves.

The Park Governmental Fund received \$34,685 in Measure A sales tax funding in 2017/2018. Donations and park rentals brought total income to \$36,648 of which \$3,243 was spent during the year. Cash balances at 6/30/2018 of \$153,721 will be used for planned improvement projects and park maintenance in future years.

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 or 707-878-2767.

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
June 30, 2018

ASSETS	Governmental Fund		Enterprise Fund		Total
	General Fund	Park	Statement of Net Position	Sewer	
		Adjustments			
Current assets:					
Cash and investments (Note 3)	\$ 153,721	\$ -	\$ 153,721	\$ 187,172	\$ 340,893
Accounts receivable	-	-	-	-	-
Current portion of note receivable (Note 4)	-	-	-	1,637	1,637
Interfund receivable	-	-	-	-	-
Total current assets	<u>153,721</u>	<u>-</u>	<u>153,721</u>	<u>188,809</u>	<u>342,530</u>
Other assets:					
Note receivable, net of current portion (Note 4)	-	-	-	15,094	15,094
Total other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,094</u>	<u>15,094</u>
Capital assets, at cost (Notes 5 and 6):					
Less accumulated depreciation	-	446,653	446,653	2,071,040	2,517,693
	<u>-</u>	<u>(66,695)</u>	<u>(66,695)</u>	<u>(636,969)</u>	<u>(703,664)</u>
	<u>-</u>	<u>379,958</u>	<u>379,958</u>	<u>1,434,071</u>	<u>1,814,029</u>
	<u>\$ 153,721</u>	<u>\$ 379,958</u>	<u>\$ 533,679</u>	<u>\$1,637,974</u>	<u>\$2,171,653</u>

See notes to financial statements

LIABILITIES	Governmental Fund		Enterprise Fund		Total
	General Fund	Park	Statement of Net Position	Sewer	
		Adjustments			
Current liabilities:					
Current portion of long-term debt (Note 6)	\$ -	\$ -	\$ -	\$ 39,227	\$ 39,227
Accounts payable	176	-	176	11,958	12,134
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>25,176</u>	<u>-</u>	<u>25,176</u>	<u>51,185</u>	<u>76,361</u>
Long-term debt, net of current portion (Note 6)	<u>-</u>	<u>-</u>	<u>-</u>	<u>218,349</u>	<u>218,349</u>
Fund balances/ net position					
Fund balances (Note 9):					
Assigned	-	-	-	-	-
Unassigned	<u>128,545</u>	<u>(128,545)</u>	<u>-</u>	-	-
Total fund balances	<u>128,545</u>	<u>(128,545)</u>	<u>-</u>	-	-
Total liabilities and fund balances	<u>\$ 153,721</u>				
Net position (Note 9):					
Net investment in capital assets		379,958	379,958	1,176,495	1,556,453
Restricted		-	-	-	-
Unrestricted		<u>128,545</u>	<u>128,545</u>	<u>191,945</u>	<u>320,490</u>
Total net position		<u>508,503</u>	<u>508,503</u>	<u>1,368,440</u>	<u>1,876,943</u>
		<u>\$ 379,958</u>	<u>\$ 533,679</u>	<u>\$1,637,974</u>	<u>\$2,171,653</u>

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
 STATEMENT OF ACTIVITIES
 for the year ended June 30, 2018

<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>10,874</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Total governmental activities	<u>10,874</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities:				
Sewer	<u>211,537</u>	<u>165,371</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>211,537</u>	<u>165,371</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 222,411</u>	<u>\$ 165,371</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>
\$(10,874)		\$(10,874)
(10,874)		(10,874)
	\$(46,166)	(46,166)
	(46,166)	(46,166)
(10,874)	(46,166)	(57,040)
-	8,143	8,143
8	1,411	1,419
<u>36,640</u>	<u>4,692</u>	<u>41,332</u>
<u>36,648</u>	<u>14,246</u>	<u>50,894</u>
25,774	(31,920)	(6,146)
<u>482,729</u>	<u>1,400,360</u>	<u>1,883,089</u>
<u>\$ 508,503</u>	<u>\$ 1,368,440</u>	<u>\$ 1,876,943</u>

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUND - SEWER
for the year ended June 30, 2018

Operating revenues:		
Service charges		\$ 165,371
Other		<u> -</u>
Total operating revenues		165,371
Operating expenses:		
Collection	\$ 13,037	
Treatment	41,499	
Disposal	26,273	
Administrative and general	80,064	
Depreciation	<u>50,664</u>	
Total operating expenses		<u>211,537</u>
Operating loss		(46,166)
Non-operating revenues (expenses):		
Property taxes	8,143	
Interest income	1,411	
SUSD sinking fund revenue	8,062	
Other revenue	-	
Interest expense	<u>(3,370)</u>	
Income/(loss) before contributions		<u>14,246</u>
Capital contributions		<u> -</u>
Change in net position		(31,920)
Total net position:		
Beginning		<u>1,400,360</u>
Ending		<u>\$1,368,440</u>

See notes to financial statements

**TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS
ENTERPRISE FUND - SEWER
for the year ended June 30, 2018**

Cash flows from operating activities:		
Receipts from customers		\$ 165,434
Payments to suppliers		(153,394)
Payments to employees		<u>(2,150)</u>
Net cash provided by (to) operating activities		9,890
Cash flows from noncapital financing activities:		
Property taxes and other income		16,205
Cash flows from capital and related financing activities:		
Payment of long-term debt	\$(38,709)	
Interest expense	(3,370)	
Property additions	<u>-</u>	(42,079)
Cash flows from investing activities:		
Interest income		<u>1,411</u>
Net increase(decrease) in cash and cash equivalents		(14,573)
Cash and cash equivalents:		
Beginning of year		<u>201,745</u>
End of year		<u>\$ 187,172</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, 2018

Reconciliation of operating income (loss) to net cash provided by (to) operating activities:		
Operating loss		\$(46,166)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization expense	\$ 50,664	
Changes in operating assets and liabilities:		
Receivables	1,608	
Interfund receivable	-	
Payables	<u>3,784</u>	
Total adjustments		<u>56,056</u>
Net cash provided by (to) operating activities		<u>\$ 9,890</u>
Supplemental information:		
Cash expended for interest		<u>\$ 3,370</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, 2018

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Program expenditures/expenses:			
Park	\$ 3,243	\$ -	\$ 3,243
Capital outlay	-	-	-
Depreciation	<u>-</u>	<u>7,631</u>	<u>7,631</u>
Total program expenditures/ expenses	<u>3,243</u>	<u>7,631</u>	<u>10,874</u>
Program revenues:			
Service fees	<u>-</u>	<u>-</u>	<u>-</u>
General revenues:			
Property taxes	-	-	-
Measure A	34,685	-	34,685
Donations	665	-	665
Interest	8	-	8
Other	<u>1,290</u>	<u>-</u>	<u>1,290</u>
	<u>36,648</u>	<u>-</u>	<u>36,648</u>
Excess of revenues over expenditures/changes in net position	33,405	(7,631)	25,774
Beginning fund balances/ net position	<u>95,140</u>	<u>387,589</u>	<u>482,729</u>
Ending fund balances/ net position	<u>\$128,545</u>	<u>\$ 379,958</u>	<u>\$ 508,503</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Measure A	36,003	34,685	(1,318)
Contributions	100	665	565
Grants	-	-	-
Interest	5	8	3
Rental	400	450	50
Power refund	840	840	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>37,348</u>	<u>36,648</u>	<u>(700)</u>
Expenditures:			
Measure A - maintenance	3,800	1,644	2,156
Measure A - capital outlay	85,000	-	85,000
Miscellaneous	<u>-</u>	<u>1,599</u>	<u>(1,599)</u>
Total expenditures	<u>88,800</u>	<u>3,243</u>	<u>85,557</u>
Excess of revenues (expenditures)	<u>\$ (51,452)</u>	<u>\$ 33,405</u>	<u>\$ 84,857</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 \$340,893 and the bank balance was \$342,047. The bank balance was covered by Federal depository insurance and NCUA. Cash consists of:

	<u>Balance, June 30, 2018</u>
Checking (4)	\$ 293,044
Savings	107
Money market	<u>47,742</u>
	<u>\$ 340,893</u>

Cash consists of the following at June 30, 2018:

Designated – Measure A funds	\$ 107,357
Unrestricted	<u>233,536</u>
	<u>\$ 340,893</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>
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	2,067	574	2,641
2024-2027	<u>7,505</u>	<u>982</u>	<u>8,487</u>
	<u>\$ 16,731</u>	<u>\$ 4,961</u>	<u>\$ 21,692</u>

5. Capital Assets:

Changes in enterprise capital assets for the year-ended June 30, 2018 are as follows:

<u>Sewer</u>	<u>Balance,</u> <u>7/1/17</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance,</u> <u>6/30/18</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	<u>939,393</u>	<u>-</u>	<u>-</u>	<u>939,393</u>
	<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, 2018 are as follows:

<u>Park</u>	<u>Balance,</u> <u>7/1/17</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance,</u> <u>6/30/18</u>
Land	\$ 132,000	\$ -	\$ -	\$ 132,000
Equipment	<u>305,135</u>	<u>-</u>	<u>-</u>	<u>305,135</u>
	<u>\$ 437,135</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437,135</u>
Work in progress -- Gazebo	<u>\$ 9,518</u>	<u>\$ -</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, 2018:

	<u>Balance,</u> <u>7/1/17</u>	<u>New Debt</u> <u>Issued</u>	<u>Debt</u> <u>Retired</u>	<u>Balance,</u> <u>6/30/18</u>	<u>Current</u> <u>Portion</u>
State Water Resource Control Board	\$ 134,813	\$ -	\$ 20,766	\$ 114,047	\$ 21,286
Clean Renewable Energy Bonds	<u>161,472</u>	<u>-</u>	<u>17,943</u>	<u>143,529</u>	<u>17,941</u>
	<u>\$ 296,285</u>	<u>\$ -</u>	<u>\$ 38,709</u>	<u>\$ 257,576</u>	<u>\$ 39,227</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, 2018 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	43,595	641	44,236
2024-2026	<u>53,825</u>	<u>-</u>	<u>53,825</u>
	<u>\$ 257,576</u>	<u>\$ 8,800</u>	<u>\$ 266,376</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 2018 fiscal year, the District purchased certain commercial insurance coverages to provide for those risks.

8. Subsequent Events:

Management has evaluated subsequent events through September 19, 2018, the date these June 30, 2018 financial statements were available to be issued.

**TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued**

9. Equity:

Fund Balance (Park):

Restricted		\$ -
Committed		-
Unassigned		<u>128,545</u>
		<u>\$ 128,545</u>

Statement of Net Position (Park and Sewer):

Total net position consists of:

Net investment in capital assets		\$1,556,453
Restricted		-
Unrestricted		
Board designated		
Capital asset reserve – sewer	\$ 40,000	
Operating reserve – sewer	<u>44,572</u>	
	84,572	
Undesignated	<u>235,918</u>	
		<u>320,490</u>
		<u>\$1,876,943</u>

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