

**TOMALES VILLAGE
COMMUNITY SERVICES DISTRICT**

**REPORT ON ACCOUNTING CONTROLS
AND PROCEDURES**

June 30, 2019

ROBERT W. JOHNSON
Certified Public Accountant



Robert W. Johnson
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September 18, 2019

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

We have audited the financial statements of Tomales Village Community Services District as of and for the year ended June 30, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and in accordance with the State Controller's Minimum Audit Requirements for California Special Districts.

In planning and performing our audit of the financial statements of Tomales Village Community Services District as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered Tomales Village Community Services District's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the effectiveness of the District's internal controls. Accordingly, we do not express an opinion on the effectiveness of the District's internal controls.

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 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.

Our consideration of internal control was for the limited purpose described in the second paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, we did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we have enclosed other recommendations for your consideration.

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

Sincerely,

Robert W. Johnson, An Accountancy Corporation

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1. Review of Operations (Sewer and Parks):

	<u>Sewer</u>		<u>Park</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Operating revenues	\$ 192,379	\$ 165,371	\$ -	\$ -
Operating expenses	<u>202,035</u>	<u>211,537</u>	<u>18,248</u>	<u>10,874</u>
Operating loss	(9,656)	(46,166)	(18,248)	(10,874)
Non-operating revenues/ (expenses)	<u>15,510</u>	<u>14,246</u>	<u>40,486</u>	<u>36,648</u>
Income (loss) before contributions	5,854	(31,920)	22,238	25,774
Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss)	\$ <u>5,854</u>	\$ <u>(31,920)</u>	\$ <u>22,238</u>	\$ <u>25,774</u>
Cash	\$ <u>207,205</u>	\$ <u>187,172</u>	\$ <u>184,876</u>	\$ <u>153,721</u>

Observations:

Operating comparison:

Sewer	\$ 37,774
Park	<u>(3,536)</u>
Overall increase	\$ <u>34,238</u>

Cash comparison:

Sewer	\$ 20,033
Park	<u>31,155</u>
Overall increase	\$ <u>51,188</u>

2. Prior Year Recommendations:

(a) Policy Manual:

Recommendation – written policies are important. It may be preferable to prioritize and begin with the most important items.

Follow up – the policy manual has been completed and adopted by the Board. The bylaws have been reviewed and are awaiting legal review.

(b) Retention Policy:

Recommendation – establish a policy which would set out retention periods for specific documents. Also, the policy would provide for destruction of old records and safeguarding of current documents.

Follow up – The Financial Advisory Committee drafted a records retention policy. The policy is on the September 2019 board agenda for approval.

(c) Credit Card Policy:

Recommendation – The Board should consider implementing a credit card policy establishing procedures and providing guidelines for the permissible use of the District credit card. Such a policy may be similar to electronic payments policies that are currently being enacted by special districts to process electronic payments such as ACH or EFT payments.

Follow up – A credit card policy has been drafted. The policy is on the September 2019 board agenda for approval.