

**TOMALES VILLAGE  
COMMUNITY SERVICES DISTRICT**

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**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
for the year ended June 30, 2019**

**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, 2019, 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 opinions 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 opinions.

## **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, 2019, 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 opinions 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 Accountant*

Citrus Heights, California  
September 18, 2019

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDING JUNE 30, 2019

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, 2019. 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). The WWTP is funded through sewer service fees and some Ad Valorem property taxes. The operation of the Tomales Community Park is funded through donations, park rentals, fund raisers, grants, and County of Marin Measure A sales taxes dedicated to parks and open spaces.

When the District was formed in 1998/1999, 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 SWRCB and a low interest loan through the State Revolving Fund to fund major improvements. Loan repayments will be required for five (5) more years.

The District has a Solar System to provide the energy to operate the wastewater treatment system and irrigation field. To acquire the system, the District sold \$305,000 in zero interest Clean Renewable Energy Bonds in July 2009 that have eight (8) more years of payments. 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 these 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 higher Ad Valorem tax rates. 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 was implemented in fiscal year 2018/2019.

District review of existing policies and by-laws continues and over the past year, we have developed a Credit Card Policy and a Records Retention Policy. We are currently studying CSDA's sample by-laws in preparation for making necessary amendments and updates to ours.

The Tomales Community Park has embarked on some major improvement projects to rebuild a gazebo, create a new entry gate & signage, add ADA-compliant ramps to our play structure areas and rebuild a north fence. While permits and funding are in place, it has proven challenging to secure building contractors due to high demand from neighboring fire zones, requiring rebuilding. The 2018/2019

budget anticipated an excess of expenditures of \$57,125. Actual results were an excess of revenues of \$29,869. While we were unable to achieve significant progress in fiscal year 2018/2019, we are hoping to proceed in the near future.

### Financial Statements

The audited financial statements report the Sewer Program on a business-type accounting basis with accruals, capital assets and depreciation. The Park Program is reported on a governmental-fund basis in the Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances with an adjustment to report the Park in the government-wide report on a comparable basis with the Sewer Program, including capital assets and depreciation.

### Condensed Financial Statements

#### Statement of Net Position (Sewer and Park)

	<u>2019</u>	<u>2018</u>
Assets:		
Current assets	\$ 394,456	\$ 342,530
Other assets	13,359	15,094
Capital assets, net	<u>1,755,734</u>	<u>1,814,029</u>
Total Assets	<u>\$ 2,163,549</u>	<u>\$ 2,171,653</u>
Liabilities and net position:		
Current liabilities	\$ 79,926	\$ 76,361
Long-term debt, less current portion	<u>178,588</u>	<u>218,349</u>
Total liabilities	<u>258,514</u>	<u>294,710</u>
Total net position	<u>1,905,035</u>	<u>1,876,943</u>
Total liabilities and net position	<u>\$ 2,163,549</u>	<u>\$ 2,171,653</u>

#### Statement of Activities (Sewer and Park)

Operational revenues	\$ 192,379	\$ 165,371
Operational expenses	<u>223,134</u>	<u>222,411</u>
Operational loss	<u>(30,755)</u>	<u>(57,040)</u>
General revenues	<u>58,847</u>	<u>50,894</u>
Change in net position	<u>\$ 28,092</u>	<u>\$ (6,146)</u>

## **Financial Highlights**

The Sewer Enterprise Fund received \$182,139 in sewer service charges in 2018/2019 compared to \$165,371 in 2017/2018; other funding brought total income to \$ 210,741 compared to \$182,987 in 2017/2018. Expenses for the fiscal year, except for depreciation, were \$ 154,222 compared to \$164,243 in the prior year. Net income for the fiscal year without depreciation expense was \$56,518. The budget had anticipated net income of \$17,796. Debt service payments reduced the debt by \$39,228. Net operations were able to pay the debt for the first time in six years so that cash balances were not further depleted; in fact cash balances increased by \$20,033 in 2019/2020. The 2018/2019 sewer rate increase helped alleviate the drain on our cash reserves.

The Park Program received \$ 36,934 in Measure A sales tax funding in 2018/2019 compared to \$34,685 in 2017/2018. Donations and park rentals brought total income to \$40,486 compared to \$36,648 in the prior year. In the 2018/2019 fiscal year \$10,617 was spent; 2017/2018 expenses were \$10,874. Cash balances on 6/30/2019 increased from \$153,721 at 3/30/2018 to \$184,876 which will be used for planned improvement projects and park maintenance in future years.

## **Contacting the 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, 2019

ASSETS	Governmental Fund			Enterprise Fund	Total
	General Fund	Park	Statement of Net Position	Sewer	
		Adjustments			
Current assets:					
Cash and cash equivalents (Note 3)	\$ 184,876	\$ -	\$ 184,876	\$ 207,205	\$ 392,081
Accounts receivable	-	-	-	-	-
Interest receivable	192	-	192	448	640
Current portion of note receivable (Note 4)	-	-	-	1,735	1,735
Interfund receivable	-	-	-	-	-
Total current assets	<u>185,068</u>	<u>-</u>	<u>185,068</u>	<u>209,388</u>	<u>394,456</u>
Other assets:					
Note receivable, net of current portion (Note 4)	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,359</u>	<u>13,359</u>
Total other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,359</u>	<u>13,359</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>74,326</u>	<u>74,326</u>	<u>687,633</u>	<u>761,959</u>
	<u>-</u>	<u>372,327</u>	<u>372,327</u>	<u>1,383,407</u>	<u>1,755,734</u>
	<u>\$ 185,068</u>	<u>\$ 372,327</u>	<u>\$ 557,395</u>	<u>\$ 1,606,154</u>	<u>\$ 2,163,549</u>

See notes to financial statements

LIABILITIES	Governmental Fund		Statement of Net Position	Enterprise Fund	
	General Fund	Park Adjustments		Sewer	Total
Current liabilities:					
Current portion of long-term debt (Note 6)	\$ -	\$ -	\$ -	\$ 39,760	\$ 39,760
Accounts payable	1,654	-	1,654	13,512	15,166
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>26,654</u>	<u>-</u>	<u>26,654</u>	<u>53,272</u>	<u>79,926</u>
Long-term debt, net of current portion (Note 6)	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,588</u>	<u>178,588</u>
Total liabilities	<u>26,654</u>	<u>-</u>	<u>26,654</u>	<u>231,860</u>	<u>258,514</u>
Fund balances/ net position					
Fund balances (Note 9):					
Assigned	-	-	-		
Unassigned	<u>158,414</u>	<u>( 158,414)</u>	<u>-</u>		
Total fund balances	<u>158,414</u>	<u>( 158,414)</u>	<u>-</u>		
Total liabilities and fund balances	<u>\$ 185,068</u>				
Net position (Note 9):					
Net investment in capital assets		372,327	372,327	1,165,059	1,537,386
Restricted		-	-	10,000	10,000
Unrestricted		<u>158,414</u>	<u>158,414</u>	<u>199,235</u>	<u>357,649</u>
Total net position		<u>530,741</u>	<u>530,741</u>	<u>1,374,294</u>	<u>1,905,035</u>
		<u>\$ 372,327</u>	<u>\$ 557,395</u>	<u>\$1,606,154</u>	<u>\$2,163,549</u>

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
STATEMENT OF ACTIVITIES  
for the year ended June 30, 2019

<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>18,248</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Total governmental activities	<u>18,248</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities:				
Sewer	<u>204,886</u>	<u>192,379</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>204,886</u>	<u>192,379</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 223,134</u>	<u>\$ 192,379</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>
\$( 18,248)		\$( 18,248)
( 18,248)		( 18,248)
	\$( 12,507)	( 12,507)
	( 12,507)	( 12,507)
( 18,248)	( 12,507)	( 30,755)
-	8,396	8,396
267	1,903	2,170
<u>40,219</u>	<u>8,062</u>	<u>48,281</u>
<u>40,486</u>	<u>18,361</u>	<u>58,847</u>
22,238	5,854	28,092
<u>508,503</u>	<u>1,368,440</u>	<u>1,876,943</u>
<u>\$ 530,741</u>	<u>\$ 1,374,294</u>	<u>\$ 1,905,035</u>

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
ENTERPRISE FUND - SEWER  
for the year ended June 30, 2019

Operating revenues:		
Service charges		\$ 182,139
Connection fees		10,000
Other		<u>240</u>
Total operating revenues		192,379
Operating expenses:		
Collection	\$ 13,185	
Treatment	38,061	
Disposal	26,550	
Administrative and general	73,575	
Depreciation	<u>50,664</u>	
Total operating expenses		<u>202,035</u>
Operating loss		( 9,656)
Non-operating revenues (expenses):		
Property taxes	8,396	
Interest income	1,903	
SUSD sinking fund revenue	8,062	
Other revenue	-	
Interest expense	<u>( 2,851)</u>	
		<u>15,510</u>
Income/(loss) before contributions		5,854
Capital contributions		<u>-</u>
Change in net position		5,854
Total net position:		
Beginning		<u>1,368,440</u>
Ending		<u>\$1,374,294</u>

See notes to financial statements

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
STATEMENT OF CASH FLOWS  
ENTERPRISE FUND - SEWER  
for the year ended June 30, 2019

Cash flows from operating activities:		
Receipts from customers		\$ 192,379
Payments to suppliers		( 146,178)
Payments to employees		<u>( 2,450)</u>
Net cash provided by (to) operating activities		43,751
Cash flows from noncapital financing activities:		
Property taxes and other income		16,458
Cash flows from capital and related financing activities:		
Payment of long-term debt	\$( 39,228)	
Interest expense	( 2,851)	
Property additions	<u>-</u>	( 42,079)
Cash flows from investing activities:		
Interest income		<u>1,903</u>
Net increase(decrease) in cash and cash equivalents		20,033
Cash and cash equivalents:		
Beginning of year		<u>187,172</u>
End of year		<u>\$ 207,205</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, 2019

Reconciliation of operating income (loss) to net cash provided by (to) operating activities:		
Operating loss		\$( 9,656)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	\$ 50,664	
Changes in operating assets and liabilities:		
Receivables	1,189	
Interfund receivable	-	
Payables	<u>1,554</u>	
Total adjustments		<u>53,407</u>
Net cash provided by (to) operating activities		<u>\$ 43,751</u>
Supplemental information:		
Cash expended for interest		<u>\$ 2,851</u>

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, 2019

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Program expenditures/expenses:			
Park	\$ 10,617	\$ -	\$ 10,617
Capital outlay	-	-	-
Depreciation	<u>-</u>	<u>7,631</u>	<u>7,631</u>
Total program expenditures/ expenses	<u>10,617</u>	<u>7,631</u>	<u>18,248</u>
Program revenues:			
Service fees	<u>-</u>	<u>-</u>	<u>-</u>
General revenues:			
Property taxes	-	-	-
Measure A	36,934	-	36,934
Donations	2,195	-	2,195
Interest	267	-	267
Other	<u>1,090</u>	<u>-</u>	<u>1,090</u>
	<u>40,486</u>	<u>-</u>	<u>40,486</u>
Excess of revenues over expenditures/changes in net position	29,869	( 7,631)	22,238
Beginning fund balances/ net position	<u>128,545</u>	<u>379,958</u>	<u>508,503</u>
Ending fund balances/ net position	<u>\$158,414</u>	<u>\$ 372,327</u>	<u>\$ 530,741</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Measure A	34,685	36,934	2,249
Contributions	500	2,195	1,695
Grants	-	-	-
Interest	5	267	262
Rental	400	250	( 150)
Power refund	840	840	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>36,430</u>	<u>40,486</u>	<u>4,056</u>
Expenditures:			
Measure A - maintenance	4,600	9,672	( 5,072)
Measure A - capital outlay	88,955	-	88,955
Miscellaneous	<u>-</u>	<u>945</u>	<u>( 945)</u>
Total expenditures	<u>93,555</u>	<u>10,617</u>	<u>82,938</u>
Excess of revenues (expenditures)	<u>\$ ( 57,125)</u>	<u>\$ 29,869</u>	<u>\$ 86,994</u>

See notes to financial statements

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
NOTES TO FINANCIAL STATEMENTS

1. Organization:

The Tomales Village Community Services District (the “District”) is an independent special district formed in 1999 to manage the village’s wastewater treatment plant formerly operated by the North Marin Water District. The Sewer Program is funded through sewer service fees and some property taxes. The Tomales Community Park was founded as a 501(c)(3) organization funded through donations, park rentals, fund raisers and grants. The park was merged into the District in 1998. With the passage of the County of Marin Measure A sales tax dedicated to parks and open spaces, the Park Program has been funded largely from that revenue source since 2013. The District is governed by a five-member board elected by the voters of Tomales Village.

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 and Cash Equivalents:

At year-end the carrying amount of the District's deposits was \$291,908 and the bank balance was \$292,480. The bank balance was covered by Federal depository insurance and NCUA. Cash consists of:

	Balance, June 30, <u>2019</u>
Checking (4)	\$ 118,076
Savings	107
Money market (2)	<u>173,725</u>
	<u>\$ 291,908</u>

Cash and investments consists of the following at June 30, 2019:

Designated – Measure A funds	\$ 133,674
Unrestricted	<u>258,407</u>
	<u>\$ 392,081</u>

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

3. Cash and Cash Equivalents, continued:

Investments:

California statutes authorize the District to invest in a variety of credit instruments as provided for in the California Government Code Section 53600, Chapter 4 – Financial Affairs. The Government Code allows investments in obligations of the U.S. Treasury, agencies, and instrumentalities, commercial paper rated A-1 by Standard & Poor’s or P-1 by Moody’s Commercial Paper Record, bankers’ acceptances, repurchase agreements, medium-term corporate notes, mutual funds and the State Treasurer’s Local Agency Investment Fund (LAIF). The investment in LAIF is reported at fair value.

	<u>Carrying Amount</u>	<u>Fair Value</u>
Balance, June 30, 2019		
Local Agency Investment Fund	\$ <u>100,173</u>	\$ <u>100,173</u>

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>
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	2,191	450	2,641
2025-2027	<u>5,314</u>	<u>531</u>	<u>5,845</u>
	\$ <u>15,094</u>	\$ <u>3,956</u>	\$ <u>19,050</u>

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

5. Capital Assets:

Changes in enterprise capital assets for the year-ended June 30, 2019 are as follows:

<u>Sewer</u>	Balance, <u>7/1/18</u>	<u>Additions</u>	<u>Disposals</u>	Balance, <u>6/30/19</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>

Changes in governmental capital assets for the year-ended June 30, 2019 are as follows:

<u>Park</u>	Balance, <u>7/1/18</u>	<u>Additions</u>	<u>Disposals</u>	Balance, <u>6/30/19</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>

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

6. Long-term Debt:

The following is a summary of the long-term debt activities for the year ended June 30, 2019:

	<u>Balance,</u> <u>7/1/18</u>	<u>New Debt</u> <u>Issued</u>	<u>Debt</u> <u>Retired</u>	<u>Balance,</u> <u>6/30/19</u>	<u>Current</u> <u>Portion</u>
State Water Resource Control Board	\$ 114,047	\$ -	\$ 21,287	\$ 92,760	\$ 21,819
Clean Renewable Energy Bonds	<u>143,529</u>	<u>-</u>	<u>17,941</u>	<u>125,588</u>	<u>17,941</u>
	<u>\$ 257,576</u>	<u>\$ -</u>	<u>\$ 39,228</u>	<u>\$ 218,348</u>	<u>\$ 39,760</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, 2019 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	17,941	-	17,941
2025-2026	<u>35,883</u>	<u>-</u>	<u>35,883</u>
	<u>\$ 218,348</u>	<u>\$ 5,949</u>	<u>\$ 224,297</u>

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 2019 fiscal year, the District purchased certain commercial insurance coverages to provide for those risks.

8. Subsequent Events:

Management has evaluated subsequent events through September 18, 2019, the date these June 30, 2019 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>158,414</u>
	\$	<u>158,414</u>

Statement of Net Position (Park and Sewer):

Total net position consists of:

Net investment in capital assets		\$1,537,386
Restricted		
Connection fees - sewer		10,000
Unrestricted		
Board designated		
Capital asset reserve – sewer	\$ 40,000	
Operating reserve – sewer	<u>44,572</u>	
	84,572	
Undesignated	<u>273,077</u>	
		<u>357,649</u>
		<u>\$1,905,035</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