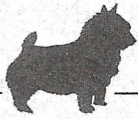


**TOMALES VILLAGE
COMMUNITY SERVICES DISTRICT**

**REPORT ON ACCOUNTING CONTROLS
AND PROCEDURES**

June 30, 2021

ROBERT W. JOHNSON
Certified Public Accountant



Robert W. Johnson
an accountancy corporation

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September 30, 2021

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, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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, 2021, 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. 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 others within the District, 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
Robert W. Johnson, An Accountancy Corporation

1. Review of Operations (Sewer and Parks):

	<u>Sewer</u>		<u>Park</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Operating revenues	\$ 196,146	\$ 189,255	\$ 52	\$ -
Operating expenses	<u>221,106</u>	<u>204,428</u>	<u>25,604</u>	<u>12,175</u>
Operating loss	(24,960)	(15,173)	(25,552)	(12,175)
Non-operating revenues/ (expenses)	<u>17,385</u>	<u>17,062</u>	<u>36,740</u>	<u>39,825</u>
Income (loss) before contributions	(7,575)	1,889	11,188	27,650
Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Net income (loss)	<u>\$(7,575)</u>	<u>\$ 1,889</u>	<u>\$ 11,188</u>	<u>\$ 52,650</u>
Cash	<u>\$ 236,166</u>	<u>\$ 230,517</u>	<u>\$ 99,181</u>	<u>\$ 138,504</u>

Observations:

Operating results comparison:

Sewer	\$(9,464)
Park	<u>(41,462)</u>
Overall decrease in net income	<u>\$(50,926)</u>

Cash comparison:

Sewer	\$ 5,649
Park	<u>(39,323)</u>
Overall decrease in cash	<u>\$(33,674)</u>

2. Prior Year Recommendation:

a. Debt Funding:

Observation and Recommendation:

The District sets aside \$8,280 for County-solar revenue from the billed sewer revenue. This set aside, along with the SUSD contribution, is to fund the payment for the solar system debt. \$5 of the monthly bill for every parcel is allocated for solar revenue. Thus,

\$5 x 12 months x 138 parcel - \$8,280

On the 2020 County tax rolls, 92 connected parcels were billed; not 138. It appears that there is a discrepancy in the methodology for calculating the solar set aside.

Review the methodology for calculation for the set aside for solar revenue. It appears that there is an inconsistency in calculating the solar set aside.

This calculation can be looked as to ensure there is enough funding to pay the solar debt which is scheduled to paid to 2025.

The methodology of funding debt can also be examined for possible future debt.

Follow-up:

The County-solar revenue from billed sewer revenue is now being calculated using the 92 connected parcels (annual set-aside \$5,520). The Fiscal Officer is now tracking the solar and sewer designation of income internally.

3. Current Year Recommendation:

a. Data Backup:

Observation:

The District's accounting is currently being backed up on contract Controller's external drive. There is currently no cloud backup of accounting data.

Recommendation:

Recommend that backup be backed up to secure cloud backup on a timely basis. Cloud backup enables your organization to send a copy of your cloud data to another location so that if your data is compromised, you can restore information, ensure business continuity, and defend against devastating IT crises- such as data corruption, malicious attack (virus or malware), accidental deletion of data or natural disaster.