

**TOMALES VILLAGE
COMMUNITY SERVICES DISTRICT**

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

for the year ended June 30, 2023

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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of Tomales Village Community Services District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Tomales Village Community Services District as of June 30, 2023, 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 accounting systems prescribed by the California State Controller's Office and State Regulations governing Special Districts.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tomales Village Community Services District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tomales Village Community Services District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Tomales Village Community Services District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tomales Village Community Services District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Tomales Village Community Services District's basic financial statements. The accompanying supplementary information are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Robert W. Johnson, An Accountancy Corporation

Citrus Heights, California
January 5, 2024

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
June 30, 2023

	Governmental Fund			Enterprise Fund	
		Park	Statement of Net Position	Sewer	
ASSETS	General Fund	Adjustments			Total
Current assets:					
Cash and cash equivalents (Note 3)	\$ 86,435	\$ -	\$ 86,435	\$ 165,831	\$ 252,266
LAIF (Note 3)	31,641	-	31,641	18,123	49,764
Accounts receivable	-	-	-	-	-
Interest receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Current portion of note receivable (Note 4)	-	-	-	2,191	2,191
Interfund receivable	-	-	-	33	33
Total current assets	<u>118,076</u>	<u>-</u>	<u>118,076</u>	<u>186,178</u>	<u>304,254</u>
Other assets:					
Note receivable, net of current portion (Note 4)	-	-	-	5,314	5,314
Restricted cash – LAIF (Note 3)	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,282</u>	<u>25,282</u>
Total other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,596</u>	<u>30,596</u>
Capital assets, at cost (Notes 5 and 6):	-	593,790	593,790	2,095,758	2,689,548
Less accumulated depreciation	<u>-</u>	<u>118,557</u>	<u>118,557</u>	<u>869,547</u>	<u>988,104</u>
	<u>-</u>	<u>475,233</u>	<u>475,233</u>	<u>1,226,211</u>	<u>1,701,444</u>
	<u>\$ 118,076</u>	<u>\$ 475,233</u>	<u>\$ 593,309</u>	<u>\$1,442,985</u>	<u>\$2,036,294</u>

See notes to financial statements

	Governmental Fund			Enterprise Fund	
		Park		Sewer	
LIABILITIES	General Fund	Adjustments	Statement of Net Position		Total
Current liabilities:					
Current portion of long-term debt (Note 6)	\$ -	\$ -	\$ -	\$ 41,441	\$ 41,441
Accounts payable	1,755	-	1,755	12,264	14,019
Interfund payable	<u>33</u>	<u>-</u>	<u>33</u>	<u>-</u>	<u>33</u>
Total current liabilities	<u>1,788</u>	<u>-</u>	<u>1,788</u>	<u>53,705</u>	<u>55,493</u>
Long-term debt, net of current portion (Note 6)	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,383</u>	<u>87,383</u>
Total liabilities	<u>1,788</u>	<u>-</u>	<u>1,788</u>	<u>141,088</u>	<u>142,876</u>
Fund balances/ net position					
Fund balances (Note 8):					
Unassigned	<u>116,288</u>	<u>(116,288)</u>	<u>-</u>		
Total fund balances	<u>116,288</u>	<u>(116,288)</u>	<u>-</u>		
Total liabilities and fund balances	\$ <u>118,076</u>				
Net position (Note 8):					
Net investment in capital assets		475,233	475,233	1,097,388	1,572,621
Restricted		-	-	25,282	25,282
Unrestricted		<u>116,288</u>	<u>116,288</u>	<u>179,227</u>	<u>295,515</u>
Total net position		<u>591,521</u>	<u>591,521</u>	<u>1,301,897</u>	<u>1,893,418</u>
		<u>\$ 475,233</u>	<u>\$ 593,309</u>	<u>\$ 1,442,985</u>	<u>\$ 2,036,294</u>

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES
OF NET POSITION

for the year ended June 30, 2023

<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>44,136</u>	\$ <u>-</u>	\$ <u>1,045</u>	\$ <u>-</u>
Total governmental activities	<u>44,136</u>	<u>-</u>	<u>1,045</u>	<u>-</u>
Business-type activities:				
Sewer	<u>254,488</u>	<u>245,737</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>254,488</u>	<u>245,737</u>	<u>-</u>	<u>-</u>
Total	\$ <u>298,624</u>	\$ <u>245,737</u>	\$ <u>1,045</u>	\$ <u>-</u>

General revenues/expenses:

Property taxes
Interest income
Other revenue
Interest expense

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>
\$(43,091)		\$(43,091)
(43,091)		(43,091)
	\$(8,751)	(8,751)
	(8,751)	(8,751)
(43,091)	(8,751)	(51,842)
-	10,211	10,211
641	1,737	2,378
24,459	8,933	33,392
<u>-</u>	(641)	(641)
<u>25,100</u>	<u>20,240</u>	<u>45,340</u>
(17,991)	11,489	(6,502)
<u>609,512</u>	<u>1,290,408</u>	<u>1,899,920</u>
<u>\$ 591,521</u>	<u>\$ 1,301,897</u>	<u>\$ 1,893,418</u>

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUND - SEWER
for the year ended June 30, 2023

Operating revenues:		
Service charges		\$ 225,737
Connection fees		20,000
Other		<u>-</u>
Total operating revenues		245,737
Operating expenses:		
Collection	\$ 17,039	
Treatment	53,621	
Disposal	34,748	
Administrative and general	105,658	
Depreciation	<u>43,422</u>	
Total operating expenses		<u>254,488</u>
Operating loss		(8,751)
Non-operating revenues (expenses):		
Property taxes	10,211	
Interest income	1,737	
SUSD sinking fund revenue	8,765	
Other revenue	168	
Interest expense	<u>(641)</u>	
		<u>20,240</u>
Income/(loss) before contributions		11,489
Capital contributions		<u>-</u>
Change in net position		11,489
Total net position:		
Beginning		<u>1,290,408</u>
Ending		<u>\$1,301,897</u>

See notes to financial statements

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS
ENTERPRISE FUND - SEWER
for the year ended June 30, 2023

Cash flows from operating activities:		
Receipts from customers		\$ 245,737
Payments to suppliers		(214,525)
Payments to employees		(8,122)
Net cash provided by (to)		
operating activities		23,090
Cash flows from noncapital financing activities:		
Property taxes and other income		19,144
Cash flows from capital and		
related financing activities:		
New debt issued	\$ 75,000	
Payment of long-term debt	(43,595)	
Interest expense	(641)	
Property additions	(24,718)	6,046
Cash flows from investing activities:		
Interest income		<u>1,737</u>
Net increase(decrease) in cash and cash		
equivalents		50,017
Cash and cash equivalents:		
Beginning of year		<u>159,219</u>
End of year		<u>\$ 209,236</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, 2023

Reconciliation of operating income (loss) to net cash
provided by (to) operating activities:

Operating loss \$(8,751)

Adjustments to reconcile operating
income (loss) to net cash provided by
operating activities:

Depreciation \$ 43,422

Changes in operating assets and liabilities:

Receivables 2,203

Interfund receivable (33)

Prepays 14,961

Payables (28,712)

Total adjustments 31,841

Net cash provided by
(to) operating activities \$ 23,090

Supplemental information:

Cash expended for interest \$ 641

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, 2023

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Program expenditures/expenses:			
Park	\$ 32,589	\$ -	\$ 32,589
Capital outlay	-	-	-
Depreciation	<u>-</u>	<u>11,547</u>	<u>11,547</u>
Total program expenditures/ expenses	<u>32,589</u>	<u>11,547</u>	<u>44,136</u>
Program revenues:			
Service fees	<u>-</u>	<u>-</u>	<u>-</u>
General revenues:			
Property taxes	-	-	-
Measure A	23,659	-	23,659
Contributions	1,045	-	1,045
Interest	641	-	641
Other	<u>800</u>	<u>-</u>	<u>800</u>
	<u>26,145</u>	<u>-</u>	<u>26,145</u>
Excess of revenues over expenditures/changes in net position	(6,444)	(11,547)	(17,991)
Beginning fund balances/ net position	<u>122,732</u>	<u>486,780</u>	<u>609,512</u>
Ending fund balances/ net position	<u>\$ 116,288</u>	<u>\$ 475,233</u>	<u>\$ 591,521</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, 2023

	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable) <u>Variance</u>
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Measure A	33,000	23,659	(9,341)
Contributions	1,000	1,045	45
Grants	-	-	-
Interest	180	641	461
Rental	800	800	-
Power refund	-	-	-
Other	-	-	-
Total revenues	<u>34,980</u>	<u>26,145</u>	<u>(8,835)</u>
Expenditures:			
Measure A - maintenance	24,800	32,589	(7,789)
Measure A - capital outlay	39,000	-	39,000
Miscellaneous	-	-	-
Total expenditures	<u>63,800</u>	<u>32,589</u>	<u>31,211</u>
Excess of revenues (expenditures)	<u>\$ (28,820)</u>	<u>\$ (6,444)</u>	<u>\$ 22,376</u>

See notes to financial statements

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
for the year ended June 30, 2023

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.

Measurement Focus

Government-Wide Statements – The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall District. The District’s government-wide financial statements distinguish between the governmental and business-type activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties. Separate statements for each fund category – governmental and proprietary – are presented.

Fund Financial Statements – The fund financial statements provide information about the District’s funds. Separate statements for each fund category – governmental and proprietary – are presented. The District reported the following funds in the accompanying financial statements:

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

2. Summary of Significant Accounting Policies, continued:

Measurement Focus, continued

Sewer Fund- The sewer fund is a proprietary (enterprise) fund is used to account for 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.

General Fund- The general fund is a governmental fund is used to account for all financial resources of the park department. This fund is mainly supported by taxes and intergovernmental revenues.

Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Nonoperating revenues, such as grants, donations and investment earnings, result from nonexchange transactions or ancillary activities. All revenues and expenses not meeting the definition of operating revenues and expenses are reported as nonoperating.

The governmental fund is accounted for on a current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are recorded when received in cash, except revenues subject to accrual (generally 60 days after year-end) are recognized when due. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

2. Summary of Significant Accounting Policies, continued:

Basis of Accounting, continued

The District has combined the statements of net position and the statement of activities, with the balance sheet and the statement of revenues, expenditures, and changes in fund balances, into two statements, the statement of net position and governmental funds balance sheet and the statement of activities and governmental fund revenues, expenditures, and changes in fund balances, for simplicity.

Capital Assets

Capital assets are recorded on the basis of purchase 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.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents, including restricted assets. Cash in banks and deposits in the State of California Local Agency Investment Fund (LAIF) are considered to be cash and cash equivalents.

Investments

Investments consist of LAIF (State of California pooled investment fund). Investments are stated at fair value. Such investment is within the State statutes and the District's investment policy.

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

2. Summary of Significant Accounting Policies, continued:

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.

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.

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

2. Summary of Significant Accounting Policies, continued:

Net Position and Fund Balance

Net position is classified in the following categories:

Net Investment in capital assets – groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

Restricted – presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted – represents the net position of the District, which are not restricted or invested in capital assets net of related debt.

Fund balance is classified in the following categories:

Restricted – includes fund balance amounts that are subject to externally enforceable legal restrictions or constrained for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed – includes fund balance amount that can only be used for specific purposes pursuant to constraints imposed by the formal actions of the District's Board of Directors.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed.

Unassigned – includes fund balance which has not been classified within the above mentioned categories.

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

3. Cash and Investments:

Cash and investments as of June 30, 2023 consisted of the following:

Checking (2)	\$ 7,984
Certificates of deposit (2)	95,271
Money market (2)	<u>149,011</u>
	<u>252,266</u>
Investment in Local Agency Investment Agency (LAIF)	<u>75,046</u>
Total cash and investments	<u>\$327,312</u>

Cash and investments are classified in the accompanying financial statements at June 30, 2023 as follows:

Restricted – connection fees (LAIF)	\$ 25,282
Designated – Measure A funds	83,794
Unrestricted	<u>218,236</u>
	<u>\$ 327,312</u>

At June 30, 2023 the carrying amount of the District's deposits was \$252,266 and the bank balance was \$255,980. The bank balances were covered by Federal depository insurance collateralized as required by State Law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the District and other agencies, but not in the name of the District.

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

3. Cash and Investments, 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, 2023		
Local Agency Investment Fund	\$ <u>75,046</u>	\$ <u>75,046</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>
2024	\$ 2,191	\$ 450	\$ 2,641
2025	2,321	320	2,641
2026	2,461	180	2,641
2027	<u>532</u>	<u>32</u>	<u>564</u>
	\$ <u>7,505</u>	\$ <u>982</u>	\$ <u>8,487</u>

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

5. Capital Assets:

Changes in enterprise capital assets for the year-ended June 30, 2023 are as follows:

<u>Sewer</u>	Balance, <u>7/1/22</u>	<u>Additions</u>	<u>Disposals</u>	Balance, <u>6/30/23</u>
Land	\$ 52,788	\$ -	\$ -	\$ 52,788
Machines, pumps & motors	-	24,718	-	24,718
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>\$ 24,718</u>	<u>\$ -</u>	<u>\$2,095,758</u>

Changes in governmental capital assets for the year-ended June 30, 2023 are as follows:

<u>Park</u>	Balance, <u>7/1/22</u>	<u>Additions</u>	<u>Disposals</u>	Balance, <u>6/30/23</u>
Land	\$ 132,000	\$ -	\$ -	\$ 132,000
Equipment	<u>461,790</u>	<u>-</u>	<u>-</u>	<u>461,790</u>
	<u>\$ 593,790</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 593,790</u>

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

6. Long-term Debt:

The following is a summary of the long-term debt activities for the year ended June 30, 2023:

	<u>Balance, 7/1/22</u>	<u>New Debt Issued</u>	<u>Debt Retired</u>	<u>Balance, 6/30/23</u>	<u>Current Portion</u>
State Water Resource Control Board	\$ 25,654	\$ -	\$ 25,654	\$ -	\$ -
Clean Renewable Energy Bonds	71,765	-	17,941	53,824	17,941
SCADA Loan	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>23,500</u>
	<u>\$ 97,419</u>	<u>\$ 75,000</u>	<u>\$ 43,595</u>	<u>\$ 128,824</u>	<u>\$ 41,441</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 was paid off in December 2022.

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.

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

6. Long-term Debt, continued:

SCADA Loan

On May 1, 2023 the District entered into an installment purchase agreement for \$75,000 to finance the purchase of a SCADA system. The loan proceeds are sitting in a certificate of deposit at the bank until the system is installed. Commencing on May 1, 2024, three annual payments of \$28,188 including interest of 6.25% will be made through May 1, 2026.

The future annual maturities of all long-term borrowings as of June 30, 2023 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 41,442	\$ 4,688	\$ 46,129
2025	42,910	3,219	46,129
2026	<u>44,471</u>	<u>1,657</u>	<u>46,129</u>
	<u>\$ 128,823</u>	<u>\$ 9,564</u>	<u>\$ 138,387</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 2023 fiscal year, the District purchased certain commercial insurance coverages to provide for those risks.

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

8. Equity:

Fund Balance (Park):

Restricted	\$ -
Committed	-
Assigned	-
Unassigned	<u>116,288</u>
	<u>\$ 116,288</u>

Statement of Net Position (Park and Sewer):

Total net position consists of:

Net investment in capital assets	\$1,572,621
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Restricted		
Connection fees - sewer		25,282

Unrestricted		
Board designated		
Capital asset reserve – sewer	\$ 40,000	
Operating reserve – sewer	<u>47,962</u>	
	87,962	
Undesignated	<u>207,553</u>	
		<u>295,515</u>
		<u>\$1,893,418</u>

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

9. Subsequent Events:

Management has evaluated subsequent events through January 5, 2024, the date these June 30, 2023 financial statements were available to be issued.

10. Major Customer:

The District has one major customer, Shoreline Unified School District, that accounted for \$92,081 (41%) of operating sewer revenues for the year ended June 30, 2023. The District expects to maintain this relationship with the customer.

SUPPLEMENTAL INFORMATION

TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
PRINCIPAL OFFICIALS
for the year ended June 30, 2023

Board of Directors:

Donna Clavaud	President
Bill Bonini	Vice President
Dru Fallon O'Neill	
John Ward	
David Kitts	

Operations:

Mary Halley	General Manager
Bonnie MacLaird	Financial Manager
Cynthia Hammond	Secretary

