



CROCE, SANGUINETTI, & VANDER VEEN^{INC.}

CERTIFIED PUBLIC ACCOUNTANTS

May 4, 2020

To the Board of Directors
Tamalpais Community Services District
305 Bell Lane
Mill Valley, California 94941

Dear Board of Directors,

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of **Tamalpais Community Services District** for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by **Tamalpais Community Services District** are described in Note A to the financial statements. The District implemented Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, for the year ended June 30, 2019 as discussed in Note A to the financial statements. The application of existing policies was not changed during the year ended June 30, 2019. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions that have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

The estimate regarding other post-employment benefits other than pensions and deferred outflows/inflows of resources in Note K to the financial statements is based upon the July 1, 2017 actuarial valuation report. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

- The estimates regarding net pension liabilities and deferred outflows/inflows of resources in Note H to the financial statements are based on actuarial studies determined by a consultant, which are based on the experience of the District. We evaluated the key factors and assumptions used to develop the estimate and determined it is reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. We did not identify any sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Accordingly, the following material adjustments were identified during the audit and recorded by management:

Sanitation Fund

- Entry to record \$309,645 of depreciation expense as of June 30, 2019
- Entries of \$85,147 to adjust net pension expense as of June 20, 2019

Refuse Fund

- Entry to record \$42,170 of depreciation expense as of June 30, 2019
- Entries of \$170,295 to adjust net pension expense as of June 30, 2019
- Entry of \$231,493 to adjust retirement contributions as of June 30, 2019

Parks and Recreation Fund

- Entry of \$25,000 to record additional accounts receivable as of June 30, 2019
- Entry to record \$104,083 of depreciation expense as of June 30, 2019
- Entries of \$114,764 to adjust net pension expense as of June 30, 2019
- Entry of \$21,703 to adjust deferred outflows - pension as of June 30, 2019
- Entry of \$58,665 to record disposal of capital assets as of June 30, 2019

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 30, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplemental information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

Very truly yours,

Croce, Sanguinetti, & Vander Veen, Inc.

CROCE, SANGUINETTI, & VANDER VEEN, INC.
Certified Public Accountants