

**FALLEN LEAF LAKE
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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December 31, 2021

To the Board of Directors
Fallen Leaf Lake Community Services District
Fallen Leaf Lake, California

We have audited the financial statements of Fallen Leaf Lake 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 Fallen Leaf Lake 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 Fallen Leaf Lake Community Services District's internal control over financial reporting (internal control) as a basis for designing audit 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,

A handwritten signature in black ink that reads "Robert W. Johnson, An Accountancy Corporation". The signature is written in a cursive, flowing style.

Robert W. Johnson, An Accountancy Corporation

1. Comparison of Total District Operating Results (Statement of Activities):

	June 30 <u>2021</u>	<u>2020</u>	Favorable (Unfavorable) <u>Variance</u>
Revenues	\$2,128,442	\$ 563,055	\$ 1,565,387
Expenses	<u>1,770,099</u>	<u>936,761</u>	(<u>833,338</u>)
Net income (loss)	\$ <u>358,343</u>	\$ (<u>373,706</u>)	\$ <u>732,049</u>
Cash	<u>\$1,442,017</u>	<u>\$1,239,730</u>	\$ <u>202,234</u>

Observations:

- Increase in revenue due to strike team activity in 2021
- Cash position at June 30, 2021 by fund is as follows:

General fund	\$ 11,999
Fire	974,325
Parks & recreation	<u>455,693</u>
	<u>\$ 1,442,017</u>

2. Current Year Recommendations:

a. Website:

Observation – Effective January 1, 2020 – Senate Bill 929 requires “Independent Special Districts” to create websites, with four distinct pieces of information posted:

1. Contact information for the District
2. The current agenda of Board meetings
3. State Controller Reports posted:
 - a. Financial Transactions Reports
 - b. Compensation Reports
4. SB 272 Enterprise System Catalog

Recommendation – The District currently has a website. The District has contact information and current agenda posted.

The District still needs to post the State Controller Reports and SB Enterprise System Catalog on their website.

Recommend the District comply with the law.

