

**FALLEN LEAF LAKE
COMMUNITY SERVICES DISTRICT**

**REPORT ON ACCOUNTING CONTROLS
AND PROCEDURES**

June 30, 2019

ROBERT W. JOHNSON
Certified Public Accountant



Robert W. Johnson
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November 1, 2019

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, 2019. 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, 2019, 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 effectiveness of the District's internal controls. Accordingly, we do not express an opinion on the effectiveness of the District's internal controls.

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 entity'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 first 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, as defined above. However, 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 is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Robert W. Johnson, An Accountancy Corporation

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1. Comparison of Total District Operating Results:

	June 30		Favorable (Unfavorable) Variance
	<u>2019</u>	<u>2018</u>	
Revenues	\$1,598,243	\$1,165,779	\$ 432,464
Expenses	<u>1,320,831</u>	<u>1,107,256</u>	<u>213,575</u>
Net income (loss)	\$ <u>277,412</u>	\$ <u>58,523</u>	\$ <u>218,889</u>
Cash	<u>\$1,559,858</u>	<u>\$1,171,833</u>	<u>\$ 388,025</u>

Observations:

- impressive increase in operational surplus and cash position.