

**CAMERON ESTATES
COMMUNITY SERVICES DISTRICT**

**REPORT ON ACCOUNTING CONTROLS
AND PROCEDURES**

June 30, 2020 and June 30, 2019



Robert W. Johnson
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To the Board of Directors
Cameron Estates Community Services District
Cameron Park, California

We have audited the financial statements of Cameron Park Community Services District as of and for the years ended June 30, 2020 and June 30, 2019. We conducted our audits 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 Cameron Estates Community Services District as of and for the years ended June 30, 2020 and June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered Cameron Estates 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 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 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 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 Operating Results:

	<u>2019</u>	June 30, <u>2020</u>	Favorable (Unfavorable) <u>Variance</u>
Revenues	\$ 193,248	\$ 297,376	\$ 104,128
Expenses	<u>108,585</u>	<u>248,154</u>	<u>(139,569)</u>
Excess of revenues (expenses)	\$ <u>84,663</u>	\$ <u>49,222</u>	\$ <u>(35,441)</u>
Cash	\$ <u>284,750</u>	\$ <u>327,230</u>	\$ <u>42,480</u>

Observations:

- District revenues increased in 2020 due to the passing of Measure H, increasing special tax assessment.
- District expenses increased in 2020 due to the increase in road and maintenance construction – the need to repair roads and culverts.
- Analysis of cash flows:

6-30-20 net income	\$ 49,222
Decrease in accrued liabilities	(4,979)
Increase in prepaids	<u>(1,763)</u>
6-30-20 increase in cash	\$ <u>42,480</u>

2. Sick Leave Law:

Observation

On July 1, 2015 California enacted AB 1522, a sick leave law for part time employees. It requires employers to provide sick leave to employees who work at least 30 days a year. It appears the District employee qualifies to earn sick leave. The District has not enacted the requirements of AB 1522.

Recommendation

Comply with the sick leave law. The District policies should also address this law.