



McCloud Community Services District

220 West Minnesota Avenue P.O. Box 640 McCloud, CA 96057
Phone (530) 964-2017 Fax (530) 964-3175 e-mail mcsd@ci.mccloudcsd.ca.us

REGULAR MEETING OF THE FINANCE & AUDIT COMMITTEE SCOUT HALL – 405 E. COLOMBERO DRIVE November 06, 2023 4:00 pm

AGENDA

- 1. Discussion of Approval/Review of 2021-22 Audit Draft.**
- 2. Discussion of action needed for CD that will mature in November once Sewer series B loan is paid off.**
- 3. Discussion of obtaining credit cards for fire dept. employees to be used for traveling to fires.**
- 4. Discussion of the possibility of a new accounting/payroll/billing software system in near future and review of emails about past missing audits.**
- 5. Discussion of old Board-Approved funds previously requested.**
- 6. General Discussion.**

Adjourn.

October 17, 2023

McCloud Community Services District
Attn: Amos McAbier and Jennifer Brunello
220 W Minnesota Ave
McCloud, Calif. 96057

Enclosed is a revised draft copy of McCloud Community Services District's Annual Financial Report, proposed journal entries, and management representation letter for the year ended June 30, 2022. Please print the management representation letter onto the District's letterhead, have signed, and return to our office.

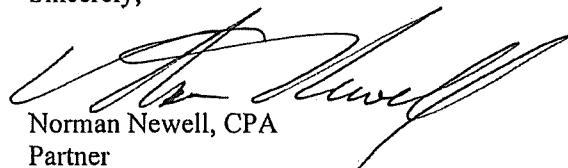
We have also enclosed a copy of the completed disclosure checklist that you can use to document your compliance with the requirements of SAS 115, which require that you review, approve, and accept responsibility for the financial statements and related notes.

We will date and run the report in final once we receive the following:

- Signed Management Representation Letter
- Signed Disclosure Checklist
- Management's Corrective Action Plan for the 2 comments:
 - Management's Response (concur or does not concur with finding)
 - Responsible Individual(s)
 - Corrective Action Plan
 - Anticipated Completion Date

Thanks for your help in completing the audit.

Sincerely,



Norman Newell, CPA
Partner

McCloud Community Services District

Audit Journal Entries

July 1, 2021 - June 30, 2022

AS 9/15/22
MM

Ref.	Description	Client Account	Debit	Credit
Adjusting Journal Entries				
1	(To reconcile fund balance for CERBT contributions)	Fund # 1010		
	Restricted Cash	101140		367,267.88
	Difference	299999	261,267.88	
	General Government	-	106,000.00	
2	(To reclassify intergovernmental revenue)	Fund # 1041		
	Other Revenues	304110	674,963.54	
	Intergovernmental	New		674,963.54
3	(To reconcile net position)	Fund # 1090		
	Restricted Cash	101140		4,411.00
	Difference	299999	4,411.00	
4	(To record current year activity)	Fund # 1090		
	Deferred Outflow - pension	104000	419.27	
	Pension Liability	214000	69,933.02	
	Deferred Inflows - Pension	214001		27,371.42
	Salaries and Benefits	401100.230		42,980.87
5	(To record current year activity)	Fund # 1090		
	Deferred Outflows - OPEB	104000		13,149.91
	Net OPEB obligation	204000	89,328.54	
	Deferred Inflows - OPEB	204001	56,781.61	
	Salaries and Benefits	401100.230		132,960.24
6	(To reconcile net position)	Fund # 2000		
	Restricted Cash	101140		14,860.00
	Difference	299999	14,860.00	
7	(To record current year activity)	Fund # 2000		
	Deferred Outflow - pension	104000		15,919.28
	Pension Liability	214000	83,936.44	
	Deferred Inflows - Pension	214001		26,270.75
	Salaries and Benefits	401100.230		41,746.41
8	(To record current year activity)	Fund # 2000		
	Deferred Outflows - OPEB	104000		313.93
	Net OPEB obligation	204000	195,415.94	
	Deferred Inflows - OPEB	204001	103,429.86	
	Salaries and Benefits	401100.230		298,531.87
9	(To reconcile net position)	Fund # 3000		
	Restricted Cash	101140		52,241.00
	Difference	299999	52,241.00	
10	(To record current year activity)	Fund # 3000		
	Deferred Outflow - pension	104000		20,895.47
	Pension Liability	214000	107,222.05	
	Deferred Inflows - Pension	214001		44,735.70
	Salaries and Benefits	401100.230		41,590.88
11	(To record current year activity)	Fund # 3000		
	Deferred Outflows - OPEB	104000	1,638.53	
	Net OPEB obligation	204000	264,344.05	
	Deferred Inflows - OPEB	204001	144,411.47	
	Salaries and Benefits	401100.230		410,394.05

McCloud Community Services District

Audit Journal Entries

July 1, 2021 - June 30, 2022

AB 9/5/23
K

Ref.	Description	Fund #	Client Account	Debit	Credit
12	(To reclassify due to other funds) Due From Other Funds Due To Other Funds	7910	101301 201011	1,267.53	1,267.53
13	(To reclassify Intergovt revenues) Difference Intergovernmental	5007	5007.209000 New	253,053.50	253,053.50
14	(To reclassify debt proceeds) Loans Payable - L/T Debt Proceeds	5003	2003.201220 New	51,000.00	51,000.00
15	(To reclassify current portion) Loans Payable - L/T Loans Payable	Refuse	SN Only SN Only	55,905.21	55,905.21
16	(To reclassify current portion) Loans Payable - L/T Loans Payable	Sewer	SN Only SN Only	82,149.79	82,149.79
17	(To adjust cash deficit for FS presentation) DFOF - Cash Deficit Cash & Investments	1040	New 1040.101000	55,785.08	55,785.08
18	(To adjust cash deficit for FS presentation) Cash & Investments DFOF - Cash Deficit	5004	5004.101000 New	55,785.08	55,785.08
19	(To adjust balance to actual) Accumulated Depreciation Depreciation	1090	101599 407000.850	37,092.12	37,092.12
20	(To adjust balance to actual) Accumulated Depreciation Depreciation	2000	101599 407000.850	542,760.19	542,760.19
21	(To adjust balance to actual) Accumulated Depreciation Depreciation	3000	101599 407000.850	409,687.84	409,687.84
22	(To remove int payable from fund FS) Interest Payable Debt Service - Interest	5003	201270 404000.615	133.87	133.87
				<u>3,775,224.41</u>	<u>3,775,224.41</u>
			Report Totals	<u>3,775,224.41</u>	<u>3,775,224.41</u>

Journal Entry count = 22

Smith & Newell
Certified Public Accountants
950 Tharp Road, Suite 502
Yuba City, CA 95993

This representation letter is provided in connection with your audit of the financial statements of McCloud Community Services District (District), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this, letter the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
- d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the District and involves—

- Management,
- Employees who have significant roles in internal control, or
- Others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.

16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have a process to track the status of audit findings and recommendations.

21) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

22) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 24) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 26) We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91.
- 27) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 28) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 29) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 30) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 31) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 32) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 33) The financial statements include all fiduciary activities required by GASBS No. 84, as amended.
- 34) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
- 35) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 36) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 37) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 38) Provisions for uncollectible receivables have been properly identified and recorded.
- 39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 40) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

- 41) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 42) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 43) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 44) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 45) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 46) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 47) With respect to the supplementary information as identified in the Table of Contents on which an in-relation-to opinion is issued (e.g., combining statements, individual fund statements).
 - a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: _____

Signature: _____

Title: _____

Title: _____

Date: _____

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
McCloud Community Services District
McCloud, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of McCloud Community Services District, McCloud, California (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated XXX, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinions 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 a 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. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and recommendations, that we consider to be significant deficiencies. (2022-001 and 2022-002)

To the Board of Directors
McCloud Community Services District
McCloud, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying management's corrective action plan. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Smith & Newell CPAs
Yuba City, California
XXX, 2023

Use Only

MCCLLOUD COMMUNITY SERVICES DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2022

2022-001 Audit Adjustments (Significant Deficiency)

Criteria

Government auditing standards require independent auditors to evaluate all unadjusted misstatements of financial statements. Also, producing timely audited financial statements is more difficult when adjustments are not recorded prior to the start of the annual audit.

Condition

At the time of our audit, we noted that the financial statements as presented to us for audit contained misstatements in accounts receivable, capital assets, and related accumulated depreciation, salaries and benefits payable, revenues, and expenses that required adjustment.

Cause

The District had not reconciled and adjusted all accounts on the general ledger prior to audit fieldwork.

Effect

The financial statements as presented to us contained misstatements and required adjustments.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is a repeat of prior year finding 2021-001.

Recommendation

We recommend that the District reconcile all accounts so that required adjustments can be recorded prior to the start of the annual audit.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

MCCLLOUD COMMUNITY SERVICES DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2022

2022-002 Budget (Significant Deficiency)

Criteria

General Accepted Accounting Principles require that an annual budget be prepared and amended as needed for the General and special revenue funds, and that expenditures not exceed the approved budget.

Condition

For the year ended June 30, 2022, we noted that the District incurred expenditures in excess of appropriations of \$57,662 in the Fire fund.

Cause

The District did not amend its budget for changes in the estimate of expenditures for the Fire fund during the fiscal year.

Effect

Expenditures exceeded appropriations by \$57,662 in the Fire fund.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is a repeat of prior year finding 2021-003.

Recommendation

We recommend that the District control and monitor expenditures so that they do not exceed the approved budget. If budget revisions are required, we recommend that the District take appropriate action to amend the budget.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

MCCLOUD COMMUNITY SERVICES DISTRICT
Schedule of Prior Year Findings and Recommendations
For the Year Ended June 30, 2022

<u>Audit Reference</u>	<u>Status of Prior Year Audit Recommendations</u>
2021-001	<p>Audit Adjustments</p> <p>Recommendation</p> <p>We recommend that the District reconcile all accounts so that required adjustments can be recorded prior to the start of the annual audit.</p> <p>Status</p> <p>Not Implemented</p>
2021-002	<p>Inter-Fund Balance</p> <p>Recommendation</p> <p>We recommend that the District adopt a policy governing inter-fund borrowings stating the reasons inter-fund loans can be made, the maximum length of time for repayment, and repayment terms that may include interest.</p> <p>Status</p> <p>Implemented</p>
2021-003	<p>Budget</p> <p>Recommendation</p> <p>We recommend that the District control and monitor expenditures so that they do not exceed the approved budget. If budget revisions are required, we recommend that the District take appropriate action to amend the budget.</p> <p>Status</p> <p>Not Implemented</p>

**MC CLOUD COMMUNITY SERVICES DISTRICT
Management's Corrective Action Plan
For the Year Ended June 30, 2022**

Finding 2022-001 Audit Adjustments (Significant Deficiency)

We recommend that the District reconcile all accounts so that required adjustments can be recorded prior to the start of the annual audit.

Management's Response:

Responsible Individual:

Corrective Action Plan:

Anticipated Completion Date:

Finding 2022-002 Budget (Significant Deficiency)

We recommend that the District control and monitor expenditures so that they do not exceed the approved budget. If budget revisions are required, we recommend that the District take appropriate action to amend the budget.

Management's Response:

Responsible Individual:

Corrective Action Plan:

Anticipated Completion Date:

**Draft Report
For Internal
Use Only**

McCloud Community Services District

Management's Corrective Action Plan

For Year Ended June 30, 2022

Significant Deficiency 1: Audit Adjustments.

Recommended that the District reconcile all accounts so that required adjustments can be recorded prior to the start of the annual audit.

Management's Response:

Responsible Individual:

Corrective Action Plan:

Anticipated Completion Date:

Significant Deficiency 2: Budget

Recommended that the District control and monitor expenditures so that they do not exceed the approved budget. If budget revisions are required, it is recommended that the District take appropriate action to amend the budget. Appropriations: \$676,450 Expenditures: \$734,112 Excess of expenditures over appropriations: \$57,662.

Management's Response:

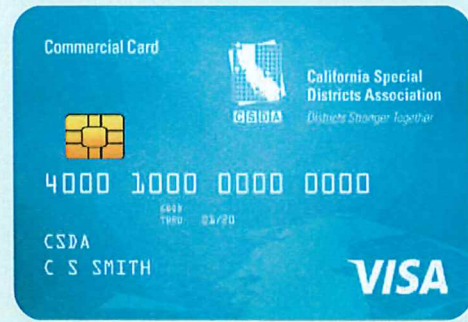
Responsible Individual:

Corrective Action Plan:

Anticipated Completion Date:

CD Options				
Option	Amount	Interest Rate	Time to Maturity	Possible Growth
CD 1	\$ 100,499.87	5%	24 months	\$ 9,826.80
CD 2	\$ 100,499.87	4.50%	12 months	4431.84
CD 3	\$ 100,499.87	4.25%	6 months	2095.14
MM/LAIF	\$ 100,499.87	4%	none (1 yr.)	3948.12

CSDA COMMERCIAL CARD



Umpqua Bank is proud to be selected as the CSDA's Commercial Card Program provider. CSDA's specialized card program offers one powerful business tool to manage purchasing, travel, fleet and expense management – all in one card. It's also backed by Visa® and designed for your business, so you can securely manage your expenses and payables while giving your employees flexibility without sacrificing control.

Key features

Advanced online reporting tools

- Analyze company spend trends
- Manage payables and vendors
- Create spend reports to negotiate preferred pricing with suppliers
- Integrated online expense approval system
- Competitive rebate

Expense controls

- Greater security and control over employee spending through use of customized limits
- Controlled spend guidelines by card type, employee, purchase type or department level
- Fleet management, providing clear oversight of fuel and vehicle maintenance expenses
- Customized billing and payment options
- Select the statement cycle and due date that's right for your organization
- Choose central or individual billing preferences to suit your company's needs

Complimentary benefits

- Travel accident insurance
- Lost luggage reimbursement
- Auto rental collision damage waiver
- Worldwide emergency card replacement and emergency cash
- Visa® liability waiver program
- 24/7 customer support

Products and services are subject to program qualifications and, in some cases, credit approval. Fees may apply.

Key benefits

Streamline processes

- Streamline accounts payable and reduce administrative costs
- Manage card portfolio with online company administrator tool
- Integrate with third-party accounting and expense management software

Realize efficiencies

- Improve expense reporting with detailed reports, downloads and automated extracts
- Support accounting and reconciliation with enhanced data for cost allocation, regulatory reporting, budget reporting and reconciliation of cardholder activity

Gain cost savings

- Save on expenses by converting checks to card payments
- Control unauthorized spending by leveraging security features
- Negotiate discounts with preferred vendors

Become more productive and streamline your business processes with the CSDA Commercial Card from Umpqua Bank. For more information contact:

Anastasia Efstathiou

VP/Client Solutions Manager
anastasiaefstathiou@umpquabank.com
916-774-3923

Lauren Vlahandreas

VP/Commercial Card Consultant
Global Payment and Deposits
laurenvlahandreas@umpquabank.com
707-322-9758



**UMPQUA
BANK**

Frey Municipal Software Products

CHIPS Payroll Module

This core module (Required) provides the facilities to maintain extensive employee records, federal, state, and local tax rates, plus other deductions. It calculates the payroll, prepares the checks, and the necessary tax and deduction reports. It maintains individual notes with alarms, learned skills, year-to-date totals, emergency contact information, and more. CHIPS® allows you to scan in employee photos and easily display key employee dates such as reviews. Deductions may be made either before or after-tax calculations and can be calculated on a percentage of the gross or as a set dollar amount. Each employee may have as many as 30 permanent deductions as well as 3 temporary deductions added during the payroll process. Additional earnings may be taxable or nontaxable. Meals, tips, and workman's compensation are also accommodated. The payroll process is quick, allowing the automatic updating of standard employees. The check printing can display vacation, personal, holiday, sick, and comp time, plus all breakdown and summary information if desired. Tax tables are easily modified, eliminating the vast majority of program maintenance. A seamless interface to the BUCS® fund accounting system is included.

BUCS Fund Accounting

The **BUCS®**, **Budgetary Control System** is a fully integrated, **True Fund Based Accounting System** designed to meet the specialized needs of government, nonprofit, and utility operations. The **BUCS®** system is an easy-to-use system, that simplifies your everyday task, streamlines processes, and provides control, insight, and security that helps save you time and money—all backed by a level of service you can depend on. **BUCS®** real-time processing environment allows records to be instantly updated with each transaction while performing all editing and cross-checking instantly to ensure accuracy. Standardized financial statements can be expanded and customized to complement the requirements of your operation and include features that enable internal and external queries using **EXCEL®** and **Crystal Reports™**. **BUCS®** is modular, allowing your organization to customize and build your system to meet your specific needs. **General Ledger** is the foundation of BUCS® upon which

you will build. General Ledger is the foundation of the BUCS® system. It contains programs to establish and maintain the free-form twenty-nine digit alpha/numeric chart-of-accounts. Included are functions that allow posting, analyzing, and reporting on all account activity. Extensive drill-down capabilities are found throughout the system. Tight budget controls are available, found only in a financial system designed for vigorous fiscal management. Special features like allocation posting are provided. A complete set of financial statements can be designed, grouped, and printed according to a user-defined timetable using the "Report Scheduler". One can also export financial reports to EXCEL® for further refinements. All of these tasks are accomplished following the Generally Accepted Accounting Principles (GAAP), Financial Accounting Standard Board (FASB) and Government Accounting Standards Board (GASB) guidelines for fund accounting. your organization's system based upon the number of concurrent users and features you require. Integrates seamlessly with General Ledger. One of the Accounts Payable's most powerful functions is processing multi-fund invoices for payment. Invoice entry, source document scanning, check preparation, encumbrance reconciliation, purchase order documents, and paid invoice history are a few of its features. Create recurring invoice formats for monthly items, such as leased equipment, to eliminate re-keying information. Accounts Payable maintains complete vendor data including spending history, balances, 1099's, invoice history, correspondence documents, user-defined notes, multiple remit-to addresses, and more. Cash and Accrual methods are supported by the fund. Utilize the Blank Check Stock module to print your checks for A/P. The Bank Reconciliation Module provides a convenient mechanism to reconcile bank accounts. It handles both checks and deposits. A "void" feature automatically reverses all accounting entries created when the voided check was prepared. It also allows the examination of outstanding, cleared, and voided checks prior to purging reconciled checks from the file. The ability to process allocations is a standard part of General Ledger. However, some clients manage a large number of projects and/or grants that require pooled overhead to dynamically be distributed to those operations. Advanced Allocations fulfills that need by dynamically analyzing activity in each operation and then distributes pooled accounts accordingly. A powerful tool that simplifies the preparation of budgets, it allows the

establishment of annual and/or period budgets based on current budget figures, last twelve months of actuals, zero-based, and/or specified amounts. Once a draft has been created, it may be modified by a discrete line item or by object category. For example, it can be specified that all supply expense accounts should be increased by ten percent, all phone expense accounts are decreased by three percent, and all professional dues accounts be increased by five dollars. Budget Planning also offers a Cash Flow projection report by the fund. Once the plan has been approved, it can be transferred to General Ledger for implementation in one easy step. Integration, via ODBC, with Microsoft's EXCEL®, is also available. The Credit Card Tracker Module Streamlines and enhances the processing of credit card transactions. Charge slips are entered as invoices and marked as credit card transactions. When the statement arrives, all slips are presented online for reconciliation. It provides a true picture of vendor activity and highlights the misuse of credit cards. The Cash Receipts Module enables swift and efficient entry of receipts with automatic balancing and a Cash Receipt Journal. This is especially useful when processing receipts that must be distributed to several revenue accounts and different funds. The appropriate revenue and cash accounts are automatically validated, balanced, and posted to General Ledger. The Fixed Assets Module Establishes and maintains the files for fixed asset data and accounting distributions. Items can be added on-the-fly while processing invoices. Calculate depreciation on depreciable items and create appropriate entries for the General Ledger. A facility is also available to calculate replacement cost for insurance purposes. Applicable reports and asset labels are produced.

CUBIC Utility Billing

The **CUBIC® Comprehensive Utility Billing and Control System** is designed to provide a powerful billing and CIS (Customer Information System) for utility operations. It supports robust customer information, billing, and cash receipting functions, usage and bill/payment history, plus a myriad of report options. It supplies important functions like multiple search criteria for account inquiries, real-time updating and electronic input, and receipting interfaces. Reports provide extensive statistics based on customers, services, rates, and routes and much more. CUBIC® powerful receipt processing supports traditional receipt processing and high-speed scanning systems. Everything is online including bill/payment and

usage history, deposit and service information, as well as a consumption graph for each individual service. Accounting is highly controlled by the system as well. **NARUC** reporting is easily accomplished with CUBIC®. It also has a highly integrated interface with the BUCS® Budgetary Control System. The CUBIC® system is modular-based, build a system that fits the size and requirements of your operation from small single service utilities to large multi-service operations.

The base system includes many robust features to support the daily operational requirements of a municipal utility operation. Some of which are:

- Highly scalable according to your operations account volume, services and billing procedures
- Powerful accounting for utility billing for multiple services
- Preferences set by the user, by the program, allowing for fast and convenient navigation and process management
- Pop-up calendars for integrated date selection
- Definable formats for postcard and statement bills, work orders, delinquent notices
- Definable accounting distribution rules
- Print Preview with search capabilities, similar to those in MS Word, which will allow one to preview a report and then search it for specific information
- Report scheduler to establish multiple report groups and generate them in batch output directly to MS Excel file format.
- Internal Backup functions are available including Trial Balances, Aged Trial Balances, Billing Journals, Receipt Journals, etc.
- Reminders can be set for future events as one time or recurring reminder

Customer Maintenance

- Access Customer Maintenance within many functions without closing out of the current process
- Numerous robust customer reports
- View pending transactions in customer maintenance.

From: Justin J. Williams <jjw@muncpas.com>
Sent: Wednesday, November 1, 2023 2:04 PM
To: Jennifer Brunello
Cc: Amos McAbier
Subject: RE: Audit question

Hi Jennifer,

Technically when the auditors did the 2015/16 audit they would have been required to test the beginning balances on the statement of net assets to get comfortable with beginning fund balances/net assets. So even though those two prior years weren't audited, as long as the auditors issued an unmodified, "clean" opinion for 2015/16 then you started with a clean slate that year.

Unless the State Controller's Office were to require you to go back and do the 2013/14 and 2014/15 audits you should be fine. Especially since it's been so long and you are almost caught up.

Hope that helps!

-Justin

Justin Williams, CPA
Partner



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From: Jennifer Brunello <cfo@ci.mccloudcsd.ca.us>
Sent: Tuesday, October 31, 2023 4:47 PM
To: Justin J. Williams <jjw@muncpas.com>
Cc: Amos McAbier <amos@ci.mccloudcsd.ca.us>
Subject: Audit question

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Hello. My name is Jennifer and I am the new Finance Officer at McCloud Community Services District. I recently attended the workshop from CSDA on Financial Management for Special Districts. I have kind of an unusual question about audits. When the previous CFO arrived here, the district was very far behind on their annual audits. He was working to get caught up, but decided to just skip a couple of years so we could get caught up faster to be current. I think the years skipped were 2013/14 and 2014/15. Now that the district has almost caught up (2022-23), my question is will we have to go back and have those years audited still? I have contacted the state controller and the county I am in and no one seems to have a definite answer. Any ideas would be greatly appreciated. Our Board is very concerned that we will have to go back and have these audits done at some point, so if you can offer any knowledge on this that would be great.

Thanks

Jennifer Brunello
Finance Officer
McCloud Community Service District
PO Box 640
McCloud, CA 96057
530-964-2017
530-964-3175 fax
530-261-1905 cell
cfo@ci.mccloudcsd.ca.us

From: Jennifer Brunello
Sent: Wednesday, September 6, 2023 12:39 PM
To: 'Diane L. Olson'
Cc: Amos McAbier
Subject: RE: Important question regarding past audits

Thank you for the clarification.

Jennifer Brunello
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cfo@ci.mccloudcsd.ca.us

From: Diane L. Olson <dolson@co.siskiyou.ca.us>
Sent: Wednesday, September 6, 2023 11:16 AM
To: Jennifer Brunello <cfo@ci.mccloudcsd.ca.us>
Cc: Amos McAbier <amos@ci.mccloudcsd.ca.us>
Subject: RE: Important question regarding past audits

The County would not require you to go back and complete those audits if you are current. Diane

From: Jennifer Brunello <cfo@ci.mccloudcsd.ca.us>
Sent: Wednesday, September 6, 2023 11:14 AM
To: Diane L. Olson <dolson@co.siskiyou.ca.us>
Cc: Amos McAbier <amos@ci.mccloudcsd.ca.us>
Subject: RE: Important question regarding past audits

McCloud Fire Dept. is part of the MCSD. The state controller told me to contact the county. I cannot seem to get a definite answer from anyone.

From: Diane L. Olson <dolson@co.siskiyou.ca.us>
Sent: Wednesday, September 6, 2023 11:12 AM
To: Jennifer Brunello <cfo@ci.mccloudcsd.ca.us>
Cc: Amos McAbier <amos@ci.mccloudcsd.ca.us>
Subject: RE: Important question regarding past audits

Good Morning,

I am not aware that the County completes transaction for McCloud CSD at this time so your audits would not be required by the Siskiyou County. I believe that we handle McCloud Fire District but I am not sure how that district interacts with CSD. The State Controller would be the authority on these issues so if they cannot provide a specific answer or their recommendation would be to move forward, I would see if I could get that in writing. If a Special District does house their finances with Siskiyou County, the Auditor's Office has been given the authority to waive audits and only require reviews depending on the individual district but this would not be the case with McCloud CSD as we have no authority. If your district is afraid of losing data because of a financial system switch, I would suggest that you gather

that information as if you were conducting an audit so that you can retain that information for future reference. Let me know if I can provide any further information for your district. Diane

Diane Olson, M.P.A.

Auditor-Controller
Siskiyou County Auditor's Office
311 4th Street, RM 101
Yreka, Ca 96097
530-842-8078
530-598-2781 (Cell)

From: Jennifer Brunello <cfo@ci.mccloudcsd.ca.us>

Sent: Wednesday, September 6, 2023 10:32 AM

To: Diane L. Olson <dloolson@co.siskiyou.ca.us>

Cc: Amos McAbier <amos@ci.mccloudcsd.ca.us>

Subject: Important question regarding past audits

Hello. I am the new Finance Officer here at McCloud Community Services District. I have an important question regarding our districts past audits. When the previous CFO started here, the district was very far behind in their audits. In order to catch up, the previous CFO decided to skip a few years (2013/14, 2015/16) . Now we are almost completely caught up to year 2022. My question is whether or not we are still going to have to have those skipped audits done. I spoke with a couple other auditors and the state controller/auditor, and they wouldn't say specifically, but it seemed like they thought we should just move on. Our Board of Directors is worried that these audits will come back to haunt us. We cannot even purchase new software we desperately need because they are afraid we will lose our data from those years. Please respond as soon as possible.

Thank you.

Jennifer Brunello
Finance Officer
McCloud Community Service District
PO Box 640
McCloud, CA 96057
530-964-2017
530-964-3175 fax
530-261-1905 cell
cfo@ci.mccloudcsd.ca.us

Yes, after 2014

From: Jennifer Brunello <cfo@ci.mccloudcsd.ca.us>
Sent: Thursday, August 10, 2023 11:45 AM
To: Tsushima, Susan <STsushima@sco.ca.gov>
Cc: Serafica, Edward <ESerafica@sco.ca.gov>
Subject: RE: Urgent Question audits

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Thank you for the clarification. So if we did not spend more than 750K in federal grant money in those years, we are not required to do those past audits?

From: Tsushima, Susan <STsushima@sco.ca.gov>
Sent: Thursday, August 10, 2023 10:29 AM
To: Jennifer Brunello <cfo@ci.mccloudcsd.ca.us>
Cc: Serafica, Edward <ESerafica@sco.ca.gov>
Subject: RE: Urgent Question audits

Hi Jennifer,

Per Government Code (GC) 26909, Special Districts are required to submit an annual audit report to the State Controller's Office (SCO) within 12 months of the end of the fiscal year or years under examination.

If your district expends more than \$750k and \$500k in federal grants after 2014 and before 2014, respectively, your district is required to submit Single Audit Reports. If you are not subject to Single Audit report for the missing years you mentioned then you don't need to go back.

Please submit your latest audit report to us as soon as possible.

Thank you,



Susan Tsushima | Special Districts Section
Office of State Controller Malia M. Cohen
Local Government Programs and Services Division
3301 C Street, Suite 740
Sacramento, CA 95816 | 916.323.2373



From: Jennifer Brunello <cfo@ci.mccloudcsd.ca.us>
Sent: Thursday, August 10, 2023 9:29 AM

To: Tsushima, Susan <STsushima@sco.ca.gov>

Subject: Urgent Question audits

CAUTION:

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Not sure if you are the correct person to contact about this, but I found your email in old cfo's emails. I am Jennifer and am the new finance Officer at McCloud Community Services District. We have a weird situation. When the previous cfo arrived here, they were behind on their audits. In order to catch up and know where they stood currently, they ended up skipping several years and starting fresh to get caught up. The years 2013-14 were apparently full of errors and the years 2014-15, 2015-16, and 2016-17 were the years that did not get audited. My question is now that we are almost completely caught up with the audits, are we still going to need to get those previous years audited as well? Our current auditor seems to think that no one will go back that far to audit those years, but we are trying to move forward and still don't know what to do about those years that were skipped. Can you please help answer this or direct me to someone who can?

Thank you

Jennifer Brunello
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McCloud Community Service District
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McCloud, CA 96057
530-964-2017
530-964-3175 fax
530-261-1905 cell
cfo@ci.mccloudcsd.ca.us

Board Approved Funds

Beginning Bal

\$87,457.96

Date approved	Items	Amount approved/ Not to exceed		Other
1/25/2021	Surveyor for Tank properties	\$2,700.00		
1/11/2021	Square Space start-up (new website)	\$2,700.00	Fire Camp	\$2,700.00
11/23/2020	Scout Hall Heater	\$2,300.00		
11/11/2020	New Dump/Plow truck	\$103,000.00		
9/28/2020	Phone/Internet at Scout Hall (Northland)	\$4,000.00	Fire Camp	\$1,595.28
8/10/2020	Hoo Hoo Park pole removal	\$3,800.00		
7/27/2020	District Office Roof	\$18,000.00		
7/27/2020	New Mower	\$23,000.00		
7/27/2020	Upgrade/Replace electrical system at Fire Hall	\$15,000.00		
7/13/2020	Lawrence and Associates quarterly Water Monitoring 07/20-06/21	\$14,427.00		
11/25/2019	Lawrence and Associates quarterly Water Monitoring 10/19-6/20	\$11,871.00		
05/13/19 and 07/31/19	Sewer Safety Equipment		Fire Camp	\$5,346.26
6/10/2019	Reallocate excess professional services in Directors fund to advertising General Mgr.			
4/12/2021	ADA bathroom in cell 3 and electrical panel	\$1,000.00		
5/10/2021	removal of cottonwood trees at OMCP	use of MCSD equipment		
5/10/2021	Hiring a land Surveyor (Campbell)	\$2,835.00		
5/10/2021	Hire Andrew Ramos as water attorney- reserve account	\$2,000.00		
6/28/2021	purchasing materials for cleaning water tank NTE budgeted amount	\$15,000.00		
7/12/2021	retain BKS for general counsel waive previous cap for legal expenses	\$8,000.00		
8/12/2021	save water line/excavator	\$30,000.00		
			Total Fire Camp	\$9,641.54
			Ending Balance	\$77,816.42