
TAHOE CITY PUBLIC UTILITIES DISTRICT

MANAGEMENT REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2018

Mann Urrutia Nelson, CPAs and Associates, LLP
1760 Creekside Oaks Drive, Ste 160
Sacramento, California 95833



MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

MANAGEMENT REPORT

To Board of Directors
Tahoe City Public Utilities District
Tahoe City, California

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, and each major fund of Tahoe City Public Utilities District as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered Tahoe City Public Utilities 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 Tahoe City Public Utilities 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.

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. However, material weaknesses may exist that have not been identified.

During our audit we became aware of several matters that is an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comment and suggestion regarding the matter. This letter does not affect our report dated June 17, 2019, on the financial statements of Tahoe City Public Utilities District.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with the District's management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, Board of Directors, and others within the Tahoe City Public Utilities District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in blue ink that reads "Mann Urrutia Nelson CPAs".

Mann, Urrutia, Nelson, CPAs & Associates, LLP
Sacramento, California
June 17, 2019

**TAHOE CITY PUBLIC UTILITIES DISTRICT
SUMMARY OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS
DECEMBER 31, 2018**

FINANCIAL REPORTING

During our review of the bank reconciliations, we noted that bank reconciliations are being prepared by the senior accountant and reviewed by the CFO, however they are not being prepared in a timely manner. Per discussion with the client, this was due to the fact, there was a small reconciliation issue in the June bank reconciliation, and the client wanted to resolve it before giving us the bank reconciliations to review. We recommend that bank reconciliations are prepared and approved one month after closing, and the client should cross-train another employee in preparing bank reconciliations in the absence of the senior accountant.

Management Response: A conscience decision was made to put off the bank account reconciliations due to an extended staff shortage. Payroll and accounts payable processing took priority. Staff has already begun cross training another staff member.

**TAHOE CITY PUBLIC UTILITIES DISTRICT
SUMMARY OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS
DECEMBER 31, 2018**

No prior year findings.