
TAHOE CITY PUBLIC UTILITY DISTRICT

MANAGEMENT REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2021

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



MANAGEMENT REPORT

To Board of Directors
Tahoe City Public Utility 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 Utility District (the District) as of and for the year ended December 31, 2021, 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 Utility District's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated June 8, 2022, on the financial statements of Tahoe City Public Utility District.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various District personnel, 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, the Board of Directors, and others within the District, and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

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

Mann, Urrutia, Nelson, CPAs & Associates, LLP
Sacramento, California
June 8, 2022

**TAHOE CITY PUBLIC UTILITY DISTRICT
SUMMARY OF FINDINGS AND RECOMMENDATIONS
DECEMBER 31, 2021**

Bank Reconciliations

During our testing and review of bank reconciliations, we noted the bank reconciliation process incurred delays in completion due to turnover in the finance department. As part of our interim audit procedures performed in January 2022, we noted that the bank reconciliation process had only been completed through July 2021. Timely preparation of complete and accurate bank reconciliations is a key to maintaining adequate controls over cash. Not reconciling the accounts on a monthly basis means that errors or other problems might not be recognized and resolved on a timely basis. Also, it is generally easier and less time-consuming to reconcile accounts while transactions are fresh in mind. We recommend that all bank accounts be reconciled and reviewed one month after closing.

**TAHOE CITY PUBLIC UTILITY DISTRICT
STATUS OF PRIOR YEAR FINDINGS
DECEMBER 31, 2021**

Bank Reconciliations

During our testing and review of bank reconciliations, we noted the bank reconciliation process incurred delays in completion due to unresolved errors and complexities in the overall process. As part of our interim audit procedures performed in January 2021, three of three requested bank reconciliations were not available to be provided as they were still undergoing additional reconciliation and review by management. Timely preparation of complete and accurate bank reconciliations is a key to maintaining adequate controls over cash. Not reconciling the accounts on a monthly basis means that errors or other problems might not be recognized and resolved on a timely basis. Also, it is generally easier and less time-consuming to reconcile accounts while transactions are fresh in mind. We recommend that all bank accounts be reconciled and reviewed one month after closing.

Status: Repeat finding.