

**RESPONSE TO GRAND JURY REPORT FORM**

**Report Title: Special Districts in Marin County**

**Report Date: June 14, 2002**

**Response by: Tamalpais Community Services District (TCS D)**

**Title: Judith Chapman, Board President**

**FINDINGS**

- **We agree with the findings numbered: 1, 2, 3.**
- **We disagree wholly or partially with the findings numbered: 6, 7, and 8.**

**#6 TCS D cannot adequately judge what other districts may do and what procedures they may follow with regard to financial statements. TCS D meets in open, noticed, public meetings with its accountant regularly, and with its auditor, annually. The public has the opportunity to be present, ask questions, and have their concerns answered. TCS D has recently approved a formal reserves policy with target numbers that indicate that the District does not have excess reserves.**

**#7 TCS D reserves appear in public documents, namely in quarterly financial statements and in the annual audit. The District has a sophisticated public that has the ability to know what reserves the District holds and the reasons for maintaining such reserves. The District holds at least two open, public, notified budget workshops annually that provide forums for debate and discussion by interested parties who may question reserve levels and reserve policies, if they so desire.**

**#8 TCS D disagrees that several districts have reserves that are unreasonably large inasmuch as the District has not engaged in an analysis of other districts' reserves. If a district is well prepared to meet future capital costs, emergency costs, litigation costs, and other expected and unexpected costs, all affected by inflation and other such factors it is unable to control, who can reasonably conclude the reserve level is excessive without exhaustive study and foresight?**

**RECOMMENDATIONS**

- **Recommendations numbered 1, 2, 3, and 4 have been implemented.**
- **Recommendation numbered 6 has not yet been implemented, but will be implemented in the future.**

**TCS D has partially implemented Recommendation # 6 by developing policy for reserves within the past 90 days. Further analysis of the new reserve policy will occur over time as the District tests and reviews its policy annually. Since the District has committed to such yearly review, it will be in an informed position to better judge the level of needed reserves.**

- **Recommendation numbered 7 requires further analysis.**

**TCS D will participate in and cooperate with any effort by the County Auditor to standardize terminology and formats for the reporting of reserves.**

- Recommendations numbered \_\_\_\_\_ will not be implemented because they are not warranted or are not reasonable.

Date: \_\_\_\_\_ Signed: \_\_\_\_\_

Number of pages attached 0