

**MARINWOOD COMMUNITY SERVICES DISTRICT
SAN RAFAEL, CALIFORNIA**

**BOARD OF DIRECTORS & MANAGEMENT REPORT
FOR THE YEAR ENDED
JUNE 30, 2025**

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Board of Directors
Marinwood Community Services District
San Rafael, California

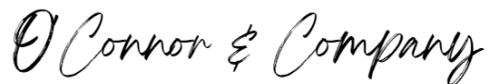
In planning and performing our audit of the financial statements of Marinwood Community Services District as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered Marinwood Community Services District's internal 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the organization'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 organization'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 or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

This report is intended solely for the information and use of management of Marinwood Community Services District and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

We thank Marinwood Community Services District's staff for its cooperation during our audit.



O'Connor & Company

Novato, California
February 10, 2026

Board of Directors
Marinwood Community Services District
San Rafael, California

We have audited the basic financial statements of Marinwood Community Services District for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 9, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of Marinwood Community Services District. Such considerations were solely for the purpose of determining our audit procedures and not providing any assurance concerning such internal control.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Marinwood Community Services District are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year. There were new accounting standards issued by the Government Accounting Standards Board and their impact on Marinwood Community Services District's financial statements is currently being reviewed and considered by management. We noted no transactions entered by Marinwood Community Services District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

The following pronouncements became effective, but did not have a material effect on the financial statements:

GASB 101 – Compensated Absences

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The most sensitive estimate(s) affecting the financial statements were:

- Accrual and disclosure of compensated absences.
- Capital asset lives and depreciation expense.
- Actuarial assumptions for pension and retiree health plan disclosure.
- Calculation of unearned revenue.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Audit Adjustments

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. For the purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on Marinwood Community Services District’s financial reporting process (that is, cause future financial statements to be materially misstated).

There were 7 audit adjustments proposed for June 30, 2025 to assist management in recording transactions to long term assets and liabilities.

Disagreements with Management

For the purposes of this letter, a disagreement with management is a accounting, reporting, or auditing matter, whether resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 10, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, like obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to Marinwood Community Services District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Marinwood Community Services District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the required supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the required supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Marinwood Community Services District and is not intended to be, and should not be, used by anyone other than these specified parties.

Marinwood Community Services District
BOARD & MANAGEMENT REPORT
For the Year Ended June 30, 2025

Current Year Observations

There were no current year observations.

Prior Year Observations

There were no prior year observations.