

RAND COMMUNITIES WATER DISTRICT

COUNTY OF KERN
JOHANNESBURG, CALIFORNIA

AUDITED FINANCIAL STATEMENTS
JUNE 30, 2008

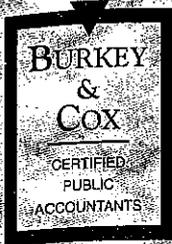
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RAND COMMUNITIES WATER DISTRICT
JUNE 30, 2008

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FINANCIAL INFORMATION



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Rand Communities Water District
Johannesburg, California

We have audited the accompanying financial statements of Rand Communities Water District, as of and for the year ended June 30, 2008, which collectively comprise the Rand Communities Water District basic financial statements as listed in the table of contents. These financial statements are the responsibility of Rand Communities Water District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Rand Communities Water District, as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2008, on our consideration of the Rand Communities Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 4 and 21 through 22, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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ACCOUNTANCY CORPORATION

Rand Communities Water District
Page 2

Our audits were conducted for the purpose of forming opinions on the Rand Communities Water District's basic financial statements. The introductory section and required supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and required supplementary information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Burkey & Cox

BURKEY COX EVANS BRADFORD & ALDEN
Certified Public Accountants

Lancaster, California
October 7, 2008

MANAGEMENT DISCUSSION AND ANALYSIS

**Rand Communities Water District
Management Discussion and Analysis
Fiscal Year 2007-2008**

As management and directors of the Rand Communities Water District, we offer the readers of the District financial statements this narrative overview and analysis of the District for the fiscal year ended June 30, 2008.

This District's net assets increased by \$19,643 this fiscal year vs. \$105 in 2006/2007. Most of this increase is due to a decrease in operating expenditures. 2007/2008 operating expenditures totaled \$229,215, which was \$8,818 less than incurred during 2006/2007. Some of this savings occurred by reducing Pumping Plant expenses by \$7,099, and Transmission and Distribution expenses decreased by \$2,516 in 2007/2008 compared to 2006/2007. These savings were achieved by upgrading the electrical system at the booster stations, repairing several transmission line leaks that appear to have been running for years and increasing preventative maintenance wherever possible. Additionally, operating revenues increased by \$10,912 in 2007/2008 over 2006/2007, mostly due to the addition of several new customers and contracts during the year.

Also during 2007/2008, the District continued to work toward the transfer of ownership of the wells from Rand Mining per the 1998 Compromise Settlement and Mutual Release Agreement and the Right of Entry Agreement with Yellow Aster Mining and Milling Company. Additionally, the park was repainted with the assistance of TRIO and the Boy Scouts of America, picnic table tops were replaced, attention was given to the grass and the bid process to upgrade the wheelchair ramp outside the District office was started.

Financial Statements

The Financial Statements presented in this report are provided to readers with a broad overview of the District's finances in a manner similar to those prepared in the private sector.

The statement of net assets presents information on all of the District' assets and liabilities with the difference between the two reported as net assets or net liabilities.

The statement of revenues, expenses and changes in net assets presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e., uncollected water sales and amounts due vendors).

Since the District's primary function is to provide water to its customers and recover appropriate costs through user fees and charges, the financial statements only include business type activities.

The accounts of the District are organized based on fund accounting. A fund is a group of related accounts used to maintain control over resources that have been segregated for specific objectives. Because the District provides these services and recovers these costs through user fees and charges, District funds are accounted for as an enterprise fund type of the proprietary fund group.

The financial statements are located on pages 5 through 8.

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the financial data provided in the financial statements. The notes to the financial statements begin on page 9 of this report.

Other Information

In addition to the financial statements and accompanying notes, this report also presents supplementary information regarding the District.

**Rand Communities Water District
Management Discussion and Analysis
Fiscal Year 2007-2008**

Contacting the District's Financial Management

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FINANCIAL STATEMENTS

RAND COMMUNITIES WATER DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2008

		<u>ENTERPRISE FUND</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$	156,463
Accounts Receivable		24,490
Taxes Receivable		464
Inventory		9,270
Prepaid Expenses		<u>2,957</u>
Total Current Assets		<u>193,644</u>
NON-CURRENT ASSETS		
Capital Assets, Net of Accumulated Depreciation		<u>355,045</u>
Total Assets		<u>548,689</u>
<u>LIABILITIES</u>		
LIABILITIES		
Accounts Payable		3,204
Customer Deposits		3,784
Compensated Absences		2,249
Interest Payable		2,041
Accrued Expenses		2,168
Portion Due Within One Year:		
General Obligation Bonds		18,000
Portion Due in More Than One Year:		
General Obligation Bonds		<u>63,626</u>
Total Liabilities		<u>95,072</u>
NET ASSETS		
Investment in Capital Assets, Net of Related Debt		273,419
Restricted for:		
Debt Service		47,012
Unrestricted		<u>133,186</u>
Total Net Assets	\$	<u><u>453,617</u></u>

The accompanying Notes to Financial Statements are an integral part of these Statements.

**RAND COMMUNITIES WATER DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>ENTERPRISE FUND</u>
OPERATING REVENUES	
Water Sales	\$ 202,762
Miscellaneous	<u>656</u>
Total Operating Revenues	<u>203,418</u>
OPERATING EXPENSES	
Pumping Plant	63,580
Transmission and Distribution	25,359
Administrative and General	111,411
Depreciation	<u>28,865</u>
Total Operating Expenses	<u>229,215</u>
Operating Income (Loss)	<u>(25,797)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	2,012
Assessment Revenue	47,828
Interest Expense	<u>(4,400)</u>
Total Non-Operating Revenues (Expenses)	<u>45,440</u>
Net Increase (Decrease) in Net Assets	19,643
Net Assets at the Beginning of the Year	<u>433,974</u>
Net Assets at the End of the Year	<u><u>\$ 453,617</u></u>

The accompanying Notes to Financial Statements are an integral part of these Statements.

**RAND COMMUNITIES WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>ENTERPRISE FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 198,483
Cash Paid for Supplies to Suppliers	(120,311)
Cash Paid to Employees and Directors	<u>(81,302)</u>
Net Cash Provided (Used) by Operating Activities	<u>(3,130)</u>
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	
Water, Lighting, and Fire Protection Assessments	<u>47,828</u>
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	<u>47,828</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal Repayment of Long-Term Debt	<u>(18,000)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(18,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipt of Interest and Investment Income	2,012
Payment of Interest Expense	<u>(4,400)</u>
Net Cash Provided (Used) by Investing Activities	<u>(2,388)</u>
Net Change in Cash and Cash Equivalents	24,310
Cash and Cash Equivalents - Beginning of Year	<u>132,153</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 156,463</u></u>
COMPONENTS OF CASH AND CASH EQUIVALENTS	
Cash and Investments - Unrestricted	156,463
Total Cash and Cash Equivalents	<u><u>\$ 156,463</u></u>
Interest Paid	<u>\$ 4,400</u>
Taxes Paid	<u><u>\$ 0</u></u>

The accompanying Notes to Financial Statements are an integral part of these Statements.

RAND COMMUNITIES WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>ENTERPRISE</u> <u>FUND</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (25,797)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation	28,865
Changes in Asssets - (Increase)/Decrease:	
Accounts Receivable	(4,813)
Inventory	(319)
Changes in Liabilities - Increase/(Decrease):	
Accounts Payable	(1,510)
Customer Deposits	(123)
Accrued Expenses	(272)
Compensated Absences	839
Net Cash Provided (Used) by Operating Activities	<u>\$ (3,130)</u>

The accompanying Notes to Financial Statements are an integral part of these Statements.

NOTES TO FINANCIAL STATEMENTS

RAND COMMUNITIES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rand Communities Water District (the District) is located in Johannesburg, California. The District supplies water services to local communities.

The Rand Communities Water District is a special district organized under the California Public Utilities Code Sections 22001 et seq. The District operates under an elected Board of Directors-Manager form of government.

The District accounts for its financial transactions in accordance with the policies and procedures of the State of California – Uniform System of Accounts for Special Districts. The accounting policies of the District conform to generally accepted accounting principles (GAAP) as prescribed by the Government Accounting Standards Board and the American Institute of Certified Public Accountants. The following is a summary of significant accounting policies:

A. The Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria the District has no potential component units.

The Rand Communities Water District, for financial purposes, includes all funds relevant to the operations of the District. The Board of Directors has governance responsibilities over all activities related to the District. The District receives funding from local, county, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

B. Fund Accounting

The accounts of the District are organized on the basis of fund accounting. Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The District's funds are accounted for as an enterprise fund type of the proprietary fund group.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with water and sewer sales to customers.

RAND COMMUNITIES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement Focus

The District accounts for its operation in an enterprise fund using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

An enterprise fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations. The principal operating revenues of the District include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

In accordance with GASB Statement No. 20, "*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*," the District has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions, issued on or before November 30, 1989, for its proprietary fund financial statements, unless those pronouncements conflict with or contradict GASB pronouncements. The District has elected not to apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989. Rand Communities Water District also has the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

D. Classification of Revenues and Expenses

Operating revenues are those revenues that are generated by water sales, while operating expenses pertain to the furnishing of those services.

Non-operating revenues and expenses are those revenues and expenses generated that are not directly associated with the normal business of supplying water services. Non-operating revenues mainly consist of assessment revenue and investment income.

E. Capital Assets

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into retained earnings. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add the value of the asset or materially extend assets' lives is not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

RAND COMMUNITIES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation of all exhaustible property, plant and equipment used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Pumping Plant and Transmission Lines	30 years
Buildings	30 years
Improvements	30 years
Equipment	5 years

F. Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to June 30, the District Manager submits to the Board of Directors a proposed operating and capital budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted for comments.
3. Prior to September 1, the budget is legally enacted.
4. Formal budgetary integration is employed as a management control device during the year for the Proprietary Funds.
5. Budgets for the Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Budgeted amounts are as originally adopted, or as amended. Individual amendments were not material in relation to the original appropriations which were amended.

G. Deposits and Investments

The District adopted GASB Statement No. 40, "Deposit and Investment Risk Disclosures," as of July 1, 2004. GASB Statement No. 40 requires governmental entities to assess categories of risk associated with their deposits and investments and disclose these risks.

The District adopted GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly the District reports its investments at fair value in the Statement of Net Assets.

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value.

RAND COMMUNITIES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Cash and Cash Equivalents

The District has adopted GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting". For purposes of reporting cash flows all highly liquid investments (unrestricted assets) with a maturity of three months or less are considered to be cash equivalents.

I. Inventory

Inventory is based on a physical count at June 30, 2008 and is valued at lower of cost or market, cost being determined on the first-in, first-out basis.

J. Compensated Absences

Accumulated vacation benefits and sick leave are recorded as liabilities on the books of the District. The District's policy is to record amounts as operating expenses in the period vacation or sick leave is taken. The dollar value of such accumulations as of June 30, 2008 was \$2,249.

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. Property Tax

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 15, and March 15. Unsecured property taxes are payable in one installment on or before August 31. Property taxes are billed and collected for the District by Kern and San Bernardino Counties. The District does not receive any property tax revenues directly; however delinquent special assessments are turned over to the counties for collection with regular delinquent property tax assessments.

M. Net Assets

The financial statements utilize a net asset presentation. Net assets are categorized as investment in fixed assets (net of related debt), restricted and unrestricted.

Invested in Capital Assets (net of related debt) – is intended to reflect the portion of net assets that are associated with non-liquid capital assets less outstanding capital asset related debt.

Restricted Net Assets – represent net assets that have third party (statutory, bond covenant or granting District) limitations on their use.

Unrestricted Net Assets – represent unrestricted net assets, while management may have categorized and segmented portions of various purposes, the District has the unrestricted authority to revisit or alter these managerial decisions.

RAND COMMUNITIES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Changes in Accounting Policy

For the year ended June 30, 2004, the District implemented GASB Statement No. 34 (GASB 34) *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, GASB Statement No. 37 (GASB 37) *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, and GASB Statement No. 38 (GASB 38) *Certain Financial Statement Note Disclosures*. GASB 34 significantly changes the ways state and local governments report their financial information to the public. The preparation of a Management Discussion and Analysis is to clarify the government's financial activities as required by GASB 34. Furthermore, the District notes to the financial statements incorporate modifications as required under GASB 38.

For the year ended June 30, 2003, the District implemented GASB Statement No. 34 (GASB 34) *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, GASB Statement No. 37 (GASB 37) *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, and GASB Statement No. 38 (GASB 38) *Certain Financial Statement Note Disclosures*. GASB 34 significantly changes the ways state and local governments report their financial information to the public. The preparation of a Management Discussion and Analysis is to clarify the government's financial activities as required by GASB 34. Furthermore, the District notes to the financial statements incorporate modifications as required under GASB 38.

The District has adopted GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions. This statement addresses how governments should account for and report their costs and obligations related to post employment healthcare and other nonpension benefits.

NOTE 2 – CASH AND INVESTMENTS

General

The District has adopted Governmental Accounting Standards Board Statement 31 (GASB 31) which requires investments of governmental agencies to be reported at fair value. However, investment pools, such as a state or county treasury, may report the value of short-term investments with remaining maturities of less than 90 days at amortized costs. The majority of the County Treasury investments have a remaining maturity of less than 90 days. In addition, GASB 31 does not apply to immaterial cost/value differences.

Unrestricted

Cash and investments consisted of the following at June 30, 2008:

Cash on Hand and in Banks	\$ 156,463
	<u> </u>
Total	<u>\$ 156,463</u>

All cash and time deposits are entirely insured or collateralized. The California Government Code requires state banks to secure District deposits by pledging government securities as collateral. The fair value of pledged securities must equal at least 110% of the District's deposits. The District may waive collateral requirements for deposits that are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC).

The surplus funds of the District may be invested in any of the approved investments contained in the California Government code Sections 53600 et seq., limited further by the investment policy adopted by the District.

**RAND COMMUNITIES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investments Authorized by the Entity's Investment Policy

The District's investment policy authorizes investment in the local government investment pool administered by Kern County. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk.

Additionally, the District may invest idle or surplus funds in accordance with California Government Code Section 53601. The following represents permissible investments per this code section

- Local District bonds, notes or warrants within the state
- United States Treasury instruments
- Registered state warrants or treasury notes
- Securities of the U.S. Government, or its agencies
- Bankers acceptances
- Commercial paper
- Certificates of deposit (or time deposits) placed with commercial banks and/or savings and loan companies
- Repurchase or reverse repurchase agreements
- Medium term corporate notes
- Shares of beneficial interest issued by diversified management companies
- Certificate of Participation
- Obligations with first priority security
- Collateralized mortgage obligations

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The District had no debt proceeds investments as of June 30, 2008.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of fiscal year-end, the weighted average maturity of the investments contained in the Kern County Investment Pool is approximately nine (9) months.

As of June 30, 2008, the District did not maintain any investments in the Kern County Investment Pool.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Kern County Investment Pool does not have a rating provided by a nationally recognized statistical rating organization.

RAND COMMUNITIES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2 – CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Investments in any one issuer that represent 5% or more of total investments by reporting unit are as follows: As of June 30, 2008, the District had no investments other than cash.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2008, \$56,263 of the District's deposits with financial institutions was in excess of federal depository insurance limits.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools such as the Kern County Investment Pool.

Investment in Kern County Investment Pool

The Entity did not participate in the Kern County Investment Pool that is regulated by the California Government Code under the oversight of the Treasurer of the County of Kern.

Derivative Investments

The District did not directly enter into any derivative investments.

RAND COMMUNITIES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 3 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2008 is shown below:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
General Plant	\$ 79,337	\$ 0	\$ 0	\$ 79,337
Intangible Assets	12,104	0	0	12,104
Land Acquisition	8,029	0	0	8,029
Park Equipment	2,695	0	0	2,695
Pumping Plant	91,939	0	0	91,939
Source of Supply - Wells and Buildings	1,785	0	0	1,785
Transmission and Distribution	918,314	0	0	918,314
Totals	<u>1,114,203</u>	<u>0</u>	<u>0</u>	<u>1,114,203</u>
Accumulated Depreciation	<u>(730,293)</u>	<u>(28,865)</u>	<u>0</u>	<u>(759,158)</u>
Governmental Activities Capital Assets - Net	<u>\$ 383,910</u>	<u>\$ (28,865)</u>	<u>\$ 0</u>	<u>\$ 355,045</u>

NOTE 4 – CHANGES IN LONG-TERM DEBT

A summary of changes in long-term debt for the year ended June 30, 2008 is presented below:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
General Obligation Bonds				
5% Series B Bonds - Payable annually on January 1 through the year 2013	\$ 99,626	\$ 0	\$ 18,000	\$ 81,626
Totals of Long-Term Debt	<u>\$ 99,626</u>	<u>\$ 0</u>	<u>\$ 18,000</u>	<u>\$ 81,626</u>

Annual requirements to amortize long-term debt including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 18,000	\$ 4,081	\$ 22,081
2010	20,000	3,306	23,306
2011	20,000	2,306	22,306
2012	20,000	1,306	21,306
2013	3,626	182	3,808
	<u>\$ 81,626</u>	<u>\$ 11,181</u>	<u>\$ 92,807</u>

**RAND COMMUNITIES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 4 – CHANGES IN LONG-TERM DEBT (Continued)

General Obligation Bonds	<u>Total Amount</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
Series B Bonds - Payable annually on January 1 through the year 2013 at five percent (5%) interest	\$ 81,626	\$ 18,000	\$ 63,626
Totals	<u>\$ 81,626</u>	<u>\$ 18,000</u>	<u>\$ 63,626</u>

NOTE 5 – FUND EQUITY – RESTRICTION FOR DEBT SERVICE

A restriction of approximately two years requirement for principal and interest payments for debt retirement has been established in lieu of a formal debt service fund. The District policy is to maintain an amount equal or greater in cash savings to meet this requirement.

NOTE 6 – COMMITMENTS/LEASES

A. Operating Leases

The District has not entered into any operating leases for buildings or equipment with a lease term in excess of one year.

B. Capital Leases

The District has not entered into any capital leases, which provide for title to pass to the District upon expiration of the lease.

NOTE 7 – RETIREMENT BENEFITS

The District does not maintain any employee retirement system other than the statutory contributions to the Federal Insurance Contribution Act (Social Security).

NOTE 8 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Excess of expenditures over appropriations as of June 30, 2008, were as follows:

Administration and General	\$	5,692
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RAND COMMUNITIES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 9 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year ended June 30, 2008, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for any of the past three fiscal years.

NOTE 10 – COMPLIANCE AND ACCOUNTABILITY

A. Finance-Related Legal and Contractual Provisions.

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

B. Deficit Fund Balance or Fund Net Assets of Individual Funds

Following are funds having deficit fund balances or fund net assets at year-end, if any, along with remarks that address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

SUPPLEMENTARY INFORMATION

RAND COMMUNITIES WATER DISTRICT
BOARD OF DIRECTORS
JUNE 30, 2008

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Jennifer Keep	President	November 2010
Orville Moreland	Vice President	November 2010
Lloyd Stone	Director	December 2008
Randy Lee Halgunseth	Director	November 2010
Dana Arbeit	Director	February 2011

Thomas Treat – General Manager

**RAND COMMUNITIES WATER DISTRICT
STATEMENT OF ACTIVITIES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	ENTERPRISE FUND		
	BUDGET	ACTUAL	OVER (UNDER) BUDGET
OPERATING REVENUES			
Water Sales	\$ 153,633	\$ 202,762	\$ 49,129
Miscellaneous	5,500	656	(4,844)
Total Operating Revenues	<u>159,133</u>	<u>203,418</u>	<u>44,285</u>
OPERATING EXPENSES			
Pumping Plant	68,101	63,580	(4,521)
Transmission and Distribution	25,678	25,359	(319)
Administration and General	105,719	111,411	5,692
Depreciation	30,000	28,865	(1,135)
Total Operating Expenses	<u>229,498</u>	<u>229,215</u>	<u>(283)</u>
Operating Income (Loss)	<u>(70,365)</u>	<u>(25,797)</u>	<u>44,568</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	2,450	2,012	(438)
Assessment Revenue	44,600	47,828	3,228
Interest Expense	(5,106)	(4,400)	706
Total Non-Operating Revenues (Expenses)	<u>41,944</u>	<u>45,440</u>	<u>3,496</u>
Net Increase (Decrease) in Net Assets	<u>\$ (28,421)</u>	<u>\$ 19,643</u>	<u>\$ 48,064</u>

The accompanying Notes to Financial Statements are an integral part of these Statements.

**RAND COMMUNITIES WATER DISTRICT
COMPARISON STATEMENT OF ACTIVITIES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>2007-2008 BUDGET</u>	<u>2007-2008 ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>	<u>2008-2009 BUDGET</u>
OPERATING REVENUES				
WATER SALES				
Residential	\$ 153,633	\$ 202,762	\$ 49,129	\$ 171,759
Miscellaneous	5,500	656	(4,844)	8,100
Total Operating Revenues	<u>159,133</u>	<u>203,418</u>	<u>44,285</u>	<u>179,859</u>
OPERATING EXPENSES				
Pumping Plant:				
Labor	33,351	32,146	(1,205)	31,348
Maintenance	6,000	6,696	696	8,100
Power	27,500	22,338	(5,162)	25,000
Water Treatment and Analysis	1,250	2,400	1,150	2,000
Sub-Total	<u>68,101</u>	<u>63,580</u>	<u>(4,521)</u>	<u>66,448</u>
Transmission and Distribution:				
Maintenance	4,000	4,464	464	5,400
Supervision and Labor	21,678	20,895	(783)	20,376
Sub-Total	<u>25,678</u>	<u>25,359</u>	<u>(319)</u>	<u>25,776</u>
General and Administrative:				
Board Secretary / Director's Fees	3,300	4,125	825	3,850
Insurance	35,995	38,489	2,494	43,452
Maintenance - Equipment	9,475	5,435	(4,040)	3,250
Maintenance - Vehicles	2,500	5,595	3,095	3,250
Office Expenses	10,100	11,637	1,537	13,416
Other Expenses	0	2,206	2,206	8,275
Outside Services	10,000	7,660	(2,340)	14,100
Supervision and Labor	28,349	27,324	(1,025)	26,646
Utilities	6,000	8,940	2,940	7,000
Sub-Total	<u>105,719</u>	<u>111,411</u>	<u>5,692</u>	<u>123,239</u>
Depreciation	<u>30,000</u>	<u>28,865</u>	<u>(1,135)</u>	<u>27,500</u>
Net Operating Income (Loss)	<u>(70,365)</u>	<u>(25,797)</u>	<u>44,568</u>	<u>(63,104)</u>

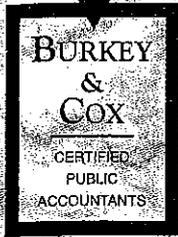
The accompanying Notes to Financial Statements are an integral part of these Statements.

RAND COMMUNITIES WATER DISTRICT
 COMPARISON STATEMENT OF ACTIVITIES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>2007-2008</u> <u>BUDGET</u>	<u>2007-2008</u> <u>ACTUAL</u>	<u>OVER (UNDER)</u> <u>BUDGET</u>	<u>2008-2009</u> <u>BUDGET</u>
NON-OPERATING REVENUES				
Interest Income	\$ 2,450	\$ 2,012	\$ (438)	\$ 2,250
Assessment Revenue	<u>44,600</u>	<u>47,828</u>	<u>3,228</u>	<u>40,000</u>
Total Non-Operating Revenues	<u>47,050</u>	<u>49,840</u>	<u>2,790</u>	<u>42,250</u>
NON-OPERATING EXPENSES				
Interest Expense	<u>(5,106)</u>	<u>(4,400)</u>	<u>/ 706</u>	<u>(6,000)</u>
Total Non-Operating Expenses	<u>(5,106)</u>	<u>(4,400)</u>	<u>706</u>	<u>(6,000)</u>
Net Revenues in Excess of Expenses	<u>\$ (28,421)</u>	<u>\$ 19,643</u>	<u>\$ 48,064</u>	<u>\$ (26,854)</u>

The accompanying Notes to Financial Statements are an integral part of these Statements.

OTHER INDEPENDENT AUDITOR'S REPORT



BURKEY COX EVANS BRADFORD & ALDEN

ACCOUNTANCY CORPORATION

44811 DATE AVENUE, SUITE A
LANCASTER, CALIFORNIA 93534-3136

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SCOTT EVANS, CPA, CFP, CVA
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TERESA YATES, CPA
TERRY L. SNEDIGAR, EA

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*

Board of Directors
Rand Communities Water District
Johannesburg, California

We have audited the financial statements of the governmental activities of Rand Communities Water District, as of and for the year ended June 30, 2008, which collectively comprise the Rand Communities Water District's basic financial statements and have issued our report thereon dated October 7, 2008. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Rand Communities Water District's internal control over financial reporting as a basis for designing our auditing procedures 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 Rand Communities Water District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Rand Communities Water District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Rand Communities Water District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Rand Communities Water District's financial statements that is more than inconsequential will not be prevented or detected by the Rand Communities Water District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Rand Communities Water District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Rand Communities Water District
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rand Communities Water District's financial statements are free of 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 determination of financial statement amounts. 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*.

We noted certain matters that we reported to management of Rand Communities Water District, in a separate letter dated October 7, 2008.

This report is intended solely for the information and use of management, others within the organization, and Board of Directors. However, this report is a matter of public record and its distribution is not limited.

Burkey & Cox

BURKEY COX EVANS BRADFORD & ALDEN
Certified Public Accountants

Lancaster, California
October 7, 2008

Rand Communities Water District
2009/2010 Budget Proposal

WATER SALES	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
	Fiscal Year	Year End Est	Proposal				
Joburg Residential	\$ 61,033.24	\$ 63,512.00	\$ 62,252.35	\$ 77,613.83	\$ 79,579.20	\$ 77,696.08	\$ 78,000.00
Randsburg Residential	\$ 53,297.39	\$ 52,138.00	\$ 50,510.13	\$ 64,098.06	\$ 67,071.23	\$ 59,454.42	\$ 59,500.00
Red Mtn. Residential	\$ 40,329.86	\$ 35,333.00	\$ 35,964.94	\$ 46,642.13	\$ 44,891.58	\$ 41,335.96	\$ 41,715.00
Miscellaneous Sales	\$ 1,990.02	\$ 1,199.00	\$ 4,379.58	\$ 4,758.72	\$ 12,229.31	\$ 18,369.57	\$ 15,000.00
Miscellaneous Income	\$ 3,969.27	\$ 3,514.00	\$ 7,337.27	\$ 93.56	\$ 210.89	\$ 181.00	\$ -
Rand Mine Settlement	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ -	\$ -	\$ -
Bad Debt Recovery	\$ -	\$ -	\$ 848.54	\$ 561.80	\$ 444.73	\$ 60.00	\$ -
Audit Adjustment	\$ -	\$ -	\$ -	\$ (3,761.58)	\$ (1,008.94)	\$ -	\$ -
TOTAL WATER SALES	\$ 156,650.51	\$ 152,182.00	\$ 153,107.00	\$ 192,506.52	\$ 203,418.00	\$ 197,097.02	\$ 194,215.00

OTHER INCOME

Interest Income	\$ 2,640.90	\$ 2,028.00	\$ 2,006.73	\$ 1,742.15	\$ 2,012.41	\$ 1,795.44	\$ 1,795.00
Finance Charges	\$ 1,659.49	\$ 1,635.00	\$ 482.35	\$ 668.45	\$ 406.39	\$ -	\$ -
Taxes - Kern County	\$ 37,464.31	\$ 19,647.00	\$ 24,961.32	\$ 40,898.56	\$ 42,945.12	\$ 49,901.36	\$ 45,000.00
Taxes - San Bdo no Cty	\$ 7,258.20	\$ 7,195.00	\$ 6,897.79	\$ 7,937.32	\$ 4,476.51	\$ 5,489.57	\$ 5,000.00
Audit Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL OTHER INCOME	\$ 49,022.90	\$ 30,505.00	\$ 34,348.19	\$ 51,246.48	\$ 49,840.43	\$ 57,186.37	\$ 51,795.00
TOTAL INCOME	\$ 205,673.41	\$ 182,687.00	\$ 187,455.19	\$ 243,753.00	\$ 253,258.43	\$ 254,283.39	\$ 246,010.00

OPERATING EXPENSES

OPERATING EXPENSES	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
	Fiscal Year	Year End Est	Proposal				
Salaries	\$ 54,905.83	\$ 57,709.00	\$ 69,181.44	\$ 73,392.39	\$ 72,300.29	\$ 82,943.00	\$ 78,515.00
Advertising	\$ -	\$ 161.00	\$ 245.88	\$ 91.25	\$ 529.60	\$ 374.05	\$ 250.00
Automotive repair	\$ 806.40	\$ 2,529.00	\$ 1,254.64	\$ 2,163.71	\$ 1,162.99	\$ 1,500.00	\$ 1,550.00
Automotive Fuel & Oil	\$ 2,004.56	\$ 2,465.00	\$ 3,832.25	\$ 3,889.94	\$ 4,062.54	\$ 4,677.00	\$ 4,724.00
Bad Debts	\$ 252.85	\$ 1,245.00	\$ 1,380.64	\$ 884.76	\$ (4.21)	\$ 2,000.00	\$ 2,000.00
Bank Charges	\$ -	\$ 7.00	\$ -	\$ 15.00	\$ 6.00	\$ 19.00	\$ 20.00
Board Secretary Fees	\$ -	\$ -	\$ -	\$ 2,400.00	\$ 2,350.00	\$ 2,375.00	\$ 2,100.00
Business Promotion	\$ -	\$ -	\$ -	\$ -	\$ 80.00	\$ -	\$ -
Cash Over or Short	\$ 1.01	\$ -	\$ 4.74	\$ 4.05	\$ (1.10)	\$ 31.36	\$ 25.00
Casual Labor	\$ 458.50	\$ 388.00	\$ 569.60	\$ 125.00	\$ 230.18	\$ 3,198.00	\$ 960.00
Computer Expense	\$ 372.62	\$ -	\$ 245.00	\$ 1,667.04	\$ -	\$ 73.46	\$ 100.00
Computer, Internet	\$ -	\$ -	\$ -	\$ 251.40	\$ 191.50	\$ 252.00	\$ 252.00
Depreciation	\$ 22,193.00	\$ 24,438.00	\$ 29,766.70	\$ 28,643.00	\$ 27,386.24	\$ 27,386.24	\$ 28,886.00
Directors Fees	\$ 1,600.00	\$ 2,125.00	\$ 2,225.00	\$ 1,750.00	\$ 1,775.00	\$ 2,175.00	\$ 1,500.00
Dues & Subscriptions	\$ 2,442.94	\$ 801.00	\$ 2,656.43	\$ 2,646.23	\$ 2,754.38	\$ 3,357.99	\$ 3,400.00
Education & Seminars	\$ 600.00	\$ 600.00	\$ -	\$ 114.28	\$ 136.66	\$ -	\$ -
Election expense	\$ -	\$ -	\$ -	\$ 702.43	\$ -	\$ 643.89	\$ -
Equipment Rental	\$ -	\$ -	\$ -	\$ 107.06	\$ 79.73	\$ 3,000.00	\$ 5,552.00
Interest	\$ 8,810.42	\$ 7,831.00	\$ 6,959.34	\$ 5,615.00	\$ 4,911.62	\$ -	\$ -
Ins. Medical	\$ 17,508.44	\$ 21,083.00	\$ 21,441.46	\$ 25,127.09	\$ 27,082.25	\$ 29,565.00	\$ 29,861.00
Ins. Workmans Comp.	\$ 6,907.76	\$ 2,710.00	\$ 2,388.73	\$ 1,808.67	\$ 3,363.54	\$ 5,850.00	\$ 5,563.00

North Communities Water District
2009/2010 Budget Proposal

	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
	Fiscal Year	Year End Est	Proposal				
OPERATING EXPENSES							
Ins. General Liability	\$ 6,341.74	\$ 5,588.00	\$ 7,945.00	\$ 6,104.00	\$ 8,043.00	\$ 7,780.00	\$ 7,858.00
Legal and Accounting	\$ 7,920.00	\$ 6,060.00	\$ 6,005.00	\$ 8,945.00	\$ 3,470.00	\$ 9,367.00	\$ 6,500.00
Licenses	\$ 1,122.64	\$ 1,087.00	\$ 991.93	\$ 1,555.17	\$ 1,053.47	\$ 798.70	\$ 1,000.00
Office Supplies	\$ 3,610.40	\$ 2,818.00	\$ 3,381.72	\$ 2,691.34	\$ 4,589.22	\$ 5,234.00	\$ 5,000.00
Postage	\$ 1,822.71	\$ 1,747.00	\$ 2,856.31	\$ 2,394.42	\$ 3,204.94	\$ 3,711.00	\$ 3,852.00
Professional Services	\$ 281.00	\$ 281.00	\$ -	\$ 1,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
Repairs & Maintenance	\$ 712.67	\$ 9,079.00	\$ 2,573.43	\$ 8,084.30	\$ 5,434.59	\$ 13,436.00	\$ 10,000.00
Park Maint. & Supplies	\$ 89.77	\$ 3,524.00	\$ 5.00	\$ 47.26	\$ -	\$ 784.00	\$ 500.00
Security Service	\$ -	\$ 132.00	\$ -	\$ 251.92	\$ -	\$ 230.93	\$ -
Small Tools	\$ 232.16	\$ 150.00	\$ -	\$ 345.29	\$ 682.69	\$ 1,171.00	\$ 750.00
Taxes - Payroll	\$ 5,414.89	\$ 5,580.00	\$ 6,598.05	\$ 6,668.74	\$ 7,227.67	\$ 7,783.00	\$ 7,094.00
Telephone	\$ 2,728.70	\$ 2,636.00	\$ 2,966.62	\$ 3,402.45	\$ 3,323.89	\$ 3,954.00	\$ 4,000.00
Travel	\$ 1,295.09	\$ 292.00	\$ 902.17	\$ 1,096.34	\$ 311.61	\$ 898.43	\$ 1,000.00
Utilities (Office)	\$ 2,192.59	\$ 1,865.00	\$ 2,792.67	\$ 2,284.04	\$ 2,996.57	\$ 2,763.00	\$ 2,829.00
Water Analysis	\$ 1,783.50	\$ 403.00	\$ 4,458.99	\$ 1,939.91	\$ 2,399.75	\$ 2,961.00	\$ 3,032.00
Pumping	\$ 18,646.85	\$ 19,929.00	\$ 21,459.36	\$ 24,575.51	\$ 22,338.52	\$ 20,742.00	\$ 21,240.00
Maint. & Supplies Pump	\$ 17,938.22	\$ 1,528.00	\$ 19,752.61	\$ 16,014.97	\$ 11,036.75	\$ 18,682.00	\$ 19,130.00
Chlorination System	\$ -	\$ -	\$ 1,247.73	\$ 967.10	\$ 415.60	\$ 283.00	\$ 290.00
Adjustment for Audit	\$ -	\$ -	\$ (2,631.44)	\$ 3,881.94	\$ 4,689.52	\$ -	\$ -
TOTAL EXPENSES	\$ 192,257.26	\$ 188,680.00	\$ 223,595.00	\$ 243,648.00	\$ 233,615.00	\$ 274,000.05	\$ 263,333.00

NET PROFIT/(LOSS) \$ 13,416.15 \$ (6,993.00) \$ (36,139.81) \$ 106.00 \$ 19,643.43 \$ (19,716.66) \$ (17,323.00)

Budget \$ (26,854.00)

Principle on Bond \$ 19,500.00 \$ 19,500.00 \$ 18,500.00 \$ 18,000.00 \$ 18,000.00 \$ 18,000.00 \$ 18,000.00