

BAKER COMMUNITY SERVICES DISTRICT

**Financial Information: Audit and Excerpts
from State Controller's Report**

Attachment 2f

BAKER COMMUNITY SERVICES DISTRICT

AUDIT REPORT

For The Year Ended June 30, 2011

MICHAEL WHITESIDE, CPA
A Professional Corporation

BAKER COMMUNITY SERVICES DISTRICT
AUDIT REPORT
For the Year Ended June 30, 2011

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MICHAEL WHITESIDE, CPA
A Professional Corporation

INDEPENDENT AUDITOR'S REPORT

October 12, 2011

To the Board of Directors
Baker Community Services District

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Baker Community Services District, (the "District") as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. These standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Baker Community Services District as of June 30, 2011 and the respective changes in financial position and cash flows where applicable for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The combining nonmajor fund financial statements on pages 19 and 20 and the organization and operation schedules on pages 21, 22 and 23 are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The organization and operation schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

As described in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 54, *Fund Balance Reporting Governmental Fund Type Definitions*, as of July 1, 2010.

The District has not presented Management's Discussion and Analysis that Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of the financial statements.

Michael Whiteside, CPA



BAKER COMMUNITY SERVICES DISTRICT
STATEMENT OF NET ASSETS
June 30, 2011

	Governmental Activity	Business Type Activity	Total
ASSETS			
Cash and Cash Equivalents	\$ 271,449	\$ 34,273	\$ 305,722
Accounts Receivable, Net	5,696	32,809	38,505
Prepaid Expenses	12,913	18,435	31,348
Capital Assets	361,169	94,321	455,490
Total Assets	651,227	179,838	831,065
LIABILITIES			
Accounts Payable	1,981	2,487	4,468
Credit Card Payable	568	2,537	3,105
Non-Current Liabilities Due Within One Year	1,698	5,094	6,792
Customer Advance Payments	-	6,000	6,000
Total Liabilities	4,247	16,118	20,365
NET ASSETS			
Invested in Capital Assets net of Related Debt	361,169	94,321	455,490
Unrestricted Net Assets	285,811	69,399	355,210
Total Net Assets	\$ 646,980	\$ 163,720	\$ 810,700

See accompanying notes to financial statements.

BAKER COMMUNITY SERVICES DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

	<u>Expenses</u>	<u>Charges For Services</u>	<u>Net (Expense) Revenue</u>
FUNCTIONS/PROGRAMS			
Governmental Activity			
General Government	\$ 145,675	\$ -	\$ (145,675)
Public Safety-Fire	13,261	-	(13,261)
Public Services	10,144	-	(10,144)
Culture and Recreation	<u>80,141</u>	<u>4,832</u>	<u>(75,309)</u>
Total Governmental Activity	249,221	4,832	(244,389)
Business Type Activities			
Sewage Treatment	73,194	102,036	28,842
Water	128,903	125,755	(3,148)
Solid Waste	137,108	189,986	52,878
Television	<u>33,039</u>	<u>86,200</u>	<u>53,161</u>
Total Business Type Activities	<u>372,244</u>	<u>503,977</u>	<u>131,733</u>
			<u>\$ (112,656)</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Change in Net Assets			
Net (Expense) Revenue	\$ (244,389)	\$ 131,733	\$ (112,656)
General Revenues			
Property Taxes	89,059	-	89,059
Rental Income	17,045	-	17,045
Investment Income	103	-	103
Other Income	<u>3,179</u>	<u>-</u>	<u>3,179</u>
Total General Revenues	109,386	-	109,386
Transfers	<u>170,343</u>	<u>(170,343)</u>	<u>-</u>
Total General Revenues & Transfers	<u>279,729</u>	<u>(170,343)</u>	<u>109,386</u>
Change in Net Assets	35,340	(38,610)	(3,270)
Net Assets - Beginning of Year	<u>611,640</u>	<u>202,330</u>	<u>813,970</u>
Net Assets - End of Year	<u>\$ 646,980</u>	<u>\$ 163,720</u>	<u>\$ 810,700</u>

See accompanying notes to financial statements.

BAKER COMMUNITY SERVICES DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2011

ASSETS	
Cash and Cash Equivalents	\$ 271,449
Accounts Receivable	5,696
Prepaid Expenses	<u>12,913</u>
 Total Assets	 <u>290,058</u>
 LIABILITIES AND FUND BALANCE	
Accounts Payable	1,981
Credit Card Payable	<u>568</u>
 Total Liabilities	 2,549
 FUND BALANCE	
Uncommitted Fund Balance	<u>287,509</u>
 Total Fund Balance	 <u>287,509</u>
 Total Liabilities and Fund Balance	 <u>\$ 290,058</u>

See accompanying notes to financial statements.

BAKER COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUND TO THE STATEMENT OF NET ASSETS
June 30, 2011

Total Fund Balance - Governmental Fund	\$ 287,509
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Capital assets of \$1,035,158 net of accumulated depreciation of \$673,989 are not financial resources and therefore not reported in the funds.	361,169
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,698)</u>
Net Assets of Governmental Activity	<u>\$ 646,980</u>

See accompanying notes to financial statements.

BAKER COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE - GOVERNMENTAL FUND
For the Year Ended June 30, 2011

REVENUES	
Property Taxes	\$ 89,059
Charges for Services Including Rent	21,877
Other Revenues	3,179
Interest Income	<u>103</u>
Total Revenue	<u>114,218</u>
 EXPENDITURES	
General Government	173,511
Public Safety - Fire	13,261
Public Services	10,144
Culture and Recreation	67,371
Debt Service	<u>-</u>
Total Expenditures	<u>264,287</u>
Deficiency of Revenues Under Expenditures	(150,069)
 OTHER FINANCING SOURCES	
Transfers from Other Funds	<u>170,343</u>
Total Other Financing Sources	<u>170,343</u>
Net Change in Fund Balance	20,274
Fund Balance - Beginning of Year	<u>267,235</u>
Fund Balance - End of Year	<u>\$ 287,509</u>

See accompanying notes to financial statements.

BAKER COMMUNITY SERVICES DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGE IN FUND BALANCE OF THE GOVERNMENTAL FUND
 TO THE STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2011

Net Change in Fund Balance - Governmental Fund	\$	20,274
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Amounts reported for *governmental activities* in the statement of activities are different because:

The governmental fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

The amount of capital outlay for the year is		48,636
The amount of depreciation for the year is		(33,011)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental fund

Increase in accrued vacation for the year is		<u>(559)</u>
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Change in Net Assets of Governmental Activity	\$	<u>35,340</u>
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See accompanying notes to financial statements.

BAKER COMMUNITY SERVICES DISTRICT
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2011

	Sewer Fund	Water Fund	Trash Fund	Television Fund	Total
CURRENT ASSETS					
Cash and Cash Equivalents	\$ -	\$ 34,273	\$ -	\$ -	\$ 34,273
Accounts Receivable, net	13,125	9,979	6,705	3,000	32,809
Prepaid Expenses	4,585	4,572	8,581	697	18,435
Total Current Assets	17,710	48,824	15,286	3,697	85,517
NON-CURRENT ASSETS					
Capital Assets					
Structures and Improvements, net of Accumulated Depreciation	36,264	525	-	-	36,789
Equipment, net of Accumulated Depreciation	64	57,306	64	98	57,532
Net Capital Assets	36,328	57,831	64	98	94,321
Total Assets	\$ 54,038	\$ 106,655	\$ 15,350	\$ 3,795	\$ 179,838
LIABILITIES					
Accounts Payable	\$ 206	\$ 2,281	\$ -	\$ -	\$ 2,487
Credit Card Payable	568	569	1,400	-	2,537
Accrued Compensated Absences	1,698	1,698	1,698	-	5,094
Customer Advance Payments	-	-	-	6,000	6,000
Total Current Liabilities	2,472	4,548	3,098	6,000	16,118
Total Liabilities	2,472	4,548	3,098	6,000	16,118
NET ASSETS					
Invested in Capital Assets net of Related Debt	36,328	57,831	64	98	94,321
Unrestricted Net Assets	15,238	44,276	12,188	(2,303)	69,399
Total Net Assets	\$ 51,566	\$ 102,107	\$ 12,252	\$ (2,205)	\$ 163,720

See accompanying notes to financial statements.

BAKER COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN FUND NET ASSETS - PROPRIETARY FUNDS
For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds				Total
	Sewer Fund	Water Fund	Trash Fund	Television Fund	
REVENUES					
Charges for Services	\$ 102,036	\$ 125,755	\$ 189,986	\$ -	\$ 417,777
Rental Income	-	-	-	86,200	86,200
Total Revenues	102,036	125,755	189,986	86,200	503,977
OPERATING EXPENSES					
Depreciation	6,664	23,480	128	88	30,360
Education	1,164	289	289	-	1,742
Fuel	3,121	3,172	11,091	-	17,384
Insurance	15,317	15,303	19,313	697	50,630
Legal and Professional	187	187	187	-	561
Licenses and Permits	2,759	3,007	508	4,617	10,891
Payroll Taxes	788	791	2,178	364	4,121
Postage	318	323	318	-	959
Repairs and Maintenance	2,597	10,119	6,410	6,126	25,252
Retirement Fund - Employer	1,834	1,845	4,849	949	9,477
Supplies	2,272	2,757	3,062	-	8,091
Telephone	492	492	492	-	1,476
Travel	778	346	346	-	1,470
Utilities	3,037	34,732	-	4,165	41,934
Wages	30,143	30,329	78,764	15,307	154,543
Worker's Comp. Insurance	1,723	1,731	9,173	726	13,353
Total Expenses	73,194	128,903	137,108	33,039	372,244
Net Operating Income	28,842	(3,148)	52,878	53,161	131,733
Transfers Out	(27,550)	(20,415)	(50,106)	(72,272)	(170,343)
Change in Fund Net Assets	28,842	(3,148)	52,878	53,161	131,733
Net Assets Beginning of Year	50,274	125,670	9,480	16,906	202,330
Net Assets End of Year	\$ 51,566	\$ 102,107	\$ 12,252	\$ (2,205)	\$ 163,720

See accompanying notes to financial statements.

BAKER COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds				
	Sewer Fund	Water Fund	Trash Fund	Television Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 93,067	\$ 122,852	\$ 185,612	\$ 99,223	\$ 500,754
Cash Payments to Suppliers	(65,517)	(102,334)	(135,506)	(26,951)	(330,308)
Net Cash Provided by Operations	<u>27,550</u>	<u>20,518</u>	<u>50,106</u>	<u>72,272</u>	<u>170,446</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Inter-fund Transfers	(27,550)	(20,415)	(50,106)	(72,272)	(170,343)
Net Cash (Used) in Non-Capital Financing Activities	<u>(27,550)</u>	<u>(20,415)</u>	<u>(50,106)</u>	<u>(72,272)</u>	<u>(170,343)</u>
Net Increase in Cash and Cash Equivalents	-	103	-	-	103
Cash and Cash Equivalents - Beginning of Year	-	34,170	-	-	34,170
Cash and Cash Equivalents - End of Year	<u>\$ -</u>	<u>\$ 34,273</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,273</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 28,842	\$ (3,148)	\$ 52,878	\$ 53,161	\$ 131,733
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:					
Depreciation	6,664	23,480	128	88	30,360
Decrease/(Increase) in Accounts Receivable	(8,969)	(2,903)	(4,374)	13,023	(3,223)
Increase/(Decrease) in Accounts Payable	(114)	1,961	(485)	-	1,362
Increase in Credit Card Payable	568	569	1,400	-	2,537
Decrease in Compensated Absences	559	559	559	-	1,677
Increase in Customer Advance Payments	-	-	-	6,000	6,000
Net Cash Provided by Operating Activities	<u>\$ 27,550</u>	<u>\$ 20,518</u>	<u>\$ 50,106</u>	<u>\$ 72,272</u>	<u>\$ 170,446</u>

See accompanying notes to financial statements.

BAKER COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 1 Summary of Significant Accounting Policies

ORGANIZATION AND PURPOSE

The Baker Community Services District was formed April 30, 1956 under Government Code Sections 61000 - 61891. The District provides water, parks and recreation, sewer, fire, television, and road maintenance services.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole. Individual funds are not displayed, but the statements distinguish governmental activities generally supported by taxes and District general revenues from business-type activities generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include charges for services which report fees, fines and forfeitures, and other charges to users of the District's services. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental and proprietary. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds. The district has one major fund for governmental funds and for the proprietary funds the individual enterprise funds are treated as the single major fund.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are found in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have 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.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or eliminations for internal activity (between or within funds). However, internal eliminations do not include utility services provided to District departments. Reimbursements are reported as reductions to expenses. Proprietary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenues available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest and compensated absences which are reported as expenditures in the year paid.

BAKER COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 1 Summary of Significant Accounting Policies (continued)

Major revenue sources susceptible to accrual include property taxes and investment income. In general, other revenues are recognized when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the funds. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Allocation of Indirect Expense

The District allocates indirect expenses primarily comprised of central governmental services to operating functions and programs benefiting from those services. Central services include overall District management, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services and other central administrative services. Allocations are charged to programs based on use of central services determined by various allocation methodologies.

Subsequent Events

Accounting standards for "Subsequent Events" establish general standards of accounting for, and disclosure of events that occur after the balance sheet date but before the financial statements are issued. Events or transactions that occurred after June 30, 2011 through October 12, 2011, the date the District's financial statements were available to be issued, were reviewed for subsequent event accounting and disclosure. During this period, the District does not believe it had any material subsequent events.

Change in Accounting Principle

During fiscal 2011 the District implemented Governmental Accounting Standards Board issued Statement (GASB) No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Non-spendable fund balance - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as preneed customers, grantors contributors, or laws or regulations of other governments).
- Committed fund balance - amounts constrained to specific purposes by the District Board of Directors. To be reported as committed, amounts cannot be used for any other purpose unless the District takes the highest level action to remove or change the constraint.
- Assigned fund balance - amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official or body to which the Board of Directors delegates the authority.
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

BAKER COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 1 Summary of Significant Accounting Policies (continued)

FUND TYPES AND MAJOR FUNDS

Governmental Funds

The District reports the following major governmental fund:

The District Fund, (the general fund of the District) reports as the primary fund for the District. This fund is used to account for all financial resources not reported in other funds

Proprietary Funds

The District reports the following funds cumulatively as a single integrated fund and its major proprietary fund.

Sewer Utilities Fund – accounts for the operating activities of the District’s sewer services.

Water Utilities Fund – accounts for the operating activities of the District’s water utilities services.

Trash Fund – accounts for the operations of the District’s trash services.

Television Fund – accounts for the operations of the District’s communication leases.

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

Cash and Cash Equivalents

The District maintains and controls cash accounts in which the government and proprietary funds share. Each fund’s portion of the accounts is displayed on their respective balance sheet as “cash and cash equivalents.”

The Districts cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments of the District are reported at fair value.

Accounts Receivable

The District considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is presented.

Prepays

Prepays record payments to vendors that benefit future reporting periods and are also reported on the consumption basis.

**BAKER COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

Note 1 Summary of Significant Accounting Policies (continued)

CAPITAL ASSETS, INFRASTRUCTURE, DEPRECIATION AND AMORTIZATION

The District's property, land, equipment and infrastructure with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Proprietary capital assets are reported in their respective fund financial statements. The District generally capitalizes assets with a cost of \$750 or more as purchase and construction outlays occur. The cost of normal maintenance and repairs that does not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

Estimated usual lives, in years, for depreciable assets are as follows:

Housing	25 years
Property	10-40 years
Equipment	3-10 years

LONG TERM DEBT

In the government-wide and proprietary fund financial statements, outstanding debt is reported as a liability. Bond issuance costs, if any, are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and other financing sources in the period that the proceeds are received.

DISTRICT HOUSING

The District maintains a residential housing unit for its on-call manager. Personal usage is estimated and charged at \$50 per month.

USE OF ESTIMATES

The District used estimates and assumptions in preparing financial statements. Estimates affect assets, liabilities, disclosures of contingent liabilities, revenue and expenses. Actual results may differ from these estimates.

PUBLIC AGENCY RETIREMENT SERVICES – ALTERNATE RETIREMENT SYSTEM – “PARS-ARS”

The District enrolls their employees in “PARS-ARS” as an alternative of the payroll Social Security System. For the year ended June 30, 2011, the District contributed \$13,493 or 6.2% of payroll and the employees matched the contribution. This alternative is authorized by the Omnibus Budget Reconciliation Act of 1990.

BAKER COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS

June 30, 2011

Note 1 Summary of Significant Accounting Policies (continued)

PROPERTY TAXES

Property taxes are assessed under various legislative provisions, contained in Government Code and the Revenue and Taxation Code, by the County Assessor. Taxes on real property are limited to one percent of assessed valuation plus additional taxes for repayment of any existing voted indebtedness. The District receives a portion of the property tax income based on a formula prescribed in Section 26912(b) of the Government Code and Sections 95-100 of the California Revenue and Taxation Code and as amended by the passage of AB 454.

Secured property taxes are levied on or before the first business day of September of each year. They become a lien on real property on January 1st proceeding the fiscal year for which taxes are levied and can be paid in two installments. The first installment is November 1st of the following year and is delinquent April 10th. The District has entered into an agreement with the County of San Bernardino to receive its apportioned property taxes throughout the fiscal year.

INTERFUND BALANCES AND TRANSFERS

Activity between funds that are representative of lending/borrowing arrangements outstanding at year-end are referred to as due to/from other funds (i.e. current portion of interfund loans). Interfund transfers occur because the District received charges for services through the special revenues funds and transfers these funds to the general fund as expenditures are incurred or due to contractual requirements.

Note 2 Deposits

Deposits and investments are presented in the statement of net assets and the balance sheet as of June 30, 2011 as follows:

<u>Cash and Cash Equivalents</u>	<u>Fair Value</u>
Union Bank of California – demand deposits	\$ 266,181
Desert Community Bank – demand deposits	34,273
Cash on Hand	<u>5,268</u>
Total Cash and Cash Equivalents	<u>\$ 305,722</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Local financial institutions, under California state law are required to collateralize local government agency deposits in excess of FDIC insured amounts of \$250,000 per institution. As of June 30, 2011, the District's bank balances were fully insured.

BAKER COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3 Capital Assets

Changes in Capital Assets

The following table provides a summary of changes in capital assets:

	CAPITAL ASSETS NOT DEPRECIATED		CAPITAL ASSETS DEPRECIATED		Totals
	Land	Buildings	Furniture Machinery and Equipment		
Governmental Activities					
Balance, July 1, 2010	\$ 22,935	\$ 742,016	\$ 221,571	\$ 986,522	
Increases	40,812	-	7,824	48,636	
Decreases	-	-	-	-	
Balance, June 30, 2011	<u>63,747</u>	<u>742,016</u>	<u>229,395</u>	<u>1,035,158</u>	
Accumulated Depreciation					
Balance July 1, 2010	-	457,278	183,700	640,978	
Increases	-	21,394	11,617	33,011	
Decreases	-	-	-	-	
Balance, June 30, 2011	<u>-</u>	<u>478,672</u>	<u>195,317</u>	<u>673,989</u>	
Governmental Activities					
Capital Assets, Net	<u>\$ 63,747</u>	<u>\$ 263,344</u>	<u>\$ 34,078</u>	<u>\$ 361,169</u>	
Business-type Activities					
Balance, July 1, 2010	\$ -	\$ 759,586	\$ 567,365	\$ 1,326,951	
Increases	-	-	-	-	
Decreases	-	-	-	-	
Balance, June 30, 2011	<u>-</u>	<u>759,586</u>	<u>567,365</u>	<u>1,326,951</u>	
Accumulated Depreciation					
Balance, July 1, 2010	-	708,556	493,714	1,202,270	
Increases	-	14,241	16,119	30,360	
Decreases	-	-	-	-	
Balance, June 30, 2011	<u>-</u>	<u>722,797</u>	<u>509,833</u>	<u>1,232,630</u>	
Business-type Activities					
Capital Assets, Net	<u>\$ -</u>	<u>\$ 36,789</u>	<u>\$ 57,532</u>	<u>\$ 94,321</u>	
	<u>\$ 63,747</u>	<u>\$ 300,133</u>	<u>\$ 91,610</u>	<u>\$ 455,490</u>	

BAKER COMMUNITY SERVICES DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2011

Note 3 Capital Assets (continued)

Depreciation Expense

Depreciation expense was charged to functions of the government as follows:

	<i>Government Activity</i>	<i>Business-type Activity</i>
General government	\$ 12,417	Sewage Treatment \$ 6,664
Culture and Recreation	<u>20,594</u>	Water 23,480
	<u>\$ 33,011</u>	Solid Waste 128
		Television 88
		<u>\$ 30,360</u>

Note 4 Non-current Liabilities

Changes in non-current liabilities for the year ended June 30, 2011 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Government Activities					
Accounts Payable	\$ 3,983	\$ 1,981	\$ 3,983	\$ 1,981	\$ 1,981
Credit Card Payable	-	568	-	568	568
Accrued Vacation	<u>1,139</u>	<u>1,698</u>	<u>1,139</u>	<u>1,698</u>	<u>1,698</u>
Total	<u>\$ 5,122</u>	<u>\$ 4,247</u>	<u>\$ 5,122</u>	<u>\$ 4,247</u>	<u>\$ 4,247</u>
Business-Type Activities					
Accounts Payable	\$ 1,125	\$ 2,487	\$ 1,125	\$ 2,487	\$ 2,487
Credit Card Payable	-	2,537	-	2,537	2,537
Accrued Vacation	3,417	5,094	3,417	5,094	5,094
Customer Advance Payments	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>6,000</u>
Total	<u>\$ 4,542</u>	<u>\$ 16,118</u>	<u>\$ 4,542</u>	<u>\$ 16,118</u>	<u>\$ 16,118</u>
	<u>\$ 9,664</u>	<u>\$ 20,365</u>	<u>\$ 9,664</u>	<u>\$ 20,365</u>	<u>\$ 20,365</u>

SUPPLEMENTAL INFORMATION

BAKER COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES, EXPENSES
AND CHANGE IN FUND NET ASSETS - ALL FUNDS
For the Year Ended June 30, 2011

	District Fund	Sewer Fund	Water Fund	Trash Fund	Television Fund	Total
REVENUES						
Charges for Services	\$ 4,832	\$ 102,036	\$ 125,755	\$ 189,986	\$ -	\$ 422,609
Rental Income	<u>17,045</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,200</u>	<u>103,245</u>
Total Revenues	21,877	102,036	125,755	189,986	86,200	525,854
OPERATING EXPENSES						
Depreciation	33,011	6,664	23,480	128	88	63,371
Dues & Subscriptions	479	-	-	-	-	479
Education	2,853	1,164	289	289	-	4,595
Fuel	2,502	3,121	3,172	11,091	-	19,886
Insurance	49,151	15,317	15,303	19,313	697	99,781
Licenses & Permits	1,175	2,759	3,007	508	4,617	12,066
Office Supplies	3,914	-	-	-	-	3,914
Payroll Taxes	5,018	788	791	2,178	364	9,139
Postage	530	318	323	318	-	1,489
Professional Services	6,475	187	187	187	-	7,036
Repairs & Maintenance	14,581	2,597	10,119	6,410	6,126	39,833
Retirement Fund - Employer	4,016	1,834	1,845	4,849	949	13,493
Supplies	13,852	2,272	2,757	3,062	-	21,943
Telephone	4,017	492	492	492	-	5,493
Travel & Promotion	1,898	778	346	346	-	3,368
Utilities	19,733	3,037	34,732	-	4,165	61,667
Wages	78,606	30,143	30,329	78,764	15,307	233,149
Worker's Comp. Insurance	<u>7,410</u>	<u>1,723</u>	<u>1,731</u>	<u>9,173</u>	<u>726</u>	<u>20,763</u>
Total Expenses	<u>249,221</u>	<u>73,194</u>	<u>128,903</u>	<u>137,108</u>	<u>33,039</u>	<u>621,465</u>
Net Operating Income (Loss)	<u>(227,344)</u>	<u>28,842</u>	<u>(3,148)</u>	<u>52,878</u>	<u>53,161</u>	<u>(95,611)</u>
NON-OPERATING REVENUE (EXPENSES)						
Interest Income	103	-	-	-	-	103
Property Taxes	89,059	-	-	-	-	89,059
Other Income	<u>3,179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,179</u>
Total Non-Operating Revenue (Expenses)	<u>92,341</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,341</u>
Transfers In and Out	170,343	(27,550)	(20,415)	(50,106)	(72,272)	-
Change in Fund Net Assets	(135,003)	28,842	(3,148)	52,878	53,161	(3,270)
Fund Balances Beginning of Year	<u>611,640</u>	<u>50,274</u>	<u>125,670</u>	<u>9,480</u>	<u>16,906</u>	<u>813,970</u>
Fund Balances End of Year	<u>\$ 646,980</u>	<u>\$ 51,566</u>	<u>\$ 102,107</u>	<u>\$ 12,252</u>	<u>\$ (2,205)</u>	<u>\$ 810,700</u>

BAKER COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES, EXPENSES
AND CHANGE IN NET ASSETS - DISTRICT FUND
For the Year Ended June 30, 2011

	District Administration	Pool	Park	Street Lights	Fire Dept.	Road Dept.	Comm. Center	Senior Center	District Residence	District Fund
REVENUE										
Charges for Services	\$ -	\$ 4,832	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,832
Rental Income	14,745	-	-	-	-	-	1,900	100	300	17,045
Total Revenue	14,745	4,832	-	-	-	-	1,900	100	300	21,877
EXPENSES										
Depreciation	12,417	25	4,154	-	-	-	15,968	447	-	33,011
Dues & Subscriptions	479	-	-	-	-	-	-	-	-	479
Education & Texts	2,765	88	-	-	-	-	-	-	-	2,853
Fuel	2,185	175	-	-	142	-	-	-	-	2,502
Insurance	41,960	1,049	173	-	4,582	172	521	521	173	49,151
License & Permits	873	302	-	-	-	-	-	-	-	1,175
Office Supplies	3,914	-	-	-	-	-	-	-	-	3,914
Payroll Taxes	3,713	1,289	-	-	16	-	-	-	-	5,018
Postage	530	-	-	-	-	-	-	-	-	530
Professional Services	6,475	-	-	-	-	-	-	-	-	6,475
Repairs & Maintenance	3,424	1,527	-	-	7,980	-	1,265	-	385	14,581
Retirement Fund - Employer	2,812	1,187	-	-	17	-	-	-	-	4,016
Supplies	3,959	4,714	650	-	10	2,273	922	-	1,324	13,852
Telephone	2,781	688	-	-	-	-	548	-	-	4,017
Travel & Promotion	1,898	-	-	-	-	-	-	-	-	1,898
Utilities	-	4,146	-	7,699	-	-	2,672	3,658	1,558	19,733
Wages	46,082	32,047	-	-	477	-	-	-	-	78,606
Worker's Comp. Insurance	5,968	1,405	-	-	37	-	-	-	-	7,410
Total Expenses	142,235	48,642	4,977	7,699	13,261	2,445	21,896	4,626	3,440	249,221
Net Operating (Loss)	(127,490)	(43,810)	(4,977)	(7,699)	(13,261)	(2,445)	(19,996)	(4,526)	(3,140)	(227,344)
NON-OPERATING REVENUE										
Interest Income	103	-	-	-	-	-	-	-	-	103
Property Taxes	89,059	-	-	-	-	-	-	-	-	89,059
Other Income	2,983	-	-	-	-	-	196	-	-	3,179
Total Non- Operating Revenue (Exp.)	92,145	-	-	-	-	-	196	-	-	92,341
Change in Net Assets - District Fund	\$ (35,345)	\$ (43,810)	\$ (4,977)	\$ (7,699)	\$ (13,261)	\$ (2,445)	\$ (19,800)	\$ (4,526)	\$ (3,140)	\$ (135,003)

BAKER COMMUNITY SERVICES DISTRICT
COUNTY OF SAN BERNARDINO

June 30, 2011

DISTRICT OFFICERS

Number of Governing Body: Five (5) Members
Term of Office: Four (4) Years

<u>Name</u>	<u>Office</u>
Clark Bryner	Board President
Jessie Jenkins	Member
Rich Johnson	Member
Kenneth Hall	Member
Renee Jacobson	Member
Le Hayes	General Manager

BAKER COMMUNITY SERVICES DISTRICT
COUNTY OF SAN BERNARDINO

June 30, 2011

GENERAL INFORMATION

Audit Period:	July 1, 2010 through June 30, 2011
Type of District:	Community Services
Date of Formation:	April 30, 1956
Statutory Authority:	Government Code Sections 61000 - 61891
Location of District Record of Books:	District Offices, Baker, CA
Period Covered by Last Audit:	July 1, 2009 through June 30, 2010
Funds Maintained by District:	District Fund Water Fund Television Fund Sewer Fund Trash Fund
Location of Depository of District Moneys:	Desert Community Bank 12530 Hesperia Rd. #101 Victorville, CA 92392 Union Bank of California 239 E. Main St. Barstow, CA 92311

BAKER COMMUNITY SERVICES DISTRICT
SUMMARY OF INSURANCE COVERAGE
June 30, 2011

<u>Coverage</u>	<u>Amount</u>	<u>Expiration Date</u>
Comprehensive General Liability	\$ 8,000,000	6/30/2011
Errors and Omissions	\$ 8,000,000	6/30/2011
Auto Liability	\$ 6,000,000	6/30/2011
Fidelity Bond	\$ 250,000	6/30/2011
Property and Equipment	\$ 2,236,838	6/30/2011
Worker's Compensation	Covered	



BAKER COMMUNITY SERVICES DISTRICT

AUDIT REPORT

For The Year Ended June 30, 2012

MICHAEL WHITESIDE, CPA
A Professional Corporation

BAKER COMMUNITY SERVICES DISTRICT
AUDIT REPORT
For the Year Ended June 30, 2012

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MICHAEL WHITESIDE, CPA
A Professional Corporation

INDEPENDENT AUDITOR'S REPORT

October 12, 2012

To the Board of Directors
Baker Community Services District

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Baker Community Services District, (the "District") as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. These standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Baker Community Services District as of June 30, 2012 and the respective changes in financial position and cash flows where applicable for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The combining nonmajor fund financial statements on pages 19 and 20 and the organization and operation schedules on pages 21, 22 and 23 are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The organization and operation schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

The District has not presented Management's Discussion and Analysis that Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of the financial statements.



Michael Whiteside, CPA

BAKER COMMUNITY SERVICES DISTRICT
STATEMENT OF NET ASSETS
June 30, 2012

	Governmental Activity	Business Type Activity	Total
ASSETS			
Cash and Cash Equivalents	\$ 294,306	\$ 34,376	\$ 328,682
Accounts Receivable, Net	5,298	35,813	41,111
Prepaid Expenses	18,021	18,435	36,456
Capital Assets	327,276	70,986	398,262
Total Assets	644,901	159,610	804,511
 LIABILITIES			
Accounts Payable	4,478	3,996	8,474
Credit Card Payable	1,118	670	1,788
Payroll Tax Payable	8,589	-	8,589
Non-Current Liabilities Due Within One Year	360	1,080	1,440
Customer Advance Payments	8,100	3,461	11,561
Total Liabilities	22,645	9,207	31,852
 NET ASSETS			
Invested in Capital Assets net of Related Debt	327,276	70,986	398,262
Unrestricted Net Assets	294,980	79,417	374,397
Total Net Assets	\$ 622,256	\$ 150,403	\$ 772,659

See accompanying notes to financial statements.

BAKER COMMUNITY SERVICES DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012

	Expenses	Charges For Services	Net (Expense) Revenue
FUNCTIONS/PROGRAMS			
Governmental Activity			
General Government	\$ 146,036	\$ -	\$ (146,036)
Public Safety-Fire	8,113	-	(8,113)
Public Services	7,131	-	(7,131)
Culture and Recreation	83,250	4,985	(78,265)
Total Governmental Activity	244,530	4,985	(239,545)
Business Type Activities			
Sewage Treatment	98,633	96,552	(2,081)
Water	119,263	131,730	12,467
Solid Waste	157,169	183,211	26,042
Television	32,768	86,151	53,383
Total Business Type Activities	407,833	497,644	89,811
			\$ (149,734)
	Governmental Activities	Business-Type Activities	Total
Change in Net Assets			
Net (Expense) Revenue	\$ (239,545)	\$ 89,811	\$ (149,734)
General Revenues			
Property Taxes	90,203	-	90,203
Rental Income	18,014	-	18,014
Investment Income	86	-	86
Other Income	3,390	-	3,390
Total General Revenues	111,693	-	111,693
Transfers	103,128	(103,128)	-
Total General Revenues & Transfers	214,821	(103,128)	111,693
Change in Net Assets	(24,724)	(13,317)	(38,041)
Net Assets - Beginning of Year	646,980	163,720	810,700
Net Assets - End of Year	\$ 622,256	\$ 150,403	\$ 772,659

See accompanying notes to financial statements.

BAKER COMMUNITY SERVICES DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2012

ASSETS	
Cash and Cash Equivalents	\$ 294,306
Accounts Receivable	5,298
Prepaid Expenses	<u>18,021</u>
Total Assets	<u>317,625</u>
LIABILITIES AND FUND BALANCE	
Accounts Payable	4,478
Credit Card Payable	1,118
Payroll Tax Payable	8,589
Customer Advance Payments	<u>8,100</u>
Total Liabilities	22,285
FUND BALANCE	
Uncommitted Fund Balance	<u>295,340</u>
Total Fund Balance	<u>295,340</u>
Total Liabilities and Fund Balance	<u>\$ 317,625</u>

See accompanying notes to financial statements.

BAKER COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUND TO THE STATEMENT OF NET ASSETS
June 30, 2011

Total Fund Balance - Governmental Fund	\$ 295,340
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Capital assets of \$1,033,158 net of accumulated depreciation of \$705,882 are not financial resources and therefore not reported in the funds.	327,276
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(360)</u>
Net Assets of Governmental Activity	<u>\$ 622,256</u>

See accompanying notes to financial statements.

BAKER COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE - GOVERNMENTAL FUND
For the Year Ended June 30, 2012

REVENUES	
Property Taxes	\$ 90,203
Charges for Services Including Rent	22,999
Other Revenues	3,390
Interest Income	<u>86</u>
Total Revenue	<u>116,678</u>
EXPENDITURES	
General Government	134,378
Public Safety - Fire	8,113
Public Services	7,131
Culture and Recreation	<u>62,353</u>
Total Expenditures	<u>211,975</u>
Deficiency of Revenues Under Expenditures	(95,297)
OTHER FINANCING SOURCES	
Transfers from Other Funds	<u>103,128</u>
Total Other Financing Sources	<u>103,128</u>
Net Change in Fund Balance	7,831
Fund Balance - Beginning of Year	<u>287,509</u>
Fund Balance - End of Year	<u>\$ 295,340</u>

See accompanying notes to financial statements.

BAKER COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012

Net Change in Fund Balance - Governmental Fund	\$	7,831
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because:</p> <p>The governmental fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p> <p style="padding-left: 40px;">The amount of depreciation for the year is</p> <p style="padding-left: 40px;">Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental fund</p> <p style="padding-left: 40px;">Decrease in accrued vacation for the year is</p>		
		(33,893)
		<u>1,338</u>
Change in Net Assets of Governmental Activity	\$	<u>(24,724)</u>

See accompanying notes to financial statements.

BAKER COMMUNITY SERVICES DISTRICT
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2012

	Sewer Fund	Water Fund	Trash Fund	Television Fund	Total
CURRENT ASSETS					
Cash and Cash Equivalents	\$ -	\$ 34,376	\$ -	\$ -	\$ 34,376
Accounts Receivable, net	8,790	16,293	5,971	4,759	35,813
Prepaid Expenses	<u>4,585</u>	<u>4,572</u>	<u>8,581</u>	<u>697</u>	<u>18,435</u>
 Total Current Assets	 <u>13,375</u>	 <u>55,241</u>	 <u>14,552</u>	 <u>5,456</u>	 <u>88,624</u>
NON-CURRENT ASSETS					
Capital Assets					
Structures and Improvements, net of Accumulated Depreciation	29,355	-	-	-	29,355
Equipment, net of Accumulated Depreciation	<u>-</u>	<u>41,595</u>	<u>-</u>	<u>36</u>	<u>41,631</u>
 Net Capital Assets	 <u>29,355</u>	 <u>41,595</u>	 <u>-</u>	 <u>36</u>	 <u>70,986</u>
 Total Assets	 <u>\$ 42,730</u>	 <u>\$ 96,836</u>	 <u>\$ 14,552</u>	 <u>\$ 5,492</u>	 <u>\$ 159,610</u>
LIABILITIES					
Accounts Payable	\$ 322	\$ 3,107	\$ 73	\$ 494	\$ 3,996
Credit Card Payable	224	223	223	-	670
Accrued Compensated Absences	360	360	360	-	1,080
Customer Advance Payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,461</u>	<u>3,461</u>
 Total Current Liabilities	 <u>906</u>	 <u>3,690</u>	 <u>656</u>	 <u>3,955</u>	 <u>9,207</u>
 Total Liabilities	 <u>906</u>	 <u>3,690</u>	 <u>656</u>	 <u>3,955</u>	 <u>9,207</u>
NET ASSETS					
Invested in Capital Assets	29,355	41,595	-	36	70,986
Unrestricted Net Assets	<u>12,469</u>	<u>51,551</u>	<u>13,896</u>	<u>1,501</u>	<u>79,417</u>
 Total Net Assets	 <u>\$ 41,824</u>	 <u>\$ 93,146</u>	 <u>\$ 13,896</u>	 <u>\$ 1,537</u>	 <u>\$ 150,403</u>

See accompanying notes to financial statements.

BAKER COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN FUND NET ASSETS - PROPRIETARY FUNDS
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds				Total
	Sewer Fund	Water Fund	Trash Fund	Television Fund	
REVENUES					
Charges for Services	\$ 96,552	\$ 131,730	\$ 183,211	\$ -	\$ 411,493
Rental Income	-	-	-	86,151	86,151
Total Revenues	96,552	131,730	183,211	86,151	497,644
OPERATING EXPENSES					
Depreciation	6,973	16,236	64	62	23,335
Education	195	895	195	-	1,285
Fuel	3,226	3,864	12,522	-	19,612
Insurance	14,869	14,856	18,865	887	49,477
Licenses and Permits	-	5,183	1,885	5,335	12,403
Office Supplies	1,124	1,105	1,094	-	3,323
Payroll Taxes	832	821	2,330	392	4,375
Professional Services	7,245	-	-	-	7,245
Postage	267	268	268	-	803
Repairs and Maintenance	22,482	7,037	9,941	2,521	41,981
Retirement Fund - Employer	2,049	1,985	5,197	1,066	10,297
Supplies	1,806	3,934	11,936	-	17,676
Telephone	440	440	440	-	1,320
Travel	467	701	575	-	1,743
Utilities	3,256	29,666	-	4,404	37,326
Wages	31,716	30,686	82,644	17,189	162,235
Worker's Comp. Insurance	1,686	1,586	9,213	912	13,397
Total Expenses	98,633	119,263	157,169	32,768	407,833
Net Operating Income	(2,081)	12,467	26,042	53,383	89,811
Change in Fund Net Assets	(2,081)	12,467	26,042	53,383	89,811
Transfers Out	(7,661)	(21,428)	(24,398)	(49,641)	(103,128)
Net Assets Beginning of Year	51,566	102,107	12,252	(2,205)	163,720
Net Assets End of Year	\$ 41,824	\$ 93,146	\$ 13,896	\$ 1,537	\$ 150,403

See accompanying notes to financial statements.

BAKER COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds				
	Sewer Fund	Water Fund	Trash Fund	Television Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 100,887	\$ 125,416	\$ 183,945	\$ 84,392	\$ 494,640
Cash Payments to Suppliers	(93,226)	(103,885)	(159,547)	(34,751)	(391,409)
Net Cash Provided by Operations	<u>7,661</u>	<u>21,531</u>	<u>24,398</u>	<u>49,641</u>	<u>103,231</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Inter-fund Transfers	(7,661)	(21,428)	(24,398)	(49,641)	(103,128)
Net Cash (Used) in Non-Capital Financing Activities	<u>(7,661)</u>	<u>(21,428)</u>	<u>(24,398)</u>	<u>(49,641)</u>	<u>(103,128)</u>
Net Increase in Cash and Cash Equivalents	-	103	-	-	103
Cash and Cash Equivalents - Beginning of Year	-	34,273	-	-	34,273
Cash and Cash Equivalents - End of Year	<u>\$ -</u>	<u>\$ 34,376</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,376</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (2,081)	\$ 12,467	\$ 26,042	\$ 53,383	\$ 89,811
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:					
Depreciation	6,973	16,236	64	62	23,335
Decrease/(Increase) in Accounts Receivable	4,335	(6,314)	734	(1,759)	(3,004)
Increase/(Decrease) in Accounts Payable	116	826	73	494	1,509
Increase/(Decrease) in Credit Card Payable	(344)	(346)	(1,177)	-	(1,867)
Increase/(Decrease) in Compensated Absences	(1,338)	(1,338)	(1,338)	-	(4,014)
Increase/(Decrease) in Customer Advance Payments	-	-	-	(2,539)	(2,539)
Net Cash Provided by Operating Activities	<u>\$ 7,661</u>	<u>\$ 21,531</u>	<u>\$ 24,398</u>	<u>\$ 49,641</u>	<u>\$ 103,231</u>

See accompanying notes to financial statements.

BAKER COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 1 Summary of Significant Accounting Policies

ORGANIZATION AND PURPOSE

The Baker Community Services District was formed April 30, 1956 under Government Code Sections 61000 - 61891. The District provides water, parks and recreation, sewer, fire, television, and road maintenance services.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole. Individual funds are not displayed, but the statements distinguish governmental activities generally supported by taxes and District general revenues from business-type activities generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include charges for services which report fees, fines and forfeitures, and other charges to users of the District's services. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds. The district has one major fund for governmental funds and for the proprietary funds the individual enterprise funds are treated as major funds.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are found in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have 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.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or eliminations for internal activity (between or within funds). However, internal eliminations do not include utility services provided to District departments. Reimbursements are reported as reductions to expenses. Proprietary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied.

BAKER COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 1 Summary of Significant Accounting Policies (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenues available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest, claims and judgments, and compensated absences which are reported as expenditures in the year paid. Major revenue sources susceptible to accrual include property taxes and investment income. In general, other revenues are recognized when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the funds. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Allocation of Indirect Expense

The District allocates indirect expenses primarily comprised of central governmental services to operating functions and programs benefiting from those services. Central services include overall District management, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services and other central administrative services. Allocations are charged to programs based on use of central services determined by various allocation methodologies.

FUND TYPES AND MAJOR FUNDS

Governmental Funds

The District reports the following major governmental fund:

The District Fund, (the general fund of the District) reports as the primary fund for the District. This fund is used to account for all financial resources not reported in other funds.

Proprietary Funds

The District reports the following as its major proprietary funds.

- Sewer Utilities Fund – accounts for the operating activities of the District’s sewer services.
- Water Utilities Fund – accounts for the operating activities of the District’s water utilities services.
- Trash Fund – accounts for the operations of the District’s trash services.
- Television Fund – accounts for the operations of the District’s communication leases.

BAKER COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 1 Summary of Significant Accounting Policies (continued)

FUND BALANCE – GOVERNMENT FUNDS

The following classifications describe the relative strength of the spending constraints for the Organization's governmental funds:

- *Non-spendable fund balance* - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- *Restricted fund balance* - amounts constrained to specific purposes by their providers (such as grantors, contributors, or laws or regulations of other governments).
- *Committed fund balance* - amounts constrained to specific purposes by the Organization itself, using its Board of Directors as its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Organization takes the same highest level of action to remove or change the constraint.
- *Assigned fund balance* - amounts the Organization intends to use for a specific purpose. Intent can be expressed by management.
- *Unassigned fund balance* - amounts that are available for any purpose. Positive amounts can only be reported in the general fund.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Organization considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Organization considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Directors or management has provided otherwise in its commitment or assignment actions.

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

Cash and Cash Equivalents

The District maintains and controls cash accounts in which the government and proprietary funds share. Each fund's portion of the accounts is displayed on their respective balance sheet as "cash and cash equivalents."

The Districts cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments of the District are reported at fair value.

Accounts Receivable

The District considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is presented.

Prepays

Prepays record payments to vendors that benefit future reporting periods and are also reported on the consumption basis.

BAKER COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 1 Summary of Significant Accounting Policies (continued)

CAPITAL ASSETS, INFRASTRUCTURE, DEPRECIATION AND AMORTIZATION

The District's property, land, equipment and infrastructure with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Proprietary capital assets are reported in their respective fund financial statements. The District generally capitalizes assets with a cost of \$750 or more as purchase and construction outlays occur. The cost of normal maintenance and repairs that does not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

Estimated usual lives, in years, for depreciable assets are as follows:

Housing	25 years
Property	10-40 years
Equipment	3-10 years

LONG TERM DEBT

In the government-wide and proprietary fund financial statements, outstanding debt is reported as a liability. Bond issuance costs, if any, are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and other financing sources in the period that the proceeds are received.

DISTRICT HOUSING

The District maintains a residential housing unit for its on-call manager. Personal usage is estimated and charged at \$50 per month

USE OF ESTIMATES

The District used estimates and assumptions in preparing financial statements. Estimates affect assets, liabilities, disclosures of contingent liabilities, revenue and expenses. Actual results may differ from these estimates.

PUBLIC AGENCY RETIREMENT SERVICES – ALTERNATE RETIREMENT SYSTEM – “PARS-ARS”

The District enrolls their employees in “PARS-ARS” as an alternative of the payroll Social Security System. For the year ended June 30, 2012, the District contributed \$14,556 or 6.2% of payroll and the employees matched the contribution. This alternative is authorized by the Omnibus Budget Reconciliation Act of 1990.

BAKER COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 1 Summary of Significant Accounting Policies (continued)

PROPERTY TAXES

Property taxes are assessed under various legislative provisions, contained in Government Code and the Revenue and Taxation Code, by the County Assessor. Taxes on real property are limited to one percent of assessed valuation plus additional taxes for repayment of any existing voted indebtedness. The District receives a portion of the property tax income based on a formula prescribed in Section 26912(b) of the Government Code and Sections 95-100 of the California Revenue and Taxation Code and as amended by the passage of AB 454.

Secured property taxes are levied on or before the first business day of September of each year. They become a lien on real property on January 1st proceeding the fiscal year for which taxes are levied and can be paid in two installments. The first installment is November 1st of the following year and is delinquent April 10th. The District has entered into an agreement with the County of San Bernardino to receive its apportioned property taxes throughout the fiscal year.

INTERFUND BALANCES AND TRANSFERS

Activity between funds that are representative of lending/borrowing arrangements outstanding at year-end are referred to as due to/from other funds (i.e. current portion of interfund loans). Interfund transfers occur because the District received charges for services through the special revenues funds and transfers these funds to the general fund as expenditures are incurred or due to contractual requirements.

Note 2 Deposits

Deposits and investments are presented in the statement of net assets and the balance sheet as of June 30, 2012 as follows:

<u>Cash and Cash Equivalents</u>	<u>Fair Value</u>
Union Bank of California – demand deposits	\$ 291,914
Desert Community Bank – demand deposits	34,376
Cash on Hand	<u>2,392</u>
Total Cash and Cash Equivalents	<u>\$ 328,682</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Local financial institutions, under California state law are required to collateralize local government agency deposits in excess of FDIC insured amounts of \$250,000 per institution. As of June 30, 2012, the District's bank balances were fully insured.

BAKER COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 3 Capital Assets

Changes in Capital Assets

The following table provides a summary of changes in capital assets:

	<u>CAPITAL ASSETS NOT DEPRECIATED</u>		<u>CAPITAL ASSETS DEPRECIATED</u>		<u>Totals</u>
	<u>Land</u>	<u>Buildings</u>	<u>Furniture Machinery and Equipment</u>		
Governmental Activities					
Balance, July 1, 2010	\$ 63,747	\$ 742,016	\$ 229,395		\$ 1,035,158
Increases	-	-	-		-
Decreases	-	-	2,000		2,000
Balance, June 30, 2011	<u>63,747</u>	<u>742,016</u>	<u>227,395</u>		<u>1,033,158</u>
Accumulated Depreciation					
Balance July 1, 2010	-	478,672	195,317		673,989
Increases	-	21,922	11,971		33,893
Decreases	-	-	2,000		2,000
Balance, June 30, 2011	<u>-</u>	<u>500,594</u>	<u>205,288</u>		<u>705,882</u>
Governmental Activities					
Capital Assets, Net	<u>\$ 63,747</u>	<u>\$ 241,422</u>	<u>\$ 22,107</u>		<u>\$ 327,276</u>
Business-type Activities					
Balance, July 1, 2010	\$ -	\$ 759,586	\$ 567,365		\$ 1,326,951
Increases	-	-	-		-
Decreases	-	6,281	53,518		59,799
Balance, June 30, 2011	<u>-</u>	<u>753,305</u>	<u>513,847</u>		<u>1,267,152</u>
Accumulated Depreciation					
Balance, July 1, 2010	-	722,797	509,833		1,232,630
Increases	-	7,434	15,901		23,335
Decreases	-	6,281	53,518		59,799
Balance, June 30, 2011	<u>-</u>	<u>723,950</u>	<u>472,216</u>		<u>1,196,166</u>
Business-type Activities					
Capital Assets, Net	<u>\$ -</u>	<u>\$ 29,355</u>	<u>\$ 41,631</u>		<u>\$ 70,986</u>
	<u>\$ 63,747</u>	<u>\$ 270,777</u>	<u>\$ 63,738</u>		<u>\$ 398,262</u>

BAKER COMMUNITY SERVICES DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2012

Note 3 Capital Assets (continued)

Depreciation Expense

Depreciation expense was charged to functions of the government as follows:

	<i>Government Activity</i>	<i>Business-type Activity</i>	
General government	\$ 12,996	Sewage Treatment	\$ 6,973
Culture and Recreation	<u>20,897</u>	Water	16,236
	<u>\$ 33,893</u>	Solid Waste	64
		Television	<u>62</u>
			<u>\$ 23,335</u>

Note 4 Non-current Liabilities

Changes in non-current liabilities for the year ended June 30, 2012 are as follows:

	Beginning		Ending		Due Within
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
Government Activities					
Accounts Payable	\$ 1,981	\$ 4,478	\$ 1,981	\$ 4,478	\$ 4,478
Credit Card Payable	568	1,118	568	1,118	1,118
Payroll Tax Payable	-	8,589	-	8,589	8,589
Customer Advance Payments	-	8,100	-	8,100	8,100
Accrued Vacation	<u>1,698</u>	<u>360</u>	<u>1,698</u>	<u>360</u>	<u>360</u>
Total	<u>\$ 4,247</u>	<u>\$ 22,645</u>	<u>\$ 4,247</u>	<u>\$ 22,645</u>	<u>\$ 22,645</u>
Business-Type Activities					
Accounts Payable	\$ 2,487	\$ 3,996	\$ 2,487	\$ 3,996	\$ 3,996
Credit Card Payable	2,537	670	2,537	670	670
Accrued Vacation	5,094	1,080	5,094	1,080	1,080
Customer Advance Payments	<u>6,000</u>	<u>3,461</u>	<u>6,000</u>	<u>3,461</u>	<u>3,461</u>
Total	<u>\$ 16,118</u>	<u>\$ 9,207</u>	<u>\$ 16,118</u>	<u>\$ 9,207</u>	<u>\$ 9,207</u>
	<u>\$ 20,365</u>	<u>\$ 31,852</u>	<u>\$ 20,365</u>	<u>\$ 31,852</u>	<u>\$ 31,852</u>

SUPPLEMENTAL INFORMATION

BAKER COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES, EXPENSES
AND CHANGE IN FUND NET ASSETS - ALL FUNDS
For the Year Ended June 30, 2012

	District Fund	Sewer Fund	Water Fund	Trash Fund	Television Fund	Total
REVENUES						
Charges for Services	\$ 4,985	\$ 96,552	\$ 131,730	\$ 183,211	\$ -	\$ 416,478
Rental Income	<u>18,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,151</u>	<u>104,165</u>
Total Revenues	22,999	96,552	131,730	183,211	86,151	520,643
OPERATING EXPENSES						
Depreciation	33,893	6,973	16,236	64	62	57,228
Dues & Subscriptions	977	-	-	-	-	977
Education	1,142	195	895	195	-	2,427
Fuel	2,645	3,226	3,864	12,522	-	22,257
Insurance	53,624	14,869	14,856	18,865	887	103,101
Licenses & Permits	406	-	5,183	1,885	5,335	12,809
Office Supplies	3,831	1,124	1,105	1,094	-	7,154
Payroll Taxes	3,086	832	821	2,330	392	7,461
Postage	430	267	268	268	-	1,233
Professional Services	6,518	7,245	-	-	-	13,763
Repairs & Maintenance	8,899	22,482	7,037	9,941	2,521	50,880
Retirement Fund - Employer	4,269	2,049	1,985	5,197	1,066	14,566
Supplies	12,004	1,806	3,934	11,936	-	29,680
Telephone	4,039	440	440	440	-	5,359
Travel & Promotion	1,252	467	701	575	-	2,995
Utilities	18,898	3,256	29,666	-	4,404	56,224
Wages	80,700	31,716	30,686	82,644	17,189	242,935
Worker's Comp. Insurance	<u>7,917</u>	<u>1,686</u>	<u>1,586</u>	<u>9,213</u>	<u>912</u>	<u>21,314</u>
Total Expenses	<u>244,530</u>	<u>98,633</u>	<u>119,263</u>	<u>157,169</u>	<u>32,768</u>	<u>652,363</u>
Net Operating Income (Loss)	<u>(221,531)</u>	<u>(2,081)</u>	<u>12,467</u>	<u>26,042</u>	<u>53,383</u>	<u>(131,720)</u>
NON-OPERATING REVENUE (EXPENSES)						
Interest Income	86	-	-	-	-	86
Property Taxes	90,203	-	-	-	-	90,203
Other Income	<u>3,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,390</u>
Total Non-Operating Revenue (Expenses)	<u>93,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,679</u>
Change in Fund Net Assets	(127,852)	(2,081)	12,467	26,042	53,383	(38,041)
Transfers In and Out	103,128	(7,661)	(21,428)	(24,398)	(49,641)	-
Fund Balances Beginning of Year	<u>646,980</u>	<u>51,566</u>	<u>102,107</u>	<u>12,252</u>	<u>(2,205)</u>	<u>810,700</u>
Fund Balances End of Year	<u>\$ 622,256</u>	<u>\$ 41,824</u>	<u>\$ 93,146</u>	<u>\$ 13,896</u>	<u>\$ 1,537</u>	<u>\$ 772,659</u>

BAKER COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES, EXPENSES
AND CHANGE IN NET ASSETS - DISTRICT FUND
For the Year Ended June 30, 2012

	District Administration	Pool	Park	Street Lights	Fire Dept.	Road Dept.	Comm. Center	Senior Center	District Residence	District Fund
REVENUE										
Charges for Services	\$ -	\$ 4,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,985
Rental Income	13,625	-	-	-	-	-	3,589	200	600	18,014
Total Revenue	13,625	4,985	-	-	-	-	3,589	200	600	22,999
EXPENSES										
Depreciation	12,996	13	4,469	-	-	-	15,968	447	-	33,893
Dues & Subscriptions	977	-	-	-	-	-	-	-	-	977
Education & Texts	442	700	-	-	-	-	-	-	-	1,142
Fuel	2,202	109	-	-	243	91	-	-	-	2,645
Insurance	46,244	1,239	173	-	4,582	172	521	521	172	53,624
License & Permits	-	406	-	-	-	-	-	-	-	406
Office Supplies	3,831	-	-	-	-	-	-	-	-	3,831
Payroll Taxes	1,394	1,637	-	-	55	-	-	-	-	3,086
Postage	430	-	-	-	-	-	-	-	-	430
Professional Services	6,518	-	-	-	-	-	-	-	-	6,518
Repairs & Maintenance	4,916	859	-	-	617	-	1,254	649	604	8,899
Retirement Fund - Employer	2,968	1,267	-	-	34	-	-	-	-	4,269
Supplies	3,172	3,873	523	-	1,330	-	1,436	1,670	-	12,004
Telephone	2,665	745	-	-	-	-	629	-	-	4,039
Travel & Promotion	1,124	-	-	-	128	-	-	-	-	1,252
Utilities	-	2,759	-	6,868	-	-	3,064	3,257	2,950	18,898
Wages	46,198	33,462	-	-	1,040	-	-	-	-	80,700
Worker's Comp. Insurance	6,233	1,600	-	-	84	-	-	-	-	7,917
Total Expenses	142,310	48,669	5,165	6,868	8,113	263	22,872	6,544	3,726	244,530
Net Operating (Loss)	(128,685)	(43,684)	(5,165)	(6,868)	(8,113)	(263)	(19,283)	(6,344)	(3,126)	(221,531)
NON-OPERATING REVENUE										
Interest Income	86	-	-	-	-	-	-	-	-	86
Property Taxes	90,203	-	-	-	-	-	-	-	-	90,203
Other Income	3,390	-	-	-	-	-	-	-	-	3,390
Total Non- Operating Revenue (Exp.)	93,679	-	-	-	-	-	-	-	-	93,679
Change in Net Assets - District Fund	\$ (35,006)	\$ (43,684)	\$ (5,165)	\$ (6,868)	\$ (8,113)	\$ (263)	\$ (19,283)	\$ (6,344)	\$ (3,126)	\$ (127,852)

BAKER COMMUNITY SERVICES DISTRICT
COUNTY OF SAN BERNARDINO

June 30, 2012

DISTRICT OFFICERS

Number of Governing Body: Five (5) Members
Term of Office: Four (4) Years

<u>Name</u>	<u>Office</u>
Clark Bryner	Board President
Jessie Jenkins	Member
Rich Johnson	Member
Kenneth Hall	Member
Renee Jacobson	Member
Le Hayes	General Manager

BAKER COMMUNITY SERVICES DISTRICT
COUNTY OF SAN BERNARDINO

June 30, 2012

GENERAL INFORMATION

Audit Period:	July 1, 2011 through June 30, 2012
Type of District:	Community Services
Date of Formation:	April 30, 1956
Statutory Authority:	Government Code Sections 61000 - 61891
Location of District Record of Books:	District Offices, Baker, CA
Period Covered by Last Audit:	July 1, 2010 through June 30, 2011
Funds Maintained by District:	District Fund Water Fund Television Fund Sewer Fund Trash Fund
Location of Depository of District Moneys:	Desert Community Bank 12530 Hesperia Rd. #101 Victorville, CA 92392 Union Bank of California 239 E. Main St. Barstow, CA 92311

BAKER COMMUNITY SERVICES DISTRICT
SUMMARY OF INSURANCE COVERAGE
June 30, 2011

<u>Coverage</u>	<u>Amount</u>	<u>Expiration Date</u>
Comprehensive General Liability	\$ 8,000,000	6/30/2012
Errors and Omissions	\$ 8,000,000	6/30/2012
Auto Liability	\$ 6,000,000	6/30/2012
Fidelity Bond	\$ 250,000	6/30/2012
Property and Equipment	\$ 2,236,838	6/30/2012
Worker's Compensation	Covered	

