

5. Daggett Community Services District

a. Audit for FY 2011-12

Attachment 5a

**DAGGETT
COMMUNITY SERVICES DISTRICT**

FINANCIAL STATEMENTS
(With Independent Auditor's Report Thereon)

June 30, 2012

DAGGETT COMMUNITY SERVICES DISTRICT
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2012

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Independent Auditor's Report

Board of Directors
Daggett Community Services District

I have audited the accompanying financial statements of the governmental activities and the major fund of the Daggett Community Services 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 opinions on these financial statements based on my audit.

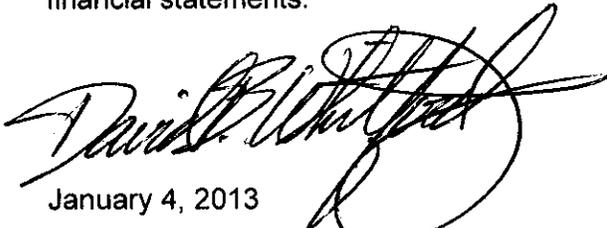
I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, 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 presentation of the financial statements. I believe that my audit provides a reasonable basis for my opinions.

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

Budgetary and comparison information, on pages 16 through 19, are not a required part of the basic financial statements but are supplementary information required by accounting principals generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Daggett Community Services District's basic financial statements. The supplementary information contained on pages 20 and 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, I express no opinion on it.

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


January 4, 2013

**DAGGETT COMMUNITY SERVICES DISTRICT
BALANCE SHEET/STATEMENT OF NET ASSETS
GOVERNMENT WIDE
June 30, 2012**

	General Fund	Reconciling Items	Governmental Activities	Business-Type Activities	Statement of Net Assets
<u>Assets:</u>					
Cash and investments	158,753	-	158,753	92,865	251,618
Taxes Receivable	16,451	-	16,451	-	16,451
Accounts Receivable	-	-	-	24,230	24,230
Prepaid Expenses	-	-	-	-	-
Land	-	31,679	31,679	10,280	41,959
Other Capital Assets, net of accumulated depreciation (Note B)	-	-	-	-	-
	-	120,609	120,609	261,709	382,318
Amount to be Provided for Bond Issue	32,096	-	32,096	-	32,096
Prepaid Expenses	11,652	-	11,652	-	11,652
Total Assets	218,952	152,288	371,240	389,084	760,324
<u>Liabilities:</u>					
Accounts Payable	3,642	-	3,642	8,290	11,932
Salaries and Benefits Payable	5,241	-	5,241	6,836	12,077
Deferred Revenue	15,671	(15,671)	-	-	-
Bond Issue Payable	38,000	-	38,000	44,050	82,050
Total Liabilities	62,554	(15,671)	46,883	59,176	106,059
<u>FUND BALANCE / NET ASSETS</u>					
Fund Balance:					
Reserved for Bond Payment	1,000				
Reserved for Park Development	2,207				
Unreserved	153,191				
Total Fund Balance	156,398	(156,398)			
Total Liabilities and Fund Balances	218,952				
Net Assets:					
Invested in Capital Assets net of related debt		152,288	152,288	271,989	424,277
Interfund Transfers		131,680	131,680	(131,680)	-
Unrestricted		40,389	40,389	189,599	229,988
Total Net Assets		-	324,357	329,908	654,265

See Accountant's Report and accompanying notes

DAGGETT COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND FUND BALANCE
GOVERNEMENT WIDE
For The Fiscal Year Ended June 30, 2012

	Government Funds	Reconciling Items	Governmental Activities	Business-Type Activities	Statement of Activities
REVENUES					
Property Taxes	97,610	2,726	100,336	-	100,336
Use of Money and Property	1,467	-	1,467	57	1,524
Water Utility Fund	-	-	-	171,979	171,979
Other Revenue	-	-	-	6,854	6,854
Total Revenue	99,077	2,726	101,803	178,890	280,693
EXPENDITURES					
Personal Services	52,306	-	52,306	25,594	77,900
Fire	24,747	-	24,747	-	24,747
Parks	24,934	-	24,934	-	24,934
Street Lighting	4,778	-	4,778	-	4,778
Water Services	-	-	-	115,831	115,831
Administration	29,996	-	29,996	-	29,996
Depreciation	-	9,614	9,614	-	9,614
Capital Outlay	-	-	-	-	-
Debt Services					
Bond Principle Retirement	4,000	-	4,000	-	4,000
Bond Interest and Fees	2,000	-	2,000	2,453	4,453
Capital Lease Interest and Fees					
Total Expenditures	142,761	9,614	152,375	143,878	296,253
Excess of Revenue over/(under) Expenditures	(43,684)	(6,888)	-	35,012	35,012
Change in Net Assets	-	-	(50,572)	-	(50,572)
Prior Year Adjustment	(177)	-	(177)	-	(177)
Fund Balance / Net Assets June 30, 2011	131,761	-	314,046	351,923	665,969
Prior Period Correction	-	-	792	3,241	4,033
Fund Balance / Net Assets June 30, 2011 as corrected	-	-	314,838	355,164	670,002
Interfund Transfers Water Utility Fund	60,268	-	60,268	(60,268)	-
Interfund Transfers Park Fund	-	-	-	-	-
Fund Balance / Net Assets June 30, 2012	148,168	-	324,357	329,908	654,265

See Accountant's Report and accompanying notes

**DAGGETT COMMUNITY SERVICES DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012**

	General Fund	Reconciling Items	Governmental Activities
Assets			
Cash and Investments	158,753	-	158,753
Taxes Receivable	16,451	-	16,451
Accounts Receivable	-	-	-
Prepaid Expenses	-	-	-
Land	-	31,679	31,679
Other Capital Assets, net of accumulated depreciation (Note B)	-	120,609	120,609
Amount to be Provided for Bond Issue	32,096	-	32,096
Prepaid Insurance	11,652	-	11,652
Total Assets	218,952	152,288	371,240
Liabilities			
Accounts Payable	3,642	-	3,642
Salaries and Benefits Payable	5,241	-	5,241
Deferred Revenue	15,671	(15,671)	-
Bond Issue Payable	38,000	-	38,000
Total Liabilities	62,554	(15,671)	46,883
Fund Balance / Net Assets			
Fund Balance:			
Reserved for Bond Payment	1,000		
Reserved for Park Development	2,207		
Unreserved	153,191		
Total Fund Balance	156,398	(156,398)	
Total Liabilities and Fund Balances	218,952		
Net Assets:			
Invested in Capital Assets, net of related debt		152,288	152,288
Interfund Transfers		131,680	131,680
Unrestricted		40,389	40,389
Total Net Assets		-	324,357

See Accountant's Report and accompanying notes

**DAGGETT COMMUNITY SERVICES DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended June 30, 2012**

	General Fund	Debt Service Fund	Reconciling Items	Statement of Activities
REVENUES				
Taxes	91,328	6,282	2,726	100,336
Use of Money and Property	1,467	-	-	1,467
Aid from Other Government Agencies	-	-	-	-
Other Revenue	-	-	-	-
Total Revenue	92,795	6,282	2,726	101,803
EXPENDITURES				
Personal Services	52,306	-	-	52,306
Fire	24,747	-	-	24,747
Parks	24,934	-	-	24,934
Street Lighting	4,778	-	-	4,778
Administration	29,996	-	-	29,996
Depreciation	-	-	9,614	9,614
Capital Outlay	-	-	-	-
Debt Services				
Bond Principle Retirement	-	4,000	-	4,000
Bond Interest and Fees	-	2,000	-	2,000
Capital Lease Interest and Fees	-	-	-	-
Total Expenditures	136,761	6,000	9,614	152,375
Excess of Revenue over (under) Expenditures	(43,966)	282	(6,888)	
Change in Net Assets	-	-	-	(49,780)
Prior Year Adjustment	(177)	-	(177)	(177)
Fund Balance / Net Assets June 30, 2011	126,139	5,622	-	314,046
Interfund transfers Water Utility Fund	60,268	-	-	60,268
Interfund transfers Park Fund	-	-	-	-
Fund Balance /Net Assets June 30, 2012	<u>142,264</u>	<u>5,904</u>	<u>-</u>	<u>324,357</u>

See Accountant's Report and accompanying notes

DAGGETT COMMUNITY SERVICES DISTRICT
 BUSINESS-TYPE BALANCE SHEET
 WATER UTILITY FUND
 June 30, 2012

ASSETS

Cash and Investments	92,865
Accounts Receivable	24,230
Land	10,280
Other Capital Assets, net of accumulated depreciation (see note B)	261,709
Total Assets	389,084

LIABILITIES

Accounts Payable	8,290
Salaries and Benefits Payable	6,836
Deferred Revenue	-
Bond Issue Payable	
Due within one year	5,000
Due one year after	39,050
Total Liabilities	59,176

NET ASSETS

Invested in Capital Assets, net of related debt	271,989
Interfund Transfers	(131,680)
Unrestricted	189,599
Total Net Assets	329,908

See Accountant's Report and accompanying notes

**DAGGETT COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES,
EXPENDITURES AND CHANGE IN FUND EQUITY
WATER UTILITY FUND
For the Fiscal Year Ended June 30, 2012**

OPERATING REVENUES	
Water Sales	
Residential	43,048
Business	128,931
	<u>171,979</u>
OPERATING EXPENDITURES	
Salaries & Employee Benefits	
Regular Salaries	21,666
Employee Benefits	3,928
	<u>25,594</u>
SERVICES AND SUPPLIES	
Communications	1,877
Insurance	-
Maintenance - Equipment	40,929
Maintenance - Structure	-
Office Expense	5,148
Auditing	3,600
Rent and Leases	-
Water Testing	2,664
Utilities	34,160
Depreciation and Amortization	19,105
Water master	6,256
Miscellaneous	2,092
	<u>115,831</u>
Total Services and Supplies	<u>115,831</u>
Total Operating Expenditures	<u>141,425</u>
Income/(Loss) from Operations	<u>30,554</u>
NON-OPERATING REVENUE	
Interest	57
Connection Fee	70
Other	6,784
	<u>6,911</u>
Total Non-Operating Revenue	<u>6,911</u>
OTHER NON-OPERATING ITEMS	
Interest on Long Term Debt	(2,453)
	<u>(2,453)</u>
Total Other Non-Operating Items	<u>(2,453)</u>
NET INCOME (LOSS)	<u>35,012</u>
Net Assets - June 30, 2011	351,923
Prior Period Correction	3,241
Net Assets - June 30, 2011, as Corrected	<u>355,164</u>
Interfund Transfers	(60,268)
Retained Earnings, June 30, 2012	<u>329,908</u>

See Accountant's Report and accompanying notes

DAGGETT COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS
WATER UTILITY FUND
For the Fiscal Year Ended June 30, 2012

Cash Flow from Operating Activities	
Net income from operation	38,253
Adjustment to Reconciled Net Income to Net Cash	
Provided by Operating Activities:	
Depreciation expense	19,106
Prior Period Correction	-
Change in accounts receivable	(3,003)
Change in interfund transfers	(60,268)
Change in accounts payable	5,574
Change in other current liabilities	2,570
Change in intangible assets	-
Net Cash Provided by (used by) Operating Activities	<u>2,232</u>
 Cash Flows from Investment Activities	
Investment in Water Rights	-
Investment in fixed assets	-
Net Cash Provided by (used by) Investing Activities	<u>-</u>
 Cash Flows from Financing Activities	
Change in long term liabilities	<u>(5,000)</u>
Net Cash Provided by (used by) Financing Activities	<u>(5,000)</u>
 Net increase (decrease) in cash	<u>(2,768)</u>
 Cash at beginning of period	<u>95,633</u>
 Cash at end of period	<u><u>92,865</u></u>
 Composition of Cash At Period End	
Cash on hand and in checking	70,486
Cash in savings	<u>22,379</u>
Total Composition of Cash at Period End	<u><u>92,865</u></u>

See Accountant's Report and accompanying notes

DAGGETT COMMUNITY SERVICES DISTRICT
June 30, 2012

NOTES TO THE FINANCIAL STATEMENTS

Summary of significant accounting policies:

The District has two funds for recording monies. The General fund receives and disburses all monies for the regular business of the district which is fire, lighting and parks. A Debt Service Fund collects tax revenues and pays the interest and principal on the General Obligation Bonds.

The Water Utility Fund is a separately maintained proprietary account for receipts and disbursements of water delivery items, including the Revenue Bonds.

Basis of Accounting:

The accounts of the District are organized on the basis of funds or groups of accounts, each of which is considered to be a separate accounting entity. The general fund summarizes all District financial activities. The current financial resources measurement focus and the modified accrual basis of accounting are followed for the general fund for financial reporting purposes. Under the modified accrual basis of accounting, expenditures are recorded when the liability is incurred and revenue is recorded when received in cash unless susceptible to accrual, i.e., measurable and available to finance the District's operations.

The District has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, "Basic Financial Statements – and Managements Discussion and Analysis – for State and Local Governments", as of July 1, 2003. The government wide financial statements are prepared using the flow of economic resources and the accrual basis of accounting. In the accrual basis of accounting, expenses and revenues are recorded in the period they occur when the amounts can be identified and measured. Depreciable capital assets are reported in the statement of net assets net of accumulated depreciation.

The District has elected to combine its fund and government-wide financial statements.

Cash

Cash held by the District at June 30, 2012, consisted of the following:

Petty Cash	35
On deposit	<u>251,583</u>
Total	<u><u>251,618</u></u>

Deposits and Investments

The District has adopted an investment policy in accordance with Section 53601 of the California Government Code. The District may invest in the following investment types:

- Securities of the U.S. Government, or its agencies

DAGGETT COMMUNITY SERVICES DISTRICT
June 30, 2012

NOTES TO FINANCIAL STATEMENTS

Deposits and Investments (continued)

- Certificates of Deposit (or Time Deposits)
- Negotiable Certificates of Deposit
- Local Agency Investment Fund (State Pool) Demand Deposits
- Other investments that are, or may become, legal investments through the State of California Code and with prior approval.

The deposits of the District are entirely insured or collateralized with securities held by the District or held by its agent in the name of the District.

Account Group

The accounting and reporting treatment applied to the General Fixed Assets associated with a fund is determined by its measurement focus. All Governmental Funds are accounted for on a spending or "financial flow" measurement focus.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. The long term debt is recorded in the Debt Service account group.

Property Taxes

Real property taxes are levied on October 15, against owners of record at March 1. The taxes are due in two installments, on November 1 and February 1, and become delinquent after December 10 and April 10, respectively. Tax liens attach annually as of 12:01am on the first day of March in the fiscal year for which the taxes are levied. Property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided it is collected within 60 days of the end of the fiscal year.

Accounting Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

Risk Management

The District is exposed to various risks of loss related to torts; theft of or damage to, or destruction of assets; errors or omissions; injuries to employees and the public; or acts of God. For the year ended June 30, 2011, the District has provided for protection against possible losses with insurance.

Taxes Receivable

Taxes receivable reflect monies due to the District at the fiscal year end that have been levied and an enforceable legal claim exists. Deferred taxes represent the portion of the levied tax revenue

DAGGETT COMMUNITY SERVICES DISTRICT
June 30, 2012

NOTES TO FINANCIAL STATEMENTS

Taxes Receivable (continued)

that is not expected to be received and available for use within 60 days of the fiscal year end.

	General Fund	Statement of Net Assets
County Tax Revenue	-	2,726
Deferred Tax Revenue	15,671	-
	15,671	2,726

NOTE B: CAPITAL ASSETS

Capital assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the general fund and in the government wide financial statements are capitalized at cost, or at estimated historical costs if original cost is not available, and contributions are recorded at fair value at the date received. Depreciation is provided on depreciable capital assets in the government wide financial statements over their estimated useful lives on the straight-line method.

A summary of changes in capital assets is as follows:

GENERAL FUND				
	Beginning Balance	Additions	Retirements	Ending Balance
Asset (at cost):				
Land	\$ 31,679	\$ -	\$ -	\$ 31,679
Structures and improvements	248,417	-	-	248,417
Equipment	240,604	-	-	240,604
	\$ 520,700	\$ -	\$ -	\$ 520,700
Total Assets (at cost)				
Allowance for Depreciation and Amortization	Beginning Balance	Additions	Deletions	Ending Balance
Structures and improvements	133,727	6,910	-	\$ 140,637
Equipment	225,072	2,703	-	227,775
Intangible Cost	-	-	-	-
	\$ 358,799	\$ 9,613	\$ -	\$ 368,412
Total Depreciation and Amortization				

DAGGETT COMMUNITY SERVICES DISTRICT
June 30, 2012

NOTES TO FINANCIAL STATEMENTS

WATER FUND

<u>Assets (at cost):</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Land	\$ 10,280	\$ -	\$ -	\$ 10,280
Structures and improvements	337,698	-	-	337,698
Equipment	995,911	-	-	995,911
Intangible cost	112,415	-	-	112,415
<u>Total Assets (at cost)</u>	<u>\$ 1,456,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,456,304</u>

<u>Allowance for Depreciation and Amortization</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Structures and improvements	188,336	11,524	-	\$ 199,860
Equipment	889,435	7,582	-	897,017
Intangible cost	87,438	-	-	87,438
<u>Total Depreciation and Amortization</u>	<u>\$ 1,165,209</u>	<u>\$ 19,106</u>	<u>\$ -</u>	<u>\$ 1,184,315</u>

The District General Fund has one bond issue outstanding as follows:

<u>1979 General Obligation Bond - 5% Interest</u>	<u>Balance June 30, 2011</u>	<u>Paid</u>	<u>Balance June 30, 2012</u>
	<u>\$ 42,000</u>	<u>\$ 4,000</u>	<u>\$ 38,000</u>

The Balance is payable as follows:

FYE: June 30, 2013	\$ 3,000
FYE: June 30, 2014	3,000
FYE: June 30, 2015	3,000
FYE: June 30, 2016	3,000
FYE: June 30, 2017 and thereafter	26,000
	<u>\$ 38,000</u>

DAGGETT COMMUNITY SERVICES DISTRICT
June 30, 2012

NOTES TO FINANCIAL STATEMENTS

Budgetary Procedure

Prior to the beginning of each fiscal year, the Board of Directors adopts and files an itemized statement of estimated operating expenditures, reserve requirements and anticipated revenues, other than taxes, with the San Bernardino Auditor-Controller. The source of financing for these cost and reserve requirements are; 1) the available fund balance carried forward from the preceding year; 2) revenue other than property taxes, and 3) property taxes. Each year appropriations lapse at year end.

Accounts Receivable

Accounts receivable reflect monies due at the fiscal year end that were received and available for use within 60 days of that date.

	<u>General Fund</u>
County Tax Revenue	<u>\$3,210</u>
	<u>Water Company</u>
Receivable from Customers	<u>\$24,230</u>
	<u>Debt Service</u>
County Tax	<u>\$0</u>

The Water Utility Fund has one bond issue outstanding as follows:

<u>1980 Revenue Bonds -</u>	Balance		Balance
<u>5% Interest</u>	June 30, 2011	Paid	June 30, 2012
	<u>\$ 49,050</u>	<u>\$ 5,000</u>	<u>\$ 44,050</u>

The Principal is payable as follows:

FYE: June 30, 2013	\$ 4,000
FYE: June 30, 2014	4,000
FYE: June 30, 2015	4,000
FYE: June 30, 2016	4,000
FYE: June 30, 2017 and thereafter	28,050
	<u>\$ 44,050</u>

DAGGETT COMMUNITY SERVICES DISTRICT
Comparative Statement of Revenues,
Expenditures and Change in Fund Balances
General Fund
For the Fiscal Years Ended June 30, 2011 and June 30, 2012
REQUIRED SUPPLEMENTARY INFORMATION

	General Fund 2011	General Fund 2012	Difference
REVENUE			
Taxes	90,221	91,328	1,107
Use of Money and Property	865	1,467	602
Aid from Other Government Agencies	-	-	-
Other Revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenue	91,086	92,795	1,709
EXPENDITURES			
Personal Service	17,393	52,306	34,913
Fire	22,778	24,747	1,969
Parks	22,950	24,934	1,984
Street Lighting	3,693	4,778	1,085
Administration	17,442	29,996	12,554
Capital Outlay	-	-	-
Debt Service			
Bond Principal Retirement	-	-	-
Bond Interest and Fees	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	84,256	136,761	52,505
Excess of Revenue over (under) Expenditures	6,830	(43,966)	(50,796)
Prior Year Adjustment	(3)	(177)	
Fund Balance June 30, 2010 & 2011	96,958	126,139	
Interfund transfers Water Utility	22,354	60,268	
Interfund transfers Park Fund	-	-	
Fund Balance June 30, 2011 & 2012	<hr/> <hr/>	<hr/> <hr/>	

DAGGETT COMMUNITY SERVICES DISTRICT
Statement of Revenues, Expenditures and Change
In Fund Equity, Budget, and Actual
General Fund
For the Fiscal Year Ended June 30, 2012
REQUIRED SUPPLEMENTARY INFORMATION

	Budget 2012	Amounts 2012	Over/(Under) Budget
Revenue:			
Taxes	78,000	91,328	13,328
Use of Money and Property	2,300	1,467	(833)
Aid from Other Government Agencies	-	-	-
Other Revenue	9,600	-	(9,600)
	Total Revenue	89,900	92,795
			2,895
Expenditures			
Personal Services	24,000	52,306	28,306
Fire	9,500	24,747	15,247
Parks	3,500	24,934	21,434
Street Lighting	3,300	4,778	1,478
Administration	40,600	29,996	(10,604)
Capital Outlay	9,000	-	(9,000)
Debt Service			
Bond Principal Retirement	-	-	-
Bond Interest and Fees	-	-	-
Capital Lease Interest and Fees	-	-	-
	Total Expenditures	89,900	136,761
			46,861
Excess of Revenue over (under) Expenditures	-	(43,966)	(43,966)
Prior Year Adjustment	-	(177)	(177)
Fund Balance June 30, 2011	-	126,139	
Interfund transfers Water Utility Fund	-	60,268	
Interfund transfers Park Fund	-	-	
Fund Balance June 30, 2012	-	142,264	

DAGGETT COMMUNITY SERVICES DISTRICT
Comparative Statement of Revenues,
Expenditures and Change in Fund Equity
Water Utility Fund
For the Fiscal Years Ended June 30, 2011 and 2012
REQUIRED SUPPLEMENTARY INFORMATION

	Actual 2011	Actual 2012	Difference
OPERATING REVENUES			
Water Sales			
Residential	40,807	43,048	2,241
Business	122,201	128,931	6,730
Total Revenue	163,008	171,979	8,971
OPERATING EXPENDITURES			
Salaries & Employee Benefits			
Regular Salaries	18,589	21,666	3,077
Employee Benefits	1,964	3,928	1,964
Total Salaries & Employee Benefits	20,553	25,594	5,041
SERVICES AND SUPPLIES			
Communications	1,890	1,877	(13)
Insurance	-	-	-
Maintenance - Equipment	16,545	40,929	24,384
Maintenance - Structure	(3,379)	-	3,379
Office Expense	3,171	5,148	1,977
Auditing	9,450	3,600	(5,850)
Rent and Leases	1,697	-	(1,697)
Water Testing	1,020	2,664	1,644
Transportation and Travel	-	-	-
Utilities	29,545	34,160	4,615
Depreciation and Amortization	19,604	19,105	(499)
Watermaster	682	6,256	5,574
Miscellaneous	748	2,092	1,344
Total Services and Supplies	80,973	115,831	34,858
Total Operating Expenditures	101,526	141,425	39,899
Income/(Loss) From Operations	61,482	30,554	(30,928)
NON-OPERATING REVENUE			
Interest	69	57	(12)
Connection Fee	70	70	-
Other	1,255	6,784	5,529
Total Non-Operating Revenue	1,394	6,911	5,517
OTHER NON-OPERATING ITEMS			
Interest on Long Term Debt	(2,703)	(2,453)	250
Total Other Non-Operating Items	(2,703)	(2,453)	250
Net Income (Loss)	60,173	35,012	(25,161)
Retained Earnings, June 30, 2010 and 2011	314,071	351,923	
Prior Year Correction	33	3,241	
Retained Earnings, June 30, 2010 and 2011, As Corrected	314,104	355,164	
Interfund Transfers	(22,354)	(60,268)	
Retained Earnings, June 30, 2011 and 2012	<u>351,923</u>	<u>329,908</u>	

DAGGETT COMMUNITY SERVICES DISTRICT
Statement of Revenues, Expenditures
And Change in Fund Equity, Budget and Actual
Water Utility Fund
For the Fiscal Year Ended June 30, 2012

	Budget 2012	Actual 2012	Over/(under) Budget
OPERATING REVENUES			
Water Sales			
Residential	-	43,048	-
Business	-	128,931	-
Total Revenue	79,855	171,979	92,124
OPERATING EXPENDITURES			
Salaries & Employee Benefits			
Regular Salaries	16,000	21,666	5,666
Employee Benefits	3,950	3,928	(22)
Total Salaries & Employee Benefits	19,950	25,594	5,644
SERVICES AND SUPPLIES			
Communications	1,000	1,877	877
Insurance	1,730	-	(1,730)
Maintenance - Equipment	5,000	40,929	35,929
Maintenance - Structure	6,000	-	(6,000)
Office Expense	1,325	5,148	3,823
Auditing	2,100	3,600	1,500
Rent and Leases	1,000	-	(1,000)
Water Testing	1,500	2,664	1,164
Transportation and Travel	1,000	-	(1,000)
Utilities	25,000	34,160	9,160
Depreciation and Amortization	-	19,105	19,105
Watermaster	5,300	6,256	956
Miscellaneous	2,700	2,092	(608)
Total Services and Supplies	53,655	115,831	62,176
Total Operating Expenditures	73,605	141,425	67,820
Income/(Loss) From Operations	6,250	30,554	24,304
NON-OPERATING REVENUE			
Interest	-	57	57
Connection Fee	-	70	70
Other	-	6,784	6,784
Total Non-Operating Revenue	-	6,911	6,911
OTHER NON-OPERATING ITEMS			
Interest on Long Term Debt	(6,000)	(2,453)	(3,547)
Total Other Non-Operating Items	(6,000)	(2,453)	(3,547)
NET INCOME (LOSS)	250	35,012	35,262
Retained Earnings, June 30, 2010		351,923	
Prior Period Correction		3,241	
Retained Earnings, June 30, 2010, as Corrected		355,164	
Interfund Transfers		(60,268)	
Retained Earnings, June 30, 2011		329,908	

DAGGETT COMMUNITY SERVICES DISTRICT
June 30, 2012

GENERAL INFORMATION

Type of Governmental Unit — Special District
Date of Formation — January 3, 1955
Statutory Authority — California Government Code,
 Section 61000, et seq., Title 6
 Division 2, Part 5.
Audit Period — July 1, 2011 thru June 30, 2012
Formed in County of — San Bernardino, California
Governing Body — Board of Directors

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Vacant	Director	November 2015
Mentie Hazelett	Director	November 2013
Robert Whipple	Director	November 2015
Joseph Morris, Jr.	Director	November 2013
Karen A. Golden	Director	November 2015

Other Officer — Beryl Bell
 Secretary

Method of Accounting — Modified Accrual / Accrual

Districts' Funds — General Fund
 Water Utility Fund
 Debt Service Fund

Location of Financial Records — 33703 Second Street
 Daggett, California 92327

Depository

Chase Bank
 1291 East Main Street
 Barstow, California 92311

San Bernardino County Treasurer
 County of San Bernardino
 San Bernardino, California

Union Bank of California
 239 East Main Street
 Barstow, California 92311

DAGGETT COMMUNITY SERVICES DISTRICT
SUMMARY OF INSURANCE
AS OF June 30, 2012

<u>COVERAGE</u>	<u>INSURING COMPANY</u>	<u>POLICY PERIOD</u>
<u>Fire, Lighting, Extended Coverage</u>	Special District Risk Management Authority (SDRMA)	July 1, 2011 to June 30, 2012
<u>Property and Contents</u> \$ 1,000,000,000	(SDRMA)	
<u>Property Coverage</u> \$ 50,000,000	Travelers Indemnity Policy Number KTJCMB230-T7858-98	
<u>Comprehensive General Liability</u> \$ 10,000,000		
<u>Auto Liability</u> \$ 10,000,000		
<u>Fidelity Bond</u> \$ 400,000	(SDRMA)	
<u>Excess Liability</u> \$ 10,000,000	Insurance Company of the State of Pennsylvania 4797-2053	
<u>Worker's Compensation Insurance:</u> All District employees are covered by State Compensation Insurance Fund Policy	State Compensation Insurance Fund FDAC - FASIS	

Note: See insurance papers and policies for actual terms and conditions.