

**LAKE BARCROFT WATERSHED IMPROVEMENT DISTRICT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

AND

INDEPENDENT AUDITORS' REPORT

JUNE 30, 2012

LAKE BARCROFT WATERSHED IMPROVEMENT DISTRICT

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

JUNE 30, 2012

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statement	
Statement of Cash Receipts and Disbursements	2
Notes to Financial Statement.....	3-4



CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Lake Barcroft Watershed
Improvement District
Falls Church, Virginia

We have audited the accompanying statement of cash receipts and disbursements of the Lake Barcroft Watershed Improvement District (WID) for the year ended June 30, 2012. This financial statement is the responsibility of the WID's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

As described in Note 1, this financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the statement of cash receipts and disbursements referred to above presents fairly, in all material respects, the cash receipts and disbursements of Lake Barcroft Watershed Improvement District for the year ended June 30, 2012, on the basis of accounting described in Note 1.

Jones & McIntyre, PLLC

December 3, 2012

LAKE BARCROFT WATERSHED IMPROVEMENT DISTRICT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

RECEIPTS

WID tax receipts	\$	927,933
Investment income		7,206
Reimbursements		2,682
Other income		510
Total	\$	938,331

DISBURSEMENTS

Operations:		
WID staff payroll and benefits	\$	403,877
Administrative		41,908
Utilities		17,092
Environment		13,666
Maintenance		33,215
Operations - Total	\$	509,758
Dredging		82,596
Capital expenditures		50,800
Dam renovation		131,994
Total	\$	775,148

EXCESS OF RECEIPTS OVER DISBURSEMENTS \$ 163,183

Cash and investment accounts, beginning of year		1,110,190
Cash and investment accounts, end of year	\$	1,273,373

Details of cash and investment accounts, end of year

Operating cash	\$	343,377
Certificates of Deposit		929,996
	\$	1,273,373

See accompanying notes to financial statement.

LAKE BARCROFT WATERSHED IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENT

JUNE 30, 2012

Note 1. Organization and Summary of Significant Accounting Policies

Organization

On January 31, 1973, the directors of the Northern Virginia Soil and Water Conservation District declared that Lake Barcroft Watershed Improvement District (WID) was duly organized as a governmental subdivision of the Commonwealth of Virginia. The primary responsibilities of the WID are the conservation of Lake Barcroft and its inherent environmental qualities, as well as the operation and maintenance of the Lake Barcroft dam. WID operations are overseen by an appointed Board of Trustees (three Lake Barcroft residents) along with the WID staff, consultants, and contractors.

Basis of Presentation

The statement of cash receipts and disbursements is prepared on the cash basis of accounting. Under this method, revenue is recognized as received and expenses are recognized when paid. Accordingly, the statement of cash receipts and disbursements is not intended to present revenue and expenditures in conformity with generally accepted accounting principles.

Income Taxes

As a governmental subdivision of the Commonwealth of Virginia, the WID is exempt from federal and state income taxes.

WID Tax Receipts

Fairfax County assesses and collects the special assessment. Collections are remitted to the WID as received. The special assessment rate is determined annually by the WID for the next fiscal year based on projected financial requirements.

Estimates

The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements during the reporting period. Actual results could differ from those estimates.

Note 2. Retirement Plan

On July 1, 1991, the WID adopted a Simplified Employee Pension Plan IRA (SEP) covering all full time employees who meet length of service and age requirements. Annual contributions to the SEP are determined by the trustees (currently set at 10% of employee compensation). Contributions paid for the year ended June 30, 2012 were \$27,360.

LAKE BARCROFT WATERSHED IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENT (CONCLUDED)

JUNE 30, 2012

Note 3. Cash

The operating cash account includes \$343,377 held at Charles Schwab. These funds are not insured by the federal government, but are insured up to a maximum of \$250,000 by the Securities Investor Protection Corporation. Certificates of deposit include five certificates of deposit at different banks totaling \$929,996. The certificates are insured by FDIC.

Note 4. Subsequent Events

Management has evaluated subsequent events through December 3, 2012 and has concluded no significant subsequent events meet the criteria of professional accounting standards to be recognized or disclosed in the financial statements.