

**LAKE BARCROFT WATERSHED IMPROVEMENT DISTRICT**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**  
**JUNE 30, 2011**

**LAKE BARCROFT WATERSHED IMPROVEMENT DISTRICT**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

**JUNE 30, 2011**

**CONTENTS**

	<u>Page</u>
<b>Independent Auditors' Report</b> .....	1
<b>Financial Statement</b>	
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, 2011. 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, 2011, on the basis of accounting described in Note 1.

*Jones & McIntyre, PLLC*

February 6, 2012

LAKE BARCROFT WATERSHED IMPROVEMENT DISTRICT

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

**RECEIPTS**

WID tax receipts	\$ 905,605
Investment income	8,501
Reimbursements	3,209
Other income	869
Total	<u>\$ 918,184</u>

**DISBURSEMENTS**

Operations:	
WID staff payroll and benefits	\$ 382,692
Administrative	43,279
Utilities	19,235
Environment	11,469
Maintenance	26,478
Operations - Total	<u>\$ 483,153</u>
Dredging	31,301
Capital expenditures	21,919
Dam renovation	89,009
Total	<u>\$ 625,382</u>

**EXCESS OF RECEIPTS OVER DISBURSEMENTS** \$ 292,802

**Cash and investment accounts, beginning of year** 817,388

**Cash and investment accounts, end of year** \$ 1,110,190

**Details of cash and investment accounts, end of year**

Operating cash	\$ 480,190
Certificates of Deposit	630,000
	<u><u>\$ 1,110,190</u></u>

See accompanying notes to financial statement.

# LAKE BARCROFT WATERSHED IMPROVEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENT

JUNE 30, 2011

### 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, 2011 were \$26,736.

**LAKE BARCROFT WATERSHED IMPROVEMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENT (CONCLUDED)**

**JUNE 30, 2011**

**Note 3. Cash**

The operating cash account includes \$480,190 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 \$630,000. The certificates are insured by FDIC.

**Note 4. Subsequent Events**

Management has evaluated subsequent events through February 6, 2012 and has concluded no significant subsequent events meet the criteria of professional accounting standards to be recognized or disclosed in the financial statements.