

Chiriaco Summit Water District

Compiled Financial Statements

June 30, 2011

Chiriaco Summit Water District

Financial Statements

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Accountant's Compilation Report

To the Board of Directors of
Chiriaco Summit Water District
Chiriaco Summit, California

I have compiled the accompanying statement of net assets of Chiriaco Summit Water District as of June 30, 2011, and the related statement of activity and net assets for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of these financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit the statement of cash flow and substantially all of the disclosures required by Generally Accepted Accounting Principles. If the omitted disclosures and cash flow were included in the financial statements, they might influence the user's conclusions about the District's financial position, and results of activity. Accordingly, these financial statements are not designed for those who are not informed about such matters.

November 3, 2011
Long Beach, California

Chiriaco Summit Water District
Statement of Net Assets
June 30, 2011

Assets

Current assets:

Cash	\$ 1,332
Accounts receivable	<u>7,674</u>
Total current assets	<u>\$ 9,006</u>

Non-current assets:

Equipment and utility plant	263,092
Reservoir pipeline	<u>223,890</u>
Total equipment, plant and pipeline	486,982
Accumulated depreciation	<u>(140,834)</u>
Total equipment, plant and pipeline, net	<u>346,148</u>
Total assets	<u><u>\$ 355,154</u></u>

Liabilities and Net Deficit

Current liabilities:

Accounts payable	<u>\$ 369,521</u>
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Long term liabilities:

Empowerment Zone-Loan 3	103,668
Empowerment Zone-Loan 2	<u>4,139</u>
Total long term liabilities	<u>107,807</u>

Total liabilities	\$ 477,328
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Net deficit	<u>(122,174)</u>
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Total liabilities and net deficit	<u><u>\$ 355,154</u></u>
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Chiriaco Summit Water District
Statement of Activity and Net Assets
June 30, 2011

Revenues:

Water sales	\$ 69,934
Other revenue	-
Total revenue	<u>69,934</u>

Expenses:

Operating expenses

Testing	1,510
Utilities	6,437
Repairs	1,317
Insurance	5,290
Source of supply	34,312
Depreciation	17,848
Miscellaneous	<u>1,779</u>
Total operating expenses	<u>68,493</u>

General and administrative expenses

Professional fees	-
Rent	2,010
Payroll	15,108
Payroll taxes	1,289
Bank charges	325
Consulting	12,736
Repairs	-
Licenses and permits	739
Office supplies	-
Interest expense	13,442
Payroll service	1,143
California Controller	-
Miscellaneous	<u>433</u>
Total general and administrative expenses	<u>47,225</u>

Total expenses	<u>115,718</u>
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Net loss	(45,784)
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Net assets, beginning	<u>(76,390)</u>
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Net deficit, ending	<u><u>\$ (122,174)</u></u>
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