

Township
No. 2
Cemetery
District

2018 and
2019

For the Fiscal Years Ended June 30,
2018 and June 30, 2019

**Annual
Financial
Report**

TOWNSHIP NO. 2 CEMETERY DISTRICT

BOARD OF DIRECTORS

As of June 30, 2019

<u>MEMBER</u>	<u>POSITION</u>	<u>TERM ENDS</u>
Donald Smith	Chairman	2020
Judy Allen	Vice Chairman	2022
Thomas Reed	Treasurer	2022
Larry Slayton	Secretary	2020
Tony Beuving	Trustee	2019

TOWNSHIP NO. 2 CEMETERY DISTRICT

TABLE OF CONTENTS

	<u>page</u>
Independent Accountant's Review Report	1
<i>General Purpose Financial Statements:</i>	
Statements of Net Position-June 30, 2018 and 2019	3
Statements of Activities-June 30, 2018 and 2019	4
<i>Fund Financial Statements:</i>	
Balance Sheet- Governmental Funds and Reconciliation to Statement of Net Position June 30, 2018	5
June 30, 2019	6
Statement of Revenues, Expenditures, and Changes in Fund Balance- Governmental Funds and Reconciliation to Statement of Activities June 30, 2018	7
June 30, 2019	8
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget (GAAP Basis) and Actual June 30, 2018	9
June 30, 2019	10
Notes to the Financial Statements	11

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Township No. 2 Cemetery District
lone, California

I have reviewed the accompanying financial statements of the government activities and each fund of Township No. 2 Cemetery District (the Cemetery) as of and for the fiscal years ending June 30, 2018 and 2019, and the related notes to the financial statements, which comprise the Cemetery's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Township No. 2 Cemetery District has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. My opinion on the basic financial statements is not affected by this missing information. The District has elected to include a budgetary statement as part of the basic financial statements, and not as supplementary information.



Cathy Castillo
Certified Public Accountant

September 30, 2019
Sutter Creek, California

TOWNSHIP NO. 2 CEMETERY DISTRICT
STATEMENTS OF NET POSITION
June 30, 2018 and 2019

ASSETS	<u>2018</u>	<u>2019</u>
Cash:		
Unrestricted cash		
Cash in county treasury	\$ 122,910	\$ 139,809
Cash on hand	50	50
Checking	1,005	959
Total unrestricted cash	<u>123,965</u>	<u>140,818</u>
Restricted cash		
Endowment care fund	51,999	55,818
Total restricted cash	<u>51,999</u>	<u>55,818</u>
Total cash	175,964	196,636
Due to general fund from endowment care fund	50	200
Prepaid insurance	3,572	3,683
Capital assets:		
Land	48,000	48,000
Other capital assets, net of accumulated depreciation	251,996	247,593
Total capital assets, net	<u>299,996</u>	<u>295,593</u>
Total Assets	<u><u>\$ 479,582</u></u>	<u><u>\$ 496,112</u></u>
LIABILITIES		
Accrued payroll	\$ 2,042	\$ 1,782
Due from endowment care fund to general fund	50	200
Warrants payable	30,119	1,599
Total Liabilities	<u>32,211</u>	<u>3,581</u>
Net Position		
Net investment in capital assets	299,996	295,593
Restricted for special programs	51,949	55,618
Unrestricted	95,426	141,320
Total Net Position	<u>447,371</u>	<u>492,531</u>
Total Liabilities and Net Position	<u><u>\$ 479,582</u></u>	<u><u>\$ 496,112</u></u>

"See accompanying notes and independent accountant's review report"

TOWNSHIP NO. 2 CEMETERY DISTRICT
STATEMENTS OF ACTIVITIES
For the Fiscal Years Ended June 30, 2018 and 2019

EXPENSES	<u>2018</u>	<u>2019</u>
Board stipends	\$ 5,800	\$ 5,500
Care and maintenance of cemetery	6,974	9,349
Depreciation expense	10,797	12,303
Liability insurance	1,933	1,717
Maintenance of buildings	1,400	1,549
Maintenance of equipment	1,968	1,066
Minor equipment purchases and rental	553	404
Office expense	1,648	1,467
Payroll taxes	2,617	2,054
Professional services	12,383	6,133
Salaries	29,830	26,850
Special department expense	144	94
Training	1,193	1,039
Utilities	8,076	5,904
Worker's compensation	1,624	1,855
Total Expenses	<u>86,940</u>	<u>77,284</u>
 PROGRAM REVENUES		
Charges for cemetery services	5,084	13,920
Total Program Revenues	<u>5,084</u>	<u>13,920</u>
 GENERAL REVENUES		
Charges for admin services	4,800	4,000
Homeowner's prop tax relief	1,114	1,124
Interest income	1,161	1,986
Miscellaneous revenue	150	100
Property taxes	94,146	98,339
Total General Revenues	<u>101,371</u>	<u>105,549</u>
 REVENUES OVER EXPENSES	 <u>19,515</u>	 <u>42,185</u>
 RESTRICTED FOR SPECIAL PROGRAMS		
Endowment care deposits	1,525	2,975
CHANGE IN RESTRICTED FOR SPECIAL PROGRAMS	<u>1,525</u>	<u>2,975</u>
 CHANGE IN NET POSITION	 21,040	 45,160
Net Position-beginning of year	426,331	447,371
Net Position-end of year	<u><u>\$ 447,371</u></u>	<u><u>\$ 492,531</u></u>

"See accompanying notes and independent accountant's review report"

**TOWNSHIP NO. 2 CEMETERY DISTRICT
BALANCE SHEET-GOVERNMENTAL FUNDS
June 30, 2018**

	<u>General Fund</u>	<u>Endowment Care Fund</u>	<u>Total 2018</u>
ASSETS			
Cash:			
Cash in county treasury	\$ 122,910	\$ 51,999	\$ 174,909
Cash on hand	50	-	50
Checking	1,005	-	1,005
Total cash	<u>123,965</u>	<u>51,999</u>	<u>175,964</u>
Due to general fund from endowment care	50	-	50
Prepaid insurance	3,572	-	3,572
Total Assets	<u><u>\$ 127,587</u></u>	<u><u>\$ 51,999</u></u>	<u><u>\$ 179,586</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued payroll	\$ 2,042	\$ -	\$ 2,042
Due from endowment care to general fund	-	50	50
Warrants payable	30,119	-	30,119
Total Liabilities	<u>32,161</u>	<u>50</u>	<u>32,211</u>
Fund Balances:			
Nonspendable for:			
Prepaid insurance	3,572	-	3,572
Restricted	-	51,949	51,949
Unassigned	91,854	-	91,854
Total Fund Balances	<u>95,426</u>	<u>51,949</u>	<u>147,375</u>
Total Liabilities and Fund Balances	<u><u>\$ 127,587</u></u>	<u><u>\$ 51,999</u></u>	<u><u>\$ 179,586</u></u>

**RECONCILIATION OF THE BALANCE SHEET-GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

Total Fund Balances of Governmental Funds	<u>2018</u> \$ 147,375
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, are not current financial resources and are not reported in governmental funds	299,996
Net Position of Governmental Activities	<u><u>\$ 447,371</u></u>

"See accompanying notes and independent accountant's review report"

**TOWNSHIP NO. 2 CEMETERY DISTRICT
BALANCE SHEET-GOVERNMENTAL FUNDS
June 30, 2019**

	<u>General Fund</u>	<u>Endowment Care Fund</u>	<u>Total 2019</u>
ASSETS			
Cash:			
Cash in county treasury	\$ 139,809	\$ 55,818	\$ 195,627
Cash on hand	50	-	50
Checking	959	-	959
Total cash	<u>140,818</u>	<u>55,818</u>	<u>196,636</u>
Due to general fund from endowment care	200	-	200
Prepaid insurance	3,683	-	3,683
Total Assets	<u><u>\$ 144,701</u></u>	<u><u>\$ 55,818</u></u>	<u><u>\$ 200,519</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued payroll	\$ 1,782	\$ -	\$ 1,782
Due from endowment care to general fund	-	200	200
Warrants payable	1,599	-	1,599
Total Liabilities	<u>3,381</u>	<u>200</u>	<u>3,581</u>
Fund Balances:			
Nonspendable for:			
Prepaid insurance	3,683	-	3,683
Restricted	-	55,618	55,618
Unassigned	137,637	-	137,637
Total Fund Balances	<u>141,320</u>	<u>55,618</u>	<u>196,938</u>
Total Liabilities and Fund Balances	<u><u>\$ 144,701</u></u>	<u><u>\$ 55,818</u></u>	<u><u>\$ 200,519</u></u>

**RECONCILIATION OF THE BALANCE SHEET-GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

Total Fund Balances of Governmental Funds	<u>2019</u> \$ 196,938
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, are not current financial resources and are not reported in governmental funds	295,593
Net Position of Governmental Activities	<u><u>\$ 492,531</u></u>

"See accompanying notes and independent accountant's review report"

TOWNSHIP NO. 2 CEMETERY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2018

	General Fund	Endowment Care Fund	Total 2018
REVENUES			
Charges for admin services	\$ 4,800	\$ -	\$ 4,800
Charges for cemetery services	5,084	-	5,084
Homeowner's prop tax relief	1,114	-	1,114
Interest income	738	423	1,161
Miscellaneous revenue	150	-	150
Property taxes	94,146	-	94,146
Total Revenues	106,032	423	106,455
EXPENDITURES			
Current:			
Board stipends	5,800	-	5,800
Care and maintenance of cemetery	6,974	-	6,974
Capital outlay	28,743	-	28,743
Liability insurance	1,933	-	1,933
Maintenance of buildings	1,400	-	1,400
Maintenance of equipment	1,968	-	1,968
Minor equipment purchases	553	-	553
Office expense	1,648	-	1,648
Payroll taxes	2,617	-	2,617
Professional services	12,383	-	12,383
Salaries	29,830	-	29,830
Special department expenses	144	-	144
Training	1,193	-	1,193
Utilities	8,076	-	8,076
Worker's compensation	1,624	-	1,624
Total Expenditures	104,886	-	104,886
REVENUES OVER EXPENDITURES	1,146	423	1,569
CHANGES IN TRUST BALANCE			
Deposits from endowment care sales	-	1,525	1,525
NET CHANGE IN FUND BALANCES	1,146	1,948	3,094
Beginning of year	94,280	50,001	144,281
End of year	\$ 95,426	\$ 51,949	\$ 147,375

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances-Total Government Funds	<u>2018</u> \$ 3,094
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	
Expenditure for capital assets	28,743
Current year depreciation	(10,797)
Change in Net Position of Governmental Funds	\$ 21,040

"See accompanying notes and independent accountant's review report"

TOWNSHIP NO. 2 CEMETERY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES- GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2019

	General Fund	Endowment Care Fund	Total 2019
REVENUES			
Charges for admin services	\$ 4,000	\$ -	\$ 4,000
Charges for cemetery services	13,920	-	13,920
Homeowner's prop tax relief	1,124	-	1,124
Interest income	1,292	694	1,986
Miscellaneous revenue	100	-	100
Property taxes	98,339	-	98,339
Total Revenues	<u>118,775</u>	<u>694</u>	<u>119,469</u>
EXPENDITURES			
Current:			
Board stipends	5,500	-	5,500
Care and maintenance of cemetery	9,349	-	9,349
Capital outlay	7,900	-	7,900
Liability insurance	1,717	-	1,717
Maintenance of buildings	1,549	-	1,549
Maintenance of equipment	1,066	-	1,066
Minor equipment purchases and rentals	404	-	404
Office expense	1,467	-	1,467
Payroll taxes	2,054	-	2,054
Professional services	6,133	-	6,133
Salaries	26,850	-	26,850
Special department expenses	94	-	94
Training	1,039	-	1,039
Utilities	5,904	-	5,904
Worker's compensation	1,855	-	1,855
Total Expenditures	<u>72,881</u>	<u>-</u>	<u>72,881</u>
REVENUES OVER EXPENDITURES	45,894	694	46,588
CHANGES IN TRUST BALANCE			
Deposits from endowment care sales	-	2,975	2,975
NET CHANGE IN FUND BALANCES	45,894	3,669	49,563
Beginning of year	95,426	51,949	147,375
End of year	<u>\$ 141,320</u>	<u>\$ 55,618</u>	<u>\$ 196,938</u>

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances-Total Government Funds	<u>2019</u> \$ 49,563
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditure for capital assets	7,900
Current year depreciation	(12,303)

Change in Net Position of Governmental Funds	<u>\$ 45,160</u>
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TOWNSHIP NO. 2 CEMETERY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS- BUDGETS AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Original and Final Budgeted Amount	Actual	Variance (Unfavorable)
REVENUES			
Charges for admin services	\$ 4,800	\$ 4,800	\$ -
Charges for cemetery services	9,900	5,084	(4,816)
Endowment care sales	-	1,525	1,525
Homeowner's prop tax relief	1,100	1,114	14
Interest income	650	1,161	511
Miscellaneous revenue	-	150	150
Property taxes	88,300	94,146	5,846
Total Revenues	<u>104,750</u>	<u>107,980</u>	<u>3,230</u>
EXPENDITURES			
Board stipends	6,000	5,800	200
Care and maintenance of cemetery	7,500	6,974	526
Capital outlay	35,500	28,743	6,757
Liability insurance	1,700	1,933	(233)
Maintenance of buildings	1,200	1,400	(200)
Maintenance of equipment	1,000	1,968	(968)
Minor equipment purchases and rentals	1,700	553	1,147
Office expense	1,800	1,648	152
Payroll taxes	2,300	2,617	(317)
Professional services	16,250	12,383	3,867
Salaries	28,000	29,830	(1,830)
Special department expenses	1,000	144	856
Training	-	1,193	(1,193)
Utilities	8,000	8,076	(76)
Worker's compensation	1,950	1,624	326
Total Expenditures	<u>113,900</u>	<u>104,886</u>	<u>9,014</u>
Net Change in Fund Balances	<u><u>\$ (9,150)</u></u>	<u><u>\$ 3,094</u></u>	<u><u>\$ (5,784)</u></u>

"See accompanying notes and independent accountant's review report"

TOWNSHIP NO. 2 CEMETERY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS- BUDGETS AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Original and Final Budgeted Amount	Actual	Variance (Unfavorable)
REVENUES			
Charges for admin services	\$ 4,800	\$ 4,000	\$ (800)
Charges for cemetery services	9,900	13,920	4,020
Endowment care sales	-	2,975	2,975
Homeowner's prop tax relief	1,100	1,124	24
Interest income	650	1,986	1,336
Miscellaneous revenue	-	100	100
Property taxes	88,300	98,339	10,039
Total Revenues	<u>104,750</u>	<u>122,444</u>	<u>17,694</u>
EXPENDITURES			
Board stipends	6,000	5,500	500
Care and maintenance of cemetery	7,500	9,349	(1,849)
Capital outlay	12,500	7,900	4,600
Liability insurance	2,000	1,717	283
Maintenance of buildings	7,200	1,549	5,651
Maintenance of equipment	1,000	1,066	(66)
Minor equipment purchases and rentals	1,700	404	1,296
Office expense	1,800	1,467	333
Payroll taxes	2,300	2,054	246
Professional services	16,250	6,133	10,117
Salaries	30,000	26,850	3,150
Special department expenses	1,500	94	1,406
Training	1,200	1,039	161
Utilities	8,000	5,904	2,096
Worker's compensation	1,950	1,855	95
Total Expenditures	<u>100,900</u>	<u>72,881</u>	<u>28,019</u>
Net Change in Fund Balances	<u>\$ 3,850</u>	<u>\$ 49,563</u>	<u>\$ (10,325)</u>

"See accompanying notes and independent accountant's review report"

TOWNSHIP NO. 2 CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2018 and 2019

NOTE 1- ORGANIZATION AND PURPOSE

Nature of Activities:

Township No. 2 Cemetery District (herein after known as the cemetery) provides maintenance and services for the city cemetery in Lone, CA. The cemetery was created in 1850. The cemetery receives tax revenue from Amador County as well as current service fees collected from the sale of cemetery plots. The cemetery is approximately 8.95 acres. The cemetery is divided into two sections- an older section with concrete curbs and upright memorials and a newer section with grass and flat markers. The cemetery is currently governed by Township Number 2 Cemetery District, which was created in 1940. The governing board consists of five trustees appointed by the Amador County Board of Supervisors.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation:

Government -wide Statements:

The government- wide financial statements (i.e. the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues are reported separately.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include revenues that are restricted to meeting the operational requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

Separate financial statements are provided for governmental funds. All individual governmental funds are reported as separate columns in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, and reserves, fund equity, revenues and expenditures. The funds have been established for the purpose of accounting for specific activities or attaining certain objectives in accordance with applicable regulations, restrictions or limitations.

Governmental Fund

The focus of governmental funds' measurement is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the cemetery:

The *General Fund* is the primary operating fund of the cemetery and is used to account for all activities except those legally or administratively required to be accounted for in other funds.

The *Endowment Care Fund* is a fund established by the cemetery to accumulate funds for future repairs and maintenance to cemetery grounds.

TOWNSHIP NO. 2 CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2018 and 2019

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Basis of Accounting:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The fund financial statements are reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are reported when susceptible to accrual; both measurable and available. "Available" means collectible within the current period or within 60 days after the year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to the general rule is that principal and interest on general obligation long-term debt is recognized when due.

Budgetary Control:

The cemetery establishes the fiscal year as the twelve-month period beginning July 1. The budget is to be formally adopted by the Board of Directors by July of each year. This budget is prepared on the cash basis of accounting, which does not vary significantly from the modified accrual basis of accounting used in the financial statements. The Board monitors monthly expenses using the budgets as a control device.

Capital Assets:

Fixed assets, which consist of land, building and improvements, and equipment, are reported in the governmental activities columns in the fund financial statements. All fixed assets are valued at historical cost or estimated historical cost if actual historical is not available. Contributed fixed assets are valued at their fair market value. Repairs and maintenance are recorded as expenses if they do not add to the value of the asset or materially extend the asset life. Capital assets, which may include renewals and betterments, are defined by the cemetery as assets with an initial, individual cost of more than \$2,500.

Depreciation is estimated on the straight-line basis over the useful life of the asset. Estimated useful life for the cemetery's assets ranges from 5 to 40 years. Depreciation expense for the fiscal year ended June 30, 2018 and 2019 was \$10,797 and \$12,303, respectively.

Estimates and Assumptions:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates as assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Prepaid Items:

Prepaid balances are for payments made by the cemetery in the current year to provide services occurring in the subsequent fiscal year. The prepaid item has been recorded to signify that a portion of the fund balance is not available for other subsequent expenditures. The prepaid item for the cemetery represents insurance expenditures allocable between fiscal years.

TOWNSHIP NO. 2 CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2018 and 2019

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Equity Classifications:

Government-wide statements

Equity is classified as net position, which comprises the various net earnings from operating income, non-operating revenues and expenses and capital contributions. Net position is classified in the following three components:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances on any borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted - This component of net position consists of constraints imposed by creditors (such as through debt covenants), contributors, or laws of other governmental entities, or constraints imposed by law through constitutional provisions or enabling legislation. The cemetery has one restricted fund, Endowment Care Fund.

Unrestricted net position - This component of net position consists of equity that does not meet the definition of "restricted" or "net investment in capital assets".

Fund Financial Statements

Governmental fund equity is defined as fund balance. Fund balance is further classified as follows:

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to remain intact.

Restricted: amounts that can only be spent for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations from other government entities.

Committed: amounts that can only be used for specific purposes determined by a formal action taken by the Board. The Township No. 2 Cemetery Districts is the highest level of governing board for the cemetery. Commitments may be established, modified, or rescinded only through resolutions or motions approved by the Board.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes. Only the Board has the authority to assign amounts for specific purposes.

Unassigned: all other spendable amounts.

When both restricted and unrestricted resources are available, it is the cemetery's policy to use unrestricted resources first, in order of least to most restricted (committed, assigned, then unassigned), then restricted resources, as they are needed.

TOWNSHIP NO. 2 CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2018 and 2019

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Revenue:

Property Taxes: The cemetery recognizes property tax revenue when the County distributes and records the revenue in cemetery funds. The general operations of the cemetery are funded primarily by property tax assessments. Amador County is responsible for assessing, collecting, and distributing the assessments. Assessments are billed with the county in two installments and become delinquent after December 10th and April 10th. Liens on real property are established on March 1 for the ensuing year.

The County also levies taxes on personal property, known as unsecured taxes. A mid-year completion of construction or transfer of property will generate a supplemental tax bill reflecting the market value at the time. The required payment of this tax is in addition to the regular tax roll and may become due at various times throughout the year.

Interest: The cemetery received interest paid on all pooled money held with the County of Amador. Interest is paid in quarterly allocations to the general fund and endowment care fund.

Endowment Care Deposits: The cemetery has collected the minimum endowment amounts as required by law (Health and Safety Code Section 8738) and deposited them within 30 days as required by law (Health and Safety Code 8738 and 8775).

NOTE 3- CASH

Amador County acts as a financial agent for the cemetery, and as such, holds the cemetery's cash and investments within Amador County's external investment pool. The County sponsors an investment pool that is managed by the County Treasurer. Cash and investments for most County activities are included in the investment pool. The State of California statutes requires certain special districts to maintain their cash surplus with the County Treasurer. All monies held by the Amador County Treasurer receive quarterly allocations of County investment income based on the cemetery's share of cash in relation to the total invested cash by the County. Required disclosure information regarding categorization of investments, credit risk, interest rate risk and concentration of credit risk disclosures can be found in the County's financial statements. The County's financial statements may be obtained by contacting the County of Amador Auditor-Controller's Office at 810 Court Street, Jackson, CA 95642.

The cemetery also has a checking account held at the American River Bank branch located in Lone, California. The account is non-interest bearing.

Custodial credit risk is the risk that in the event of a bank failure, the cemetery's deposits may not be returned or the cemetery will not be able to recover collateral securities in the possession of an outside party. The cemetery's bank deposits are required by state law to be secured by the deposit of certain securities with the cemetery or trustee institution. The value of the securities must amount to the total of the cemetery's cash not insured by the Federal Deposit Insurance Corporation.

As of June 30, 2018 and 2019, the cemetery's bank balances were entirely secured or collateralized with securities held by the cemetery or by its agents in the cemetery's name.

Restricted cash consists of funds in the Endowment Care Fund. These monies have restricted purposes as described in Note 2.

TOWNSHIP NO. 2 CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2018 and 2019

NOTE 4- CAPITAL ASSETS

Capital assets at June 30, 2018 consisted of the following:

	Beg. Balance 7/1/2017	additions	deletions	End Balance 6/30/2018
Capital assets not being depreciated:				
Land	\$ 48,000	\$ -	\$ -	\$ 48,000
Total capital assets not being depreciated	48,000	-	-	48,000
Capital assets being depreciated:				
Buildings and improvements	208,550	-	-	208,550
Equipment	14,227	-	-	14,227
Land improvements	31,600	28,743	-	60,343
Software	7,000	-	-	7,000
Total capital assets being depreciated	261,377	-	-	290,120
Less accumulated depreciation	(27,327)	(10,797)	-	(38,124)
Total capital assets being depreciated, net	234,050	(10,797)	-	251,996
Total capital assets, net				\$ 299,996

Capital assets at June 30, 2019 consisted of the following:

	Beg. Balance 7/1/2018	additions	deletions	End Balance 6/30/2019
Capital assets not being depreciated:				
Land	\$ 48,000	\$ -	\$ -	\$ 48,000
Construction in progress	-	-	-	-
Total capital assets not being depreciated	48,000	-	-	48,000
Capital assets being depreciated:				
Buildings and improvements	208,550	-	-	208,550
Equipment	14,227	-	-	14,227
Land improvements	60,343	7,900	-	68,243
Software	7,000	-	-	7,000
Total capital assets being depreciated	290,120	-	-	298,020
Less accumulated depreciation	(38,124)	(12,303)	-	(50,427)
Total capital assets being depreciated, net	251,996	(12,303)	-	247,593
Total capital assets, net				\$ 295,593

TOWNSHIP NO. 2 CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2018 and 2019

NOTE 5- PREPAID INSURANCE

Prepaid insurance consisted of worker's compensation insurance and general liability insurance at June 30, 2018 and 2019 in the amounts of \$3,572 and \$3,683, respectively.

NOTE 6- DUE TO/DUE FROM

The cemetery has a due to/due from which represents the amount that is due to the General Fund from the Endowment Care Fund due to the misclassification of deposits.

NOTE 7- COMMITMENTS AND CONTIGENCIES

The cemetery is unaware of any claims against it, which may have a material effect on the financial statements as of June 30, 2018 and 2019.

NOTE 8- RISK MANAGEMENT

The cemetery is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.