

**COTTONWOOD CEMETERY DISTRICT**

**AUDITED FINANCIAL STATEMENTS**

**JUNE 30, 2018**



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# *Donald R. Reynolds*

Certified Public Accountant

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Cottonwood Cemetery District  
Cottonwood, California

### **Report On the Financial Statements**

I have audited the accompanying consolidated financial statements of Cottonwood Cemetery District (CCD), which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the CCD's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CCD's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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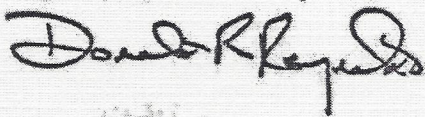
## **Opinion**

In my opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cottonwood Cemetery District as of June 30, 2018, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has elected to omit the Management's Discussion and Analysis.



Donald R. Reynolds,  
Certified Public Accountant  
Redding, California  
June 8, 2019



**COTTONWOOD CEMETERY DISTRICT**  
**Government-Wide Statement of Net Position**  
**June 30, 2018**

Statement 1

	<b>PRIMARY GOVERNMENT</b>	
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>		
Cash in county treasury	\$ 77,513	\$ 77,513
Accounts receivable	-	-
Prepaid insurance	-	-
Taxes receivable	-	-
Due from other governments	-	-
Restricted assets - Cash	250,016	250,016
Fixed assets - not subject to depreciation	7,581	7,581
Fixed assets - subject to depreciation	207,640	207,640
Accumulated depreciation	(163,128)	(163,128)
Total assets	<u>\$ 379,622</u>	<u>\$ 379,622</u>
<b>DEFERRED OUTFLOWS OF ASSETS</b>		
None	\$ -	\$ -
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ -
Accrued payroll and other liabilities	6,510	6,510
Capital leases payable		
Due in less than one year	2,020	
Due in more than one year	9,277	
Due to other governments	-	-
Total current liabilities	<u>17,807</u>	<u>6,510</u>
<b>DEFERRED INFLOWS OF ASSETS</b>		
None	-	-
<b>NET PENSION LIABILITY</b>		
	-	-
<b>NET POSITION</b>		
Nonspendable		
Investment in capital assets, net of related debt	52,093	52,093
Restricted for:		
Cash flow	172,308	172,308
Imprest cash	500	500
Impact fees	-	-
Capital Projects	90,476	90,476
Unassigned	46,438	46,438
Total net position	<u>\$ 361,815</u>	<u>\$ 361,815</u>

See accompanying notes to basic financial statements



**COTTONWOOD CEMETERY DISTRICT**  
**Government-Wide Statement of Activities**  
**Year Ended June 30, 2018**

Statement 2

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government and administration	\$ 130,430	\$ 43,008	\$ -	\$ -	\$ (87,422)
Other	463	-	-	-	(463)
Total governmental activities	<u>\$ 130,893</u>	<u>\$ 43,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (87,885)</u>
General Revenues:					
Taxes					
Property Taxes				\$ 54,885	\$ 54,885
Intergovernmental				-	-
Charges for services				-	-
Investment Income				3,478	3,478
Other				17,163	17,163
Transfers - Internal Activity				-	-
Total General Revenues and Transfers				<u>75,526</u>	<u>75,526</u>
Change in Net Assets				(12,359)	(12,359)
Net Position - Beginning				374,174	374,174
Prior Period Adjustment				-	-
Residual Equity Transfers In				-	-
Residual Equity Transfers Out				-	-
Net Position - Ending				<u>\$ 361,815</u>	<u>\$ 361,815</u>

See accompanying notes to basic financial statements



**COTTONWOOD CEMETERY DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

Statement 3

	General Fund	Endowment Fund	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash in county treasury	\$ 77,513	\$ 250,016	\$ 327,529
Accounts receivable	-	-	-
Prepaid insurance	-	-	-
Taxes receivable	-	-	-
Due from other governments	-	-	-
Restricted assets - Cash	-	-	-
Total assets	<u>\$ 77,513</u>	<u>\$ 250,016</u>	<u>\$ 327,529</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	-
Accrued payroll and	6,510	-	6,510
Due to other governments	-	-	-
Total liabilities	<u>6,510</u>	<u>-</u>	<u>6,510</u>
<b>FUND BALANCES:</b>			
Restricted for:			
Cash flow	172,308	-	172,308
Imprest cash	500	-	500
Impact fees	-	-	-
Capital Projects	-	250,016	250,016
Unassigned	(101,805)	-	(101,805)
Total net assets	<u>71,003</u>	<u>250,016</u>	<u>321,019</u>
Total liabilities and fund balances	<u>\$ 77,513</u>	<u>\$ 250,016</u>	<u>\$ 327,529</u>

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

Amounts reported for governmental activities in the Statement of Net Position  
are different because:

Capital assets unused in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$ 163,128.	52,093
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital leases	(11,297)
Deferred Inflows/Outflows of resources	-
Due to other Governments	-
Net Position of Governmental Activities	<u>\$ 361,815</u>

See accompanying notes to basic financial statements



**COTTONWOOD CEMETERY DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**June 30, 2018**

Statement 4

	General Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUE:</b>			
Current year:			
Property taxes	\$ 51,002	\$ -	\$ 51,002
Supplemental taxes	728	-	728
Unsecured property tax	2,377	-	2,377
Homeowners' property tax relief	778	-	778
Openings and closings	12,204	-	12,204
Other charges for services	30,804	-	30,804
Interest	754	2,724	3,478
Other Income	9,913	7,250	17,163
Total revenue	<u>108,560</u>	<u>9,974</u>	<u>118,534</u>
<b>EXPENDITURES:</b>			
Current:			
Salaries and benefits	84,661	-	84,661
Protective clothing	-	-	-
Communication	2,240	-	2,240
Household	177	-	177
Equipment rental	-	-	-
Insurance	2,182	-	2,182
Repairs and maintenance	5,902	-	5,902
Medical/Lab fees	-	-	-
Memberships	125	-	125
Office expense	1,381	-	1,381
Professional fees & special services	12,341	-	12,341
Property tax administration fee	1,359	-	1,359
Supplies	-	-	-
Special department expense	4,588	-	4,588
Tools	808	-	808
Public and legal notices	-	-	-
Fuel and travel	2,251	-	2,251
Utilities	6,202	-	6,202
Other charges	214	-	214
Debt service:			
Principal	1,946	-	1,946
Interest	463	-	463
Capital outlay	-	-	-
Total expenditures	<u>126,840</u>	<u>-</u>	<u>126,840</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(18,280)	9,974	(8,306)
Transfers in	-	-	-
Transfers out	-	-	-
<b>FUND BALANCE, Beginning, as previously stated</b>	89,283	240,042	329,325
Prior period adjustment	-	-	-
<b>FUND BALANCE, Beginning, as restated</b>	<u>89,283</u>	<u>240,042</u>	<u>329,325</u>
<b>FUND BALANCE, End of year</b>	<u>\$ 71,003</u>	<u>\$ 250,016</u>	<u>\$ 321,019</u>

See accompanying notes to basic financial statements



**COTTONWOOD CEMETERY DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**June 30, 2018**

Statement 4  
(Continued)

Reconciliation of the change in fund balances - Total Governmental Funds to the change in net assets of governmental activities:	
Net change in fund balances - Total Governmental Funds	\$ (8,306)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the estimated useful life of the assets:	
Capital assets purchases capitalized	-
Depreciation expense	(5,999)
Pension adjustments due to GASB 68	-
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:	
Capital lease obligation principal payments	<u>1,946</u>
Change in Net Position of Governmental Activities	<u>\$ (12,359)</u>

See accompanying notes to basic financial statements



**COTTONWOOD CEMETERY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

The financial statements of Cottonwood Cemetery District have been prepared in conformity with Accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. Description of Reporting Entity**

Cottonwood Cemetery District is organized for the interment of residences of the District and is regulated by the State's Health and Safety Code.

The District's primary source of revenue is property taxes collected by Shasta County. The District has the availability of spending \$10,000 by utilizing a checking account with the Shasta County Treasurer maintaining the balance of the District's funds. The County disburses these funds at the direction of the District's Board of Directors. Accounting records are also maintained by the District.

The District is administered by a Board of Directors that act as the authoritative and legislative body of the entity. The Boards is comprised of three members. The Board members do not receive compensation. The District employs a Manager to oversee the daily operations of the District

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing

Continued on the following page.



COTTONWOOD CEMETERY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

**A. Description of Reporting Entity (Continued)**

relationships, regardless of whether the District is able to exercise oversight responsibilities.

Based upon the application of these criteria, there are no potential component units to be included in the District's reporting entity.

**B. Implementation of Governmental Accounting Standards Board Statements**

*Government Accounting Standards Board Statement No. 74, 75, 77, 80 and 81*

The Government Accounting Standards Board has adopted Statements 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, 77, *Tax Abatement Disclosures*, 80, *Blending Requirements for Certain Component Units*, and 81, *Irrevocable Split-Interest Agreements*, which were effective for fiscal years ended June 30, 2017 and beyond. It has been determined the provisions of those statements will not affect this District.

**C. Basis of Presentation and Accounting**

*Government – Wide Financial Statements*

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present the Governmental activities for the District.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets debt, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function; the District's only function is the operation of the Cottonwood Cemetery. The types of transactions reported as program revenues

Continued on the following page.



COTTONWOOD CEMETERY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

C. Basis of Presentation and Accounting (Continued)

for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Operating grants and contributions include revenues restricted to meeting the requirements of a particular operating function and may include state shared revenues and grants. Capital grants and contributions include revenues restricted to meeting the requirements of a particular capital function and may include grants or other contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and Statement of Revenue, Expenditures, and Changes in Fund Balance for the General Fund. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the Government-Wide Financial Statements. All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current period. "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Accrued revenues include property taxes received within 60 days after year-end and earnings on investments. Grant funds earned but not received are recorded as a receivable, and grant funds received before the revenue recognition criteria have been met are reported as unearned revenues. Expenditures are recorded when the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due. Capital asset acquisitions under capital lease are reported as other financing sources.

Continued on the following page.



**COTTONWOOD CEMETERY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

**D. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the District considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**E. Allowance for Doubtful Accounts**

The District's receivables consist mostly of tax assessments due from the County of Shasta. The District considers receivables to be fully collectible at year-end; accordingly, no allowance for doubtful accounts is required.

**F. Inventory**

The District uses the "consumption" method of accounting for inventory. Under the "consumption" method, inventory acquisitions are recorded in the inventory account initially, and charged as expenditures when used.

**G. Capital Assets**

Property and equipment is recorded at cost. Donated property and equipment is stated at the fair value at the date of donation and recorded as contributed capital. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets as follows:

Structures and Improvements	10-45 Years
Vehicles and Equipment	3-10 Years

**H. Compensated Absences**

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District and are accrued when incurred.

Accumulated Employee sick leave benefits are not recognized as liabilities of the District since payment of such benefits is not probable. Therefore, sick leave benefits are recorded as expenditures in the period that sick leave is taken.

Continued on the following page.



**COTTONWOOD CEMETERY DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

**I. Property Taxes**

The State of California (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent (1%) of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be adjusted by no more than two percent (2%) per year unless the property is sold, transferred, or improved. The State Legislature has determined the method of distribution of receipts from a one percent (1%) tax levy among the counties, cities, school districts, and other districts.

Shasta County assesses, bills for, and collects property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Lien dates:	March 1	March 1
Levy dates	July 1	July 1
Due dates	50% on November 1 and 50% on March 1	July 1
Delinquent as of	December 10 (for November) and April 10 (for March)	August 31

The term "unsecured" refers to taxes on personal property other than real estate, land, and buildings. These taxes are secured by liens on the property being taxed.

Property taxes levied are recorded as revenue when received in the fiscal year of levy because of the adoption of the "alternate method of property tax distribution," known as the Teeter Plan, by the District and the County of Shasta (County). The Teeter Plan authorizes the Controller of the County to allocate 100% of the secured property taxes billed, but not yet paid. The County remits tax monies to the District in three installments, as follows:

55% remitted on December 15  
 40% remitted on April 15  
 5% remitted on June 15

**J. Capitalization of Interest**

Interest is capitalized on costs associated with the acquisition and construction of assets. The amount of interest capitalized is the total of all associated interest costs, less interest earned on the temporary investment of the proceeds of any tax-exempt borrowings.

Continued on the following page.



COTTONWOOD CEMETERY DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

The District maintains its cash and investment accounts with the Shasta County Treasurer, and a safekeeping agent.

At June 30, 2018, total District cash and investments at fair value were as follows:

Government Funds

	Per Books	Per Bank
<i>Cash:</i>		
Cash in County Treasury	\$ <u>322,610</u>	\$ <u>322,610</u>

INVESTMENTS

The District's investment policy does not define criteria for selecting acceptable financial institutions, brokers/dealers, or allowable investment types as defined by Government Code 53635.

At June 30, 2018, the District had the following investments:

Investments	Interest Rates	Maturities	Par	Cost	Fair Value	WAM (Years)
Cash in County Pooled Treasury	Variable	On Demand	\$ <u>322,610</u>	\$ <u>322,610</u>	\$ <u>322,610</u>	-
<b>Total Investments</b>			\$ <u>322,610</u>	\$ <u>322,610</u>	\$ <u>322,610</u>	-

Interest Rate Risk

The District's investment policy does not define a method for limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Continued on the following page.



COTTONWOOD CEMETERY DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2018

NOTE 2 CASH AND INVESTMENTS (Continued)

Credit Risk

The District's investment policy does not define a method for limiting credit risk. State law and the County's Investment Policy limit investments in commercial paper to the rating of A1 by Standards & Poor's or P-1 by Moody's Investors Service. State Law Limits Investors Service. The District has no investments in commercial paper or corporate bonds.

Concentration of Credit Risk

At June 30, 2018, in accordance with State law, the District did not have 5% or more of its net investment in commercial paper, corporate bonds or medium term notes of a single organization, nor did it have 10% or more of its net investment in any one money market mutual fund. Investments in obligations of the U.S. government, U.S. government agencies, or government-sponsored enterprises are exempt from these limitations.

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the District's investment pool's fair value at June 30, 2018.

	<u>SAP</u>	<u>Moody's</u>	<u>% of</u> <u>Portfolio</u>
Cash in county Pooled Treasury	Unrated	Unrated	6.99%
State Farm Mutual Fund	Unrated	Unrated	5.19%
Local Agency Investment Fund (LAIF)	Unrated	Unrated	87.82%
Total			<u>100.00%</u>

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the District's investment pool and specific investments had no securities exposed to custodial credit risk.

Shasta County Treasury Pool

The Shasta County Treasurer's Pool is not SEC-registered, but is invested in accordance with California State Government Code, and the Shasta County Treasurer's Investment Policy. California State Government Code requires the formation of an

Continued on the following page.



**COTTONWOOD CEMETERY DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2018**

**NOTE 2 CASH AND INVESTMENTS (Continued)**

Investment Oversight Committee, which is charged with overseeing activity in the pool for compliance to policy and code requirements. To this end, the Oversight Committee reviews the monthly investment report prior to presentation to the Board of Supervisors and causes an audit of investments to occur annually.

**NOTE 3 CAPITAL ASSETS**

A summary of the changes in capital assets is as follows:

	Balance July 1, 2017	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2018
Capital assets, not being depreciated:					
Land	\$ 7,581	\$ -	\$ -	\$ -	\$ 7,581
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, not being depreciated	<u>7,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,581</u>
Capital assets, being depreciated:					
Vehicles and Equipment	101,493	-	-	-	101,493
Structures and Improvements	<u>106,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,146</u>
Total capital assets, being depreciated	<u>207,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,639</u>
Less accumulated depreciation:					
Vehicles and Equipment and Structures and Improvements	<u>(157,129)</u>	<u>(5,999)</u>	<u>-</u>	<u>-</u>	<u>(163,128)</u>
Net assets being depreciated	<u>50,510</u>	<u>(5,999)</u>	<u>-</u>	<u>-</u>	<u>44,511</u>
Total capital assets, net	<u>\$ 58,091</u>	<u>\$ (5,999)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,092</u>

**NOTE 4 NET ASSETS/FUND BALANCES**

Beginning with fiscal year 2010-11, the District implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance—amounts in fund balance that cannot be spent because they are either not in spendable form (such as prepaids and inventory) or legally/contractually are required to be maintained intact;

Continued on the following page.



**COTTONWOOD CEMETERY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 4 NET ASSETS/FUND BALANCES (Continued)**

Restricted fund balance-resources that are constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through externally enforceable legal restrictions (cannot be spent due to their form).

Committed fund balance-amounts are constrained to specific purposes by action of the District itself, using its highest level of decision-making authority; Removal or modification of the restrictions on the use of these amounts can only be accomplished if the District takes the same highest level action to remove or change the constraint.

Assigned fund balance-amounts the District intends to use for a specific purpose; intent can be expressed by the District, a District created committee, or an official designated by the District to which it delegates the authority; Informal commitments (no formal action by the District).

Unassigned fund balance-Resources in the fund balance that cannot be classified into any of the other categories. These amounts that are available for any purpose; positive amounts are reported only in the general fund.

The District establishes fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the District.

**NOTE 5 SUBSEQUENT EVENT**

Management has evaluated events subsequent to June 30, 2018 through June 8, 2019, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

**NOTE 6 DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows or resources, represents a consumption of net position or fund balance that applies to future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no deferred outflows.

Continued on the following page.



**COTTONWOOD CEMETERY DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2018**

**NOTE 6 DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES  
 (Continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has no deferred inflows.

**NOTE 7 CAPITAL LEASE PAYABLE**

The District entered into a Capital Lease Purchase for a new tractor in August of 2016. The original amount of the capitalized lease was \$14,808 and is payable in 84 installments of \$201. At the end of the lease the tractor can be purchased for \$1. The remaining balance at June 30, 2018 was \$11,297.

The following reeeflects the annual principal and interest requirements:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$2,020	\$389	\$2,409
2020	\$2,096	\$313	\$2,409
2021	\$2,176	\$233	\$2,409
2022	\$2,260	\$149	\$2,409
2023	\$2,345	\$ 64	\$2,409
2024	\$ 400	\$ 2	\$ 402



**COTTONWOOD CEMETERY DISTRICT**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended June 30, 2018**

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUE:</b>				
Current year:				
Property taxes	\$ 43,100	\$ 43,100	\$ 51,002	\$ 7,902
Supplemental taxes	377	377	728	351
Unsecured property tax	2,421	2,421	2,377	(44)
Homeowners' property tax relief	780	780	778	(2)
Openings and closings	15,000	15,000	12,204	(2,796)
Other charges for services	44,100	44,100	30,804	(13,296)
Interest	70	70	3,478	3,408
Other Income	1,500	1,500	17,163	15,663
Total revenue	<u>107,348</u>	<u>107,348</u>	<u>118,534</u>	<u>11,186</u>
<b>EXPENDITURES:</b>				
Current:				
Salaries and benefits	65,990	65,990	84,661	(18,671)
Protective clothing	35	35	-	35
Communication	2,500	2,500	2,240	260
Household	125	125	177	(52)
Equipment rental	-	-	-	-
Insurance	1,550	1,550	2,182	(632)
Repairs and maintenance	6,000	6,000	5,902	98
Medical/Lab fees	-	-	-	-
Memberships	30	30	125	(95)
Office expense	1,200	1,200	1,381	(181)
Professional fees & special services	5,000	5,000	12,341	(7,341)
Property tax administration fee	1,400	1,400	1,359	41
Special department expense	10,000	10,000	4,588	5,412
Tools	2,000	2,000	808	1,192
Public and legal notices	2,000	2,000	-	2,000
Fuel and travel	1,600	1,600	2,251	(651)
Utilities	4,000	4,000	6,202	(2,202)
Other charges	350	350	214	136
Debt service	-	-	2,409	(2,409)
Total expenditures	<u>103,780</u>	<u>103,780</u>	<u>126,840</u>	<u>(23,060)</u>
<b>EXCESS OF REVENUES OVER</b>				
<b>EXPENDITURES</b>	3,568	3,568	(8,306)	34,246
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>FUND BALANCE, Beginning of year</b>	<u>329,325</u>	<u>329,325</u>	<u>329,325</u>	-
<b>FUND BALANCE, End of year</b>	<u>\$ 332,893</u>	<u>\$ 332,893</u>	<u>\$ 321,019</u>	<u>\$ 34,246</u>

See accompanying notes to basic financial statements