Audit for FY 2011-12

Attachment 4

Twentynine Palms Public Cemetery District Management Discussion and Analysis Letter

As the Board of the Twentynine Palms Public Cemetery District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Cemetery for the fiscal year ended June 30, 2012.

Financial Highlights

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by $616,032. Of this amount, $274,278 may be used to meet the District's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of $452,398, an increase of $88,729 in comparison with the prior year. Approximately half of the total amount is available for spending at the district's discretion (unreserved fund balance).

At the end of the current fiscal year, the unreserved fund balance for the general fund was $100,238 or 49% of total general fund expenditures. The unreserved fund balance for the Endowment Care fund was$133,620 or 65% of total general fund expenditures.

The District's total debt decreased by $22,377 or 44% during the current fiscal year. The key factor in this decrease is: a smaller amount of accounts payable at year end. The District budgets for and pays its expenses in full with no desire to incur any debt.

Overview of the Financial Statements
This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include: sales of burial space (plots / niches) and burial services (open / close site, marker setting, etc…). The business-type activities of the District include: sales and handling of pre-need contracts. A "pre-need" is defined as sales and / or services paid prior to their need (future planning).

The government-wide financial statements can be found on page(s) 2 - 6 of the District's 2011/2012 Audit.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Twentynine Palms Public Cemetery District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds:

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Twentynine Palms Public Cemetery District maintains two (2) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund (MAV) and the Endowment Care fund (MBA), which are considered to be major funds. The District also maintains a Pre-Need fund (MAY). This fund is where pre-paid burial costs and services are maintained until burial occurs. At that time the funds are transferred out of that fund and into the General fund. Both the Endowment (MBA) and Pre-Need (MAY) funds contain fiduciary funds. The principle balance of both funds is considered "restricted" and the interest portion "unrestricted".

The District adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for the general fund and other major funds to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on page (s} 9-24 of the District's 2011/2012 Audit.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide benefits to its employees. Required supplementary information can be found on page (s} 25 of the District's 2011/2012 Audit.

Government-wide Financial Analysis
As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of The Twentynine Palms Public Cemetery District, assets exceeded liabilities by $616,032 at the close of the most recent fiscal year.

By far the most significant portion of the District's net assets (27 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The District used these capital assets to provide services to citizens; consequently, these assets are not available for future spending

District's Net Assets

Governmental Activities

Current and Other Assets	$466,340
Capital Assets	$167,768
Total Assets	$634,108
Long Term Liabilities	$0.00
Other Liabilities	$18,076
Total Liabilities	$18,076
Net Assets:	
Invested in Capital Assets	
net of related debt	$167,768
Restricted	$173,986
Unrestricted	$274,278
Total Net Assets	$616,032

An additional portion of the District's net assets are held in the Pre-Need Burial Fund (MAY). The principle portion of that fund is $209,003 and represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net assets in the Pre-Need Fund is $755 (accumulated interest) and may be used at the District's discretion.

At the end of the current fiscal year, the District is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its separate business-type (Pre-Need) activities. The same situation held true for the prior fiscal year.

The District's net assets (including the Pre-Need fund) decreased by $32,016 during the current fiscal year as discussed below.

Governmental activities. Governmental activities increased the District's net assets by $73,080

	Governmental Activities
PROGRAM EXPENSES	
Salaries and benefits	$ 155,427
Services and supplies	16,985
Utilities	15,766
Professional services	2,784
Depreciation	13,290
Total program expenses	204,252
PROGRAM REVENUES:	
Charges for services	17,593
Net program revenues (expenses)	(186,659)
GENERAL REVENUES (EXPENSES)	
Property taxes	156,011
Other taxes	
State aid - homeowners exemption	1,819
Interest and investment income	160
Other Income	5,247
Loss on value of Investment	(5,915)
Transfers	104,420
Prior year correction	
Total non-operating revenues (expenses)	261,739
Change in net assets	75,080
Net assets - beginning	540,952
Net assets - ending	$ 616,032

Financial Analysis of the District's Funds
As noted earlier, the District used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $452,398, an increase of$88,729 in comparison with the prior year. Approximately half (51.6%) of this total amount constitutes unreserved fund balance, which is available for spending at the District's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to generate income to pay for the perpetual care of the cemetery.

The General fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the general fund and the total fund balance was $100,238. Unreserved fund balance represents 52.5% of total general fund expenditures. The Endowment Care fund is another fund of the District's. At the end of the current fiscal year, unreserved fund balance of the Endowment Care fund was $133,620 and the total fund balance was $355,160. Unreserved Endowment fund balance represents 70% of total general fund expenditures. The Pre-Need fund is a third fund of the District's. At the end of the current fiscal year, unreserved fund balance of the Pre-Need fund was $755 and the total fund balance was $209,758. Unreserved Pre-Need fund balance represents .4% of total general fund expenditures.

The balance of the District's general fund increased by $88,729 during the current fiscal year. The primary factor was a transfer of $91,199 from the Pre-Need fund (MAY) to the General fund (MAV) to reimburse expenses incurred during the installation and beautification of the four columbarium, memorial wall and rose garden.

General Fund Budgetary Highlights
The difference between the original budget and the final amended budget was a decrease of 145,024 and can be briefly summarized as initially over budgeting for salaries / benefits and equipment.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental and business type activities as of June 30, 2012, amounts to $167,768. This investment in capital assets includes (land, buildings and systems, improvements, machinery and equipment). The total decrease in the District's investment in capital assets for the current fiscal year was $13,291. That decrease is based solely on accumulated depreciation.

There were no major capital asset events during the current fiscal year.

Details of the District's capital assets are continued in the notes to the financial statements on page 23 the District's 2011/2012 Audit.

Long-term debt
At the end of the current fiscal year, the District had no total bonded and installment debt.

Economic Factors and Next Year's Budgets and Rates
State shared revenues are expected to increase in the 2012-2013 fiscal year. The District budgeted for an increase in state-shared revenue. However, the District budgeted for approximately 66% less expenses to come closer to actual expenses. Employee salaries and benefits, office expenses, improvement to structures, etc... were all reduced. These factors were considered in preparing the District's budget for the 2012-2013 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to$100,238. The District has presented a balanced budget in the 2012-2013 fiscal year as there was no unreserved fund balance to appropriate.

The District discovered some potential discrepancies in the bookkeeping in this fiscal year. After further review the information was turned over to the San Bernardino County Sheriff's office. The Sheriff's office is conducting an ongoing investigation of this information.

Requests for Information
This financial report is designed to provide a general overview of The Twentynine Palms Public Cemetery District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board Secretary, Stacey Lee, at 5350 Encelia Avenue, Twentynine Palms, CA 92277. The District's phone number is (760) 367-9316.

TWENTYNINE PALMS PUBLIC CEMETERY DISTRICT

Regular Meeting Minutes
March 28, 2013

Opening: Elizabeth "Betty" Laferriere called the regular meeting of the Twentynine Palms Public Cemetery District to order at 5:30 p.m. on Thursday, March 28, 2013. Present were Trustees Sandra Gray, April Gibson, Omer "Les" Snodgrass, Jennifer "Niki" McBain and Secretary Stacey Lee.

Correspondence and Announcements: Stacey Lee read off the list of correspondence received including our monthly phone/visitor log.

Burials: Jacquelyn Voeltz and Ralph Garcia

Public Comments: Bob Clinkscales and Lance Mullen of US Bank gave a brief pitch on credit card processing options.

Cemetery Board and Employee(s) Comments: Jesse stated that he is waiting on the acquisition of the propane tank for heating fuel. He sees no reason to incur the rental expense over the summer months. Stacey Lee read the Caretaker Monthly Projections aloud.

Discussion items:

1. Monthly Minutes from February 28, 2013 were approved unanimously after a motion by Niki and a second by April.
2. Monthly Expenditures for February 2013 were approved unanimously after a motion by Sandra and a second by Niki.
3. Monthly Financials for February 2013 were approved unanimously after a motion by Sandra and a second by Niki.
4. Monthly Minutes from December 20, 2012 were approved unanimously after a motion by Niki and a second by Les.
5. Monthly Minutes from January 31, 2013 were approved unanimously after a motion by Niki and a second by April.
6. We unanimously agreed to wait on the Desert Trail ad after a motion by Les and a second by Sandra. Les is going to work on updating our brochures before the Memorial Day holiday.
7. The Forensic Audit of our Endowment Fund is complete. The final report and invoice will follow. The estimated cost is $15,000.
8. The Board unanimously agreed to allow the Don Hilts request to purchase a niche for his parents after a motion by Les and a second by Niki.
9. The Board unanimously approved the removal of every-other Arborvitae tree in a "staggered" fashion after a motion by Les and a second by Niki.
10. The Board unanimously approved the modified "Five Year Plan" after a motion by Niki and a second by Les.
11. The Board approved the final 2011-2012 Audit by a vote of 4-1. This approval is contingent upon corrections by Mr. Whitford. There was a motion to approve by Les and a second by Sandra. However, Jennifer McBain opposed. She wants to see the promised corrections prior to approval. We also approved the request for a modification of the D.B. Whitford fee. We agreed to an amount up to and including $10,000 after a motion by Sandra and a second by Les.

Adjournment:

Les Snodgrass motioned to adjourn and Sandra Gray seconded the motioned at 6:44 p.m. The motion was unanimously approved. The next Regular Board Meeting for the Twentynine Palms Public Cemetery District will be Thursday, April 25, 2013 at 5:30 p.m.

Minutes submitted by: Stacey Lee

Approved by: Elizabeth Laferriere

David B. Whitford, Jr.
CERTIFIED PUBLIC ACCOUNTANT

4515 Central Ave., #202, Riverside, CA 92506
(951) 341-8344 (951) 341-8346
Fax

Member of the Private Companies Practice Section of the AICPA and The California Society of Certified Public Accountants

Independent Auditor's Report

Board of Directors
Twentynine Palms Cemetery District

I have audited the accompanying financial statements of the governmental activities and each major fund of Twentynine Palms Cemetery District as of June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. My responsibility is to express opinions on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Twentynine Palms Cemetery District as of June 30, 2012, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information, on page 25, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

The District has not presented the *Management's Discussion and Analysis* that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

April 9, 2013

TWENTYNINE PALMS CEMETERY DISTRICT
Statement of Net Assets
June 30, 2012

		Governmental Activities
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$	199,661
Investments		253,557
Interest Receivable		-
Taxes Receivable		1,853
Account Receivable Services		-
Inventory		4,649
Prepaid Expenditures		6,620
Total current assets		466,340
Noncurrent Assets:		
Capital assets:		
Land		23,797
Structures and improvements		400,566
Equipment and vehicles		88,890
Less accumulated depreciation		(345,485)
Total noncurrent assets		167,768
Total assets	$	634,108
LIABILITIES		
Current Liabilities:		
Accounts Payable		9,993
Salaries and benefits payable		3,949
Total current liabilities		13,942
Noncurrent liabilities:		
Compensated absences		4,134
Total noncurrent liabilities		4,134
Total liabilities		18,076
NET ASSETS		
Invested in capital assets		167,768
Restricted		173,986
Unrestricted		274,278
Total net assets		616,032
Total liabilities and net assets	$	634,108

See Accountant's Report and accompanying notes

TWENTYNINE PALMS CEMETERY DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2012

	Governmental Activities
PROGRAM EXPENSES:	
Salaries and benefits	$ 155,427
Services and supplies	16,985
Utilities	15,766
Professional services	2,784
Depreciation	13,290
Total program expenses	204,252
PROGRAM REVENUES:	
Charges for services	17,593
Net program revenues (expenses)	(186,659)
GENERAL REVENUES (EXPENSES)	
Property taxes	156,011
Other taxes	-
State aid - homeowners exemption	1,819
Interest and investment income	160
Other Income	5,247
Loss on value of Investment	(5,915)
Transfers	104,420
Prior year correction	-
Total non-operating revenues (expenses)	261,739
Change in net assets	75,080
Net assets - beginning	540,952
Net assets - ending	$ 616,032

See Accountant's Report and accompanying notes

TWENTYNINE PALMS CEMETERY DISTRICT
Balance Sheet
June 30, 2012

	General (MAV)	Permanent Fund Endowment Care (MBA)	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	$ 101,058	$ 98,603	$ 199,661
Investments	-	253,557	253,557
Interest Receivable	-	-	-
Taxes Receivable	1,853		1,853
Accounts Receivable Services	-		-
Inventory	4,649		4,649
Prepaid expenditures	6,620		6,620
Total Assets	$ 114,180	$ 352,160	$ 466,340
LIABILITIES			
Accounts payable	$ 9,993	$ -	$ 9,993
Salaries and benefits payable	3,949	-	3,949
Total liabilities	13,942	-	13,942
FUND BALANCE			
Reserved			
Endowment principal - nonexpendable	-	218,540	218,540
Unreserved	100,238	133,620	233,858
Total fund balance	100,238	352,160	452,398
Total liabilities and fund balance	$ 114,180	$ 352,160	

Amounts reported for governmental activities in the government-wide statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	167,768
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(4,134)
Net assets of governmental funds	$ 616,032

See Accountant's Report and accompanying notes

TWENTYNINE PALMS CEMETERY DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012

	General (MAV)	Permanent Fund Endowment Care (MBA)	Total Governmental Funds
REVENUES			
Charges for services	$ 14,853	$ 2,740	$ 17,593
Property taxes	156,011	-	156,011
State aid - homeowners exemption	1,819	-	1,819
Interest and investment income	283	(123)	160
Other Income	5,247	-	5,247
Other tax revenue	13,221	-	13,221
Gain or (Loss) on value of investment	-	(5,915)	(5,915)
Total revenues	191,434	(3,298)	188,136
EXPENDITURES			
Salaries and benefits	155,071	-	155,071
Services and supplies	16,985	-	16,985
Utilities	15,766	-	15,766
Professional services	2,784	-	2,784
Capital outlay	-	-	-
Prior year correction	-	-	-
Total expenditures	190,606	-	190,606
Excess of revenues over/(under) expenditures	828	(3,298)	(2,470)
OTHER FINANCING SOURCES (USES)			
Transfers in	91,199	-	91,199
Total other financing sources and uses	91,199	-	91,199
Net Change in fund balances	92,027	(3,298)	88,729
Fund Balances - beginning	8,211	355,458	363,669
Fund Balances - ending	$ 100,238	$ 352,160	$ 452,398

See Accountant's Report and accompanying notes

TWENTYNINE PALMS CEMETERY DISTRICT
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Fiscal Year Ended June 30, 2012

Net change in fund balances - Total Governmental Funds	$	88,729
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay ($0) exceeds depreciation expense ($13,291) in the current period.		(13,291)
Compensated absences are not due and payable in the current period and, therefore, are not reported as expenditures in governmental funds. This amount represents the net decrease in the compensated absences liability.		(358)
Change in net assets of governmental activities	$	75,080

See Accountant's Report and accompanying notes

TWENTYNINE PALMS CEMETERY DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Private - Purpose Trust Fund	
	Pre-Need Burial (MAY)	
ASSETS		
Cash and Investments	$	209,758
Accounts Receivable		-
Prepaid Burial Contracts		-
Receivable for Services		-
Total assets	$	209,758
NET ASSETS		
Accounts Payable	$	-
Unrestricted		755
Restricted		209,003
Total net assets	$	209,758

See Accountant's Report and accompanying notes

TWENTYNINE PALMS CEMETERY DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Fiscal Ended June 30, 2012

	Private - Purpose Trust Fund	
	Pre-Need Burial (MAY)	
ADDITIONS		
Contributions	$	15,613
Investment Earning - Interest		1,421
Total Additions		17,034
DEDUCTIONS		
Transfers out		91,199
General Office		9,832
Prior Period Correction		23,099
Total Deductions		124,130
Change In Net Assets		(107,096)
Net assets - Beginning		316,854
Net assets - Ending	$	209,758

See Accountant's Report and accompanying notes

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Twentynine Palms Cemetery District (District), created in 1934, is an independent special district located within the County of San Bernardino. The District was established to provide cemetery service to the community of Twentynine Palms, California.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the reporting entity. As a general rule, the effect of interfund activity among governmental activities has been eliminated from the government-wide financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from any business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Currently, the District does not have any proprietary fund types. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation

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 time of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The general fund labeled "General" is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The permanent fund labeled "Endowment Care" provides resources that are legally restricted to the extent that only earnings and no principal (corpus) may be used for purposes that support the reporting government's programs.

Fiduciary funds are used to account for assets held by the District as an agent or trustee for individuals, private organizations, other governments and/or other funds. The Pre-Need Burial Fund is a private-purpose trust fund which transfers funds from its principal and earnings to the General fund to finance burial expenditures. Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and the fund financial statements. The government uses the consumption method to account for prepaid items.

Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and cash equivalents include the cash balances of substantially all funds, which are pooled and invested by the San Bernardino County Treasurer to increase interest earnings through investment activities.

Investment activities are governed by the California Government Code Sections 53601, 53635, and 53638 and the County's Investment Policy. Authorized investments include U.S. Government Treasury and Agency securities, bankers' acceptances, commercial paper, medium-term notes, mutual funds, repurchase agreements, and reverse repurchase agreements.

Interest income, and realized gains and losses earned on pooled investments are deposited quarterly to the District's accounts based on the District's average daily deposit balances during the quarter. Unrealized gains and losses of the pooled investments are distributed to the District annually. Cash and cash equivalents are shown at fair value as of June 30, 2012.

Property taxes

Secured property taxes are levied in two equal installments, November 1 and February 1. They become delinquent with penalties after December 10 and April 10, respectively. The lien date is January 1 of each year. Unsecured property taxes are due on the March 1 lien date and become delinquent with penalties after August 31.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Capital assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 (for improvements to land and structures), $3,000 (for equipment and vehicles) and have an estimated useful life in excess of one (1) year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset life is not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of the government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Structures & Improvements	15 – 45
Equipment and vehicles	6 – 20

Employee compensated absences

Accumulated vacation, holiday benefits and compensatory time are recorded as an expense and liability as the benefits are earned. Compensated absence liabilities are recorded as a noncurrent liability. The District is not obligated to pay for unused sick leave if an employee terminates or retires.

Compensated absences activity for the year ended June 30, 2012 was as follows:

Beginning Balance	Additions	Deletions	Ending Balance
$ 1,776	$ 13,033	$ 10,675	$ 4,134

Inventory

Inventory consists of the cost value of unused vaults and liners at June 30, 2012.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Use of Estimates

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABLITIY

A. Budgetary information

In accordance with provisions of Section 29000 – 29143 of the Governmental Code of the State of California, commonly known as the County Budget Act, the District prepares and adopts a budge on or before August 30 for each year.

Budgets are prepared on the modified accrual basis of accounting. The legal level of budgetary control is the object level and the sub-object level for capital assets within each fund.

Amendments or transfers of appropriations between funds must be approved by the Board. Any deficiency of budgeted revenues and other financing resources over expenditures and other financing uses is financed by beginning available fund balances.

B. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

NOTE 3: OUTSIDE INVESTMENTS

A portion of the Endowment Care Fund is invested with an approved broker/dealer, per the District's Investment Policy.

As of June 30, 2012, the fair value of the Endowment Care Fund was $352,160 consisting of the following:

Cash and Money Fund	$ 98,603
Federal Agencies	253,557
Total Investments	$ 352,160

NOTE 3: OUTSIDE INVESTMENTS – Continued

Investment Credit Risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. GASB 40 requires the disclosure of credit quality ratings for investments.

California Law places limitations on the purchase of investments in regards to the credit ratings issued by the top two of three nationally recognized statistical rating organizations and limits are also placed on the maximum percentage investment by sector and by individual issuer. Investments issued by or explicitly guaranteed by the U.S. Government or issued by or fully guaranteed as to principal and interested by federal agencies are not considered to have credit risk or individual issuer limitations. As of June 30, 2012, all investments are within the District's policy limits.

Investment Type	Fair Value	Quality Ratings	Allowed % of Portfolio	Issuer Limitations
U.S. Treasury Securities	$ 9,840	N/A	100%	None
Federal Agencies	160,404	N/A	100%	None
Money Market Interest Bearing Deposits	89,228	N/A	100%	None
Total Investments	$ 259,472			

Concentration of Credit Risk increases the risk of loss as more investments are acquired from one issuer, resulting in a lack of diversification. GASB 40 requires disclosures of investments by amount and issuer that represent five percent or more of total investments held. This requirement excludes investments issued or explicitly guaranteed by the United States Government. As of June 30, 2012, the following issuers represent more than five percent of the District's Investments:

Issuer	Fair Value	% of Portolio
FNMA STRIPS	$ 15,960	12.89%
FICO STRIPS	$ 58,294	45.56%
AMEX CENTRAL BANK CD	$ 15,380	11.85%
DISCOVER BANK CD	$ 26,697	21.18%
FEDERAL FARM BANK	$ 21,043	17.00%
GOVT TRUST CTFS	$ 9,939	7.66%
GOLDMAN SACHS BANK CD	$ 70,479	55.29%
FEDERAL HOME LOAN BANK	$ 10,050	8.12%
CITI BANK CD	$ 8,051	6.20%

Interest Rate Risk Exists when there is a possibility that changes in interest rates could have an adverse effect on an investment's fair value. Generally, the longer the maturity of an investment, the greater the interest rate risk associated with that investment.

NOTE 3: OUTSIDE INVESTMENTS – Continued

California Law places limitations on the maximum maturity of investments to be purchased by sector, unless specific conditions are met per the District's Investment Policy. California Law states that the maximum maturity limit of any investment is five years. As of June 30, 2012, the district is in compliance with the policy.

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1 (and Cash)	1 - 5	5 - 10	More than 10
Cash & Money Fund	$ 2,570	$ 2,570	$ -	$ -	$ -
U.S. Treasuries	-	-	-	-	-
Federal Agents	256,902	88,711	168,191	-	-
Total	$ 259,472	$ 91,281	$ 168,191	$ -	$ -

Custodial Credit Risk for Investments exist if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty (broker/dealer) or the counterparty's trust department or agent, but not in the government's name. Since the outside investments at June 30, 2012 are recorded in the District's name, Custodial Credit Risk for Investments does not exist.

NOTE 4: POOLED CASH AND INVESTMENTS

Cash and investments include the cash balances substantially funds which are pooled (the "pool') and invested by the County Treasurer for the purpose of increasing interest earnings through investment activities. The pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it a SEC Rule 2a7 – like pool. The pool does not issue a separate report. Included also are cash and investments held by certain joint powers authorities and cash held by various trustee financial institutions in accordance with the California Government Code.

State law requires that all operating monies of the County, school districts, and board-governed special districts be held by the County Treasurer. The net asset value associated with legally mandated participants in the asset pool was $1,752,716 at June 30, 2012.

As of June 30, 2012, the fair value of the County Pool was $3.51 billion. Approximately 10.1% of the County pool is attributable to the County General Fund, with the remainder of the balance comprised of other County funds, school districts and special districts. Additionally, as of June 30, 2012, $206,991 of the amounts deposited in the County pool was attributable to depositors who are not required to, but choose to, invest in the County pool. These include independent special districts, State Trial Court, and other governmental agencies. The deposits held for both involuntary and voluntary entities are reported in the Investment Trust Fund.

NOTE 4: POOLED CASH AND INVESTMENTS – Continued

The fair value of the pool is determined monthly, and depends on, among other factors, the maturities and types of investments and general market conditions. The fair value of each participant's position including both voluntary and involuntary participants is the same as the value of the pool share. The method used to determine participant's equity withdrawn is based on the daily average book value of the participants' percentage participation in the pool.

The County has not produced or provided any letters of credit or legal binding guarantees as supplemental support of Pool values during the year ended at June 30, 2012. The Pool provides monthly reporting to both the Board of Supervisors and the County Treasury Oversight Committee who also review and approve investment policy.

The County pools its external participants' investments with the County pool. The average rate of return on investments during fiscal year 2012 was 0.62%.

A summary of the investments held by the County as of June 30, 2012, is as follows (amounts in thousands):

Investment Type	Cost	Fair Value	Interest Rate Range	Maturity Range	Average Maturity
U.S. Treasury Securities	$ 303,653	$ 304,348	0.45% - 1.00%	01/15/13 - 12/31/16	829
U.S. Government Agencies	1,963,791	1,968,461	0.08% - 1.91%	08/22/12 - 03/15/16	475
Negotiable Certificates of Deposit	680,000	680,242	0.15% - 0.69%	07/02/12 - 06/21/13	90
Commercial Paper	329,941	329,985	0.05% - 0.16%	07/02/12 - 09/17/12	10
Repurchase Agreements	50,000	50,000	0.14%	07/02/12	3
Money Market Mutual Funds	173,000	173,000	0.05%	07/02/12	1
Total Treasurer's Pooled Investments	3,500,385	3,506,036			
Investments Controlled by Fiscal Agents:					
Guaranteed Investment Contracts	4,751	4,751			
Municipal Bonds	27,299	27,294			
Mutual Funds	64,581	66,708			
U.S. Treasury Securities	24,784	22,665			
Total Investments Controlled by Fiscal Agents	121,415	121,418			
Total Investments	$ 3,621,800	$ 3,627,454			
Cash in Banks:					
Non-Interest Bearing Deposits		381,592			
Total Cash and Investments		$ 4,009,046			

NOTE 4: POOLED CASH AND INVESTMENTS – Continued

Investments authorized by debt agreement

Investment of debt proceeds held by bond trustees are governed by provisions of the trust agreements, created in connection with the issuance of debt (see note 11) rather than the general provisions of the California Government Code. Certificates of Participation and Revenue Bond indentures specify the types of securities in which proceeds may be invested as well as any related insurance, collateral, or minimum credit rating requirements. Although requirements may very between debt issues, money market funds are all required to be investment grade. Guaranteed investment contracts are required to be acceptable to the municipal bond insurer. The fair value of investments is based on the valuation provided by trustee banks.

Investment credit risk

Investment credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. GASB Statement No. 40 requires the disclosure of credit quality ratings for investments in debt securities as well as investments in external investment pools, money market funds, and other pooled investments of fixed income securities.

California Law and San Bernardino County Treasury Pool Investment Policy (where more restrictive) place limitations on the purchase of investments in the County pool. Purchases of commercial paper and negotiable certificates of deposit are restricted to the top two ratings issued by a minimum of two of three nationally recognized statistical rating organizations (NRSRO'S). For an issuer of short-term debt, the rating must be no less than A-1 (S&P), P-1 (Moody's), or F-1 (Fitch) while an issuer of long-term corporate debt must have a minimum letter rating of "AA". Municipal notes and bonds and money market mutual funds must have a minimum letter rating of "AAA" from two of three NRSRO's (if rated by three). Limits are also placed on the maximum percentage investment by sector and by individual issuer (see schedule).

NOTE 4: POOLED CASH AND INVESTMENTS – Continued

As of June 30, 2012, all investments held by the County Pool were within policy limits.

Investment Type	S & P Rating	Moody's Rating	Fitch Rating	Maximum Allowed % of Portfolio	Individual Issuer Limitations	Weighted % of Pool 6/30/2012
U.S. Treasury Securities	AA+	Aaa	AAA	100%	None	8.68%
U.S. Government Agencies	AA+	Aaa	AAA	100%	None	56.15%
Negotiable Certificates of Deposit	A1+	P1	F1+	30%	5%	15.84%
Negotiable Certificates of Deposit	A1	P1	F1+	30%	5%	3.56%
Commercial Paper	A1+	P1	F1+	40%	5%	1.28%
Commercial Paper	A1	P1	F1+	40%	5%	4.99%
Commercial Paper	A1+	P1	N/R	40%	5%	2.14%
Commercial Paper	A1	P1	F1	40%	5%	1.00%
Repurchase Agreements	A1	P1	F1	40%	None	1.43%
Money Market Mutual Funds	AAA	Aaa	AAA	15%	10%	4.93%

The County's investments controlled by fiscal agents were rated as of June 30, 2012 as follows:

Investment Type	S & P Rating	Moody's Rating	Fitch Rating	Weighted % of Investments 6/30/2012
Guaranteed Investment Contracts	B-	B2	N/R	3.91%
Municipal Bonds	AAA	Aa1	AA	1.90%
Municipal Bonds	AAA	Aaa	N/R	3.29%
Municipal Bonds	AAA	Aaa	AAA	3.71%
Municipal Bonds	AA	Aa2	AA	3.29%
Municipal Bonds	AA+	Aa1	AA+	3.21%
Municipal Bonds	AAA	Aa1	A+	3.29%
Municipal Bonds	AA-	Aa3	AA-	3.78%
Mutual Funds	AAA	Aaa	N/R	41.72%
Mutual Funds	AAA	Aaa	AAA	5.71%
Mutual Funds	AAA	N/R	N/R	7.52%
U.S. Treasury Securities	AA+	Aaa	AAA	18.67%

Concentration of Credit Risk

An increased risk of loss occurs as more investments are acquired from one issuer (i.e. lack of diversification). This results in a concentration of credit risk.

NOTE 4: POOLED CASH AND INVESTMENTS – Continued

Concentration of Credit Risk – continued

GASB Statement No. 40 requires disclosure of investments by amount and issuer that represent five-percent or more of total investments held. This requirement excludes investments issued or explicitly guaranteed by the United States Government, investments in mutual funds, external investment pools, and other pooled investments.

As of June 30, 2012, the following issuers represented more than five-percent of the County Pool balance:

Issuer	Fair Value	% of Portfolio
Federal Home Loan Bank (FHLB)	$ 437,155	12.47%
Federal National Mortgage Association (FNMA)	622,288	17.75%
Federal Home Loan Mortgage Corporation (FHLMC)	713,390	20.35%
Federal Farm Credit Bank (FFCB)	195,628	5.58%
Total Investments	$ 1,968,461	

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. Generally, the longer the maturity of an investment, the greater the interest rate risk associated with that investment.

GASB Statement No. 40 requires that interest rate risk be disclosed using a minimum of one of five approved methods which are: segmented time distribution, specific identification, weighted average maturity, duration, and simulated model.

The county manages its exposure to interest rate risk by carefully matching cash flows and maturing positions to meet expenditures, limiting 40% of the County Pool to maturities of one year or less, and by maintaining an overall effective duration of 1.5 years or less. Modified Duration is a measure of a fixed income's cash flow using present values, weighted for cash flows as a percentage of the investments full price. Effective duration makes assumptions regarding the most likely timing and amounts of variable cash flows arising from such investments as callable bonds. Duration-to-Maturity assumes that all securities in the portfolio, including callable and floating rate notes, are held to final maturity.

California Law and where more restrictive, the San Bernardino County Pool Investment Policy, place limitations on the maximum maturity of investments to be purchased by sector (see schedule). As of June 30, 2012, all investments held by the County Pool were within policy limits.

NOTE 4: POOLED CASH AND INVESTMENTS – Continued

A summary of investments for Maturity Range, Limits, and effective duration is as follows:

Investment Type	Fair Value	Maturity Range (Days)	Maturity Limits	Effective Duration
U.S. Treasury Securities	$ 304,348	199 - 1,645	5 Years	2.23
U.S. Government Agencies	1,968,461	53 - 1,354	5 Years	0.95
Negotiable Certificates of Deposit	680,242	3 - 356	1,095 days	0.25
Commercial Paper	329,985	Mar-79	270 Days	0.03
Repurchase Agreements	50,000	3	108 days	0.006
Money Market Mutual Funds	173,000	1	Daily Liq.	0.003
Total Securities	$ 3,506,036			

Weighted average maturity of the investments controlled by fiscal agents, as of June 30, 2012, is as follows:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Guaranteed Investment Contracts	$ 4,751	16.07
Municipal Bonds	27,294	12.51
Mutual Funds	66,708	0.02
U.S. Treasury Securities	22,665	10.38
Total Securities	$ 121,418	

Custodial Credit Risk

Custodial Credit Risk for Deposits exists when, in the event of a depository financial institution failure, a government may be unable to recover deposits, or recover collateral securities that are in the possession of an outside party.

GASB 40 requires the disclosure of deposits into a financial institution that are not covered by FDIC depository insurance and are uncollateralized.

California Law requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

NOTE 4: POOLED CASH AND INVESTMENT – Continued

As of June 30, 2012, the carrying amount of the County's deposits was $381,592 and the corresponding bank balance was $388,860. The difference of $7,268 was primarily due to outstanding warrants, wires and deposits in transit. Of the bank balance, $387,875 was insured by the FDIC depository insurance.

Custodial Credit Risk for Investments exist when, in the event of a failure of the counterparty (e.g., broker/dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

In order to limit Custodial Credit Risk for Investments, San Bernardino County Pool Investment Policy requires that all investments and investment collateral be transacted on a delivery versus payment basis with a third-party custodian and registered in the County's name. All counterparties to repurchase agreements must sign a SIFMA Global Master Repurchase Agreement and/or Tri-Party Repurchase Agreement before engaging in repurchase agreement transactions.

As of June 30, 2012, Cash and Investments are classified in the accompanying financial statement as follows:

	Total Governmental Activities	Total Business - Type Activities	Total Fiduciary Funds	Discretely Presented Component Unit	Total
Cash and Investments	$ 1,318,774	$ 160,354	$ 2,297,510	$ 93,246	$ 3,869,884
Restricted Cash and Investments	5,845	126,384	6,933		139,162
Total Cash and Investments	$ 1,324,619	$ 286,738	$ 2,304,443	$ 93,246	$ 4,009,046

A separate financial statement is not issued for external investment pool. The following represents a condensed statement of assets and changes in net assets for the Treasurer's investment pool as of June 30, 2012:

Statement of Net Assets	
Equity of internal pool participants	$ 1,546,329
Equity of external pool participants:	
Voluntary	206,991
Involuntary	1,752,716
Total net Assets held for pool participants	$ 3,506,036

Statement of Changes in Net Assets	
Net Assets at July 1, 2011	$ 4,112,203
Net change in investments by pool participants	(606,167)
Net assets at June 30, 2012	$ 3,506,036

NOTE 5: RESTRICTED CASH AND INVESTMENTS

Cash and cash equivalents and investments that are restricted by legal or contractual requirements at June 30, 2012 are comprised of the following:

Permanent Fund – Endowment Care

Restricted cash and investments of $218,540 represent principal (corpus) that is legally restricted for perpetual maintenance of the District.

NOTE 6: NET ASSETS

The government-wide fund financial statements utilize a net assets presentation. Net assets comprise the various net earnings from operating and non-operating revenues, expenses and contribution of capital. Net assets are classified in the following three components.

- Invested in Capital Assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted – This component of net assets consist of constraints placed on net asset use through external constraints imposed by creditors, grantors, contributions, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted – This component of net asset consist of net assets of the District that are not restricted for any project or other purpose.

The District's net assets for the year ended June 30, 2012 are as follows:

	Governmental Activities
Invested in Capital Assets	
Net land, land improvements, infrastructure, construction in progress, structures and improvements, equipment and vehicles	$ 167,768
Restricted	
Principal (corpus) of the "Endowment Care Fund"	218,540
Unrestricted	229,724
Total Net Assets	$ 616,032

NOTE 7: CAPITAL ASSETS

The costs of building and acquiring capital assets (land, buildings, vehicles and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the governmental fund balance sheet. However, the government-wide statement of net assets includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Capital asset activities for governmental activities for the year ended June 30, 2012 are as follows:

	Balance at July 1, 2011	Additions	Disposals	Balance at June 30, 2012
Governmental activities				
Capital assets not being depreciated:				
Land	$ 23,797	$ -	$ -	$ 23,797
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	23,797	-	-	23,797
Capital assets being depreciated:				
Structures and improvements	400,566	-	-	400,566
Vehicles	69,496	-	-	69,496
Equipment	19,394	-	-	19,394
Total capital assets being depreciated	489,456	-	-	489,456
Less: accumulated depreciation for:				
Structures and improvements	259,915	7,962	-	267,877
Vehicles	63,675	4,081	-	67,756
Equipment	8,604	1,248	-	9,852
Total accumulated depreciation	332,194	13,291	-	345,485
Total capital assets being depreciated, net	157,262	(13,291)	-	143,971
Total net capital assets	$ 181,059	$ (13,291)	$ -	$ 167,768

NOTE 8: TRANSFERS IN/OUT

Interfund Transfers In/Out transactions are used to close out a fund, reimburse an operating fund, and transfer cash between operating funds and any capital project funds. At June 30, 2012, the District made the following interfund transfers:

Fund	Purpose	Amount
MAV	From Pre-Need Fund to reimburse expenses	$ 91,199
MAY	To General Fund to pay for expenses	(91,199)
		$ -

NOTE 9: INSURANCE

The District is insured with the American Alternative Insurance Corporation for general liability, property damage, employee dishonesty, and automobile liability. Preferred Employers Insurance Company provides the District with worker's compensation insurance for all employees in extra or full time positions. Unemployment insurance is provided through the State of California's Employment Development Department.

Type of Coverage	Limit of Insurance	Description
General Liability	$ 1,000,000	Per occurrence
	$ 3,000,000	General aggregate
Management Liability	$ 1,000,000	Each wrongful act, less deductible of $1,000
	$ 1,000,000	Policy aggregate, less deductible of $1,000
Property	Replacement Cost, no coinsurance, less deductible of $1,000	
Crime		
Employee theft	$ 250,000	Per loss coverage
Forgery or Alteration	$ 250,000	
Inside the premises – Theft of money & securities	$ 250,000	
Inside the premises – Robbery or safe burglary	$ 5,000	
Outside the premises	$ 250,000	
Computer Fraud	$ 100,000	
Funds Transfer Fraud	$ 100,000	
Money orders and Counterfeit paper currency	$ 100,000	
Inland Marine		
Blanket small tools & Equipment	$ 25,000	Per occurrence, less deductible of $500
	$ 2,500	Per item, less deductible of $500
Scheduled contractors' equipment	$ 68,700	Less deductible of $500
Automotive Coverage		
Automobile liability	$ 1,000,000	Per accident
Auto medical payments	$ 5,000	Per person Per accident
Uninsured/Underinsured motorist	$ 1,000,000	Per accident
Comprehensive/Collision	Actual cash value less $500 deductible	
Worker's Compensation Coverage	$ 1,000,000	Each accident
Bodily injury by accident	$ 1,000,000	Policy limit
Bodily injury by disease	$ 1,000,000	Each employee
Bodily injury by disease		

NOTE 10: RETIREMENT

Edward Jones carries the District's IRA retirement plan. Employees are eligible to participate in the plan at the end of the employee's probationary period. The plan is 100% immediately vested. Each employee contributes $27.78 in 24 equal payroll deductions. This amount, along with the District's contribution is forwarded to Edward Jones at the end of each month. Each employee receives a total annual contribution of $2,000 towards their IRA retirement plan.

TWENTYNINE PALMS CEMETERY DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2012

General Fund (MAV)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance, July 1, 2011	$ (393,286)	$ (393,286)	$ 68,244	$ 461,530
Resources (inflows):				
Property taxes	98,400	98,400	155,663	57,263
Other taxes	-	-	-	-
State aid - homeowners exemption	1,000	1,000	2,167	1,167
Interest	4,000	4,000	283	(3,717)
Transfers in	650	650	50,000	49,350
Charges for services	15,500	15,500	14,505	(995)
Other revenue	12,000	12,000	18,816	6,816
Amounts available for appropriations	(261,736)	(261,736)	309,678	571,414
Charges to appropriations (outflows):				
Salaries and benefits	203,600	203,600	155,427	48,173
Services and supplies	80,625	80,625	16,985	63,640
Utilities	23,100	23,100	15,766	7,334
Professional Services	350	350	2,784	(2,434)
Captial Outlay	25,000	25,000	-	25,000
General Reserve	5,000	5,000	-	5,000
Appropriation and Contingencies	25,000	25,000	-	25,000
Total charges to appropriations	362,675	362,675	190,962	171,713
Budgetary Fund Balance, June 30, 2012	$ (624,411)	$ (624,411)	$ 118,716	$ 743,127