

Township
No. 2
Cemetery
District

2020 and
2021

For the Fiscal Years Ended June 30,
2020 and June 30, 2021

**Annual
Financial
Report**

TOWNSHIP NO. 2 CEMETERY DISTRICT

BOARD OF DIRECTORS

As of June 30, 2021

<u>MEMBER</u>	<u>POSITION</u>
Donald Smith	Chairman
Pamela Bennetts	Vice Chairman
Thomas Reed	Treasurer
Larry Slayton	Secretary
Judy Allen	Trustee

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Members of the American Institute of CPA's, California
Society of CPA's and the AICPA Peer Review Program

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

I have reviewed the accompanying financial statements of the government activities and each major fund of Township No. 2 Cemetery District (the Cemetery) as of and for the fiscal years ending June 30, 2021 and 2020, and the related notes to the financial statements, which comprise the Cemetery's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

I am required to be independent of Township No. 2 Cemetery District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

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

Required Supplementary Information

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



Cathy Castillo
Certified Public Accountant

November 24, 2021
Sutter Creek, California

TOWNSHIP NO. 2 CEMETERY DISTRICT

TABLE OF CONTENTS

	<u>page</u>
Independent Accountant's Review Report	1
<i>Government Wide Financial Statements</i>	
Statements of Net Position-June 30, 2021 and 2020	3
Statements of Activities-June 30, 2021 and 2020	4
<i>Fund Financial Statements:</i>	
Balance Sheet- Governmental Funds and Reconciliation to Statement of Net Position	
June 30, 2021	5
June 30, 2020	6
Statement of Revenues, Expenditures, and Changes in Fund Balance- Governmental Funds and Reconciliation to Statements of Activities	
June 30, 2021	7
June 30, 2020	8
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget (GAAP Basis) and Actual	
June 30, 2021	9
June 30, 2020	10
Notes to the Financial Statements	11

**TOWNSHIP NO. 2 CEMETERY DISTRICT
STATEMENTS OF NET POSITION
June 30, 2021 and 2020**

	Governmental Activities	
ASSETS	2021	2020
Cash:		
Unrestricted cash		
Cash in county treasury	\$ 255,195	\$ 190,547
Cash on hand	50	50
Checking	978	978
Total unrestricted cash	256,223	191,575
Restricted cash		
Endowment care fund	62,586	59,013
Total restricted cash	62,586	59,013
Total cash	318,809	250,588
Due to endowment care fund from general fund	225	225
Due to general fund from endowment care fund	50	-
Prepaid insurance	-	3,766
Capital assets:		
Capital assets, net of accumulated depreciation	273,059	284,326
Total capital assets, net	273,059	284,326
Total Assets	\$ 592,143	\$ 538,905
LIABILITIES		
Accrued payroll	\$ 1,395	\$ 1,352
Due from general fund to endowment care fund	225	225
Due from endowment care fund to general fund	50	-
Warrants payable	4,750	3,614
Total Liabilities	6,420	5,191
Net Position		
Net investment in capital assets	273,059	284,326
Restricted for:		
Endowment	62,761	59,238
Unrestricted	249,903	190,150
Total Net Position	585,723	533,714
Total Liabilities and Net Position	\$ 592,143	\$ 538,905

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

TOWNSHIP NO. 2 CEMETERY DISTRICT
STATEMENTS OF ACTIVITIES
For the Fiscal Years Ended June 30, 2021 and 2020

EXPENSES	Governmental Activities	
	2021	2020
Board stipends	\$ 4,600	\$ 5,000
Care and maintenance of cemetery	4,741	6,750
Depreciation expense	11,267	11,267
Liability insurance	2,238	1,838
Maintenance of buildings	2,964	2,879
Maintenance of equipment	1,185	1,112
Minor equipment purchases and rental	2,175	2,435
Office expense	1,856	1,317
Payroll taxes	2,310	2,094
Professional services	8,286	13,791
Miscellaneous expense	565	23
Utilities	7,004	6,513
Wages	30,236	28,725
Worker's compensation	1,528	1,768
Total Expenses	80,955	85,512
PROGRAM REVENUES		
Charges for cemetery services	8,469	13,694
Total Program Revenues	8,469	13,694
GENERAL REVENUES		
Charges for admin services	4,800	5,200
Homeowner's prop tax relief	1,204	1,180
Interest income	3,289	3,430
Miscellaneous revenue	210	500
Property taxes	112,257	100,066
Total General Revenues	121,760	110,376
REVENUES OVER EXPENSES	49,274	38,558
RESTRICTED		
Endowment care deposits	2,735	2,625
CHANGE IN RESTRICTED NET POSITION	2,735	2,625
CHANGE IN NET POSITION	52,009	41,183
Net Position-beginning of year	533,714	492,531
Net Position-end of year	\$ 585,723	\$ 533,714

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

**TOWNSHIP NO. 2 CEMETERY DISTRICT
BALANCE SHEET-GOVERNMENTAL FUNDS
As of June 30, 2021**

	General Fund	Endowment Care Fund	Total 2021
ASSETS			
Cash:			
Cash in county treasury	\$ 255,195	\$ 62,586	\$ 317,781
Cash on hand	50	-	50
Checking	978	-	978
Total cash	<u>256,223</u>	<u>62,586</u>	<u>318,809</u>
Due to endowment care from general fund	-	225	225
Due to general fund from endowment care	50	-	50
Total Assets	<u>\$ 256,273</u>	<u>\$ 62,811</u>	<u>\$ 319,084</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued payroll	\$ 1,395	\$ -	\$ 1,395
Due from general fund to endowment care	225	-	225
Due from endowment care to general fund	-	50	50
Warrants payable	4,750	-	4,750
Total Liabilities	<u>6,370</u>	<u>50</u>	<u>6,420</u>
Fund Balances:			
Nonspendable	-	62,761	62,761
Assigned	64,829	-	64,829
Unassigned	185,074	-	185,074
Total Fund Balances	<u>249,903</u>	<u>62,761</u>	<u>312,664</u>
Total Liabilities and Fund Balances	<u>\$ 256,273</u>	<u>\$ 62,811</u>	<u>\$ 319,084</u>

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

Total Fund Balances of Governmental Funds	<u>2021</u> \$ 312,664
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, are not current financial resources and are not reported in governmental funds	273,059
Net Position of Governmental Activities	<u>\$ 585,723</u>

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

**TOWNSHIP NO. 2 CEMETERY DISTRICT
BALANCE SHEET-GOVERNMENTAL FUNDS
As of June 30, 2020**

	General Fund	Endowment Care Fund	Total 2020
ASSETS			
Cash:			
Cash in county treasury	\$ 190,547	\$ 59,013	\$ 249,560
Cash on hand	50	-	50
Checking	978	-	978
Total cash	<u>191,575</u>	<u>59,013</u>	<u>250,588</u>
Due to endowment care from general fund	-	225	225
Prepaid insurance	3,766	-	3,766
Total Assets	<u>\$ 195,341</u>	<u>\$ 59,238</u>	<u>\$ 254,579</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued payroll	\$ 1,352	\$ -	\$ 1,352
Due from general fund to endowment care	225	-	225
Warrants payable	3,614	-	3,614
Total Liabilities	<u>5,191</u>	<u>-</u>	<u>5,191</u>
Fund Balances:			
Nonspendable	3,766	59,238	63,004
Assigned	20,975	-	20,975
Unassigned	165,409	-	165,409
Total Fund Balances	<u>190,150</u>	<u>59,238</u>	<u>249,388</u>
Total Liabilities and Fund Balances	<u>\$ 195,341</u>	<u>\$ 59,238</u>	<u>\$ 254,579</u>

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

Total Fund Balances of Governmental Funds	<u>2020</u> \$ 249,388
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, are not current financial resources and are not reported in governmental funds	284,326
Net Position of Governmental Activities	<u>\$ 533,714</u>

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

TOWNSHIP NO. 2 CEMETERY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES- GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021

	General Fund	Endowment Care Fund	Total 2021
REVENUES			
Charges for admin services	\$ 4,800	\$ -	\$ 4,800
Charges for cemetery services	8,469	-	8,469
Homeowner's prop tax relief	1,204	-	1,204
Interest income	2,501	788	3,289
Miscellaneous revenue	210	-	210
Property taxes	112,257	-	112,257
Total Revenues	129,441	788	130,229
EXPENDITURES			
Current:			
Board stipends	4,600	-	4,600
Care and maintenance of cemetery	4,741	-	4,741
Liability insurance	2,238	-	2,238
Maintenance of buildings	2,964	-	2,964
Maintenance of equipment	1,185	-	1,185
Minor equipment purchases and rentals	2,175	-	2,175
Office expense	1,856	-	1,856
Payroll taxes	2,310	-	2,310
Professional services	8,286	-	8,286
Miscellaneous expense	565	-	565
Utilities	7,004	-	7,004
Wages	30,236	-	30,236
Worker's compensation	1,528	-	1,528
Total Expenditures	69,688	-	69,688
REVENUES OVER EXPENDITURES	59,753	788	60,541
CHANGES IN TRUST BALANCE			
Endowment care deposits	-	2,735	2,735
NET CHANGE IN FUND BALANCES	59,753	3,523	63,276
Beginning of year	190,150	59,238	249,388
End of year	\$ 249,903	\$ 62,761	\$ 312,664

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

	2021
Net Change in Fund Balances-Total Government Funds	\$ 63,276

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

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

Current year depreciation	(11,267)
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Change in Net Position of Governmental Funds	\$ 52,009
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TOWNSHIP NO. 2 CEMETERY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES- GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2020

	General Fund	Endowment Care Fund	Total 2020
REVENUES			
Charges for admin services	\$ 5,200	\$ -	\$ 5,200
Charges for cemetery services	13,694	-	13,694
Homeowner's prop tax relief	1,180	-	1,180
Interest income	2,435	995	3,430
Miscellaneous revenue	500	-	500
Property taxes	100,066	-	100,066
Total Revenues	123,075	995	124,070
EXPENDITURES			
Current:			
Board stipends	5,000	-	5,000
Care and maintenance of cemetery	6,750	-	6,750
Liability insurance	1,838	-	1,838
Maintenance of buildings	2,879	-	2,879
Maintenance of equipment	1,112	-	1,112
Minor equipment purchases	2,435	-	2,435
Office expense	1,317	-	1,317
Payroll taxes	2,094	-	2,094
Professional services	13,791	-	13,791
Special department expenses	23	-	23
Utilities	6,513	-	6,513
Wages	28,725	-	28,725
Worker's compensation	1,768	-	1,768
Total Expenditures	74,245	-	74,245
REVENUES OVER EXPENDITURES	48,830	995	49,825
CHANGES IN TRUST BALANCE			
Endowment care deposits	-	2,625	2,625
NET CHANGE IN FUND BALANCES	48,830	3,620	52,450
Beginning of year	141,320	55,618	196,938
End of year	\$ 190,150	\$ 59,238	\$ 249,388

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

	2020
Net Change in Fund Balances-Total Government Funds	\$ 52,450

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

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

Current year depreciation	(11,267)
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Change in Net Position of Governmental Funds	\$ 41,183
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"See accompanying notes and independent accountant's review report"

TOWNSHIP NO. 2 CEMETERY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS- BUDGETS AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Original and Final Budgeted Amount	Actual	Variance (Unfavorable)
REVENUES			
Charges for admin services	\$ 3,600	\$ 4,800	\$ 1,200
Charges for cemetery services	-	8,469	8,469
Endowment care collections	-	2,735	2,735
Homeowner's prop tax relief	413	1,204	791
Interest income	3,430	3,289	(141)
Miscellaneous revenue	10,740	210	(10,530)
Property taxes	97,976	112,257	14,281
Total Revenues	<u>116,159</u>	<u>132,964</u>	<u>16,805</u>
EXPENDITURES			
Board stipends	6,000	4,600	1,400
Care and maintenance of cemetery	7,000	4,741	2,259
Capital outlay	18,500	-	18,500
Liability insurance	3,700	2,238	1,462
Maintenance of buildings	1,200	2,964	(1,764)
Maintenance of equipment	1,000	1,185	(185)
Minor equipment purchases and rentals	2,000	2,175	(175)
Miscellaneous expense	-	200	(200)
Office expense	1,800	1,856	(56)
Payroll taxes	2,480	2,310	170
Professional services	18,250	8,286	9,964
Protective clothing	250	47	203
Pub & legal notices	750	318	432
Special department expenses	500	-	500
Training	1,200	-	1,200
Utilities	6,500	7,004	(504)
Wages	31,900	30,236	1,664
Worker's compensation	1,950	1,528	422
Total Expenditures	<u>104,980</u>	<u>69,688</u>	<u>35,292</u>
Net Change in Fund Balances	<u>\$ 11,179</u>	<u>\$ 63,276</u>	<u>\$ 52,097</u>

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

TOWNSHIP NO. 2 CEMETERY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS- BUDGETS AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Original and Final Budgeted Amount	Actual	Variance (Unfavorable)
REVENUES			
Charges for admin services	\$ 4,000	\$ 5,200	\$ 1,200
Charges for cemetery services	-	13,694	13,694
Endowment care collection	-	2,625	2,625
Homeowner's prop tax relief	562	1,180	618
Interest income	1,986	3,430	1,444
Miscellaneous revenue	14,160	500	(13,660)
Property taxes	93,214	100,066	6,852
Total Revenues	<u>113,922</u>	<u>126,695</u>	<u>12,773</u>
EXPENDITURES			
Board stipends	6,000	5,000	1,000
Care and maintenance of cemetery	7,000	6,750	250
Capital outlay	18,500	-	18,500
Liability insurance	3,700	1,838	1,862
Maintenance of buildings	1,200	2,879	(1,679)
Maintenance of equipment	1,000	1,112	(112)
Minor equipment purchases and rentals	1,700	2,435	(735)
Office expense	1,800	1,317	483
Payroll taxes	2,380	2,094	286
Professional services	18,250	13,791	4,459
Protective clothing	250	23	227
Pub & legal notices	750	-	750
Special department expenses	500	-	500
Training	1,200	-	1,200
Utilities	6,500	6,513	(13)
Wages	30,900	28,725	2,175
Worker's compensation	1,950	1,768	182
Total Expenditures	<u>103,580</u>	<u>74,245</u>	<u>29,335</u>
Net Change in Fund Balances	<u>\$ 10,342</u>	<u>\$ 52,450</u>	<u>\$ 42,108</u>

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

TOWNSHIP NO. 2 CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020 and 2021

NOTE 1- ORGANIZATION AND PURPOSE

Nature of Activities:

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

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation:

Government -wide Statements:

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

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include revenues that are restricted to meeting the operational requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. The Cemetery had no business-type activities.

Fund Financial Statements:

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

Governmental Fund

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

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

The *Endowment Care Fund* is a trust fund created by an irrevocable trust agreement, and governed by state law, which holds deposits made by purchasers of cemetery burial plots.

TOWNSHIP NO. 2 CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020 and 2021

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Basis of Accounting:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Cemetery gives (or receives) value without directly receiving (or giving) equal value in exchange, include property tax and donations. Under accrual basis, revenue from property tax is recognized in the fiscal year for which the taxes are levied. Revenues from donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property taxes, certain state and federal grants, charges for services and use of the money and property are considered susceptible to accrual and are accrued when their receipt occurs within sixty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under the accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgements are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Budgetary Control:

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

Capital Assets:

Fixed assets, which consist of land, building and improvements, and equipment, are reported in the governmental activities columns in the Government Wide financial statements. All fixed assets are valued at historical cost or estimated historical cost if actual historical is not available. Contributed fixed assets are valued at their fair market value. Repairs and maintenance are recorded as expenses if they do not add to the value of the asset or materially extend the asset life. Capital assets, which may include renewals and betterments, are defined by the cemetery as assets with an initial, individual cost of more than \$1,000.

Depreciation is estimated on the straight-line basis over the useful life of the asset. Estimated useful life for the cemetery's assets ranges from 5 to 40 years. Depreciation expense for both the fiscal years ended June 30, 2020 and 2021 was \$11,267.

Estimates and Assumptions:

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

TOWNSHIP NO. 2 CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020 and 2021

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Prepaid Items:

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

Equity Classifications:

Government-wide statements

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

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

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

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

Fund Financial Statements

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

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to remain intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts. Those nonspendable amounts reported represent Endowment Care fund and prepaid amounts.

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

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

TOWNSHIP NO. 2 CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020 and 2021

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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

Unassigned: all other spendable amounts.

The District has no formal policy of which funds will be used first. Each expenditure is reviewed on a case by case basis. Fund commitments and assignments may be made, modified or rescinded by the Board of Directors.

Revenue:

Property Taxes: The cemetery recognizes property tax revenue when the County distributes and records the revenue in cemetery funds. The general operations of the cemetery are funded primarily by property tax assessments. Amador County is responsible for assessing, collecting, and distributing the assessments. Assessments are billed with the county in two installments and become delinquent after December 10th and April 10th. Liens on real property are established on March 1 for the ensuing year. Based on policy called the Teeter Plan, 100% of allocated taxes are transmitted by the County to the District, eliminating the need for allowance for uncollectible.

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

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

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

NOTE 3- CASH

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

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

TOWNSHIP NO. 2 CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020 and 2021

NOTE 3- CASH -continued

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

As of June 30, 2021 and 2020, the cemetery's bank balances were entirely secured or collateralized with securities held by the cemetery or by its agents in the cemetery's name.

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

NOTE 4- CAPITAL ASSETS

Capital assets at June 30, 2021 consisted of the following:

	Beg. Balance 7/1/2020	additions	deletions	End Balance 6/30/2021
Capital assets not being depreciated:				
Land	\$ 48,000	\$ -	\$ -	\$ 48,000
Construction in progress	-	-	-	-
Total capital assets not being depreciated	48,000	-	-	48,000
Capital assets being depreciated:				
Buildings and improvements	208,550	-	-	208,550
Equipment	14,227	-	-	14,227
Land improvements	68,243	-	-	68,243
Software	7,000	-	-	7,000
Total capital assets being depreciated	298,020	-	-	298,020
Less accumulated depreciation	(61,694)	(11,267)	-	(72,961)
Total capital assets being depreciated, net	236,326	(11,267)	-	225,059
Total capital assets, net				\$ 273,059

TOWNSHIP NO. 2 CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020 and 2021

NOTE 4- CAPITAL ASSETS - continued

Capital assets at June 30, 2020 consisted of the following:

	Beg. Balance 7/1/2019	additions	deletions	End Balance 6/30/2020
Capital assets not being depreciated:				
Land	\$ 48,000	\$ -	\$ -	\$ 48,000
Total capital assets not being depreciated	48,000	-	-	48,000
Capital assets being depreciated:				
Buildings and improvements	208,550	-	-	208,550
Equipment	14,227	-	-	14,227
Land improvements	68,243	-	-	68,243
Software	7,000	-	-	7,000
Total capital assets being depreciated	298,020	-	-	298,020
Less accumulated depreciation	(50,427)	(11,267)	-	(61,694)
Total capital assets being depreciated, net	247,593	(11,267)	-	236,326
Total capital assets, net				\$ 284,326

NOTE 5- DUE TO/DUE FROM

The cemetery has a due to/due from which represents the amount that is due to the Endowment Care Fund from the General Fund of \$225 in 2020 and 2021 and due to General Fund from the Endowment Care Fund of \$50 in 2021 due to the misclassification of deposits.

NOTE 6- COMMITMENTS AND CONTIGENCIES

The cemetery is unaware of any claims against it, which may have a material effect on the financial statements as of June 30, 2021 and 2020.

NOTE 7- RISK MANAGEMENT

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

TOWNSHIP NO. 2 CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020 and 2021

NOTE 8- SUBSEQUENT EVENT

The cemetery has evaluated subsequent events through November 24, 2021 the date the financial statements were available to be issued, and determined the following to be significant:

The cemetery's operations may be affected by the recent and ongoing outbreak of the coronavirus disease (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption, which may be caused by the outbreak, is uncertain: however, it may result in a material adverse impact on Cemetery's financial position, operations and cash flows. Possible effects may include, but are not limited to, disruption to the Cemetery's activities and operations.