

County of Solano  
Office of the Auditor-Controller



**AN AUDIT OF THE  
SILVEYVILLE CEMETERY DISTRICT  
OF SOLANO COUNTY**

**Independent Auditor's Report and Financial Statements  
For the fiscal years ended June 30, 2011 and 2010**

**Auditor-Controller: Simona Padilla-Scholtens, CPA  
Audit Manager: Ian Goldberg, CGAP  
Auditor: Don Gall, MBA**



**Silveyville Cemetery District of Solano County  
For the fiscal years ended June 30, 2011 and 2010**

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**Silveyville Cemetery District of Solano County  
For the fiscal years ended June 30, 2011 and 2010**

**Board of Trustees \***

John Reeb, Chairperson

Marcy Savala, Vice-Chairperson

Margarite Kittyle, Secretary

Scott de Bie

James Bounds

\* As of report issuance date

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## Independent Auditor's Report

Board of Trustees  
Silveyville Cemetery District of Solano County

We have audited the accompanying basic financial statements of the Silveyville Cemetery District of Solano County, as of and for the fiscal years ended June 30, 2011 and 2010. These financial statements are the responsibility of the Silveyville Cemetery District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's *Minimum Audit Requirements for California Special Districts*. Those standards require that we 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Silveyville Cemetery District as of June 30, 2011 and 2010, and the changes in financial position for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 4 through 9, schedule of pension funding progress and budgetary comparison information on pages 28 through 30, are not a required part of the financial statements but are supplementary information required by the Governmental Accounting Standards Board. We 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, we did not audit the information and express no opinion on it.

Simona Padilla-Scholtens, CPA  
Auditor-Controller

May 11, 2012





# Silveyville Cemetery District

## Management's Discussion and Analysis

As management of the Silveyville Cemetery District of Solano County, California (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended June 30, 2011 and 2010. We encourage readers to consider the information presented here in conjunction with additional information in our financial statements.

## Financial Highlights

- The District's net assets totaled \$3,229,431 at June 30, 2011 and \$3,117,073 at June 30, 2010. Of this amount, \$2,271,886 and \$2,145,656 (unrestricted net assets) for the fiscal years 2010/11 and 2009/10, respectively, may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net assets increased by \$112,358 and \$130,120 as a result of the operations for fiscal years 2010/11 and 2009/10, respectively.
- At June 30, 2011 and June 30, 2010, the District's governmental funds reported an ending fund balance of \$2,686,148 and \$2,545,437, respectively. Of this amount, \$179,277 and \$139,198 is available for spending at the District's discretion (unassigned fund balance) as of June 30, 2011 and June 30, 2010, respectively. The remaining amounts of \$2,506,871 and \$2,406,239, at June 30, 2011 and June 30, 2010, respectively, are nonspendable or assigned.

## Overview of the Financial Statements

This discussion and analysis is 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.

**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 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 financial position of the District 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 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.

The government-wide financial statements can be found on pages 10-11 of this report.

**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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**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 District's near-term financing requirements.

Since 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 District'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 District maintains two 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 and Permanent Funds.

The basic governmental fund financial statements can be found on pages 12-17 of this report.

**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 pages 18-26 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparison schedule for the General Fund as well as the schedule of funding progress for the retirement program. Required supplementary information can be found on pages 28-31 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a District's financial position. In the case of the District, assets exceeded liabilities by \$3,229,431 and \$3,117,073 at June 30, 2011 and 2010, respectively.

**Silveyville Cemetery District  
Statement of Net Assets  
as of June 30, 2011, 2010 & 2009**

	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>6/30/2009</u>
<b>Assets:</b>			
Current assets	\$ 2,679,099	\$ 2,539,480	\$ 2,467,878
Noncurrent assets	587,208	616,335	555,981
Total assets	<u>\$ 3,266,307</u>	<u>\$ 3,155,815</u>	<u>\$ 3,023,859</u>
<b>Liabilities:</b>			
Current liabilities	\$ 24,423	\$ 25,515	\$ 25,184
Noncurrent liabilities	12,453	13,227	11,722
Total liabilities	<u>36,876</u>	<u>38,742</u>	<u>36,906</u>
<b>Net Assets:</b>			
Invested in capital assets, net	555,736	584,863	555,981
Restricted	401,809	386,554	340,727
Unrestricted	2,271,886	2,145,656	2,090,245
Total net assets	<u>3,229,431</u>	<u>3,117,073</u>	<u>2,986,953</u>
Total liabilities and net assets	<u>\$ 3,266,307</u>	<u>\$ 3,155,815</u>	<u>\$ 3,023,859</u>

The District's investment in capital assets, net of accumulated depreciation, totaled \$555,736 and \$584,863 or approximately 17% and 19% of the District's net assets as of June 30, 2011 and 2010, respectively. The investment in capital assets is composed of land, structures and improvements, infrastructure, and equipment. The District uses these capital assets to provide services to customers; consequently, these assets are not available for future spending.

An additional portion of the District's net assets, approximately 12% as of June 30, 2011 and 2010, represent resources subject to external restrictions on how they may be used.

The remaining balance of the District's net assets, 71% and 69% as of June 30, 2011 and 2010, respectively, is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors.

The key elements in the significant changes in current assets and liabilities are as follows:

Current assets increased \$139,619 as of June 30, 2011 and increased \$71,602 as of June 30, 2010. The primary reason for the increase is due to favorable operations for the current fiscal year resulting in an increase to the District's cash balance in the Treasury Pool.

**Governmental activities** increased the District's net assets by \$112,358 during fiscal year 2010/11, which represents an increase of 3.6% from fiscal year 2009/10 total net assets. The change in net assets for fiscal year 2009/10 was an increase of \$130,120, which represents a 4.4% increase from fiscal year 2008/09 total net assets.

**Silveyville Cemetery District**  
**Changes in Net Assets**  
**For the fiscal years ended June 30, 2011, 2010 & 2009**

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Program expenses:			
Employee services	\$ 298,315	\$ 287,168	\$ 293,874
Depreciation	32,119	33,254	32,449
Professional & specialized services	14,149	27,913	11,303
Special district expense	13,979	13,742	18,832
Maintenance	12,298	8,711	20,541
Transportation & travel	8,718	8,062	9,019
Utilities	7,739	7,428	7,771
Insurance	5,750	6,084	5,637
Property tax refunds	3,242	2,707	3,896
Purchases for resale	1,800	2,700	4,425
Supplies	1,675	1,141	1,424
Communication	1,583	1,404	1,497
Rents & leases	716	1,510	1,699
Miscellaneous	3,508	3,866	5,609
Total program expenses	<u>405,591</u>	<u>405,690</u>	<u>417,976</u>
Program revenues:			
Charges for services	81,653	86,649	91,450
Endowment fees	15,255	14,055	16,965
Total program revenues	<u>96,908</u>	<u>100,704</u>	<u>108,415</u>
Net program expenses	<u>308,683</u>	<u>304,986</u>	<u>309,561</u>
General revenues:			
Property taxes	382,496	387,430	397,292
Revenues from the use of money and property	27,314	36,816	56,851
Intergovernmental revenues	4,583	4,503	4,150
Sale of capital asset	-	-	-
Miscellaneous	6,648	6,357	1,489
Total general revenues	<u>421,041</u>	<u>435,106</u>	<u>459,782</u>
Change in net assets	112,358	130,120	150,221
Net assets:			
Beginning of the fiscal year	3,117,073	2,986,953	2,836,732
End of the fiscal year	<u>\$ 3,229,431</u>	<u>\$ 3,117,073</u>	<u>\$ 2,986,953</u>

The key elements in the significant changes in net assets are as follows:

General revenues decreased \$14,065 from 2009/10 to 2010/11 and decreased \$24,676 from 2008/09 to 2009/10 due to the declines in property tax revenue and the market interest rate for the County Treasury pool.

## Financial Analysis of the District's Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The General Fund is a governmental fund type that is used to account for general government functions of the District. The focus of the District's governmental fund 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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2011 and 2010, the District's governmental funds reported a combined ending fund balance of \$2,686,148 and \$2,545,437, an increase of \$140,711 and \$102,562 respectively. Of the ending fund balance, \$179,277 at June 30, 2011 and \$139,198 at June 30, 2010, constitutes unassigned fund balance, which is available for spending at the District's discretion.

Governmental revenues totaled \$517,949 and \$535,810 in fiscal years 2010/11 and 2009/10, respectively. This represents a 3.3% decrease and a 5.7% decrease from fiscal years 2009/10 and 2008/09, respectively.

Governmental expenditures totaled \$377,238 and \$433,067 in fiscal year 2010/11 and 2009/10, respectively. This represents a 12.9% decrease and a 9.6% increase from fiscal years 2009/10 and 2008/09, respectively. The change is primarily due to capital outlay of \$53,453 in 2009/10 for the purchase of a new backhoe.

The Permanent Fund is the District's perpetual-care fund, which provides resources for the current and future maintenance of the cemetery. The District's Permanent Fund reports resources that are legally restricted to the extent that only earnings, and not principal, be used to support the District's current maintenance cost, if necessary.

## Budgetary Highlights

The General Fund budget (Adopted and Final versions) is reflected in the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual, as presented on pages 29-30 in the Required Supplementary Information (RSI) section of this report.

There were no changes between the adopted budget and the final budget of the General Fund in fiscal year 2010/11. For fiscal year 2010/11, revenues recognized were less than budgeted amounts by \$3,693 and expenditures incurred were less than budgeted estimates by \$123,772. This was mainly the result of charges for services and interest earnings being less than anticipated. Additionally, capital outlay, employee services, maintenance, professional services and appropriations for contingencies were not fully utilized.

There were no changes between the adopted budget and the final budget of the General Fund in fiscal year 2009/10. For fiscal year 2009/10, revenues recognized were less than budgeted amounts by \$3,522 and expenditures incurred were less than budgeted estimates by \$84,203. This was mainly the result of charges for services and interest earnings being less than anticipated. Additionally, employee services, maintenance, and appropriations for contingencies were not fully utilized.

## Capital Assets and Debt Administration

**Capital Assets.** The District's investment in capital assets as of June 30, 2011 and 2010 totaled \$555,736 and \$584,863 (net of accumulated depreciation), respectively. This investment in capital assets includes land, structures and improvements, infrastructure, and equipment. The net capital assets decreased by \$29,127 at June 30, 2011 and increased \$28,882 at June 30, 2010.

### Silveyville Cemetery District Capital Assets (net of depreciation) as of June 30, 2011, 2010 & 2009

	<u>6/30/2011</u>		<u>6/30/2010</u>		<u>6/30/2009</u>
Land	\$ 217,013	\$	217,013	\$	217,013
Structures and improvements	256,111		270,324		285,733
Infrastructure	11,859		23,202		34,545
Equipment	70,753		74,324		18,690
Total capital assets	<u>\$ 555,736</u>	\$	<u>584,863</u>	\$	<u>555,981</u>

Additional information on the District's capital assets can be found in Note III A on page 24 of this report.

**Long-term debt.** At June 30, 2011 and 2010 the District had \$12,453 and \$13,227, respectively, of long-term debt owed for compensated absences. This amount is entirely backed by the faith and full credit of the District. For more information see Note B on page 25 of this report.

### Economic Factors and Next Year's Operating Activities

The District management anticipates a continued decrease in various significant revenue sources in the upcoming fiscal year, more specifically, in property taxes and interest income. The District plans to offset this decline by continuing to stabilize and where possible reducing the District's operating costs.

### Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District's Board of Trustees, 800 South First Street, Dixon, CA 95620-9647.



















**Silveyville Cemetery District of Solano County**  
**Notes to the Financial Statements**  
**For the fiscal years ended June 30, 2011 and 2010**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Silveyville Cemetery District (District) of Solano County was organized in 1927, and currently operates as a public cemetery under Sections 8125 to 8137 and 9000 to 9093 of the Health and Safety Code of the State of California.

The District is governed by an appointed Board of Trustees consisting of five (5) members. The Board of Supervisors of Solano County approves the appointment of each member for a term of four years.

**B. Government-wide and Fund Financial Statements**

The District's financial accounts are maintained in accordance with generally accepted accounting principles (GAAP) and the uniform accounting system for districts prescribed by the State Controller in compliance with the Government Code of the State of California.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government. 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. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

**C. Measurement Focus, Basis of Accounting and Basis of 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 timing of related cash flows. Property taxes are recognized as revenues in the year they are levied.

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 90 days of the end of the current fiscal period. Expenditures are generally 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, licenses, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

The District reports the following major governmental funds:

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

The *Permanent Fund* is the District's endowment fund. It accounts for all financial resources of the government collected for the future care of District property.

## **D. Assets, Liabilities and Net Assets or Equity**

### ***1. Cash and Cash Equivalents***

The District's cash is maintained in the Solano County Treasury and is pooled with the County and various other depositors. The District is a mandatory depositor pursuant to California Health & Safety Code Section 9074. The District's ability to withdraw large sums of cash from the County Treasury may be subject to certain restrictions set by the County Treasurer.

The County's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the County Board of Supervisors. The objectives of the policy (in order of priority) are: legality, preservation of capital, liquidity, and yield. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code, and the percentage of the portfolio which may be invested in certain instruments with longer terms of maturity. A detailed breakdown of cash and investments and a categorization of risk factors are presented in the County of Solano Comprehensive Annual Financial Report. A detailed breakdown of cash and investments and a categorization of risk factors per GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, are presented in the County of Solano Comprehensive Annual Financial Report.

### ***2. Due from Other Funds***

Due from other funds represents the balance due to the permanent fund from the general fund of the District.

### ***3. Long-term Receivable***

Long-term receivable represents the balance due from the State for the Proposition 1A borrowing.



#### ***4. Capital Assets***

Capital assets, which include land, structures and improvements, infrastructure, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District's capitalization policy as assets with an initial cost of more than \$1,000. Such assets are recorded at historical cost if purchased or estimated historical cost if constructed. Donated capital assets are valued at their fair value on the date of donation.

Structures and improvements, equipment, and depreciable infrastructure assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Computer equipment	3-5
Office equipment	3-5
Specialty equipment and vehicles	5-20
Structures and improvements	10-30
Roads (overlay)	10

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

In the fund financial statements, fixed assets used in the District's operations are accounted for as capital outlay expenditures of the District's General Fund upon acquisition.

#### ***5. Accounts Payable***

Accounts payable represents the balance due for goods received and/or services rendered.

#### ***6. Outstanding Warrants***

Outstanding warrants represent the amount of treasury warrants issued but not yet presented to the Treasurer for payment. When warrants are mailed, expenditures are recorded and an outstanding warrant liability is created, pending payment of the warrant.

#### ***7. Compensated Absences***

It is the District's policy to permit permanent employees to accumulate earned but unused compensatory time, vacation, and sick leave benefits. Unused sick leave (not to exceed 48 days or 384 hours), accrued compensatory time, and annual leave is paid at the time of the employee's termination based on established District limitations. Compensated absences leave is accrued when incurred in the government-wide financial statements. A liability is reported in the governmental fund only if unused compensatory time and vacation leave after limitations are expected to be liquidated (paid out due to an employee separating from service with the District) with expendable available financial resources.

## 8. *Net Assets/Fund Balance*

The government-wide financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets, restricted, and unrestricted.

- *Invested in capital assets* – This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt, if any, attributable to the acquisition, construction or improvement of these assets reduces the balance in this category.
- *Restricted for perpetual care (nonexpendable)* – This category represents the permanent fund principal that is legally restricted for the perpetual care of the cemetery. This portion of net assets is considered “nonexpendable” and is required to be retained in perpetuity.
- *Unrestricted* – This category represents net assets of the District, not restricted for any project or other purpose.

The various categories of fund balance represent relative strength or hierarchy of spending constraints. These categories are established either by inherent, external or internal limitations.

- *Nonspendable* – Nonspendable fund balance consists of funds that are legally or contractually required to be maintained intake (endowment care) or funds that are not expected to be converted to cash (imprest cash/long-term receivable).
- *Assigned* – Assigned fund balance consists of funds constrained by the District’s intent to be used for a specific purpose.
- *Unassigned* – Unassigned fund balance is the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications.

## 9. *Fund Balance Policy*

### **Assigned Fund Balance**

The District, during any Board meeting, may establish or change an Assigned Fund Balance through Board Approval.

### **District Spending Priority Policy**

The District’s Spending Priority policy applies to fund balance and revenue sources. In circumstances when expenditure is made for a purpose which amounts are available in multiple fund balance classification, the use of fund balance will be applied in the following order:

1. Restricted
2. Committed
3. Assigned
4. Unassigned

## ***10. Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

## ***11. Implementation of New Accounting Standards***

Effective July 1, 2010, the District implemented Government Accounting Standards Board (GASB) Statement No.54, “*Fund Balance Reporting and Government Fund Type Definitions*”. The requirements of this statement are effective for financial statement periods beginning after June 15, 2010.

GASB 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied, and it clarifies the existing governmental fund type definitions. It establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

## **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Property Taxes**

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

Secured property taxes are apportioned in advance of collection. All other taxes are apportioned after collection.

## **B. GANN Appropriations Limit**

In accordance with Article XIII B of the California Constitution, the District is subject to the appropriations limit since the District was in existence on January 1, 1978, and the District's tax levy for fiscal year 1977/78 was above 12 ½ cents per \$100 of assessed valuation. The appropriations limit for the years ended June 30, 2011 and 2010 were \$629,159 and \$640,686 respectively. Property taxes and related interest income allocated to the District and subject to the appropriations limit for the years ended June 30, 2011 and 2010 were \$381,693 and \$392,669, respectively. Therefore, for the years ended June 30, 2011 and 2010, the District was under the limit by \$247,466 and \$248,017, respectively.

### III. DETAILED NOTES

#### A. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2011 was as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions &amp; Transfers-in</b>	<b>Retirements &amp; Transfers-out</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:				
Land	\$ 217,013	\$ -	\$ -	\$ 217,013
Total capital assets, not being depreciated	217,013	-	-	217,013
Capital assets being depreciated:				
Structures and Improvements	640,523	-	-	640,523
Infrastructure	269,942	-	-	269,942
Equipment	166,691	2,992	-	169,683
Total capital assets, being depreciated	1,077,156	2,992	-	1,080,148
Less accumulated depreciation for:				
Structures and Improvements	(370,199)	(14,213)	-	(384,412)
Infrastructure	(246,740)	(11,343)	-	(258,083)
Equipment	(92,367)	(6,563)	-	(98,930)
Total accumulated depreciation	(709,306)	(32,119)	-	(741,425)
Total capital assets, being depreciated, net	367,850	(29,127)	-	338,723
Governmental activities capital assets, net	\$ 584,863	\$ (29,127)	\$ -	\$ 555,736

Capital assets activity for the fiscal year ended June 30, 2010 was as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions &amp; Transfers-in</b>	<b>Retirements &amp; Transfers-out</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:				
Land	\$ 217,013	\$ -	\$ -	\$ 217,013
Total capital assets, not being depreciated	217,013	-	-	217,013
Capital assets being depreciated:				
Structures and Improvements	640,523	-	-	640,523
Infrastructure	269,942	-	-	269,942
Equipment	128,879	62,317	(24,505)	166,691
Total capital assets, being depreciated	1,039,344	62,317	(24,505)	1,077,156
Less accumulated depreciation for:				
Structures and Improvements	(354,790)	(15,409)	-	(370,199)
Infrastructure	(235,397)	(11,343)	-	(246,740)
Equipment	(110,189)	(6,502)	24,324	(92,367)
Total accumulated depreciation	(700,376)	(33,254)	24,324	(709,306)
Total capital assets, being depreciated, net	338,968	29,063	(181)	367,850
Governmental activities capital assets, net	\$ 555,981	\$ 29,063	(181)	\$ 584,863

## B. Long-term Liabilities

The District's long-term liability consists entirely of compensated absences. The District is not aware of, or does not anticipate, the retirement of any of its employees within one year.

Long-term liability activity for the fiscal year ended June 30, 2011, was as follows:

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 13,227	\$ -	\$ 774	\$ 12,453	\$ -
Total long-term liabilities	<u>\$ 13,227</u>	<u>\$ -</u>	<u>\$ 774</u>	<u>\$ 12,453</u>	<u>\$ -</u>

Long-term liability activity for the fiscal year ended June 30, 2010 was as follows:

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 11,722	\$ 1,505	\$ -	\$ 13,227	\$ -
Total long-term liabilities	<u>\$ 11,722</u>	<u>\$ 1,505</u>	<u>\$ -</u>	<u>\$ 13,227</u>	<u>\$ -</u>

## IV. OTHER INFORMATION

### A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District continues to carry commercial insurance for all risks of loss, including general liability, business automobile liability, and business property insurance.

### B. Employee Pension Plan

**Plan Description:** The District's defined benefit pension plan, the District's Miscellaneous Plan (the Plan), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. Benefit provisions and all other requirements are established by State statute and local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from CalPERS Executive Office, 400 P Street – Sacramento, CA 95814.

**Funding Policy:** Active plan members are required to contribute 7% of their annual covered salary. The District makes the contributions required of District employees on their behalf. The District is required to contribute the actuarially determined rate. The 2010/11 and 2009/10 rates are 11.183% and 11.033%, respectively, for miscellaneous employees. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration.

The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

**Annual Pension Costs:** For fiscal years 2010/11 and 2009/10, the District’s annual pension cost was \$22,054 and \$21,081, respectively. The required contribution for fiscal years 2010/11 and 2009/10 was determined as part of the June 30, 2008 and June 30, 2007 actuarial valuations using the entry age normal actuarial cost method with the contributions determined as a percent of the payroll of covered employees that was actually paid during the period July 1, 2010 to June 30, 2011 and July 1, 2009 to June 30, 2010 respectively. The actuarial assumptions included: (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members, and (c) 3.25% overall payroll growth. Both (a) and (b) include an inflation component of 3.0%. More complete information on assumptions and methods used is provided in the Actuarial Valuation Report as of June 30, 2008 and June 30, 2007 for the Miscellaneous Plan of the Silveyville Cemetery District.

Since the District’s plan had less than 100 active members in at least one valuation since June 30, 2003, it is required to participate in a risk pool. To account for the differences between the funded status of the pool and the funded status of the individual plans, CalPERS created side funds for each employer. The District’s side fund amounts total (\$49,392) and (\$53,578) as of June 30, 2008 and 2007 valuation dates respectively. The side fund is credited, on an annual basis, with the actual investment return assumption. The assumption is currently 7.75%. The side fund will also be subject to amortization on an annual basis. The employer contribution rate for future years will be equal to the risk pool’s rate plus the amortization of the individual side fund and an adjustment to phase out the difference between the risk pool’s normal cost and the individual employer’s normal cost at the time of joining the pool.

**Three-Year Trend Information for Miscellaneous Plan**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/11	\$ 22,054	100%	\$ -
6/30/10	\$ 21,081	100%	\$ -
6/30/09	\$ 21,765	100%	\$ -

**REQUIRED SUPPLEMENTARY INFORMATION**



**Silveyville Cemetery District of Solano County**  
**Schedule of Funding Progress**  
**For the fiscal years ended June 30, 2011 and 2010**  
**Actuarial Valuation as of June 30, 2008**  
**Unaudited**

The Schedule of Funding Progress below shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability to payroll.

**Plan's Risk Pool History of Funded Status and Funding Progress of the Pension Plan**

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Actuarial Valuation Date	Actuarial Accrued Liability- (AAL)- Entry Age (a)	Accrued Value of Assets (b)	Unfunded Liabilities (UL) (a-b)	Funde d Ratio (a/b)	Annual Covered Payroll (c)	AAL As a Percentage of Covered Payroll [(a-b)/c]
6/30/05	\$ 484,351,523	\$ 459,996,995	\$ 24,354,528	95.0%	\$ 174,127,476	14.0%
6/30/06	\$ 478,122,215	\$ 454,602,459	\$ 23,519,756	95.1%	\$ 170,458,082	13.8%
6/30/07	\$ 498,934,859	\$ 479,520,670	\$ 19,414,189	96.1%	\$ 171,052,819	11.4%
6/30/08	\$ 532,483,463	\$ 513,147,099	\$ 19,336,364	96.4%	\$ 183,387,608	10.5%





**Silveyville Cemetery District of Solano County  
Notes to Required Supplementary Information  
For the fiscal years ended June 30, 2011 and 2010**

*Budgetary Information*

Pursuant to Health and Safety Code Section 9070, on or before August 30 of each year, the District Board of Trustees shall adopt a final budget which shall conform to the accounting and budgeting procedures for Special Districts contained in the California Code of Regulations. The final budget shall establish its appropriations limit pursuant to Division 9 of the Government Code. All annual appropriations lapse at fiscal year end.

An operating budget prepared on a modified accrual basis is adopted each fiscal year for the general fund. A budget is not prepared for the permanent fund. The Board of Trustees shall forward a copy of the final budget to the auditor of each county in which the District is located.