

Green Valley Cemetery District

**Annual Report
For the Fiscal Years Ended
June 30, 2009 and 2008**

Green Valley Cemetery District

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Auditor-Controller
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Board of Trustees
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Auditor-Controller's Report

We have audited the accompanying financial statements of the Green Valley Public Cemetery District (the District), as of and for the years ended June 30, 2009 and 2008, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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.

As described in Note IV.D of the Notes to the Basic Financial Statements, the Auditor-Controller is mandated by various statutes within the California Government Code to perform certain accounting, auditing and financial reporting functions. These activities, in themselves, necessarily impair the auditor's independence. However, we believe adequate safeguards and divisions of responsibility exist.

In our opinion, except for the effects, if any, of the impairment to auditor independence, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Green Valley Cemetery District as of June 30, 2009 and 2008 and the respective changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Sonoma County Auditor-Controller

August 5, 2010

Management's Discussion and Analysis

As management of the Green Valley Cemetery District (GVCD), we offer readers of the GVCD's financial statements this narrative overview and analysis of the financial position and activities of GVCD for the fiscal years ended June 30, 2009 and 2008. We encourage readers to consider the information presented here in conjunction with GVCD's basic financial statements and the accompanying notes to the basic financial statements.

Financial Highlights

- The assets of GVCD exceeded its liabilities at the close of the fiscal years ending June 30, 2009 and 2008 by \$57,925 and \$50,388 (net assets) respectively. Of these amounts, \$38,782 and \$31,245 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors for the respective fiscal years noted.
- At the close of the fiscal years ending June 30, 2009 and 2008, GVCD's governmental fund reported respective ending fund balances of \$38,782 and \$31,245. These amounts represent increases of \$7,537 and \$10,927 in comparison with the respective prior years. Approximately 100% of this total amount is available for spending at the government's discretion (unreserved fund balance).
- At the end of the fiscal years ending June 30, 2009 and 2008, unreserved fund balances were \$38,782 and \$31,245 respectively or approximately 1400% and 665% of the total expenditures for those periods.

Financial Statements

This discussion and analysis is intended to serve as an introduction to the GVCD's basic financial statements. GVCD's basic financial report is comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

Government-wide financial statements

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

The statement of net assets presents information on all of GVCD'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 GVCD is improving or deteriorating.

The statement of activities presents information showing how the government'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 rental revenue and earned but unused vacation leave).

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. GVCD, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of GVCD are governmental funds.

Governmental funds are used to account for essentially the same functions reported in 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.

GVCD has only governmental funds and adopts an annual appropriated budget for those funds.

Notes to the basic 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.

Government-wide Financial Analysis

The District applied Governmental Accounting Standards Board (GASB) Statement No. 34 in this report.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the GVCD, assets exceeded liabilities by \$57,925 and \$50,388 respectively at the close of the fiscal years ended June 30, 2009 and 2008.

A portion of the District's net assets (33% and 38% respectively for the fiscal years ending June 30, 2009 and 2008) is in its investment in capital assets, (i.e., land). The land is used as a cemetery for the benefit of the citizens; consequently, these assets are not available for future spending.

Net Assets

	2009	2008	2007
Current and other assets	\$ 39,152	\$ 31,245	\$ 20,561
Capital assets	19,143	19,143	19,143
Total assets	58,295	50,388	39,704
Current liabilities	370	-	-
Total liabilities	370	-	-
Invested in capital assets	19,143	19,143	19,143
Restricted	-	-	243
Unrestricted	38,782	31,245	20,318
Total net assets	\$ 57,925	\$ 50,388	\$ 39,704

The District's current assets are mainly cash deposits with the Sonoma County Treasurer. Cash balances increased from the fiscal year ended June 30, 2008 to the fiscal year ended in 2009. The increase is an indication that cash inflows exceeded cash outflows. The additional cash inflows received were from the sale of cemetery plots. GVCD has continued to have positive balances in all categories of net assets. Net assets in the Restricted category represent prepaid insurance expenses. Net assets in the Unrestricted category are assets which may be used to meet the District's ongoing obligations to citizens and creditors.

Changes in Net Assets

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Program expenses			
Services and supplies	\$ 2,773	\$ 4,677	\$ 2,920
Total program expenses	<u>2,773</u>	<u>4,677</u>	<u>2,920</u>
Program and general revenues			
Intergovernmental	78	77	77
Miscellaneous revenue	1,055	6,200	11,625
Property Taxes	8,388	8,107	7,570
Investment earnings	<u>789</u>	<u>977</u>	<u>461</u>
Total program and general revenues	<u>10,310</u>	<u>15,361</u>	<u>19,733</u>
Increase (decrease) in net assets	7,537	10,684	16,813
Net assets - beginning of the year	<u>50,388</u>	<u>39,704</u>	<u>22,891</u>
Net assets - end of the year	<u>\$ 57,925</u>	<u>\$ 50,388</u>	<u>\$ 39,704</u>

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the GVCD'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 government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal years ending June 30, 2009 and 2008, the GVCD's governmental fund reported ending fund balances of \$38,782 and \$31,245 respectively, resulting in increases of \$7,537 and \$10,927 when compared with the respective prior years. Approximately 100% of the total amount constitutes unreserved fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the GVCD. At the end of the fiscal years ending June 30, 2009 and 2008, unreserved fund balances of the general fund were \$38,782 and \$31,245 respectively. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance to total fund expenditures. Unreserved fund balance represented 1400% and 665% of total general fund expenditures for the respective periods ending June 30, 2009 and 2008.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets, as of June 30, 2009, amounts to \$19,143. This investment in capital assets consists entirely of non-depreciable land. The District did not acquire or dispose of any major assets during the fiscal years ending June 30, 2009 and 2008.

Additional information on the District's capital assets can be found in Note III.B.

Economic Factors and Next Year's Budget and Rates

The District's anticipates no significant changes in its operations in the coming year.

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 Green Valley Cemetery District, PO Box 678, Graton, CA 95444.

Green Valley Cemetery District
Comparative Statement of Net Assets
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets		
Cash and investments	\$ 39,152	\$ 31,245
Capital assets:		
Non-depreciable	<u>19,143</u>	<u>19,143</u>
Total assets	<u>58,295</u>	<u>50,388</u>
Liabilities		
Accounts payable	<u>370</u>	<u>-</u>
Total liabilities	<u>370</u>	<u>-</u>
Net Assets		
Invested in capital assets	19,143	19,143
Unrestricted	<u>38,782</u>	<u>31,245</u>
Total net assets	<u>\$ 57,925</u>	<u>\$ 50,388</u>

The notes to the basic financial statements are an integral part of this statement.

**Green Valley Cemetery District
Comparative Statement of Activities
For the Years Ended June 30, 2009 and 2008**

	2009	2008
Program Expenses		
Services and supplies	\$ 2,773	\$ 4,677
Total program expenses	2,773	4,677
Program Revenues		
Charges for services		
Intergovernmental	78	77
Miscellaneous revenue	1,055	6,200
Total program revenues	1,133	6,277
Net program revenues (expenses)	(1,640)	1,600
General Revenues		
Property taxes	8,388	8,107
Investment earnings	789	977
Total general revenues	9,177	9,084
Change in net assets	7,537	10,684
Net assets, beginning of the year	50,388	39,704
Net assets - end of year	\$ 57,925	\$ 50,388

The notes to the basic financial statements are an integral part of this statement.

**Green Valley Cemetery District
Comparative Balance Sheet
Governmental Fund
June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Assets		
Cash and investments	\$ 39,152	\$ 31,245
Total assets	<u>\$ 39,152</u>	<u>\$ 31,245</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 370	\$ -
Total liabilities	<u>370</u>	<u>-</u>
Fund balance:		
Unreserved	<u>38,782</u>	<u>31,245</u>
Total fund balance	<u>38,782</u>	<u>31,245</u>
Total liabilities and fund balance	<u>\$ 39,152</u>	<u>\$ 31,245</u>
Reconciliation of Balance Sheet to Statement of Net Assets		
Fund balances - total governmental funds	\$ 38,782	\$ 31,245
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds	19,143	19,143
Net assets of governmental activities (page 6)	<u>\$ 57,925</u>	<u>\$ 50,388</u>

The notes to the basic financial statements are an integral part of this statement.

**Green Valley Cemetery District
Comparative Statement of Revenues,
Expenditures and Changes in Fund Balance
Governmental Fund
For the Years Ended June 30, 2009 and 2008**

	2009	2008
Revenues		
Property taxes	\$ 8,388	\$ 8,107
Investment earnings	789	977
Intergovernmental revenue	78	77
Miscellaneous	1,055	6,200
Total revenues	10,310	15,361
Expenditures		
Current:		
Services and supplies	2,773	4,434
Total expenditures	2,773	4,434
Excess (deficiency) of revenue over (under) expenditures	7,537	10,927
Fund Balance - beginning of the year	31,245	20,318
Fund balance - end of year	\$ 38,782	\$ 31,245

The notes to the basic financial statements are an integral part of this statement.

Green Valley Cemetery District
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Governmental Fund
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 6,200	\$ 6,200	\$ 8,388	\$ 2,188
Investment earnings	50	50	789	739
Intergovernmental revenue	75	75	78	3
Miscellaneous	-	-	1,055	1,055
	<u>6,325</u>	<u>6,325</u>	<u>10,310</u>	<u>3,985</u>
Expenditures				
Current:				
Services and supplies	<u>8,840</u>	<u>8,840</u>	<u>2,773</u>	<u>6,067</u>
Total expenditures	<u>8,840</u>	<u>8,840</u>	<u>2,773</u>	<u>6,067</u>
Excess (deficiency) of revenues over (under) expenditures	(2,515)	(2,515)	7,537	10,052
Fund balance - beginning of year	<u>31,245</u>	<u>31,245</u>	<u>31,245</u>	<u>-</u>
Fund balance - end of year	<u>\$ 28,730</u>	<u>\$ 28,730</u>	<u>\$ 38,782</u>	<u>\$ 10,052</u>

The notes to the basic financial statements are an integral part of this statement.

Green Valley Cemetery District
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Governmental Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 6,200	\$ 6,200	\$ 8,107	\$ 1,907
Investment earnings	50	50	977	927
Intergovernmental revenue	-	-	77	77
Miscellaneous	-	-	6,200	6,200
Total revenues	<u>6,250</u>	<u>6,250</u>	<u>15,361</u>	<u>9,111</u>
Expenditures				
Current:				
Services and supplies	<u>10,707</u>	<u>10,707</u>	<u>4,434</u>	<u>6,273</u>
Total expenditures	<u>10,707</u>	<u>10,707</u>	<u>4,434</u>	<u>6,273</u>
Excess (deficiency) of revenues over (under) expenditures	(4,457)	(4,457)	10,927	15,384
Fund balance - beginning of year	<u>20,318</u>	<u>20,318</u>	<u>20,318</u>	<u>-</u>
Fund balance - end of year	<u>\$ 15,861</u>	<u>\$ 15,861</u>	<u>\$ 31,245</u>	<u>\$ 15,384</u>

The notes to the basic financial statements are an integral part of this statement.

Green Valley Cemetery District
Notes to the Basic Financial Statements
June 30, 2009 and 2008

i. Summary of Significant Accounting Policies

A. Reporting Entity

Green Valley Public Cemetery is located in Graton, California. The cemetery was incorporated into a Public Cemetery District (the District), by the voters within the District prior to April 1964. The District is governed by a Board of Trustees appointed by the Sonoma County Board of Supervisors to serve 4-year terms.

B. 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 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 the 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 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or section and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. 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 timing of the 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.

Governmental Fund Financial Statements 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. Taxes, interest, and charges for services are accrued when receipt occurs within 365 days of the end of the accounting period so as to be both measurable and available. Licenses, permits, fines, forfeitures, and other revenues are recorded as revenues when received in cash

Green Valley Cemetery District
Notes to the Basic Financial Statements
June 30, 2009 and 2008

because they are generally not measurable until actually received. Property taxes are accrued when their receipt occurs within sixty days of the end of the accounting 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 judgments are recorded only when payment is due.

Amounts recorded as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided and 2) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

The district reports the following major governmental fund:

The general fund 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.

D. Assets, Liabilities, and Net Assets

1. Deposits and Investments

The District maintains its operating cash in accounts with the Sonoma County Treasurer, who acts as a disbursing agent. Consequently, the District benefits from the Treasurer's practice of pooling cash and investments of certain funds. Interest earned on these pooled investments is allocated and apportioned quarterly to the District, based on the average daily balance for each quarter.

2. Receivables and Payables

a. Property Taxes

The County of Sonoma is responsible for assessing, collecting and distributing property taxes in accordance with state law. Liens on real property are established January 1 for the ensuing fiscal year. The property tax is levied as of July 1 on all taxable property located in the County of Sonoma. Secured property taxes are due in two installments, on November 1 and February 1, and are delinquent after December 10 and April 10, respectively. Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

Since the passage of California's Proposition 13, beginning with fiscal year 1978/1979, general property taxes are based either on a flat 1% rate applied to

Green Valley Cemetery District
Notes to the Basic Financial Statements
June 30, 2009 and 2008

the 1975/1976 full value, or on 1% of the sales price of the property on sales transactions and construction after the 1975/1976 valuation. Taxable values on properties (exclusive of increases related to sales and construction) can rise at a maximum of 2% per year.

On June 30, 1993, the Board of Supervisors adopted the “Teeter” Method of property tax allocation. This method allocates property taxes based on the total property tax billed. At year-end the County advances cash to each taxing jurisdiction equal to its current year delinquent property taxes. In exchange, the County receives the penalties and interest on delinquent taxes when collected. The penalties and interest are used to pay the interest cost of borrowing the cash used for the advances.

3. Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

The District’s only capital asset for the fiscal years ended June 30, 2009 and 2008 is land which is nondepreciable.

4. Net Assets

Net assets are classified into three components – 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted net assets – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Green Valley Cemetery District
Notes to the Basic Financial Statements
June 30, 2009 and 2008

- Unrestricted net assets – This category represents net assets of the entity, not restricted for any project or other purpose.

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgetary revenue estimates represent original estimates modified for any authorized adjustment which was contingent upon new or additional revenue sources. Budgetary expenditure amounts represent original appropriations adjusted by budget transfers and authorized appropriation adjustments made during the year. All budgets are adopted on a non-GAAP basis.

III. Detailed Notes

A. Deposits and Investments

Investment in the Sonoma County Treasurer's Investment Pool

The District's cash is pooled with the Sonoma County Treasurer, who acts as a disbursing agent for the District. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the Treasury Pool for the entire Treasury Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by the Treasury Pool, which are recorded on an amortized cost basis. Interest earned on investments pooled with the County is allocated quarterly to the appropriate fund based on its respective average daily balance for that quarter. The Treasury Oversight Committee has regulatory oversight for all monies deposited into the Treasury Pool.

As of June 30, 2009 and 2008, the District's share of the increase in fair value of investments was \$90 and \$38 respectively. An adjustment was not made for the increase in fair value.

Investment Guidelines

The District's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority: safety of capital, liquidity and maximum rate of return. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as

Green Valley Cemetery District
Notes to the Basic Financial Statements
June 30, 2009 and 2008

permitted by the California Government Code 53601, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity.

A copy of the Treasury Pool investment policy is available upon request from the Sonoma County Treasurer at 585 Fiscal Drive, Room 100-F, Santa Rosa, California, 95403-2871.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, one of the ways that the Treasury Pool manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of June 30, 2009, approximately 74 percent of the securities in the Treasury Pool had maturities of one year or less. Of the remainder, only 3 percent had a maturity of more than five years.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Treasury Pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty 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. The California Government Code and the Treasury Pool's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits and securities lending transactions:

Green Valley Cemetery District
Notes to the Basic Financial Statements
June 30, 2009 and 2008

- The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by depository regulated under stated law. 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.
- The California Government Code limits the total of all securities lending transactions to 20% of the fair value of the investment portfolio.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Treasury Pool).

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. For a listing of investments in any one issuer (other than U.S. Treasury securities, mutual funds, or external investment pools) that represent 5% or more of total County investments, refer to the 2009 Sonoma County CAFR.

B. Capital assets

Capital asset activity for the two years ended June 30, 2009 was as follows:

	Beginning Balance <u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers & Adjustments</u>	Ending Balance <u>June 30, 2009</u>
Capital assets, not being depreciated:					
Land	\$ 19,143	\$ -	\$ -	\$ -	\$ 19,143
Total capital assets not being depreciated	<u>19,143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,143</u>
Capital assets	<u>\$ 19,143</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,143</u>

There was no depreciation expense charged to functions/programs of the Green Valley Cemetery District since the District has no depreciable assets.

Green Valley Cemetery District
Notes to the Basic Financial Statements
June 30, 2009 and 2008

IV. Other Information

A. Risk Management

The District maintains a general liability insurance coverage with Allied Insurance Company.

B. Related Party Transactions

There was a purchase of cemetery plots by related parties in the fiscal year end June 30, 2008 resulting in \$5,000 of miscellaneous revenue. A total of 5 plots were purchased by Green Valley Cemetery District Board Members and their respective families. The prices of the plots purchases were consistent with the going rate for the period.

C. Auditor Independence

As required by various statutes within the California Government Code, County Auditor-Controllers are mandated to perform certain accounting, auditing and financial reporting functions. These activities, in themselves, necessarily impair the auditor's independence. Specifically, "Auditors should not audit their own work or provide non audit services in situations where the amounts or services involved are significant or material to the subject matter of the audit." Although the office of the Auditor-Controller is statutorily obligated to maintain accounts of departments, districts or funds that are contained within the County Treasury, we believe that adequate safeguards and divisions of responsibility exist. Therefore, we believe that subject to this qualification and disclosure, the reader can rely on the information contained in this report.

**Green Valley Public Cemetery District
Roster of Board Members**

As of July 2010, the Board of Trustees consisted of the following members:

<u>Trustees</u>	<u>Office</u>	<u>Term Expires</u>
Nancy Sandborn	President	Continuing
Tony Pires	Secretary	Continuing
Niko Prevolos	Treasurer	Continuing
Vacant		Continuing

Regular Meetings:

The meetings currently are held on the last Tuesday of the first month of the quarter and are being held at the Graton Fire Station on Ross Road in Graton.