

GREENFIELD MEMORIAL DISTRICT

**BASIC
FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED
JUNE 30, 2012 AND 2011**

AND INDEPENDENT AUDITORS' REPORT

GREENFIELD MEMORIAL DISTRICT

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GREENFIELD MEMORIAL DISTRICT

**BOARD OF DIRECTORS
JUNE 30, 2012**

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Everett Snowden	President	November 2013
Jose Vasquez	Director	November 2013
Joe Santibanez	Director	November 2015
Dennis Souza	Director	November 2015
Stephanie Garcia	Director	November 2013

Staff

Augustine Ybarra Manager and Secretary

INDEPENDENT AUDITORS' REPORT

**Board of Directors
Greenfield Memorial District
Greenfield, California**

We have audited the accompanying financial statements of the governmental activities and major fund of the *Greenfield Memorial District* (the District) as of and for the years ended June 30, 2012 and 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. 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 audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the *Greenfield Memorial District* as of June 30, 2012 and 2011, and the respective changes in the financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 8 and the Budgetary Comparison Schedule on page 21 be presented to supplement the basic financial statements. Such information although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the

United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

November 14, 2013

Kaysi & Wayland

**GREENFIELD MEMORIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

This section of *Greenfield Memorial District's (the District)* annual financial report presents our discussion and analysis of the District's financial performance during the years ended June 30, 2012 and 2011. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year activities, resulting changes and currently known facts, please read it in conjunction with the District's basic financial statements. Comparisons to and analysis of the prior year are incorporated where appropriate.

FINANCIAL HIGHLIGHTS

- The District had a decrease in net assets of \$12,195 and \$5,263 for the years ended June 30, 2012 and 2011, respectively. Net assets were \$359,894 and \$372,089 as of June 30, 2012 and 2011, respectively.
- The District's total general revenues were \$152,606 and \$148,255, for the years ended June 30, 2012 and 2011, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District has chosen to present its basic financial statements using the reporting model for special-purpose governments engaged only in a single governmental program. This model allows the fund financial statements and the government-wide statements to be combined. The effect of internal activity between funds or groups of funds has been eliminated from these financial statements.

The financial statements include Balance Sheets and Statements of Net Assets, Statements of Revenues, Expenditures and Changes in Fund Balances and Statements of Activities, Notes to the Basic Financial Statements, and Required Supplementary Information

The financial statements provide both long-term and short-term information about the District's financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by required supplementary information that further explains and supports the information in the financial statements.

Statement of Net Assets

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

Statements of Activities

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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 all other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's general fund is a governmental fund. The governmental funds 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.

The District has adopted Governmental Accounting Standard Board (GASB) Statement 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, as part of its fiscal year June 30, 2011 reporting. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

Notes to 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.

COMPARATIVE ANALYSIS

Statement of Net Assets

A comparative summary of the District's Statement of Net Assets as of June 30 is as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
ASSETS:			
Current	\$ 123,634	\$ 124,961	\$ 112,611
Capital assets – net	<u>248,079</u>	<u>259,468</u>	<u>271,540</u>
Total assets	<u>371,713</u>	<u>384,429</u>	<u>384,151</u>
LIABILITIES –			
Current liabilities	<u>11,819</u>	<u>12,340</u>	<u>6,799</u>
Total liabilities	<u>11,819</u>	<u>12,340</u>	<u>6,799</u>
NET ASSETS:			
Invested in capital assets, net of related debt	248,079	259,468	271,540
Unrestricted	<u>111,815</u>	<u>112,621</u>	<u>105,812</u>
Total net assets	<u>\$ 359,894</u>	<u>\$ 372,089</u>	<u>\$ 377,352</u>

COMPARATIVE ANALYSIS (Continued)

Major Factors Affecting the Statements of Net Assets

The District had a decrease in net assets of \$12,195 and \$5,263 for the years ended June 30, 2012 and 2011, respectively. The decrease in net assets for 2012–2011 was primarily due to increases in maintenance and repairs and a significant election expense as well as a decrease in property tax revenue. The decrease in net assets for 2011–2010 was primarily due to decreases in property tax revenue.

Statement of Activities

A summary of the District's Statement of Activities for the years ended June 30 is as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
General revenues:			
Property taxes	\$ 96,441	\$ 99,333	\$ 105,720
Rents and concessions	52,083	47,682	46,486
Interest income	448	209	2,629
State tax revenue	582	570	550
Monterey County allocated gain	622	461	—
Other	2,430	—	—
Total general revenues	<u>152,606</u>	<u>148,255</u>	<u>155,385</u>
Expenses:			
Salaries and payroll tax	51,903	51,583	50,239
Insurance	22,831	22,256	21,815
Utilities	13,654	13,833	13,828
Depreciation	11,389	12,072	11,545
Outside services	19,446	18,686	17,669
Other operating expenses	21,798	6,242	7,333
Employee benefits	12,427	11,908	12,766
Professional fees	4,193	14,612	14,395
Maintenance and repairs	7,160	2,326	1,908
Total expenses	<u>164,801</u>	<u>153,518</u>	<u>151,498</u>
Change in net assets	<u>\$ (12,195)</u>	<u>\$ (5,263)</u>	<u>\$ 3,887</u>

Major Factors Affecting the Statement of Activities

Changes 2012–2011

The District had an increase of \$4,401 in rents and concessions due to more activity taking place at the hall. However, there was a decrease in property tax revenue of approximately \$2,900. The District had an increase of \$15,556 in other operating expenses due to the costs incurred of \$15,572 for the special district election held in November 2011; the District had also an increase in maintenance and repairs. The District had a decrease in professional fees due to the audit fee incurred the year before for the last bi-annual audit.

COMPARATIVE ANALYSIS (Continued)

Changes 2011–2010

The District had a decrease of \$6,387 in property tax revenue and a decrease of \$2,420 in interest income. The District had a small increase in salaries and payroll taxes due to wage raises given during the year and an increase in outside services.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets at June 30 is as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Capital assets, net of accumulated depreciation:			
Land	\$ 55,749	\$ 55,749	\$ 55,749
Structures and improvements	449,434	449,434	449,434
Equipment	50,231	50,231	50,231
Accumulated depreciation	<u>(307,335)</u>	<u>(295,946)</u>	<u>(283,874)</u>
Investment in capital assets	<u>\$ 248,079</u>	<u>\$ 259,468</u>	<u>\$ 271,540</u>

As of June 30, 2012, the District's investment in capital assets decreased by \$11,389 over the prior year due to depreciation expense. As of June 30, 2011, the District's investment in capital assets decreased by \$12,072 due to depreciation expense.

Long-Term Debt

The District did not have any outstanding debt for the years ended June 30, 2012 and 2011.

BUDGET HIGHLIGHTS/VARIANCES

2012 – 2011

The District did not adopt a budget for the year ending June 30, 2012.

2011 – 2010

The District prepared a general fund budget with projected total revenues of \$159,500 for the year ending June 30, 2011. Due mostly to lower than anticipated property tax revenue, the District finished the budget year with revenues of \$148,255, a decrease of \$11,245 or 8% less than budgeted. In addition, the District budgeted total expenses was \$159,500. The District had actual expenditures of \$153,518. The overall decrease in actual expenditures compared to budget of \$5,982 or 4% was primarily due to expenses for other operating expenses, such as supplies and county administration fees, being less than budgeted by \$3,970.

FACTORS AFFECTING FUTURE PERIODS AND OTHER ISSUES

In developing the fiscal year 2013 – 2012 budget, the staff and management had to consider a number of factors that would impact the District's economy and finances. As part of the State Budget process, agreements were being considered by the Governor, the Legislature, and the local government representatives that would have a negative impact on the District's revenue from property taxes. In addition, due to a slight improvement in the real estate economic situation, projected property tax revenues were slightly increased resulting in an overall increase in projected operating revenues.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Greenfield Memorial District, P.O. Box 91, Greenfield, CA 93927.

**BASIC
FINANCIAL STATEMENTS**

GREENFIELD MEMORIAL DISTRICT
BALANCE SHEET AND STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>General Fund</u>	<u>Adjustments (See Note 3)</u>	<u>Statement of Net Assets</u>
<u>ASSETS</u>			
Cash in bank	\$ 18,422	\$ -	\$ 18,422
Cash in Monterey County Treasury	93,206	-	93,206
Receivables –			7,750
Taxes – net	7,750	-	4,256
4,256			
Prepaid expenses			
Capital assets, net of accumulated depreciation:		8,023	8,023
Non-depreciable	-	240,056	240,056
Depreciable	-		
TOTAL ASSETS	<u>\$ 123,634</u>	<u>248,079</u>	<u>371,713</u>
<u>LIABILITIES AND FUND BALANCES/NET ASSETS</u>			
LIABILITIES:			
Accounts payable – trade	\$ 2,404	-	2,404
Accrued expenses	1,380	-	1,380
Deferred revenue	15,785	(7,750)	8,035
Total liabilities	<u>19,569</u>	<u>(7,750)</u>	<u>11,819</u>
FUND BALANCES:			
Non-spendable – prepaid expenses	4,256	(4,256)	-
Unassigned	99,809	(99,809)	-
Total fund balances	<u>104,065</u>	<u>(104,065)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 123,634</u>		
NET ASSETS:			
Invested in capital assets, net of related debt		248,079	248,079
Unrestricted		111,815	111,815
TOTAL NET ASSETS		<u>\$ 359,894</u>	<u>\$ 359,894</u>

See Notes to Basic Financial Statements.

GREENFIELD MEMORIAL DISTRICT
BALANCE SHEET AND STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>General Fund</u>	<u>Adjustments (See Note 3)</u>	<u>Statement of Net Assets</u>
<u>ASSETS</u>			
Cash in bank	\$ 18,510	\$ —	\$ 18,510
Cash in Monterey County Treasury	93,201	—	93,201
Receivables –	8,389	—	8,389
Taxes – net	4,861	—	4,861
Prepaid expenses			
Capital assets, net of accumulated depreciation:		8,023	8,023
Non-depreciable	—	251,445	251,445
Depreciable	—		
TOTAL ASSETS	<u>\$ 124,961</u>	<u>259,468</u>	<u>384,429</u>
<u>LIABILITIES AND FUND BALANCES/NET ASSETS</u>			
LIABILITIES:			
Accounts payable – trade	\$ 3,467	—	3,467
Accrued expenses	2,143	—	2,143
Deferred revenue	14,480	(7,750)	6,730
Total liabilities	<u>20,090</u>	<u>(7,750)</u>	<u>12,340</u>
FUND BALANCES:			
Non-spendable – prepaid expenses	4,861	(4,861)	—
Unassigned	100,010	(100,010)	—
Total fund balances	<u>104,871</u>	<u>(104,871)</u>	<u>—</u>
Total liabilities and fund balances	<u>\$ 124,961</u>		
NET ASSETS:			
Invested in capital assets, net of related debt		259,468	259,468
Unrestricted		112,621	112,621
TOTAL NET ASSETS		<u>\$ 372,089</u>	<u>\$ 372,089</u>

See Notes to Basic Financial Statements.

GREENFIELD MEMORIAL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
AND STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Adjustments (See Note 3)	Statement of Activities
EXPENDITURES/EXPENSES:			
Salaries and payroll taxes	\$ 51,903	\$ —	\$ 51,903
Insurance	22,831	—	22,831
Utilities	13,654	—	13,654
Outside services	19,446	—	19,446
Other operating expenses	21,798	—	21,798
Employee benefits	12,427	—	12,427
Professional fees	4,193	—	4,193
Maintenance and repairs	7,160	—	7,160
Depreciation	—	11,389	11,389
	<u>153,412</u>	<u>11,389</u>	<u>164,801</u>
Total expenditures/expenses			
GENERAL REVENUES:			
Property taxes	96,441	—	96,441
Rents and concessions	52,083	—	52,083
Interest income	448	—	448
State tax revenue	582	—	582
Monterey County allocated gain	622	—	622
Other	2,430	—	2,430
	<u>152,606</u>	<u>—</u>	<u>152,606</u>
Total general revenues			
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(806)	806	—
CHANGE IN NET ASSETS	—	(12,195)	(12,195)
FUND BALANCES/NET ASSETS:			
Beginning of year	<u>104,871</u>	<u>267,218</u>	<u>372,089</u>
End of year	<u>\$ 104,065</u>	<u>\$ 255,829</u>	<u>\$ 359,894</u>

See Notes to Basic Financial Statements.

GREENFIELD MEMORIAL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
AND STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Adjustments (See Note 3)	Statement of Activities
EXPENDITURES/EXPENSES:			
Salaries and payroll taxes	\$ 51,583	\$ -	\$ 51,583
Insurance	22,256	-	22,256
Utilities	13,833	-	13,833
Outside services	18,686	-	18,686
Other operating expenses	6,242	-	6,242
Employee benefits	11,908	-	11,908
Professional fees	14,612	-	14,612
Maintenance and repairs	2,326	-	2,326
Depreciation	-	12,072	12,072
	<u>141,446</u>	<u>12,072</u>	<u>153,518</u>
Total expenditures/expenses			
GENERAL REVENUES:			
Property taxes	99,333	-	99,333
Rents and concessions	47,682	-	47,682
Interest income	209	-	209
State tax revenue	570	-	570
Monterey County allocated gain	461	-	461
	<u>148,255</u>	<u>-</u>	<u>148,255</u>
Total general revenues			
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	6,809	(6,809)	-
CHANGE IN NET ASSETS	-	(5,263)	(5,263)
FUND BALANCES/NET ASSETS:			
Beginning of year	98,062	279,290	377,352
End of year	<u>\$ 104,871</u>	<u>\$ 267,218</u>	<u>\$ 372,089</u>

See Notes to Basic Financial Statements.

GREENFIELD MEMORIAL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

NOTE 1. ORGANIZATION AND DESCRIPTION OF DISTRICT

The Greenfield Memorial District was formed as a special district under the California Military and Veterans Code, Section 1170-1291 et. seq. It provides and maintains a meeting place for dances, wedding receptions, plays, school events, and for the American Legion for the City of Greenfield and the surrounding rural area.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Greenfield Memorial District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant policies:

Basis of Presentation and Accounting – The District has chosen to present its basic financial statements using the reporting model for special-purpose governments engaged only in a single governmental program. This model allows the fund financial statements and the government-wide statements to be combined.

The government-wide financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Government-wide financial statements do not provide information by fund but report on the District as a whole and consist of a Statement of Net Assets and Statement of Activities.

The governmental fund financial statements are prepared using the modified accrual basis of accounting and the economic resources measurement focus. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the District considers revenue to be available if they are collected within sixty days after the balance sheet date. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recognized only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Governmental fund financial statements report information at the individual fund level and consist of a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances. The District consists of the following fund:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pooled Cash – Cash in Monterey County Treasury are cash accounts which essentially operate as demand deposit accounts that are maintained by the Monterey County Treasurer’s Office. Available cash balances are controlled and invested by the County Treasurer in pooled investment funds in order to provide safety, liquidity and high investment returns for all funds. Earnings from these funds are generally credited to the District’s accounts on a quarterly basis.

The Monterey County Treasurer’s policy is to invest in any security authorized by Section 53635 of the Government Code of the State of California and any other Government Code that permits investments in various securities or participation in investment trading techniques or strategies.

Taxes Receivable – The District utilizes the allowance method with respect to doubtful property taxes receivable. The allowance at June 30, 2012 and 2011 was \$1,650 and \$2,124, respectively.

Prepaid Expenses – Prepaid expenses are capitalized and amortized ratably over the period of benefit.

Capital Assets – Capital assets are stated at cost or estimated historical cost if original cost is not available. Gifts or contributions of such assets are stated at their estimated fair market value at the date received. Capital assets are defined by the District as assets with an estimated useful life in excess of one year and an initial individual cost of more than \$500. Capital assets are depreciated on a straight-line basis over their estimated useful life, as follows:

	<u>Years</u>
Structures and improvements	15 – 30
Machinery and equipment	5 – 7

Deferred Revenue – Deferred revenues arise in governmental funds when revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise, in governmental funds, when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures (unearned). In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, revenue is recognized. Deferred revenue represents deposits and payments made for rentals scheduled after year end. Deferred revenue at June 30, 2012 and 2011 was \$8,035 and \$6,730, respectively. This revenue will be recognized in the year it is earned.

Accumulated Vacation and Sick Leave – Accumulated vacation and sick leave benefits are not recorded as liabilities on the books of the District. The District’s policy is to record such amounts as operating expenses in the period vacation or sick leave are taken or paid.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets – The Statement of Net Assets presents the District’s assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

- *Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances on debt attributable to the acquisition of those assets (if any).
- *Restricted net assets* result when constraints place on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The District had no restricted net assets for the years ended June 30, 2012 or 2011.
- *Unrestricted net assets* consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

Fund Balances – In March 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54-*Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement establishes fund balance classifications based primarily on the extent to which the District is bound to honor constraints on the use of the resources reported in each governmental fund as well as establishes additional note disclosures regarding fund balance classification policies and procedures.

In the Fund financial statements, fund balances consist of Non-spendable fund balance which includes amounts that cannot be spent because they are not in spendable form, or they are legally or contractually required to be maintained intact. Restricted fund balances which are amounts restricted to specific purposes. Unassigned fund balance which represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund. Currently, the District only has non-spendable and unassigned fund balances.

When restricted and other fund balance resources are available for use, it is the District’s policy to use restricted resources first, followed by committed, assigned and unassigned amounts, respectively.

The District has not established policies for the authority and actions that lead to committed and assigned fund balances.

Property Taxes – The County is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions, including the District. Secured property taxes for each year ended June 30 are payable in equal installments, November 1 and February 1, and become delinquent on December 10 and April 10, respectively. The lien date is January 1 of each year. Property taxes are accounted for as collected and remitted by the County in the Governmental Funds. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid on August 31.

The term “Unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property tax revenues are recorded in governmental funds as receivables and deferred revenues at the time the tax levy is billed. Current year revenues are those collected within the current period or soon enough thereafter to pay current liabilities, generally within sixty days of year-end. An allowance is provided for delinquent taxes not expected to be collected in the future.

Under the provisions of Proposition 1A and as part of the 2009–10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay their borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the District was \$7,750.

This borrowing by the State of California was recognized as a receivable in the accompanying financial statements. Under the modified accrual basis of accounting, the borrowed tax revenues are not permitted to be recognized as revenue in the governmental fund financial statements, until the tax revenues are received from the State of California (expected to be in fiscal year 2012–13). In the government-wide financial statements, the tax revenues were recognized in the fiscal year for which they were levied (fiscal year 2009–10).

Employee Retirement Plan – The District makes a monthly contribution for each hour for which a full-time employee is compensated not to exceed 184 hours per month. Payments are made to the Western Conference of Teamsters Pension Trust. The District contributed \$1.90 and \$1.85 per hours compensated for each eligible employee for the years ended June 30, 2012 and 2011, respectively. Total contributions to the Plan for the years ended June 30, 2012 and 2011 were \$4,195 and \$2,974, respectively.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts. Actual results could differ from those estimates.

Income Taxes – Provisions for income taxes are not recorded since Greenfield Memorial District is a special district in Monterey County and is not subject to income taxes.

Subsequent Events – Subsequent events have been evaluated through November 14, 2013, which is the date the financial statements were available to be issued.

NOTE 3.

EXPLANATION OF ADJUSTMENTS BETWEEN FUND FINANCIAL STATEMENTS AND GOVERNMENT-WIDE FINANCIAL STATEMENTS

	<u>2012</u>	<u>2011</u>
Explanation of Adjustments Between Governmental Funds Balance Sheet and the Statement of Net Assets:		
The differences arising from the long-term economic focus of the statement of net assets versus the current financial resources focus of the balance sheet is summarized as follows:		
Total fund balances per fund financial statements.	\$ 104,065	\$ 104,871
Prop 1A Funds are recorded as deferred revenue because it was not available; not received within sixty days after the balance sheet date.	7,750	7,750
Capital assets not reported in the fund financial statements because they are not current financial resources but are reported in the statement of net assets.	<u>248,079</u>	<u>259,468</u>
Net assets for governmental activities	<u>\$ 359,894</u>	<u>\$ 372,089</u>

Explanation of Adjustments Between the Governmental Funds Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities:

The effects of the differences for amounts reported in the statement of activities are summarized as follows:

Net change in fund balances per fund financial statements.	\$ (806)	\$ 6,809
Depreciation	<u>(11,389)</u>	<u>(12,072)</u>
Change in net assets for governmental activities	<u>\$ (12,195)</u>	<u>\$ (5,263)</u>

NOTE 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30 consisted of the following:

	<u>2012</u>	<u>2011</u>
Pooled funds –		
Cash in Monterey County Treasury	\$ 93,206	\$ 93,201
Cash in bank	<u>18,422</u>	<u>18,510</u>
Total	<u>\$ 111,628</u>	<u>\$ 111,711</u>

The District maintains substantially all of its cash in the Monterey County Treasury. The County pools these funds with those of other agencies in the county and invests the cash as prescribed by California Government Code. These pooled funds are carried at cost, which approximates market value at June 30, 2012 and 2011. Interest earned is deposited quarterly into participating funds. Any investment losses are shared proportionately by all funds in the pool.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. As of June 30, 2012 and 2011, \$-0- of the District's balances were exposed to custodial credit risk as uninsured by the pledging bank's trust department not in the District's name.

NOTE 5. TAXES RECEIVABLE

Taxes receivable at June 30 consist of the following:

	<u>2012</u>	<u>2011</u>
Proposition 1A	\$ 7,750	\$ 7,750
Current	–	639
Delinquent	1,650	2,124
Allowance for uncollectible delinquent taxes	<u>(1,650)</u>	<u>(2,124)</u>
Total	<u>\$ 7,750</u>	<u>\$ 8,389</u>

NOTE 6. CAPITAL ASSETS

The equipment and improvements shown are in accordance with a current inventory recorded at the historical cost of each item. The land is shown at the appraised value as of July 1, 1969, when the District adopted the accounting system prescribed by the State Controller.

NOTE 6. CAPITAL ASSETS (Continued)

The following is a summary of the changes in Capital Assets for the years ended June 30:

	2012			Balance June 30, 2012
	Balance July 1, 2011	Additions	Retirements	
Capital assets not being depreciated-				
Land	\$ 8,023	\$ —	\$ —	\$ 8,023
Total capital assets, not being depreciated	<u>8,023</u>	<u>—</u>	<u>—</u>	<u>8,023</u>
Capital assets, being depreciated:				
Structures and improvements	497,160	—	—	497,160
Equipment	<u>50,231</u>	<u>—</u>	<u>—</u>	<u>50,231</u>
Total capital assets being depreciated	<u>547,391</u>	<u>—</u>	<u>—</u>	<u>547,391</u>
Less accumulated depreciation for:				
Structures and improvements	(246,690)	(10,925)	—	(257,615)
Equipment	<u>(49,256)</u>	<u>(464)</u>	<u>—</u>	<u>(49,720)</u>
Total accumulated depreciation	<u>(295,946)</u>	<u>(11,389)</u>	<u>—</u>	<u>(307,335)</u>
Total capital assets, being depreciated, net	<u>251,445</u>	<u>(11,389)</u>	<u>—</u>	<u>240,056</u>
Capital assets, net	<u>\$ 259,468</u>	<u>\$ (11,389)</u>	<u>\$ —</u>	<u>\$ 248,079</u>

NOTE 6. CAPITAL ASSETS (Continued)

	2011			Balance June 30, 2011
	Balance July 1, 2010	Additions	Retirements	
Capital assets not being depreciated –				
Land	\$ 8,023	\$ –	\$ –	\$ 8,023
Total capital assets, not being depreciated	<u>8,023</u>	<u>–</u>	<u>–</u>	<u>8,023</u>
Capital assets, being depreciated:				
Structures and improvements	497,160	–	–	497,160
Equipment	50,231	–	–	50,231
Total capital assets being depreciated	<u>547,391</u>	<u>–</u>	<u>–</u>	<u>547,391</u>
Less accumulated depreciation for:				
Structures and improvements	(235,765)	(10,925)	–	(246,690)
Equipment	(48,109)	(1,147)	–	(49,256)
Total accumulated depreciation	<u>(283,874)</u>	<u>(12,072)</u>	<u>–</u>	<u>(295,946)</u>
Total capital assets, being depreciated, net	<u>263,517</u>	<u>(12,072)</u>	<u>–</u>	<u>251,445</u>
Capital assets, net	<u>\$ 271,540</u>	<u>\$ (12,072)</u>	<u>\$ –</u>	<u>\$ 259,468</u>

**REQUIRED
SUPPLEMENTARY INFORMATION**

GREENFIELD MEMORIAL DISTRICT
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property taxes	\$ 105,750	\$ 105,750	\$ 99,333	\$ (6,417)
Rents and concessions	51,000	51,000	47,682	(3,318)
Interest earned	1,200	1,200	209	(991)
State tax revenue	550	550	570	20
Monterey County allocated gain	—	—	461	461
Other income	<u>1,000</u>	<u>1,000</u>	<u>—</u>	<u>(1,000)</u>
Total revenues	<u>159,500</u>	<u>159,500</u>	<u>148,255</u>	<u>(11,245)</u>
EXPENDITURES:				
Salaries	48,000	48,000	47,698	302
Insurance	24,000	24,000	22,256	1,744
Utilities	14,000	14,000	13,833	167
Outside services	16,000	16,000	18,686	(2,686)
Depreciation	12,075	12,075	12,072	3
Professional fees	14,500	14,500	14,612	(112)
Employee benefits	13,000	13,000	11,908	1,092
Payroll taxes	4,000	4,000	3,885	115
Other operating expenses	11,925	11,925	6,242	5,683
Repairs and maintenance	<u>2,000</u>	<u>2,000</u>	<u>2,326</u>	<u>(326)</u>
Total expenditures	<u>159,500</u>	<u>159,500</u>	<u>153,518</u>	<u>5,982</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES – BUDGETARY BASIS	<u>\$ —</u>	<u>\$ —</u>	(5,263)	<u>\$ (5,263)</u>
ADJUSTMENT—GAAP DOES NOT PROVIDE FOR DEPRECIATION IN THE GOVERNMENTAL FUNDS			<u>12,072</u>	
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES			<u>\$ 6,809</u>	

See Notes to Required Supplementary Information.

GREENFIELD MEMORIAL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

NOTE 1. BUDGET

The Board of Directors legally adopts an annual operating budget which may be amended by the Board throughout the year. The budget is prepared on the modified accrual basis of accounting. Budget amounts reflect the original budget adopted by the Board and the final budget after all applicable amendments. All budget appropriations lapse at year-end. The District did not adopt an annual operating budget for the fiscal year ending June 30, 2012.