

South Kern Cemetery District

15543 South Vineland Road

Bakersfield, CA 93307

(661) 845-2540

AGENDA BOARD OF TRUSTEES MEETING OF THE SOUTH KERN CEMETERY DISTRICT ARVIN LIBRARY BOARD ROOM 201 CAMPUS DRIVE ARVIN, CA TUESDAY September 16, 2014 AT 5:30 PM

- 1. Call To Order:**
- 2. Pledge of Allegiance:**
- 3. Roll Call:**
- 4. Public Comments and Communication:** This portion of the meeting is reserved for members of the public desiring to address the Board on any matter not on the agenda and over which the Board has jurisdiction. The Board will receive comments but will not respond or take any action. Any matter may be referred to staff for further review or disposition. The person addressing the Board is asked to state their name and address for the record. Each member addressing the public should limit their comments to two minutes in duration.
- 5. Consent Calendar:** These items are routine and non-controversial. These items are approved in one motion unless a Board member or member of the public removes a particular item.
 - a) Approval of the Bill Paying List for August 2014: \$28,833.90
 - b) Approval and acceptance of minutes:
August 19, 2014 Regular Meeting
 - c) YTD budget report
 - d) Investment, banking, and tax accounts report
 - e) Accounts receivable aging report
 - f) Burial activity report
 - g) Acceptance of engagement letter for FY 2013-14 Audit
 - h) Acknowledge receipt of all correspondence

Presentation: Mark Albert, CPA of Albert and Associates, LLP to present the financial statements for fiscal years 2011-12 and 2012-13.

Board Business:

- 6. Report, Discussion and Possible Approval, RE: A records retention schedule and records disposal process.**
- 7. District Manager Report:**

- a. Internet Provider changing
- b. Mower Repairs

8. Committee Report:

9. Board Member Comments:

10. Closed Session:

None

11. Adjournment:

Next regular scheduled meeting will be at 5:30PM on October 21, 2014

This is to certify that this agenda was posted at The South Kern Cemetery District Office, 15543 South Vineland Road Bakersfield, CA on September 12, 2014.

Danny R. Brown
District Manager

The South Kern Cemetery District does not discriminate on the basis of disability in the access to, provision of or employment in its programs and activities pursuant to 29 United States Code Section 12132 and California Civil Code Section 54. Information regarding the rights provided under the Americans with Disabilities Act (ADA) may be obtained from the District Office. If you need special assistance to participate in any meeting, please contact the District Office at (661) 845-2540 to make reasonable arrangements to ensure accessibility to this meeting.

South Kern Cemetery District
Expenses by Vendor Summary
August 19 through September 12, 2014

Aug 19 - Sep 12, 14

	Debit	
Adobe Systems, Inc.	19.00	
Green As It Gets, Inc	30.00	
Bank of America Business Card		49.99
Albert & Associates, LLP		15,292.27
Anthem Blue Cross		1,498.19
		3,154.54
Arrowhead		44.05
AT&T		204.37
CALPERS		970.60
CAPC		579.00
Chandra Mead		903.28
Danny Brown		692.00
Farrell Neeley		780.08
Hughes Network		75.54
Kern County Special Districts Ass'n		25.00
Lamont General Store		36.59
Lamont Sanitation		174.12
Linda Leary		50.00
Lowes		180.09
Mission Linen Supply		216.89
Office Depot		104.27
PA Security and Video		518.00
PG&E		985.11
United Health Care		1,249.92
Javier Calderon (vase)		50.00
Rosedaliz Hernandez (Gate)		850.00
Williams Monument		150.00
TOTAL		<u>28,833.90</u>

South Kern Cemetery District

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MINUTES BOARD OF TRUSTEES MEETING OF THE SOUTH KERN CEMETERY DISTRICT ARVIN LIBRARY BOARD ROOM 201 CAMPUS DRIVE ARVIN, CA TUESDAY August 19, 2014

1. **Call To Order:** Vice-Chairman Neeley called the meeting to order at 5:30 PM
2. **Pledge of Allegiance:** Vice-Chairman Neeley led the Pledge of Allegiance
3. **Roll Call:** Present were Vice-Chairman Neeley, Secretary Mead, and Trustee Leary. Chairman Pantoja and Trustee Thome absent.
4. **Public Comments and Communication:** None
5. **Consent Calendar:**
 - a) Approval of the Bill Paying List for July 2014: \$7,493.41
 - b) Approval and acceptance of minutes:
July 15, 2014 Regular Meeting
 - c) YTD budget report
 - d) Investment, banking, and tax accounts report
 - e) Accounts receivable aging report
 - f) Burial activity report
 - g) Acknowledge receipt of all correspondence

Trustee Leary made a motion to approve the consent calendar. Trustee Mead seconded the motion. Item is approved 3-0-2 (Pantoja and Thome absent).

Board Business:

6. Report, Discussion and Possible Approval, RE: An agreement with Karen O'Neil of Kirk Simas to provide legal counsel to the District.

Trustee Mead made the motion to adopt the agreement. Trustee Leary seconded the motion. Agreement is approved 3-0-2 (Pantoja and Thome absent).

7. District Manager Report:

- a. **Training:** Items were given to each trustee regarding upcoming training.
- b. **New Hire:** Michael Reyes was hired as the new District Groundsman.

c. **Alarm System Installation Report:** The District Manager provided a report regarding the alarm change over. New cameras have been installed and the gate is again operational. We are pending the office security gate and an additional camera in the waiting area entrance.

8. Committee Report: None

9. Board Member Comments: Trustee Mead stated that she would like to see advertising and marketing begin for the district. Trustee Mead also reported that she has interviewed with the county regarding reappointment. Vice-Chair Neeley has contacted El Popular Newspaper and the details forwarded to the District Manager.

10. Closed Session: None

11. Adjournment: Trustee Leary motioned to adjourn and Trustee Mead seconded the motion, 3-0-2 (Pantoja and Thome absent). Meeting was adjourned at 6:17 PM.

Respectfully Submitted,

Chandra Mead
Secretary of the Board

South Kern Cemetery District
Profit & Loss
 July through August 2014

	Jul 14	Aug 14	TOTAL
Ordinary Income/Expense			
Income			
30300 · At Need Sales			
30310 · Burial Rights	1,986.96	3,240.38	5,227.34
30320 · Open/Close	2,628.70	5,667.84	8,296.54
30330 · Installing Memorials	1,409.00	3,081.15	4,490.15
30340 · Handling Fee	1,077.51	2,096.80	3,174.31
30350 · Equipment Services	1,573.40	3,067.85	4,641.25
30360 · Liner	2,664.61	6,136.34	8,800.95
30370 · Endowment Fund	1,782.51	3,070.56	4,853.07
30371 · Columbarium Niche	1,543.75	78.01	1,621.76
30300 · At Need Sales - Other	531.90	2,909.57	3,441.47
Total 30300 · At Need Sales	15,198.34	29,348.50	44,546.84
30400 · Pre Need Sales			
30405 · Contract Charges	74.46	92.10	166.56
30420 · Open/Close	670.48	297.53	968.01
30425 · Liner	650.05	321.90	971.95
30430 · Memorial Setting Fee	370.61	141.05	511.66
30440 · Handling Fee	284.69	120.06	404.75
30445 · Equipment Services	501.44	491.79	993.23
30455 · Endowment	2,747.70	1,933.50	4,681.20
30460 · Burial Rights	4,493.89	2,289.62	6,783.51
30470 · Pre Need Columbarium Niche	171.85	171.86	343.71
30400 · Pre Need Sales - Other	265.10	1,131.94	1,397.04
Total 30400 · Pre Need Sales	10,230.27	6,991.35	17,221.62
3615 · Interest from Other Sources	0.00	5.77	5.77
4300 · Revenue-Property Taxes (From General Fund #420...			
3005 · Current Secured	199.78	-62.67	137.11
3007 · Supplemental Prop Tax Current	669.78	239.69	909.47
3010 · Current Unsecured	67.01	456.32	523.33
3014 · Prop Tax Current Unsec Suppl	1.17	6.58	7.75
3017 · Supplemental Prop Tax-Prior	14.08	18.21	32.29
3025 · Property Taxes-Prior Unsecured	-34.26	11.50	-22.76
3565 · Penalties & Costs	11.31	3.87	15.18
3605 · Interest On Bank Dep & Invest	211.86	0.00	211.86
4200 · Other In Lieu Taxes	18.10	0.00	18.10
Total 4300 · Revenue-Property Taxes (From General Fund...	1,158.83	673.50	1,832.33
4500 · Donations (Land Donations)	0.00	221.43	221.43
4510 · Non Taxable Sales	82.15	41.35	123.50
Total Income	26,669.59	37,281.90	63,951.49
Gross Profit	26,669.59	37,281.90	63,951.49
Expense			
43501 · Summer Expense(ICE)	0.00	19.32	19.32
50000 · Salaries, Wages & Payroll Expen			
51000 · District Manager	4,342.69	4,890.38	9,233.07
51200 · Administrative Assist Assistant	2,801.50	2,984.60	5,786.10
51300 · Grounds Crew 1 (Abel)	2,721.60	2,804.80	5,526.40
51400 · Grounds Crew 2 (David)	2,364.80	2,434.50	4,799.30
51800 · Payroll Taxes FICA, SSI, UI (Payroll Expenses)	935.65	1,003.24	1,938.89
Total 50000 · Salaries, Wages & Payroll Expen	13,166.24	14,117.52	27,283.76
60000 · Maintenance and Grounds			
62000 · Buildings & Grounds Outlay			
61000 · Fuel & Oil	0.00	57.24	57.24
61200 · Marker Equipment and Repair	0.00	480.63	480.63
62000 · Buildings & Grounds Outlay - Other	255.00	1,146.47	1,401.47
Total 62000 · Buildings & Grounds Outlay	255.00	1,684.34	1,939.34

11:46 AM
 09/12/14
 Cash Basis

South Kern Cemetery District
Profit & Loss
 July through August 2014

	<u>Jul 14</u>	<u>Aug 14</u>	<u>TOTAL</u>
68000 · Vehicle /Replacement			
68500 · Grass Hopper Mower 7250	0.00	45.78	45.78
Total 68000 · Vehicle /Replacement	<u>0.00</u>	<u>45.78</u>	<u>45.78</u>
Total 60000 · Maintenance and Grounds	255.00	1,730.12	1,985.12
60400 · Bank Service Charges	0.00	112.34	112.34
60410 · Credit Card processing fees	107.03	63.80	170.83
70000 · Administration Expenditures			
70010 · Co. of Kern Service Charges	0.00	221.15	221.15
70210 · Retirement-PERS	-300.56	670.04	369.48
73000 · Vaults and Liners	5,730.00	0.00	5,730.00
73010 · Vase	734.67	0.00	734.67
74100 · Alarm System	3,062.47	38.50	3,100.97
74200 · Office Supplies	107.03	291.81	398.84
74220 · Post Office	103.70	0.00	103.70
74300 · PG&E Electric Services	839.46	2,132.10	2,971.56
74310 · Computer, Printer, Software	0.00	-247.48	-247.48
74400 · Internet Services	76.54	76.54	153.08
74500 · AT & T Telephone Service	172.37	413.87	586.24
74510 · Uniforms	133.80	110.65	244.45
74511 · Safety Equipment	0.00	35.00	35.00
74550 · Cell Phone Allowance	75.00	0.00	75.00
75200 · Board of Trustees Per-Diem	288.08	238.08	526.16
76100 · Marketing and Advertising	112.80	12.80	125.60
76500 · Travel and Training, Employees	-625.00	518.30	-106.70
Total 70000 · Administration Expenditures	<u>10,510.36</u>	<u>4,511.36</u>	<u>15,021.72</u>
72000 · Insurance Expense			
72002 · Vision Insurance (Vision Insurance)	0.00	111.88	111.88
72003 · Dental Insurance (Dental Insurance)	0.00	513.04	513.04
72004 · Insurance; Life	16.50	16.50	33.00
72005 · Insurance, Flex Elect (\$100)	500.00	0.00	500.00
Total 72000 · Insurance Expense	<u>516.50</u>	<u>641.42</u>	<u>1,157.92</u>
Total Expense	<u>24,555.13</u>	<u>21,195.88</u>	<u>45,751.01</u>
Net Ordinary Income	2,114.46	16,086.02	18,200.48
Other Income/Expense			
Other Income			
90110 · Recycling (Recycling Item)	0.00	105.30	105.30
Total Other Income	<u>0.00</u>	<u>105.30</u>	<u>105.30</u>
Net Other Income	0.00	105.30	105.30
Net Income	<u><u>2,114.46</u></u>	<u><u>16,191.32</u></u>	<u><u>18,305.78</u></u>

Morgan Stanley Investment Account

	1/2014	2/2014	3/2014	4/2014	5/2014	6/2014	7/2014	8/2014
Opening Valuation	\$ 336,371.16	\$ 337,307.71	\$ 337,307.82	\$ 336,371.50	\$ 336,371.63	\$ 337,308.18	\$ 335,903.64	\$ 334,030.91
Credit/Debits/Transfers	\$ (954.44)	\$ (954.45)	\$ (862.08)	\$ (954.44)	\$ (923.66)	\$ (954.44)	\$ (923.66)	\$ (954.45)
Change in Value	\$ 1,890.99	\$ 954.56	\$ (74.24)	\$ 954.57	\$ 1,860.21	\$ (450.10)	\$ (949.07)	\$ 954.57
Closing Valuation	\$ 337,307.71	\$ 337,307.82	\$ 336,371.50	\$ 336,371.63	\$ 337,308.18	\$ 335,903.64	\$ 334,030.91	\$ 334,031.03

Bank of America Account

Checking Account	2687	\$ 76,691.46	\$ 92,243.18	\$ 87,994.49	\$ 91,176.17	\$ 62,623.12	\$ 69,771.21	\$ 94,786.28	\$ 110,235.68
Credit Card Received	1820	\$ 52,042.68	\$ 58,466.72	\$ 52,357.01	\$ 56,166.69	\$ 64,583.78	\$ 70,038.34	\$ 71,375.39	\$ 76,189.18
Special Projects	1130	\$ 36,609.24	\$ 37,564.24	\$ 38,692.32	\$ 39,555.04	\$ 40,510.66	\$ 41,434.99	\$ 42,390.14	\$ 43,314.53
Total Cash On Hand		\$ 165,343.38	\$ 188,274.14	\$ 179,043.82	\$ 186,897.90	\$ 167,717.56	\$ 181,244.54	\$ 208,551.81	\$ 229,739.39

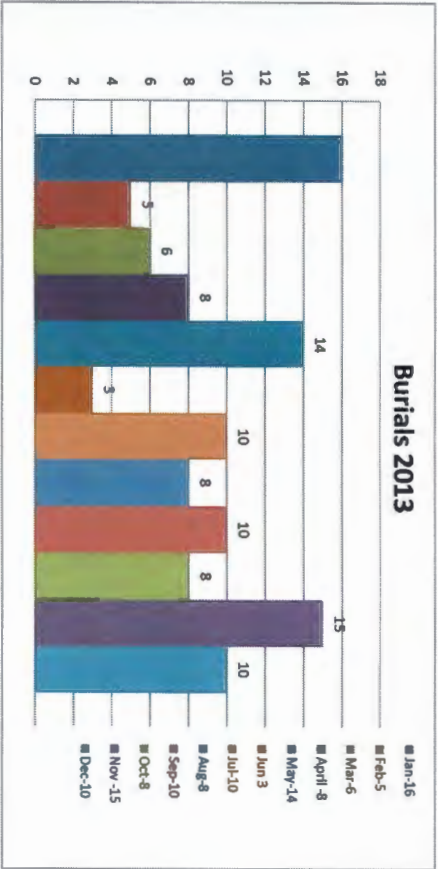
County Funds

Tax Account Funds	42000	\$ 19,037.23	\$ 24,010.24	\$ 4,414.74	\$ 33,118.71	\$ 20,442.02	\$ 12,047.40	\$ 13,302.39	\$ 9,411.50
Endowment Care	42002	\$ 72,976.76	\$ 72,976.76	\$ 72,976.76	\$ 73,042.04	\$ 73,042.04	\$ 73,042.04	\$ 73,103.79	\$ 73,103.79
Land Purchase/Developme	42004	\$ 958.97	\$ 958.97	\$ 958.97	\$ 959.83	\$ 959.83	\$ 959.83	\$ 960.64	\$ 960.64
Pre-Need Sales	42005	\$ 185,036.68	\$ 185,036.68	\$ 185,036.68	\$ 175,767.33	\$ 175,767.33	\$ 175,767.33	\$ 155,916.63	\$ 155,916.63
Total		\$ 278,009.64	\$ 282,982.66	\$ 263,387.15	\$ 282,887.91	\$ 270,211.22	\$ 261,816.60	\$ 243,283.45	\$ 239,392.56
Total All Cash Accounts		\$ 780,660.73	\$ 809,564.61	\$ 778,802.47	\$ 806,157.44	\$ 775,236.96	\$ 778,964.78	\$ 785,866.17	\$ 803,162.98

South Kern Cemetery District
A/R Aging Summary
As of September 12, 2014

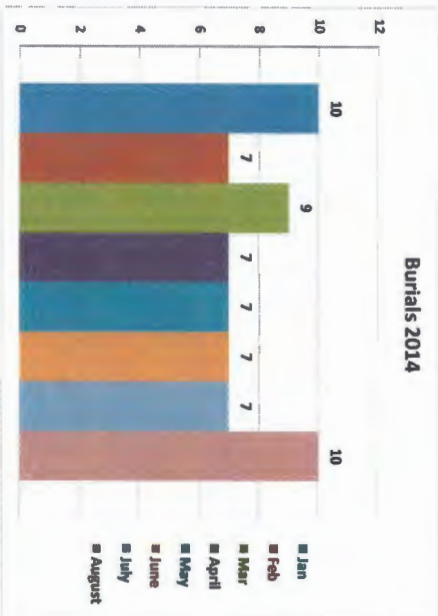
	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Abel, Jaramillo Jr.	0.00	0.00	0.00	0.00	-3,980.00	-3,980.00
Adoracion Gonzales Barron	0.00	330.00	0.00	0.00	0.00	330.00
Antonio Sandoval	0.00	0.00	0.00	0.00	551.68	551.68
Araceli Duran	0.00	0.00	0.00	0.00	1,288.00	1,288.00
Aurelio Cortez	0.00	0.00	0.00	0.00	905.00	905.00
Betzzy J. Straw Amos	0.00	0.00	0.00	0.00	288.00	288.00
Byron David Fleming	0.00	0.00	0.00	53.75	0.00	53.75
Carlos Alejandro Larios	0.00	0.00	0.00	0.00	820.00	820.00
Carrie Anderson	0.00	0.00	0.00	0.00	1,606.85	1,606.85
Cecilia Mendoza	0.00	0.00	0.00	0.00	-8.00	-8.00
Celia Medina Bonilla	0.00	0.00	0.00	0.00	2,156.00	2,156.00
Conrado Rodriguez, Sauseda	0.00	0.00	0.00	0.00	1,404.68	1,404.68
Cruz Gonzalo Elizabeth Contre...	0.00	0.00	0.00	0.00	2,417.38	2,417.38
Dennis W Eddy	0.00	0.00	0.00	0.00	-4.15	-4.15
Donna Fatherree	0.00	0.00	0.00	0.00	-5.00	-5.00
Dora Perez	0.00	0.00	0.00	0.00	1,312.96	1,312.96
Edward Brownen	0.00	0.00	0.00	0.00	1,265.24	1,265.24
Elizabeth Ochoa	0.00	1,680.00	0.00	0.00	0.00	1,680.00
Enrique Hernandez	0.00	0.00	0.00	0.00	805.00	805.00
Evangelina Cortez	0.00	0.00	0.00	0.00	-1.07	-1.07
Francisco Cruz	0.00	0.00	0.00	0.00	-6.00	-6.00
Guadalupe Navarro	0.00	0.00	0.00	0.00	1,479.50	1,479.50
Herminia Gomez	0.00	3,237.63	0.00	0.00	0.00	3,237.63
Hicks Ahloween Joyce	0.00	0.00	0.00	466.87	0.00	466.87
Jesus R. & Manuela Martinez	0.00	0.00	0.00	0.00	969.00	969.00
Jesus Sosa	0.00	0.00	0.00	0.00	5.07	5.07
Joan Thomas	0.00	0.00	0.00	0.00	-100.00	-100.00
Joaquin Trigueros Gonzalez	0.00	0.00	0.00	0.00	440.00	440.00
Juan Izquierdo	0.00	0.00	0.00	0.00	-4.14	-4.14
Juan M. & Elma N. Romero	0.00	0.00	0.00	0.00	-150.00	-150.00
Juan Manuel Pimentel	0.00	0.00	0.00	-3.00	0.00	-3.00
Juanita Cantu	0.00	0.00	0.00	0.00	-7.12	-7.12
La Verne Wernli	0.00	0.00	0.00	0.00	-0.70	-0.70
Laura Heraldez	0.00	0.00	0.00	0.00	-3.00	-3.00
Luis Benavides	0.00	0.00	0.00	0.00	2,830.00	2,830.00
Manuel & Everardo, Pantoja	0.00	0.00	0.00	3,640.38	0.00	3,640.38
Manuel Parra Gonzalez	0.00	0.00	0.00	0.00	500.00	500.00
Maria Carrera	0.00	0.00	0.00	0.00	1,085.75	1,085.75
Maria Quiros	0.00	0.00	0.00	0.00	500.00	500.00
Maria Soledad Velazquez, Acev...	0.00	0.00	0.00	0.00	52.00	52.00
Maria Trinidad, Martinez	0.00	0.00	0.00	0.00	1,635.00	1,635.00
Marisol G. Cardenas	0.00	0.00	0.00	0.00	2,430.25	2,430.25
Marlene Diane Baughman	0.00	0.00	0.00	0.00	2,265.00	2,265.00
Miguel Calderon	0.00	0.00	0.00	0.00	445.38	445.38
Mike Havens	0.00	0.00	0.00	0.00	-280.62	-280.62
Mildred Ward	0.00	0.00	0.00	0.00	510.00	510.00
Patricia Amador	0.00	0.00	0.00	0.00	882.36	882.36
Ramona Sierra	0.00	0.00	0.00	0.00	232.61	232.61
Richard & Linda Leary	0.00	0.00	0.00	0.00	1,600.00	1,600.00
Rosa Fernandez Banda	0.00	0.00	0.00	0.00	63.13	63.13
Rosalie Dela Rosa	0.00	850.00	0.00	0.00	0.00	850.00
Roy Clough	0.00	0.00	0.00	0.00	0.00	0.00
Ruben Ray Marmolejo	0.00	0.00	0.00	0.00	1,910.00	1,910.00
Salvador & Emelina Hernandez	0.00	0.00	0.00	0.00	410.00	410.00
Sandra Valdez	0.00	0.00	0.00	0.00	221.13	221.13
Shirley Ann Johnson	0.00	0.00	0.00	1,316.72	0.00	1,316.72
Teresa Leary	0.00	0.00	0.00	0.00	-5.00	-5.00
Teresa Roy	0.00	3,208.50	0.00	0.00	0.00	3,208.50
Unknown	0.00	0.00	0.00	0.00	5,616.71	5,616.71
Viola Florence Shadden	0.00	0.00	0.00	0.00	-3.35	-3.35
Virginia Bivins	0.00	0.00	0.00	0.00	1,201.05	1,201.05
Wilmer Harley Bannister	0.00	980.00	0.00	0.00	0.00	980.00
TOTAL	0.00	10,286.13	0.00	5,474.72	37,546.58	53,307.43

South Kern Cemetery District Arvin



Burials 2013

- YT-Single 49
- YT-Double 34
- YT-Cremation 21
- YT-Retirement 1
- YT-Babies 5
- YT-Niche 3
- Total 113**



Burials 2014

- YT-Single 34
- YT-Double 22
- YT-Cremation 6
- YT-Retirement
- YT-Babies 1
- YT-Niche 1
- Total 64**

	2009	2010	2011	2012	2013	2014	Average
January	9	7	16	13	15	10	12
February	9	7	8	9	6	7	8
March	8	17	6	9	6	9	9
April	8	8	12	6	8	7	8
May	10	8	6	7	14	7	9
June	15	10	11	9	3	7	9
July	11	9	9	3	10	7	8
August	12	8	12	6	8	10	9
September	12	8	14	19	11		13
October	2	8	5	10	7		6
November	11	6	11	15	15		12
December	9	8	11	9	10		9
Total	115	104	121	115	113	64	9

Albert & Associates, LLP

Certified Public Accountants

September 12, 2014

Board of Trustees
and Danny Brown, District Manager
South Kern Cemetery District
15543 South Vineland Road
Bakersfield, CA 93307

We are pleased to confirm our understanding of the services we are to provide South Kern Cemetery District for the year ended June 30, 2014. We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of South Kern Cemetery District as of and for the year ended June 30, 2014. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement South Kern Cemetery District's 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to South Kern Cemetery District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtain during our audit of the basic financial statements. We will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Schedules.
- 3) GASB-Required Supplementary Pension Information.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of South Kern Cemetery District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of South Kern Cemetery District's financial statements. Our report will be addressed to Board of Trustees of South Kern Cemetery District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

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We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that South Kern Cemetery District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. You agree to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. The nonaudit services we will provide are as follows:

- 1) Preparation of Special Districts Financial Transactions Report
- 2) Assistance with bookkeeping related questions

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair representation of the financial statements in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives

section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of South Kern Cemetery District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Albert & Associates, LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Albert & Associates, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in September 2014 and to issue our reports no later than November 2014. Mark Albert is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at 75% of our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, excluding expenses, will not exceed \$6,500. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit and the complexity of the work being performed. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2012 peer review report accompanies this letter.

We appreciate the opportunity to be of service to South Kern Cemetery District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Albert & Associates, LLP

RESPONSE:

This letter correctly sets forth the understanding of the South Kern Cemetery District.

By: _____

Title: _____

Date: _____



David E. Vaughn CPA

(209) 957-8806. fax (209) 957-9589

4540 Gnekow Drive, Stockton, Ca. 95212-1307

System Review Report

March 11, 2013

To the Partners,
Albert & Associates, LLP,
and the Peer Review Committee of the California Society of CPAs

I have reviewed the system of quality control for the accounting and auditing practice of Albert & Associates, LLP (the firm) in effect for the year ended September 30, 2012. My peer review was conducted in accordance with Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of my peer review, I considered reviews by regulatory entities, if applicable, in determining the nature and extent of my procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. My responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on my review. The nature, objectives, scope, limitations of, and procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*.

In my opinion, the system of quality control for the accounting and auditing practice of Albert & Associates, LLP in effect for the year ended September 30, 2012, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Albert & Associates, LLP has received a peer review rating of *pass*.

A handwritten signature in black ink, appearing to read 'D. Vaughn', with a stylized flourish at the end.

David E. Vaughn, CPA

MEMORANDUM

ITEM 6

SOUTH KERN CEMETERY DISTRICT

TO: Honorable Chairman and Board Members

FROM: Danny Brown, District Manager

DATE: September 16, 2014

RE: Report, Discussion and Possible Approval, RE: A records retention schedule and records disposal process.

Background: California Government Code as well as the Health and Safety Code requires the implementation of agency retention schedules related to public documents and disposition after the useful life has lapsed. Legal requirements dictate that a certain level of retention exist and that a determination by the governing body exist to control the storage and disposal of excess documentation.

Summary: A review of the agency documentation has shown that no such schedule has previously existed and that in order to comply with state guidelines the agency needs to put into place, a retention schedule and disposal process.

Budget Impact: None

Discussion: Staff recommends approval of this item.

South Kern Cemetery District Records Retention Schedule

Records Retention Schedule

Introduction

This records retention schedule authorizes the destruction/transfer or storage of public records of a public cemetery relating to the proper disposition of the bodies of deceased persons in accordance with the California Health and Safety Code. This schedule authorizes the destruction/transfer of public records common to public cemetery districts.

Principles

According to Government Code, Section 14740, California's Records Management Program is designed to "...apply efficient and economical management methods to the creation, utilization, maintenance, retention, preservation, and disposal of state records". Effective Records Management ensures that records are kept only as long as they have some administrative, fiscal, or legal value. When records no longer fulfill the value for which they were created, they should be destroyed unless they also have some historic or research significance. If that is the case the records should be preserved by an appropriate historical agency.

General Description

No record may be destroyed under this Retention Schedule if it is pertinent to any current, pending or anticipated investigation, audit or legal proceeding. The minimum retention periods specified in this schedule apply to the information contained within the record copy, regardless of the physical format of the record copy (paper, microfilm, electronic).

Authority

H&S 9043 (c). A district may destroy a record, paper, or document pursuant to Chapter 7 (commencing with Section 60200) of Division 1 of Title 6 of the Government Code, unless the board of trustees determines that there is a need for its retention. In determining whether there is a need for retaining a document, the board of trustees shall consider future public need, the effect on statutes of limitation, and historical significance. This subdivision does not apply to records of interments that are governed by Section 9064.

H&S 9079 (a) The board of trustees shall provide for regular audits of the district's accounts and records and the district's endowment care fund pursuant to Section 26909 of the Government Code.

(b) The board of trustees shall provide for the annual financial reports to the Controller pursuant to Article 9 (commencing with Section 53890) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

- California Public Records Act (Government Code, Section 6250 et seq.)
- Government Code, Section 12236

South Kern Cemetery District Records Retention Schedule

Burial Records

Records documenting burials and internments, such as burial permits and stubs, burial permit register, death certificates, deceased persons book, final disposition records, physician's report, and related records of cremation or burial dispositions.

Retention: **Permanent**

Cemetery Boundary and Lot Records

Records pertaining to the location, layout and ownership of the cemetery and individual cemetery lots or mausoleums, including abandonment records, block books, cemetery maps, indexes (alphabetical and location), plat books, and cemetery deeds and stubs.

Retention: **Permanent**

Cemetery Endowment Records

Records of financial transactions documenting perpetual care arrangements and lot ownership or burials, including financial records of the sale of cemetery lots, their cremation and columbarium records maintained by a self-sufficient cemetery separately from the municipality's financial and accounting systems.

Retention: **Permanent**

Disposition of Records

Once records have fulfilled their administrative, fiscal, or legal function they should be disposed of as soon as possible in accordance with this Records Retention Schedule. A properly completed schedule provides the legal authority to dispose of records entrusted to its care. Disposition may include sending appropriate records to an archival facility, recycling unneeded records, and/or destroying unneeded confidential records.

All records related to the interment, endowment, and perpetual care of persons interred within the official boundaries of the South Kern Cemetery grounds shall be stored, either electronically, physically, or an accurate reproduction immediately accessible for inspection at all times on premises (H&S Code 8110).

South Kern Cemetery District Records Retention Schedule

Type of Record	Years	Remarks
General/Public	3	
Controlled	2	
Reports	3	
Subject Files	3	
Reproduction/Printing Requests	2	
Financial	4 post audit	
Expense Reports	4 post audit	
Budgets	4 post audit	
Billing/Accounting Reports	4 post audit	
Audits and Financial Report	4 post audit	
Invoices	4 post audit	
Fees/Receipts	4 post audit	
Checks/Ledgers/Registers	4 post audit	
Grants	Active+2	Active until end of grant year
Employee Records	Active+1	Active until employee leaves/terminates
Attendance	Active+2	Active until employee leaves/terminates
Endowment Care Records	Retain	Transfer to archive when closed
Burial Permits	Retain	Transfer to archive when closed
Interment Orders	Retain	Transfer to archive when closed
Map Books	Retain	Transfer to archive when closed
Section Maps	Retain	Transfer to archive when closed

Method for Disposal

Authorization to destroy public records is granted through this approved Retention and Disposal Schedule that sets out the minimum period of time that different classes of public records must be retained. Destruction of public records must also be endorsed by the District Manager and should always be disposed of with the same level of security that was maintained during the life of the records. Wherever possible, destruction of records should be supervised by an officer of the agency or by another authorized agent if destruction has been contracted out.

A commercial document destruction service shall be utilized for all expired items determined to be destroyed. The District Manager shall ensure that all documents/records are securely stored and transported to the destruction site. There shall be no delay in destroying the records once they arrive at the destruction facility. A mobile facility may be used provided the destruction takes place prior to departure from the district facility. A receipt or certificate of destruction should be obtained from the service provider and retained permanently by the public authority for accountability purposes.