

**AUBURN PUBLIC  
CEMETERY DISTRICT**

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT**

**FISCAL YEAR ENDED JUNE 30, 2019**

# AUBURN PUBLIC CEMETERY DISTRICT

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**AUBURN PUBLIC CEMETERY DISTRICT**

**DISTRICT OFFICIALS  
FISCAL YEAR ENDED JUNE 30, 2019**

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**BOARD OF TRUSTEES**

Leslie Maita ..... President  
Earl Wilson ..... Vice-president  
Melinda Herzog-Landrith.....Trustee  
Michael Otten.....Trustee  
Terry Cooney..... Trustee

**OTHER DISTRICT OFFICIALS**

Craig Forrey..... District Manager  
Danielle Nash..... Secretary/bookkeeper

## **INDEPENDENT AUDITOR'S REPORT**

**To the Board of Trustees  
Auburn Public Cemetery District  
Auburn, California**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Auburn Public Cemetery District (the District), as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***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 each major fund of the District, as of June 30, 2019, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Required Supplementary Information section, as listed in the table of contents, 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 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 inquiries of management about 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 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.

*Gilbert CPAs*

**GILBERT CPAs  
Sacramento, California**

**October 16, 2019**

# AUBURN PUBLIC CEMETERY DISTRICT

## MANAGEMENT DISCUSSION AND ANALYSIS

JUNE 30, 2019

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The Auburn Public Cemetery District (the District) is a non-enterprise Independent Special District in the State of California. The Placer County Board of Supervisors appoints five Trustees from the electors residing within the District for fixed terms. California state laws and regulations pertaining to Public Cemetery Districts are strictly enforced.

As a public agency, the District goal is not to make a profit as a private company. Therefore, the District continues to strive to achieve two major goals, which are:

- Improve and maintain the existing cemeteries
- Provide future generations with dignified burial grounds

The Trustees set policies, rates for sales/services, rate of wages, and approve major projects and expenditures. All financial transactions are prepared at the District office and then processed by the Placer County Auditor's office (i.e. accounts receivables/payables and payroll). All expenditure requests over \$5,000 are approved by two Trustees prior to payment and all major expenditures are approved by motion at a District Board Meeting. The Placer County Treasurer has been given the responsibility of investing the District funds. The Placer County Treasury Oversight Committee and the District Board of Trustees regularly monitor the investing.

The management of the Auburn Public Cemetery District has prepared the following narrative overview and analysis of the financial activities of the District for the Fiscal Year ended June 30, 2019. Please read this information in conjunction with the District's financial statements.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** *The government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the components reported as net position.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position 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 the statement for some items that will only result in cash flows in future fiscal periods. (i.e. earned but unused vacation leave).

The government-wide financial statements can be found on pages 9 and 10 of this report.

# AUBURN PUBLIC CEMETERY DISTRICT

## MANAGEMENT DISCUSSION AND ANALYSIS

JUNE 30, 2019

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**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike the government-wide financial statements, 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate the comparison between the governmental fund and government wide statements. The fund financial statements can be found on pages 11 through 14 of this report.

**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. The notes to the basic financial statements can be found on pages 15 through 29 of this report.

**Required Supplementary Information.** In accordance with generally accepted accounting principles, the District presents required supplementary information other than the Management Discussion and Analysis, including net pension liability information, OPEB information, and the budgetary comparison schedules. The District adopts an annual appropriated budget for its General fund. The budgetary comparison schedule demonstrates compliance with the budget. Required Supplementary Information can be found on pages 30 through 33 of this report.

### Government-wide Financial Analysis

The District presents its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements – and Management’s Discussion and Analysis (MD&A) – for State and Local Governments*. A comparative analysis of government-wide data is included with the prior fiscal year.

At the end of the fiscal year, assets and deferred outflows exceeded liabilities and deferred inflows by \$3,844,212. This is referred to as “Net Position” and represents the equity or net worth of a governmental type organization. The prior year’s Net Position was \$3,859,944. The current year’s \$3,844,212 balance is comprised of investments in Capital Assets of \$1,442,618, Restricted Nonexpendable Endowment Principal \$1,202,957, Expendable Endowment \$803,595, and Unrestricted Net Position of \$395,042.

The District’s net position decreased overall by less than 1% during the current fiscal year. This decrease is explained in the government wide financial analysis, which follows.

# AUBURN PUBLIC CEMETERY DISTRICT

## MANAGEMENT DISCUSSION AND ANALYSIS

JUNE 30, 2019

### Condensed Statement of Net Position

	<u>6/30/2019</u>	<u>6/30/2018</u>	<b>Increase/ (Decrease)</b>	<b>% Variance</b>
Current and other assets	\$ 3,531,980	\$ 3,487,264	\$ 44,716	1.28%
Capital assets	<u>1,442,618</u>	<u>1,446,531</u>	<u>(3,913)</u>	-0.27%
Total assets	<u>4,974,598</u>	<u>4,933,795</u>	<u>40,803</u>	0.83%
 Deferred outflows of resources	 169,214	 174,815	 (5,601)	 -3.20%
 Current liabilities	 63,666	 38,600	 25,066	 64.94%
Non-Current liabilities	<u>1,150,194</u>	<u>1,192,246</u>	<u>(42,052)</u>	-3.53%
Total liabilities	<u>1,213,860</u>	<u>1,230,846</u>	<u>(16,986)</u>	-1.38%
 Deferred outflows of resources	 85,740	 17,820	 67,920	 381.14%
Net position:				
Net investment in capital assets	1,442,618	1,446,531	(3,913)	-0.27%
Restricted for:				
Endowment	2,006,552	2,014,844	(8,292)	-0.41%
Unrestricted net position	<u>395,042</u>	<u>398,569</u>	<u>(3,527)</u>	-0.88%
 Total net position	 <u>\$ 3,844,212</u>	 <u>\$ 3,859,944</u>	 <u>\$ (15,732)</u>	 -0.41%

### Condensed Statement of Activities

	<u>6/30/2019</u>	<u>6/30/2018</u>	<b>Increase/ (Decrease)</b>	<b>% Variance</b>
Taxes	\$ 558,191	\$ 525,022	\$ 33,169	6.32%
Charges for services	270,125	321,869	(51,744)	-16.08%
Interest and Rent	76,914	64,810	12,104	18.68%
Other Income	3,911	6,761	(2,850)	-42.15%
Endowment care	<u>16,150</u>	<u>20,130</u>	<u>(3,980)</u>	-19.77%
Total revenue	<u>925,291</u>	<u>938,592</u>	<u>(13,301)</u>	-1.42%
 Salaries and benefits	 657,834	 699,349	 (41,515)	 -5.94%
Services and supplies	205,983	160,199	45,784	28.58%
Depreciation	<u>77,206</u>	<u>53,094</u>	<u>24,112</u>	45.41%
Total Expenditures	<u>941,023</u>	<u>912,642</u>	<u>28,381</u>	3.11%
 Excess revenue over expenses	 <u>\$ (15,732)</u>	 <u>\$ 25,950</u>	 <u>\$ (41,682)</u>	 -160.62%



# AUBURN PUBLIC CEMETERY DISTRICT

## MANAGEMENT DISCUSSION AND ANALYSIS JUNE 30, 2019

### Financial Analysis of the District's Governmental Funds

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

For the year ended June 30, 2019, the District reported an ending fund balance of \$3,466,477; an increase of \$20,106 from the prior year. Approximately 60% of revenue was generated through taxes collected (i.e. property), 31% of the District's revenue was generated from: charge for interment rights, services, interest, rent, product sales, and misc., and 9% was generated from use of money and property and other income. Additionally, a transfer from the Endowment fund (\$62,874) was made to be utilized for maintenance purposes.

### Governmental Funds

	<u>FY 2018-2019</u>	<u>FY 2017-2018</u>
Total revenue	\$ 925,747	\$ 939,047
Total expenditures	<u>905,641</u>	<u>831,556</u>
Excess of revenue over expenditures	20,106	107,491
Fund Balance-Beginning	<u>3,446,371</u>	<u>3,338,880</u>
Fund Balance-Ending	<u>\$ 3,466,477</u>	<u>\$ 3,446,371</u>

Total expenditures increased from \$831,556 to \$905,641 an increase of approximately \$74,085 from the prior year.

- Salaries and benefits – Increase of \$40,806 primarily due to salary increases per MOU and increase in cost of benefits.
- Materials and supplies - Increased in the amount of \$45,785 primarily due to increase in, grave buy backs, temporary workers, fire mitigation, gate security, and tree and ground maintenance/repairs.
- Capital outlay - Decrease of \$12,506 due to decrease in capital asset purchase activity. Capital outlay this fiscal year was spent on an office remodel, purchase of various equipment as well as landscape and grading of new development.

### Capital Assets and Debt Administration

#### *Capital Assets*

At the end of the current fiscal year, the District had net capital assets totaling \$1,442,618.

# AUBURN PUBLIC CEMETERY DISTRICT

## MANAGEMENT DISCUSSION AND ANALYSIS

JUNE 30, 2019

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### *Debt Administration*

At the end of the current fiscal year, the most significant portion of District's debt is the liability for Other Post-Employment Benefits. Accrued compensated absences and net pension liability comprise the remaining Long-term Liabilities.

### **Economic Factors and Next Year's Budget**

The economy continues to impact the District's revenue in a variety of ways: lagging property tax revenues, fewer pre-need internment rights being sold, and overall less burials.

The following items will be considered when preparing the 2019/2020 Budget:

- Continue to pursue grants, matching fund and award programs
- Property tax revenues based on FY 18/19 revenues and projections from the County Assessor's office
- Analysis of burial trends for consideration in future development plans
- Continued effort will be made to collaborate with other agencies for volunteer labor
- Tree maintenance issues which could potentially expose the District to liability
- Unsafe Upright Monuments/Copings which could potentially expose the District to liability
- Fire Mitigation on District's undeveloped parcel.
- The continued use of endowment fund earnings for maintenance purposes
- Creating fund for OPEB

### **Requests for Information**

Questions concerning any of the information provided in this report or for additional information should be addressed to the District Manager, Auburn Public Cemetery District, P.O. Box 4357, Auburn, CA 95604.

## **BASIC FINANCIAL STATEMENTS**

# AUBURN PUBLIC CEMETERY DISTRICT

## STATEMENT OF NET POSITION

JUNE 30, 2019

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<b>CURRENT ASSETS</b>	
Cash and investments	\$ 1,517,646
Restricted cash and investments	2,003,209
Receivables:	
Accounts receivable, net	20
Interest receivable	5,845
Due from other governments	1,837
Inventory	3,423
<b>TOTAL CURRENT ASSETS</b>	<u>3,531,980</u>
<b>NONCURRENT ASSETS</b>	
Nondepreciable capital assets	248,223
Depreciable capital assets, net	1,194,395
<b>TOTAL NONCURRENT ASSETS</b>	<u>1,442,618</u>
<b>TOTAL ASSETS</b>	<u>4,974,598</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pensions	129,889
Deferred outflows of resources related to OPEB	39,325
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>169,214</u>
<b>CURRENT LIABILITIES</b>	
Accounts payable and other accrued expenses	21,334
Accrued payroll	24,227
Prepaid burial liability	18,105
<b>TOTAL CURRENT LIABILITIES</b>	<u>63,666</u>
<b>NONCURRENT LIABILITIES</b>	
Net pension liability	370,482
Total OPEB liability	770,205
Compensated absences	9,507
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>1,150,194</u>
<b>TOTAL LIABILITIES</b>	<u>1,213,860</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pensions	26,918
Deferred inflows of resources related to OPEB	58,822
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>85,740</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,442,618
Restricted for:	
Nonexpendable - endowment principal	1,202,957
Expendable - endowment	803,595
Unrestricted net position	395,042
<b>TOTAL NET POSITION</b>	<u>\$ 3,844,212</u>

The accompanying notes are an integral part of these financial statements.

# AUBURN PUBLIC CEMETERY DISTRICT

## STATEMENT OF ACTIVITIES FISCAL YEAR ENDED JUNE 30, 2019

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<b>PROGRAM EXPENSES</b>	
Personnel services	\$ 657,834
Materials and supplies	205,983
Depreciation	<u>77,206</u>
<b>TOTAL EXPENSES</b>	<u>941,023</u>
<b>PROGRAM REVENUES</b>	
Charges for services	<u>270,125</u>
<b>NET PROGRAM EXPENSES</b>	<u>(670,898)</u>
<b>GENERAL REVENUES</b>	
Property taxes	558,191
Use of money and property	76,914
Other income	<u>3,911</u>
<b>TOTAL GENERAL REVENUES</b>	<u>639,016</u>
<b>CONTRIBUTIONS TO ENDOWMENT</b>	
Endowment care	<u>16,150</u>
<b>CHANGE IN NET POSITION</b>	<u>(15,732)</u>
<b>NET POSITION, beginning of year</b>	<u>3,859,944</u>
<b>NET POSITION, end of year</b>	<u>\$ 3,844,212</u>

# AUBURN PUBLIC CEMETERY DISTRICT

## GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2019

	General Fund	Endowment Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 1,517,646		\$ 1,517,646
Restricted cash and investments		\$ 2,003,209	2,003,209
Receivables:			
Accounts receivable, net	20		20
Interest receivable	2,502	3,343	5,845
Due from other governments	1,837		1,837
Inventory	3,423		3,423
<b>TOTAL ASSETS</b>	<b>\$ 1,525,428</b>	<b>\$ 2,006,552</b>	<b>\$ 3,531,980</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and other accrued expenses	\$ 21,334		\$ 21,334
Accrued payroll	24,227		24,227
Prepaid burial liability	18,105		18,105
<b>TOTAL LIABILITIES</b>	<b>63,666</b>		<b>63,666</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - due from other governments	1,837		1,837
<b>FUND BALANCES</b>			
Nonspendable:			
Inventory	3,423		3,423
Endowment principal		\$ 1,202,957	1,202,957
Restricted for:			
Expendable endowment		803,595	803,595
Committed for:			
OPEB liability funding	397,052		397,052
Future capital assets	227,047		227,047
Unassigned	832,403		832,403
<b>TOTAL FUND BALANCES</b>	<b>1,459,925</b>	<b>2,006,552</b>	<b>3,466,477</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,525,428</b>	<b>\$ 2,006,552</b>	<b>\$ 3,531,980</b>

The accompanying notes are an integral part of these financial statements.

# AUBURN PUBLIC CEMETERY DISTRICT

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2019

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Amounts reported for governmental activities in the Statement of Net Position are different from those reported in the Governmental Funds because of the following:

<b>TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 3,466,477</b>
Capital assets used in governmental activities are not current assets or financial resources and therefore are not reported in the governmental funds	1,442,618
The liabilities below are not due and payable in the current period and therefore are not included in the funds:	
Net pension liability	(370,482)
Total OPEB liability	(770,205)
Compensated absences	(9,507)
Receivables not available to pay for current period expenditures are reported as unavailable revenue in the funds.	1,837
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources are reported as follows:	
Deferred outflows of resources related to pensions	129,889
Deferred inflows of resources related to pensions	(26,918)
Deferred outflows of resources related to OPEB	39,325
Deferred inflows of resources related to OPEB	<u>(58,822)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 3,844,212</u></b>

# AUBURN PUBLIC CEMETERY DISTRICT

## GOVERNMENTAL FUNDS

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Endowment Fund	Total Governmental Funds
<b>REVENUES</b>			
Property taxes	\$ 558,647		\$ 558,647
Charges for services	270,125	\$ 16,150	286,275
Use of money and property	38,482	38,432	76,914
Other income	1,075		1,075
<b>TOTAL REVENUES</b>	868,329	54,582	922,911
<b>EXPENDITURES</b>			
Current:			
Salaries and employee benefits	626,365		626,365
Materials and supplies	205,983		205,983
Capital outlay	73,293		73,293
<b>TOTAL EXPENDITURES</b>	905,641		905,641
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(37,312)	54,582	17,270
<b>OTHER FINANCING SOURCES (USES)</b>			
Miscellaneous income	2,836		2,836
Transfers in	62,874		62,874
Transfers out		(62,874)	(62,874)
<b>TOTAL OTHER FINANCING</b>	65,710	(62,874)	2,836
<b>NET CHANGE IN FUND BALANCES</b>	28,398	(8,292)	20,106
<b>FUND BALANCES, beginning of year</b>	1,431,527	2,014,844	3,446,371
<b>FUND BALANCES, end of year</b>	\$ 1,459,925	\$ 2,006,552	\$ 3,466,477





# AUBURN PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2019

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### 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. THE REPORTING ENTITY

Auburn Public Cemetery District (the District) is a special district within the County of Placer (County). The District was formed on September 5, 1935 to provide and maintain burial grounds for residents in the geographical area covered by the District. The basic operations of the District are supported by property taxes paid to Placer County, sales of interment services, and interment rights. The District is governed by a five member Board of Trustees appointed by the Placer County Board of Supervisors.

#### B. ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body of establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

#### C. BASIS OF PRESENTATION

**Government-wide Statements** – The statement of net position and the statement of activities display information about the District as a whole. Eliminations have been made to minimize the double counting of internal activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with the District. Program revenues include charges for services. Revenues that are not classified as program revenues, including all taxes and investment income, are presented as general revenues. Endowment deposits are presented as contributions to endowment.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place.

**Fund Financial Statements** – The fund financial statements provide information about the District's funds. The financial statements for governmental funds include a Balance Sheet, which generally includes only current assets and current liabilities, and a Statement of Revenues, Expenditures, and Changes in Fund Balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the fiscal year end. Expenditures are generally recognized

# AUBURN PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2019

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when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

The District reports the following major governmental funds:

General Fund – The General Fund is the main operating fund of the District. It is used for all activities except those that are required to be accounted for in another fund.

Endowment Fund – The Endowment Fund is a permanent fund used to account for restricted receipts and the related interest earnings. Permanent funds resources are legally restricted, to the extent that only earnings, and not principal, may be used for purposes that support the District’s programs.

### D. BUDGETS AND BUDGETARY DATA

The District adopts an annual budget on or before August 30. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations. The procedures followed require a proposed budget to be presented to the Board of Trustees at the July meeting after reviewing with the County on their most current estimates of tax revenues. The budget may be amended during the year should an economic need occur.

### E. RECEIVABLES

Property and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable and are considered available when received within 60 days of year end. As of June 30, 2019, the District recorded an allowance for uncollectible accounts of \$12,563.

### F. INVENTORIES

Inventory consists of uninstalled vaults, vases and liners. Inventory is stated at cost using the first-in, first-out method of accounting. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

### G. CAPITAL ASSETS

Capital Assets, which include land, buildings and improvements, machinery, equipment, and vehicles are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded as historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. For certain assets, estimated historical costs are used.

Depreciation is calculated by the straight-line method with half year convention, over the estimated useful lives of the respective assets as follows:

Structures and improvements	20-40 years
Equipment and vehicles	5 years
Office furniture and equipment	5 years

# AUBURN PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2019

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### H. COMPENSATED ABSENCES

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District on the government-wide financial statements. Compensated absences are generally liquidated by the General Fund. Regular full-time District employees accrue vacation as follows:

<u>Years of Service</u>	<u>Hours (Days) Accrued per Month</u>
Less than 1 year	40 hours (5 days)
1 year - 2 years	80 hours (10 days)
2 years or more	120 hours (15 days)

Vacation is accrued on a daily basis. An employee may not accrue more than two times his/her annual accrual of vacation hours. If an employee accrues this maximum amount of vacation, the employee will not accrue any further vacation hours until he or she takes vacation and falls below the maximum accrual level. Employees have the option to cash out up to 40 hours of vacation each year, so long as the request is submitted between November 1 and December 1 of that year. Upon termination of employment employees are paid 100% of their accumulated vacation pay. The District had a total of \$9,507 in accrued compensated absences as of June 30, 2019.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure in the period taken, since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

### I. PENSIONS

For purposes of measuring the net pension liability, pension expense, and deferred outflows/inflows of resources related to pensions, information about the fiduciary net position of the District's portions of the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan) maintained by the California Public Employees' Retirement System (CalPERS) and additions to/deductions from the District's portions of the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### J. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's (OPEB Plan) and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

### K. DEFERRED OUTFLOWS/DEFERRED INFLOWS OF RESOURCES

In addition to assets and liabilities, the financial statements report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an

# AUBURN PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2019

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outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Contributions made to the District's pension and OPEB plan(s) after the measurement date but before the fiscal year end are recorded as a deferred outflow of resources and will reduce the net pension liability and total OPEB liability in the next fiscal year. Additional factors involved in the calculation of the District's pension and OPEB expenses and liabilities include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the District's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods. See Notes 6 and 7 for further details related to these pension and OPEB deferred outflows and inflows.

The District recognized an amount under the modified accrual basis of accounting to be reported as a deferred inflow of resources. The amount of \$1,837 is reported in the governmental funds balance sheet as unavailable revenue and represents receivables that have not been collected within the District's period of availability.

### L. NET POSITION/FUND BALANCE

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

- Net investment in capital assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt, if any, that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation. Restricted net assets are presented in two types: expendable and nonexpendable. Expendable amounts represent amounts that can be spent subject to certain criteria. Nonexpendable represents amounts that are required to be retained in perpetuity.
- Unrestricted Net Position – This category represents net position of the District not restricted for any project or any other purpose.

The governmental fund statements utilize a fund balance presentation. Fund balances are categorized as nonspendable, restricted, committed, and unassigned.

- Nonspendable Fund Balance - This category presents the portion of fund balance that cannot be spent because it is either not in a spendable form or it is legally or contractually required to be maintained intact. The District has Inventory that meet the definition of nonspendable because the asset is not in a spendable form. The District also has the corpus of the Endowment fund that is legally required to remain intact and therefore meets the definition of nonspendable.

# AUBURN PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2019

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- Restricted Fund Balance – This category presents the portion of the fund balance that is for specific purposes stipulated by constitution, external resource providers, laws and regulations, or enabling legislation. The District has interest earned on endowment funds that meet this definition.
- Committed Fund Balance – This category presents the portion of the fund balance that can be used only for the specific purposes determined by a formal action (Resolution) of the District’s highest level of decision making authority. For the District, this level of authority lies with the Board of Trustees. The District has committed \$397,052 for future payments of the unfunded OPEB liability and \$227,047 for future capital assets.
- Unassigned Fund Balance – This category presents the portion of the fund balance that does not fall into nonspendable, restricted, or committed categories and is spendable.

When both restricted and unrestricted resources are available for use, it is the District’s policy to first apply the expenditure toward restricted resources first, then unrestricted resources as they are needed.

### M. PROPERTY TAXES

The District received property taxes from the County. Property taxes receivable are recorded in the fiscal year for which the tax is levied based on the property’s assessed value. They become a lien on the first day of the year they are levied. Secured property tax is levied on July 1 and due in two installments, on November 1 and March 1. They become delinquent on December 10 and April 10, respectively. Unsecured property taxes are due on July 1, and become delinquent on August 31. The District elected to receive the property taxes from the County under the Teeter Bill Program. Under this program, the District receives 100% of the levied property taxes in periodic payments, with the County assuming responsibility for delinquencies.

### N. 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 of assets, deferred outflows, liabilities, and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results may differ from those estimates.

### O. COMMITMENTS AND CONTINGENCIES

The District is subject to litigation arising in the normal course of business. In the opinion of management, there is no pending litigation which is likely to have a material adverse effect on the overall financial position of the District.

# AUBURN PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2019

### 2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2019, consist of the following:

Cash on hand	\$	200
Cash with county treasury		<u>3,520,655</u>
Total cash and investments	\$	<u>3,520,855</u>

#### Cash in County Treasury

The District holds restricted and unrestricted cash and investments with the Treasurer of the County of Placer. The County Treasury pools these funds with those of other districts in the county and invests the cash. The share of each fund in the pooled cash account is separately accounted for and interest earned is apportioned quarterly to funds that are legally required to receive interest based on the relationship of a fund's daily balance to the total of pooled cash and investments. Participant's equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed income.

The County Treasury is authorized to deposit cash and invest excess funds per California Government Code and the Treasurer's investment and policies are overseen by the Placer County Treasury Oversight Committee. The funds maintained by the County Treasury are either secured by federal depository insurance or are collateralized.

#### Investment Authorized by the District's Investment Policy

The table below identifies the investment types authorized by the Treasury investment policy. This table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds or Notes	30 years	None	None
U.S. Treasury Obligations	5 years	100%	None
Federal Government Securities	5 years	75%	None
Bankers Acceptances	180 days	30%	10%
Commercial Paper	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Collateralized Certificates of Deposit	5 years	20%	None
CDARS Certificates of Deposit	5 years	30%	None
Repurchase Agreements	7 days	20%	None
Corporate Notes	5 years	30%	None
Local Agency Investment Funds (LAIF)	365 days	\$40MM	\$40MM
Supranationals	5 years	30%	None
County Pooled Investment Funds	N/A	None	None

# AUBURN PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2019

### 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 values to changes in market interest rates. As of June 30, 2019, the weighted average maturity of the investments contained in the Treasury's investment pool is approximately 897 days.

### 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 County Treasury investment pool does not have a rating provided by a nationally recognized statistical rating organization.

### Derivative Investments

The District did not directly enter into any derivative investments. Information regarding the amount invested in derivatives by the County Treasury was not available.

### Restricted Cash and Investments

The District's restricted cash and investments are \$2,003,209 at June 30, 2019 for endowment care.

## 3. CAPITAL ASSETS

The District's capital assets were comprised of the following at June 30, 2019:

	<b>Balance</b>			<b>Balance</b>
	<b>July 01, 2018</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2019</b>
Non-depreciable assets:				
Land	\$ 248,223			\$ 248,223
Total non-depreciable assets	<u>248,223</u>			<u>248,223</u>
Depreciable assets:				
Structures and improvements	503,143	\$ 7,799		510,942
Infrastructure	1,449,046	34,213		1,483,259
Equipment and vehicles	224,811	31,281		256,092
Total depreciable assets	<u>2,177,000</u>	<u>73,293</u>		<u>2,250,293</u>
Accumulated depreciation:				
Structures and improvements	(194,017)	(12,773)		(206,790)
Infrastructure	(630,127)	(37,593)		(667,720)
Equipment and vehicles	(154,548)	(26,840)		(181,388)
Total accumulated depreciation	<u>(978,692)</u>	<u>(77,206)</u>		<u>(1,055,898)</u>
Total depreciable assets, net	<u>1,198,308</u>	<u>(3,913)</u>		<u>1,194,395</u>
Total capital assets, net	<u>\$ 1,446,531</u>	<u>\$ (3,913)</u>	<u>\$</u>	<u>\$ 1,442,618</u>



# AUBURN PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2019

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### 4. COMPENSATED ABSENCES

The District's accumulated vacation pay for the year ended June 30, 2019, was as follows:

<u>Balance</u> <u>July 01, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
\$ 9,152	\$ 3,185	\$ (2,830)	\$ 9,507

### 5. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases insurance coverage for commercial general liability and wrongful acts, automobile liability and physical damage, and workers' compensation. There have been no significant reductions in insurance coverage from the prior year by major categories of risk however, there has been one claim or settlement over the past three years.

### 6. DEFINED BENEFIT PENSION PLAN

#### Plan Description

District employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees' Retirement System (CalPERS). CalPERS acts as a common investment and administrative agent for its participating member employers. Benefits provisions under the Plan are established by State Statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

#### Benefits provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. The Plan provides benefits based on two different valuation plans: Classic and PEPRA. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

# AUBURN PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2019

The rate plan provisions and benefits in effect at June 30, 2019, are summarized as follows:

Employer rate plan	<u>Classic Tier I</u>	<u>Classic Tier II</u>	<u>PEPRA</u>
Hire date	Prior to May 3, 1993	On or before March 10, 2012	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 60	52 - 67
Required employee contribution rates	7.00%	7.00%	6.75%
Required employer contribution rates	8.892%	7.634%	6.842%

### Contributions

Section 20814(c) of the California Public Employee' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS' annual actuarial valuation process. Each employer rate plan's actuarially determined rate is based on the estimated amount necessary to pay the employer rate plan's allocated share of the cost of benefits earned by employees during the year, and any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District's contributions to the Plan for the year ended June 30, 2019 was \$63,458.

### Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2019, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$370,482.

The District's net pension liability for the Plan is measured as a proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 and rolled-forward to June 30, 2018 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the Plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability as of June 30, 2018 was 0.00983%, which was a decrease of 0.00017% from its proportion measured as of June 30, 2017 for the CalPERS Plan.

# AUBURN PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2019

For the year ended June 30, 2019, the District recognized pension expense of \$56,165. At June 30, 2019, the reported deferred outflows of resources and deferred inflows of resources related to pensions resulted from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Changes in assumptions	\$ 42,236	\$ (10,351)
Change in proportion		(11,730)
Change in proportionate share of contributions	8,148	
Differences between expected and actual experiences	14,215	(4,837)
Differences between projected and actual earnings on pension plan investments	1,832	
Contributions subsequent to the measurement date	<u>63,458</u>	
	<u>\$ 129,889</u>	<u>\$ (26,918)</u>

Deferred outflows of resources of \$63,458 were related to legally required and additional contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the measurement period ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b><u>Measurement Periods Ended June 30:</u></b>	<b><u>Deferred Outflows/ (Inflows) of Resources</u></b>
2020	\$ 37,820
2021	16,795
2022	(11,772)
2023	(3,329)

# AUBURN PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2019

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### Actuarial Assumptions

For the measurement period ended June 30, 2018 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2017 total pension liability determined in the June 30, 2017 actuarial accounting valuation. The June 30, 2018 total pension liability amounts were based on the following actuarial methods of assumptions.

Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation rate	2.50%
Salary increases	Varies by entry age and service
Investment Rate of Return	7.15% Net of pension plan investment expenses, including inflation
Mortality rate table	Derived using CalPERS' Membership data for all Funds includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.
Postretirement benefit increases	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

### Changes in Assumptions

For measurement period ended June 30, 2018, the demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. The inflation rate for CalPERS was lowered from 2.75% to 2.50%.

### Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

# AUBURN PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2019

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset Class<sup>(a)</sup></u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 – 10<sup>(b)</sup></u>	<u>Real Return Years 11+<sup>(c)</sup></u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100%		

(a) In the CalPERS Basic Financial Statements, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

### Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Discount Rate – 1% (6.15%)</u>	<u>Current Discount Rate (7.15%)</u>	<u>Discount Rate + 1% (8.15%)</u>
Risk pool's net pension liability	\$ 575,208	\$ 370,482	\$ 201,485

## 7. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

### Plan Description

In addition to the pension benefits described in Note 6, the District provides a single-employer post-employment health care benefit plan to its employees that includes healthcare benefits for eligible retired employees with a minimum of five years of service and their spouses through the retiree healthcare plan (the Plan). As of June 30, 2019, the District had not established an irrevocable trust or designated a trustee for the payment of plan benefits. As such, there are no assets accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. Although not set aside in an irrevocable trust, the District has committed \$397,052 of the General Fund's Fund balance to fund future OPEB liabilities.

# AUBURN PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2019

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### Benefits Provided

The plan provides for the District to contribute 100% of the cost of health insurance premiums for retirees and their spouses. District employees who retire at age 50 or older and qualify for a CalPERS pension and become vested are eligible for lifetime medical benefits.

### Employees Covered

As of the July 1, 2017 actuarial valuation, the following inactive and active employees were covered by the benefit terms under the OPEB Plan:

Inactive employees receiving benefits	3
Inactive employees entitled to but not receiving benefits	2
Participating active employees	<u>6</u>
Total	<u>11</u>

### Total OPEB Liability

The District's total OPEB liability of \$770,205 was measured as of June 30, 2018, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated July 1, 2017, based on the following actuarial methods and assumptions:

#### Actuarial Assumptions:

Salary increases	3.00%
Inflation rate	3.00%
Health care cost trend rates	5% for 2018 and later years
Age adjustment factor	4.00%
Percent married	50.00%
Discount rate	3.62%
Assumed retirement age	65 years

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Mortality for Males or Females, as appropriate, without projection.

### Changes in Assumptions

For the measurement period ended June 30, 2018, the discount rate for the Plan was increased from 3.13% to 3.62%.

# AUBURN PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2019

### Changes in the Total OPEB Liability

The changes in the total OPEB liability for the OPEB Plan are as follows:

	<u><b>Total OPEB Liability (TOL)</b></u>
Balance at June 30, 2018 (Measurement date June 30, 2017)	\$ 788,970
Changes recognized for the measurement period:	
Service cost	63,732
Interest on TOL	24,081
Benefit payments *	(39,494)
Change in deferred inflows	(58,822)
Changes of assumptions	(8,262)
Net changes	<u>(18,765)</u>
Balance at June 30, 2019 (Measurement date June 30, 2018)	<u>\$ 770,205</u>

\*Includes \$25,439 of pay-as-you-go contributions made by District, plus an implicit subsidy amount of \$14,055.

### Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u><b>Discount Rate -1% (2.62%)</b></u>	<u><b>Current Discount Rate (3.62%)</b></u>	<u><b>Discount Rate +1% (4.62%)</b></u>
Total OPEB liability	\$ 916,410	\$ 770,205	\$ 655,786

### Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u><b>Discount Rate -1% (4.00%)</b></u>	<u><b>Health Care Trend Rate (5.00%)</b></u>	<u><b>Discount Rate +1% (6.00%)</b></u>
Total OPEB liability	\$ 641,870	\$ 770,205	\$ 940,657

# AUBURN PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2019

### OPEB Expense and Deferred Outflows/Inflows Related to OPEB

For the year ended June 30, 2019, the District recognized OPEB expense of \$63,745. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
OPEB contributions subsequent to measurement date	\$ 39,325	
Changes in assumptions		\$ (58,822)
Total	<u>\$ 39,325</u>	<u>\$ (58,822)</u>

The \$39,325 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Year Ended June 30</b>	
2020	\$ (8,262)
2021	(8,262)
2022	(8,262)
2023	(8,262)
2024	(8,262)
Thereafter	(17,512)

### 8. SUBSEQUENT EVENT

In July 2019, the District entered into an agreement with CalPERS to establish an OPEB trust fund within CalPERS California Employers' Retiree Benefit Trust Program (CERBT). On September 13, 2019, the District transferred \$397,052 to the OPEB trust fund with CalPERS-CERBT to prefund their OPEB benefits.



**REQUIRED SUPPLEMENTARY INFORMATION**

# AUBURN PUBLIC CEMETERY DISTRICT

## SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE PERIODS ENDED JUNE 30, LAST 10 YEARS\*

	Measurement Date	
	<u>2018</u>	<u>2017</u>
<b>TOTAL OPEB LIABILITY</b>		
Service cost	\$ 63,732	\$ 61,876
Interest	24,081	22,457
Change in deferred inflows	(58,822)	
Changes of assumptions	(8,262)	
Benefit payments	(39,494)	(25,478)
<b>NET CHANGE IN TOTAL OPEB LIABILITY</b>	(18,765)	58,855
<b>TOTAL OPEB LIABILITY, Beginning</b>	788,970	730,115
<b>TOTAL OPEB LIABILITY, Ending</b>	\$ 770,205	\$ 788,970
Covered-employee payroll	\$ 368,142	\$ 284,186
District's total OPEB liability as a percentage of covered-employee payroll	209.21%	277.62%

**Notes to Schedule:**

**Change of benefit terms** – There were no changes to benefit terms during the measurement period ended June 30, 2018 and 2017.

**Changes in assumptions** – There were no changes in assumptions during the measurement period ended June 30, 2017; however, the District increased the discount rate from 3.13% to 3.62% during measurement period ended June 30, 2018.

\* Fiscal year 2018 was the 1st year of implementation, therefore only two years are shown.

# AUBURN PUBLIC CEMETERY DISTRICT

## SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

AS OF JUNE 30,  
LAST 10 YEARS\*

	Measurement Date				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.009830%	0.010000%	0.010160%	0.011710%	0.012600%
District's proportionate share of the net pension liability	\$ 370,482	\$ 394,124	\$ 352,927	\$ 306,474	\$ 268,747
District's covered-employee payroll	\$ 353,714	\$ 309,933	\$ 259,409	\$ 284,604	\$ 280,880
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	104.74%	127.16%	136.05%	107.68%	95.68%
Plan fiduciary net position as a percentage of the total pension liability	75.39%	75.87%	79.89%	78.40%	79.82%

**Notes to Schedule:**

**Change of benefit terms** – For the measurement period ended June 30, 2018, 2017, 2016, 2015 and 2014, there were no changes to the benefit terms.

**Changes in assumptions** – GASB 68 states that the long-term expected rate of return should be determined net pension plan investment expenses, but without reduction for pension plan administrative expense. The discount rate changed from 7.50% (net of administrative expenses in 2014) to 7.65% as of the June 30, 2015 measurement date to correct the adjustment, which previously reduced the discount rate for administrative expenses. For the measurement period ended June 30, 2016 and 2014, there were no changes in assumptions. The discount rate changed from 7.65% to 7.15% as of the June 30, 2017 measurement date. As of June 2018 measurement date the financial reporting inflation rate for the Plan was lowered from 2.75% to 2.50%.

\* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

# AUBURN PUBLIC CEMETERY DISTRICT

## SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS AS OF JUNE 30, LAST 10 YEARS\*

	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 63,458	\$ 55,404	\$ 50,113	\$ 46,739	\$ 43,833
Contributions in relation to the contractually required contributions	<u>(63,458)</u>	<u>(55,404)</u>	<u>(50,113)</u>	<u>(46,739)</u>	<u>(43,833)</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered-employee payroll	\$ 353,902	\$ 353,714	\$ 309,933	\$ 259,409	\$ 284,604
Contributions as a percentage of covered-employee payroll	17.93%	15.66%	16.17%	18.02%	15.40%

\* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

# AUBURN PUBLIC CEMETERY DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 523,001	\$ 523,001	\$ 558,647	\$ 35,646
Charges for services	328,000	328,000	270,125	(57,875)
Use of money and property	31,940	31,940	38,482	6,542
Other income	2,500	2,500	1,075	(1,425)
<b>TOTAL REVENUES</b>	<b>885,441</b>	<b>885,441</b>	<b>868,329</b>	<b>(17,112)</b>
<b>EXPENDITURES</b>				
Current:				
Salaries and employee benefits	634,250	634,250	626,365	7,885
Services and supplies	314,065	314,065	205,983	108,082
Capital outlay	87,500	87,500	73,293	14,207
<b>TOTAL EXPENDITURES</b>	<b>1,035,815</b>	<b>1,035,815</b>	<b>905,641</b>	<b>130,174</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>(150,374)</b>	<b>(150,374)</b>	<b>(37,312)</b>	<b>113,062</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Miscellaneous income			2,836	2,836
Transfers in	62,874	62,874	62,874	
<b>TOTAL OTHER FINANCING</b>	<b>62,874</b>	<b>62,874</b>	<b>65,710</b>	<b>2,836</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(87,500)</b>	<b>(87,500)</b>	<b>28,398</b>	<b>115,898</b>
<b>FUND BALANCES, beginning of year</b>	<b>1,431,527</b>	<b>1,431,527</b>	<b>1,431,527</b>	
<b>FUND BALANCES, end of year</b>	<b>\$ 1,344,027</b>	<b>\$ 1,344,027</b>	<b>\$ 1,459,925</b>	<b>\$ 115,898</b>