

**AUBURN PUBLIC
CEMETERY DISTRICT**

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

FISCAL YEAR ENDED JUNE 30, 2022

AUBURN PUBLIC CEMETERY DISTRICT

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For the Fiscal Year Ended June 30, 2022

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AUBURN PUBLIC CEMETERY DISTRICT

District Officials

June 30, 2022

BOARD OF TRUSTEES

Earl Wilson President
Michael Otten Vice-President
Leslie Maita Trustee
Melinda Herzog-Landrith 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

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Auburn Public Cemetery District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Auburn Public Cemetery District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Auburn Public Cemetery District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Auburn Public Cemetery District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Auburn Public Cemetery District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Auburn Public Cemetery District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Auburn Public Cemetery District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the District's proportionate share of the net pension liability, schedule of the District's pension contributions, and statement of revenues, expenditures, and changes in fund balances—budget to actual – general fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

David Farnsworth, CPA

Dublin, California
January 5, 2023

AUBURN PUBLIC CEMETERY DISTRICT
Management's Discussion and Analysis
June 30, 2022

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, 2022. 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.

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*

AUBURN PUBLIC CEMETERY DISTRICT
Management’s Discussion and Analysis
June 30, 2022

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 16 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 18 through 30 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 32 through 36 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 \$4,362,703. 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 reported a balance of \$4,055,103. The current year’s \$4,362,703 balance is comprised of investments in Capital Assets of \$1,320,211, Restricted Nonexpendable Endowment Principal \$1,316,177, Expendable Endowment \$830,753, and Unrestricted Net Position of \$895,562. The District’s net position increased overall by 7.59% during the current fiscal year. This increase is explained in the government wide financial analysis, which follows.

Condensed Statement of Net Position

	June 30, 2022	June 30, 2021	(Decrease)	Variance
Current and other assets	\$ 3,885,025	\$ 3,596,386	\$ 288,639	8.03%
Capital assets	1,321,882	1,340,373	(18,491)	-1.38%
Total assets	<u>5,206,907</u>	<u>4,936,759</u>	<u>270,148</u>	<u>5.47%</u>
Deferred outflows of resources	253,733	206,389	47,344	22.94%
Current liabilities	93,340	77,714	15,626	20.11%
Non-Current liabilities	601,960	713,978	(112,018)	-15.69%
Total liabilities	<u>695,300</u>	<u>791,692</u>	<u>(96,392)</u>	<u>-12.18%</u>
Deferred inflows of resources	400,966	296,353	104,613	35.30%
Net Position				
Net investment in capital assets	1,321,882	1,340,373	(18,491)	-1.38%
Restricted for:				
Endowment	2,146,930	2,099,800	47,130	2.24%
Unrestricted net position	895,562	614,930	280,632	45.64%
Total net position	<u>\$ 4,364,374</u>	<u>\$ 4,055,103</u>	<u>\$ 309,271</u>	<u>7.63%</u>

AUBURN PUBLIC CEMETERY DISTRICT
Management's Discussion and Analysis
June 30, 2022

Condensed Statement of Activities

	June 30, 2022	June 30, 2021	Increase/ (Decrease)	% Variance
Taxes	\$ 647,030	\$ 609,367	\$ 37,663	6.18%
Charges for services	535,420	547,620	(12,200)	-2.23%
Operating grants and contributions	3,000	-	3,000	
Interest and rent	22,789	25,835	(3,046)	-11.79%
Other income	19,225	16,542	2,683	16.22%
Endowment care	41,220	53,460	(12,240)	-22.90%
Total revenue	<u>1,268,684</u>	<u>1,252,824</u>	<u>15,860</u>	<u>1.27%</u>
Interment services	<u>959,414</u>	<u>989,000</u>	<u>(29,586)</u>	<u>-2.99%</u>
Total expenditures	<u>959,414</u>	<u>989,000</u>	<u>(29,586)</u>	<u>-2.99%</u>
Change in net position	<u>\$ 309,270</u>	<u>\$ 293,784</u>	<u>\$ 15,486</u>	<u>5.27%</u>

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, 2022, the District reported an ending fund balance of \$3,791,216; an increase of \$273,469 from the prior year. Approximately 51.10% of revenue was generated through taxes collected (i.e., property), 42.29% of the District's revenue was generated from: charge for interment rights, services, product sales, and misc., and 2.61% was generated from use of money and property and other income. 3.26% was generated from contributions to endowment.

Governmental Funds

	FY 2021-2022	FY 2020-2021
Total revenues	\$ 1,259,716	\$ 1,249,093
Total expenditures	<u>998,130</u>	<u>889,957</u>
Excess of revenues over expenditures	261,586	359,136
Total other financing	<u>11,883</u>	<u>7,229</u>
Net change in fund balances	273,469	366,365
Fund balances - Beginning	<u>3,517,747</u>	<u>3,151,382</u>
Fund balances - Ending	<u>\$ 3,791,216</u>	<u>\$ 3,517,747</u>

Total expenses increased from \$889,957 to \$998,130 for the following reasons:

- Interment services increased by \$63,267
- Capital outlay increased by \$44,906

Capital Assets and Debt Administration

Capital Assets

At the end of the current fiscal year, the District had net capital assets totaling \$1,320,211.

AUBURN PUBLIC CEMETERY DISTRICT
Management's Discussion and Analysis
June 30, 2022

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: Fewer pre-need interment rights being sold, and overall less burials.

The following items will be considered when preparing the 2022/2023 Budget:

- Continue to pursue grants, matching fund and award programs
- Property tax revenues based on FY 2021/2022 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

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, 2022

	Governmental Activities
ASSETS	
Cash and investments	\$ 1,736,006
Receivables:	
Interest receivable	1,678
Intergovernmental receivable	469
Inventories	702
Restricted cash and investments	2,146,170
Capital assets not being depreciated	257,269
Capital assets, net of accumulated depreciation	1,064,613
Total assets	<u>5,206,907</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	96,070
OPEB related	157,663
Total deferred outflows of resources	<u>253,733</u>
LIABILITIES	
Accounts payable	28,106
Accrued liabilities	32,026
Unearned revenues	33,208
Noncurrent liabilities:	
Net pension liability	203,036
Net OPEB liability	379,725
Compensated absences	19,199
Total liabilities	<u>695,300</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	186,784
OPEB related	214,182
Total deferred inflows of resources	<u>400,966</u>
NET POSITION	
Net investment in capital assets	1,321,882
Restricted for:	
Expendable - endowment	830,753
Nonexpendable - endowment principal	1,316,177
Unrestricted net position	895,562
TOTAL NET POSITION	<u><u>\$ 4,364,374</u></u>

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

AUBURN PUBLIC CEMETERY DISTRICT
Statement of Activities
For the Year Ended June 30, 2022

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
				<u>Primary Government Governmental Activities</u>
Primary Government:				
Governmental activities:				
Interment	\$ 959,413	\$ 535,420	\$ 3,000	\$ (420,993)
Total governmental activities	<u>\$ 959,413</u>	<u>\$ 535,420</u>	<u>\$ 3,000</u>	<u>(420,993)</u>
General Revenues and contributions to endowment:				
General revenues:				
Property taxes				647,030
Investment earnings				22,789
Gain on sale of capital assets				9,015
Miscellaneous				10,210
Contributions to permanent funds				41,220
Total general revenues and contributions to permanent funds				<u>730,264</u>
Change in net position				309,271
Net position - beginning				<u>4,055,103</u>
Net position - ending				<u>\$ 4,364,374</u>

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

AUBURN PUBLIC CEMETERY DISTRICT

Balance Sheet

Governmental Funds

June 30, 2022

	General Fund	Permanent Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 1,736,006	\$ -	\$ 1,736,006
Restricted cash and cash equivalents	-	2,146,170	2,146,170
Receivables:			
Interest receivable	738	940	1,678
Intergovernmental receivables	469	-	469
Due from other funds	180	-	180
Inventories	702	-	702
Total assets	<u>\$ 1,738,095</u>	<u>\$ 2,147,110</u>	<u>\$ 3,885,205</u>
LIABILITIES			
Accounts payable	\$ 28,106	\$ -	\$ 28,106
Accrued liabilities	32,026	-	32,026
Due to other funds	-	180	180
Unearned revenues	33,208	-	33,208
Total liabilities	<u>93,340</u>	<u>180</u>	<u>93,520</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - due from other governments	469	-	469
FUND BALANCES			
Nonspendable:			
Inventory	702	-	702
Endowment principal	-	1,316,177	1,316,177
Restricted for:			
Cemetery maintenance and repairs	-	830,753	830,753
Committed for:			
Future capital assets	152,674	-	152,674
Unassigned	1,490,910	-	1,490,910
Total fund balances	<u>1,644,286</u>	<u>2,146,930</u>	<u>3,791,216</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,738,095</u>	<u>\$ 2,147,110</u>	<u>\$ 3,885,205</u>

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

AUBURN PUBLIC CEMETERY DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2022

Amounts reported for governmental activities in the statement of net position are difference because:

Total fund balances - governmental funds	\$ 3,791,216
Capital assets of \$2,564,978, net of accumulated depreciation of \$1,247,337, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,321,882
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	96,070
Deferred outflows - OPEB related	157,663
Deferred inflows - pension related	(186,784)
Deferred inflows - OPEB related	(214,182)
Receivables not available to pay for current period expenditures are reported as unavailable revenue in the funds.	469
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Net pension liability	(203,036)
Net OPEB liability	(379,725)
Compensated absences	(19,199)
Net position of governmental activities	<u><u>\$ 4,364,374</u></u>

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

AUBURN PUBLIC CEMETERY DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Permanent Fund	Total Governmental Funds
REVENUES			
Property taxes	\$ 643,380	\$ -	\$ 643,380
Intergovernmental	6,697	-	6,697
Charges for services	535,420	-	535,420
Investment earnings	16,879	5,910	22,789
Miscellaneous	10,210	-	10,210
Contributions to endowment	-	41,220	41,220
Total revenues	<u>1,212,586</u>	<u>47,130</u>	<u>1,259,716</u>
EXPENDITURES			
Current:			
Interment	948,333	-	948,333
Capital outlay	49,797	-	49,797
Total expenditures	<u>998,130</u>	<u>-</u>	<u>998,130</u>
Excess of revenues over expenditures	<u>214,456</u>	<u>47,130</u>	<u>261,586</u>
OTHER FINANCING SOURCES			
Sale of general capital assets	11,883	-	11,883
Total other financing sources	<u>11,883</u>	<u>-</u>	<u>11,883</u>
Net change in fund balances	226,339	47,130	273,469
Fund balances-beginning	<u>1,417,947</u>	<u>2,099,800</u>	<u>3,517,747</u>
Fund balances-ending	<u>\$ 1,644,286</u>	<u>\$ 2,146,930</u>	<u>\$ 3,791,216</u>

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

AUBURN PUBLIC CEMETERY DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022

Amounts reported for governmental activities in the statement of activities are difference because:

Net change in fund balances - total governmental funds	\$ 273,469
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	(16,033)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property taxes	(46)
The net effect of miscellaneous transactions involving capital assets is to increase net position	
Gain on sale of assets	(2,868)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	2,001
Changes in pension liabilities and related deferred outflows and inflows of resources	24,809
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>27,939</u>
Change in net position of governmental activities	<u><u>\$ 309,271</u></u>

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

AUBURN PUBLIC CEMETERY DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

**Pension (and
Other Employee
Benefit)
Trust
Funds**

ASSETS

Cash and investments	\$ 421,202
Total assets	<u>421,202</u>

NET POSITION

Restricted:	
Postemployment benefits other than pensions	421,202
Total net position	<u><u>\$ 421,202</u></u>

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

AUBURN PUBLIC CEMETERY DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Pension (and Other Employee Benefit) Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ -
Total contributions	<u>-</u>
Investment earnings:	
Interest	<u>(50,593)</u>
Total investment income	(50,593)
Less: investment expense	<u>(399)</u>
Net investment earnings	<u>(50,992)</u>
Total additions	<u>(50,992)</u>
DEDUCTIONS	
Administrative expenses	
Total deductions	<u>-</u>
Net increase (decrease) in fiduciary net position	(50,992)
Net position - beginning	<u>472,194</u>
Net position - ending	<u><u>\$ 421,202</u></u>

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

AUBURN PUBLIC CEMETERY DISTRICT
Index to the Financial Statements
June 30, 2022

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AUBURN PUBLIC CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2022

Note 1 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.

The financial statements of Auburn Public Cemetery District include only the financial activities of the District. The District management considered all potential component units for inclusion in the reporting entity by applying criteria set forth in the accounting principles generally accepted in the United States of America. The District concluded that there are no potential component units which should be included in the reporting entity.

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 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:

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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.

Permanent Fund – The Permanent Fund is 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.

The District reports the following fund types:

The Pension (and other employee benefit) trust fund accounts for the activities of the District Other Postemployment Benefit Trust Fund, which accumulates resources held in trust for other postemployment benefit payments to qualified beneficiaries.

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 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, 2022, 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

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:

Years of Service	Hours (Days) Accrued per Month
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AUBURN PUBLIC CEMETERY DISTRICT
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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 bi-weekly 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 \$19,199 in accrued compensated absences as of June 30, 2022. 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 and 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 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

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periods. See Notes 5 and 6 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 \$469 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 Balances

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. The District reported \$702 to account for the inventory and \$1,316,177 to account for the nonspendable endowment principal balance.
- 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. The District reported \$830,753 in restricted fund balances.
- 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 \$152,674 for future capital assets.
- Unassigned Fund Balance – This category presents the portion of the fund balance that does not

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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.

Note 2 Cash and Investments

Policies and Classification

The District's cash and investments consist of the following at June 30, 2022:

	Unrestricted	Restricted	Total
Government-wide statement of Net Position			
Governmental activities	1,736,006	2,146,170	\$ 3,882,176
Fiduciary Funds Statement of Net Position			
Pension (and other employee benefit) trust fund	-	421,202	421,202
Total cash and investments	\$ 1,736,006	\$ 2,567,372	\$ 4,303,378

The District has authorized staff to invest cash with the Placer County Treasurer in a series of pooled accounts with cash from various other governmental entities within the County, for investment purposes. State statutes govern the County's investment policies.

In addition, the County has an investment committee, which prescribes written investment policies regarding the types of investments that may be made. The policies limit amounts that may be invested in any one financial institution or amounts, which may be invested in long-term instruments. Interest earned from such time deposits and investments is allocated quarterly to the District based on its average daily cash balances. The fair value of the account at June 30, 2022 was provided by the County Treasurer.

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The District is a voluntary participant in the Placer County Investment Fund (PCIF) that is regulated by California Government Code Section 53600 under the oversight of the treasurer of the County of Placer. The District reports its investment in PCIF at the fair value amount provided by PCIF. The balance available for withdrawal is based on the accounting records maintained by PCIF, which are recorded on an amortized cost basis. The pool is not registered with the SEC and is unrated.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The investment policy does not provide guidance to management over interest rate risk. 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, 2022, the weighted average maturity of the investments contained in the Treasury’s investment pool is approximately less than one year.

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. The investment policy does not provide guidance to management over credit risk.

Concentration of credit risk – The concentration of credit risk is the risk of loss that may be caused by the District’s investment in a single issuer. The District’s investment policy does not provide guidance over concentration of credit risk.

Fair Value Measurements – The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy has three levels and is based on the valuation inputs used to measure an asset’s fair value. Deposits and withdrawals in the PCIF are made in the basis of \$1 and not fair value. Accordingly, the District’s proportionate share of investments in those funds at June 30, 2022, is an uncategorized input not defined as Level 1, Level 2, or Level 3 input.

Note 3 Capital Assets

Capital assets activity for the year ended June 30, 2022, was as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 245,359	\$ -	\$ (2,868)	\$ 242,491
Construction in progress	523	14,255	-	14,778
Total capital assets, not being depreciated	<u>245,882</u>	<u>14,255</u>	<u>(2,868)</u>	<u>257,269</u>
Capital assets, being depreciated				
Buildings	525,062	5,975	-	531,037
Infrastructure	1,486,458	-	-	1,486,458
Machinery and equipment	263,236	29,567	-	292,803
Total capital assets, being depreciated	<u>2,274,756</u>	<u>35,542</u>	<u>-</u>	<u>2,310,298</u>

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Less accumulated depreciation for:				
Buildings	(228,742)	(13,305)	-	(242,047)
Infrastructure	(730,212)	(34,494)	-	(764,706)
Machinery and equipment	(220,901)	(18,031)	-	(238,932)
Total accumulated depreciation	<u>(1,179,855)</u>	<u>(65,830)</u>	<u>-</u>	<u>(1,245,685)</u>
Total capital assets, being depreciated, net	<u>1,094,901</u>	<u>(30,288)</u>	<u>-</u>	<u>1,064,613</u>
Total governmental activities	<u>\$ 1,340,783</u>	<u>\$ (16,033)</u>	<u>\$ (2,868)</u>	<u>\$1,321,882</u>

Depreciation expense was charged to the functions/programs of the governmental activities of the District as follows:

Interment	<u>\$ 65,830</u>
Total depreciation expense	<u>\$ 65,830</u>

Note 4 Long-term Liabilities

Changes in the District's long-term liabilities for the year ended June 30, 2022, are as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Governmental Activities				
Compensated absences	\$ 21,200	\$ 19,555	\$ 21,556	\$ 19,199
Net pension liability	407,127	-	204,091	203,036
Net OPEB liability	<u>285,651</u>	<u>94,074</u>	<u>-</u>	<u>379,725</u>
Total governmental activities	<u>\$ 713,978</u>	<u>\$ 113,629</u>	<u>\$ 225,647</u>	<u>\$ 601,960</u>

Note 5 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 three different valuation plans: Classic Tier I, Classic Tier II, and PEPRA. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2022, are summarized as follows:

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Employer rate plan	Classic Tier I	Classic Tier II	PEPRA
	Prior to 1993	Prior to January 1, 2013	On or after January 1, 2013
Hire date		2013	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
Requirement employee contributions rates	7.00%	7.00%	6.75%
Required employer contributions rates	10.340%	8.650%	7.590%

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, 2022 was \$61,270.

Proportionate share of net pension liability

At June 30, 2022, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$203,036. 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, 2021, 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, 2019 and rolled-forward to June 30, 2020 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 for the Plan as of June 30, 2021 and 2020 measurement dates was as follows:

Proportion - June 30, 2020	0.00965%
Proportion - June 30, 2021	<u>0.01069%</u>
Change	<u><u>0.00104%</u></u>

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions:

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Actuarial Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
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 investments, including inflation
Mortality rate table(1)	Derived using CalPERS' Membership Data for all funds
Postretirement benefit increases	Contract COLA up to 2.5% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

Long-term Expected Rate of Return

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. 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.

Asset Class(a)	New Strategic Allocation	Real Return Years 1 - 10(b,d)	Real Return Years 11+ (c,d)
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	<u>100.00%</u>		

(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.

(d) Figures are based on previous ALM of 2017

AUBURN PUBLIC CEMETERY DISTRICT
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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 and employers will be made at rates set in State Statutes. Based on these assumptions, the fiduciary net position of CalPERS 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 CalPERS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity Analysis

The following presents the District's proportionate share of the net pension liability calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount Rate 6.15%	Current Discount Rate 7.15%	1% Increase in Discount Rate 8.15%
District's proportionate share of net pension liability	\$ 434,736	\$ 203,036	\$ 11,494

Pension Expense and Deferred Items Summary

For the year ended June 30, 2022, the District recognized pension expense of \$36,461 for its proportionate share of the pension expense. At June 30, 2022, the District reported its proportionate share of the deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ -
Differences between expected and actual experience	22,768	-
Differences between projected and actual investment earnings	-	177,240
Proportionate share of contributions	12,032	-
Change in employer's proportion	-	9,544
Pension contributions made subsequent to measurement date	61,270	-
	\$ 96,070	\$ 186,784

Deferred outflows of resources reported \$61,270 related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2023	\$ (30,512)
2024	(33,507)
2025	(38,985)
2026	(48,980)
2027	-
Thereafter	-
Total	\$ (151,984)

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Pension Plan Fiduciary Net Position

The CalPERS pension trust fiduciary net position has been determined using the same basis to determine the net pension liability, deferred outflows and inflows of resources related to pension, and pension expense. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

Detailed information about the fiduciary net position is available in a separately issue CalPERS financial report. That report may be obtained on the CalPERS website at www.calpers.ca.gov.

Note 6 Other Postemployment Benefit (OPEB) Obligations

Plan Description

The District has established a Retiree Healthcare Plan and participates in the California Employer’s Retiree Benefits Trust (CERBT), and agency multiple employer defined benefit postemployment healthcare plan administered by CalPERS. CERBT is an Internal Revenue Code Section 115 trust and an investment vehicle that can be used by all California public employers to prefund future retiree healthcare and other postemployment benefit costs.

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 June 30, 2022, 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	-
Participating active employees	6
Total	9

Net OPEB Liability

The District’s net OPEB liability of \$379,725 was measured as of June 30, 2022, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2022, based on the following actuarial methods and assumptions:

Inflation	2.50%
Salary increases	2.75%, average, including inflation
Discount rate	5.75%, net of investment expense, including inflation
Healthcare cost trend rates	4.00%
Retirees' share of cost	Retirees pay excess of any premiums over Blue Shield Access+HMP premium. Spousal coverage self-paid for hires after September 1, 2011

Mortality rates were based on the RP-2014 employee and Healthy Annuitant Mortality Tables for Males or Females, as appropriate, projected using a generational projection based on 100% of scale MP-2016 for years 2014 through 2029, 50% of MP-2016 for years 2030 through 2049, and 20% of MP-2016 for 2050 and thereafter.

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Changes in Assumptions

Key Assumptions	Current Year	Prior Year
	June 30, 2022 Measurement Date for the year ended June 30, 2022	June 30, 2021 Measurement Date for the year ended June 30, 2021
Valuation interest rate	5.75%	5.75%
Expected rate of return on assets	5.75%	5.75%
Long-term medical trend rate	4.00%	4.00%
Projected payroll growth	2.75%	2.75%

Changes in the Net OPEB Liability

Balance at June 30, 2021 (Measurement date June 30, 2021)	\$ 757,845
Changes in recognized for the measurement period	
Service cost	34,248
Interest on Total OPEB liability	43,562
Differences between expected and actual experience	-
Changes of assumptions	-
Expected benefit payments from employer	(34,728)
Net change in Total OPEB Liability	<u>43,082</u>
Balance at June 30, 2022 (Measurement date June 30, 2022)	<u>800,927</u>

Plan Fiduciary Net Position

Contributions - employer, adjusted for implicit subsidy	34,728
Expected investment income, net of investment expense	27,140
Benefit payments, adjusted for implicit subsidy	(34,728)
Investment gains	(77,734)
Administrative expense	(398)
Net change in Plan Fiduciary Net Position	<u>(50,992)</u>

Plan Fiduciary Net Position - beginning (6/30/21)	<u>472,194</u>
Plan Fiduciary Net Position - ending (6/30/22)	<u>421,202</u>
Net OPEB Liability - ending	<u>\$ 379,725</u>

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

The following presents the total Net OPEB liability of the District, as well as what the total Net 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:

	Discount Rate -1% (5.00%)	Current Discount Rate (6.00%)	Discount Rate + 1% (7.00%)
Net OPEB Liability	\$ 482,645	\$ 379,725	\$ 293,605

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

The following presents the total Net OPEB liability of the District, as well as what the total Net 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:

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	Trend 1% Lower	Trend Rate	Trend 1% Higher
	3.0%	4.0%	5.0%
Net OPEB Liability	\$ 266,639	\$ 379,725	\$ 520,099

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended June 30, 2022, the District recognized OPEB expense was \$(27,939). The current balances of collective deferred outflows and deferred inflows of resources as of June 30, 2022 were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 88,112	\$ -
Changes in actuarial assumptions	-	214,182
Changes in proportionate share	-	-
Differences between projected and actual return on assets	43,803	-
OPEB contributions made subsequent to measurement date	25,748	-
Total	<u>\$ 157,663</u>	<u>\$ 214,182</u>

Amounts reported as deferred outflow and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30:	OPEB Expense Amount
2023	\$ (18,531)
2024	\$ (18,530)
2025	(18,814)
2026	(12,498)
2027	(13,029)
Thereafter	(865)
	<u>\$ (82,267)</u>

Note 7 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District uses the Golden State Risk Management Authority to account for and finance risks for workers' compensation, general liability and property damage. For worker's compensation, the District retains the risk for the first \$300,000 of an individual claim. Insurance policies are purchased for the following exposures with the deductible or the amount of risk retention indicated in parenthesis: public officials and employment practices liability (\$25,000/25,000 deductible), boiler and machinery (\$10,000 deductible), and employee faithful performance (\$25,000 deductible). There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

AUBURN PUBLIC CEMETERY DISTRICT
Schedule of Changes in the District's Net OPEB Liability
and Related Ratios
June 30, 2022
Last 10 Years*

	Measurement Date				
	2021	2020	2019	2018	2017
TOTAL OPEB LIABILITY					
Service cost	\$ 34,248	\$ 47,839	\$ 21,158	\$ 63,732	\$ 61,876
Interest	43,562	43,018	46,446	24,081	22,457
Adjustment to beginning balance		-	55,692	-	-
Expected return on assets	-	-	-	-	-
Administrative expenses	-	-	-	-	-
Change in deferred inflows	-	-	-	(58,822)	-
Difference between expected and actual experience	-	21,627	119,457	-	-
Changes of assumptions	-	(26,510)	(264,211)	(8,262)	-
Recognition of investment (gain)/loss deferrals	-	-	-	-	-
Benefit payments	<u>(34,728)</u>	<u>(42,359)</u>	<u>(34,517)</u>	<u>(39,494)</u>	<u>(25,478)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	43,082	43,615	(55,975)	(18,765)	58,855
NET OPEB LIABILITY, Beginning	<u>757,845</u>	<u>714,230</u>	<u>770,205</u>	<u>788,970</u>	<u>730,115</u>
NET OPEB LIABILITY, Ending	<u>800,927</u>	<u>757,845</u>	<u>714,230</u>	<u>770,205</u>	<u>788,970</u>
Plan Fiduciary Net Position					
Contributions	-	-	431,569	-	-
Expected investment income, net of investment expense	(50,594)	57,302	18,380	-	-
Benefit payments, adjusted for implicit subsidy	-	(378)	(34,517)	-	-
Administrative expense	<u>(398)</u>	<u>-</u>	<u>(162)</u>	<u>-</u>	<u>-</u>
Net change in Plan Fiduciary Net Position	(50,992)	56,924	415,270	-	-
Plan Fiduciary Net Position - beginning	<u>472,194</u>	<u>415,270</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - ending	<u>421,202</u>	<u>472,194</u>	<u>415,270</u>	<u>-</u>	<u>-</u>
District's Net OPEB Liability - beginning	<u>\$ 285,651</u>	<u>298,960</u>	<u>770,205</u>	<u>788,970</u>	
District's Net OPEB Liability - ending	<u>\$ 379,725</u>	<u>\$ 285,651</u>	<u>\$ 298,960</u>	<u>\$ 770,205</u>	<u>\$ 788,970</u>

Notes to schedule:

Change of benefit terms - There were no changes to benefit terms during measurement periods ended June 30, 2022, 2021, 2020, and 2019.

Changes in assumptions - There were no changes to assumptions during measurement periods June 30, 2022, 2021, and 2020.

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

See Notes to Required Supplementary Information

AUBURN PUBLIC CEMETERY DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
June 30, 2022
Last 10 Years*

	Measurement Date							
	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.00879%	0.00892%	0.00973%	0.98300%	0.010000%	0.0102%	0.0117%	0.0126%
District's proportionate share of the net pension liability	\$ 203,036	\$ 407,127	\$ 389,755	\$ 370,482	\$ 394,124	\$352,927	\$306,474	\$ 268,747
District's covered-employee payroll	\$ 373,288	\$ 378,822	\$ 363,427	\$ 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	54.39%	107.47%	107.24%	104.74%	127.16%	136.05%	107.68%	95.68%
Plan fiduciary net position as a percentage of the total pension liability	88.43%	74.97%	75.73%	75.39%	75.87%	79.89%	78.40%	79.82%

Notes to Schedule:

Change of benefit terms - For the measurement periods ended June 30, 2020, 2019, 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%. As of June 30, 2019, June 30, 2020, and June 30, 2021 measurement dates there were no changes in assumptions.

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

See Notes to Required Supplementary Information

AUBURN PUBLIC CEMETERY DISTRICT
Schedule of the District's Pension Contributions
June 30, 2022
Last 10 Years*

	Measurement Date							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution (actuarially determined)	\$ 61,270	\$ 57,874	\$ 72,028	\$ 63,458	\$ 55,404	\$ 50,113	\$ 46,739	\$ 43,833
Contributions in relation to the contractually required contributions	<u>(61,270)</u>	<u>(57,874)</u>	<u>(72,028)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 373,288	\$ 378,822	\$ 363,427	\$ 353,902	\$ 353,714	\$ 309,933	\$ 259,409	\$ 284,604
Contributions as a percentage of covered-employee payroll	16.41%	15.28%	19.82%	17.93%	15.66%	16.17%	18.02%	15.40%

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

See Notes to Required Supplementary Information

AUBURN PUBLIC CEMETERY DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Property taxes	\$ 624,000	\$ 624,000	\$ 643,380	\$ 19,380
Intergovernmental	3,700	3,700	6,697	2,997
Charges for services	351,099	351,099	535,420	184,321
Use of money and property	17,500	17,500	16,879	(621)
Other income	6,000	6,000	10,210	4,210
Total revenues	<u>1,002,299</u>	<u>1,002,299</u>	<u>1,212,586</u>	<u>210,287</u>
EXPENDITURES				
Current:				
Interment	979,500	979,500	948,333	31,167
Capital outlay	58,500	58,500	49,797	8,703
Total expenditures	<u>1,038,000</u>	<u>1,038,000</u>	<u>998,130</u>	<u>39,870</u>
Excess of revenues over expenditures	<u>(35,701)</u>	<u>(35,701)</u>	<u>214,456</u>	<u>250,157</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	28,000	28,000	-	(28,000)
Sale of general capital assets	-	-	11,883	11,883
Total other financing sources	<u>28,000</u>	<u>28,000</u>	<u>11,883</u>	<u>(16,117)</u>
Net change in fund balances	(7,701)	(7,701)	226,339	234,040
Fund balance-beginning	<u>1,417,947</u>	<u>1,417,947</u>	<u>1,417,947</u>	<u>-</u>
Fund balance-ending	<u>\$ 1,410,246</u>	<u>\$ 1,410,246</u>	<u>\$ 1,644,286</u>	<u>\$ 234,040</u>

See Notes to Required Supplementary Information

AUBURN PUBLIC CEMETERY DISTRICT
Notes to Required Supplementary Information
June 30, 2022

Schedule of Changes in the Net OPEB Liability and Related Ratios

The District's OPEB liability is administered as an agent cost-sharing multiple-employer plan, which is administered by CalPERS. The schedule of changes in Net OPEB liability show a ten-year trend information, where available, about these amounts and they are changing from year to another.

Schedule of District's Proportionate Share of the Net Pension Liability (NPL)

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

Schedule of District's Pension Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual

Budget for the general fund is prepared on the generally accepted accounting principles basis. Revenues are budgeted in the year receipt is expected; expenditures are budgeted in the year that the applicable warrant requisitions are expected to be issued. The budget and actual financial statements are reported on the above basis, with no material differences between them.

Annual budget requests are submitted by the District's staff to the District Board of Trustees for preliminary review and approval. After public hearing, a final budget is approved by the District Board of Trustees adopting said budget. Copies of the approved budget are sent to all required agencies.