

**AUBURN PUBLIC
CEMETERY DISTRICT**

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

FISCAL YEAR ENDED JUNE 30, 2020

AUBURN PUBLIC CEMETERY DISTRICT

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AUBURN PUBLIC CEMETERY DISTRICT

**DISTRICT OFFICIALS
FISCAL YEAR ENDED JUNE 30, 2020**

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

Communication with Those Charged with Governance at the Conclusion of the Audit

March 11, 2021

Board of Directors
Auburn Public Cemetery District
1040 Collins Drive
Auburn, CA 95604

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Auburn Public Cemetery District for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 30, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Auburn Public Cemetery District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by Auburn Public Cemetery District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the governmental activities' financial statements were:

Management's estimate of the depreciation, net pension liability, and net OPEB liability is based on straight-line method to estimate depreciation and actuarial standards to estimate net pension liability and net OPEB liability. We evaluated the key factors and assumptions used to develop the depreciation, net pension liability, and net OPEB liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Opinions

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 District, as of June 30, 2020, 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.

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 on pages 4–8 and 32–35 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.

David Farnsworth, CPA

Dublin, California
March 3, 2021

AUBURN PUBLIC CEMETERY DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

JUNE 30, 2020

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, 2020. 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).

AUBURN PUBLIC CEMETERY DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

JUNE 30, 2020

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 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 17 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 31 through 34 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 \$3,766,140. 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 \$3,844,212. The current year’s \$3,766,140 balance is comprised of investments in Capital Assets of \$1,385,425, Restricted Nonexpendable Endowment Principal \$1,221,497, Expendable Endowment \$816,145, and Unrestricted Net Position of \$343,072.

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, 2020

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>(Decrease)</u>	<u>Variance</u>
Current and other assets	\$ 3,220,509	\$ 3,531,980	\$ (311,471)	-8.82%
Capital assets	1,385,425	1,442,618	(57,193)	-3.96%
Total assets	<u>4,605,934</u>	<u>4,974,598</u>	<u>(368,664)</u>	<u>-7.41%</u>
Deferred outflows of resources	234,711	169,214	65,497	38.71%
Current liabilities	67,746	63,666	4,080	6.41%
Non-Current liabilities	699,619	1,150,194	(450,575)	-39.17%
Total liabilities	<u>767,365</u>	<u>1,213,860</u>	<u>(446,495)</u>	<u>-36.78%</u>
Deferred outflows of resources	307,140	85,740	221,400	258.22%
Net Position				
Net investment in capital assets	1,385,425	1,442,618	(57,193)	-3.96%
Restricted for:				
Endowment	2,037,643	2,006,552	31,091	1.55%
Unrestricted net position	343,072	395,042	(51,970)	-13.16%
Total net position	<u>\$ 3,766,140</u>	<u>\$ 3,844,212</u>	<u>\$ (78,072)</u>	<u>-2.03%</u>

Condensed Statement of Activities

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>Increase/ (Decrease)</u>	<u>% Variance</u>
Taxes	\$ 584,033	\$ 558,191	\$ 25,842	4.63%
Charges for services	303,197	270,125	33,072	12.24%
Interest and rent	64,203	76,914	(12,711)	-16.53%
Other income	4,999	3,911	1,088	27.82%
Endowment care	18,540	16,150	2,390	14.80%
Total revenue	<u>974,972</u>	<u>925,291</u>	<u>49,681</u>	<u>5.37%</u>
Salaries and benefits	745,149	657,834	87,315	13.27%
Services and supplies	231,016	205,983	25,033	12.15%
Depreciation	76,879	77,206	(327)	-0.42%
Total expenditures	<u>1,053,044</u>	<u>941,023</u>	<u>112,021</u>	<u>11.90%</u>
Change in net position	<u>\$ (78,072)</u>	<u>\$ (15,732)</u>	<u>\$ (62,340)</u>	<u>396%</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.

AUBURN PUBLIC CEMETERY DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS JUNE 30, 2020

For the year ended June 30, 2020, the District reported an ending fund balance of \$3,151,382; a decrease of \$315,095 from the prior year. Approximately 61% of revenue was generated through taxes collected (i.e., property), 34% of the District's revenue was generated from: charge for interment rights, services, product sales, and misc., and 5% was generated from use of money and property and other income. Additionally, a transfer from the Endowment fund (\$21,114) was made to be utilized for maintenance purposes.

	Governmental Funds	
	<u>FY 2019-2020</u>	<u>FY 2018-2019</u>
Total revenues	972,348	922,911
Total expenditures	<u>1,290,524</u>	<u>905,641</u>
Excess of revenues over expenditures	(318,176)	17,270
Total other financing	<u>3,081</u>	<u>2,836</u>
Net change in fund balances	(315,095)	20,106
Fund balances - Beginning	<u>3,466,477</u>	<u>3,446,371</u>
Fund balances - Ending	<u><u>\$ 3,151,382</u></u>	<u><u>\$ 3,466,477</u></u>

Total expenditures increased from \$905,641 to \$1,290,524 an increase of approximately \$384,883 from the prior year.

- Salaries and benefits – Increase of \$413,456 is primarily due to the establishment of the OPEB trust fund.
- Materials and supplies - Increased in the amount of \$25,034 is primarily due to increase in ground maintenance/repairs, liability insurance, and professional fees.
- Capital outlay – Decreased in the amount of \$53,607 is due to decrease in capital asset purchase activity. Capital outlay this fiscal year was spent on a purchase of various equipment and improvements.

Capital Assets and Debt Administration

Capital Assets

At the end of the current fiscal year, the District had net capital assets totaling \$1,385,425.

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.

AUBURN PUBLIC CEMETERY DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS JUNE 30, 2020

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 2020/2021 Budget:

- Continue to pursue grants, matching fund and award programs
- Property tax revenues based on FY 2019/2020 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, 2020

CURRENT ASSETS

Cash and investments	\$ 1,177,573
Receivables:	
Accounts receivable, net	926
Interest receivable	2,638
Due from other governments	1,381
Inventory	2,039
TOTAL CURRENT ASSETS	1,184,557

NONCURRENT ASSETS

Restricted cash and investments	2,035,952
Non-depreciable capital assets	248,223
Depreciable capital assets, net	1,137,202
TOTAL NONCURRENT ASSETS	3,421,377
TOTAL ASSETS	4,605,934

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources related to pensions	130,979
Deferred outflows of resources related to OPEB	103,732
TOTAL DEFERRED OUTFLOWS OF RESOURCES	234,711

CURRENT LIABILITIES

Accounts payable	15,167
Accrued payroll	25,596
Preneed burial preneed liability	26,983
TOTAL CURRENT LIABILITIES	67,746

NONCURRENT LIABILITIES

Net pension liability	389,755
Net OPEB liability	298,960
Compensated absences	10,904
TOTAL NONCURRENT LIABILITIES	699,619
TOTAL LIABILITIES	767,365

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources related to pensions	27,148
Deferred inflows of resources related to OPEB	279,992
TOTAL DEFERRED INFLOWS OF RESOURCES	307,140

NET POSITION

Net investment in capital assets	1,385,425
Restricted for:	
Nonexpendable - endowment principal	1,221,497
Expendable - endowment	816,146
Unrestricted net position	343,072
TOTAL NET POSITION	\$ 3,766,140

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

AUBURN PUBLIC CEMETERY DISTRICT

STATEMENT OF ACTIVITIES FISCAL YEAR ENDED JUNE 30, 2020

PROGRAM EXPENSES	
Personnel services	745,149
Materials and supplies	231,016
Depreciation	<u>76,879</u>
TOTAL EXPENSES	<u>1,053,044</u>
PROGRAM REVENUES	
Charges for services	<u>303,197</u>
NET PROGRAM EXPENSES	<u>(749,847)</u>
GENERAL REVENUES	
Property taxes	584,033
Use of money and property	64,203
Other income	<u>4,999</u>
TOTAL GENERAL REVENUES	<u>653,235</u>
CONTRIBUTIONS TO ENDOWMENT	
Endowment care	<u>18,540</u>
CHANGE IN NET POSITION	<u>(78,072)</u>
NET POSITION, beginning of year	<u>3,844,212</u>
NET POSITION, end of year	<u><u>\$ 3,766,140</u></u>

AUBURN PUBLIC CEMETERY DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2020

	<u>General Fund</u>	<u>Endowment Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 1,177,573	\$ -	\$ 1,177,573
Restricted cash and investments	-	2,035,952	2,035,952
Receivables:			
Accounts receivable, net	926	-	926
Interest receivable	947	1,691	2,638
Due from other governments	1,381	-	1,381
Inventory	2,039	-	2,039
TOTAL ASSETS	<u>\$ 1,182,866</u>	<u>\$ 2,037,643</u>	<u>\$ 3,220,509</u>
CURRENT LIABILITIES			
Accounts payable	\$ 15,167	\$ -	\$ 15,167
Accrued payroll	25,596	-	25,596
Preneed burial preneed liability	26,983	-	26,983
TOTAL CURRENT LIABILITIES	<u>67,746</u>	<u>-</u>	<u>67,746</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - due from other governments	1,381	-	1,381
FUND BALANCES			
Nonspendable:			
Inventory	2,039	-	2,039
Endowment principal	-	1,221,497	1,221,497
Restricted for:			
Expendable endowment	-	816,146	816,146
Committed for			
Future capital assets	207,361	-	207,361
Unassigned	904,339	-	904,339
TOTAL FUND BALANCES	<u>1,113,739</u>	<u>2,037,643</u>	<u>3,151,382</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,182,866</u>	<u>\$ 2,037,643</u>	<u>\$ 3,220,509</u>

AUBURN PUBLIC CEMETERY DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2020

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

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 3,151,382

Capital assets used in governmental activities are not current assets or financial resources and therefore are not reported in the governmental funds 1,385,425

The liabilities below are not due and payable in the current period and therefore are not included in the funds:

Net pension liability (389,755)
Net OPEB liability (298,960)
Compensated absences (10,904)

Receivables not available to pay for current period expenditures are reported as unavailable revenue in the funds 1,381

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 130,979
Deferred inflows of resources related to pensions (27,148)
Deferred outflows of resources related to OPEB 103,732
Deferred inflows of resources related to OPEB (279,992)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 3,766,140

AUBURN PUBLIC CEMETERY DISTRICT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Endowment Fund	Total Governmental Funds
REVENUES			
Property taxes	\$ 584,033	\$ -	\$ 584,033
Charges for services	303,197	18,540	321,737
Use of money and property	30,538	33,665	64,203
Other income	2,375	-	2,375
	920,143	52,205	972,348
TOTAL REVENUES			
EXPENDITURES			
Current:			
Salaries and employee benefits	1,039,822	-	1,039,822
Materials and supplies	231,016	-	231,016
Capital outlay	19,686	-	19,686
	1,290,524	-	1,290,524
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(370,381)	52,205	(318,176)
OTHER FINANCING SOURCES (USES)			
Miscellaneous income	3,081	-	3,081
Transfers in	21,114	-	21,114
Transfers out	-	(21,114)	(21,114)
	24,195	(21,114)	3,081
TOTAL OTHER FINANCING			
NET CHANGE IN FUND BALANCES	(346,186)	31,091	(315,095)
FUND BALANCES, beginning of year	1,459,925	2,006,552	3,466,477
FUND BALANCES, end of year	\$ 1,113,739	\$ 2,037,643	\$ 3,151,382

AUBURN PUBLIC CEMETERY DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FISCAL YEAR ENDED JUNE 30, 2020

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

NET CHANGE IN FUND BALANCES -TOTAL GOVERNMENTAL FUNDS \$ (315,095)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Capitalized expenditures are added back to fund balance	19,686
Depreciation expense is deducted from fund balance	(76,879)

The amounts below included in the statement of activities do not require the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds:

Change in liability for compensated absences	(1,397)
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The change in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(459)
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The change in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

In governmental funds, pension and OPEB costs are recognized when employer contributions are made. In the Statement of Activities, pension costs are recognized on the accrual basis. The difference between accrual-basis pension and OPEB costs and actual contributions was:	<u>296,072</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (78,072)

AUBURN PUBLIC CEMETERY DISTRICT
FIDUCIARY ACTIVITIES
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020

	Pension (and Other Employee Benefit) Trust Funds
ASSETS	
Cash and investments	\$ 416,014
Total assets	416,014
NET POSITION	
Restricted:	
Postemployment benefits other than pensions	416,014
Total net position	\$ 416,014

AUBURN PUBLIC CEMETERY DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Pension (and Other Employee Benefit) Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 399,343
Total contributions	399,343
Investment earnings:	
Interest	16,823
Total investment income	16,823
Less: investment expense	-
Net investment earnings	16,823
Total additions	416,166
DEDUCTIONS	
Administrative expenses	152
Total deductions	152
Net increase (decrease) in fiduciary net position	416,014
Net position - beginning	-
Net position - ending	\$ 416,014

AUBURN PUBLIC CEMETERY DISTRICT

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2020

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 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.

AUBURN PUBLIC CEMETERY DISTRICT

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2020

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.

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 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, 2020, 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:

AUBURN PUBLIC CEMETERY DISTRICT

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2020

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
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 \$10,905 in accrued compensated absences as of June 30, 2020. 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

AUBURN PUBLIC CEMETERY DISTRICT

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2020

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 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 \$1,381 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.

AUBURN PUBLIC CEMETERY DISTRICT

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2020

- 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.
- 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 \$207,361 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

AUBURN PUBLIC CEMETERY DISTRICT

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2020

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.

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2020, consist of the following:

Cash on hand	\$	200
Cash with county treasury		3,214,568
Total cash and investments		\$3,214,768

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>
U.S. Treasury securities	5 years	100%	None
U.S. Agency securities	5 years	100%/75%	None
Local agency obligations	5 years	100%	None
Bankers' acceptances	180 days	40%/30%	10%

AUBURN PUBLIC CEMETERY DISTRICT

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2020

Commercial Paper	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	10%
Collateralized Certificates of Deposit	Not specified 5 years	20%	10%
CDARS Certificates of Deposit	Not specified 5 years	30%	None
Repurchase Agreements	1 year/7days	25%/20%	None
Corporate Notes	5 years	30%	None
Local Agency Investment Funds (LAIF)	Not specified/1 years	N/A	\$65M/40M
Supranational – Washington dollar	5 years	30%	10%
County Pooled Investment Funds	N/A	None	None

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, 2020, the weighted average maturity of the investments contained in the Treasury's investment pool is approximately 339 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 \$2,035,952 at June 30, 2020 for endowment care.

3. 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.

AUBURN PUBLIC CEMETERY DISTRICT

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2020

4. CAPITAL ASSETS

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Non-depreciable assets:				
Land	\$ 248,223	\$ -	\$ -	\$ 248,223
Total non-depreciable assets	248,223	-	-	248,223
Depreciable assets:				
Structures and improvements	510,942	14,120	-	525,062
Infrastructure	1,483,259	2,790	-	1,486,049
Equipment and vehicles	256,092	2,776	-	258,868
Total depreciable assets	2,250,293	19,686	-	2,269,979
Accumulated depreciation:				
Structures and improvements	(206,790)	(12,980)	-	(219,770)
Infrastructure	(667,720)	(37,013)	-	(704,733)
Equipment and vehicles	(181,388)	(26,886)	-	(208,274)
Total accumulated depreciation	(1,055,898)	(76,879)	-	(1,132,777)
Total capital assets, net	\$ 1,442,618	\$ (57,193)	\$ -	\$ 1,385,425

5. COMPENSATED ABSENCES

The District's accumulated vacation pay for the year ended June 30, 2020, was as follows:

Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
\$ 9,507	\$22,799	\$(21,402)	\$ 10,904

6. DEFINED BENEFIT 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 PEPR. 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, 2020

The rate plan provisions and benefits in effect at June 30, 2020, are summarized as follows:

Employer rate plan	<u>Classic Tier I</u>	<u>Classic Tier II</u>	<u>PEPRA</u>
	Prior to	On or before	On or after
Hire date	May 3, 1993	March 10, 2012	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	10.484%	8.794%	7.732%

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, 2020 was \$72,028.

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

At June 30, 2020, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$389,755. 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, 2019, 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, 2018 and rolled-forward to June 30, 2019 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, 2020 was 0.00973%, which was a decrease of 0.00010% from its proportion measured as of June 30, 2019 for the CalPERS Plan.

For the year ended June 30, 2020, the District recognized pension expense of \$90,663. At June 30, 2020, the reported deferred outflows of resources and deferred inflows of resources related to pensions resulted from the following sources:

AUBURN PUBLIC CEMETERY DISTRICT

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 18,585	\$ 6,588
Differences between expected and actual experience	27,070	2,097
Differences between projected and actual investment earnings	-	6,814
Proportionate share of contributions	8,826	-
Change in employer's proportion	4,470	11,649
Pension contributions made subsequent to measurement date	72,028	-
	\$ 130,979	\$ 27,148

Deferred outflows of resources of \$130,979 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:

Measurement Periods Ending June 30,	Deferred Outflows/ (Inflows) of Resources
2021	\$ 32,233
2022	(5,387)
2023	3,581
2024	1,376
	\$ 31,803

Actuarial Assumptions

For the measurement period ended June 30, 2019 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2018 total pension liability determined in the June 30, 2018 actuarial accounting valuation. The June 30, 2019 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 investments, 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 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

AUBURN PUBLIC CEMETERY DISTRICT

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2020

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. 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.

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

AUBURN PUBLIC CEMETERY DISTRICT

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2020

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</u> <u>-1% (7.15%)</u>		<u>Current</u> <u>Discount Rate</u> <u>(7.15%)</u>		<u>Discount Rate</u> <u>+1% (8.15%)</u>
Risk pool's net pension liability	\$ 605,766	\$	389,755	\$	211,454

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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 July 1, 2018, 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>

Net OPEB Liability

The District's net OPEB liability of \$298,960 was measured as of June 30, 2019, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated July 1, 2018, based on the following actuarial methods and assumptions:

Inflation	2.25%
Salary increases	3.00%, average, including inflation

AUBURN PUBLIC CEMETERY DISTRICT

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2020

Discount rate	6.00%, net of investment expense, including inflation
Healthcare cost trend rates	6.00% for 2019-20, decreasing to 4.50% for 2022-23 and after
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.

Changes in Assumptions

For the measurement period ended June 30, 2019, the discount rate for the Plan was increased from 3.62% to 6.00%. The inflation rate decreased from 3.00% to 2.25%. Healthcare cost trend rates increased from 5% to 6%.

Changes in the Net OPEB Liability

Balance at June 30, 2019 (Measurement date June 30, 2018)	\$ 770,205
Changes in recognized for the measurement period	21,158
Service cost	46,446
Adjustment to beginning balance	55,692
Differences between expected and actual experience	119,457
Changes of assumptions	(264,211)
Benefit payments, adjusted for implicit subsidy	(34,517)
Net change in Total OPEB Liability	714,230

Plan Fiduciary Net Position

Contributions - employer, adjusted for implicit subsidy	431,569
Expected investment income, net of investment expense	18,380
Benefit payments, adjusted for implicit subsidy	(34,517)
Administrative expense	(162)
Net change in Plan Fiduciary Net Position	415,270

Plan Fiduciary Net Position - beginning (6/30/19)	-
Plan Fiduciary Net Position - ending (6/30/20)	415,270
Net OPEB Liability - ending	\$ 298,960

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:

AUBURN PUBLIC CEMETERY DISTRICT

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2020

	Discount Rate	Current Discount Rate (6.00%)	Discount Rate + 1% (7.00%)
	-1% (5.00%)		
Net OPEB Liability	\$ 402,385	\$ 298,960	\$ 214,635

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:

	1% Decrease (5.0% decreasing to 3.5%)	Health Care Trend Rate (6.00% decreasing to 4.5%)	1% Increase (7.0% decreasing to 5.5%)
Net OPEB Liability	\$ 206,451	\$ 298,960	\$ 415,845

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

For the year ended June 30, 2020, the District recognized OPEB expense was \$84,592. The current balances of collective deferred outflows and deferred inflows of resources as of June 30, 2020 were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 103,732	\$ -
Change in assumptions	-	279,992
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total	\$ 103,732	\$ 279,992

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

Year Ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	\$ 15,725	\$ 43,041
2022	15,725	43,041
2023	15,725	43,041
2024	15,725	43,041
2025	15,725	43,041
Thereafter	25,107	64,787
	\$ 103,732	\$ 279,992

AUBURN PUBLIC CEMETERY DISTRICT

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2020

8. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of expenditures over appropriations in individual funds is as follows:

Major Fund	Account	Excess Expenditures
General fund	Salaries and employee benefits	\$365,657

REQUIRED SUPPLEMENTARY INFORMATION

AUBURN PUBLIC CEMETERY DISTRICT

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

	Measurement Date		
	2019	2018	2017
TOTAL OPEB LIABILITY			
Service cost	\$ 21,158	\$ 63,732	\$ 61,876
Interest	46,446	24,081	22,457
Adjustment to beginning balance	55,692	-	-
Change in deferred inflows		(58,822)	-
Difference between expected and actual experience	119,457	-	-
Changes of assumptions	(264,211)	(8,262)	-
Benefit payments	(34,517)	(39,494)	(25,478)
NET CHANGE IN TOTAL OPEB LIABILITY	(55,975)	(18,765)	58,855
NET OPEB LIABILITY, Beginning	770,205	788,970	730,115
NET OPEB LIABILITY, Ending	714,230	770,205	788,970
Plan Fiduciary Net Position			
Contributions	431,569	-	-
Expected investment income, net of investment expense	18,380	-	-
Benefit payments, adjusted for implicit subsidy	(34,517)	-	-
Administrative expense	(162)	-	-
Net change in Plan Fiduciary Net Position	415,270	-	-
Plan Fiduciary Net Position - beginning	-	-	-
Plan Fiduciary Net Position - ending	415,270	-	-
District's Net OPEB Liability - beginning	770,205	788,970	
District's Net OPEB Liability - ending	\$ 298,960	\$ 770,205	\$ 788,970

Notes to schedule:

Change of benefit terms - There were no changes to benefit terms during measurement periods ended June 30, 2019, 2018, and 2017

Changes in assumptions - The discount rate increased from 3.62% to 6.00%. The inflation rate decreased from 3.00% to 2.25%. Healthcare cost trend rates increased from 5% to 6%.

* Fiscal year 2018 was the 1st year of implementation, therefore only three 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					
	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.00973%	0.98300%	0.010000%	0.0102%	0.0117%	0.0126%
District's proportionate share of the net pension liability	\$ 389,755	\$ 370,482	\$ 394,124	\$ 352,927	\$ 306,474	\$ 268,747
District's covered-employee payroll	\$ 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	107.24%	104.74%	127.16%	136.05%	107.68%	95.68%
Plan fiduciary net position as a percentage of the total pension liability	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, 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 measurement date there were no changes in assumptions.

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

AUBURN PUBLIC CEMETERY DISTRICT

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

	Fiscal Year					
	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 72,028	\$ 63,458	\$ 55,404	\$ 50,113	\$ 46,739	\$ 43,833
Contributions in relation to the contractually required contributions	<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>
District's covered-employee payroll	\$ 363,427	\$ 353,902	\$ 353,714	\$ 309,933	\$ 259,409	\$ 284,604
Contributions as a percentage of covered-employee payroll	19.82%	17.93%	15.66%	16.17%	18.02%	15.40%

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

AUBURN PUBLIC CEMETERY DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Property taxes	\$ 543,001	\$ 543,001	\$ 584,033	\$ 41,032
Charges for services	327,000	327,000	303,197	(23,803)
Use of money and property	26,900	26,900	30,538	3,638
Other income	2,500	2,500	2,375	(125)
TOTAL REVENUES	<u>899,401</u>	<u>899,401</u>	<u>920,143</u>	<u>20,742</u>
EXPENDITURES				
Current:				
Salaries and employee benefits	674,165	674,165	1,039,822	(365,657)
Materials and supplies	299,464	299,464	231,016	68,448
Capital outlay	32,000	32,000	19,686	12,314
TOTAL EXPENDITURES	<u>1,005,629</u>	<u>1,005,629</u>	<u>1,290,524</u>	<u>(284,895)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(106,228)</u>	<u>(106,228)</u>	<u>(370,381)</u>	<u>(264,153)</u>
OTHER FINANCING SOURCES (USES)				
Miscellaneous income	-	-	3,081	3,081
Transfers in	53,114	53,114	21,114	(32,000)
TOTAL OTHER FINANCING	<u>53,114</u>	<u>53,114</u>	<u>24,195</u>	<u>(28,919)</u>
NET CHANGE IN FUND BALANCES	(53,114)	(53,114)	(346,186)	(293,072)
FUND BALANCES, beginning of year	<u>1,459,925</u>	<u>1,459,925</u>	<u>1,459,925</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 1,406,811</u></u>	<u><u>\$ 1,406,811</u></u>	<u><u>\$ 1,113,739</u></u>	<u><u>\$ (293,072)</u></u>