

**WINTERS CEMETERY DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Years Ended
June 30, 2023 and 2022**

NIGRO & NIGRO^{PC}

WINTERS CEMETERY DISTRICT
For the Fiscal Years Ended June 30, 2023 and 2022
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Financial Section



NIGRO & NIGRO^{PC}

A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Winters Cemetery District
Winters, California

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Winters Cemetery District (District) as of and for the fiscal years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the 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 and each major fund of the District as of June 30, 2023 and 2022, and the respective changes in financial position thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 opinion.

Responsibilities of Management for the Financial Statements

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

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 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 opinion. 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 and *Government 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 and *Government 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 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 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, Budgetary Comparison Information, Schedule of Proportionate Share of the Net Pension Liability, and Schedule of Pension Contributions 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated January 26, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Walnut Creek, California
January 26, 2024

WINTERS CEMETERY DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Years Ended June 30, 2023 and 2022

Management's Discussion and Analysis (MD&A) offers readers of Winters Cemetery District's financial statements a narrative overview of the District's financial activities for the fiscal years ended June 30, 2023 and 2022. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

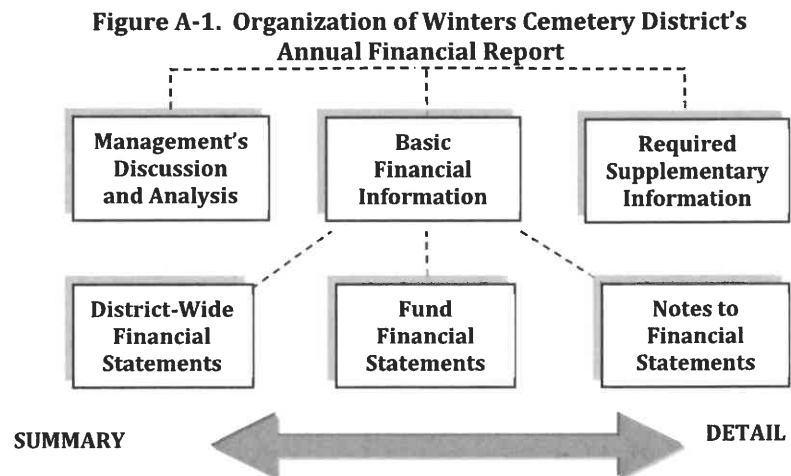
- The District's net position increased 12.53% or \$205,290 as a result of this year's operations.
- Total revenues from all sources increased by 0.65%, or \$3,225 from \$493,669 to \$496,894, from the prior year, primarily due to an increase in investment earnings in the current fiscal year.
- Total expenses for the District's operations decreased by 29.90% or \$124,368 from \$415,972 to \$291,604, from the prior year, primarily due to a decrease in non-cash pension accrued expenses.
- The District purchased new capital assets during the year in the amount of \$263,738. Depreciation expense was \$54,785.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- *District-wide financial statements* provide both short-term and long-term information about the District's overall financial status.
- *Fund financial statements* focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
 - The *governmental funds* statements tell how basic services were financed in the short term as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.



WINTERS CEMETERY DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2023 and 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2. Major Features of the District-Wide and Fund Financial Statements

Type of Statements	District-Wide	Governmental Funds
<i>Scope</i>	Entire District	The activities of the District that are not proprietary or fiduciary, such as cemetery program services
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures & Changes in Fund Balances
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

WINTERS CEMETERY DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Years Ended June 30, 2023 and 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's demographics and the condition of buildings and other facilities.
- In the district-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as burial internment services and administration. State and local programs finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by grantor requirements.

WINTERS CEMETERY DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2023 and 2022

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION

Analysis of Net Position

Table A-1: Condensed Statement of Net Position

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>
Assets:			
Current assets	\$ 891,448	\$ 982,747	\$ (91,299)
Restricted assets	449,152	438,715	10,437
Capital assets, net	<u>793,474</u>	<u>584,521</u>	<u>208,953</u>
Total assets	<u>2,134,074</u>	<u>2,005,983</u>	<u>128,091</u>
Deferred outflows of resources	<u>155,312</u>	<u>61,352</u>	<u>93,960</u>
Liabilities:			
Current liabilities	40,141	38,530	1,611
Non-current liabilities	<u>369,874</u>	<u>203,215</u>	<u>166,659</u>
Total liabilities	<u>410,015</u>	<u>241,745</u>	<u>168,270</u>
Deferred inflows of resources	<u>35,237</u>	<u>186,746</u>	<u>(151,509)</u>
Net position:			
Investment in capital assets	793,474	584,521	208,953
Restricted	449,152	438,715	10,437
Unrestricted	<u>601,508</u>	<u>615,608</u>	<u>(14,100)</u>
Total net position	<u>\$ 1,844,134</u>	<u>\$ 1,638,844</u>	<u>\$ 205,290</u>

At the end of fiscal year 2023, the District shows a positive balance in its unrestricted net position of \$601,508. The increase in the investment in capital assets represents the amount of depreciation expense over capital asset additions. The restricted assets increased because of the investment earnings from their fair-value change. Unrestricted net position decreased because the District's General Fund expenses exceeded revenues for the fiscal year 2023.

WINTERS CEMETERY DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2023 and 2022

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Revenues and Expenses

Table A-2: Condensed Statements of Activities

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>
Program revenues	\$ 100,301	\$ 113,673	\$ (13,372)
Expenses	<u>(291,604)</u>	<u>(415,972)</u>	<u>124,368</u>
Net program expense	(191,303)	(302,299)	110,996
General revenues	<u>396,593</u>	<u>379,996</u>	<u>16,597</u>
Change in net position	205,290	77,697	127,593
Net position:			
Beginning of year	<u>1,638,844</u>	<u>1,561,147</u>	<u>77,697</u>
End of year	<u>\$ 1,844,134</u>	<u>\$ 1,638,844</u>	<u>\$ 205,290</u>

The statement of activities shows how the government's net position changed during the fiscal year. In the case of the District, the operations of the District increased by \$205,290.

Table A-3: Total Revenues

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>
Program revenues:			
Charges for services	\$ 85,001	\$ 94,473	\$ (9,472)
Endowment care fees	<u>15,300</u>	<u>19,200</u>	<u>(3,900)</u>
Total program revenues	<u>100,301</u>	<u>113,673</u>	<u>(13,372)</u>
General revenues:			
Property taxes	301,008	322,380	(21,372)
Redevelopment taxes	105,858	108,227	(2,369)
Investment earnings	<u>(10,273)</u>	<u>(50,611)</u>	<u>40,338</u>
Total general revenues	<u>396,593</u>	<u>379,996</u>	<u>16,597</u>
Total revenues	<u>\$ 496,894</u>	<u>\$ 493,669</u>	<u>\$ 3,225</u>

Total revenues from all sources increased by 0.65%, or \$3,225 from \$493,669 to \$496,894, from the prior year, primarily due to increase in investment earnings from their fair-value change.

WINTERS CEMETERY DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2023 and 2022

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Revenues and Expenses (continued)

Table A-4: Total Expenses

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>
Expenses:			
Salaries and wages	\$ 181,925	\$ 169,442	\$ 12,483
Employee benefits	(14,389)	123,844	(138,233)
Facilities	43,765	42,390	1,375
Materials and services	25,518	35,404	(9,886)
Depreciation expense	<u>54,785</u>	<u>44,892</u>	<u>9,893</u>
Total expenses	<u>\$ 291,604</u>	<u>\$ 415,972</u>	<u>\$ (124,368)</u>

Total expenses for the District's operations decreased by 29.90% or \$124,368 from \$415,972 to \$291,604, from the prior year, primarily due to a decrease in non-cash pension accrued expense.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$1,312,196, which is less than last year's ending fund balance of \$1,393,882. The primary cause of the increased fund balance is due to continued strong revenues over necessary expenditures.

General Fund Budgetary Highlights

The final budgeted expenditures for the District at year-end were \$218,828 less than actual. The variance is principally due to an increase in Capital Outlay more than budgeted. Actual revenues were greater than the anticipated budget by \$101,705, primarily because of increased property and redevelopment tax revenues.

WINTERS CEMETERY DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2023 and 2022

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2022-23 the District had invested 263,738 in new capital assets. (More detailed information about capital assets can be found in Note 4 to the financial statements). Total depreciation expense for the year was \$54,785.

Table A-5: Capital Assets at Year End, Net of Depreciation

	Balance	Balance
	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Capital assets:		
Non-depreciable assets	\$ 37,691	\$ 37,691
Depreciable assets	1,199,892	976,375
Accumulated depreciation	<u>(444,109)</u>	<u>(429,545)</u>
Total capital assets, net	<u>\$ 793,474</u>	<u>\$ 584,521</u>

FACTORS AFFECTING CURRENT FINANCIAL POSITION

Management is unaware of any item that would affect the District's current financial position.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the District Manager at the Winters Cemetery District, PO Box 402, Winters, California 95694.

WINTERS CEMETERY DISTRICT
Statements of Net Position
June 30, 2023 and 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and investments (note 2)	\$ 878,530	\$ 970,650
Property taxes receivable	4,964	5,721
Materials and supplies – inventory	7,521	6,376
Prepaid items	433	-
Total current assets	891,448	982,747
Non-current assets:		
Restricted:		
Cash and investments (note 2 and 3)	447,806	437,385
Accrued interest receivable (note 3)	1,346	1,330
Capital assets – not being depreciated (note 4)	37,691	37,691
Capital assets, net – being depreciated (note 4)	755,783	546,830
Total non-current assets	1,242,626	1,023,236
Total assets	2,134,074	2,005,983
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred amounts related to net pension liability (note 6)	155,312	61,352
Total deferred outflows of resources	155,312	61,352
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable and accrued expenses	28,404	27,580
Compensated absences (note 5)	11,737	10,950
Total current liabilities	40,141	38,530
Noncurrent liabilities:		
Long-term liabilities – due in more than one year:		
Net pension liability (note 6)	369,874	203,215
Total noncurrent liabilities	369,874	203,215
Total liabilities	410,015	241,745
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred amounts related to net pension liability (note 6)	35,237	186,746
Total deferred inflows of resources	35,237	186,746
<u>NET POSITION</u>		
Investment in capital assets	793,474	584,521
Restricted: (note 3)		
Nonexpendable – endowment principal	338,900	323,600
Expendable – endowment care – maintenance and operations	110,252	115,115
Unrestricted	601,508	615,608
Total net position	\$ 1,844,134	\$ 1,638,844

WINTERS CEMETERY DISTRICT
Statements of Activities
For the Fiscal Years Ended June 30, 2023 and 2022

	Governmental Activities	
	2023	2022
Expenses:		
Cemetery operations:		
Salaries and wages	\$ 181,925	\$ 169,442
Employee benefits	(14,389)	123,844
Facilities	43,765	42,390
Materials and services	25,518	35,404
Depreciation expense	54,785	44,892
Total expenses	291,604	415,972
Program revenues:		
Charges for services:		
Interment space sales, interment services and other sales	85,001	94,473
Endowment care fees	15,300	19,200
Total program revenues	100,301	113,673
Net program expense	(191,303)	(302,299)
General revenues:		
Property taxes	301,008	322,380
Redevelopment taxes	105,858	108,227
Investment earnings	(10,273)	(50,611)
Total general revenues	396,593	379,996
Change in net position	205,290	77,697
Net position:		
Beginning of year	1,638,844	1,561,147
End of year	\$ 1,844,134	\$ 1,638,844

WINTERS CEMETERY DISTRICT
Balance Sheet – Governmental Funds
June 30, 2023

<u>ASSETS</u>	<u>General Fund</u>	<u>Permanent Fund Endowment Care</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments	\$ 878,530	\$ -	\$ 878,530
Property taxes receivable	4,964	-	4,964
Restricted:			
Cash and investments	-	447,806	447,806
Accrued interest receivable	-	1,346	1,346
Materials and supplies – inventory	7,521	-	7,521
Prepaid items	433	-	433
Total assets	<u>\$ 891,448</u>	<u>\$ 449,152</u>	<u>\$ 1,340,600</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts payable	\$ 28,404	\$ -	\$ 28,404
Total liabilities	<u>28,404</u>	<u>-</u>	<u>28,404</u>
Fund balance: (note 7)			
Nonspendable	7,954	-	7,954
Restricted	-	449,152	449,152
Committed	217,227	-	217,227
Assigned	11,737	-	11,737
Unassigned	626,126	-	626,126
Total fund balance	<u>863,044</u>	<u>449,152</u>	<u>1,312,196</u>
Total liabilities and fund balance	<u>\$ 891,448</u>	<u>\$ 449,152</u>	<u>\$ 1,340,600</u>

WINTERS CEMETERY DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2023

Fund Balance of Governmental Funds	<u>\$ 1,312,196</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those assets as capital assets.	793,474
Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred outflows of resources.	155,312
Long-term liabilities applicable to the District are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position as follows:	
Compensated absences	(11,737)
Net pension liability	(369,874)
Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred inflows of resources.	<u>(35,237)</u>
Total adjustments	<u>531,938</u>
Net Position of Governmental Activities	<u><u>\$ 1,844,134</u></u>

WINTERS CEMETERY DISTRICT*Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2023*

	<u>General Fund</u>	<u>Permanent Fund Endowment Care</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes	\$ 301,008	\$ -	\$ 301,008
Redevelopment taxes	105,858	-	105,858
Charges for services	85,001	-	85,001
Endowment care fees	-	15,300	15,300
Investment earnings	(5,410)	(4,863)	(10,273)
Total revenues	<u>486,457</u>	<u>10,437</u>	<u>496,894</u>
Expenditures:			
Current operations:			
Salaries and wages	181,138	-	181,138
Employee benefits	64,421	-	64,421
Facilities	43,765	-	43,765
Materials and services	25,518	-	25,518
Capital outlay	263,738	-	263,738
Total expenditures	<u>578,580</u>	<u>-</u>	<u>578,580</u>
Excess of revenues over (under) expenditures	(92,123)	10,437	(81,686)
Fund Balance:			
Beginning of year	955,167	438,715	1,393,882
End of year	<u>\$ 863,044</u>	<u>\$ 449,152</u>	<u>\$ 1,312,196</u>

WINTERS CEMETERY DISTRICT

*Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Statement of Activities*

For the Fiscal Year Ended June 30, 2023

Net Change in Fund Balance – Governmental Funds \$ (81,686)

Amount reported for governmental activities in the statement of activities are different because:

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

Capital outlay	263,738
Depreciation expense	(54,785)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenses in governmental funds as follows:

Net change in compensated absences	(787)
Net change in net pension liability and related deferred resources	<u>78,810</u>

Total adjustments	<u>286,976</u>
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Change in Net Position of Governmental Activities \$ 205,290

WINTERS CEMETERY DISTRICT
Balance Sheet – Governmental Funds
June 30, 2022

<u>ASSETS</u>	<u>General Fund</u>	<u>Permanent Fund Endowment Care</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments	\$ 970,650	\$ -	\$ 970,650
Property taxes receivable	5,721	-	5,721
Restricted:			
Cash and investments	-	437,385	437,385
Accrued interest receivable	-	1,330	1,330
Materials and supplies – inventory	6,376	-	6,376
Total assets	\$ 982,747	\$ 438,715	\$ 1,421,462
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts payable	\$ 27,580	\$ -	\$ 27,580
Total liabilities	27,580	-	27,580
Fund balance: (note 7)			
Nonspendable	6,376	-	6,376
Restricted	-	438,715	438,715
Committed	212,804	-	212,804
Assigned	10,950	-	10,950
Unassigned	725,037	-	725,037
Total fund balance	955,167	438,715	1,393,882
Total liabilities and fund balance	\$ 982,747	\$ 438,715	\$ 1,421,462

WINTERS CEMETERY DISTRICT

*Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2022*

Fund Balance of Governmental Funds	<u>\$ 1,393,882</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those assets as capital assets.	584,521
Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred outflows of resources.	61,352
Long-term liabilities applicable to the District are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position as follows:	
Compensated absences	(10,950)
Net pension liability	(203,215)
Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred inflows of resources.	<u>(186,746)</u>
Total adjustments	<u>244,962</u>
Net Position of Governmental Activities	<u><u>\$ 1,638,844</u></u>

WINTERS CEMETERY DISTRICT*Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2022*

	<u>General Fund</u>	<u>Permanent Fund Endowment Care</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes	\$ 322,380	\$ -	\$ 322,380
Redevelopment taxes	108,227	-	108,227
Charges for services	94,473	-	94,473
Endowment care fees	-	19,200	19,200
Investment earnings	(25,199)	(25,412)	(50,611)
Total revenues	<u>499,881</u>	<u>(6,212)</u>	<u>493,669</u>
Expenditures:			
Current operations:			
Salaries and wages	171,145	-	171,145
Employee benefits	60,225	-	60,225
Facilities	42,390	-	42,390
Materials and services	35,404	-	35,404
Capital outlay	18,810	-	18,810
Total expenditures	<u>327,974</u>	<u>-</u>	<u>327,974</u>
Excess of revenues over (under) expenditures	171,907	(6,212)	165,695
Fund Balance:			
Beginning of year	<u>783,260</u>	<u>444,927</u>	<u>1,228,187</u>
End of year	<u>\$ 955,167</u>	<u>\$ 438,715</u>	<u>\$ 1,393,882</u>

WINTERS CEMETERY DISTRICT

*Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Statement of Activities*

For the Fiscal Year Ended June 30, 2022

Net Change in Fund Balance – Governmental Funds	<u>\$ 165,695</u>
Amount reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	18,810
Depreciation expense	(44,892)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenses in governmental funds as follows:	
Net change in compensated absences	1,703
Net change in net pension liability and related deferred resources	<u>(63,619)</u>
Total adjustments	<u>(87,998)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 77,697</u></u>

WINTERS CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Winters Cemetery District ("the District") is a public cemetery district operating under the provisions of the Health and Safety Code of the State of California. The cemetery was established in 1875 by the Masons, but the State of California gave final approval to the Winters Cemetery District in 1941 as a special district. The District is governed by a Board of Trustees (Board) that acts as the authoritative body of the entity. The Board is comprised of five members who serve four-year terms appointed by the Yolo County Board of Supervisors.

The Board of Trustees annually elects officers from existing Board members. A Chair(person) and Vice-Chair(person) are elected. All trustees serve four-year terms. Terms are staggered pursuant to Section 9024 of the Health and Safety Code of the State of California. There are no term limits for reappointment. The Chair responsibilities are to preside at all meetings of the Board and perform all duties commonly incident to the position of presiding officer of a board, commission, or business organization.

B. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The District has identified no organizations that are required to be reported as component units.

C. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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 a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

WINTERS CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Major Governmental Funds

The District maintains the following major governmental funds:

General Fund: This fund is used to account for all financial resources of the District except those required to be accounted for in another fund. Included are transactions for charges for services, property taxes, and investment earnings. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the rules of the Health and Safety Code and by approval of the Board of Trustees.

Endowment Care Fund: This fund is used to account for financial resources to be used for maintenance and operations of the Cemetery. The resources are derived from an endowment care fee collected with the sale of interment spaces. Resources are restricted to the extent that only investment earnings, not endowment principal, may be used for purposes that support the District's maintenance and operations programs.

2. Measurement Focus, Basis of Accounting

Government-Wide Financial Statements

The 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 at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

WINTERS CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation, Basis of Accounting (continued)

3. Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

D. Budgetary Data

The District follows these procedures in establishing budgetary data reflected in the Required Supplementary Information - Budgetary Comparison Schedule:

The District Manager submits to the Board of Trustees a proposed operating budget at the May Board meeting for the ensuing year. The annual budget is a complete financial plan for the ensuing budget year and consists of an operating budget and a capital budget. The General Fund is the only fund for which an annual budget is legally adopted on a basis consistent with the modified accrual basis of accounting. The Board then considers the proposed budget at its regular meeting in June, which is open to the public. The budget represented in the required supplementary information was the final budget for the fiscal year.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

The District considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

2. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

WINTERS CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

2. Investments (continued)

If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the District’s own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

3. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District’s policy to capitalize assets costing over \$5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets.

Estimated service lives for the District’s classes of assets are as follows:

Description	Estimated Lives
Buildings and Improvements	10-30 years
Furniture and Equipment	10 years

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

WINTERS CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

5. Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual and vacation leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

6. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan and addition to/deductions from the Plans fiduciary net position have been determined on the same basis as they are reported by CalPERS. 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.

7. Net Position

Net position is classified into three components: investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Investment in capital assets** - This component of net position consists of capital assets, net of accumulated depreciation.
- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

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

WINTERS CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

8. Fund Balances

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

Committed: The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

Assigned: Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

G. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1, each year. Secured property taxes are levied on July 1 and are payable in two installments, on December 10 and April 10. The County of Yolo Assessor's Office assesses all real and personal property within the County each year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one (1%) of countywide assessed valuations. The County of Yolo Treasurer's Office remits an undisclosed portion of the one (1%) current and delinquent property tax collections to the District throughout the year.

WINTERS CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, were classified on the statement of net position as follows:

<u>Description</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Cash and investments	\$ 878,530	\$ 970,650
Restricted cash and investments	447,806	437,385
Total cash and investments	\$ 1,326,336	\$ 1,408,035

Cash and investments at June 30, were reported at fair value and consisted of the following:

<u>Description</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Cash on hand	\$ -	\$ 700
Deposits with Yolo County Treasury Investment Pool (YCTIP)	980,626	1,058,183
Investments	345,710	349,152
Total cash and investments	\$ 1,326,336	\$ 1,408,035

Yolo County Treasury Investment Pool (YCTIP)

The District maintains substantially all of its cash in the Yolo County Treasury. Yolo County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited annually to participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required. In accordance with applicable state laws, the County Treasurer may invest in derivative securities with the State of California. However, as of June 30, 2023 and 2022, respectively, the Yolo County Treasurer represented that the YCTIP contained no derivatives or other investments with similar risk profiles.

YCTIP is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis. For financial reporting purposes, the District considers the YCTIP a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2023, and 2022, the District held \$980,626 and \$1,058,183, respectively, in the YCTIP.

Authorized Investments and Investment Policy

The District has adopted an investment policy directing the Fiscal Officer to deposit funds in financial institutions to purchases financial investments in accordance with California Government Code 53600-53610.

Fair Value Measurement Input

The District categorizes its fair value measurement inputs within the fair value hierarchy established by generally accepted accounting principles. The District has presented its measurement inputs in the following tables.

WINTERS CEMETERY DISTRICT
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 2 – CASH AND INVESTMENTS (continued)

Investments

Investments as of June 30, 2023, consisted of the following:

Type of Investments	Measurement Input	Credit Rating	Fair Value	Maturity		
				12 Months or Less	13 to 24 Months	25 to 120 Months
Certificates-of-deposit	Level 2	N/A	\$ 28,974	\$ -	\$ 28,974	\$ -
US treasury note	Level 2	AAA	19,796	19,796	-	-
Corporate bonds	Level 2	AAA to A-	74,412	29,590	-	44,822
Municipal bonds	Level 2	AAA to A-	84,583	-	62,146	22,437
Money market mutual funds	Level 2	AAA	134,408	134,408	-	-
Money market funds	Level 2	N/A	3,537	3,537	-	-
Total investments			\$ 345,710	\$ 187,331	\$ 91,120	\$ 67,259

Investments as of June 30, 2022, consisted of the following:

Type of Investments	Measurement Input	Credit Rating	Fair Value	Maturity		
				12 Months or Less	13 to 24 Months	25 to 120 Months
Certificates-of-deposit	Level 2	N/A	\$ 29,358	\$ -	\$ -	\$ 29,358
US treasury note	Level 2	AAA	\$ 19,988	-	19,988	-
Corporate bonds	Level 2	AAA to A-	\$ 76,223	24,839	-	51,384
Municipal bonds	Level 2	AAA to A-	\$ 85,717	-	-	85,717
Money market mutual funds	Level 2	AAA	\$ 128,200	128,200	-	-
Money market funds	Level 2	N/A	\$ 9,666	9,666	-	-
Total investments			\$ 349,152	\$ 162,705	\$ 19,988	\$ 166,459

Credit Risk

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.

Interest Rate Risk

Interest rate risk is the risk that the changes in financial market interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with longer maturities have greater sensitivity to changes in market interest rates. The District's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The District has elected to use the segmented time distribution method of disclosure for the maturities of its investments as related to interest rate risk as noted in the previous table.

Custodial Credit Risk – Investments

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the District's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

WINTERS CEMETERY DISTRICT
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 3 – RESTRICTED ASSETS

Restricted assets at June 30, were categorized as follows:

Description	June 30, 2023	June 30, 2022
Restricted assets:		
Cash and investments	\$ 447,806	\$ 437,385
Accrued interest receivable	1,346	1,330
Total restricted assets	\$ 449,152	\$ 438,715
Restricted net position:		
Nonexpendable – endowment principal	\$ 338,900	\$ 323,600
Expendable - endowment care – maintenance and operations	110,252	115,115
Total restricted net position	\$ 449,152	\$ 438,715

NOTE 4 – CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2023, were as follows:

	Balance July 1, 2022	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2023
Non-depreciable capital assets:				
Land	\$ 37,691	\$ -	\$ -	\$ 37,691
Total non-depreciable capital assets	37,691	-	-	37,691
Depreciable capital assets:				
Water System	-	127,757	-	127,757
Buildings and improvements	764,496	135,981	(11,442)	889,035
Equipment	211,879	-	(28,779)	183,100
Total depreciable capital assets	976,375	263,738	(40,221)	1,199,892
Accumulated depreciation:				
Water System	-	(1,065)	-	(1,065)
Buildings and improvements	(303,967)	(43,888)	11,442	(336,413)
Equipment	(125,578)	(9,832)	28,779	(106,631)
Total accumulated depreciation	(429,545)	(54,785)	40,221	(444,109)
Total depreciable capital assets, net	546,830	208,953	-	755,783
Total capital assets, net	\$ 584,521	\$ 208,953	\$ -	\$ 793,474

WINTERS CEMETERY DISTRICT
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 4 – CAPITAL ASSETS (continued)

Changes in capital assets for the year ended June 30, 2022, were as follows:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions/</u> <u>Transfers</u>	<u>Deletions/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2022</u>
Non-depreciable capital assets:				
Land	\$ 37,691	\$ -	\$ -	\$ 37,691
Total non-depreciable capital assets	<u>37,691</u>	<u>-</u>	<u>-</u>	<u>37,691</u>
Depreciable capital assets:				
Buildings and improvements	764,496	-	-	764,496
Equipment	193,069	18,810	-	211,879
Total depreciable capital assets	<u>957,565</u>	<u>18,810</u>	<u>-</u>	<u>976,375</u>
Accumulated depreciation:				
Buildings and improvements	(269,400)	(34,567)	-	(303,967)
Equipment	(115,253)	(10,325)	-	(125,578)
Total accumulated depreciation	<u>(384,653)</u>	<u>(44,892)</u>	<u>-</u>	<u>(429,545)</u>
Total depreciable capital assets, net	<u>572,912</u>	<u>(26,082)</u>	<u>-</u>	<u>546,830</u>
Total capital assets, net	<u>\$ 610,603</u>	<u>\$ (26,082)</u>	<u>\$ -</u>	<u>\$ 584,521</u>

NOTE 5 – COMPENSATED ABSENCES

Changes to compensated absences balances for the year ended June 30, 2023, were as follows:

<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>
\$ 10,950	\$ 9,178	\$ (8,391)	\$ 11,737

Changes to compensated absences balances for the year ended June 30, 2022, were as follows:

<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
\$ 12,653	\$ 8,738	\$ (10,441)	\$ 10,950

WINTERS CEMETERY DISTRICT
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 6 – NET PENSION LIABILITY AND PENSION PLAN

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

<u>Description</u>	<u>2023</u>	<u>2022</u>
Pension related deferred outflows	\$ 155,312	\$ 61,352
Net pension liability	369,874	203,215
Pension related deferred inflows	35,237	186,746

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees’ Retirement System (CalPERS), or "The Plan".

A. General Information about the Pension Plan

The Plan

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	<u>Miscellaneous Plans</u>	
	<u>Classic</u>	<u>PEPRA</u>
	<u>Tier 1</u>	<u>Tier 2</u>
Hire date	Prior to <u>January 1, 2013</u>	On or after <u>January 1, 2013</u>
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	1.8% to 2.5%	1.0% to 2.5%
Required member contribution rates	8.000%	6.750%
Required employer contribution rates – FY 2022	11.590%	7.590%
Required employer contribution rates – FY 2021	11.742%	7.732%

Plan Description, Benefits Provided, and Employees Covered

The District contributes to the California Public Employees’ Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2022 and 2021 Annual Actuarial Valuation Reports. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

WINTERS CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 6 – NET PENSION LIABILITY AND PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Plan Description, Benefits Provided, and Employees Covered (continued)

At June 30, 2022 and 2021, the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	1	2	3
Transferred and terminated members	1	1	2
Retired members and beneficiaries	3	-	3
Total plan members	5	3	8

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A Classic CalPERS Miscellaneous member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. Public Employees' Pension Reform Act (PEPRA) Miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay. Retirement benefits for Classic Miscellaneous and Safety members are calculated as a percentage of their plan based on the average final 36 months of compensation. Retirement benefits for PEPRA Miscellaneous members are calculated as a percentage of their plan based on the average final 36 months of compensation.

Participant members are eligible for non-industrial disability retirement if they become disabled and have at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees.

A member's beneficiary may receive the basic death benefit if the member dies while actively employed. The member must be actively employed with the District to be eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the members' accumulated contributions, where interest is currently credited at 6.90% per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each member's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 3%.

WINTERS CEMETERY DISTRICT
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 6 – NET PENSION LIABILITY AND PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Contribution Description

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers will be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The public agency cost-sharing plans covered by the Miscellaneous risk pool, the Plan’s actuarially determined rate is based on the estimated amount necessary to pay the Plan’s allocated share of the risk pool’s costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of members. For the measurement period ending June 30, 2022 (Measurement Date), the active member contribution rate for the Classic Miscellaneous Plan and the PEPRA Miscellaneous Plan are based above in the Plans Description schedule.

Contributions for the year ended June 30, 2023, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 34,024	\$ 8,015	\$ 42,039
Contributions – members	5,131	6,542	11,673
Total contributions	\$ 39,155	\$ 14,557	\$ 53,712

Contributions for the year ended June 30, 2022, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 30,420	\$ 7,513	\$ 37,933
Contributions – members	4,848	6,186	11,034
Total contributions	\$ 35,268	\$ 13,699	\$ 48,967

WINTERS CEMETERY DISTRICT
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 6 – NET PENSION LIABILITY AND PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the District’s proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2022:

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2021 (Measurement Date)	\$ 1,167,929	\$ 964,713	\$ 203,216
Balance as of June 30, 2022 (Measurement Date)	\$ 1,241,949	\$ 872,075	\$ 369,874
Change in Plan Net Pension Liability	\$ 74,020	\$ (92,638)	\$ 166,658

The following table shows the District’s proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2021:

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2020 (Measurement Date)	\$ 1,140,902	\$ 824,802	\$ 316,100
Balance as of June 30, 2021 (Measurement Date)	\$ 1,167,929	\$ 964,713	\$ 203,216
Change in Plan Net Pension Liability	\$ 27,027	\$ 139,911	\$ (112,884)

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation dates (June 30, 2021 and 2020). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (TPL) determines the net pension liability (NPL) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement dates (June 30, 2022 and 2021). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2022 and 2021 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2022 and 2021 fiscal years).
- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.

WINTERS CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 6 – NET PENSION LIABILITY AND PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)

- (5) The plan’s TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan’s NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

The District’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022 and 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, 2021 and 2020 rolled forward to June 30, 2022 and 2021 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 pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District’s proportionate share percentage of the net pension liability for the June 30, 2022, measurement date was as follows:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending	Fiscal Year Ending	
	June 30, 2023	June 30, 2022	
Measurement Date	<u>June 30, 2022</u>	<u>June 30, 2021</u>	
Percentage of Risk Pool Net Pension Liability	0.007905%	0.010702%	-0.002797%
Percentage of Plan (PERF C) Net Pension Liability	0.003202%	0.003757%	-0.000555%

The District’s proportionate share percentage of the net pension liability for the June 30, 2021, measurement date was as follows:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending	Fiscal Year Ending	
	June 30, 2022	June 30, 2021	
Measurement Date	<u>June 30, 2021</u>	<u>June 30, 2020</u>	
Percentage of Risk Pool Net Pension Liability	0.010702%	0.007494%	0.003208%
Percentage of Plan (PERF C) Net Pension Liability	0.003757%	0.002905%	0.000852%

For the year ended June 30, 2023 and 2022, the District recognized pension expense/(credit) in the amount of (\$36,772) and \$101,553, respectively, for the CalPERS Miscellaneous Plan.

WINTERS CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 6 - NET PENSION LIABILITY AND PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Account Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made after the measurement date	\$ 42,039	\$ -
Difference between actual and proportionate share of employer contributions	-	(8,467)
Adjustment due to differences in proportions	193	(21,795)
Differences between expected and actual experience	7,428	(4,975)
Differences between projected and actual earnings on pension plan investments	67,751	-
Changes in assumptions	37,901	-
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 155,312</u>	<u>\$ (35,237)</u>

The District will recognize \$42,039 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

WINTERS CEMETERY DISTRICT
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 6 – NET PENSION LIABILITY AND PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2024	\$ 15,445
2025	13,893
2026	7,258
2027	<u>41,440</u>
Total	<u>\$ 78,036</u>

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Pension contributions made after the measurement date	\$ 37,933	\$ -
Difference between actual and proportionate share of employer contributions	-	(6,147)
Adjustment due to differences in proportions	630	(3,203)
Differences between expected and actual experience	22,788	-
Differences between projected and actual earnings on pension plan investments	-	(177,396)
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 61,351</u>	<u>\$ (186,746)</u>

The District will recognize \$37,933 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

WINTERS CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 6 – NET PENSION LIABILITY AND PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Amortization Period Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2023	\$ (35,730)
2024	(37,894)
2025	(40,681)
2026	(49,023)
Total	\$ (163,328)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2022 and 2021 (the measurement dates), the total pension liability was determined by rolling forward the June 30, 2021 and 2020, total pension liabilities.

The June 30, 2023, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

The June 30, 2022, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

All other actuarial assumptions used in the June 30, 2021 valuation was based on the results of an actuarial experience study for the years 1997 to 2011.

WINTERS CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 6 – NET PENSION LIABILITY AND PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.90% and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), the amortization and smoothing periods adopted by the CalPERS Board in 2013 were used. For the Plan, the crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability for PERF C. The crossover test results can be found on CalPERS' website at <https://www.calpers.ca.gov/page/employers/actuarial-services/gasb>.

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 of the funds' asset classes, expected compound (geometric) 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 rounded 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 to equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return</u> ^{1,2}
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Estate	15.00%	3.21%
Leverage	-5.00%	-0.59%
	<u>100.00%</u>	

¹ An expected inflation of 2.30% is used for this period.

² Figures are based on the 2021 Asset Liability Management study.

WINTERS CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 6 – NET PENSION LIABILITY AND PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

For the year ended June 30, 2023:

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% 5.90%	Current Discount 6.90%	Discount Rate + 1% 7.90%
CalPERS – Miscellaneous Plan	539,174	\$ 369,874	\$ 230,582

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

For the year ended June 30, 2022:

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% 6.15%	Current Discount 7.15%	Discount Rate + 1% 8.15%
CalPERS – Miscellaneous Plan	357,418	\$ 203,215	\$ 75,738

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

WINTERS CEMETERY DISTRICT
Notes to Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 7 - FUND BALANCES

At June 30, 2023, fund balances of the District's governmental funds were classified as follows:

Description	General Fund	Permanent Fund Endowment Care	Total Governmental Funds
Nonspendable:			
Materials and supplies – inventory	\$ 7,954	\$ -	\$ 7,954
Restricted:			
Nonexpendable – endowment principal	-	338,900	338,900
Expendable – endowment care – maintenance	-	110,252	110,252
Total restricted	-	449,152	449,152
Committed:			
Capital improvements	217,227	-	217,227
Assigned:			
Compensated absences	11,737	-	11,737
Unassigned			
	626,126	-	626,126
Total fund balances	\$ 863,044	\$ 449,152	\$ 1,312,196

At June 30, 2022, fund balances of the District's governmental funds were classified as follows:

Description	General Fund	Permanent Fund Endowment Care	Total Governmental Funds
Nonspendable:			
Materials and supplies – inventory	\$ 6,376	\$ -	\$ 6,376
Restricted:			
Nonexpendable – endowment principal	-	323,600	323,600
Expendable – endowment care – maintenance	-	115,115	115,115
Total restricted	-	438,715	438,715
Committed:			
Capital improvements	212,804	-	212,804
Assigned:			
Compensated absences	10,950	-	10,950
Unassigned			
	725,037	-	725,037
Total fund balances	\$ 955,167	\$ 438,715	\$ 1,393,882

WINTERS CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 8 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; damage to and theft or destruction of assets; errors and omissions; injuries to employees, and natural disasters. During the fiscal year ended June 30, 2023, the District contracted with the Yolo County Public Agency Risk Management Insurance Authority (Authority) for liability, property, crime damage, and workers' compensation insurance. The Authority is an intergovernmental risk sharing joint powers authority composed of public agencies members, created pursuant to California Government Code Sections 6500 et. Seq. Member agencies pay an annual premium to the Authority and are determined by the governing board.

There were no reductions in insurance coverage from the previous year and the amount of settled claims has not exceeded insurance coverage for each of the past three fiscal years.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Excluded Leases – Short-Term Leases and De Minimis Leases

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months (or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

NOTE 10 – CURRENT SUBSEQUENT EVENT

The District has evaluated subsequent events through January 26, 2024, the date which the financial statements were available to be issued.

Required Supplementary Information

WINTERS CEMETERY DISTRICT
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Property taxes	\$ 263,652	\$ 301,008	\$ 37,356
Redevelopment taxes	72,400	105,858	33,458
Charges for services	47,000	85,001	38,001
Operating grants and contributions	200	-	(200)
Investment earnings	1,500	(5,410)	(6,910)
Total revenues	<u>384,752</u>	<u>486,457</u>	<u>101,705</u>
Expenditures:			
Current:			
Salaries and wages	199,700	181,138	18,562
Employee benefits	63,300	64,421	(1,121)
Facilities	58,800	43,765	15,035
Materials and services	37,952	25,518	12,434
Capital outlay	-	263,738	(263,738)
Total expenditures	<u>359,752</u>	<u>578,580</u>	<u>(218,828)</u>
Excess of revenues over (under) expenditures	<u>\$ 25,000</u>	(92,123)	<u>\$ (117,123)</u>
Fund balance:			
Beginning of year		<u>955,167</u>	
End of year		<u>\$ 863,044</u>	

WINTERS CEMETERY DISTRICT
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Property taxes	\$ 240,702	\$ 322,380	\$ 81,678
Redevelopment taxes	70,400	108,227	37,827
Charges for services	51,000	94,473	43,473
Operating grants and contributions	5,100	-	(5,100)
Investment earnings	<u>3,000</u>	<u>(25,199)</u>	<u>(28,199)</u>
Total revenues	<u>370,202</u>	<u>499,881</u>	<u>129,679</u>
Expenditures:			
Current:			
Salaries and wages	207,400	171,145	36,255
Employee benefits	62,432	60,225	2,207
Facilities	60,700	42,390	18,310
Materials and services	47,670	35,404	12,266
Capital outlay	<u>-</u>	<u>18,810</u>	<u>(18,810)</u>
Total expenditures	<u>378,202</u>	<u>327,974</u>	<u>50,228</u>
Excess of revenues over (under) expenditures	<u>\$ (8,000)</u>	171,907	<u>\$ 179,907</u>
Fund balance:			
Beginning of year		<u>783,260</u>	
End of year		<u>\$ 955,167</u>	

WINTERS CEMETERY DISTRICT

Schedule of Proportionate Share of the Net Pension Liability For the Fiscal Year Ended June 30, 2023

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2014	0.002780%	\$ 173,275	\$ 140,137	123.65%	79.95%
June 30, 2015	0.002986%	208,770	59,723	349.56%	78.15%
June 30, 2016	0.002986%	258,414	105,433	245.10%	74.47%
June 30, 2017	0.002943%	291,839	131,506	221.92%	73.05%
June 30, 2018	0.002910%	280,383	135,462	206.98%	74.18%
June 30, 2019	0.002920%	299,203	138,136	216.60%	73.08%
June 30, 2020	0.002905%	316,100	147,568	214.21%	72.29%
June 30, 2021	0.003757%	203,216	148,871	136.50%	82.60%
June 30, 2022	0.003202%	369,874	152,245	242.95%	70.22%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 and June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no significant changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90% and the inflation rate reduced from 2.50% to 2.30%.

*Fiscal year 2014 was the first measurement date year of implementation; therefore, only nine years are shown.

See notes to the required supplementary information.

WINTERS CEMETERY DISTRICT
Schedule of Pension Contributions
For the Fiscal Year Ended June 30, 2023

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	\$ 14,773	\$ (14,773)	\$ -	59,723	24.74%
June 30, 2016	21,536	(21,536)	-	105,433	20.43%
June 30, 2017	24,161	(24,161)	-	131,506	18.37%
June 30, 2018	28,438	(28,438)	-	135,462	20.99%
June 30, 2019	32,797	(32,797)	-	138,136	23.74%
June 30, 2020	29,813	(29,813)	-	147,568	20.20%
June 30, 2021	34,337	(34,337)	-	148,871	23.06%
June 30, 2022	37,933	(37,933)	-	152,245	24.92%
June 30, 2023	42,039	(42,039)	-	161,061	26.10%

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Inflation	Investment Rate of Return
June 30, 2015	June 30, 2013	Entry Age	Fair Value	2.75%	7.65%
June 30, 2016	June 30, 2014	Entry Age	Fair Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Fair Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Fair Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Fair Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Fair Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Fair Value	2.50%	7.15%
June 30, 2022	June 30, 2020	Entry Age	Fair Value	2.50%	7.15%
June 30, 2023	June 30, 2021	Entry Age	Fair Value	2.30%	6.90%

Amortization Method	Level percentage of payroll, closed
Salary Increases	Depending on age, service, and type of employment
Investment Rate of Return	Net of pension plan investment exp
Retirement Age	50 years (2.5%@55), 52 years (2.0%@62)
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

*Fiscal year 2015 was the first implementation year; therefore, only nine years are shown.

WINTERS CEMETERY DISTRICT

*Notes to the Required Supplementary Information
For the Fiscal Years Ended June 30, 2023 and 2022*

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedules

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year the District prepares and submits an operating budget to the Board of Trustees no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Board of Trustees must approve all supplemental appropriations to the budget and transfers between major accounts.

Schedule of Proportionate Share of the Net Pension Liability

This schedule is required by GASB Statement No. 68 and is required for all employers in a cost-sharing pension plan. The schedule reports the following information:

- The proportion (percentage) of the collective net pension liability (similar to the note disclosure)
- The proportionate share (amount) of the collective net pension liability
- The employer's covered-employee payroll
- The proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered-employee payroll
- The pension plan's fiduciary net position as a percentage of the total pension liability

Schedule of Pension Contributions

This schedule is required by GASB Statement No. 68 and is required for all employers in a cost-sharing pension plan. The schedule reports the following information:

- If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements: the employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

Other Independent Auditors' Reports



NIGRO & NIGRO^{PC}

A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees
Winters Cemetery District
Winters, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Winters Cemetery District as of and for the fiscal years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 26, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Walnut Creek, California
January 26, 2024

Client: **SPDIS-013 - WINTERS CEMETERY DISTRICT**
 Engagement: **2023 - WINTERS CEMETERY DISTRICT**
 Period Ending: **6/30/2023**
 Trial Balance: **WTB1-01 - Working Trial Balance**
 Workpaper: **WTB3-01 - Combined Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
To Account for GASB 68 in 2023				
195000-0000-6160	DEFERRED OUTFLOWS - PENSION		89,854.00	
196000-0000-6160	DOR - CONTRIBUTIONS		4,106.00	
250001-0000-6160	DEFERRED INFLOWS - PENSION		151,509.00	
250000-0000-6160	NET PENSION LIABILITY			166,659.00
500450-0000-6160	GASB 68 - DEFERRED CONTRIBUTIONS			42,039.00
500500-0000-6160	CHANGE-IN-PENSION-EXP			36,771.00
Total			245,469.00	245,469.00
Adjusting Journal Entries JE # 2				
To Rollforward Retained Earnings				
300100-0000-6160	INV IN CAPITAL ASSETS		263,738.56	
500100-0000-6160	REGULAR EMPLOYEES		786.46	
550000-0000-6160	DEPRECIATION EXPENSE		50,187.20	
290200-0000-6160	FUTURE LONG TERM DEBT REQUIRE			786.46
330000-0000-6160	PROVISION FOR DEPRECIATION			50,187.20
503020-0000-6160	BUILDINGS & IMPROVEMENTS			263,738.56
Total			314,712.22	314,712.22
Adjusting Journal Entries JE # 3				
To remove capital asset that was incorrectly added				
300100-0000-6160	INV IN CAPITAL ASSETS		58,585.33	
181200-0000-6160	IMPRV OTHR THAN BLDG			58,585.33
Total			58,585.33	58,585.33
Adjusting Journal Entries JE # 4				
To Write-off capital Assets				
182100-0000-6160	ACCUM. DEP-BLDG & IMPRV		2,730.00	
182200-0000-6160	ACCUM. DEP- IMPRV OTHR THAN BL		4,113.86	
182400-0000-6160	ACCUM. DEP-EQUIPMENT		28,778.80	
550000-0000-6160	DEPRECIATION EXPENSE		4,597.83	
181100-0000-6160	BUILDING & IMPROVEMENT			2,730.00
181200-0000-6160	IMPRV OTHR THAN BLDG			8,711.69
181400-0000-6160	EQUIPMENT			28,778.80
Total			40,220.49	40,220.49
Adjusting Journal Entries JE # 5				
To adjust cash investment balances				
103000-0008-6161	CWA-WF WIN CEM ENDOW CARE INTE		466.95	
103000-0007-6161	CWA-WF WIN CEM ENDOW CARE PRIN			466.95
Total			466.95	466.95
Adjusting Journal Entries JE # 6				
To adjust FMV at June 30, 2023				
400705-0000-6160	GASB 31 FMV -DFS ONLY		24,797.24	
400705-0000-6161	GASB 31 FMV -DFS ONLY		2,883.77	
100010-0000-6160	CASH GASB 31 FMV DFS ONLY			24,797.24
100010-0000-6161	CASH GASB 31 FMV DFS ONLY			2,883.77
Total			27,681.01	27,681.01
Adjusting Journal Entries JE # 7				
To reclass successor agency development fees				
404190-0000-6160	OTHER MISC REVENUES		11,652.38	
402000-0000-6160	OTHR-IN-LIEU TAXES			11,652.38
Total			11,652.38	11,652.38
Total Adjusting Journal Entries			698,787.38	698,787.38
Total All Journal Entries			698,787.38	698,787.38