

**WINTERS CEMETERY DISTRICT  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
For the Fiscal Years Ended  
June 30, 2019 and 2018**



**WINTERS CEMETERY DISTRICT**  
*For the Fiscal Years Ended June 30, 2019 and 2018*  
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***Financial Section***

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Winters Cemetery District  
Winters, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Winters Cemetery District as of and for the fiscal years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinion

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 Winters Cemetery District, as of June 30, 2019 and 2018, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of the net pension liability, schedule of pension contributions, and the notes to the required supplementary information 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.



Murrieta, California  
March 31, 2020

**WINTERS CEMETERY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Years Ended June 30, 2019 and 2018*

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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, 2019 and 2018. 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**

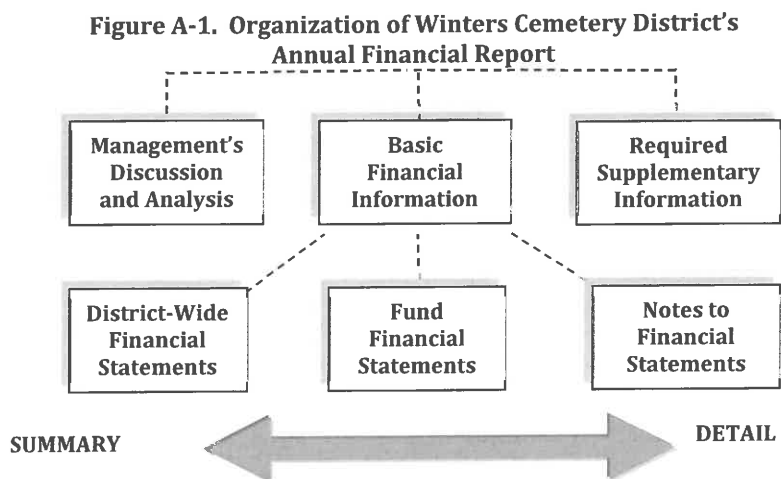
- The District's net position increased \$219,681 as a result of this year's operations.
- Total revenues from all sources increased by 19.56%, or \$84,283 from \$430,837 to \$515,120, from the prior year, primarily due to an increase in property taxes and investment earnings.
- Total expenses for the District's operations decreased by 21.42% or \$80,537 from \$375,976 to \$295,439, from the prior year, primarily due to a decrease in employee benefits expense for the accrued net pension liability.
- The District purchased new capital assets during the year in the amount of \$152,404. Depreciation expense was \$17,416.

**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, 2019 and 2018*

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**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**

<b>Type of Statements</b>	<b>District-Wide</b>	<b>Governmental Funds</b>
<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"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures &amp; Changes in Fund Balances</li> </ul>
<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, 2019 and 2018*

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#### **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, 2019 and 2018*

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**FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION**

**Analysis of Net Position**

**Table A-1: Condensed Statement of Net Position**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Change</u>
<b>Assets:</b>			
Current assets	\$ 797,738	\$ 743,330	\$ 54,408
Restricted assets	396,230	366,427	29,803
Capital assets, net	<u>335,075</u>	<u>200,087</u>	<u>134,988</u>
<b>Total assets</b>	<u>1,529,043</u>	<u>1,309,844</u>	<u>219,199</u>
<b>Deferred outflows of resources</b>	<u>77,202</u>	<u>86,013</u>	<u>(8,811)</u>
<b>Liabilities:</b>			
Current liabilities	27,111	29,089	(1,978)
Non-current liabilities	<u>280,383</u>	<u>291,839</u>	<u>(11,456)</u>
<b>Total liabilities</b>	<u>307,494</u>	<u>320,928</u>	<u>(13,434)</u>
<b>Deferred inflows of resources</b>	<u>24,336</u>	<u>20,195</u>	<u>4,141</u>
<b>Net position:</b>			
Investment in capital assets	335,075	200,087	134,988
Restricted	396,230	366,427	29,803
Unrestricted	<u>543,110</u>	<u>488,220</u>	<u>54,890</u>
<b>Total net position</b>	<u>\$ 1,274,415</u>	<u>\$ 1,054,734</u>	<u>\$ 219,681</u>

At the end of fiscal year 2019, the District shows a positive balance in its unrestricted net position of \$543,110. The increase of the investment in capital assets represents the amount of capital asset additions over depreciation expense. The restricted assets increased because of the endowment fees collected and the increase in investment earnings. Unrestricted net position increased because the District's General Fund revenues exceeded its expenses for the fiscal year 2019.

**WINTERS CEMETERY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Years Ended June 30, 2019 and 2018*

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**FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)**

**Analysis of Revenues and Expenses**

**Table A-2: Condensed Statements of Activities**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Change</u>
<b>Program revenues</b>	\$ 123,346	\$ 107,874	\$ 15,472
<b>Expenses</b>	<u>(295,439)</u>	<u>(375,976)</u>	<u>80,537</u>
<b>Net program expense</b>	(172,093)	(268,102)	96,009
<b>General revenues</b>	<u>391,774</u>	<u>322,963</u>	<u>68,811</u>
<b>Change in net position</b>	219,681	54,861	164,820
<b>Net position:</b>			
<b>Beginning of year</b>	<u>1,054,734</u>	<u>999,873</u>	<u>54,861</u>
<b>End of year</b>	<u><u>\$ 1,274,415</u></u>	<u><u>\$ 1,054,734</u></u>	<u><u>\$ 219,681</u></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 \$219,681.

**Table A-3: Total Revenues**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Increase (Decrease)</u>
<b>Program revenues:</b>			
Charges for services	\$ 109,276	\$ 97,009	\$ 12,267
Operating grants and contributions	570	115	455
Endowment care fees	<u>13,500</u>	<u>10,750</u>	<u>2,750</u>
<b>Total program revenues</b>	<u>123,346</u>	<u>107,874</u>	<u>15,472</u>
<b>General revenues:</b>			
Property taxes	250,843	235,604	15,239
Redevelopment taxes	93,712	90,966	2,746
Investment earnings	<u>47,219</u>	<u>(3,607)</u>	<u>50,826</u>
<b>Total general revenues</b>	<u>391,774</u>	<u>322,963</u>	<u>68,811</u>
<b>Total revenues</b>	<u><u>\$ 515,120</u></u>	<u><u>\$ 430,837</u></u>	<u><u>\$ 84,283</u></u>

Total revenues from all sources increased by 19.56%, or \$84,283 from \$430,837 to \$515,120, from the prior year, primarily due to an increase in property taxes and investment earnings.

**WINTERS CEMETERY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Years Ended June 30, 2019 and 2018*

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**FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)**

**Analysis of Revenues and Expenses (continued)**

**Table A-4: Total Expenses**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Increase (Decrease)</u>
<b>Expenses:</b>			
Salaries and wages	\$ 155,319	\$ 147,813	\$ 7,506
Employee benefits	54,994	128,928	(73,934)
Facilities	46,557	47,729	(1,172)
Materials and services	21,153	33,826	(12,673)
Depreciation expense	<u>17,416</u>	<u>17,680</u>	<u>(264)</u>
<b>Total expenses</b>	<u>\$ 295,439</u>	<u>\$ 375,976</u>	<u>\$ (80,537)</u>

Total expenses for the District's operations decreased by 21.42% or \$80,537 from \$375,976 to \$295,439, from the prior year, primarily due to a decrease in employee benefits expense for the accrued net pension liability.

**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 \$1,175,012, which is above last year's ending fund balance of \$1,091,334. 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 \$174,185 less than actual. The variance is principally due to a reduction in capital outlay expenditures than budgeted. Actual revenues were greater than the anticipated budget by \$117,184, primarily because of increased property tax revenues provided.

**WINTERS CEMETERY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Years Ended June 30, 2019 and 2018*

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of 2018-19 the District had invested \$152,404 in new capital assets, related to buildings and improvements purchases. (More detailed information about capital assets can be found in Note 4 to the financial statements). Total depreciation expense for the year was \$17,416.

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

	<u>Balance</u> <u>June 30, 2019</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>Capital assets:</b>		
Non-depreciable assets	\$ 190,095	\$ 37,691
Depreciable assets	455,099	455,099
Accumulated depreciation	<u>(310,119)</u>	<u>(292,703)</u>
<b>Total capital assets, net</b>	<u>\$ 335,075</u>	<u>\$ 200,087</u>

**FACTORS AFFECTING CURRENT FINANCIAL POSITION**

At the end of the first quarter of calendar year 2020, the United States and global economy suffered a major decline due to the impact of the COVID-19 virus. This economic decline may affect the District's operations and investment earnings for the remainder of calendar year 2020 and beyond. However, the potential impact to the District is unknown at this time.

**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, 2019 and 2018*

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
<b>Current assets:</b>		
Cash and investments (note 2)	\$ 791,015	\$ 738,361
Property taxes receivable	1,596	605
Materials and supplies – inventory	5,127	4,364
<b>Total current assets</b>	<u>797,738</u>	<u>743,330</u>
<b>Non-current assets:</b>		
Restricted:		
Cash and investments (note 2 and 3)	394,680	364,918
Accrued interest receivable (note 3)	1,550	1,509
Capital assets – not being depreciated (note 4)	190,095	37,691
Capital assets, net – being depreciated (note 4)	144,980	162,396
<b>Total non-current assets</b>	<u>731,305</u>	<u>566,514</u>
<b>Total assets</b>	<u>1,529,043</u>	<u>1,309,844</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Deferred amounts related to net pension liability (note 6)	<u>77,202</u>	<u>86,013</u>
<b>Total deferred outflows of resources</b>	<u>77,202</u>	<u>86,013</u>
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	18,956	18,423
Compensated absences (note 5)	8,155	10,666
<b>Total current liabilities</b>	<u>27,111</u>	<u>29,089</u>
<b>Noncurrent liabilities:</b>		
Long-term liabilities – due in more than one year:		
Net pension liability (note 6)	<u>280,383</u>	<u>291,839</u>
<b>Total noncurrent liabilities</b>	<u>280,383</u>	<u>291,839</u>
<b>Total liabilities</b>	<u>307,494</u>	<u>320,928</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Deferred amounts related to net pension liability (note 6)	<u>24,336</u>	<u>20,195</u>
<b>Total deferred inflows of resources</b>	<u>24,336</u>	<u>20,195</u>
<b><u>NET POSITION</u></b>		
Investment in capital assets	335,075	200,087
Restricted: (note 3)		
Nonexpendable – endowment principal	276,200	262,700
Expendable - endowment care – maintenance and operations	120,030	103,727
Unrestricted	543,110	488,220
<b>Total net position</b>	<u>\$ 1,274,415</u>	<u>\$ 1,054,734</u>

**WINTERS CEMETERY DISTRICT**  
*Statements of Activities*  
*For the Fiscal Years Ended June 30, 2019 and 2018*

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
<b>Expenses:</b>		
Cemetery operations:		
Salaries and wages	\$ 155,319	\$ 147,813
Employee benefits	54,994	128,928
Facilities	46,557	47,729
Materials and services	21,153	33,826
Depreciation expense	17,416	17,680
<b>Total expenses</b>	<b>295,439</b>	<b>375,976</b>
<b>Program revenues:</b>		
Charges for services:		
Interment space sales, interment services and other sales	109,276	97,009
Operating grants and contributions	570	115
Endowment care fees	13,500	10,750
<b>Total program revenues</b>	<b>123,346</b>	<b>107,874</b>
<b>Net program expense</b>	<b>(172,093)</b>	<b>(268,102)</b>
<b>General revenues:</b>		
Property taxes	250,843	235,604
Redevelopment taxes	93,712	90,966
Investment earnings	47,219	(3,607)
<b>Total general revenues</b>	<b>391,774</b>	<b>322,963</b>
<b>Change in net position</b>	<b>219,681</b>	<b>54,861</b>
<b>Net position:</b>		
Beginning of year	1,054,734	999,873
End of year	<b>\$ 1,274,415</b>	<b>\$ 1,054,734</b>

**WINTERS CEMETERY DISTRICT**  
*Balance Sheet – Governmental Funds*  
*June 30, 2019*

<u>ASSETS</u>	<u>General Fund</u>	<u>Permanent Fund Endowment Care</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Cash and investments	\$ 791,015	\$ -	\$ 791,015
Property taxes receivable	1,596	-	1,596
Restricted:			
Cash and investments	-	394,680	394,680
Accrued interest receivable	-	1,550	1,550
Materials and supplies – inventory	5,127	-	5,127
<b>Total assets</b>	<b>\$ 797,738</b>	<b>\$ 396,230</b>	<b>\$ 1,193,968</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>			
<b>Liabilities:</b>			
Accounts payable	\$ 18,956	\$ -	\$ 18,956
<b>Total liabilities</b>	<b>18,956</b>	<b>-</b>	<b>18,956</b>
<b>Fund balance: (note 7)</b>			
Nonspendable	5,127	-	5,127
Restricted	-	396,230	396,230
Committed	204,966	-	204,966
Assigned	8,155	-	8,155
Unassigned	560,534	-	560,534
<b>Total fund balance</b>	<b>778,782</b>	<b>396,230</b>	<b>1,175,012</b>
<b>Total liabilities and fund balance</b>	<b>\$ 797,738</b>	<b>\$ 396,230</b>	<b>\$ 1,193,968</b>

**WINTERS CEMETERY DISTRICT**

*Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position*

*June 30, 2019*

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<b>Fund Balance of Governmental Funds</b>	<u>\$ 1,175,012</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.	335,075
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.	77,202
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	(8,155)
Net pension liability	(280,383)
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>(24,336)</u>
<b>Total adjustments</b>	<u>99,403</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 1,274,415</u></u>



**WINTERS CEMETERY DISTRICT***Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
For the Fiscal Year Ended June 30, 2019*

	<u>General Fund</u>	<u>Permanent Fund Endowment Care</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Property taxes	\$ 250,843	\$ -	\$ 250,843
Redevelopment taxes	93,712	-	93,712
Charges for services	109,276	-	109,276
Operating grants and contributions	570	-	570
Endowment care fees	-	13,500	13,500
Investment earnings	30,916	16,303	47,219
<b>Total revenues</b>	<u>485,317</u>	<u>29,803</u>	<u>515,120</u>
<b>Expenditures:</b>			
Current operations:			
Salaries and wages	157,830	-	157,830
Employee benefits	53,498	-	53,498
Facilities	46,557	-	46,557
Materials and services	21,153	-	21,153
Capital outlay	152,404	-	152,404
<b>Total expenditures</b>	<u>431,442</u>	<u>-</u>	<u>431,442</u>
<b>Excess of revenues over (under) expenditures</b>	53,875	29,803	83,678
<b>Fund Balance:</b>			
Beginning of year	724,907	366,427	1,091,334
End of year	<u>\$ 778,782</u>	<u>\$ 396,230</u>	<u>\$ 1,175,012</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, 2019*

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**Net Change in Fund Balance – Governmental Funds** \$ 83,678

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	152,404
Depreciation expense	(17,416)

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	2,511
Net change in net pension liability and related deferred resources	<u>(1,496)</u>

**Total adjustments** 136,003

**Change in Net Position of Governmental Activities** \$ 219,681

**WINTERS CEMETERY DISTRICT**  
*Balance Sheet – Governmental Funds*  
*June 30, 2018*

<u>ASSETS</u>	<u>General Fund</u>	<u>Permanent Fund Endowment Care</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Cash and investments	\$ 738,361	\$ -	\$ 738,361
Property taxes receivable	605	-	605
Restricted:			
Cash and investments	-	364,918	364,918
Accrued interest receivable	-	1,509	1,509
Materials and supplies – inventory	4,364	-	4,364
<b>Total assets</b>	<b>\$ 743,330</b>	<b>\$ 366,427</b>	<b>\$ 1,109,757</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>			
<b>Liabilities:</b>			
Accounts payable	\$ 18,423	\$ -	\$ 18,423
<b>Total liabilities</b>	<b>18,423</b>	<b>-</b>	<b>18,423</b>
<b>Fund balance: (note 7)</b>			
Nonspendable	4,364	-	4,364
Restricted	-	366,427	366,427
Committed	168,645	-	168,645
Assigned	10,666	-	10,666
Unassigned	541,232	-	541,232
<b>Total fund balance</b>	<b>724,907</b>	<b>366,427</b>	<b>1,091,334</b>
<b>Total liabilities and fund balance</b>	<b>\$ 743,330</b>	<b>\$ 366,427</b>	<b>\$ 1,109,757</b>

**WINTERS CEMETERY DISTRICT**

*Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position*

*June 30, 2018*

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<b>Fund Balance of Governmental Funds</b>	<u>\$ 1,091,334</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.	200,087
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.	86,013
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	(10,666)
Net pension liability	(291,839)
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>(20,195)</u>
<b>Total adjustments</b>	<u>(36,600)</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 1,054,734</u></u>

**WINTERS CEMETERY DISTRICT***Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
For the Fiscal Year Ended June 30, 2018*

	<u>General Fund</u>	<u>Permanent Fund Endowment Care</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Property taxes	\$ 235,604	\$ -	\$ 235,604
Redevelopment taxes	90,966	-	90,966
Charges for services	97,009	-	97,009
Operating grants and contributions	115	-	115
Endowment care fees	-	10,750	10,750
Investment earnings	577	(4,184)	(3,607)
<b>Total revenues</b>	<u>424,271</u>	<u>6,566</u>	<u>430,837</u>
<b>Expenditures:</b>			
Current operations:			
Salaries and wages	147,806	-	147,806
Employee benefits	54,198	-	54,198
Facilities	47,729	-	47,729
Materials and services	33,221	605	33,826
Capital outlay	6,930	-	6,930
<b>Total expenditures</b>	<u>289,884</u>	<u>605</u>	<u>290,489</u>
<b>Excess of revenues over (under) expenditures</b>	134,387	5,961	140,348
<b>Fund Balance:</b>			
Beginning of year	590,520	360,466	950,986
End of year	<u>\$ 724,907</u>	<u>\$ 366,427</u>	<u>\$ 1,091,334</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, 2018*

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**Net Change in Fund Balance – Governmental Funds** \$ 140,348

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	6,930
Depreciation expense	(17,680)

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	(7)
Net change in net pension liability and related deferred resources	<u>(74,730)</u>
<b>Total adjustments</b>	<u>(85,487)</u>

**Change in Net Position of Governmental Activities** \$ 54,861

## **WINTERS CEMETERY DISTRICT**

### *Notes to Financial Statements*

*For the Fiscal Years Ended June 30, 2019 and 2018*

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#### **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, 2019 and 2018*

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**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, 2019 and 2018*

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**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**

For purposes of the statement of cash flows, 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, 2019 and 2018*

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**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 position 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 position 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, 2019 and 2018

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#### 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, 2019 and 2018*

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**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, 2019 and 2018*

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**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, 2019</u>	<u>June 30, 2018</u>
Cash and investments	\$ 791,015	\$ 738,361
Restricted cash and investments	394,680	364,918
<b>Total cash and investments</b>	<b>\$ 1,185,695</b>	<b>\$ 1,103,279</b>

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

<u>Description</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Cash on hand	\$ 3,515	\$ -
Deposits with Yolo County Treasury Investment Pool (YCTIP)	828,896	765,159
Investments	353,284	338,120
<b>Total cash and investments</b>	<b>\$ 1,185,695</b>	<b>\$ 1,103,279</b>

**Yolo County Treasury Investment Pool (RCTIP)**

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, 2019 and 2018, 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, 2019, and 2018, the District held \$828,896 and \$765,159, 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, 2019 and 2018*

**NOTE 2 – CASH AND INVESTMENTS (continued)**

**Investments**

Investments as of June 30, 2019, 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	\$ 100,343	\$ 24,990	\$ 19,952	\$ 55,401
Corporate bonds	Level 2	AAA to A-	75,327	-	25,058	50,269
Government sponsored agency securities	Level 2	AAA to A-	39,769	-	-	39,769
Money market funds	Level 2	AAA	31,149	31,149	-	-
Money market mutual funds	Level 2	N/A	106,996	106,996	-	-
<b>Total investments</b>			<b>\$ 353,584</b>	<b>\$ 163,135</b>	<b>\$ 45,010</b>	<b>\$ 145,439</b>

Investments as of June 30, 2018, 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	\$ 93,726	\$ 24,994	\$ 24,812	\$ 43,920
Corporate bonds	Level 2	AAA to A-	73,643	-	-	73,643
Government sponsored agency securities	Level 2	AAA to A-	37,644	-	-	37,644
Money market funds	Level 2	AAA	30,648	30,648	-	-
Money market mutual funds	Level 2	N/A	102,458	102,458	-	-
<b>Total investments</b>			<b>\$ 338,119</b>	<b>\$ 158,100</b>	<b>\$ 24,812</b>	<b>\$ 155,207</b>

**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, 2019 and 2018*

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**NOTE 3 – RESTRICTED ASSETS**

Restricted assets at June 30, were categorized as follows:

Description	June 30, 2019	June 30, 2018
<b>Restricted assets:</b>		
Cash and investments	\$ 394,680	\$ 364,918
Accrued interest receivable	1,550	1,509
<b>Total restricted assets</b>	<b>\$ 396,230</b>	<b>\$ 366,427</b>
<b>Restricted net position:</b>		
Nonexpendable – endowment principal	\$ 276,200	\$ 262,700
Expendable - endowment care – maintenance and operations	120,030	103,727
<b>Total restricted net position</b>	<b>\$ 396,230</b>	<b>\$ 366,427</b>

**NOTE 4 – CAPITAL ASSETS**

Changes in capital assets for the year ended June 30, 2019, were as follows:

	Balance July 1, 2018	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2019
Non-depreciable capital assets:				
Land	\$ 37,691	\$ -	\$ -	\$ 37,691
Construction-in-progress	-	152,404	-	152,404
Total non-depreciable capital assets	37,691	152,404	-	190,095
Depreciable capital assets:				
Buildings and improvements	312,021	-	-	312,021
Equipment	143,078	-	-	143,078
Total depreciable capital assets	455,099	-	-	455,099
Accumulated depreciation:				
Buildings and improvements	(198,891)	(10,647)	-	(209,538)
Equipment	(93,812)	(6,769)	-	(100,581)
Total accumulated depreciation	(292,703)	(17,416)	-	(310,119)
Total depreciable capital assets, net	162,396	(17,416)	-	144,980
<b>Total capital assets, net</b>	<b>\$ 200,087</b>	<b>\$ 134,988</b>	<b>\$ -</b>	<b>\$ 335,075</b>

**WINTERS CEMETERY DISTRICT**  
*Notes to Financial Statements*  
*For the Fiscal Years Ended June 30, 2019 and 2018*

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**NOTE 4 – CAPITAL ASSETS (continued)**

Changes in capital assets for the year ended June 30, 2018, were as follows:

	<u>Balance July 1, 2017</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2018</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	312,021	-	-	312,021
Equipment	<u>136,148</u>	<u>6,930</u>	<u>-</u>	<u>143,078</u>
Total depreciable capital assets	<u>448,169</u>	<u>6,930</u>	<u>-</u>	<u>455,099</u>
Accumulated depreciation:				
Buildings and improvements	(188,244)	(10,647)	-	(198,891)
Equipment	<u>(86,779)</u>	<u>(7,033)</u>	<u>-</u>	<u>(93,812)</u>
Total accumulated depreciation	<u>(275,023)</u>	<u>(17,680)</u>	<u>-</u>	<u>(292,703)</u>
Total depreciable capital assets, net	<u>173,146</u>	<u>(10,750)</u>	<u>-</u>	<u>162,396</u>
<b>Total capital assets, net</b>	<u>\$ 210,837</u>	<u>\$ (10,750)</u>	<u>\$ -</u>	<u>\$ 200,087</u>

**NOTE 5 – COMPENSATED ABSENCES**

Changes to compensated absences balances for the year ended June 30, 2019, were as follows:

<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
\$ 10,666	\$ 7,091	\$ (9,602)	\$ 8,155

Changes to compensated absences balances for the year ended June 30, 2018, were as follows:

<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
\$ 10,659	\$ 6,727	\$ (6,720)	\$ 10,666



**WINTERS CEMETERY DISTRICT**  
*Notes to Financial Statements*  
*For the Fiscal Years Ended June 30, 2019 and 2018*

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**NOTE 6 – NET PENSION LIABILITY AND PENSION PLAN**

**Summary**

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

Description	2019	2018
Pension related deferred outflows	\$ 77,202	\$ 86,013
Net pension liability	280,383	291,839
Pension related deferred inflows	24,336	20,195

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):

	Miscellaneous Plans	
	Classic Tier 1	PEPRA Tier 2
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%	6.250%
Required employer contribution rates – FY 2018	9.539%	6.250%
Required employer contribution rates – FY 2017	9.498%	6.250%

**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, 2018 and 2017 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, 2019 and 2018*

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**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, 2018 and 2017, 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
Retired members and beneficiaries	3	-	3
<b>Total plan members</b>	<b>5</b>	<b>2</b>	<b>7</b>

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 7.15% 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, 2019 and 2018*

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**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, 2018 (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, 2019, were as follows:

<b>Contribution Type</b>	<b>Miscellaneous Plans</b>		<b>Total</b>
	<b>Classic Tier 1</b>	<b>PEPRA Tier 2</b>	
Contributions – employer	\$ 26,592	\$ 6,205	\$ 32,797
Contributions – members	5,888	5,486	11,374
<b>Total contributions</b>	<b>\$ 32,480</b>	<b>\$ 11,691</b>	<b>\$ 44,171</b>

Contributions for the year ended June 30, 2018, were as follows:

<b>Contribution Type</b>	<b>Miscellaneous Plans</b>		<b>Total</b>
	<b>Classic Tier 1</b>	<b>PEPRA Tier 2</b>	
Contributions – employer	\$ 23,682	\$ 4,756	\$ 28,438
Contributions – members	5,080	4,550	9,630
<b>Total contributions</b>	<b>\$ 28,762</b>	<b>\$ 9,306</b>	<b>\$ 38,068</b>

***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, 2018:

**WINTERS CEMETERY DISTRICT**  
*Notes to Financial Statements*  
*For the Fiscal Years Ended June 30, 2019 and 2018*

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

**A. General Information about the Pension Plan (continued)**

***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, 2018:

<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>
<b>CalPERS - Miscellaneous Plan:</b>			
Balance as of June 30, 2017 (Measurement Date)	\$ 1,082,719	\$ 790,880	\$ 291,839
Balance as of June 30, 2018 (Measurement Date)	\$ 1,086,101	\$ 805,718	\$ 280,383
<b>Change in Plan Net Pension Liability</b>	<b>\$ 3,382</b>	<b>\$ 14,838</b>	<b>\$ (11,456)</b>

***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, 2017:

<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>
<b>CalPERS - Miscellaneous Plan:</b>			
Balance as of June 30, 2016 (Measurement Date)	\$ 1,012,134	\$ 753,720	\$ 258,414
Balance as of June 30, 2017 (Measurement Date)	\$ 1,082,719	\$ 790,880	\$ 291,839
<b>Change in Plan Net Pension Liability</b>	<b>\$ 70,585</b>	<b>\$ 37,160</b>	<b>\$ 33,425</b>

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, 2017 and 2016). 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, 2018 and 2017). 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, 2018 and 2017 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2018 and 2017 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, 2019 and 2018*

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**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, 2018 and 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 and 2016 rolled forward to June 30, 2018 and 2017 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, 2018, measurement date was as follows:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2019</u>	<u>Fiscal Year Ending June 30, 2018</u>	
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	
Measurement Date			
Percentage of Risk Pool Net Pension Liability	0.007440%	0.007403%	0.000037%
Percentage of Plan (PERF C) Net Pension Liability	0.002910%	0.002943%	-0.000033%

The District’s proportionate share percentage of the net pension liability for the June 30, 2017, measurement date was as follows:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2018</u>	<u>Fiscal Year Ending June 30, 2017</u>	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>	
Measurement Date			
Percentage of Risk Pool Net Pension Liability	0.007403%	0.007439%	-0.000036%
Percentage of Plan (PERF C) Net Pension Liability	0.002943%	0.002986%	-0.000043%

For the year ended June 30, 2019 and 2018, the District recognized pension expense/(credit) in the amount of \$34,294 and \$43,980, respectively, for the CalPERS Miscellaneous Plan.

**WINTERS CEMETERY DISTRICT**  
*Notes to Financial Statements*  
*For the Fiscal Years Ended June 30, 2019 and 2018*

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**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)***

At June 30, 2019, 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 of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 32,797	\$ -
Difference between actual and proportionate share of employer contributions	-	(5,625)
Adjustment due to differences in proportions	296	(7,216)
Differences between expected and actual experience	10,758	(3,661)
Differences between projected and actual earnings on pension plan investments	1,386	-
Changes in assumptions	31,965	(7,834)
<b>Total Deferred Outflows/(Inflows) of Resources</b>	<b>\$ 77,202</b>	<b>\$ (24,336)</b>

The District will recognize \$32,797 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, 2020.

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.

**WINTERS CEMETERY DISTRICT**  
*Notes to Financial Statements*  
*For the Fiscal Years Ended June 30, 2019 and 2018*

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**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>
2020	\$ 21,674
2021	11,456
2022	(10,539)
2023	(2,522)
<b>Total</b>	<u>\$ 20,069</u>

At June 30, 2018, 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	\$ 28,438	\$ -
Difference between actual and proportionate share of employer contributions	-	(9,576)
Adjustment due to differences in proportions	1,814	(1,957)
Differences between expected and actual experience	363	(5,217)
Differences between projected and actual earnings on pension plan investments	10,218	-
Changes in assumptions	45,180	(3,445)
<b>Total Deferred Outflows/(Inflows) of Resources</b>	<u>\$ 86,013</u>	<u>\$ (20,195)</u>

**WINTERS CEMETERY DISTRICT**  
*Notes to Financial Statements*  
*For the Fiscal Years Ended June 30, 2019 and 2018*

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**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>
2020	\$ 6,165
2021	23,220
2022	14,062
2023	(6,067)
<b>Total</b>	<b>\$ 37,380</b>

***Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

For the measurement period ending June 30, 2018 and 2017 (the measurement dates), the total pension liability was determined by rolling forward the June 30, 2017 and 2016, total pension liabilities. The June 30, 2018 and 2017 total pension liabilities were 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	2.75%
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 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

All other actuarial assumptions used in the June 30, 2017 valuation was based on the results of an actuarial experience study for the years 1997 to 2011.

***Discount Rate***

The discount rate used to measure the total pension liability was 7.15% 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.



**WINTERS CEMETERY DISTRICT**

*Notes to Financial Statements*

*For the Fiscal Years Ended June 30, 2019 and 2018*

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**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 (continued)***

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>Investment Type</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10<sup>1</sup></u>	<u>Real Return Years 11+<sup>2</sup></u>
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	0.90%
	<u>100.0%</u>		

<sup>1</sup> An expected inflation of 2.5% is used for years 1-10.

<sup>2</sup> An expected inflation of 3.0% is used for years 11+.

**WINTERS CEMETERY DISTRICT**

*Notes to Financial Statements*

*For the Fiscal Years Ended June 30, 2019 and 2018*

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**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 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, 2019:

<u>Plan Type</u>	<u>Plan's Net Pension Liability/(Asset)</u>		
	<u>Discount Rate</u>	<u>Current</u>	<u>Discount Rate</u>
	<u>- 1%</u>	<u>Discount</u>	<u>+ 1%</u>
	<u>6.15%</u>	<u>7.15%</u>	<u>8.15%</u>
CalPERS – Miscellaneous Plan	<u>427,302</u>	<u>\$ 280,383</u>	<u>\$ 159,105</u>

For the year ended June 30, 2018:

<u>Plan Type</u>	<u>Plan's Net Pension Liability/(Asset)</u>		
	<u>Discount Rate</u>	<u>Current</u>	<u>Discount Rate</u>
	<u>- 1%</u>	<u>Discount</u>	<u>+ 1%</u>
	<u>6.15%</u>	<u>7.15%</u>	<u>8.15%</u>
CalPERS – Miscellaneous Plan	<u>440,763</u>	<u>\$ 291,839</u>	<u>\$ 168,497</u>

***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, 2019 and 2018*

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**NOTE 7 – FUND BALANCES**

At June 30, 2019, fund balances of the District’s governmental funds were classified as follows:

Description	General Fund	Permanent Fund Endowment Care	Total Governmental Funds
<b>Nonspendable:</b>			
Materials and supplies – inventory	\$ 5,127	\$ -	\$ 5,127
<b>Restricted:</b>			
Nonexpendable – endowment principal	-	276,200	276,200
Expendable - endowment care – maintenance	-	120,030	120,030
<b>Total restricted</b>	<b>-</b>	<b>396,230</b>	<b>396,230</b>
<b>Committed:</b>			
Capital improvements	204,966	-	204,966
<b>Assigned:</b>			
Compensated absences	8,155	-	8,155
<b>Unassigned</b>	<b>560,534</b>	<b>-</b>	<b>560,534</b>
<b>Total fund balances</b>	<b>\$ 778,782</b>	<b>\$ 396,230</b>	<b>\$ 1,175,012</b>

At June 30, 2018, fund balances of the District’s governmental funds were classified as follows:

Description	General Fund	Permanent Fund Endowment Care	Total Governmental Funds
<b>Nonspendable:</b>			
Materials and supplies – inventory	\$ 4,364	\$ -	\$ 4,364
<b>Restricted:</b>			
Nonexpendable – endowment principal	-	262,700	262,700
Expendable - endowment care – maintenance	-	103,727	103,727
<b>Total restricted</b>	<b>-</b>	<b>366,427</b>	<b>366,427</b>
<b>Committed:</b>			
Capital improvements	168,645	-	168,645
<b>Assigned:</b>			
Compensated absences	10,666	-	10,666
<b>Unassigned</b>	<b>541,232</b>	<b>-</b>	<b>541,232</b>
<b>Total fund balances</b>	<b>\$ 724,907</b>	<b>\$ 366,427</b>	<b>\$ 1,091,334</b>

## **WINTERS CEMETERY DISTRICT**

### *Notes to Financial Statements*

*For the Fiscal Years Ended June 30, 2019 and 2018*

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#### **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 two fiscal year ended June 30, 2019, 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 two fiscal years.

#### **NOTE 9 – COMMITMENTS AND CONTINGENCIES**

##### **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 – SUBSEQUENT EVENT**

At the end of the first quarter of calendar year 2020, the United States and global economy suffered a major decline due to the impact of the COVID-19 virus. This economic decline may affect the District's operations and investment earnings for the remainder of calendar year 2020 and beyond. However, the potential impact to the District is unknown at this time.

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***Required Supplementary Information***

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**WINTERS CEMETERY DISTRICT**  
*Budgetary Comparison Schedule – General Fund*  
*For the Fiscal Year Ended June 30, 2019*

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Property taxes	\$ 223,527	\$ 250,843	\$ 27,316
Redevelopment taxes	93,006	93,712	706
Charges for services	50,000	109,276	59,276
Operating grants and contributions	100	570	470
Investment earnings	1,500	30,916	29,416
<b>Total revenues</b>	<u>368,133</u>	<u>485,317</u>	<u>117,184</u>
<b>Expenditures:</b>			
Current:			
Salaries and wages	166,850	157,830	9,020
Employee benefits	55,500	53,498	2,002
Facilities	45,427	46,557	(1,130)
Materials and services	56,850	21,153	35,697
Capital outlay	281,000	152,404	128,596
<b>Total expenditures</b>	<u>605,627</u>	<u>431,442</u>	<u>174,185</u>
<b>Excess of revenues over (under) expenditures</b>	<u>\$ (237,494)</u>	53,875	<u>\$ 291,369</u>
<b>Fund balance:</b>			
Beginning of year		<u>724,907</u>	
End of year		<u>\$ 778,782</u>	

**WINTERS CEMETERY DISTRICT**  
*Budgetary Comparison Schedule – General Fund*  
*For the Fiscal Year Ended June 30, 2018*

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Property taxes	\$ 224,502	\$ 235,604	\$ 11,102
Redevelopment taxes	90,906	90,966	60
Charges for services	43,000	97,009	54,009
Operating grants and contributions	100	115	15
Investment earnings	1,500	577	(923)
<b>Total revenues</b>	<u>360,008</u>	<u>424,271</u>	<u>64,263</u>
<b>Expenditures:</b>			
Current:			
Salaries and wages	153,692	147,806	5,886
Employee benefits	52,900	54,198	(1,298)
Facilities	59,400	47,729	11,671
Materials and services	60,510	33,221	27,289
Capital outlay	275,000	6,930	268,070
<b>Total expenditures</b>	<u>601,502</u>	<u>289,884</u>	<u>311,618</u>
<b>Excess of revenues over (under) expenditures</b>	<u>\$ (241,494)</u>	134,387	<u>\$ 375,881</u>
<b>Fund balance:</b>			
Beginning of year		<u>590,520</u>	
End of year		<u>\$ 724,907</u>	

**WINTERS CEMETERY DISTRICT**  
*Schedule of Proportionate Share of the Net Pension Liability*  
*For the Fiscal Years Ended June 30, 2019 and 2018*

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**California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

<b>Measurement Date:</b>	<b>June 30, 2018<sup>1</sup></b>	<b>June 30, 2017<sup>1</sup></b>	<b>June 30, 2016<sup>1</sup></b>	<b>June 30, 2015<sup>1</sup></b>	<b>June 30, 2014<sup>1</sup></b>
District's Proportion of the Net Pension Liability	<u>0.002910%</u>	<u>0.002943%</u>	<u>0.002986%</u>	<u>0.002986%</u>	<u>0.002780%</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 280,383</u>	<u>\$ 291,839</u>	<u>\$ 258,414</u>	<u>\$ 208,770</u>	<u>\$ 173,275</u>
District's Covered-Employee Payroll	<u>\$ 135,462</u>	<u>\$ 131,506</u>	<u>\$ 105,433</u>	<u>\$ 59,723</u>	<u>\$ 140,137</u>
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	<u>206.98%</u>	<u>221.92%</u>	<u>245.10%</u>	<u>349.56%</u>	<u>123.65%</u>
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	<u>74.18%</u>	<u>73.05%</u>	<u>74.47%</u>	<u>78.15%</u>	<u>79.95%</u>

<sup>1</sup> Historical information is required only for measurement periods for which GASB No. 68 is applicable.



**WINTERS CEMETERY DISTRICT**  
*Schedule of Pension Contributions*  
*For the Fiscal Years Ended June 30, 2019 and 2018*

**California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

<b>Fiscal Year:</b>	<b>2018-19<sup>1</sup></b>	<b>2017-18<sup>1</sup></b>	<b>2016-17<sup>1</sup></b>	<b>2015-16<sup>1</sup></b>	<b>2014-15<sup>1</sup></b>	<b>2013-14<sup>1</sup></b>
Actuarially Determined Contribution <sup>2</sup>	\$ 32,797	\$ 28,438	\$ 24,161	\$ 21,536	\$ 14,773	\$ 18,353
Contribution in Relation to the Actuarially Determined Contribution <sup>2</sup>	(32,797)	(28,438)	(24,161)	(21,536)	(14,773)	(18,353)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll <sup>3</sup>	\$ 140,718	\$ 135,462	\$ 131,506	\$ 105,433	\$ 59,723	\$ 140,137
Contributions as a Percentage of Covered-Employee Payroll	23.31%	20.99%	18.37%	20.43%	24.74%	13.10%

<sup>1</sup> Historical information is required only for measurement periods for which GASB No. 68 is applicable.

<sup>2</sup> Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side-fund or their unfunded liability. Employer contributions for such plan exceed the actuarial determined contributions. CalPERS has determined that employer obligations referred to as *side-funds* are not considered separately financed specific liabilities.

<sup>3</sup> Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB No. 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

**Notes to the Schedule:**

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes)

## **WINTERS CEMETERY DISTRICT**

### *Notes to the Required Supplementary Information For the Fiscal Years Ended June 30, 2019 and 2018*

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#### **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.