

TRACY PUBLIC CEMETERY DISTRICT

FINANCIAL STATEMENTS

June 30, 2020



TRACY PUBLIC CEMETERY DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Governing Board of
Tracy Public Cemetery District
Tracy, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Tracy Public Cemetery District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Tracy Public Cemetery District, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of required supplementary information – Pension Plan, and Schedule of Changes in the District's Total OPEB Liability and Related Ratios on pages 3 - 7, 32 - 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

David Farnsworth, CPA

Dublin, CA

November 11, 2020

TRACY PUBLIC CEMETERY DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2020

This section of the annual financial report of the Tracy Public Cemetery District (District) presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2020. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements, including the notes and the supplementary information that immediately follow this section.

FINANCIAL HIGHLIGHTS

The following summarizes the District's financial highlights for the year ended June 30, 2020.

- In total, government-wide net position was \$8,888,775
- General revenues accounted for \$1,146,818 or 72 percent of total revenues
- Total government-wide assets were \$10,938,182
- Total program expenses were \$1,088,404

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements including notes to the financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

The remaining statements are the governmental funds that focus on individual parts of the District, reporting the District operation in more detail than the government-wide statements.

The fund financial statements are composed of:

- Government fund statements, which tell how basic services were financed in the short-term, as well as what remained for future spending.

Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the District as a whole and its activities. These statements include all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position is the difference between assets and liabilities, which is one way to measure the District's financial health, or financial position. Overtime increases or decreases in the District net position are one indicator of whether its financial health is improving or deteriorating.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

To assess the overall health of the District you need to consider additional non-financial factors including the condition the District's capital assets including facilities.

REPORTING DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide more detailed information about the District most significant funds - not the District as a whole. Funds are accounting devices the District uses to record specific sources of funding and spending on particular programs:

- Some funds are required by law and covenants.
- The District establishes other funds to control and manage money for specific purposes or to show that certain revenues have been properly used.

Governmental Funds

The District's basic services are reported in governmental funds which generally focus on how money flows into and out of these funds and balances left at year end that are available for spending. These funds are reporting using the modified accrual accounting, which measures cash, and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's program.

Because this information does not encompass the additional long-term focus of the government-wide statement, we provide additional information of the governmental fund statements that explain the relationship (or differences) between them.

TRACY PUBLIC CEMETERY DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2020

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The following table presents a summary of the District's statement of net position by category as of June 30, 2020.

TABLE 1: NET POSITION

Assets	June 30, 2020	June 30, 2019	Difference
Current and other assets	\$ 7,192,997	\$ 6,591,069	\$ 601,928
Capital assets	3,745,185	3,668,734	76,451
Deferred outflows	<u>249,497</u>	<u>337,757</u>	<u>(88,260)</u>
Total assets and deferred outflows	<u>\$ 11,187,679</u>	<u>\$ 10,597,560</u>	<u>\$ 590,119</u>
Liabilities			
Current and other liabilities	\$1,088,394	\$1,007,686	\$ 80,708
Noncurrent liabilities	1,155,460	1,151,291	4,169
Deferred inflows	<u>55,050</u>	<u>58,663</u>	<u>(3,613)</u>
Total liabilities and deferred inflows	<u>2,298,904</u>	<u>2,217,640</u>	<u>81,264</u>
Net Position			
Restricted	2,416,004	1,414,735	1,001,269
Net investment in capital assets	3,745,185	3,668,734	76,451
Unrestricted	<u>2,727,586</u>	<u>3,296,451</u>	<u>(568,865)</u>
Total net position	<u>\$8,888,775</u>	<u>\$8,379,920</u>	<u>\$ 508,855</u>

TRACY PUBLIC CEMETERY DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
 June 30, 2020

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

A summary of total District revenues, expenses and changes in net position is present in the table below.

TABLE 2: ACTIVITIES

Revenues	June 30, 2020	June 30, 2019	Difference
Program revenues	\$ 450,441	\$ 357,772	\$ 92,669
General revenues	<u>1,146,818</u>	<u>1,055,749</u>	<u>91,069</u>
Total revenues	<u>1,597,259</u>	<u>1,413,521</u>	<u>183,738</u>
Program expenses			
Program expenses	1,052,722	920,253	132,469
Depreciation	<u>38,682</u>	<u>41,330</u>	<u>(2,648)</u>
Total expenses	<u>1,091,404</u>	<u>961,583</u>	<u>129,821</u>
Change in net position	<u>\$ 505,855</u>	<u>\$ 451,938</u>	<u>\$ 53,917</u>

General Fund Budgetary Highlights

As finalized by the Board of Trustees, budgeted revenues total \$1,267,700, expenditures and transfers out totaled \$1,342,700 and expenditures were projected to exceed revenues by \$75,000.

Capital Assets and Debt Administration

As of June 30, 2020, the District owned the following capital assets:

TABLE 3: CAPITAL ASSETS

Capital Assets	June 30, 2020	June 30, 2019
Land & improvements	\$ 3,811,630	\$ 3,699,497
Structures and improvements	517,847	517,847
Equipment	514,867	514,867
Accumulated depreciation	<u>(1,099,159)</u>	<u>(1,063,477)</u>
Total capital assets	<u>\$ 3,745,185</u>	<u>\$ 3,668,734</u>

TRACY PUBLIC CEMETERY DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2020

Long Term Debt

The District's debt and debt activity during the year ended June 30, 2020 was in the amount of \$1,155,460 of which compensated absences accounted for \$39,821, net pension liability accounted for \$1,009,089, and Net OPEB liability accounted for \$106,550.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, contact Alma Celaya, Tracy Public Cemetery District, 501 E W Schulte Rd, Tracy, CA 95376.



TRACY PUBLIC CEMETERY DISTRICT
STATEMENT OF NET POSITION
June 30, 2020

	<u>Total</u>
ASSETS	
Cash and cash equivalents	\$ 4,867,860
Investments	2,232,668
Accounts receivable	49,975
Prepaid expenses	42,494
Capital assets, net of accumulated depreciation	<u>3,745,185</u>
Total assets	<u><u>\$ 10,938,182</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pensions	<u>249,497</u>
LIABILITIES	
Accounts payable and other liabilities	\$ 15,181
Accrued payroll	15,978
Preneed liability	1,057,235
Noncurrent liabilities:	
Compensated absences	39,821
Net OPEB liability	106,550
Net pension liability	<u>1,009,089</u>
Total liabilities	<u>2,243,854</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pensions	<u>55,050</u>
NET POSITION	
Restricted for:	
Endowment:	
Non-expendable	1,337,181
Expendable	895,487
Pre-Need	183,336
Net investment in capital assets	3,745,185
Unrestricted	<u>2,727,586</u>
Total net position	<u><u>\$ 8,888,775</u></u>

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

TRACY PUBLIC CEMETERY DISTRICT
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

	<u>Expense</u>	<u>Charges for Services</u>	<u>Program revenues Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (expense) revenue and changes in net position</u>
Governmental activities					
Cemetery operations	\$ 1,088,404	\$ 450,441	\$ -	\$ -	\$ (637,963)
Total governmental activities	<u>\$ 1,088,404</u>	<u>\$ 450,441</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(637,963)</u>

General revenues:

Property taxes	881,554
Endowment fees	83,100
Investment income	172,943
Other revenue	<u>9,221</u>
Total general revenues	<u>1,146,818</u>
Change in net position	508,855
Net position, beginning of year	<u>8,379,920</u>
Net position, end of year	<u>\$ 8,888,775</u>

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

TRACY PUBLIC CEMETERY DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2020

	General Fund	Endowment Fund	Pre Need	Total
ASSETS				
Cash and cash equivalents	\$ 3,593,189	\$ -	\$ -	\$ 3,593,189
Accounts receivable	49,975	-	-	49,975
Due from other funds	-	3,400	-	3,400
Prepaid expenditures	42,494	-	-	42,494
Restricted cash	-	34,100	1,240,571	1,274,671
Investments	-	2,232,668	-	2,232,668
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 3,685,658</u>	<u>\$ 2,270,168</u>	<u>\$ 1,240,571</u>	<u>\$ 7,196,397</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 15,181	\$ -	\$ -	\$ 15,181
Accrued payroll	15,978	-	-	15,978
Due to other funds	3,400	-	-	3,400
Proneed liability	-	-	1,057,235	1,057,235
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>34,559</u>	<u>-</u>	<u>1,057,235</u>	<u>1,088,394</u>
Fund balances:				
Nonspendable:				
Endowment Care	-	1,374,681	-	1,374,681
Restricted	-	-	183,336	183,336
Committed	-	895,487	-	895,487
Assigned	1,037,545	-	-	1,037,545
Unassigned	2,613,554	-	-	2,613,554
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>3,651,099</u>	<u>2,270,168</u>	<u>183,336</u>	<u>6,104,603</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 3,685,658</u>	<u>\$ 2,270,168</u>	<u>\$ 1,240,571</u>	<u>\$ 7,192,997</u>

The notes to basic financial statements are an integral part of this statement.

TRACY PUBLIC CEMETERY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL
FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
June 30, 2020

Fund balances of governmental funds	\$ 6,104,603
Total governmental fund balances	
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental funds.	3,745,185
Deferred outflows of resources are only reported in the Statement of Net Position	249,497
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds. Those liabilities consist of the following:	
Net pension liability	(1,009,089)
OPEB liability	(106,550)
Compensated absences	(39,821)
Deferred inflows of resources are only reported in the Statement of Net Position	<u>(55,050)</u>
Net position of governmental activities	<u><u>\$ 8,888,775</u></u>

The notes to basic financial statements are an integral part of this statement.

TRACY PUBLIC CEMETERY DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2020

	<u>General Funds</u>	<u>Endowment Fund</u>	<u>Pre Need Fund</u>	<u>Total</u>
Revenues:				
Openings & closings	\$ 147,504	\$ -	\$ -	\$ 147,504
Lot sales	118,405	-	-	118,405
Vault sales	52,698	-	-	52,698
Nonresident fees	35,828	-	-	35,828
Endowment fees	-	83,100	-	83,100
Vault handling fees	17,415	-	-	17,415
Disinterment fee income	6,675	-	-	6,675
Other revenues	9,221	-	-	9,221
Saturday service fees	8,450	-	-	8,450
Property taxes	881,554	-	-	881,554
Investment earnings	64,110	87,093	21,740	172,943
Deferred Pre needs	-	-	63,466	63,466
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>\$ 1,341,860</u>	<u>\$ 170,193</u>	<u>\$ 85,206</u>	<u>\$ 1,597,259</u>
Expenditures				
Salaries and wages	397,739	-	-	397,739
Employee retirement benefits	136,768	-	-	136,768
Employee health benefits	113,055	-	-	113,055
Payroll taxes	31,339	-	-	31,339
Worker's comp ins	10,398	-	-	10,398
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Subtotal	689,299	-	-	689,299
County auditor charges	8,685	-	-	8,685
Professional fees	16,897	-	-	16,897
Vault purchases and buybacks	32,035	-	-	32,035
Building and ground repairs & maint	188,852	-	-	188,852
Utilities	55,612	-	-	55,612
Meeting expense	10,593	-	-	10,593
Equipment repairs & maintenance	21,279	-	-	21,279
Office supplies & postage	9,081	-	-	9,081
Casualty insurance	15,725	-	-	15,725
Fuel expense	9,761	-	-	9,761
Laundry	10,193	-	-	10,193
Other expenses	8,027	-	-	8,027
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>1,076,039</u>	<u>-</u>	<u>-</u>	<u>1,076,039</u>
Net change in fund balances	265,821	170,193	85,206	521,220
Transfers In / Out	45,740	-	(45,740)	-
Fund balances - July 1	<u>3,339,538</u>	<u>2,099,975</u>	<u>143,870</u>	<u>5,583,383</u>
Fund balances - June 30	<u><u>\$ 3,651,099</u></u>	<u><u>\$ 2,270,168</u></u>	<u><u>\$ 183,336</u></u>	<u><u>\$ 6,104,603</u></u>

The notes to basic financial statements are an integral part of this statement.

TRACY PUBLIC CEMETERY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

Net change in fund balances - governmental funds	\$521,220
<p>Amounts reported for governmental activities in the statement of activities are different because of the following:</p>	
Expenses being added due to difference in capital outlay and capital asset additions	112,133
Depreciation expense related to capital assets is recognized in the statement of activities, but is not reported in the funds	(35,682)
<p>The amounts below included in the Statement of Activities do not provide or require the use of current financial resources and therefore are not reported as revenue or expenditures in government funds (net change):</p>	
Change in deferred outflows of resources related to pensions	(88,260)
Change in net pension liability	7,498
Change in deferred inflows of resources of resources related to pensions	3,613
Change in OPEB liability	(10,332)
Change in accrued vacation	<u>(1,335)</u>
Change in net position of governmental activities	<u><u>\$508,855</u></u>

The notes to basic financial statements are an integral part of this statement.

TRACY PUBLIC CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1. SUMMAR OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The District was organized specifically for the purpose of offering cemetery services to the residents and landowners in the Tracy area of San Joaquin County. The District operates under authority of the State of California Health and Safety Code Sections 8890-9225.

B. Reporting Entity

The District management considered all potential units for inclusion in the reporting entity by applying the criteria set forth in generally accepted accounting principles. The District concluded that there are no potential component units which should be included in the reporting entity.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) the annual benefit assessment that is assessed to all property owners within the District's service area and is reported as charges for services, and 2) contract services that represent service zones for service to other agencies or entities for service outside the District's current service area. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

D. Basis of Presentation

Government-wide Financial Statements:

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

TRACY PUBLIC CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1. SUMMAR OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Presentation (Continued)

Fund Financial Statements:

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases, (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

E. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues — exchange and non-exchange transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under 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 the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes and grants. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue:

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants received before eligibility requirements are met are recorded as deferred revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as unearned revenue.

NOTE 1. SUMMAR OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Basis of Accounting

Expenses/expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. 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.

G. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance or net position, revenues, and expenditures. The District's resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into three major funds as follows:

Major Governmental Funds:

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The Pre-Need Fund is used to account for citizens desirous of using cemetery property for their burial will sometimes arranged for this transaction in advance so they can guarantee a place in the cemetery, or a current price. These funds are kept on deposit in a special account until the time of need.

The Endowment Permanent Fund is used to account for deposits whose principal may not be expended during their prescribed activity. A fee is charged for each burial right sold by the District and identified as endowment care. These funds are restricted by California Law. The principal must remain intact in perpetuity, but the earnings may be available for care of the burial plots in the cemeteries. These fees are deposited in the endowment fund.

H. Budget and Budgetary Accounting

The District adopts an annual budget on or before August 30 of each fiscal year. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations.

The Board of Trustees may amend the budget by motion during each fiscal year. The original and revised budgets are presented for the General Fund.

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended.

TRACY PUBLIC CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1. SUMMAR OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Prepaid Expenditures

The District has the option of reporting expenditures in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure during the period benefited.

J. Property Taxes

Property taxes were assessed July 1, 2019 and were payable in two installments on December 10, 2019 and April 10, 2020. The County of San Joaquin bills and collects property taxes on behalf of the District. Property tax revenues are recognized when received.

K. Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair value at the date of the contribution. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and estimated useful life in excess of two years.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the governmental column in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the statement of net position. The estimated useful lives are as follows:

Equipment	5 to 15 years
Structures	15 to 50 years

L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the American Institute of Certified Public Accountants, 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/expenses during the reporting period. Actual results could differ from those estimates.

M. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

TRACY PUBLIC CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1. SUMMAR OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Compensated Absences

The District's policy permits employees to accumulate earned but unused vacation. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and fund liability of the governmental fund from which it will be paid. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements.

O. Fund Balances

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

TRACY PUBLIC CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 2. CASH AND CASH EQUIVALENTS

Cash on deposit in a commercial account is insured by the FDIC up to \$250,000. Cash on deposit with the San Joaquin County Treasury is invested in a pooled fund maintained by the Treasurer. These funds are pooled with other County deposits for investment purposes by the County Treasurer. The County Treasurer is responsible for the control and safekeeping of all instruments of title for all investments of the funds. Interest received on investments is prorated to individual funds based on their daily average cash balances. Restricted assets represent cash held in trust that is not available for normal operating purposes. Collateral is required for demand deposits at 110% of all deposits not covered by Federal deposit insurance. On June 30, 2020, the District had the following cash and investments on hand:

	<u>General Fund</u>	<u>Endowment Fund</u>	<u>Pre-Need Fund</u>	<u>Total</u>
Cash in banks and on hand	\$ 180,078	\$ -	\$ -	\$ 180,078
Cash at County Treasury				
Designated cash:				
General	1,265,013	-	-	1,265,013
General Reserve	1,110,553	-	-	1,110,553
Capital outlay reserve	1,037,545	-	-	1,037,545
Restricted cash:				
Endowment		34,100	-	34,100
Pre-Need	-	-	1,240,571	1,240,571
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total cash and cash on hand	<u>\$ 3,593,189</u>	<u>\$ 34,100</u>	<u>\$ 1,240,571</u>	<u>\$ 4,867,860</u>

Custodial Credit Risk

The bank balances are insured by the FDIC for \$250,000. The uninsured cash balance is \$19,828. State law requires that the collateral be equal to or greater than 100% of all public deposits held with the pledging financial institution if government securities are used, or 150% if mortgages are used as the collateral.

Authorized Investments

California statutes authorize the District to invest idle or surplus funds in a variety of credit instruments as provided for in California Government Code Section 53600, Chapter 4 – Financial Affairs. The Government Code allows investments in the following instruments:

- Securities of the United States Government, or its agencies
- Small Business Administration loans
- Certificates of Deposit (or Time Deposits) placed with commercial banks and/or savings and loan companies
- Negotiable Certificates of Deposit
- Banker’s Acceptances
- Commercial paper and medium-term corporate notes

TRACY PUBLIC CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 3. INVESTMENT IN SECURITIES

The District's investment policy is in accordance with state law and as such limits the type of investments that can be held. The District has investments in fixed income securities with various rates from 1.375% to 6.0% and maturities ranging from 2028 through 2040. CDs ranges from 1.550 to 2.700%. The investments are presented on the financial statements at fair market value. The CDs and money market funds are FDIC insured. The Organization carries investments at their fair market values in the statement of net position using level 1 inputs under the fair value hierarchy.

	<u>Principle Account</u>	<u>Interest Account</u>	<u>Total</u>
Fixed income - Muni	\$ -	\$ 121,451	\$ 121,451
Fixed income - other	1,289,333	713,730	2,003,063
Mutual funds	44,540	54,438	98,978
Cash and cash equivalents	3,308	5,868	9,176
	<u> </u>	<u> </u>	<u> </u>
Total investments	<u>\$ 1,337,181</u>	<u>\$ 895,487</u>	<u>\$ 2,232,668</u>

NOTE 4. CAPITAL ASSETS

The District capital asset activity for the fiscal year ended June 30, 2020 is as follows:

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2020</u>
GOVERNMENTAL ACTIVITIES:				
Land & improvements	\$ 3,699,497	\$ 112,133	\$ -	\$ 3,811,630
Buildings & improvements	517,847	-	-	517,847
Equipment & furniture	514,867	-	-	514,867
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total capital assets	4,732,211	112,133	-	4,844,344
Accumulated depreciation	<u>(1,063,477)</u>	<u>(35,682)</u>	<u>-</u>	<u>(1,099,159)</u>
Total capital assets, net	<u>\$ 3,668,734</u>	<u>\$ 76,451</u>	<u>\$ -</u>	<u>\$ 3,745,185</u>

TRACY PUBLIC CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 5. LONG TERM DEBT

The following is a summary of long-term liability activity for the fiscal year ended June 30, 2020:

	Balance July 1	Additions	Reductions	Balance June 30
Governmental activities:				
Compensated absences	\$ 38,486	\$ 1,335	\$ -	\$ 39,821
Net pension liability	1,016,587	-	7,498	1,009,089
Net OPEB liability	<u>96,218</u>	<u>10,332</u>	<u>-</u>	<u>106,550</u>
Governmental activities:				
Long-term liabilities	<u>\$1,151,291</u>	<u>\$ 11,667</u>	<u>\$ 7,498</u>	<u>\$1,155,460</u>

NOTE 6. NET POSITION

The government-wide financial statements utilize a net position presentation. GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is categorized as either net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents net position of the District, not restricted for any project or other purpose.

NOTE 7. EMPLOYEES RETIREMENT PLAN

Plan Description

All full-time employees participate in the District’s cost-sharing multiple employer defined benefit pension plan administered by San Joaquin County Employee Retirement Association. SJCERA provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by state statute and county ordinance.

TRACY PUBLIC CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 7. EMPLOYEES RETIREMENT PLAN (Continued)

SJCERA issues a separate comprehensive annual financial report. Copies of SJCERA annual financial report may be obtained from their Executive Office – 6 South El Dorado Street, Suite 400, Stockton, CA 95202.

Benefits Provided

Benefits are based upon type of membership, years of retirement service credit, final average compensation, age at retirement, and the benefit option elected by the member.

Employer Rate Plans	Tier 1	Tier 2
Hire date	Hired into public service before January 1, 2013	Hired into public service for the first time on or after January 1, 2013
Benefit formula	2.6% @ 62	2.5% @ 67
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 62	52 - 67
Monthly benefits as of a % of eligible compensation	1.48% to 2.61%	1.0% to 2.5%
Requirement employee contribution rates	6.74%	9.30%
Required employer Contribution rates	44.25%	37.73%

The Tier 1 Plan is closed to new members that are not already SJCERA eligible participants.

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of December 31 by SJCERA. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2020, the contributions recognized as part of pension expense for the Plan was \$213,917.

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources: As of June 30, 2020, the District reported a net pension liability for its proportionate share of the net pension liability in the amount of \$1,009,089.

TRACY PUBLIC CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 7. EMPLOYEES RETIREMENT PLAN (Continued)

The net pension liability as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019 using standard update procedures. The District's proportionate share 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, as actuarially determined. The District's proportionate share of the net pension liability for the Plan as of December 31, 2018 and 2019 was as follows:

Proportion - December 31, 2018	0.0547%
Proportion - December 31, 2019	0.0597%
Change - Increase (Decrease)	0.0050%

For the year ended June 30, 2020, the District recorded pension expense of \$213,917. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 69,464	\$ -
Changes in assumptions	47,465	
Change in employer's proportion	121,307	
Differences between the employer's contribution and the employer's proportionate share of contributions	-	25,246
Net differences between projected and actual earnings on plan investments	-	10,886
Differences between actual and expected experience	<u>11,261</u>	<u>18,918</u>
Total	<u>\$ 249,497</u>	<u>\$ 55,050</u>

The \$69,464 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the subsequent fiscal year. Other amounts reported as net deferred inflows of resources related to pensions will be recognized as pension expense as follows:

TRACY PUBLIC CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 7. EMPLOYEES RETIREMENT PLAN (Continued)

<u>Ending</u>	<u>Amount</u>
2021	\$ 73,439
2022	24,428
2023	32,332
2024	(5,216)
2025	-
There after	<u>-</u>
 Total	 <u><u>\$ 124,983</u></u>

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

- Inflation Rate – 2.90%, net of investment expense
- Amortization growth rate – 3.15%
- Salary increases – 3.15% plus merit component
- Rate of return – 7.25%, net of plan investment expense
- COLA Increases – 2.60%
- Post-Retirement Mortality – Sex distinct tables from CALPERS’ 2013 experience study, with generational mortality improvements projected from 2009 using Projections Scale MP-2015

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2015. The long-term expected rate of return on pension plan investments (7.25%) 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. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each asset class are summarized in the following table:

TRACY PUBLIC CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 7. EMPLOYEES RETIREMENT PLAN (Continued)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Public Equities	30.00%	9.53%
Stable Fixed Income	10.00%	5.10%
Credit	14.00%	8.22%
Risk Parity	14.00%	7.20%
Private Appreciation	12.00%	12.15%
Crisis Risk Offset (CRO)	20.00%	6.15%
Short Term Investments/Cash/Cash Equivalents	0.00%	3.15%
Total	100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension fund's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees.

In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund's fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and was applied to all periods of projected benefit payments to determine the total pension liability. Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
District's proportionate share of the net pension plan liability	\$1,404,818	\$1,009,089	\$683,743

Detailed information about the pension fund's fiduciary net position is available in the separately issued SJCERA comprehensive annual financial report which may be obtained by contacting SJCERA.

TRACY PUBLIC CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

Plan administration. The District administers a single employer defined benefit postemployment healthcare plan. Medical coverage is currently provided as a reimbursement to the retirees' individual medical health coverage. This coverage requires the employee to satisfy the requirements for retirement under the employees' employment contract with the District.

Benefits provided. Employees may retire and receive District paid contributions towards healthcare upon attainment of age 50 and completion of 10 years of service. Once eligible, coverage may be continued at the retiree's option for his or her lifetime. The District reimburses the cost of ½ of the retiree's premiums.

Plan membership. At July 1, 2019, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	3
Active plan members	1

Contributions. The contribution requirements of Plan members and the District are established and amended by the District. The required contribution is based on projected pay-as-you-go financing requirements. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

The District's Net OPEB Liability was measured as of June 30, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2019 (June 30, 2019). Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00 percent
Inflation rate	3.00 percent
Healthcare cost trend rate	6.00 percent for 2019 decreasing 0.10 percent each year to an ultimate rate of 5.00 percent for 2029 and later years

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

Actuarial assumptions used in the July 1, 2019 valuation were based on a review of plan experience.

TRACY PUBLIC CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Discount rate. GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan’s fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan’s projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District’s Total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments (if any)	Municipal Bond 20- Year High Grade Rate Index	Discount Rate
June 30, 2019	June 30, 2018	4.00%	3.62%	3.62%
June 30, 2020	June 30, 2019	4.00%	3.13%	3.13%

The components of the net OPEB liability was as follows:

Total OPEB liability	106,550
Plan fiduciary net position	0
Net OPEB liability	\$106,550

Measurement date	June 30, 2019
Reporting date	June 30, 2020

Covered payroll	\$70,720
Net OPEB liability (asset) as a percentage of covered payroll	150.66%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%

TRACY PUBLIC CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Schedule of Changes in Net OPEB Liability (June 30, 2018 to June 30, 2019)

Total OPEB Liability	
Service Cost	1,287
Interest	3,439
Changes of benefit terms	0
Difference between expected and actual experience	5,494
Changes of assumptions	5,161
Benefit payments	(5,049)
Net change in total OPEB liability	10,332
Total OPEB liability – June 30, 2018 (a)	\$96,218
Total OPEB liability – June 30, 2019 (b)	\$106,550
Plan fiduciary net position	
Contributions – employer	5,049
Net investment income	0
Benefit payments	(5,049)
Trustee fees	0
Administrative expense	0
Net change in plan fiduciary net position	0
Plan fiduciary net position – June 30, 2018 (c)	\$0
Plan fiduciary net position – June 30, 2019 (d)	\$0
Net OPEB liability – June 30, 2018 (c) – (a)	\$96,218
Net OPEB liability – June 30, 2019 (d) – (b)	\$106,550

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

	1% Decrease (2.13%)	Discount Rate (3.13%)	1% Increase (4.13%)
Net OPEB liability (asset)	118,523	106,550	96,444

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

TRACY PUBLIC CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

	1% Decrease (5.00% decreasing to 4.00%)	Trend Rate (6.00% decreasing to 5.00%)	1% Increase (7.00% decreasing to 6.00%)
Net OPEB liability (asset)	\$96,630	\$106,550	\$118,114

Additions		
Employer contributions		5,049
Investment income:		
Net increase in fair value of investments		0
Total additions		5,049
Deductions		
Trustee fees		0
Administrative expense		0
Benefit payments		5,049
Total deductions		5,049
Net increase in net position		0
Net position restricted for postemployment benefits other than pensions		
Beginning of year – June 30, 2018		\$0
End of year – June 30, 2019		\$0

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the District's deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience ^{1,2}	0	0
Changes in assumptions or other inputs ^{1,2}	0	0
Differences between projected and actual return investments ^{1,2}	0	0
Total	\$0 ³	\$0

¹ Measured at June 30, 2019;

² See Schedule of Deferred Outflows and Inflows of Resources for additional information.

³ Does not include District contributions (plus associated implicit subsidy) made after the measurement, which will be recognized as a reduction of the Net OPEB Liability in the year ending June 30, 2020.

TRACY PUBLIC CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

Fiscal Year ending June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	0	0
2022	0	0
2023	0	0
2024	0	0
2025	0	0

Schedule of Deferred Outflows and Inflows of Resources

Year	Type	Category	Initial Base	Amortization Period	Annual Recognition	Current Balance
2018	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2018	Deferred Inflow	Changes in assumptions	0	0.0	0	0
2018	Deferred Inflow	Net difference between projected and actual earnings on plan investments	0	0.0	0	0
2019	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2019	Deferred Inflow	Changes in assumptions	0	0.0	0	0
2019	Deferred Inflow	Net difference between projected and actual earnings on plan investments	0	0.0	0	0
2020	Deferred Inflow	Difference between expected and actual experience	0	1.0	0	0
2020	Deferred Inflow	Changes in assumptions	0	1.0	0	0
2020	Deferred Inflow	Net difference between projected and actual earnings on plan investments	0	5.0	0	0
Total						0

Net OPEB Expense

The District's Net OPEB expense was \$15,381.

Net OPEB Liability – beginning (a)	\$96,218
Net OPEB Liability – ending (b)	\$106,550
Change in Net OPEB Liability [(b)-(a)]	10,332
Change in Deferred Outflows	0
Change in Deferred Inflows	0
Employer Contributions	5,049
Net OPEB Expense – June 30, 2018 to June 30, 2019	\$15,381

TRACY PUBLIC CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Service Cost	1,287
Interest Cost	3,439
Expected Return on Assets	0
Changes of benefit terms	0
Recognition of Deferred Outflows and Inflows	
Differences between expected and actual experience	5,494
Changes of assumptions	5,161
Differences between projected and actual investments	0
Total	10,655
Net OPEB Expense – June 30, 2018 to June 30, 2019	\$15,381

NOTE 9. SUBSEQUENT EVENTS

Subsequent events were evaluated through November 11, 2020, the date the financial statements were to be issued.

TRACY PUBLIC CEMETERY DISTRICT

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN

June 30, 2020

Tracy Public Cemetery District – Schedule of the District’s proportionate share of the Net Pension Liability:

Last 10 Fiscal Years*:

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Plan's Pension Liability	Covered Payroll	Proportionate Share of the Plan's Fiduciary Net Position	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	0.0384%	\$ 573,110	\$ 188,771	303.30%	65.18%
June 30, 2016	0.0384%	\$ 587,646	\$ 173,412	338.58%	61.07%
June 30, 2017	0.0520%	\$ 867,124	\$ 234,720	369.45%	60.51%
June 30, 2018	0.0531%	\$ 839,977	\$ 260,460	322.62%	64.54%
June 30, 2019	0.0547%	\$ 1,016,587	\$ 270,936	375.20%	59.60%
June 30, 2020	0.0597%	\$ 1,009,089	\$ 301,079	335.16%	65.76%

Schedule of District Contributions:

	Actuarially Determined Contribution	Total Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	District's Covered-Employee Payroll Contribution as a Percentage of Covered Employee Payroll
June 30, 2015	\$ 59,458	\$ (49,501)	\$ 9,957	188,771	26.22%
June 30, 2016	\$ 58,012	\$ (57,442)	\$ 570	173,412	33.12%
June 30, 2017	\$ 82,744	\$ (81,241)	\$ 1,503	234,720	34.61%
June 30, 2018	\$ 106,227	\$ (94,424)	\$ 11,803	260,460	36.25%
June 30, 2019	\$ 114,121	\$ (100,452)	\$ 13,669	270,936	37.08%
June 30, 2020	\$ 119,712	\$ (119,712)	\$ -	301,079	39.76%

* Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

TRACY PUBLIC CEMETERY DISTRICT**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS**June 30, 2020

Last 10 Fiscal Years*

	<u>2020</u>
Total OPEB liability	
Service Cost	1,287
Interest	3,439
Changes of benefit terms	-
Difference between expected and actual experience	5,494
Changes of assumptions	5,161
Benefit payments	<u>(5,049)</u>
Net change in net OPEB liability	10,332
Net OPEB liability - beginning	<u>96,218</u>
Net OPEB liability - ending	<u><u>106,550</u></u>
Covered-employee payroll	\$ 70,720
Total OPEB liability as a percentage of covered-employee employee payroll	151%

Notes to Schedule:

*This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.

TRACY PUBLIC CEMETERY DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>General Funds</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
Revenues:				
Openings & closings	\$ 140,000	\$ 140,000	\$ 147,504	\$ 7,504
Lot sales	150,000	150,000	118,405	(31,595)
Vault sales	80,000	80,000	52,698	(27,302)
Nonresident fees	35,500	35,500	35,828	328
Vault handling fees	28,500	28,500	17,415	(11,085)
Disinterment fee income	-	-	6,675	6,675
Other revenues	6,500	6,500	9,221	2,721
Saturday service fees	8,000	8,000	8,450	450
Property taxes	739,200	739,200	881,554	142,354
Investment earnings	80,000	80,000	64,110	(15,890)
Total revenues	\$1,267,700	\$1,267,700	\$1,341,860	\$ 74,160
Expenditures				
Salaries and wages	286,000	286,000	397,739	(111,739)
Employee retirement benefits	110,000	110,000	136,768	(26,768)
Employee health benefits	100,800	100,800	113,055	(12,255)
Payroll taxes	30,000	30,000	31,339	(1,339)
Worker's comp ins	15,000	15,000	10,398	4,602
Subtotal	541,800	541,800	689,299	(147,499)
				-
County auditor charges	18,500	18,500	8,685	9,815
Professional fees	16,500	16,500	16,897	(397)
Vault purchases and buybacks	39,800	39,800	32,035	7,765
Building and ground repairs & maint	475,900	475,900	188,852	287,048
Utilities	42,000	42,000	55,612	(13,612)
Meeting expense	18,000	18,000	10,593	7,407
Equipment repairs & maintenance	46,500	46,500	21,279	25,221
Office supplies & postage	5,700	5,700	9,081	(3,381)
Casualty insurance	16,000	16,000	15,725	275
Fuel expense	6,500	6,500	9,761	(3,261)
Laundry	5,600	5,600	10,193	(4,593)
Other expenses	9,900	9,900	8,027	1,873
Total expenditures	1,242,700	1,242,700	1,076,039	166,661
Net change in fund balances	25,000.00	25,000.00	265,821	(240,821)
Transfers In / Out	(100,000)	(100,000)	45,740	145,740
Fund balances - July 1			3,339,538	
Fund balances - June 30			<u>\$3,651,099</u>	

The notes to basic financial statements are an integral part of this statement.

TRACY PUBLIC CEMETERY DISTRICT
NOTES REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

NOTE 1. BUDGETARY BASIS OF ACCOUNTING

Budgets for the General Fund are prepared on the cash and expenditures or encumbrances basis. Revenues are budgeted in the year receipt is expected; expenditures are budgeted in the year that the applicable warrant requisition are expected to be issued. The budget and actual financial statements are reported on the above basis, with no material differences between them.

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