

**WILDOMAR CEMETERY DISTRICT
A SUBSIDIARY DISTRICT
OF THE CITY OF WILDOMAR
FINANCIAL STATEMENTS**

For the Year Ended June 30, 2021

Wildomar Cemetery District
Financial Statements
June 30, 2021

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INDEPENDENT AUDITORS' REPORT

President and Board of Trustee Members
Wildomar Cemetery District
Wildomar, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Wildomar Cemetery District (the "District"), a discretely presented component unit of the City of Wildomar, California, as of and for the year ended June 30, 2021, 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 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 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 District'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 District'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 Wildomar Cemetery District, as of June 30, 2021, 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.

Emphasis of Matter

As described in Note 1 to the financial statements, the financial statements present only the District, and do not purport to, and do not present fairly the financial position of the City of Wildomar, California, as of June 30, 2021, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2022, on our consideration of the City of Wildomar's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Jeaman Ramirez & Smith, LLC

Riverside, California
January 28, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2021

As management of the Wildomar Cemetery District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage the reader to consider the information presented here in conjunction with the District's financial statements which follow this discussion.

THE FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources as of June 30, 2021, by \$2.3 million (net position).

- The District's total net position decreased by \$26,133. The primary reasons for the decrease are as follows:
 - Assets – Capital assets are higher by \$15,373 due to work on the Cemetery District's Frontage.
 - Deferred Inflows and Outflows of Resources – Deferred Pension-related items increased by a net of \$1,479 due to the additional staff member hired in fiscal year 2019-20.
 - Liabilities – Other liabilities are higher by \$39,021 due to timing of increased pre-need sales.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. These basic financial statements are comprised of three components:

- 1) Government-wide financial statements,
- 2) Fund financial statements, and
- 3) Notes to the financial statements.

This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

As previously discussed, government-wide financial statements detail all capital assets, including infrastructure, depreciation, and long-term debt. Specifically, these statements are designed to provide an expansive overview of the District's finances. Given its scope and to adequately present this data in a comprehensible format, the government-wide financial statements are divided into two subcategories, the Statement of Net Position and the Statement of Activities. These statements reasonably provide long and short-term information regarding the District's financial condition.

The District's statements provide a manageable yet comprehensive view of the District's economic position, appropriately accounting for all revenue and expenses during the specified fiscal year. To accomplish this, government-wide financial statements are reported utilizing the flow of economic resources (cost of services) measurement focus and the accrual method of accounting. Using the flow of economic resources measurement focus allows the District to provide financial transparency insofar as all assets, deferred outflows of resources, liabilities, and deferred inflows of resources are listed on the Statement of Net Position. The added use of the accrual basis of accounting allows the District a 'real-time' advantage as revenues are recognized when earned and expenses are recognized when incurred.

The Statement of Net Position outlines the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. While fluctuations are expected, over time increases or decreases in the District's net position could be used to gauge the District's financial standing to ascertain whether it is improving or deteriorating.

The *Statement of Activities* demonstrates how the District's net position evolves during the current fiscal year. Specifically, this statement provides comparative analysis between direct expenses and program revenues for each functional activity of the District. In this format, net position changes are recorded in real time when triggered by underlying events without respect to the timing of the related cash flows. Because of this, it is expected that revenue and expenses for some items (such as uncollected taxes and earned but unused vacation leave) will result in recorded cash flows in future fiscal periods.

Combined, the *Statements* reveal functions of the District that can be divided into two categories:

- 1) Governmental activities, and
- 2) Business-type activities.

Governmental activities are chiefly supported by:

- a) Taxes derived from such sources as property tax, and:
- b) Charges for services and investment earnings.

Governmental activities of the District are for general government.

The District does not have any business-type activities.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Specifically, these Fund Financial Statements cover segregated groupings of related accounts whose funds have been designated for specific activities or purpose. They provide a detailed accounting of revenue and expenditures, assets, deferred outflows of resources, liabilities, deferred inflows of resources, and remaining fund balances for each fund. This helps to ensure and demonstrate finance related legal compliance.

Fund financial statements differ from activity reports due to the way capital outlay, depreciation, long-term debt, compensated absences, deferred revenues, and intergovernmental receivables are reported. The impact of these differences is laid out in the notes accompanying the financial statements.

Governmental funds

Governmental funds are reported in essentially the same way as governmental activities in the government-wide financial statements with an exception---governmental fund financial statements focus on near-term inflows and outflows of spendable resources and balances of spendable resources. This means governmental fund financial statements identify current sources and uses of money within the immediate fiscal year. Benefits derived include a detailed *short-term view* of the District's general government operations and the basic services it provides, which assist in determining whether there are sufficient financial resources available to meet the District's current needs.

Since the scope of the governmental funds is different than that of the government-wide financial statements, it is beneficial to comparatively examine information presented for the governmental funds with information presented for governmental activities in the government-wide financial statements.

The reader gains a clearer picture of the long-term impacts current financial decisions might yield. When examined together, the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances provide the reader with a different snapshot that identifies variances between the two different methodologies of accounting for governmental activities and governmental funds.

The District maintains three individual governmental funds. Information is summarized in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund and Endowment Fund. Data from the three governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Basic Financial Statements can be found in the Table of Contents under the heading Notes to Financial Statements.

Required Supplementary Information and Supplementary Information

In addition to the basic financial statements and included within the notes, this report also presents Required Supplementary Information.

Required supplementary information includes budgetary comparison schedules for the two governmental funds to demonstrate compliance with the annual budget as adopted and amended, miscellaneous plan information and schedule of contributions. Required Supplementary Information can be found following the Notes to the Basic Financial Statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources as of June 30, 2020, by \$2.3 million (net position).

During the fiscal year ended June 30, 2020, net position was \$2.3 million of which nearly \$1.0 million is invested in capital assets such as land, equipment and buildings. Of the remaining total, nearly \$0.3 million is restricted for endowment care and nearly \$1.1 million is unrestricted. Of note is the fact that the District has no outstanding debt related to capital assets held.

Table 1 *Statement of Net Position –Governmental Activities*

Wildomar Cemetery District		
Statement of Net Position - Summary		
For the Years Ended June 30,		
<u>Governmental Activities</u>		
	<u>2021</u>	<u>2020</u>
Assets:		
Current and other assets	\$ 1,653,541	\$ 1,654,239
Capital assets	981,552	966,179
Total Assets	<u>2,635,093</u>	<u>2,620,418</u>
Deferred Outflows of Resources		
Deferred pension-related items	42,190	43,841
Total deferred outflows of resources	<u>42,190</u>	<u>43,841</u>
Liabilities:		
Other Liabilities	171,762	132,741
Long-term liabilities	221,589	218,323
Total Liabilities	<u>393,351</u>	<u>351,064</u>
Deferred inflows of resources:		
Deferred pension-related items	15,321	18,451
Total Deferred Inflows of Resources	<u>15,321</u>	<u>18,451</u>
Net Position:		
Net Investment in Capital Assets	981,552	966,179
Restricted	281,809	263,308
Unrestricted	1,005,250	1,065,257
Total Net Position	<u>\$ 2,268,611</u>	<u>\$ 2,294,744</u>

Table 2 Statement of Activities –Governmental Activities

Wildomar Cemetery District		
Statement of Activities		
For the Years Ended June 30,		
<u>Governmental Activities</u>		
	<u>2021</u>	<u>2020</u>
Revenues:		
<i>Program Revenues</i>		
Charges for Services	\$ 72,740	\$ 59,598
<i>General Revenues</i>		
Property Taxes	597,345	564,531
Investment Earnings	6,030	8,348
Miscellaneous	2,445	1,635
Total Revenues	<u>678,560</u>	<u>634,112</u>
Expenses:		
General Government	704,693	750,737
Total Expenses	<u>704,693</u>	<u>750,737</u>
Increase (decrease) in Net Position	(26,133)	(116,625)
Beginning Net Position	2,294,744	2,411,369
Restatement of Net Position	-	-
Ending Net Position	<u>\$ 2,268,611</u>	<u>\$ 2,294,744</u>

During fiscal year 2020-21, the change in net position decreased by \$26,133 when compared to fiscal year 2019-20. The year over year changes to revenues increased by \$44,448, with Property Taxes increasing by \$32,814, Charges for Services increasing by \$13,142, Miscellaneous increasing by \$810, and Investment Earnings decreasing by \$2,318. Expenses decreased year over year by \$46,044. Expenses decreased due to the completion of the District’s Cemetery Master Plan in FY 2019-20 and COVID direct expenses being charged to the City of Wildomar’s CARES Act funding.

Financial Analysis of Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

As stated, governmental fund financial statements identify current sources and uses of money. Benefits derived include a detailed *short-term view* of the District's general government operations and the basic services it provides, which assists in determining whether there are sufficient financial resources available to meet the District's current needs.

The financial position of the District's governmental funds has increased when compared to the previous fiscal year. The total ending fund balance for the District's governmental funds was \$1.5 million which represented a \$36,115 decrease from the prior fiscal year balance. Most of this decrease was related to additional personnel expenses and the completion of the District's Cemetery Master Plan.

The General Fund is the primary funding source for the District. At fiscal year end, the unassigned fund balance of the general fund was \$1.2 million.

CAPITAL ASSETS

The District's net investment in capital assets (Table 3) for its governmental activities as of June 30, 2021 is \$1.0 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements and furniture and equipment. For more information, please refer to Note 5 in the Notes to Financial Statements. The Capital Assets of the District are those assets which are used in the performance of the District's functions. Depreciation on capital assets is recognized in the Government-wide financial statements.

Additional detail information is provided on Capital Assets in the Notes to Financial Statements, Note 1.e.

Table 3 Summary of Changes in Capital Assets

Wildomar Cemetery District				
Summary of Changes in Capital Assets				
For the Year Ended June 30, 2021				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 963,390	\$ -	\$ -	\$ 963,390
Total Capital Assets, Not Being Depreciated	<u>963,390</u>	<u>-</u>	<u>-</u>	<u>963,390</u>
Capital Assets, being depreciated				
Buildings and Improvements	349,598	-	-	349,598
Furniture, Fixtures and Equipment	132,025	7,565	-	139,590
Total Capital Assets, Being Depreciated	<u>481,623</u>	<u>7,565</u>	<u>-</u>	<u>489,188</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(336,524)	(964)	-	(337,488)
Furniture, Fixtures and Equipment	(132,025)	(1,513)	-	(133,538)
Total Accumulated Depreciation	<u>(468,549)</u>	<u>(2,477)</u>	<u>-</u>	<u>(471,026)</u>
Total Capital Assets, being Depreciated, Net	13,074	5,088	-	18,162
Governmental Activities Capital Assets, Net	<u>\$ 976,464</u>	<u>\$ 5,088</u>	<u>\$ -</u>	<u>\$ 981,552</u>

LONG-TERM DEBT

At year end, the District had \$12,411 in outstanding long-term debt for Governmental Activities. This debt is related to compensated absences.

Table 4 Summary of Changes in Long-Term Liabilities

Wildomar Cemetery District					
Summary of Changes in Long-term Liabilities					
For the Years Ended June 30, 2021					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 9,447	\$ 5,326	\$ (2,362)	\$ 12,411	\$ 3,103
Total Long-term Liabilities	<u>\$ 9,447</u>	<u>\$ 5,326</u>	<u>\$ (2,362)</u>	<u>\$ 12,411</u>	<u>\$ 3,103</u>

ECONOMIC FACTORS AND OUTLOOK FOR FUTURE YEARS

The staff and Board of Trustees serve the residents by keeping cost of interments down, keeping staffing at minimum levels and performing most work with existing staff.

Key budget assumptions for forecasting General Fund revenues and expenditures include the following:

- Increase in property taxes due to increase in valuation.
- Reduce cost of water consumption.
- Effect of the district's reorganized boundaries
- Cemetery Master Plan

The Adopted Operating Budget for Fiscal Year 2021-22 is structurally balanced and attempts to balance accomplishment of the Trustee's goals and objectives while maintaining financial stability.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Wildomar Cemetery District finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Wildomar Cemetery District
Attention: Administrative Services Director
23873 Clinton Keith Road, Suite 201
Wildomar, California 92595

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BASIC FINANCIAL STATEMENTS

Wildomar Cemetery District
Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Cash and Investments	\$ 1,342,720
Restricted Cash and Investments	281,809
Due from Other Governments	24,619
Inventories	4,393
Capital Assets, Not Being Depreciated	963,390
Capital Assets, Net of Depreciation	18,162
Total Assets	2,635,093
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Items	42,190
Total Deferred Outflows of Resources	42,190
LIABILITIES	
Accounts Payable	11,073
Accrued Liabilities	31,469
Deposits Payable - Pre-Need	129,220
Noncurrent Liabilities:	
Due Within One Year	3,103
Due in More Than One Year:	
Compensated Absences	9,308
Net Pension Liability	209,178
Total Liabilities	393,351
DEFERRED INFLOWS OF RESOURCES	
Pension Related Items	15,321
Total Deferred Inflows of Resources	15,321
NET POSITION	
Net Investment in Capital Assets	981,552
Restricted for:	
Endowment Care	281,809
Unrestricted	1,005,250
Total Net Position	\$ 2,268,611

The accompanying notes are an integral part of this statement.

Wildomar Cemetery District
Statement of Activities
For the Year Ended June 30, 2021

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:					
General Government	\$ 704,693	\$ 72,740	\$ -	\$ -	\$ (631,953)
Total Governmental Activities	\$ 704,693	\$ 72,740	\$ -	\$ -	(631,953)

General Revenues:

Property Taxes	597,345
Investment Earnings	6,030
Miscellaneous	2,445
Total General Revenues	605,820
Change in Net Position	(26,133)
Net Position - Beginning of Year	2,294,744
Net Position - End of Year	\$ 2,268,611

The accompanying notes are an integral part of this statement.

Wildomar Cemetery District
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Capital Projects Fund	Endowment Fund	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 1,326,583	\$ 16,137	\$ -	\$ 1,342,720
Restricted Cash and Investments	-	-	281,809	281,809
Due from Other Governments	24,619	-	-	24,619
Inventories	4,393	-	-	4,393
	<u>\$ 1,355,595</u>	<u>\$ 16,137</u>	<u>\$ 281,809</u>	<u>\$ 1,653,541</u>
Total Assets				
LIABILITIES				
Accounts Payable	\$ 11,073	\$ -	\$ -	\$ 11,073
Accrued Liabilities	31,469	-	-	31,469
Deposits Payable - Pre-Need	129,220	-	-	129,220
	<u>171,762</u>	<u>-</u>	<u>-</u>	<u>171,762</u>
Total Liabilities				
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	8,371	-	-	8,371
	<u>8,371</u>	<u>-</u>	<u>-</u>	<u>8,371</u>
Total Deferred Inflows of Resources				
FUND BALANCES				
Nonspendable:				
Inventories	4,393	-	-	4,393
Permanent Fund Corpus	-	-	252,325	252,325
Restricted for:				
Capital Projects	-	16,137	-	16,137
Endowment Care	-	-	29,484	29,484
Unassigned	1,171,069	-	-	1,171,069
	<u>1,175,462</u>	<u>16,137</u>	<u>281,809</u>	<u>1,473,408</u>
Total Fund Balances				
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,355,595</u>	<u>\$ 16,137</u>	<u>\$ 281,809</u>	<u>\$ 1,653,541</u>

The accompanying notes are an integral part of this statement.

Wildomar Cemetery District
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2021

Fund Balances of Governmental Funds	\$	1,473,408
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
Capital assets net of depreciation have not been included as financial resources in government fund activity.		981,552
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		8,371
Deferred outflows and inflows of resources related to pensions that are required to be recognized over a defined closed period.		
Pension Related Deferred Outflows of Resources		42,190
Pension Related Deferred Inflows of Resources		(15,321)
Liabilities that are not due and payable in the current period and are not reported in the funds.		
Net Pension Liability		(209,178)
Compensated Absences		(12,411)
		(221,589)
Net Position of Governmental Activities	\$	2,268,611

The accompanying notes are an integral part of this statement.

Wildomar Cemetery District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Capital Projects Fund	Endowment Fund	Total Governmental Funds
REVENUES				
Property Taxes	\$ 600,949	\$ -	\$ -	\$ 600,949
Charges for Services	58,740	-	14,000	72,740
Investment Earnings	1,512	17	4,501	6,030
Miscellaneous	2,445	-	-	2,445
	<u>663,646</u>	<u>17</u>	<u>18,501</u>	<u>682,164</u>
EXPENDITURES				
Current:				
Personnel Services	371,368	-	-	371,368
Materials and Services	211,317	17	-	211,334
Capital Outlay	9,465	26,314	-	35,779
	<u>592,150</u>	<u>26,331</u>	<u>-</u>	<u>618,481</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>71,496</u>	<u>(26,314)</u>	<u>18,501</u>	<u>63,683</u>
OTHER FINANCING SOURCES (USES)				
Contributions from Other Governments	-	26,314	-	26,314
Contributions to Other Governments	<u>(126,112)</u>	<u>-</u>	<u>-</u>	<u>(126,112)</u>
	<u>(126,112)</u>	<u>26,314</u>	<u>-</u>	<u>(99,798)</u>
Net Change in Fund Balances	(54,616)	-	18,501	(36,115)
Fund Balances - Beginning of Year	<u>1,230,078</u>	<u>16,137</u>	<u>263,308</u>	<u>1,509,523</u>
Fund Balances - End of Year	<u><u>\$ 1,175,462</u></u>	<u><u>\$ 16,137</u></u>	<u><u>\$ 281,809</u></u>	<u><u>\$ 1,473,408</u></u>

The accompanying notes are an integral part of this statement.

Wildomar Cemetery District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ (36,115)

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

Governmental funds report capital outlay as an expenditure in the full amount as current financial resources are used. However, in the Statement of Activities the cost of these assets is allocated over the estimated useful life as depreciation expense.

Capital Outlay	7,565
Depreciation Expense	(2,477)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	6,681
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Governmental funds report activity of long-term liabilities as revenues and expenditures, but they are included as increases and reductions on the long-term liabilities in the Statement of Net Position.

Net Change in Compensated Absences	(2,964)
Net Change in the Net Pension Liability	1,177

Change in Net Position of Governmental Activities	\$ (26,133)
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Wildomar Cemetery District
Notes to Financial Statements
June 30, 2021

I.) SIGNIFICANT ACCOUNTING POLICIES

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Wildomar Cemetery District (the “District”) conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial principles. The following is a summary of the significant accounting policies.

a. Description of the Reporting Entity

The Wildomar 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 District was created on March 28, 1955 for the purpose of operating a public cemetery for the residents of Wildomar, California. On July 28, 2011, the District was consolidated into the City of Wildomar as a subsidiary district. As a result the structure of the District is a separate legal entity and the City Council of the City of Wildomar would oversee the operations of the District acting as the Board of Directors.

The accompanying financial statements comply with the provisions of GASB in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the Organization’s governing body and either (1) the District’s ability to impose its will over the Organization or (2) the potential that the Organization will provide a financial benefit to, impose a financial burden on, the District. Using these criteria, the District has no component units.

The District is a component unit of the City of Wildomar and, accordingly, the financial statements of the District are included in the financial statements of the City. The District is an integral part of the reporting entity of the City of Wildomar. Only the funds of the District are included herein, therefore, these financial statements do not purport to represent the financial position or results of operations of the City. The District is reported as a discretely presented component unit of the City of Wildomar.

b. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

The District has implemented GASB No. 84, Fiduciary Activities, however, this Statement has no impact to the District’s financial statements.

c. Basis of Presentation

The District has conformed to the pronouncements of the GASB, which are the primary authoritative statements of accounting principles generally accepted in the United States of America applicable to state and local governments.

Wildomar Cemetery District
Notes to Financial Statements
June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

c. Basis of Presentation - Continued

Government-wide 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 reporting entity. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Currently, the District does not report any business-type activities.

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 expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the District include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Taxes and other items that are properly not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Currently, the District does not have any proprietary or fiduciary fund types. Major individual governmental funds are reported as separate columns in the fund financial statements.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances within the District have been eliminated on the statement of net position and the statement of activities.

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within the 60 days of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Wildomar Cemetery District
Notes to Financial Statements
June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

The District reports the following major governmental funds:

The *General 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 services, rents, property taxes and interest. 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 Directors.

The *Capital Projects Fund* is used to account for financial resources used in making major capital improvement projects for the Cemetery. The resources are derived from the City of Wildomar.

The *Endowment Fund* is used to account for financial resources to be used for future maintenance of the Cemetery. The resources are derived from an endowment care fee assessed on each sale of a burial right and earnings on these resources. Only income earned on these resources may be used for services, supplies or capital asset acquisitions. The principal must be preserved intact.

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

e. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

The District has defined cash and cash equivalents to include cash on hand, demand deposits, cash with fiscal agent, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are recorded at fair value. The estimated fair value of all investments is the quoted market price. Interest earned on all cash and investments is credited to the fund which holds the investment.

Restricted Assets

Certain resources are classified as restricted on the balance sheet because their use is limited to use in the future when the Cemetery no longer has space available to sell for burial rights.

Inventories

Inventory is valued at cost, which approximates fair value, on a first-in, first-out basis. These costs are recorded as expenditure when consumed rather than when purchased.

Wildomar Cemetery District
Notes to Financial Statements
June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

e. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity - Continued

Capital Assets

Capital assets, which includes land, building, improvements, equipment, and infrastructure assets are reported in the governmental activities column in the government-wide statement of net position but are not reported in the fund financial statements. Capital assets are stated at cost (or estimated historical cost) and updated for additions or retirements during the year. Infrastructure and improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' life are not. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets are depreciated using the straight-line method over the following useful lives:

Assets	Years
Buildings and Improvements	10 to 15 years
Furniture, Fixtures and Equipment	3 to 10 years

Costs of assets sold or retired (and related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement of the related fund. In governmental funds, the sale of general capital assets is included in the statement of revenues, expenditures and changes in fund balances as proceeds from sale of assets.

Property Taxes

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

Fund Equity

Fund balance in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The District considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Wildomar Cemetery District
Notes to Financial Statements
June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

e. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity - Continued

Fund Equity - Continued

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact.

Restricted Fund Balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (though constitutional provisions or enabling legislation).

Committed Fund Balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the Board of Directors, who is government's highest level of decision-making authority.

Assigned Fund Balance - Amounts that are constrained by the District's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body, or by an official to whom the authority has been given.

Unassigned Fund Balance - These are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other categories, or negative balances in all other funds.

Net Position

Net position presents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources, in the statement of net position. Net investment in capital assets is reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by the District, laws or regulations of other governments.

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, deferred outflows/inflows of resources, and liabilities and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Wildomar Cemetery District
Notes to Financial Statements
June 30, 2021

II.) DETAILED NOTES ON ALL FUNDS

2) CASH AND INVESTMENTS

Cash and Investments are classified in the accompanying financial statements as follows:

Cash and Investments	\$ 1,342,720
Restricted Cash and Investments	<u>281,809</u>
Total Cash and Investments	<u>\$ 1,624,529</u>

At June 30, 2021, Cash and investments consisted of the following:

Deposits with Financial Institutions	\$ 1,357,971
Investments	<u>266,558</u>
Total Cash and Investments	<u>\$ 1,624,529</u>

The District invested cash from the Endowment Fund for the purpose of increasing earnings through investment activities. Cash not invested is held by the City of Wildomar in pooled accounts. These are identified by the District and the City by individual funds.

Deposits

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City's deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC.

The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local government agency. Accordingly, all collateral held by California Agent of Depository are considered to be held for, and in the name of, the local governmental agency.

Wildomar Cemetery District
Notes to Financial Statements
June 30, 2021

2) CASH AND INVESTMENTS - Continued

Authorized Investments

The following table identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
U.S. Treasuries	5 years	None	None
Money Market Mutual Funds	N/A	20%	None
Certificates of Deposit	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Federal Agency Securities	5 years	None	None
Banker's Acceptance Notes	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	5%
Joint Powers Authority Investment Pools	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuation are presented below:

Investment Type	Total	12 Months Or Less	13 to 24 Months	25 to 60 Months
Money Market Mutual Funds	\$ 266,558	\$ 266,558	\$ -	\$ -
Total	<u>\$ 266,558</u>	<u>\$ 266,558</u>	<u>\$ -</u>	<u>\$ -</u>

Wildomar Cemetery District
Notes to Financial Statements
June 30, 2021

2) CASH AND INVESTMENTS - Continued

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code and the actual ratings as of the year end for the Pool.

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Rated Aaa/AAA</u>
Money Market Mutual Funds	\$ <u>266,558</u>	N/A
Total	\$ <u>266,558</u>	\$ <u>266,558</u>

Concentration of Credit Risk

The California Government Code places limitations on the amount that can be invested in any one issuer. There were no investments in any one issuer (other than U.S. Treasury Securities, mutual funds and external investment pools) that represent 5% or more of total investments as of June 30, 2021.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. 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 California Government Code does not contain legal requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2021, all deposits with financial institutions in excess of federal depository insurance limit were held in collateralized accounts where the collateral is not held specifically in the name of the District, as described above. As of June 30, 2021, the District did not have any investments held by a broker-dealer (counterparty) that was used by the District to buy the securities.

Wildomar Cemetery District
Notes to Financial Statements
June 30, 2021

3) FAIR VALUE MEASUREMENTS

Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurements and Application, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 given the highest priority and Level 3 the lowest priority. The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within *Level 1* that are observable for the asset or liability, either directly or indirectly. *Level 2* inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level 3 inputs are unobservable inputs for the asset or liability.

Fair value of assets measured on a recurring basis at June 30, 2021, are as follows:

	Fair Value	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Money Market Mutual Funds	\$ 266,558	\$ -	\$ 266,558
Total	<u>\$ 266,558</u>	<u>\$ -</u>	<u>\$ 266,558</u>

Fair values for investments are determined by using a matrix pricing technique. Matrix pricing is used to value securities based on the security's relationship to benchmark quoted prices.

Wildomar Cemetery District
Notes to Financial Statements
June 30, 2021

4) CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 963,390	\$ -	\$ -	\$ 963,390
Total Capital Assets, Not Being Depreciated	963,390	-	-	963,390
Capital Assets, Being Depreciated				
Buildings and Improvements	349,598	-	-	349,598
Furniture, Fixtures and Equipment	132,025	7,565	-	139,590
Total Capital Assets Being Depreciated	481,623	7,565	-	489,188
Less Accumulated Depreciated for:				
Buildings and Improvements	(336,524)	(964)	-	(337,488)
Furniture, Fixtures and Equipment	(132,025)	(1,513)	-	(133,538)
Total Accumulated Depreciation	(468,549)	(2,477)	-	(471,026)
Total Capital Assets Being Depreciated, Net	13,074	5,088	-	18,162
Governmental Activities Capital Assets, Net	<u>\$ 976,464</u>	<u>\$ 5,088</u>	<u>\$ -</u>	<u>\$ 981,552</u>

Depreciation expense of \$5,088 was charged to general government expense on the government-wide statements.

5) DEPOSITS PAYABLE - PRE-NEED

Included in deposits payable - pre-need is \$129,220 which represents monies collected and held by the District in advance of services.

Wildomar Cemetery District
Notes to Financial Statements
June 30, 2021

6) COMPENSATED ABSENCES PAYABLE

Compensated absences activity for the year ended June 30, 2021 was as follows:

Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
\$ 9,447	\$ 5,326	\$ (2,362)	\$ 12,411	\$ 3,103

The liability for compensated absences will be paid in future years from the General Fund.

7) PENSION PLAN

A) General Information about the Pension Plans

Plan Description

All full time employees are eligible to participate in the District’s Miscellaneous Employee Pension Plan, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District’s resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Eligible employees hired after January 1, 2013 that, are considered new members as defined by the Public Employees’ Pension Reform Act (PEPRA) are participating in the PEPRA Miscellaneous Plan.

Benefits Provided

CalPERS, provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service as discussed above. Members with five years of total service are eligible to retire at age 50 or 52 if in the PEPRA Miscellaneous Plan with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The system also provides for the Optional Settlement 2W Death Benefit, as well as the 1959 Survivor Benefit. The cost of living adjustments for all plans are applied as specified by the Public Employees’ Retirement Law.

Wildomar Cemetery District
Notes to Financial Statements
June 30, 2021

7) PENSION PLAN - Continued

A) General Information about the Pension Plans - Continued

Benefits Provided - Continued

The rate plan provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formulas	2.7% at 55	2% at 62
Benefit Vesting Schedule	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 55+	52 - 67+
Monthly Benefits, as a % of Eligible Compensation	2.0% - 2.7%	1.0% - 2.5%
Required Employee Contribution Rates ⁽¹⁾	N/A	N/A
Required Employer Contribution Rates	N/A	N/A

⁽¹⁾The District currently has no employees and all services are performed by City Employees.

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 both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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.

The District's contributions to the Plan for the year ended June 30, 2021 were \$23,030.

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

As of June 30, 2021, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$209,178.

The District 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, 2020 and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Wildomar Cemetery District
Notes to Financial Statements
June 30, 2021

7) PENSION PLAN - Continued

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

The District's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2021 measurement periods were as follows:

	CalPERS Pension Plan
Proportion - June 30, 2020	0.00204%
Proportion - June 30, 2021	0.00192%
Change - Increase (Decrease)	(0.00012%)

For the year ended June 30, 2021, the District recognized pension expense (credit) of \$21,854. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 23,030	\$ -
Change of assumptions	-	1,492
Differences between expected and actual experience	10,780	-
Difference between projected and actual investment earnings	6,214	-
Differences between employer's contributions and Proportionate share of contributions	2,166	-
Changes in employer's proportion	-	13,829
	\$ 42,190	\$ 15,321
Total		

Wildomar Cemetery District
Notes to Financial Statements
June 30, 2021

7) PENSION PLAN - Continued

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

The District reported \$23,030 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/Inflows of Resources
2022	\$ (4,351)
2023	2,647
2024	2,562
2025	2,981
2026	-
Thereafter	-
	<u>\$ 3,839</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	CalPERS Pension Plan
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Depending on age, service, and type of employment
Mortality	CalPERS Membership Data ⁽¹⁾

⁽¹⁾ The Mortality Rate Table was derived using CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. The table includes 15 years of projected mortality improvements using Society of Actuaries Scale 90% of scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Wildomar Cemetery District
Notes to Financial Statements
June 30, 2021

7) **PENSION PLAN - Continued**

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

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contributions rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of project benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

Wildomar Cemetery District
Notes to Financial Statements
June 30, 2021

7) PENSION PLAN - Continued

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

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

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	-	0.77%	1.80%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	-	-0.92%
Total	<u>100%</u>		

(a) In the System's Comprehensive Annual Financial Report, Fixed Income is included in Global Debt Securities; Liquidity is included

in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.00% used for this period.

(c) An expected inflation of 2.92% used for this period.

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

The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	CalPERS Pension Plan
1% Decrease	6.15%
Net Pension Liability	\$ 298,058
Current Discount Rate	7.15%
Net Pension Liability	\$ 209,178
1% Increase	8.15%
Net Pension Liability	\$ 135,739

Wildomar Cemetery District
Notes to Financial Statements
June 30, 2021

7) PENSION PLAN - Continued

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

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

8) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District obtains insurance coverage.

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 disaster. The District contracted with Golden State Risk Management Authority for liability, property, and crime damage. Policy limits of \$50,000,000 per occurrence for general liability. Policy is written on an Occurrence Form and includes Automobile liability coverage, Officers and Board of Trustees Errors and Omissions and Pollution liability coverage. There is no aggregate limit on this coverage. Property coverage is all risk, replacement cost and provides up to \$600,000,000 maximum payment per coverage loss. Coverage includes Automobile Physical Damage, Mobile Equipment and Boller and Machinery.

The District has had no significant reduction in insurance coverage from prior years. The District has had no settlements exceed insurance coverage for the past three years.

Worker's compensation coverage is maintained by paying premiums to Golden State Risk Management Authority. Policy limits match statutory limits on a per occurrence basis and includes Employer Liability Coverage with policy limits of \$5,000,000 per occurrence.

Liabilities of the City are reported when it is probable that a loss has occurred and the amount of the loss can be reasonable estimated. Liabilities include an amount for claims that have been incurred by not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of economic and social factors. The estimate of the claims liability also includes amount s for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

Wildomar Cemetery District
Notes to Financial Statements
June 30, 2021

9) COMMITMENTS AND CONTINGENCIES

As of June 30, 2021, in the opinion of the District's Administration, there are no outstanding matters which would have a significant affect on the financial condition of the funds of the District.

COVID-19

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The pandemic continued subsequent to year end with certain restrictions required by the Governor of California, as well as local governments, which may affect revenue sources and also caused subsequent stock market volatility. The duration of the pandemic and the impact of COVID-19 on the District's operational and financial performance is uncertain at this time.

REQUIRED SUPPLEMENTARY INFORMATION

Wildomar Cemetery District
Notes to Required Supplementary Information
June 30, 2021

a. Budgetary Data

The District follows these procedures, in establishing budgetary data reflected in the Required Supplemental Information - Budgetary Schedules:

The Board of Directors approves each year's budget prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Board. Supplemental appropriations, were required during the period, are also approved by the Board. In most cases, expenditures may not exceed appropriations at the function level. At fiscal year-end, all operating budget appropriations lapse. The General Fund is the only fund for which an annual budget is legally adopted on a basis consistent with generally accepted accounting principles (GAAP).

b. Excess of Expenditures over Appropriations

There were no expenditures in excess of appropriations for the current fiscal year.

Wildomar Cemetery District
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,230,078	\$ 1,230,078	\$ 1,230,078	\$ -
Resources (Inflows):				
Property Taxes	524,200	594,300	600,949	6,649
Charges for Services	39,800	85,300	58,740	(26,560)
Investment Earnings	-	-	1,512	1,512
Miscellaneous	1,000	2,500	2,445	(55)
	<u>1,795,078</u>	<u>1,912,178</u>	<u>1,893,724</u>	<u>(18,454)</u>
Amounts Available for Appropriations	<u>1,795,078</u>	<u>1,912,178</u>	<u>1,893,724</u>	<u>(18,454)</u>
Charges to Appropriations (Outflows):				
Current:				
Personnel Services	338,100	384,900	371,368	13,532
Materials and Services	259,200	241,600	211,317	30,283
Capital Outlay	3,000	9,900	9,465	435
Contributions to Other Governments	60,500	60,500	126,112	(65,612)
	<u>660,800</u>	<u>696,900</u>	<u>718,262</u>	<u>(21,362)</u>
Total Charges to Appropriations	<u>660,800</u>	<u>696,900</u>	<u>718,262</u>	<u>(21,362)</u>
Budgetary Fund Balance, June 30	<u><u>\$ 1,134,278</u></u>	<u><u>\$ 1,215,278</u></u>	<u><u>\$ 1,175,462</u></u>	<u><u>\$ (39,816)</u></u>

Wildomar Cemetery District
Schedule of the District's Proportionate Share of the Net Pension Liability
CalPERS Pension Plan
Last Ten Years⁽¹⁾
As of June 30, 2021

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.00249%	\$ 171,037	\$ -	0%	70.99%
2017	0.00226%	\$ 195,159	\$ -	0%	67.26%
2018	0.00215%	\$ 213,644	\$ -	0%	66.49%
2019	0.00211%	\$ 203,561	\$ -	0%	67.69%
2020	0.00204%	\$ 208,876	\$ -	0%	68.44%
2021	0.00192%	\$ 209,178	\$ -	0%	68.68%

Notes to Schedule:

Benefit Changes. In 2021, there was no benefit terms modified.

Changes in Assumptions. For the 2021 fiscal year the discount rate remained the same, 7.15 percent. In 2016 fiscal year the discount rate was changed from 7.5 percent (net of administrative expenses) to 7.65 percent to correct for an adjustment to exclude administrative expenses.

⁽¹⁾ Historical information is required only for measurement periods for which GASB 68 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

⁽²⁾ The District's plan is still open, however does not have any active employees, therefore, no current payroll.

Wildomar Cemetery District
Schedule of Contributions
CalPERS Pension Plan
Last Ten Years⁽¹⁾
As of June 30, 2021

Fiscal Year	Contractually Required Contribution (Actuarially Determined)	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll ⁽²⁾	Contributions as a Percentage of Covered Payroll
2016	\$ 13,537	\$ (13,537)	\$ -	\$ -	0%
2017	\$ 15,113	\$ (15,113)	\$ -	\$ -	0%
2018	\$ 17,619	\$ (17,619)	\$ -	\$ -	0%
2019	\$ 22,343	\$ (22,343)	\$ -	\$ -	0%
2020	\$ 20,744	\$ (20,744)	\$ -	\$ -	0%
2021	\$ 23,030	\$ (23,030)	\$ -	\$ -	0%

⁽¹⁾Historical information is required only for measurement periods for which GASB 68 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

⁽²⁾The District's plan is still open, however does not have any active employees, therefore, no current payroll.

SUPPLEMENTARY INFORMATION

Wildomar Cemetery District
Budgetary Comparison Schedule
Capital Projects Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 16,137	\$ 16,137	\$ 16,137	\$ -
Resources (Inflows):				
Investment Earnings	-	-	17	17
Contributions from Other Governments	-	-	26,314	26,314
Amounts Available for Appropriations	<u>16,137</u>	<u>16,137</u>	<u>42,468</u>	<u>26,331</u>
Charges to Appropriations (Outflows):				
Current:				
Materials and Services	-	-	17	(17)
Capital Outlay	-	51,000	26,314	24,686
Total Charges to Appropriations	<u>-</u>	<u>51,000</u>	<u>26,331</u>	<u>24,669</u>
Budgetary Fund Balance, June 30	<u>\$ 16,137</u>	<u>\$ (34,863)</u>	<u>\$ 16,137</u>	<u>\$ 51,000</u>

Wildomar Cemetery District
Budgetary Comparison Schedule
Endowment Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 263,308	\$ 263,308	\$ 263,308	\$ -
Resources (Inflows):				
Charges for Services	11,000	33,000	14,000	(19,000)
Investment Earnings	6,400	7,100	4,501	(2,599)
	<u>280,708</u>	<u>303,408</u>	<u>281,809</u>	<u>(21,599)</u>
Amounts Available for Appropriations	<u>280,708</u>	<u>303,408</u>	<u>281,809</u>	<u>(21,599)</u>
Budgetary Fund Balance, June 30	<u><u>\$ 280,708</u></u>	<u><u>\$ 303,408</u></u>	<u><u>\$ 281,809</u></u>	<u><u>\$ (21,599)</u></u>