

**PORTERVILLE PUBLIC CEMETERY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

1. Summary of Significant Accounting Policies (Continued)

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

**Net investment in capital assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Balance as of June 30, 2021 was \$1,239,545.

**Restricted net position** - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Nonexpendable and Expendable balances as of June 30, 2021 were \$2,022,953 and \$568,315, respectively.

**Unrestricted net position** - All other net position that does not meet the definition of "restricted" or "net investment in capital assets". Designated Reserves and Unassigned balances as of June 30, 2021 were \$380,000 and \$150,873, respectively.

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2021, fund balance for governmental funds is made up of the following:

**Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.

**Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

**Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the District that can, by adoption of a motion, commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

**PORTERVILLE PUBLIC CEMETERY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

1. Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

**Assigned fund balance** - amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.

**Unassigned fund balance** - the residual classification for the District's General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

Reserves of Net Position

The District records reserves and also designates amounts, to indicate that a portion of the general or endowment fund is segregated for specific future uses. All principal endowment care funds are reserved for future cemetery maintenance.

The District has also designated amounts in the general fund for capital improvements and equipment replacement of \$380,000.

Revenue Recognition - Property Taxes

Real property taxes attach as an enforceable lien on property five years from the end of the applicable tax year. Unsecured property taxes attach as an enforceable lien after the penalty date, which varies depending upon when the unsecured taxes were billed. Taxes are levied on March 1, and are due and payable at that time. One half of the unpaid real property taxes levied March 1, become delinquent December 10, of the current year and the remaining half become delinquent April 10, of the following year.

Property tax revenues are recognized when they become available. Available includes those property tax receivable expected to be collected within thirty days after year end. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Management's Review

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through March 11, 2022, the date the financial statements were available to be issued.



**PORTERVILLE PUBLIC CEMETERY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**2. Cash and Investments**

The District's cash and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

	<u>General Fund</u>	<u>Endowment Care Fund</u>	<u>Total</u>
Deposits:			
Cash on Hand and in Banks	\$ 18,467	\$ 1,759	\$ 20,226
Certificates of Deposits	-	204,396	204,396
Pooled Funds:			
Cash in County Treasury Investment Fund	<u>1,534,537</u>	<u>2,385,113</u>	<u>3,919,650</u>
<b>Total Cash and Investments</b>	<b><u>\$ 1,553,004</u></b>	<b><u>\$ 2,591,268</u></b>	<b><u>\$ 4,144,272</u></b>

The District's cash in the Tulare County Treasury is pooled with other entities and invested in several types of investments. The total of Tulare County Investments as of June 30, 2021 was as follows:

<u>Credit Rating</u>	<u>Book Value</u>	<u>% of Portfolio</u>
AAA	\$ 170,619,982	8%
A-1+/A-1(Short-Term Rating)	366,321,235	17%
A-2 (Short-Term Rating)	14,964,271	1%
AA	1,056,644,117	49%
A	234,306,888	11%
BBB**	19,004,104	1%
Not Rated ***	103,290,580	5%
Cash****	<u>178,337,544</u>	<u>8%</u>
<b>Total</b>	<b><u>\$ 2,143,488,721</u></b>	<b><u>100%</u></b>

\*\*Securities rated in the BBB category by S&P are rated A- or equivalent or better by at least one NRSRO or were rated A- or the equivalent or better by at least one NRSRO at time of purchase.

\*\*\*The portion of the portfolio that is invested in LAIF, the State of California pooled investment fund, is not rated. The remaining portion not rated comprises individual securities with ratings of A- or the equivalent or better by at least one NRSRO.

\*\*\*\*Fully collateralized in accordance with California government code.

**PORTERVILLE PUBLIC CEMETERY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

2. Cash and Investments (Continued)

Investments Authorized by the District's Investment Policy

The District's investment policy authorizes investment in the local government investment pool administered by the County of Tulare, California and time certificates of deposit. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk.

Disclosures Relating to 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. As of June 30, 2021, the weighted average maturity of the investments contained in the County of Tulare investment pool is approximately 628 days.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment.

<u>Investment Type</u>	<u>Amount</u>	<u>Maturity Date</u>
County Investment Pool	\$ 3,919,650	628 Days

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County of Tulare Investment Pool does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investment policy of the County contains a limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. In addition, the investment policy of the County also requires that no investments in any one issuer that represents 10% or more of the total County's investments.

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 California Government Code and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental 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.



**PORTERVILLE PUBLIC CEMETERY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

2. Cash and Investments (Continued)

Custodial Credit Risk (Continued)

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 possession of another party. The California Government Code and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

The County is a voluntary participant in the State Treasurer's Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported at amounts based upon the County's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The Tulare County Treasury is authorized to invest in the following:

A listing of the securities owned by the Tulare County as of June 30, 2021 is shown below:

	<u>Portfolio Composition</u>		<u>% of Portfolio</u>	<u>% Permitted by Policy</u>
	<u>Book Value</u>	<u>Market Value</u>		
U.S. Treasuries	\$ 459,691,212	\$ 469,297,782	21%	100%
Federal Agencies	448,976,994	450,757,579	21%	75%
Agency Mortgage Backed Securities	44,221,792	44,455,110	2%	75%
U.S. Instrumentalities-Supranationals	31,127,994	31,507,476	1%	30%
Negotiable Certificates of Deposit	228,145,231	228,715,867	11%	30%
Corporate Bonds and Notes	288,156,912	293,362,283	13%	30%
Municipal Obligations	61,134,358	61,594,916	3%	30%
Asset Backed Securities	34,784,905	35,076,115	2%	20%
Commercial Paper	191,535,274	191,566,505	9%	40%
Local Agency Investment Fund	74,500,669	74,500,669	4%	\$75 Million
CAMP	99,674,306	99,674,306	5%	50%
Money Market Funds	3,201,530	3,201,530	<1%	15%
Money Market Accounts	52,833,766	52,833,766	2%	50%
Cash	125,503,778	125,503,778	6%	100%
<b>Total</b>	<b>\$ 2,143,488,721</b>	<b>\$ 2,162,047,681</b>	<b>100%</b>	

All cash is payable to the District upon demand. Porterville Public Cemetery District's portion of the pooled funds at June 30, 2021 was \$3,919,650.

**PORTERVILLE PUBLIC CEMETERY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**3. Inventory**

The District maintains an inventory of vaults, urn vaults and grave liners for plots used in the current year. In addition, the District has 108 pre-installed niches for which cost is being depleted as niches are sold. At June 30, 2021, 87 of these vaults remained unsold.

As of June 30, 2021, inventory consisted of the following:

Inventory		
Vaults, Urns, and Grave Liners	\$	11,726
Columbarium Inventory		
Pre-Installed Niches, Net		<u>28,438</u>
 Total	 \$	 <u><u>40,164</u></u>

**4. Capital Assets**

The following is a summary of the changes in capital assets:

	Balance 07/01/20	Additions	Deletions	Balance 06/30/21
<b>Non-Depreciable Capital Assets</b>				
Land and Land Improvements	\$ 302,833	\$ -	\$ -	\$ 302,833
 <b>Depreciable Capital Assets</b>				
Buildings and Improvements	2,151,589	166,957	-	2,318,546
Equipment	542,449	-	2,349	540,100
 Total Depreciable Capital Assets	<u>2,694,038</u>	<u>166,957</u>	<u>2,349</u>	<u>2,858,646</u>
 <b>Less Accumulated Depreciation</b>				
Buildings and Improvements	1,370,424	86,299	-	1,456,723
Equipment	441,709	25,851	2,349	465,211
 Total Accumulated Depreciation	<u>1,812,133</u>	<u>112,150</u>	<u>2,349</u>	<u>1,921,934</u>
 Net Depreciable Capital Assets	<u>881,905</u>	<u>54,807</u>	<u>-</u>	<u>936,712</u>
 Total Capital Assets, Net	<u>\$ 1,184,738</u>	<u>\$ 54,807</u>	<u>\$ -</u>	<u>\$ 1,239,545</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ <u>112,150</u>
 Total Depreciation Expense	 \$ <u><u>112,150</u></u>



**PORTERVILLE PUBLIC CEMETERY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

6. Fund Balances

The fund balances for all governmental funds as of June 30, 2021, were distributed as follows:

	<u>General Fund</u>	<u>Permanent Fund</u>	<u>Total</u>
<b>Nonspendable</b>			
Prepaid Costs	\$ 25,418	\$ -	\$ 25,418
Inventory	11,726	-	11,726
Endowment - Nonspendable	-	2,022,953	2,022,953
Subtotal	<u>37,144</u>	<u>2,022,953</u>	<u>2,060,097</u>
<b>Restricted for:</b>			
Endowment - Spendable	-	568,315	568,315
Subtotal	<u>-</u>	<u>568,315</u>	<u>568,315</u>
<b>Assigned to:</b>			
Designated Reserves	<u>380,000</u>	-	<u>380,000</u>
Subtotal	380,000	-	380,000
Unassigned	<u>635,953</u>	-	<u>635,953</u>
Total	<u>\$ 1,053,097</u>	<u>\$ 2,591,268</u>	<u>\$ 3,644,365</u>

**PORTERVILLE PUBLIC CEMETERY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

7. Pension Plan

Plan Description

The Miscellaneous 2% at 60 Risk Pool is a cost-sharing multiple-employer defined benefit plan. It provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Miscellaneous Pool is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent-multiple-employer plan administered by CalPERS, which acts as common investment and administrative agent for participating public employees within the State of California. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. State statutes within the Public Employees' Retirement System establish menus of benefit provisions, as well as other requirements. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report which is publicly available and can be obtained at CalPERS' website under Forms and Publications.

Benefits Provided

The basic benefit will be 2% of "final compensation" for each year of credited service upon retirement at age 60. Final compensation is defined as the average monthly pay during the last 36 consecutive months of work or another period of 36 consecutive months selected by the member if the average pay rate was higher.

Contributions

Active plan members in the Miscellaneous Plan of the Porterville Public Cemetery are required to contribute 7.00% of their annual covered salary to CalPERS. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The average required employer contribution rate for fiscal year 2020-2021 was 8.794%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

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

At June 30, 2021, the District reported a liability of \$692,145 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 entities, actuarially determined. At June 30, 2021 the District's proportion was 0.01641%, which was an increase of 0.00073% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2021, the District recognized pension expense of \$125,536. At June 30, 2021 the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:



**PORTERVILLE PUBLIC CEMETERY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

7. Pension Plan (Continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflow of Resources Related to Pensions (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in Assumption	\$ -	\$ 4,937
Difference Between Expected and Actual Experience	35,668	-
Difference Between Projected and Actual Investment Earnings	20,562	-
Difference Between Employer's Contributions and Proportionate Share of Contributions	-	14,839
Change in Employer's Proportion	41,720	-
Pension Contributions Made Subsequent to Measurement Date	<u>95,890</u>	<u>-</u>
<b>Total</b>	<b>\$ <u>193,840</u></b>	<b>\$ <u>19,776</u></b>

The \$95,890 of deferred outflows of resources resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Measurement Period	
Ending June 30,	\$
2022	21,694
2023	27,217
2024	19,402
2025	9,862
2026	-
Thereafter	<u>-</u>
<b>Total</b>	<b>\$ <u>78,175</u></b>

**PORTERVILLE PUBLIC CEMETERY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

7. Pension Plan (Continued)

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2020 measurement period was determined by an actuarial valuation as of June 30, 2019, with updated procedures used to roll forward total pension liability to June 30, 2020. The collective total pension liability was based on the following assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation Rate	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table *	Derived Using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

\* The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997-2015) that can be found on CalPERS' website.

Change in Assumption

There were no changes of assumptions during the measurement period ended June 30, 2020. Deferred inflows of resources for changes of assumptions presented in the Schedule of Collective Pension Amounts represents the unamortized portion of the changes of assumptions related to prior measurement periods.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, the amortization and smoothing periods recently adopted by the Board were used. The crossover test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained on CalPERS' website under the GASB 68 section.

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.



**PORTERVILLE PUBLIC CEMETERY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

7. Pension Plan (Continued)

Change in Assumption (Continued)

In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. 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 (11-60 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. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The long-term expected real rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021.

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

	Discount Rate -1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15%
Employer's Net Pension Liability	\$ 1,038,601	\$ 692,145	\$ 405,880

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report, available on CalPERS' website under Forms and Publications.

8. Risk Management

The District has purchased commercial insurance policies for various risks of loss related to torts; theft, damage or destruction of assets; wrongful acts; injuries to employees; and employee health and life. Payments of premiums for these policies are recorded as expenses of the District. Insurance settlements have not exceeded insurance coverage in any of the past three years. There are no significant reductions in coverage compared to the prior years.

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.



**PORTERVILLE PUBLIC CEMETERY DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUE</b>				
Property Taxes	\$ 328,315	\$ 328,315	\$ 346,531	\$ 18,216
Charges for Services	550,000	550,000	849,885	299,885
Interest	24,000	24,000	19,449	(4,551)
Use of Money and Property	43,000	43,000	-	(43,000)
Other	7,000	7,000	10,314	3,314
	<u>952,315</u>	<u>952,315</u>	<u>1,226,179</u>	<u>273,864</u>
Total Revenue				
<b>EXPENDITURES</b>				
Current general government:				
Salaries, Employee Benefits and Payroll Taxes	656,500	656,500	548,098	(108,402)
Clothing and Personal Supplies	2,000	2,000	1,787	(213)
Purchases of Grave Liners and Vaults	70,000	70,000	79,625	9,625
Repurchase of Lots	5,000	5,000	11,349	6,349
Insurance	30,000	30,000	22,153	(7,847)
Repairs, Maintenance and Grounds	55,000	55,000	33,124	(21,876)
Office Expenses	3,100	3,100	2,529	(571)
Professional and Legal Costs	43,000	43,000	42,972	(28)
Public Notices	200	200	-	(200)
Rent and Leases	3,500	3,500	2,755	(745)
Utilities and Fuel	31,000	31,000	28,880	(2,120)
Tax Administrative Fees	7,780	7,780	7,613	(167)
Telephone	5,100	5,100	4,966	(134)
Memberships	800	800	600	(200)
Miscellaneous	-	-	533	533
Training	2,000	2,000	-	(2,000)
Transportation and Travel	4,000	4,000	-	(4,000)
Contingencies	40,000	40,000	-	(40,000)
Capital Outlay	380,000	380,000	166,957	(213,043)
	<u>1,338,980</u>	<u>1,338,980</u>	<u>953,941</u>	<u>(385,039)</u>
Total Expenditures				
See independent auditor's report				

**PORTERVILLE PUBLIC CEMETERY DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<b>Net Change in Fund Balances</b>	\$ (386,665)	\$ (386,665)	\$ 272,238	\$ 658,903
<b>Fund Balances - Beginning</b>	781,279	781,279	781,279	-
Reclassification	<u>(420)</u>	<u>(420)</u>	<u>(420)</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 394,194</u>	<u>\$ 394,194</u>	<u>\$ 1,053,097</u>	<u>\$ 658,903</u>

See independent auditor's report

**PORTERVILLE PUBLIC CEMETERY DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2021  
LAST 10 YEARS\***

	Measurement Date				
	2020	2019	2018	2017	2016
District's Proportion of the Net Pension Liability	0.01641%	0.01568%	0.01484%	0.01406%	0.01316%
District's Proportionate Share of the Net Pension Liability \$	692,145 \$	627,936 \$	559,445 \$	554,334 \$	456,999
District's Covered-Employee payroll	\$ 321,842 \$	\$ 315,043 \$	\$ 295,875 \$	\$ 285,837 \$	\$ 298,240
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	215.06%	199.32%	189.08%	193.93%	153.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.70%	77.73%	77.69%	75.39%	75.87%

**Notes to Schedule:**

**Change in Benefit Terms** - For the measurement period ended June 30, 2020, 2019, 2018, 2017 and 2016 there were no changes to the benefit terms.

**Changes in Assumptions** - GASB 68 states that the long-term expected rate of return should be determined net pension plan investment expenses, but without reduction for pension plan administrative expense. As of June 2017 measurement date the financial reporting discount rate for the Plan was lowered from 7.65% to 7.15%.

\* Fiscal year 2017 (Measurement date 2016) was the 1st year of implementation, therefore only 5 years are shown.

See independent auditor's report



**PORTERVILLE PUBLIC CEMETERY DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
AS OF JUNE 30,  
LAST 10 YEARS\***

	Fiscal Year			
	2021	2020	2019	2017
Contractually Required Contributions (Actuarially Determined)	\$ 95,890	\$ 79,915	\$ 64,648	\$ 51,799
Contributions in Relation to the Contractually Required Contributions	<u>(95,890)</u>	<u>(79,915)</u>	<u>(64,648)</u>	<u>(51,799)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 343,530	\$ 321,842	\$ 315,043	\$ 285,837
Contribution as a Percentage of Covered-Employee Payroll	27.91%	24.83%	20.52%	18.12%

\* Fiscal year 2017 was the 1st year of implementation, therefore only 5 years are shown.

See independent auditor's report

**OTHER INDEPENDENT AUDITOR'S REPORT**



Gamaliel 'Gil' Aguilar, CPA  
Joanna G. Moffett, CPA  
Marilou Monsivais, CPA

Audit Manager  
Lynette A. Garcia, CPA

Allen C. Dimick, CPA, MBA  
Mihai I. Petrascu, CPA

Consultants  
William D. Pine, CPA  
Karen C. Pedroncelli, CPA  
Richard J. Artis II, CPA  
Aprille E. Wait, CPA

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

To the Board of Directors of  
Porterville Public Cemetery District  
Porterville, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Porterville Public Cemetery District, California (District) 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 and have issued our report thereon dated March 11, 2022.

**Internal Control Over Financial Reporting**

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

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

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



## Compliance and Other Matters

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

## Purpose of this Report

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

*Pine, Pedroncelli & Aguilar, Inc*

Visalia, California

March 11, 2022