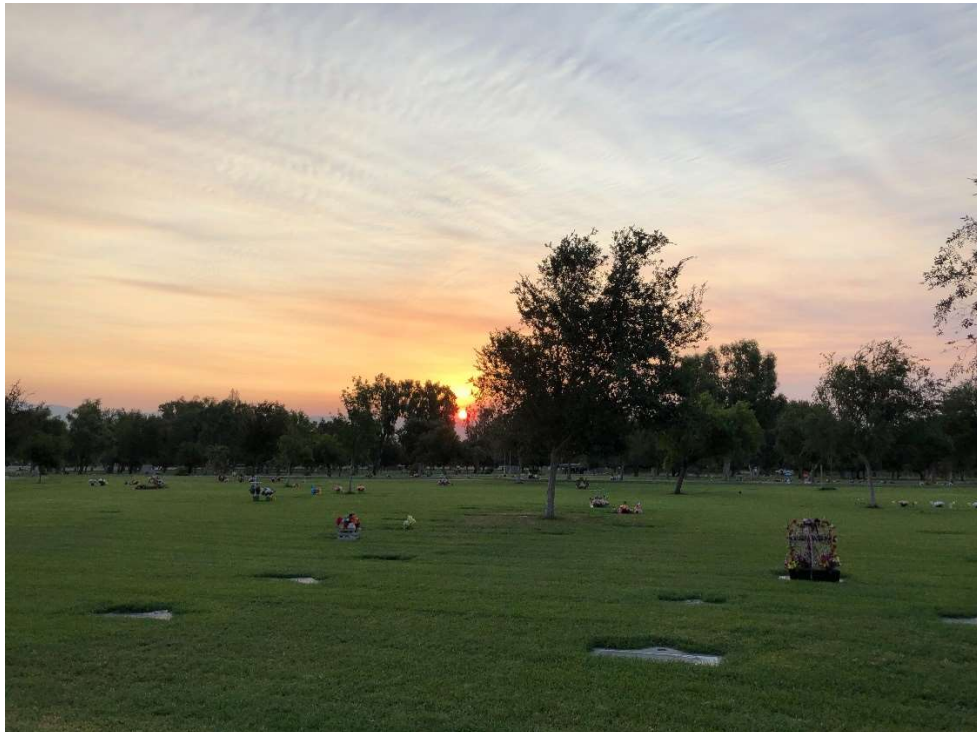


# **COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**

## **FINANCIAL STATEMENTS**

**June 30, 2019**



**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**BOARD OF TRUSTEES AND ADMINISTRATION**  
**JUNE 30, 2019**

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**BOARD OF TRUSTEES**

<b>MEMBER</b>	<b>OFFICE</b>
Dr. Bruce Underwood	President
Ernesto Rosales	Trustee
Judy Vossler	Trustee
John Rios	Trustee
Marcos Coronel	Trustee

**PERSONNEL**

Leland Kestell– District Manager

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**TABLE OF CONTENTS**  
**JUNE 30, 2019**

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<b>INDEPENDENT AUDITOR’S REPORT .....</b>	<b>1 - 2</b>
---	--------------

**FINANCIAL STATEMENTS**

**Government-Wide Financial Statements**

Statement of Net Position .....	4
Statement of Activities.....	5

**Funds Financial Statements**

Governmental Funds Balance Sheet .....	7
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	8
Statement of Governmental Funds Revenues, Expenditures and Changes in Fund Balances .....	9
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	10
Notes to Financial Statements.....	12 - 33

**REQUIRED SUPPLEMENTARY INFORMATION**

Budgetary Comparison Information – General Fund.....	35
Notes to Required Supplemental Information.....	36
Schedule of the District’s Proportionate Share of the Net Pension Liability and Schedule of the District’s Pension Contributions .....	37 - 38
Schedule of Changes in the Net OPEB Liability and Related Notes .....	39
Schedule of Contributions.....	40

## **INDEPENDENT AUDITOR'S REPORT**

To the Governing Board of  
Coachella Valley Public Cemetery District  
Coachella, California

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Coachella Valley Public Cemetery District as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United State of America.

## Other Matters

### *Required Supplementary Information*

The District has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by 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. Our opinion on the basic financial statements is not affected by the missing information.

Accounting principles generally accepted in the United States of America require the Schedules as listed in the table of contents on pages 35 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*David Farnsworth, CPA*

David Farnsworth, CPA  
Dublin, CA  
June 3, 2020

# GOVERNMENT-WIDE FINANCIAL STATEMENTS

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

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**ASSETS**

Cash and investments	\$ 13,683,048
Due from County of Riverside	
Interest	6,789
Property taxes	29,299
Accounts receivable contracts, net	199,369
Lease receivable	5,000
Prepaid expenses	34,747
Capital assets, net of accumulated depreciation	<u>2,304,361</u>
 Total assets	 <u><u>\$ 16,262,613</u></u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows of resources for pension and OPEB	<u>227,566</u>
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**LIABILITIES**

Accounts payable	\$ 31,192
Non - current liabilities	
Due within one year	-
Due in more than one year	<u>1,634,291</u>
 Total liabilities	 <u><u>1,665,483</u></u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources for pension	<u>87,312</u>
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**NET POSITION**

Net invested in capital assets	2,304,361
Restricted for perpetual care:	
Expendable	847,244
Nonexpendable	6,097,355
Unrestricted	<u>5,488,424</u>
 Total net position	 <u><u>\$ 14,737,384</u></u>

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

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**EXPENSES**

Salaries and employee benefits	\$ 653,863
Utilities	65,119
Services and supplies	810,275
Depreciation	<u>162,110</u>
Total expenses	<u>1,691,367</u>

**PROGRAM REVENUES**

Charges for current services	<u>1,134,082</u>
Net program revenues (expenses)	<u>(557,285)</u>

**GENERAL REVENUES (LOSSES)**

Property taxes	892,345
Lease income	5,000
Miscellaneous revenue	24,605
Investment income (loss)	<u>617,012</u>
Net general revenues	<u>1,538,962</u>

**SPECIAL ITEMS**

Charges for services - perpetual care endowment	<u>206,220</u>
Total general revenues and special items	<u>1,745,182</u>

Change in net position	<u>1,187,897</u>
Net position, beginning of year	<u>13,549,487</u>
Net position, end of year	<u><u>\$14,737,384</u></u>

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



## FUNDS FINANCIAL STATEMENTS

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	<b>Major Funds</b>			
		<b>Permanent</b>		
	<b>General</b>	<b>Fund</b>	<b>Capital</b>	<b>Total</b>
	<b>Fund</b>	<b>Perpetual</b>	<b>Project</b>	<b>Governmental</b>
<b>ASSETS</b>		<b>Care</b>	<b>Fund</b>	<b>Funds</b>
Cash and investments	6,630,878	6,944,599	107,571	13,683,048
Prepaid expenses	34,747	-	-	34,747
Due from other funds	-	270,308	-	270,308
Due from County of Riverside				
Interest	6,789	-	-	6,789
Property taxes	29,299	-	-	29,299
Lease receivable	5,000			5,000
Accounts receivable contracts, net	199,369	-	-	199,369
<b>Total assets</b>	<b>\$ 6,906,082</b>	<b>\$ 7,214,907</b>	<b>\$ 107,571</b>	<b>\$ 14,228,560</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 25,367	\$ -	\$ -	\$ 25,367
Due to other funds	270,308	-	-	270,308
<b>Total liabilities</b>	<b>295,675</b>	<b>-</b>	<b>-</b>	<b>295,675</b>
<b>FUND BALANCES</b>				
Nonspendable				
Prepays	34,747	-	-	34,747
Permanent fund principal	-	6,367,663	-	6,367,663
Committed				
Repairs and maintenance		847,244	-	847,244
Capital projects	-	-	107,571	107,571
Assigned				
Preneed expenditures	4,352,565	-	-	4,352,565
Other purposes	-	-	-	-
Unassigned	2,223,095	-	-	2,223,095
<b>Total fund balances</b>	<b>6,610,407</b>	<b>7,214,907</b>	<b>107,571</b>	<b>13,932,885</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,906,082</b>	<b>\$ 7,214,907</b>	<b>\$ 107,571</b>	<b>\$ 14,228,560</b>

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

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

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Fund balances of governmental funds	\$ 13,932,885
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Total governmental fund balances

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,304,361
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The assets and liabilities below are not due and payable in the current period and therefore are not reported in the governmental funds:

Deferred outflows of resources - pension and OPEB	227,566
Deferred inflows of resources - pension	(87,312)
Net pension liability	(621,197)
Net OPEB liability	(983,269)
Payroll liabilities	(5,825)
Compensated absences	<u>(29,825)</u>

Net position of governmental activities	<u><u>\$ 14,737,384</u></u>
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The accompanying notes are an integral part of these financial statements.

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Major Funds</b>			
	<b>General Fund</b>	<b>Permanent Fund Perpetual Care</b>	<b>Capital Project Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Property taxes	\$ 892,345	\$ -	\$ -	\$ 892,345
Charges for services	1,134,082	-	-	1,134,082
Investment income	243,348	372,266	1,398	617,012
Lease income	5,000	-	-	5,000
Other income	24,605	-	-	24,605
Total revenues	<u>\$2,299,380</u>	<u>\$ 372,266</u>	<u>\$ 1,398</u>	<u>2,673,044</u>
<b>EXPENDITURES</b>				
Salaries and employee benefits	609,526	-	-	609,526
Utilities	65,119	-	-	65,119
Services and supplies	810,275	-	-	810,275
Capital outlay	108,459	-	-	108,459
Total expenditures	<u>1,593,379</u>	<u>-</u>	<u>-</u>	<u>1,593,379</u>
Excess of revenues over expenditures	706,001	372,266	1,398	1,079,665
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	-	-	106,167	106,167
Operating transfers out	(47,697)	(58,470)	-	(106,167)
<b>SPECIAL ITEM</b>				
Perpetual care endowment	<u>-</u>	<u>206,220</u>	<u>-</u>	<u>206,220</u>
Net change in fund balances	658,304	520,016	107,565	1,285,885
<b>FUND BALANCES</b>				
Fund balances - beginning of year	<u>5,952,103</u>	<u>6,694,891</u>	<u>6</u>	<u>12,647,000</u>
Fund balances - end of year	<u>\$6,610,407</u>	<u>\$ 7,214,907</u>	<u>\$107,571</u>	<u>\$ 13,932,885</u>

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

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**RECONCILIATION OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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Net change in fund balances - governmental funds	\$ 1,285,885
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Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(53,651)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Net pension expense	(24,835)
Net OPEB expense	(36,897)
Compensated absences	23,221
Payroll taxes	<u>(5,826)</u>

Change in net position of governmental activities	<u><u>\$ 1,187,897</u></u>
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The accompanying notes are an integral part of these financial statements.

## NOTES TO FINANCIAL STATEMENTS

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Coachella Valley Public Cemetery District (the District) is located in Coachella, California. The District was formed August 8, 1927, under the Health and Safety Code Sections 8890 et seq., to provide burial facilities for the residents of the area. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments and to general practice in California Special Districts. The District accounts for its financial transactions in accordance with the policies and procedures of the State Controller's Office Division of Local Government Fiscal Affairs Minimum Audit Requirements and Reporting Guidelines for California Special Districts.

**A. Description of the Reporting Entity**

The preparation of these financial statements requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues, and expenditures, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Management also determines the accounting principles to be used in the preparation of the financial statements. A description of the significant accounting policies employed in the preparation of these financial statements follows Accounting principles generally accepted in the United States of America require that these financial statements present the accounts of the District and any of its component units. In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in U.S. GAAP.

The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria the District has no potential component units. The District, for financial purposes, includes all funds relevant to the operations of the District. The Board of Trustees has governance responsibilities over all activities related to the District. The District receives funding from local, county, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since board members are appointed by the Riverside County Board of Supervisors and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Government-wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Government-wide Financial Statements (Continued)**

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they were levied.

Grants, entitlements, donations, and similar items are recognized as revenues as soon as all the eligibility requirements imposed by the provider are met.

The District recognizes assets of nonexchange transactions in the period when the underlying transaction occurs, when an enforceable claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on a modified accrual basis, when they are measurable and available. Non exchange transactions occur when one government provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Various property taxes, grants, entitlements, and most donations are examples of nonexchange transactions.

The statement of net position and the statement of activities include the financial statements of the overall government. Governmental activities generally are financed through taxes, intergovernmental revenues, and charges for service. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program Revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Governmental Funds Financial Statements**

The Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. All revenues reported in the governmental funds are considered to be available if the revenues are collected within sixty days after year-end. Property taxes and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when a liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.



**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Governmental Funds Financial Statements (Continued)**

Fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental fund:

- **General Fund** - The general fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- **Endowment Care Fund** - The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the cemetery - that is, for the benefit of the cemetery or its citizenry.

Additionally, the District reports the following other fund:

- **Capital Project** – The District has one non-major capital project fund

**C. Budgets and Budgetary Accounting**

By state law, the District Governing Board must approve a tentative budget no later than July 1 and adopt a final budget no later than September 15. A public hearing must be conducted to receive comments prior to adoption. The District Governing Board satisfied these requirements.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object code.

**D. Deposits and Investments**

All deposits of the District are made in board-designated official depositories and are secured as required by state law. The District may designate as an official depository any bank or savings and loan association. Also, the District may establish time deposit accounts such as money market accounts and certificates of deposit.

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes mandate the District maintain substantially all of its cash in the Riverside County Treasury. The County's investment pool operates in accordance with appropriate state laws and regulations. The fair value of the District's position in the pool is not the same as the value of the pooled shares. The method used to determine the value of participants' equity withdrawn is based on the book value, amortized cost-plus accrued interest, multiplied by the District's percentage at the date of such withdrawal.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Deposits and Investments (Continued)**

The County Treasurer's investments, including U.S. Treasury and Agency securities, are carried at fair value based on current market prices. Bond anticipation notes are carried at fair value. Commercial paper is carried at amortized cost. Investments in bankers' acceptances and nonparticipating guaranteed investment contracts are carried at cost. Participating guaranteed investment contracts are carried at fair value based on net realizable value.

The District has adopted GASB Statement No. 72, Fair Value Measurement and Application; investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Mutual funds are carried at fair value based on the funds' share price. Local agency obligations are carried at fair value based on the value of each participating dollar.

**E. Receivables and Allowances for Uncollectible Accounts**

Contracts for services include both preneed and at-need receivables to be collected. The accounts are evaluated on an annual basis to determine those that may not be collectable using the specific identification method. The allowance for accounts receivable is based on those accounts that have been identified as uncollectable that must be approved by the District's Board of Trustees to be written-off. At June 30, 2019, the allowance for accounts receivable was \$32,362.

**F. Interfund Balances and Transfers**

Activity between funds that is representative of lending/borrowing arrangements outstanding at year-end is referred to as due to/from other funds (i.e. current portion of interfund loans). Interfund transfers occur because the District incurs charges for capital improvements and transfers these funds to the general fund as expenditures are incurred or due to contractual requirements.

**G. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$500 and an estimated useful life of one year or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the estimated useful lives varying from 5 to 50 years for structures and improvements and 5 to 20 years for equipment.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Deferred Outflows of Resources and Deferred Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents the consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. Currently, the District has deferred outflows of resources for its pension plan and Other post-employment benefits.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflow of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The District has deferred inflows of resources for its pension plan.

**I. Compensated Absences**

Each employee may accumulate a total of 80 days of vacation and 25 days of sick leave earned per year. The District accrued a liability for compensated absences, which meets the following criteria:

- The District's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
- The obligation relates to rights that vest or accumulate.
- Payment of the compensation is probable.
- The amount can be reasonably estimated.

Compensated absences expected to be paid with expendable available resources are accrued and recorded as liabilities and expenditures of the general fund. Amounts not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements.

**J. Pension**

The District follows GASB Statement No. 68, Accounting and Financial Reporting for Pensions as of July 1, 2014. This statement requires accrual-based measurement and recognition of the cost of pension benefits during the periods when employees render their services.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Coachella Valley Public Cemetery District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Pension (Continued)**

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2017
Measurement Date (VD)	June 30, 2018
Measurement Period (MP)	July 1, 2017 to June 30, 2018

**K. Other Postemployment Benefits (OPEB)**

During fiscal 2018, the District adopted new accounting guidance, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions as of July 1, 2017. This statement requires accrual-based measurement and recognition of the cost of postemployment benefits during the periods when employees render their services. Implementation of this statement effective July 1, 2017 resulted in an increase of liabilities of \$69,263 and a corresponding decrease in net position of \$69,263. Accordingly, the cumulative effect of the accounting change as of the beginning of the fiscal year 2018 was reported in the Statement of Activities. GASB 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2019
Measurement Date (VD)	June 30, 2019
Measurement Period (MP)	July 1, 2018 to June 30, 2019

**L. 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** – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets as well as any premium or discount paid on debt reduce the balance in this category.
- **Restricted Net Position** - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulation of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
  - **Expendable:** This category represents investment earnings from nonexpendable funds that are expendable for support of the cemetery.
  - **Nonexpendable:** This category represents the net position of the District that is nonexpendable and held in perpetuity for perpetual care.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

L. Net Position (Continued)

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

M. Fund Balances – Governmental Funds

The District's fund balance categories define the nature and extent of the constraints placed on its fund balance as follows:

- **Nonspendable fund balance** - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- **Committed fund balance** - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Trustees budget resolution). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- **Assigned fund balance** - amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Trustees.
- **Unassigned fund balance** - amounts that are available for any purpose. Positive amounts can only be reported in the general fund.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in the General Fund, it is the District's policy to use unassigned resources first, then assigned, and then committed as needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any other governmental fund, it is the District's policy to use committed resources first, then assigned, and then unassigned as needed. The District does not have a formal minimum fund balance requirement.

M. Property Tax

Property taxes are assessed under various legislative provisions, contained in the Government Code and the Revenue and Taxation Code, by the County Assessor and State Board of Equalization. Taxes on real property are limited to one percent of assessed valuation, plus additional taxes for repayment of any existing voted indebtedness. The County of Riverside in accordance with statutory formulas collects and distributes the taxes to the District. Tax increment revenues received by redevelopment agencies in the County of Riverside are passed-through directly to the District by the cities receiving the taxes.

Property taxes are assessed under various legislative provisions, contained in the Government Code and the Revenue and Taxation Code, by the County Assessor and State Board of Equalization.

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Property Tax (Continued)**

Taxes on real property are limited to one percent of assessed valuation, plus additional taxes for repayment of any existing voted indebtedness. The County of Riverside in accordance with statutory formulas collects and distributes the taxes to the District. Tax increment revenues received by redevelopment agencies in the County of Riverside are passed-through directly to the District by the cities receiving the taxes.

Secured property taxes are levied on or before the first business day of September of each year. They become a lien on real property on January 1 preceding the fiscal year for which taxes are levied and can be paid in two installments. The first installment is due November 1 and delinquent December 10, and the second installment is due February 1 of the following year and is delinquent April 10. Unsecured personal property taxes are due January 1st and become delinquent if unpaid on August 13.

**NOTE 2. CASH AND INVESTMENTS**

Cash and investments at June 30, 2019 are classified in the accompanying financial statements as follows:

**Deposits**

Deposits - Wells Fargo Bank	\$ 658,879
Cash and Sweep balances - Wells Fargo Advisors	588,530
Cash on hand	<u>200</u>
Total Deposits	1,247,609
Investments	<u>12,435,439</u>
Total deposits and investments	<u>\$ 13,683,048</u>

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**NOTE 2. CASH AND INVESTMENTS (Continued)**

	<b>Weighted Average Maturities</b>	<b>Fair Value</b>
External Investment Pool - Cash in Riverside County Treasury	N/A	\$1,543,863
Investments held with Wells Fargo Advisors		
Corporate/foreign bonds	2.09	\$3,163,720
U.S. Agencies	5.63	\$2,625,145
Negotiable Certificates of Deposit	2.14	\$2,713,726
Mutual funds	N/A	\$2,388,985
Cash and Sweep balances	N/A	\$ 588,530
Portfolio weighted average maturity	3.29	

**Custodial Credit Risk Deposits and Investments**

The following table identifies the investment types that are authorized by the District in accordance with the California Government Code or the District's investment policy, where more restrictive. The table also identifies certain provisions of the California Government Code or the District's investment policy, where 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 the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Neither the California Government Code nor the County's investment policy contains legal or policy requirements that would limit the District's exposure to custodial credit risk for deposits or investments, except that 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 deposit regulated under state law. 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 District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2019, \$1,247,409 of the District's bank and sweep balances in Wells Fargo Bank and Wells Fargo Advisors respectively, were collateralized by the bank's trust department. The District's investments in negotiable certificates of deposit at various savings & loans located throughout the U.S. were less than the maximum FDIC insured amount at each savings & loan and therefore are fully insured.

**NOTE 2. CASH AND INVESTMENTS (Continued)**

**Interest Rate Risk Investments**

Interest rate risk is the measurement of how changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the more sensitive to changes in market interest rates of its fair value. One of the ways the County of Riverside Treasurer manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so a portion of its portfolio is maturing or coming close to maturity to ensure the cash flow and liquidity of operations. The weighted average maturity of the County of Riverside Treasurer's investments is 0.62 years.

The District has a formal investment policy that limits investment maturities depending on the investment type. At June 30, 2019, the District's weighted average maturity of its investment portfolio was 3.29 years.

**Custodial Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment policy is in accordance with state law and as such, limits certain investments to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices.

The County Treasurer's investments consist of 54.01% federal agencies, 8.60% U.S. Treasury bonds, 13.46% commercial paper, 3.44% municipal bonds, 11.38% cash/deposit account, 2.84% medium term notes, 0.06% Caltrust short term fund, 13.16% certificate and time deposits, 0.00% Local Agency Obligations, and 1.56% money market/mutual funds.

The carrying value and market value as of June 30, 2019 for the District's pooled investments with the County Treasurer was \$1,543,863.

The District's investments in corporate bonds and U.S. agencies through Wells Fargo Advisors were generally, rated Moody's A1 and above. All of the District's investments in U.S. agencies carry the implicit guarantee of the U.S. Government.

**Concentration of Credit Risk**

The District's investment policy places limits on the amounts the District may invest in any one issuer or type of investment, and, as of June 30, 2019, the District was in compliance with its investment policy.

**Investment Valuation**

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 3 inputs.



**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

---

**NOTE 2. CASH AND INVESTMENTS (Continued)**

**Investment Valuation (Continued)**

Mutual funds are valued based on quoted market prices. Government bonds, corporate bonds, foreign bonds, government asset backed/CMO securities and negotiable certificates of deposit are valued based on a matrix pricing model. Investments' fair value measurements are as follows at June 30, 2019.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
External Investment Pool	\$ -	\$ 1,543,863	\$ -	\$ 1,543,863
Mutual Funds	2,388,985	-	-	2,388,985
Governmental Bonds	-	2,625,145	-	2,625,145
Corporate Bonds	-	3,027,089	-	3,027,089
Foreign Bonds	-	136,631	-	136,631
Negotiable Certificates of Deposit	-	2,713,726	-	2,713,726
	<u>\$ 2,388,985</u>	<u>\$ 10,046,454</u>	<u>\$ -</u>	<u>\$ 12,435,439</u>

**NOTE 2. CAPITAL ASSETS**

	<u>Balance 07-01-18</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 06-30-19</u>
<b>Depreciable assets</b>				
Equipment and vehicles	1,050,208	6,854		1,057,062
Structures and improvements	3,116,159	213,327		3,329,486
	4,166,367	220,181	-	4,386,548
Less: accumulated depreciation	(2,505,061)	(162,110)	-	(2,667,171)
	<u>1,661,306</u>	<u>58,071</u>	<u>-</u>	<u>1,719,377</u>
<b>Non-depreciable assets</b>				
Construction in progress	111,722		(111,722)	-
Land	584,984	-	-	584,984
	<u>696,706</u>	<u>-</u>	<u>(111,722)</u>	<u>584,984</u>
Total capital assets, net	<u>\$ 2,358,012</u>	<u>\$ 58,071</u>	<u>\$ (111,722)</u>	<u>\$ 2,304,361</u>

Depreciation expense amounted to \$162,110 for the fiscal year ended June 30, 2019.

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

---

**NOTE 3. INTERFUND RECEIVABLES, PAYABLE, AND TRANSFERS**

The District's interfund receivables and payables represent amounts received by the general fund due to the permanent fund for current services and transfers from the permanent fund for release of earnings available to fund certain expenditures in the general fund.

The composition of interfund balances as of June 30, 2019, is as follows:

<b>Receivable fund</b>	<b>Payable fund</b>	<b>Amount</b>
Permanent	General	<u>\$ 270,308</u>

Interfund transfers during the fiscal year ended June 30, 2019, are as follows:

<b>Transfer from</b>	<b>Transfer to</b>	<b>Amount</b>
General fund	Capital projects	\$ 47,697
Permanent fund	Capital projects	<u>58,470</u>
		<u>\$ 106,167</u>

**NOTE 4. NONCURRENT**

A schedule of changes in non-current liabilities for the fiscal year ended June 30, 2019 is shown below:

	<b>Balance</b>			<b>Balance</b>	<b>Due Within</b>
	<b>July 1, 2018</b>	<b>Additions</b>	<b>Decreases</b>	<b>June 30, 2019</b>	<b>One Year</b>
Compensated absences	\$ 53,045	\$ 15,444	\$ 38,664	\$ 29,825	\$ -
Net pension liability	641,759	-	20,562	621,197	-
Net OPEB liability	<u>896,443</u>	<u>139,324</u>	<u>52,498</u>	<u>983,269</u>	<u>-</u>
Total non-current liabilities	<u>\$ 1,591,247</u>	<u>\$ 154,768</u>	<u>\$ 111,724</u>	<u>\$ 1,634,291</u>	<u>\$ -</u>

**NOTE 4. PENSION PLAN**

*Plan Description, Benefits Provided and Employees Covered*

All qualified permanent and probationary employees are eligible to participate in the Coachella Valley Public Cemetery District Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plan within a miscellaneous risk pool.

**NOTE 4. PENSION PLAN (Continued)**

*Plan Description, Benefits Provided and Employees Covered (Continued)*

Plan assets may be used to pay benefits for any employer rate plan of the miscellaneous pools. Accordingly, rate plans within the miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous pools. Coachella Valley Public Cemetery District sponsors one rate plan. Benefit provisions under the Plan are established by State statute and Coachella Valley Public Cemetery District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found at CalPERS' website.

*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, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

*Contribution Description*

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and will be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan 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, 2019 were \$54,602. For the measurement period ended June 30, 2017 (the measurement date), the active employee contribution rate is 6.25 percent of annual pay for PEPRA employees and 7.00 percent for classic employees, and the average employer's contribution rate is 8.880 percent of annual payroll. Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution. CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis.

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

At June 30, 2019, the District reported a net pension liability of \$621,197 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, 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 participants actuarially determined.

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**NOTE 4. PENSION PLAN (Continued)**

*Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)*

At June 30, 2019, the District's proportion was 0.01648%. The District recognized pension expense of \$79,437 for the year ended June 30, 2019.

*Plan Description, Benefits Provided and Employees Covered*

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to its pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	70,818	17,356
Differences between Expected and Actual Experience	23,834	8,111
Differences between Projected and Actual Investment Earnings	3,071	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	61,845
Change in Employer's Proportion	25,312	-
Pension Contributions Made Subsequent to Measurement Date	<u>54,602</u>	<u>-</u>
Total	<u>\$ 177,637</u>	<u>\$ 87,312</u>

The \$54,602 reported as deferred outflows of resources related to the pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30:</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2020	46,023
2021	\$ 21,003
2022	(25,716)
2023	(5,587)
2024	-
Thereafter	<u>-</u>
Total	<u>\$ 35,723</u>

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

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**NOTE 4. PENSION PLAN (Continued)**

*Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)*

The June 30, 2017 total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Projected Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes inflation
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality Rate Table (1)	Derived using CalPERS Membership Data for all Funds
Post Retirement Benefit Increases	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website at [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

*Change in Assumptions*

There were no changes in assumptions.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.15 percent. The discount rate was changed from 7.65 percent (net of administrative expense) to 7.15. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

**NOTE 4. PENSION PLAN (Continued)**

*Discount Rate (Continued)*

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 (PERF) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Taking in to account historical returns of all the Public Employees Retirement Funds' asset classes which includes the agent plan and two cost-sharing plans for PERF A, B, and C funds), 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 for each PERF fund.

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 table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<b>Asset Class</b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1-10(a)</b>	<b>Real Return Years 11+(b)</b>
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensative	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

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

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

*Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes to the Discount Rate*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15%, 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 one percentage point lower (6.15%) or one percentage point higher (8.15%) than the current rate:

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**NOTE 4. PENSION PLAN (Continued)**

*Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes to the Discount Rate (Continued)*

	Discount Rate less 1% 6.15%	Current Discount Rate 7.15%	Discount Rate plus 1% 8.15%
District's proportionate share of the net pension liability	\$ 1,055,097	\$ 621,197	\$ 263,020

*Pension Plan Fiduciary Net Position*

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

The District did not report a payable outstanding for contributions to the pension plan required for the year ended June 30, 2019.

*Subsequent Events*

There were no subsequent events that would materially affect the results presented in this disclosure.

*Amortization of Deferred Outflows and Deferred Inflows of Resources*

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss: Net differences between projected and actual earnings on pension plan investments (5 year straight-line amortization) and all other amounts (Straight-line amortization over the expected average remaining service lifetime (EARS�) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period).

**NOTE 5. OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)**

*Plan Description* - The District provides a defined benefit healthcare plan for eligible retirees. The plan provides lifetime healthcare insurance for eligible retirees and their sponsors through the CalPERS Health Benefit Program. In order to be eligible, retirees must have 20 years of service with the District.

*Funding Policy.* The District policy is to fund the Plan on a pay as you go basis, which covers only current cost of health insurance premiums for employees and retirees.

*Benefits provided.* Employees may retire directly from the District under PERS (age 50 and 5 years of PERS service) and receive full medical premium in benefits from the District. Survivor benefits are available. The District does not contribute dental, vision, or life insurance premiums to retirees.

*Plan membership.* At July 1, 2018, membership consisted of 7 active plan members and 3 inactive plan member or beneficiaries currently receiving benefits.

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**NOTE 5. OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) (Continued)**

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

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

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

Salary increases	3.00 percent
Inflation rate	3.00 percent
Health care cost trend rate	5.90 percent for 2019; 5.8 percent for 2020; 5.7 percent for 2021; and 5 percent for 2028 and later years

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

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

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

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

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



**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 5. OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) (Continued)**

The components of the net OPEB liability were as follows:

Total OPEB liability	\$983,269
Plan fiduciary net position	\$0
Net OPEB liability	\$983,269
Measurement date	June 30, 2019
Reporting date	June 30, 2019
Covered payroll	\$327,536
Net OPEB liability (asset) as a percentage of covered payroll	300.20%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%

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

**Total OPEB Liability**

Service Cost	\$ 49,701
Interest	31,509
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	58,114
Benefit payments (1)	(52,498)
<b>Net change in total OPEB liability</b>	<b>86,826</b>
<b>Total OPEB liability - June 30, 2018 (a)</b>	<b>896,443</b>

<b>Total OPEB liability - June 30, 2019 (b)</b>	<b>983,269</b>
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**Plan fiduciary net position**

Contributions - employer(1)	52,498
Net investment income	-
Benefit payments (1)	(52,498)
Trustee fees	-
Administrative expense	-

<b>Net change in plan fiduciary net position</b>	<b>-</b>
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<b>Plan fiduciary net position - June 30, 2018 (c)</b>	<b>-</b>
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<b>Plan fiduciary net position - June 30, 2019 (d)</b>	<b>-</b>
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<b>Net OPEB liability - June 30, 2018 (c) - (a)</b>	<b>\$ 896,443</b>
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<b>Net OPEB liability - June 30, 2019 (d) - (b)</b>	<b>\$ 983,269</b>
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**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**NOTE 5. OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) (Continued)**

*Sensitivity of the net OPEB liability to changes in the discount rate*

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

	<b>1% Decreases (2.13%)</b>	<b>Discount Rate (3.13%)</b>	<b>1% Increase (4.13%)</b>
Net OPEB liability (asset)	\$1,121,760	\$983,269	\$870,408

*Sensitivity of the net OPEB liability to Changes in the Healthcare Cost Trend Rates*

	<b>1% Decreases (4.90% decreasing to 4.00%)</b>	<b>Trend Rate (5.90% decreasing to 5.00%)</b>	<b>1% Increase (6.90% decreasing to 6.00%)</b>
Net OPEB liability (asset)	\$850,835	\$983,269	\$1,149,947

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

At June 30, 2019, the District's deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions or other inputs	49,929	-
Differences between projected and actual return investments	-	-
Total	<u>\$ 49,929</u>	<u>\$ -</u>

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

<b>Fiscal Year Ending June 30:</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
2020	\$ 8,185	\$ -
2021	8,185	-
2022	8,185	-
2023	8,185	-
2024	8,185	-
Thereafter	<u>9,004</u>	<u>-</u>
Total	<u>\$ 49,929</u>	<u>\$ -</u>

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**NOTE 5. OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) (Continued)**

The components of the net OPEB expense is as follows:

Net OPEB Liability - beginning	\$ 896,443
Net OPEB Liability - ending	983,269
Change in Net OPEB Liability	86,826
Change in Deferred Outflows	(49,929)
Change in Deferred Inflows	-
Employer Contributions	<u>52,498</u>
 Net OPEB Expense - June 30, 2018 to June 30, 2019	 <u><u>\$ 89,395</u></u>
 Service Cost	 \$49,701
Interest Cost	31,509
Expected Return on Assets	-
Changes of benefit terms	-
Recognition of Deferred Outflows and Inflows:	
Differences between expected and actual experience	-
Changes of assumptions	8,185
Differences between projected and actual investments	<u>-</u>
 Total OPEB Expense	 <u><u>\$ 89,395</u></u>

**NOTE 6. PROPERTY TAX**

Property taxes allocated to the District for the fiscal year ended June 30, 2019 were as follows:

**Current:**

Secured	\$ 501,788
Unsecured	21,669
Supplemental	5,155

**Prior:**

Unsecured	1,192
Supplemental	3,651
Tax relief subventions	5,360
RDV Apportionment	<u>353,530</u>

Total	<u><u>\$ 892,345</u></u>
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**NOTE 7. RISK MANAGEMENT**

The District participates in the Special District Risk Management Authority (SDRMA) Workers Compensation Program, which provides workers' compensation coverage for its members. The District became a member of SDRMA under a joint powers agreement. The relationship between SDRMA and the District is such that SDRMA is not a component unit of the District for financial reporting purposes. A Board comprised of representatives of member agencies governs the SDRMA. The Board controls operations, including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the Board. Each member agency pays a contribution commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation; however, the District does not have any residual equity in SDRMA.

Contributions to SDRMA were approximately \$23,773 for the year ended June 30, 2019 for coverage up to \$5,000,000 for statutory workers' compensation limits and \$2,500,000 employer liability.

**NOTE 7. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended June 30, 2019, expenditures exceeded appropriations in services and supplies, utilities, and capital outlay (the level of budgetary control) of the general fund by \$608,275, \$25,119, and \$108,459, respectively. These over expenditures were funded by additional charges for current services and by available fund balance.

**NOTE 8. OTHER RISKS AND UNCERTANTIES**

Investment securities are exposed to various risks such as interest rate, market, and credit. Due to the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the various risk factors, in the near term could materially affect investment balances and the amounts reported in the financial statements. Additionally, many mutual funds invest in the securities of foreign companies, which involve special risks and considerations not typically associated with investing in U.S. companies. These risks include devaluation of currencies, less reliable information about issuers, different securities transaction clearance and settlement practices, and possible adverse political and economic developments. Moreover, securities of many foreign companies and their markets may be less liquid and their prices more volatile than similar types of securities of comparable U.S. companies.

## REQUIRED SUPPLEMENTARY INFORMATION

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**BUDGETARY COMPARISON INFORMATION – GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Property taxes	\$ 400,000	\$ 400,000	\$ 892,345	\$ 492,345
Charges for services	309,000	309,000	1,134,082	825,082
Investment income	-	-	243,348	243,348
Lease income	-	-	5,000	5,000
Other income	-	-	24,605	24,605
Total revenues	<u>709,000</u>	<u>709,000</u>	<u>2,299,380</u>	<u>1,590,380</u>
<b>EXPENDITURES</b>				
Salaries and employee benefits	857,000	857,000	609,524	247,476
Utilities	40,000	40,000	65,119	(25,119)
Services and supplies	202,000	202,000	810,275	(608,275)
Capital outlay	-	-	108,459	(108,459)
Total expenditures	<u>1,099,000</u>	<u>1,099,000</u>	<u>1,593,377</u>	<u>(494,377)</u>
Excess of revenues over expenditures	<u>(390,000)</u>	<u>(390,000)</u>	<u>706,003</u>	<u>1,096,003</u>
<b>OTHER FINANCING SOURCES</b>				
Appropriations for contingencies	(10,000)	(10,000)	-	10,000
Operating transfers out	-	-	(47,699)	(47,699)
Net change in fund balances	<u>\$ (400,000)</u>	<u>\$ (400,000)</u>	<u>\$ 658,304</u>	<u>\$ 1,058,304</u>

The accompanying note is an integral part of this statement.

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**  
**JUNE 30, 2019**

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The District prepares an expenditure budget annually which is approved by the Board of Trustees setting forth the contemplated fiscal requirements. The District's budget is maintained on the modified accrual basis of accounting. The results of operations are presented in the budget to actual schedule in accordance with the budgetary basis.

Reported budget amounts reflect the annual as originally adopted and the final adopted amounts. There were no amendments to the budget during the year ended June 30, 2019. The budget amounts are based on estimates of the District's expenditures and the proposed means of financing them. Actual expenditures for certain line items may vary significantly from the budget due to timing of such expenditures.

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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<b>Fiscal Year</b>	<b>Proportion of the Net Pension Liability</b>	<b>Proportionate Share of the Plan's Pension Liability</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2015	0.60600%	377,252	319,800	84.77%	83.03%
2016	0.01454%	398,784	348,984	87.51%	82.39%
2017	0.01546%	537,247	345,540	64.32%	80.25%
2018	0.01546%	641,759	335,260	52.24%	75.26%
2019	0.01628%	621,197	309,048	49.75%	80.63%

**Notes to Schedule:**

Benefit Changes:

For 2019, the figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017, valuation date. This applies for June 30, 2017, valuation date. This applies for voluntary benefit changes as well as offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

\* Fiscal year 2015 was the first of implementation, therefore only five years are shown.



**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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<b>Fiscal Year</b>	<b>Contractually Required Contribution (Actuarially Determined)</b>	<b>Contributions in Relation to the Actuarially Determined Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2015	\$ 47,350	\$ 47,350	-	\$ 348,984	13.57%
2016	\$ 46,087	\$ 46,087	-	\$ 348,984	13.21%
2017	\$ 50,571	\$ 50,571	-	\$ 345,540	14.64%
2018	\$ 39,067	\$ 39,067	-	\$ 335,260	11.65%
2019	\$ 54,602	\$ 54,602	-	\$ 309,048	17.67%

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	<b>June 30, 2019</b>	<b>June 30, 2018</b>
<b>Total OPEB Liability</b>		
Service cost	\$ 49,701	\$ 48,253
Interest	31,509	30,333
	<u>81,210</u>	<u>78,586</u>
Changes of assumptions	58,114	-
Benefits paid	<u>(52,498)</u>	<u>(39,745)</u>
Net change in total OPEB liability	86,826	38,841
Total OPEB liability, beginning of year	<u>896,443</u>	<u>857,602</u>
Total OPEB liability, end of year	<u><u>\$ 983,269</u></u>	<u><u>\$ 896,443</u></u>
Net OPEB Liability, end of year		
(1) Amount includes implicit subsidy associated with benefits paid.	0.000000%	0.000000%
Plan fiduciary net position as a percentage of the total OPEB liability		
District's covered employee payroll	309,048	335,260
Net OPEB liability as a percentage of covered employee payroll	318.16%	267.39%

**Notes to schedule:**

Change in benefit terms: None.

Change in assumptions: None.

Historical information is required only for measurement periods for which GASB 75 is applicable.

Future years' information will be displayed up to 10 years as information becomes available.

**COACHELLA VALLEY PUBLIC CEMETERY DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	<b>June 30, 2019</b>	<b>June 30, 2018</b>
Contractually required employer contribution (actuarially determined)	\$ 52,498	\$ 155,081
Contributions in relation to the actuarially determined contributions	<u>(52,498)</u>	<u>(155,081)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	309,048	335,260
Employer contributions as a percentage of covered employee payroll	16.99%	46.26%

**Notes to Schedule:**

Salary increases	3.00%
Medical cost trend rate	5.9% for 2019
Employer cap adjustment	None
Age adjustment factor	4.00%
Percent married	50.00%
Assumed retirement age	60

Historical information is required only for measurement periods for which GASB 75 is applicable.  
Future years' information will be displayed up to 10 years as information becomes available.