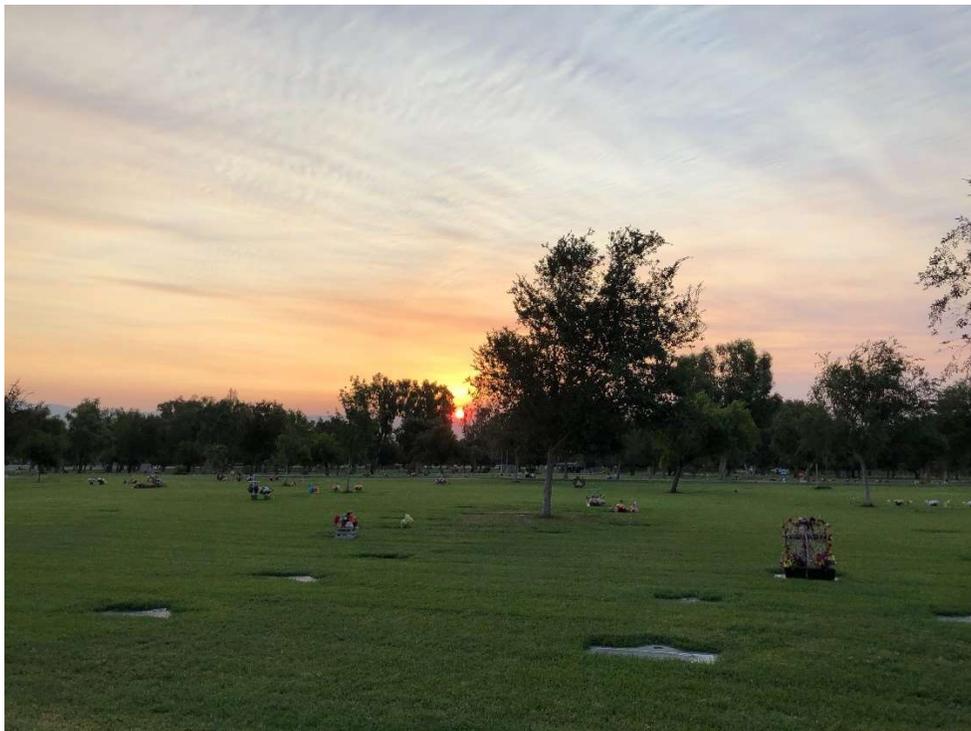


**COACHELLA VALLEY
PUBLIC CEMETERY
DISTRICT**

FINANCIAL STATEMENTS

June 30, 2020



COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Board of Trustees and Administration
June 30, 2020

BOARD OF TRUSTEES*

MEMBER*

Ernesto Rosales
Judy Vossler
Dr. Bruce Underwood
John Rios
Marcos Coronel

OFFICE

Chairman
Vice-Chair
Trustee
Trustee
Trustee

PERSONNEL

Josh Bonner—District Manager

*Trustees and personnel positions are as of July 2021

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Annual Financial Report
For the Fiscal Year Ended June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

Restatement

As discussed in Note 12 to the financial statements, the July 1, 2019, beginning net position and fund balances have been restated to correct previously unreported unearned revenue. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of the District's Pension Contributions, Schedule of Changes in the Net OPEB Liability and Related Ratios, and Schedule of Contributions (OPEB) on pages 27–34 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.

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.

David Farnsworth, CPA

Dublin, California
July 19, 2021

FINANCIAL STATEMENTS

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT

Statement of Net Position

June 30, 2020

	Governmental Activities
	<hr/>
ASSETS	
Current Assets	
Cash and investments	\$ 7,450,879
Receivables (net of allowance for uncollectible)	137,262
Prepaid items	46,811
Noncurrent Assets	
Restricted cash and investments	7,412,181
Capital Assets:	
Nondepreciable	584,984
Depreciable, net	1,623,820
Total Assets	<hr/> <hr/> 17,255,937
 DEFERRED OUTFLOWS OF RESOURCES	
Pension related	169,431
OPEB related	123,335
Total deferred outflows of resources	<hr/> <hr/> 292,766
 LIABILITIES	
Current Liabilities:	
Accounts payable	57,595
Accrued expenses	8,185
Unearned revenues	4,133,917
Noncurrent liabilities:	
Due within one year: compensated absences	3,477
Due in more than one year:	
Net pension liability	693,949
Net OPEB liability	1,106,275
Compensated absences	31,293
Total Liabilities	<hr/> <hr/> 6,034,691
 DEFERRED INFLOWS OF RESOURCES	
Pension related	104,763
OPEB related	-
Total deferred inflows of resources	<hr/> <hr/> 104,763
 NET POSITION	
Net investment in capital assets	2,208,804
Restricted for:	
Endowment:	
Expendable	992,334
Nonexpendable	6,710,575
Unrestricted	1,497,536
Total Net Position	<hr/> <hr/> <hr/> \$ 11,409,249

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

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Statement of Activities
For the Year Ended June 30, 2020

	Program Revenues			Net (Expense) Revenues and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
General Government:				
Interment services	1,922,679	1,072,014	\$ -	\$ (850,665)
Total governmental activities	\$ 1,922,679	\$ 1,072,014	\$ -	(850,665)
		General revenues:		
		Property taxes	908,589	
		Investment earnings	553,856	
		Lease income	5,000	
		Other revenues	8,907	
		Contributions to permanent funds	180,095	
		Total general revenues and contributions	1,656,447	
		Change in net position	805,782	
		Net position, beginning	14,737,384	
		Prior period, adjustment (Note 12)	(4,133,917)	
		Net position beginning, restated	10,603,467	
		Net position, ending	\$ 11,409,249	

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

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT

**Balance Sheet
Governmental Funds
June 30, 2020**

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Permanent Fund</u>	
ASSETS				
Cash and cash equivalents	\$ 2,439,267	\$ -	\$ 13,063	\$ 2,452,330
Investments	4,978,218	33,394	7,399,118	12,410,730
Receivables (net of allowance for uncollectible)	137,262	-	-	137,262
Prepaid items	46,811	-	-	46,811
Due from other funds	-	-	290,728	290,728
Total assets	<u>\$ 7,601,558</u>	<u>\$ 33,394</u>	<u>\$ 7,702,909</u>	<u>\$ 15,337,861</u>
LIABILITIES				
Accounts payable	\$ 57,595	\$ -	\$ -	\$ 57,595
Accrued liabilities	8,185	-	-	8,185
Unearned revenues	4,133,917	-	-	4,133,917
Due to other funds	290,728	-	-	290,728
Total liabilities	<u>4,490,425</u>	<u>-</u>	<u>-</u>	<u>4,490,425</u>
FUND BALANCES				
Nonspendable	46,811	-	6,710,575	6,757,386
Restricted:				
Maintenance and repairs of cemetery	-	-	992,334	992,334
Assigned for:				
Capital expenditures	-	33,394	-	33,394
Unassigned	3,064,322	-	-	3,064,322
Total fund balances	<u>3,111,133</u>	<u>33,394</u>	<u>7,702,909</u>	<u>10,847,436</u>
Total liabilities and fund balances	<u>\$ 7,601,558</u>	<u>\$ 33,394</u>	<u>\$ 7,702,909</u>	<u>\$ 15,337,861</u>

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

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2020

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

Total fund balances - governmental funds		\$ 10,847,436
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets at cost	4,992,692	
Accumulated depreciation	<u>(2,783,888)</u>	2,208,804
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows - pension related	169,431	
Deferred outflows - OPEB related	123,335	
Deferred inflows - pension related	<u>(104,763)</u>	
Total deferred outflows and inflows related to postemployment benefits		188,003
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Compensated absences	(34,770)	
Net OPEB liability	(1,106,275)	
Net pension liability	<u>(693,949)</u>	<u>(1,834,994)</u>
Net position of governmental activities		<u><u>\$ 11,409,249</u></u>

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 Year Ended June 30, 2020

	Major Funds			Total Governmental Funds
	General Fund	Capital Projects Fund	Permanent Endowment Fund	
REVENUES				
Property taxes	\$ 550,471	\$ -	\$ -	\$ 550,471
Intergovernmental	358,118	-	-	358,118
Charges for services	1,072,014	-	-	1,072,014
Investment earnings	227,742	823	325,291	553,856
Lease income	5,000	-	-	5,000
Miscellaneous	8,907	-	-	8,907
Contributions to endowment	-	-	180,095	180,095
Total revenues	\$ 2,222,252	\$ 823	\$ 505,386	\$ 2,728,461
EXPENDITURES				
Interment services:				
Salaries and employee benefits	623,897	-	-	623,897
Services and supplies	983,775	-	-	983,775
Capital outlay	72,321	-	-	72,321
Total expenditures	1,679,993	-	-	1,679,993
Net change in fund balances	542,259	823	505,386	1,048,468
OTHER FINANCING SOURCES (USES)				
Transfers in	92,384	-	-	92,384
Transfers out	-	(75,000)	(17,384)	(92,384)
Total other financing sources (uses)	92,384	(75,000)	(17,384)	-
Net change in fund balances	634,643	(74,177)	488,002	1,048,468
FUND BALANCES				
Fund balances - beginning of year	6,610,407	107,571	7,214,907	13,932,885
Prior period adjustment (Note 12)	(4,133,917)	-	-	(4,133,917)
Fund balances - beginning of year, restated	2,476,490	107,571	7,214,907	9,798,968
Fund balances - end of year	\$ 3,111,133	\$ 33,394	\$ 7,702,909	\$ 10,847,436

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

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2020

Net change in fund balances - governmental funds	\$ 1,048,468
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.</p>	
	(95,557)
<p>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.</p>	
Compensated absences	(4,945)
Changes in pension liabilities and related deferred outflows and inflows of resources	(92,584)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(49,600)
	(147,129)
Change in net position of governmental activities	\$ 805,782

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

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020

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.

The financial statements of the District have been prepared in conformity with the accounting principles generally accepted in the United States of America ("GAAP"), as specified by the Governmental Accounting Standards Board ("GASB"). The more significant of the District's accounting policies are described below.

Financial Statement Presentation

The District's financial report is prepared in accordance with GAAP which prescribes that the following sections be presented:

- Management's Discussion and Analysis - GAAP requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of management's discussion and analysis ("MD&A"). The District has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.
- Government-Wide and Fund Financial Statements

Government-Wide Financial Statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Primary Government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the Primary Government is reported separately from certain legally separate component units for which the Primary Government is financially accountable.

Statement of Net Position - The Statement of Net Position is designed to display the financial position of the Primary Government (government and business-type activities) and its discretely presented component units. Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items are not included among program revenues as they are not levied for a particular program.

Separate financial statements are provided for governmental funds Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

- **Required Supplementary Information (“RSI”)** - Demonstrating compliance with the adopted budget is an important component of a government’s accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the GAAP reporting model, governments provide budgetary comparison information in their annual reports including the original budget, final budget and actual results. In addition to budgetary information, the RSI section also presents trend information related to the District’s pension plan and OPEB plan.
- **Financial Reporting Entity**
The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a Primary Government’s reporting entity for the basic financial statements is financial accountability wherein the entity is both fiscally dependent on the Primary Government and provides either a benefit or creates a burden on the Primary Government. The District does not have any component units.

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

The accompanying financial statements are prepared in accordance with GAAP as applicable to governmental units. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year when all eligibility requirements imposed by the provider have been satisfied. Fiduciary funds financial statements are reported on the accrual basis of accounting and do not measure operations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (general government and culture and recreation) which are otherwise being supported by general government revenues, (property taxes, certain intergovernmental revenues, permits, and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (culture and recreation.) or a business-type activity.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting; however, debt service expenditures as well as expenditures related to compensated absences and claims, and judgments are recorded only when payment is due.

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable revenues. Licenses, permits, are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state, and other grants for the purpose of funding specific expenditures, are recognized when all eligibility requirements have been satisfied. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

In the fund financial statements, financial transactions and accounts of the District are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

1. Governmental Funds - Governmental Funds are those through which most governmental functions typically are financed. The District reports the General Fund as a major governmental fund.

General Fund--The General Fund is the primary operating fund of the District. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income.

Capital Improvements Fund—The capital improvements fund accounts for the acquisition and construction of the District's major capital expenditures.

Permanent 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 maintenance and repairs of the cemetery.

B. Cash and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposits, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

C. Receivables and Payables

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, 2020, the allowance for accounts receivable was \$34,704. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "Due from/Due to".

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. The District does not calculate its allowance for uncollectible accounts, because management believes all of accounts receivable is collectible.

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020

D. 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.

E. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental columns in the government-wide financial statements for the District. Capital assets are defined by the Districts as land, buildings, infrastructure, and equipment with an initial individual cost of more than \$500 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the Primary Government, are depreciated using the straight-line method over the following estimated useful lives.

Assets	Years
Buildings	50
Plant, equipment, and system	20-30
Motor vehicles	5
Equipment	3-10
Infrastructure	30

F. Deferred Outflows and Inflows of Resources

In addition to assets, the Balance Sheet and the Statement of Net Position may report a separate section for deferred outflows of resources, which represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows and inflows of resources related to pensions, in the government-wide and the Proprietary funds' Statement of Net Position

In addition to liabilities, the Balance Sheet and the Statement of Net Position may report a separate section for deferred inflows of resources representing an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the Districts reports deferred inflows of resources related to pensions and OPEB.

G. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020

H. Pensions

The District contributes to a defined benefit pension plan, California Public Employees Retirement System (CalPERS), a cost-sharing, multi-employer defined benefit pension plan administered by the California Public Employees Retirement System, which is a statutorily funded plan.

I. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Fund Balance

In the governmental fund financial statements, fund balance may be composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The governmental fund types classify fund balances as follows:

- Nondspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form (e.g., inventory) or (b) legally or contractually required to be maintained intact (e.g., long-term amount of loans/note receivable)
- Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes by external parties, constitutional provisions, or imposed by creditors (e.g., bond covenants). The restricted fund balance is to report interest earned on the permanent fund principal balance.
- Committed Fund Balance – This portion of fund balance can only be used for specific purposes determined by a formal action of the District’s highest level of decision-making authority. Any changes or removal of specific purpose requires majority action by the governing body.
- Assigned Fund Balance – The portion of fund balance that the District intends to use for specific purposes as expressed by the governing body itself, the budget document, or delegated official, the District Manager. Fund balances in the General Fund are assigned by resolution of the Board of Trustees.
- Unassigned Fund Balance – The portion of the fund balance available for any purpose. Includes all spendable amounts not classified as nondspendable, restricted, committed, or assigned. The General Fund is the only fund that would report a positive amount in the unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the District’s policy is to apply restricted fund balances first, then unrestricted fund balances as needed.

K. Net Position

Net position is the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets less accumulated depreciation less any outstanding debt and deferred inflows and outflows related to the acquisition, construction, or improvement of those assets.

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position.

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.

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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—Deposits and Investments

Policies

It is the policy of the Coachella Valley Public Cemetery District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital, liquidity, and yield).

The District has authorized staff to invest cash with the Riverside County Treasurer in a series of pooled accounts with cash from various other governmental entities within the County, for investment purposes. State statutes govern the County’s investment policies.

In addition, the County has an investment committee, which prescribes written investment policies regarding the types of investments that may be made. The policies limit amounts that may be invested in any one financial institution or amounts, which may be invested in long-term instruments. Interest earned from such time deposits and investments is allocated quarterly to the District based on its average daily cash balances.

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Required Rating
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Banker’s Acceptances	5 years	None	None

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020

Commercial Paper – Selected Agencies	270 Days	None	None
Commercial Paper – Other Agencies	270 Days	None	None
Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium Term Corporate Notes	5 years	30%	A
Money Market Mutual Funds & Mutual Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 years	None	None
Mortgage pass-Through Securities	5 years	20%	AA
Bank/Time Deposits	5 years	None	None
County pooled Investment Funds	5 years	None	None
Joint Powers Authority	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None

Riverside County Investment Pool – The District is a voluntary participant in the Riverside County Investment Pool (RCIP) that is regulated by California Government Code Section 53600 under the oversight of the treasurer of the County of Riverside. Deposits and withdrawals in the Riverside County Investment Pool are made in the basis of \$1 and not fair value. The balance available for withdrawal is based on the accounting records maintained by Riverside County Investment Pool which is recorded on an amortized cost basis. The pool is not registered with the SEC and is unrated. At June 30, 2020, these investments in RCIP have an average maturity of less than one year.

Government-wide Statement of Net Position

Governmental activities:

Petty cash	\$ 200
Cash with financial insitutions	827,160
Cash with Riverside County Investment Pool	1,604,357
Cash with fiscal agents/brokers	<u>20,613</u>
Total carrying amount of deposits	<u>\$ 2,452,330</u>

Investment Maturities (in Years)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
U.S. Treasury obligations/ Govt. Bonds	\$ 392,055	\$ 164,278	\$ 227,777	\$ -
Treasury Money Market	1,054,609	\$ 1,054,609	-	-
Negotiable Certificates of Deposits	5,185,049	2,950,233	2,234,817	-
Government asset backed securities	94,724	101	6,548	88,075
Corporate Bonds	3,141,602	1,119,208	2,022,393	-
Mutual Bonds	2,542,691	2,542,691	-	-
Total Investments	<u>\$ 12,410,730</u>	<u>\$ 7,831,120</u>	<u>\$ 4,491,535</u>	<u>\$ 88,075</u>

Credit Risk. – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The investment policy requires that fixed income securities and equities have an average maturity no more than two years.

Custodial Credit Risk – Investments – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of its investments that are in the possession of an outside party to a transaction, the District will not be able to recover the value of its investments that are in the possession of an outside party. The investment policy does not provide guidance about custodial credit risk.

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the District’s investment in a single issuer. The District’s investment policy does not provide guidance about concentration of credit risk.

Fair Value of Investments – The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy has three levels and is based on the valuation inputs used to measure an asset’s fair value. Deposits and withdrawals in the RCIP are made in the basis of \$1 and not fair value. The value of the pool shares in the Riverside County Investment Pool, which may be withdrawn, is determined on an amortized cost basis that is different than the fair value of the District’s position in the pool. Accordingly, the District’s proportionate share of investments in those funds at June 30, 2020, is an uncategorized input not defined as Level 1, Level 2 or Level 3 input.

<u>Investment Type</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
U.S. Treasury obligations/ Govt. Bonds	\$ 392,055	\$ 392,055	\$ -
Treasury Money Market	1,054,609	1,054,609	-
Negotiable Certificates of Deposits	5,185,049	-	5,185,049
Government asset backed securities	94,724	-	94,724
Corporate Bonds	3,141,602	-	3,141,602
Mutual Bonds	2,542,691	2,542,691	-
Total investment at Fair Value	<u>\$ 12,410,730</u>	<u>\$ 3,989,355</u>	<u>\$ 8,421,375</u>

Note 3—Interfund Obligations

The composition of interfund balances as of June 30, 2020, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Permanent Fund	General Fund	<u>\$ 290,728</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) inter-fund goods and services are provided, or reimbursable expenditure occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Note 4—Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2020 is as follows:

	<u>Transfers in:</u>
	<u>General Fund</u>
Transfers out:	
Capital Projects Fund	\$ 75,000
Permanent Fund	17,384
Total	<u>\$ 92,384</u>

During the year ended June 30, 2020, the District made the following one-time transfers:

1. A transfer of \$75,000 from the capital projects fund to the general fund to purchase capital expenditures.
2. A transfer of 17,384 from the permanent fund to the general fund for repair and maintenance of the cemetery.

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020

Note 5—Capital Assets

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2020:

	Balance July 1, 2019	Increase	Decrease	Balance June 30, 2020
Governmental Activities:				
Capital assets not subject to depreciation:				
Land	\$ 584,984	\$ -	\$ -	\$ 584,984
Total capital assets not subject to depreciation	<u>584,984</u>	<u>-</u>	<u>-</u>	<u>584,984</u>
Capital assets subject to depreciation:				
Buildings, improvements, and infrastructure	3,329,490	6,414	-	3,335,904
Machinery and equipment	1,057,062	65,907	(51,161)	1,071,808
Total capital assets being depreciated	<u>4,386,552</u>	<u>72,321</u>	<u>(51,161)</u>	<u>4,407,712</u>
Less accumulated depreciation for:				
Buildings, improvements, and infrastructure	(1,829,799)	(128,933)	-	(1,958,732)
Machinery and equipment	(837,376)	(38,945)	51,161	(825,160)
Total accumulated depreciation	<u>(2,667,175)</u>	<u>(167,878)</u>	<u>51,161</u>	<u>(2,783,892)</u>
Total capital assets being depreciated, net	<u>1,719,377</u>	<u>(95,557)</u>	<u>-</u>	<u>1,623,820</u>
Capital assets, net	<u>\$ 2,304,361</u>	<u>\$ (95,557)</u>	<u>\$ -</u>	<u>\$ 2,208,804</u>

Depreciation expense for the year ended June 30, 2020 was \$167,878.

Note 6—Long-term Obligations

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Due Within One Year
Primary Government:					
Compensated absences payable	\$ 29,825	\$ 28,322	\$ (23,377)	\$ 34,770	\$ 3,477
Net pension liability	621,197	72,752	-	693,949	-
Net OPEB liability	983,269	(59,267)	182,273	1,106,275	-
Total	<u>\$ 1,634,291</u>	<u>\$ 41,807</u>	<u>\$ 158,896</u>	<u>\$ 1,834,994</u>	<u>\$ 3,477</u>

Note 7—Commitments, Contingencies, and Subsequent Events

On March 9, 2021, the Board approved for the general fund to reimburse the permanent fund in the amount of \$255,900.

Note 8—Litigation

At June 30, 2020, there were no matters of litigation involving the District or which would materially affect the District's financial position should any court decisions on pending matters not be favorable to such entities.

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020

Note 9—Pension Plan

General Information about the Pension Plan

Plan Description. The District contributes to the California Public Employees' Retirement System (CalPERS), a cost sharing multiple-employer public employee retirement system. CalPERS provides retirement and disability benefits, annual cost-of living adjustments, and death benefits to plan members and beneficiaries. 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 District resolution. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained from CalPERS, 400 Q Street, Sacramento, CA 95811.

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 50 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.

The Plan's provisions and benefits in effect at June 30, 2020 are summarized as follows:

	Prior to January 1, 2013	On or After January 1, 2013
Formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a percent of annual salary	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	10.221%	6.985%

Contributions. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is 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.

For the year ended June 30, 2020, the contributions to the Plan were \$54,354.

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

As of June 30, 2020, the District reported net pension liability for its proportionate share of collective net pension liability in the amount of \$693,949.

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020

The District's net pension liability for the Plan is measured as the proportionate share of the collective plans net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the Miscellaneous Plan as of the June 30, 2018 and 2019 measurement dates was as follows:

Proportion - June 30, 2018	0.018990%
Proportion - June 30, 2019	<u>0.018970%</u>
Change	<u><u>-0.000020%</u></u>

Proportionate share of the Net Pension Liability/(Asset) for the Miscellaneous Plan as of the reporting dates 6/30/2019 and 6/30/2020:

	<u>Miscellaneous</u>
Proportion - June 30, 2019	<u>0.01648%</u>
Proportion - June 30, 2020	<u>0.01733%</u>
Change - Increase/(Decrease)	<u><u>0.00085%</u></u>

For the year ended June 30, 2020, the District recognized pension expense of \$152,764. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 54,354	\$ -
Differences between actual and expected experience	48,198	3,734
Changes in assumptions	33,091	11,730
Difference between projected and actual contributions	-	77,166
Net differences between projected and actual earnings on plan investment	-	12,133
Adjustments due to differences in proportion	33,788	-
Total	<u>\$ 169,431</u>	<u>\$ 104,763</u>

The \$54,354 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020

Year Ending June 30,	Pension Expense Amount
2021	\$ 28,923
2022	(20,561)
2023	(499)
2024	2,451
2025	
Thereafter	
Total	\$ 10,314

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions for the plan:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Costs
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increases (1)	2.75%
Investment Rate of Return (2)	7.15%
Mortality (3)	

- (1) Annual increases vary by category, entry age, and duration of service
(2) Net of pension plan investment expenses, includes inflation
(3) 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.

Discount Rate. The discount rate used to measure the total pension liability was 7.15 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plans, 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 will be applied to all plans in the Public Employees' Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound 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 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.

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020

The table below reflects the 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 rates of return are net of administrative expenses.

Asset Class	New	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
	Strategic Allocation		
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.39%
Liquidity	1.00%	0.00%	-0.92%
Total	100%		

(a) An expected inflation of 2.0% used for this period.

(b) An expected inflation of 2.9% used for this period.

The sensitivity of the district's net pension liability to changes in the discount rate is presented below. The district's net pension liability calculated using the discount rate of 7.15% is presented as well as the net pension liability using a discount rate that is 1.0% lower (6.15%) or 1.0% higher (8.15%) than the current rate.

Discount Rate	1% Decrease (6.15%)	Current Rate (7.15%)	1% Increase (8.15%)
Proportionate share of the net pension liability / (asset)	\$ 1,152,820	\$ 693,949	\$ 315,184

Note 10—Other Postemployment Benefits Plan

Plan Description—The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA"), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options.

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

Employees Covered by Benefit Terms—There are three retirees or beneficiaries receiving benefit payments as of July 1, 2018. There are seven active eligible employees as of July 1, 2018.

Contributions-- The District's required contribution is based on projected pay-as-you-go financing requirements. No assets are accumulated in an irrevocable OPEB trust.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020

Actuarial Assumptions—The total OPEB liability in the July 1, 2018 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	3.00 percent
Salary increases	3.00 percent
Discount rate	2.45 percent
Healthcare cost trend rate	5.80 percent for 2020; 5.70 percent for 2021; and decreasing 0.10 percent per year to an ultimate rate of 5.00 percent for 2028 and later years

Mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. The actuarial assumptions used in the July 1, 2018 valuation were based on a review of plan experience during the period July 1, 2016 to June 30, 2018.

Discount Rate-- GASB 75 requires the use of a discount rate that considers the availability of the OPEB plan's fiduciary net position associated with the OPEB of current active and inactive employees and the investment horizon of those resources. OPEB plans with irrevocable trust accounts can utilize a discount rate equal to the long-term expected rate of return to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the OPEB plan assets are expected to be invested using a strategy to achieve that return.

To determine if the OPEB plan assets are sufficient, a calculation of the projected fiduciary net position and the amount of projected benefit payments is compared in each period. When OPEB plan assets are determined to not be sufficient, a blended rate is calculated.

For OPEB plans that do not have irrevocable trust accounts, GASB 75 requires a discount rate equal to the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The District does not have an irrevocable trust account for prefunding OPEB liabilities. The discount rate used to measure the total OPEB liability was based on the Fidelity GO AA 20-year municipal index.

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2019	\$ 983,269	\$ -	\$ 983,269
Changes for the year:			
Service cost	55,035		55,035
Interest	31,579		31,579
Changes of benefit terms	-		-
Difference between expected and actual experience	-		-
Changes in assumptions or other inputs	95,659		95,659
Contributions - employer		59,267	(59,267)
Net investment income		-	-
Benefit payments	(59,267)	(59,267)	-
Administrative expenses	-		-
Net changes	123,006	-	123,006
Balances at June 30, 2020	\$ 1,106,275	\$ -	\$ 1,106,275

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020

Sensitivity of the Net OPEB liability to changes in the healthcare cost trend rates

	1% Decrease (1.45%)	Discount Rate (2.45%)	1% Increase (3.45%)
Net OPEB liability (asset)	\$ 1,274,692	\$ 1,106,275	\$ 970,030

Sensitivity of the Net OPEB liability to changes in the healthcare cost trend rates

	1% Decrease (4.80% current, 4.00% ultimate)	Trend Rate (5.80% current, 5.00% ultimate)	1% Increase (6.80% current, 6.00% ultimate)
Net OPEB liability (asset)	\$ 936,139	\$ 1,106,275	\$ 1,323,519

OPEB Plan Experience

Reporting period	July 1, 2019 to June 30, 2020
Measurement period	July 1, 2019 to June 30, 2020

Benefit Payments and Contributions

	Benefit Payments
Benefits paid from the trust	\$ -
Benefits paid outside of trust	48,793
Implicit benefits paid	10,474
Total benefit payments	\$ 59,267
	Contributions
Contributions to the trust - employer	\$ -
Contributions - benefits paid outside of trust	48,793
Contributions - implicit benefits paid	10,474
Total contributions	\$ 59,267

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

Annual OPEB Expense

The annual OPEB expense is the sum of the change in Net OPEB liability, the change in deferred outflows, and the change in deferred inflows, reduced by the employer contributions.

Net OPEB liability at beginning of measurement period (a)	\$	983,269
Net OPEB liability at end of measurement period (b)	\$	1,106,275
Change in net OPEB liability (b) - (a)		123,006
Change in deferred outflows		(73,406)
Change in deferred inflows		-
Employer contributions		59,267
Net OPEB expense from June 30, 2019 to June 30, 2020	\$	108,867

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

For the reporting year ending June 30, 2020, the District recognized deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions or other inputs	123,335	-
Differences between projected and actual return investments	-	-
Total	<u>\$ 123,335</u>	<u>\$ -</u>

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

Reporting Fiscal Year Ending June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
2021	\$ 22,253	\$ -	\$ 22,253
2022	22,253	-	22,253
2023	22,253	-	22,253
2024	22,253	-	22,253
2025	22,253	-	22,253
2026	12,070	-	12,070
Total	<u>\$ 123,335</u>	<u>\$ -</u>	<u>\$ 123,335</u>

Note 11—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 \$26,637 for the year ended June 30, 2020 for coverage up to \$5,000,000 for statutory workers' compensation limits and \$2,500,000 employer liability.

Note 12—Prior Period Adjustment

The District restated certain prior year balances after identifying instances during 2020 where activities in the previous fiscal years were inaccurately recorded in the financial statements.

	Governmental Activities
Net position, June 30, 2019, previously reported	\$ 14,737,384
Prior year unearned income	(4,133,917)
Balance, as restated, June 30, 2019	<u>\$ 10,603,467</u>
	General Fund
Governmental Funds	
Fund Balances June 30, 2020, previously reported	\$ 6,610,407
Prior year unearned income	(4,133,917)
Fund Balances, as restated, June 30, 2020	<u>\$ 2,476,490</u>

REQUIRED SUPPLEMENTARY INFORMATION

Coachella Valley Public Cemetery District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020

REVENUES	Original Budget	Final Budget	Actual	Variance with Final Budget
Property taxes	\$ 557,400	\$ 557,400	\$ 550,471	\$ (6,929)
Intergovernmental	385,000	385,000	358,118	(26,882)
Charges for services	1,100,000	1,100,000	1,072,014	(27,986)
Investment earnings	5,000	5,000	227,743	222,743
Lease income	-	-	5,000	5,000
Miscellaneous	9,500	9,500	8,907	(593)
Total revenues	2,056,900	2,056,900	2,222,253	165,353
EXPENDITURES				
General Government:				
Salaries and employee benefits	1,020,000	1,020,000	623,897	396,103
Services and supplies	806,900	806,900	983,776	(176,876)
Capital outlay	230,000	230,000	72,321	157,679
Total expenditures	2,056,900	2,056,900	1,679,994	376,906
Excess (deficiency) of revenues over expenditures	-	-	542,259	542,259
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	92,384	92,384
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	92,384	92,384
Net change in fund balances	\$ -	\$ -	\$ 634,643	\$ 634,643

The accompanying notes are an integral part of this statement.

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to Required Supplementary
Statement of Revenues, Expenditures, and Changes in Fund Balance—Budget to Actual
June 30, 2020

Budgetary Basis of Accounting

The budget for the general fund is prepared on generally accepted accounting principles basis. Revenues are budgeted in the year receipt is expected; expenditures are budgeted in the year that the applicable warrant requisitions are expected to be issued. The budget and actual financial statements are reported on the above basis.

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

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Required Supplementary Information
Schedule of District's Proportionate Share of the Net Pension Liability
Last Ten Years
June 30, 2020

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.018970%	0.016280%	0.015460%	0.0154600%	0.0145400%	0.60600%
Proportionate share of the net pension liability	\$ 693,949	\$ 621,197	\$ 641,759	\$ 537,247	\$ 398,784	\$ 377,252
Covered payroll	\$ 395,141	\$ 309,048	\$ 335,260	\$ 345,540	\$ 348,984	\$ 319,800
Proportionate share of the net pension liability as a percentage of covered payroll	56.94%	49.75%	52.24%	64.32%	87.51%	84.77%
Plan fiduciary net position as a percentage of the total pension liability	79.66%	80.63%	75.26%	80.25%	82.39%	83.03%

See Notes to Requirement Supplementary Information

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Required Supplementary Information
Schedule of District's Contributions
Last Ten Years
June 30, 2020

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily Determined Contribution	\$ 55,054	\$ 54,602	\$ 39,067	\$ 50,571	\$ 46,087	\$ 47,350
Contributions in Relation to the Statutorily Determined Contribution	<u>55,054</u>	<u>54,602</u>	<u>39,067</u>	<u>50,571</u>	<u>46,087</u>	<u>47,350</u>
Contribution Excess (Deficiency)	<u>\$ -</u>					
Covered Payroll	\$ 395,141	\$ 309,048	\$ 335,260	\$ 345,540	\$ 348,984	\$ 319,800
Contributions as a percentage of District's covered payroll	13.93%	17.67%	11.65%	14.64%	13.21%	14.81%

See Notes to Requirement Supplementary Information

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to Required Supplementary Information
Pension Plan
June 30, 2020

1. The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions:

Actuarial Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value
Assumptions:	
Inflation	2.50%
Active member payroll growth	Varies by Entry Age and Service
Investment Rate of Return	7.15%
Discount Rate	7.15%
Mortality rate table ¹	Derived using CalPERS' Membership Data for all funds contract COLA up to 2.5% until purchasing power protection allowance floor on purchasing power applies
Post-retirement benefit increase	Protection allowance floor on purchasing power applies

¹The 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 to 2015) that can be found on the CalPERS website.

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 55,035	\$ 49,701	\$ 48,253
Interest	31,579	31,509	30,333
Differences between expected and actual experience			
Assumption changes	95,659	58,114	-
Benefit payments	(59,267)	(52,498)	(39,745)
Net change in total pension liability	123,006	86,826	38,841
Total OPEB liability - Beginning	<u>983,269</u>	<u>896,443</u>	<u>857,602</u>
Total OPEB liability - ending	<u>\$ 1,106,275</u>	<u>\$ 983,269</u>	<u>\$ 896,443</u>
Fiduciary Net Position			
Contributions - Employer	\$ 59,267	\$ 52,498	\$ 39,745
Contributions - Members	-	-	-
Net Investment Income	-	-	-
Benefit payments	(59,267)	(52,498)	(39,745)
Administrative expenses	-	-	-
Net change in plan fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability	<u>\$ 1,106,275</u>	<u>\$ 983,269</u>	<u>\$ 896,443</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	394,305	327,536	335,260
District's net OPEB liability as a percentage of covered-employee payroll	280.56%	300.20%	267.39%

See Notes to Requirement Supplementary Information

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Required Supplementary Information
Schedule of Contributions
Other Post-Employment Benefit Plan
June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Plan actuarially determined contribution	\$ 59,267	\$ 52,498	\$ 39,745
Plan contributions in relation to the actuarially determined contribution	<u>(59,267)</u>	<u>(52,498)</u>	<u>(39,745)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll	 394,305	 327,536	 335,260
 District contributions as a percentage of covered payroll	 15.03%	 16.03%	 11.85%

See Notes to Requirement Supplementary Information

COACHELLA VALLEY PUBLIC CEMETERY DISTRICT
Notes to Required Supplementary Information
Other Post-Employment Benefit Plan
June 30, 2020

1. The schedules are intended to show information for ten years. Due to a change in accounting principles starting for the year ended June 30, 2018, the last ten years are not reported. Additional years will be displayed as they become available.
2. There was a change with respect to actuarial assumption from the prior year to reflect revised expectations with respect to the discount rate in 2020. The discount rate decreased from 3.13% to 2.45%.
3. Methods and assumptions used to determine contribution rates for the most recent year include:
 - a. Valuation date: June 30, 2018
 - b. Inflation: 3.00%
 - c. Discount rate: 2.45%
 - d. 5.80% for 2020; 5.70% for 2021; and decreasing 0.10% per year to an ultimate rate of 5.00% for 2028 and later years
 - e. Mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. The actuarial assumptions used in the July 1, 2018, valuation were based on a review of plan experience during the period July 1, 2016 to June 30, 2018.