

**TEMECULA PUBLIC CEMETERY  
DISTRICT**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2019**



**TEMECULA PUBLIC CEMETERY DISTRICT**

**TEMECULA, CALIFORNIA**

**JUNE 30, 2019**

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<b>MEMBER</b>	<b>OFFICE</b>	<b>TERM EXPIRES</b>
Rosie Vanderhaak	Chair	June 2021
Dale Qualm	Vice Chair	January 2024
Mike Dugan	Trustee	June 2021
Craig Davis	Trustee	December 2020
David Reese	Trustee	January 2023

**ADMINISTRATION**

Cindi Beaudet

General Manager

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**TEMECULA PUBLIC CEMETERY DISTRICT**

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**JUNE 30, 2019**

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*FINANCIAL SECTION*

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Temecula Public Cemetery District  
Temecula, California

### REPORT ON THE FINANCIAL STATEMENTS

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

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

Temecula Public Cemetery District's 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*

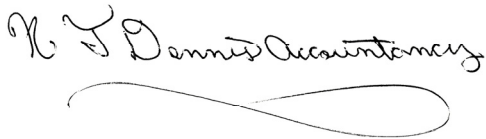
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Temecula Public Cemetery District, as of June 30, 2019, and the respective changes in financial position thereof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

RT DENNIS  
ACCOUNTANCY

***Other Matters***

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule, and schedule of changes in OPEB on pages 5-9 and 31-32, respectively, 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.



*K. J. Dennis*  
K. J. Dennis Accountancy

March 4, 2020

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# TEMECULA PUBLIC CEMETERY DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Temecula Public Cemetery District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities and performance of the District for the fiscal year ended June 30, 2019. Please read it in conjunction with additional information that we have furnished in the accompanying basic financial statements, which follow this section.

### Financial Highlights

- The District's net position increased \$676,000 to \$9.3 million. This is similar to the increase in net assets for the past few years.
- The District's property tax revenues increased by 5%, or \$33k in 2019 due to the increase of property values within the District's boundaries.
- Total revenues from all sources increased by almost 16% or \$173k to \$1.26 million in 2019 due to an increase in investment revenue and property taxes.
- Total expenses decreased 1% or \$7k in 2019 due to a decrease in employee costs and outside service costs.

### Using This Financial Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Activities. This statement measures the success of the District's operations over the past year and can be used to determine the District's profitability and credit worthiness.

**Temecula Public Cemetery District**  
***Management's Discussion and Analysis***  
**For the Year Ended June 30, 2019**

## **Government-wide Financial Statements**

### **Statement of Net Position and Statement of Activities**

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities and Changes in Net Assets report information about the District in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

## **Governmental Funds Financial Statements**

### **Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balance**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus on governmental funds is narrower than that of a government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between government funds and governmental activities.

## **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary information and compliance.

**Temecula Public Cemetery District**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2019**

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets of the District exceeded liabilities by \$9.3 million as of June 30, 2019.

A portion of the District's net position, \$3.3 million, reflects its investment in capital assets (net of accumulated depreciation), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to operate the cemetery; consequently, these assets are not available for future spending. At the end of fiscal year 2019, the District shows a positive balance in its unrestricted net position of \$3.8 million that may be utilized in future years.

**Table 1 - Net Position**

<i>(Amounts in thousands)</i>	<b>2019</b>	<b>2018</b>	<b>\$ Change</b>	<b>% Change</b>
Current and other assets	\$ 3,852	\$ 3,578	\$ 274	8%
Capital assets	5,682	5,178	504	10%
<b>Total Assets</b>	9,534	8,756	778	9%
Current liabilities	159	43	116	270%
Non-current liabilities	37	51	(14)	-27%
<b>Total Liabilities</b>	196	94	102	109%
Net position				
Net investment in capital assets	3,253	3,181	72	2%
Restricted	2,250	2,016	234	12%
Unrestricted	3,835	3,465	370	11%
<b>Total Net Position</b>	\$ 9,338	\$ 8,662	\$ 676	8%

**Temecula Public Cemetery District**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2019**

The statement of activities shows how the government's net position changes during the fiscal year. In the case of the District, net position increased by \$676k for the fiscal year ended June 30, 2019.

**Table 2 - Changes in Net Position**

<i>(Amounts in thousands)</i>	<b>2019</b>	<b>2018</b>	<b>\$ Change</b>	<b>% Change</b>
Program revenue	\$ 300	\$ 351	\$ (51)	-15%
General revenue	962	739	223	30%
<b>Total Revenue</b>	<b>1,262</b>	<b>1,090</b>	<b>172</b>	<b>16%</b>
Salaries and benefits	349	330	19	6%
Supplies and services	189	214	(25)	-12%
Other charges	48	49	(1)	-2%
<b>Total Expenses</b>	<b>586</b>	<b>593</b>	<b>(7)</b>	<b>-1%</b>
<b>Excess before special items and transfers</b>	<b>676</b>	<b>497</b>	<b>179</b>	<b>36%</b>
Special items	-	(9)		0%
<b>Increase in net position</b>	<b>\$ 676</b>	<b>\$ 488</b>	<b>\$ 179</b>	<b>37%</b>

### **Governmental Funds Financial Analysis**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of the government's net resources for spending at the end of the fiscal year.

As of June 30, 2019, the District's General Fund reports a fund balance of \$1.2 million. An amount of \$1.1 million constitutes the District's unassigned fund balance, which is available for future cemetery expansion expenditures.

### **General Fund Budgetary Highlights**

While the District budgets each fiscal year for a zero net increase, the General Manager works to minimize costs. Revenue for the fiscal year ended June 30, 2019, was \$33k higher than anticipated due to additional Property Tax revenue.



**Temecula Public Cemetery District**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2019**

**Capital asset administration**

At the end of fiscal year 2019, the District's investment in capital assets amount to \$3.3 million (net of depreciation). This investment in capital assets includes structures and improvements, equipment and construction-in-process.

**Table 3 - Capital Assets, Net of Depreciation**

<i>(Amounts in thousands)</i>	<b>2019</b>	<b>2018</b>	<b>\$ Change</b>	<b>% Change</b>
Land	\$ 78	\$ 78	\$ -	0%
Construction in progress	2,635	2,603	32	1%
Intangible	20	6	14	233%
Buildings and improvements	508	455	53	12%
Equipment	12	19	(7)	-37%
<b>Total</b>	<b>\$ 3,253</b>	<b>\$ 3,161</b>	<b>\$ 92</b>	<b>3%</b>

**Conditions Affecting Current Financial Position**

Management is unaware of any conditions which could have a significant impact on the District's current financial position, net assets or operating results in terms of past, present and future.

**Requests for Information**

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the District's Cemetery Manager, Cindi Beaudet, at the Temecula Public Cemetery District, 41911 "C" Street, Temecula, CA 92592

TEMECULA PUBLIC CEMETERY DISTRICT

GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET POSITION  
 JUNE 30, 2019

	General Fund	ACO Fund	Endowment Care Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,130,903	\$ 1,953,408	\$ 530,718
Accrued receivables	25,182	1,956	13,943
Internal balances	118,362	(118,362)	-
Prepaid expenditures	35,186	-	-
Inventory	31,506	-	-
Investments	-	-	2,428,988
Nondepreciable capital assets	-	-	-
Depreciable capital assets, net	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,341,139</b>	<b>\$ 1,837,002</b>	<b>\$ 2,973,649</b>
<b>LIABILITIES</b>			
Accrued payables	\$ 41,011	\$ -	\$ -
Long-term liabilities, non-current	-	-	-
<b>Total Liabilities</b>	<b>41,011</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE / NET POSITION</b>			
<b>Fund Balance</b>			
Non-spendable	66,692	-	2,249,789
Assigned	-	1,837,002	723,860
Unassigned	1,233,436	-	-
<b>Net Position</b>			
Net investment in capital assets	-	-	-
Restricted	-	-	-
Unrestricted	-	-	-
<b>Total Fund Balance / Net Position</b>	<b>1,300,128</b>	<b>1,837,002</b>	<b>2,973,649</b>
<b>TOTAL LIABILITIES AND FUND BALANCE / NET POSITION</b>	<b>\$ 1,341,139</b>	<b>\$ 1,837,002</b>	<b>\$ 2,973,649</b>

The accompanying notes are an integral part of these financial statements

<b>Total</b>		
<b>Governmental Funds</b>	<b>Adjustments (Note 2-A.)</b>	<b>Statement of Net Position</b>
\$ 3,615,029	\$ -	\$ 3,615,029
41,081	11,639	52,720
-	-	-
35,186	-	35,186
31,506	-	31,506
2,428,988	-	2,428,988
-	2,732,645	2,732,645
-	519,903	519,903
<u>\$ 6,151,790</u>	<u>\$ 3,264,187</u>	<u>\$ 9,415,977</u>
\$ 41,011	\$ -	\$ 41,011
-	37,000	37,000
<u>41,011</u>	<u>37,000</u>	<u>78,011</u>
2,316,481	(2,316,481)	-
2,560,862	(2,560,862)	-
1,233,436	(1,233,436)	-
-	3,252,548	3,252,548
-	2,249,789	2,249,789
-	3,835,629	3,835,629
<u>6,110,779</u>	<u>3,227,187</u>	<u>9,337,966</u>
<u>\$ 6,151,790</u>	<u>\$ 3,264,187</u>	<u>\$ 9,415,977</u>

TEMECULA PUBLIC CEMETERY DISTRICT

GOVERNMENTAL FUNDS STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE/STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	ACO Fund	Endowment Care Fund
<b>REVENUE</b>			
Program Revenue:			
Charges for services	\$ 137,698	\$ -	\$ 162,462
Property taxes, general purpose	729,849	-	-
Grants and contributions not restricted to specific programs	6,560	-	-
Revenue from use of money	16,138	35,600	147,229
Other revenues	25,738	-	-
<b>Total Revenue</b>	<b>915,983</b>	<b>35,600</b>	<b>309,691</b>
<b>EXPENDITURES / EXPENSES</b>			
Current:			
Salaries and wages	254,255	-	-
Benefits	109,195	-	-
Supplies	33,029	-	-
Services	156,260	-	-
Other charges	-	-	1,150
Depreciation	-	-	-
Capital Outlay	-	118,362	-
<b>Total Expenditures / Expenses</b>	<b>552,739</b>	<b>118,362</b>	<b>1,150</b>
<b>Excess (Deficiency) of Revenue over Expenditures/Expenses</b>	<b>363,244</b>	<b>(82,762)</b>	<b>308,541</b>
<b>OTHER FINANCING SOURCES/USES</b>			
Transfers - internal activity	(330,227)	330,227	-
<b>NET CHANGE IN FUND BALANCE / NET POSITION</b>	<b>33,017</b>	<b>247,465</b>	<b>308,541</b>
<b>Fund Balance / Net Position - Beginning</b>	<b>1,267,111</b>	<b>1,589,537</b>	<b>2,665,108</b>
<b>Fund Balance / Net Position - Ending</b>	<b>\$ 1,300,128</b>	<b>\$ 1,837,002</b>	<b>\$ 2,973,649</b>

The accompanying notes are an integral part of these financial statements

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<b>Total</b>		
<b>Governmental Funds</b>	<b>Adjustments (Note 2-B.)</b>	<b>Statement of Activities</b>
\$ 300,160	\$ -	\$ 300,160
729,849	1,407	731,256
6,560	-	6,560
198,967	-	198,967
25,738	-	25,738
<u>1,261,274</u>	<u>1,407</u>	<u>1,262,681</u>
254,255	-	254,255
109,195	(14,000)	95,195
33,029	-	33,029
156,260	-	156,260
1,150	-	1,150
-	47,158	47,158
118,362	(118,362)	-
<u>672,251</u>	<u>(85,204)</u>	<u>587,047</u>
589,023	86,611	675,634
-	-	-
589,023	86,611	675,634
5,521,756	3,140,576	8,662,332
<u>\$ 6,110,779</u>	<u>\$ 3,227,187</u>	<u>\$ 9,337,966</u>

TEMECULA PUBLIC CEMETERY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

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*NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

**1 - A. Financial Reporting Entity**

The accompanying financial statements present the activities of the Temecula Public Cemetery District (“the District”). The District is a public cemetery was formed on June 27, 1927 in the County of Riverside, under Health and Safety Code § 9010.

The District's financial operation is governed by a Board of Trustees consisting of five members, including the chair who is selected by the Board. The members of the Board are appointed by the Riverside County Board of Supervisors to serve for a term of four (4) years.

The accounting and reporting policies of the District are pursuant to Government Code § 53891, the provisions of this accounting system are prescribed for all districts engaged in activities other than recognized enterprise activities. The purpose of the accounts and procedures is to furnish a common accounting and reporting framework which is flexible enough to prepare financial statements in accordance with generally accepted accounting principles and prepare the Annual Report of Financial Transactions for Special Districts as required by the State Controller's Office.

**1 - B. Other Related Entities**

**Joint Powers Authority (“JPA”).** The District is associated with one JPA, the Special District Risk Management Authority (“SDRMA”). This organization does not meet the criteria for inclusion as a component unit of the District. Additional information is presented in Note 11 to the financial statements.

**1 - C. Basis of Presentation**

**Government-wide Statements.** The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

Program revenues include fees, fines, and charges paid by the recipients of goods or services offered by the cemetery. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Combined Fund and Government-Wide Statements.** Governments engaged in a single governmental program may combine their fund financial statements with their government-wide statements by using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column.

The District presents the combined governmental fund balance sheet/statement of net position, and combined statement of governmental fund revenues, expenditures, and changes in fund balances/statement of activities. The explanations for the reconciliation items in the “Adjustments” column are not provided on the face of the statement, but instead are disclosed in the notes. The District realigns the statement of activities to be compatible with the fund financial statement format.

# TEMECULA PUBLIC CEMETERY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2019

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### Major Governmental Funds

**General Fund.** This is the District's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in other funds.

**Accumulated Capital Outlay ("ACO") Fund.** To account for financial resources to be used for the acquisition or construction of major capital facilities.

**Endowment Care Fund.** Per Health and Safety Code §9065, the board of trustees shall create an endowment care fund, and require a payment into the endowment care fund for each interment right sold. The Board of Trustees shall not spend the principal of the fund. The Board of Trustees shall cause the income from the fund to be deposited in an endowment income fund and spent solely for the care of the cemeteries owned by the District.

### 1 - D. Basis of Accounting – Measurement Focus

**Government-wide Financial Statements.** The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

**Governmental Fund Financial Statements.** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund 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. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

### 1 - E. Assets, Liabilities, and Net Position

**Fair Value.** The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. 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 has the following recurring fair value measurements as of June 30, 2019:

- ❖ Cash in county of \$3,156,978 are valued using quoted market prices (Level 1 inputs)
- ❖ Mutual fund/money market funds of \$379,999; (Level 1 inputs)
- ❖ All investments of \$2,428,988; (Level 1 inputs)

**Acquisition Value.** The price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

TEMECULA PUBLIC CEMETERY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
JUNE 30, 2019

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**Inventories and Prepaid Items.** Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**Accrued Receivables.** All trade and property tax receivables are shown as fully collectible. The District considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year.

**Capital Assets.** Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value. The District maintains a capitalization threshold of \$2,500. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets utilized by the enterprise fund is also capitalized. Depreciation of capital assets is computed and recorded by the straight-line method over the following estimated useful life:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings and improvements	10 – 50
Equipment	5 – 20

**Accrued Liabilities.** All payables and accrued liabilities are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

However, claims and judgments and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and long-term loans (such as any may occur) are recognized as liabilities in the governmental fund financial statements when due.

**Fund Balances.** The fund balance for governmental funds is reported in classifications based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

*Nonspendable.* The resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include Endowment Care corpus, inventories, and prepaid assets.

*Assigned.* Resources that are constrained by the government’s intent to use them for a specific purpose but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred and both restricted and unrestricted resources are available, it is the District’s policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.



**TEMECULA PUBLIC CEMETERY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2019**

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**1 - F. Revenue and Expenditures/Expenses**

**Revenues – Exchange Transactions (Program Revenue).** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 60 days of fiscal year-end.

**Property Tax Calendar**

Jul. 1	Beginning of the fiscal year and delinquent Secured property taxes DEFAULT and begin accruing additional penalties of 1 ½% per month and a redemption fee.
Jul.	Treasurer-Tax Collector mails out Unsecured property tax bills.
Aug./Sep.	Treasurer-Tax Collector mails out Prior Year Secured property tax bills.
Aug. 31	Unsecured property tax delinquent date. A 10% penalty is added after 5:00 p.m.
Oct.	Treasurer-Tax Collector mails out Current Year Secured property tax bills.
Nov. 1	First installment is due (Current Secured property tax) and delinquent Current Year Unsecured taxes begin accruing additional penalties of 1½% per month.
Dec.10	First installment payment delinquent date (Current Secured property tax). A 10% penalty is added after 5:00 p.m.
Jan. 1	Lien date for the establishment of ownership, value and unsecured taxes for the ensuing fiscal year.
Feb. 1	Second installment is due (Current Secured property tax).
Apr. 10	Second installment payment delinquent date (Current Secured property tax). A 10% penalty and cost is added after 5:00 p.m.
May	Treasurer-Tax Collector mails delinquent notices for any unpaid, Current Year Secured property taxes.
Jun. 30	End of fiscal year.

**Expenses/Expenditures.** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

**Compensated Absences.** Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the General Fund and government-wide financial statements. For governmental funds, the entire portion of unpaid compensated absences is the amount that is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

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

## TEMECULA PUBLIC CEMETERY DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2019

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#### 1 - G. Stewardship, Compliance, and Accountability

**Budgetary Data.** Per Health and Safety Code §9070(a), on or before August 30 of each year, the board of trustees shall adopt a final budget, which shall conform to the accounting and budgeting procedures for special districts contained in Subchapter 3 (commencing with § 1031.1) of, and Article 1 (commencing with § 1121) of Subchapter 4 of Division 2 of Title 2 of the California Code of Regulations. The board of trustees may divide the annual budget into categories, including, but not limited to maintenance and operation, employee compensation, interest and redemption for indebtedness, as well as reserves (for endowment income fund, capital outlay, pre-need, contingencies, and unallocated general reserve). The board of trustees shall forward a copy of the final budget to the auditor of each county in which the district is located. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

**Violation of Investment Policy.** Per the investment policy, the maximum maturity for U.S. Agency Obligations and mortgage pass-through securities, also known as derivatives, is five years. As of June 30, 2019, some of the District's U. S. Agency Obligations, \$124,829, and the derivatives, Collateralized Mortgage Obligations ("CMOs"), \$5,608, have maturities in excess of the allowable five year maturity maximum.

Per the investment policy, the minimum rating allowed for medium term notes is "A" and derivatives are "AA." As of June 30, 2019, the District's CMOs are not rated.

See Investment footnote disclosure for more detail. As of December 2019, management has liquidated CMOs as of December 2019 and the board will determine the disposition of the U. S. Agency Obligations concerns in future meetings.

#### 1 - H. New Accounting Pronouncements

The Governmental Accounting Standards Board ("GASB") has issued the following standards:

- ❖ GASB Statement No. 84, *Fiduciary Activities*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.
- ❖ GASB Statement No. 87, *Leases*. Effective Date: For reporting periods beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

For specific details about the standards, please see [www.gasb.org](http://www.gasb.org).

TEMECULA PUBLIC CEMETERY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
JUNE 30, 2019

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**NOTE 2 – EXPLANATION OF DIFFERENCES BETWEEN THE FUND FINANCIAL STATEMENTS AND DISTRICT-WIDE FINANCIAL STATEMENTS**

**2 - A. Governmental Funds Balance Sheet and Statement of Net Position**

**Total Fund Balance - Governmental Funds** \$ 6,110,779

Amounts reported for assets, deferred outflows of resources, liabilities, and deferred inflows of resources for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets relating to governmental activities, at historical cost:	\$ 3,763,140	
Accumulated depreciation:	(510,592)	3,252,548

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Deferred recognition of earned but unavailable revenues:

In governmental funds, revenue is recognized only to the extent that it is "available," meaning it will be collected soon enough after the end of the period to finance expenditures of that period. Receivables for revenues that are earned but unavailable are deferred until the period in which the revenues become available. In the government-wide statements, revenue is recognized when earned, regardless of availability. The amount of unavailable revenues that were deferred in governmental funds, but are recognized in the government-wide statements, is:

11,639

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Net OPEB Obligation	(37,000)
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**Total Net Position - Governmental Activities:** \$ 9,337,966

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**TEMECULA PUBLIC CEMETERY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2019**

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**2 - B. Governmental Funds Operating Statements and the Statement of Activities**

**Net Changes in Fund Balances - Total Governmental Funds** **\$ 589,023**

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

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

	Expenditures for capital outlay: \$	118,362	
	Depreciation expense: <u></u>	(47,158)	71,204

Earned but unavailable revenues:

In governmental funds, revenues are recognized only to the extent that they are "available," meaning they will be collected soon enough after the end of the period to finance expenditures of that period. In the government-wide statements, revenue is recognized when earned, regardless of availability. The amount of earned but unavailable revenues relating to the current period, less revenues that became available in the current period but related to a prior period, is:

1,407

Postemployment benefits other than pensions ("OPEB"):

In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between OPEB costs and actual employer contributions was:

14,000

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**Change in Net Position of Governmental Activities:** **\$ 675,634**

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TEMECULA PUBLIC CEMETERY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
JUNE 30, 2019

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**NOTE 3 – DEPOSITS AND INVESTMENTS**

**3 - A. Summary of Deposit and Investment Balances**

	<b>Governmental Activities</b>
Deposits in financial institutions	\$ 90,792
Cash in county	3,144,238
Money market/Mutual funds	379,999
<b>Total Cash and Cash Equivalents</b>	<b>\$ 3,615,029</b>
<u>Investments</u>	<u>\$ 2,428,988</u>

**3 - B. Cash Deposits**

*Credit Risk.* As of June 30, 2019, the District’s Cash in County pool (as maintained by the Riverside County Treasurer) was rated Aaa-bf by Moody’s Investor Service and AAAf/S1 by Fitch Ratings.

*Custodial Credit Risk.* There is a risk that, in the event of a bank failure, the District’s deposits may not be returned. The District’s deposit policy requires that all deposits are covered by the Federal Depository Insurance Corporation (“FDIC”) or are collateralized as required by Statutes of the State. As of June 30, 2019, the carrying amount of the District’s bank deposits was \$90,792, and the respective bank balances totaled \$112,405, all of which was insured through the FDIC.

**TEMECULA PUBLIC CEMETERY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2019**

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**3 - C. Policies and Practices**

Allowable investment instruments per Government Code §§ 16340, 16429.1, 53601, 53601.8, 53635, 53635.2, 53635.8, and 53638.

<b>INVESTMENT TYPE</b>	<b>MAXIMUM MATURITY</b>	<b>MAXIMUM SPECIFIED % OF PORTFOLIO</b>	<b>MINIMUM QUALITY REQUIREMENTS</b>
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
Bankers' Acceptances	180 days	40%	None
Commercial Paper— Pooled Funds	270 days	40% of the agency's money	Highest letter and number rating by an NRSROH
Commercial Paper— Non-Pooled Funds	270 days	25% of the agency's money	Highest letter and number rating by an NRSROH
Negotiable Certificates of Deposit	5 years	30%	None
Non-negotiable Certificates of Deposit	5 years	None	None
Placement Service Deposits	5 years	30%	None
Placement Service Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None
Medium-Term Notes	5 years	30%	"A" rating category or its equivalent or better
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-through Securities	5 years	20%	"AA" rating category or its equivalent or better
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years	30%	"AA" rating category or its equivalent or better

TEMECULA PUBLIC CEMETERY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2019

3 - D. Investments

Portfolio	Fitch/ Standard & Poor's Rating	Percentage	Fair Market Value	Maturities in years			
				< 1	1 - 5	6 - 10	> 10
Cash in county	NA	53%	\$ 3,144,238	\$ 3,144,238	\$ -	\$ -	\$ -
Money market/ Mutual funds	NA	6%	379,999	379,999	-	-	-
Cash equivalents			3,524,237	3,524,237	-	-	-
U.S. Agency Obligations <sup>1</sup>	AA+	15%	920,365	194,480	601,056	124,829	-
Corporate bonds	A3 through AA-	11%	625,466	104,994	520,472	-	-
Foreign bonds	A	1%	49,988	49,988	-	-	-
Certificates of participation	FDIC	14%	827,561	204,905	622,656	-	-
Collateralized Mortgage Obligations ("CMOs") <sup>1 &amp; 2</sup>	Not Rated	0%	5,608	-	-	-	5,608
Investments			2,428,988	554,367	1,744,184	124,829	5,608
<b>Total Portfolio</b>		100%	\$ 5,953,225	\$ 4,078,604	\$ 1,744,184	\$ 124,829	\$ 5,608

<sup>1&2</sup> Violations of investment policy, see page 18.

*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of June 30, 2019, \$1,601,427 of the underlying securities are held by the investment's counterparty. There is a risk that, in the event of a counterparty failure, the District's investments may not be returned. Of the total counterparty balance, \$500,000 was insured through the Securities Investor Protection Corporation ("SIPC"). The remaining \$1,101,427 was collateralized with pooled securities held by the financial institutions' trust departments. These securities are held in the name of the financial institution and not that of the District.

TEMECULA PUBLIC CEMETERY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2019

**NOTE 4 – ACCRUED RECEIVABLES**

Receivables at June 30, 2019, were as follows (all of which are fully collectible):

	Capital		Endowment	Total Governmental	
	General Fund	Projects Fund	Care Fund	Entity-Wide	Activities
Taxes	\$ 24,190	\$ -	\$ -	\$ 11,639	\$ 35,829
Interest	960	1,956	13,943	-	16,859
Other receivable	32	-	-	-	32
<b>Total Accrued Receivables</b>	<b>\$ 25,182</b>	<b>\$ 1,956</b>	<b>\$ 13,943</b>	<b>\$ 11,639</b>	<b>\$ 52,720</b>

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019

	Balance		Balance	
	July 01, 2018	Additions	June 30, 2019	
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 77,561	\$ -	\$ 77,561	
Construction in progress	2,614,353	21,021	2,635,374	
Intangible assets	14,950	4,760	19,710	
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$ 2,706,864</b>	<b>\$ 25,781</b>	<b>\$ 2,732,645</b>	
<b>Capital Assets Being Depreciated</b>				
Buildings and improvements	\$ 764,533	\$ 92,580	\$ 857,113	
Equipment	173,382	-	173,382	
Total assets being depreciated	937,915	92,580	1,030,495	
<b>Less Accumulated Depreciation</b>				
Buildings and improvements	309,221	39,551	348,772	
Equipment	154,213	7,607	161,820	
Total accumulated depreciation	463,434	47,158	510,592	
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 474,481</b>	<b>\$ 45,422</b>	<b>\$ 519,903</b>	



TEMECULA PUBLIC CEMETERY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
JUNE 30, 2019

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**NOTE 6 – INTERFUND ACTIVITY**

As of June 30, 2019, the General Fund is owed \$118,362 from the ACO Fund, for a repayment of cash paid by the General Fund for capital outlay.

During the year ended June 30, 2019, the General Fund transferred to the ACO Fund, \$330,227 for the development of the new cemetery site and \$118,362 for capital outlay.

**NOTE 7 – ACCRUED PAYABLES**

Payables at June 30, 2019, were as follows:

	<u>General Fund</u>
Vendors	\$ 17,776
Payroll	7,512
Vacation balance	14,834
Other	889
<b>Total Accrued Payables</b>	<b>\$ 41,011</b>

**NOTE 8 - POSTEMPLOYMENT HEALTHCARE PLAN (“OPEB”)**

**Plan Description.** The District provides employees and retirees and their surviving family members the health benefits plan provided pursuant to the Public Employees' Medical And Hospital Care Act (“PEMHCA”), as set forth in Government Code §22750 – 22948. The plan is a single-employer, defined benefit OPEB plan administered by the District. Government Code §22777 provides that “health benefit plan” means any program or entity that provides, arranges, pays for, or reimburses the cost of health benefits for employees and retirees and their surviving family members with health benefits provided through the California Public Employee’s Pension System (“CalPERS”). *No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.*

**Benefits Provided.** The plan provides healthcare benefits for retirees and their dependents. The benefit terms provide for payment of the statutory minimum, \$139 per month as of June 30, 2019, of health insurance premiums for retirees.

**Employees Covered by Benefit Terms.** At June 30, 2019, there were NO retirees covered by the benefit terms, and seven active employees.

**Total OPEB Liability.** The District’s total OPEB liability of \$37,000 was measured in conformity with the requirements in GASB No. 75, paragraphs 225 and 226 for the alternative measurement method, which was measured as of June 30, 2017.

**TEMECULA PUBLIC CEMETERY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2019**

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**Measurement Assumptions and Other Inputs.** The total OPEB liability in the June 30, 2019 valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate:	2.1%, based on <a href="https://data.bls.gov/timeseries/CUUR0000SA0L1E?output_view=pct_12mths">https://data.bls.gov/timeseries/CUUR0000SA0L1E?output_view=pct_12mths</a>
Discount Rate:	2.79%, <a href="https://my.spindices.com/indices/fixed-income/sp-municipal-bond-20-year-high-grade-rate-index">https://my.spindices.com/indices/fixed-income/sp-municipal-bond-20-year-high-grade-rate-index</a>
Turnover:	CalPERS Terminated and Vested Rates, Miscellaneous
Mortality:	CalPERS Mortality Rate, Miscellaneous

The CalPERS Miscellaneous assumptions can be downloaded at:  
<https://www.calpers.ca.gov/docs/public-agencies-schools-assumption-methods.xlsx>

**Changes in the Total OPEB Liability**

<b>Balances at July 01, 2018</b>	\$	51,000
<b>Changes for the year:</b>		
Service cost		(16,000)
Interest		2,000
<b>Net changes</b>		(14,000)
<b>Balances at June 30, 2019</b>	\$	37,000

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.** The following presents the net OPEB liability of the District, as well as what the District's 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% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>(1.79%)</b>	<b>(2.79%)</b>	<b>(3.79%)</b>
District's proportionate share of the net OPEB liability	\$ 49,000	\$ 37,000	\$ 29,000

**OPEB Expense.** For the year ended June 30, 2019, the District recognized an OPEB expense of (\$14,000).

**TEMECULA PUBLIC CEMETERY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2019**

***NOTE 9 – CalPERS 457 DEFERRED COMPENSATION SAVINGS PLAN***

For the benefit of its employees, the District participates in the California Public Employees' Retirement System ("CalPERS") 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for California public employees that elect to participate in the Program. This Program is established pursuant to sections 21670 through 21685 of the Government Code of the State of California and is intended to constitute an "eligible deferred compensation plan" within the meaning of Section 457 of the Federal Internal Revenue Code. Eligible employees may defer receipt of a portion of their pay until termination, retirement, death or unforeseeable emergency. These funds are not reported as taxable income until paid to the employee for income tax purposes.

The Program was created under the administrative and investment control of the CalPERS Board, which requires the Board to act in the interest of Program participants. Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of participants.

The District established a matching contribution program on behalf of each participating employee in the Program. The matching contribution for each participating employee is subject to a maximum of 11% of the employee's total cash compensation. The District's matching contribution was \$13,181 for the fiscal year ended June 30, 2019.

***NOTE 10 – FUND BALANCE***

Fund balance components at June 30, 2019, were as follows:

	<b>General Fund</b>	<b>ACO Fund</b>	<b>Endowment Care Fund</b>	<b>Total Governmental Funds</b>
Nonspendable				
Inventory	\$ 31,506	\$ -	\$ -	\$ 31,506
Prepaid expenditure	35,186	-	-	35,186
Endowment care corpus	-	-	2,249,789	2,249,789
<b>Total Nonspendable</b>	<b>66,692</b>	<b>-</b>	<b>2,249,789</b>	<b>2,316,481</b>
Assigned				
Capital projects	-	1,837,002	-	1,837,002
Endowment care earnings	-	-	723,860	723,860
<b>Total Assigned</b>	<b>-</b>	<b>1,837,002</b>	<b>723,860</b>	<b>2,560,862</b>
Unassigned	1,233,436	-	-	1,233,436
<b>Total Fund Balances</b>	<b>\$ 1,300,128</b>	<b>\$ 1,837,002</b>	<b>\$ 2,973,649</b>	<b>\$ 6,110,779</b>

**TEMECULA PUBLIC CEMETERY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2019**

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***NOTE 11 – PARTICIPATION IN A JOINT POWERS AUTHORITY***

The District is a member of SDRMA, to provide liability and property insurance, as well as workers' compensation insurance. The relationship is such that the JPAs are not component units of the District for financial reporting purposes.

This entity has budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these financial statements. Audited financial statements are available from SDRMA.

During the year ended June 30, 2019, the District made payments of \$9,196 and \$13,769 for liability and property and workers' compensation coverages, respectively.

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*REQUIRED SUPPLEMENTARY INFORMATION*

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TEMECULA PUBLIC CEMETERY DISTRICT

GENERAL FUND – BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive / (Negative)
<b>REVENUE</b>				
Program Revenue:				
Charges for services	\$ 145,800	\$ 145,800	\$ 137,698	\$ (8,102)
Property taxes, general purpose	660,000	660,000	729,849	69,849
Grants and contributions not restricted to specific programs	7,000	7,000	6,560	(440)
Revenue from use of money	70,000	70,000	16,138	(53,862)
Other revenues	-	-	25,738	25,738
<b>Total Revenue</b>	<b>882,800</b>	<b>882,800</b>	<b>915,983</b>	<b>33,183</b>
<b>EXPENDITURES</b>				
Current:				
Salaries and wages	251,750	251,750	254,255	(2,505)
Benefits	128,100	128,100	109,195	18,905
Supplies	271,300	271,300	189,289	82,011
<b>Total Expenditures</b>	<b>651,150</b>	<b>651,150</b>	<b>552,739</b>	<b>98,411</b>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<b>231,650</b>	<b>231,650</b>	<b>363,244</b>	<b>131,594</b>
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers - internal activity	-	-	(330,227)	(330,227)
<b>NET CHANGE IN FUND BALANCE</b>	<b>231,650</b>	<b>231,650</b>	<b>33,017</b>	<b>(198,633)</b>
<b>Fund Balance - Beginning</b>	<b>1,267,111</b>	<b>1,267,111</b>	<b>1,267,111</b>	
<b>Fund Balance - Ending</b>	<b>\$ 1,498,761</b>	<b>\$ 1,498,761</b>	<b>\$ 1,300,128</b>	<b>\$ (198,633)</b>

TEMECULA PUBLIC CEMETERY DISTRICT

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2019

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	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>	\$ 37,000	\$ 51,000
<b>Changes for the year:</b>		
Service cost	\$ (16,000)	\$ 13,000
Interest	2,000	-
<b>Net Changes in Total OPEB Liability</b>	(14,000)	13,000
<b>Total OPEB Liability - Beginning</b>	51,000	38,000
<b>Total OPEB Liability - Ending</b>	\$ 37,000	\$ 51,000
<b>Covered Payroll</b>	\$ 254,000	\$ 216,000
<b>Total OPEB liability as a percentage of covered payroll</b>	15%	24%



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*AUDITOR COMMUNICATION WITH ENTITY*

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## COMMUNICATION WITH THE ENTITY

Management and Board of Directors  
Temecula Public Cemetery District  
Temecula, California

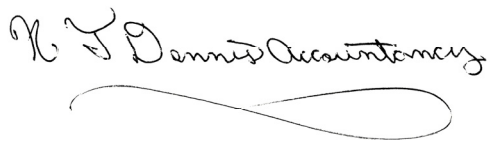
In planning and performing our audit of the basic financial statements of the Temecula Public Cemetery District as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered Temecula Public Cemetery District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Temecula Public Cemetery District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- ❖ *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- ❖ *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management and the board of directors; and is not intended to be and should not be used by anyone other than these specified parties.



March 4, 2020

RT DENNIS  
ACCOUNTANCY