ATASCADERO CEMETERY DISTRICT

AUDIT REPORT
June 30, 2023

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Moss, Levy & Hartzheim LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Atascadero Cemetery District
Atascadero, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Atascadero Cemetery District, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Atascadero Cemetery District's basic financial statements as listed in the table of contents.

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 Atascadero Cemetery District, as of June 30, 2023, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Atascadero Cemetery District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Atascadero Cemetery District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Atascadero Cemetery District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Atascadero Cemetery District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the budgetary information, the schedule of proportionate share of net pension liability, the schedule of pension contributions, the schedule of changes in the OPEB liability and related ratios, and the schedule of OPEB contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Management has omitted 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 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 1, 2024, on our consideration of the Atascadero Cemetery District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim LLP

Santa Maria, California
July 1, 2024

ATASCADERO CEMETERY DISTRICT
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities
ASSETS	
Cash and investments	$ 2,221,591
Prepaid items	3,118
Capital assets:	
Nondepreciable	74,719
Depreciable, net	262,602
Total assets	2,562,030
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension	232,633
Deferred OPEB	23,035
Total deferred outflows of resources	255,668
LIABILITIES	
Accounts payable	1,200
Sales tax payable	1,333
Noncurrent liabilities:	
Compensated absences	57,279
OPEB liability	419,035
Net pension liability	467,032
Total liabilities	945,879
DEFERRED INFLOWS OF RESOURCES	
Deferred pension	38,397
Deferred OPEB	174,183
Total deferred inflows of resources	212,580
NET POSITION	
Net investment in capital assets	337,321
Restricted for endowment care	1,055,458
Restricted for maintenance	3,598
Unrestricted	262,862
Total net position	$ 1,659,239

The notes to basic financial statements are an integral part of this statement.

ATASCADERO CEMETERY DISTRICT
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Contributions and Grants
Governmental activities:			
Cemetery	$ 549,304	$ 101,525	$ -
Total governmental activities	$ 549,304	$ 101,525	$ -

General Revenues
Taxes:
Secured and unsecured property taxes
Intergovernmental
Investment income

Total general revenues

Change in net position

Net position, beginning of fiscal year

Net position, end of fiscal year

The notes to basic financial statements are an integral part of this statement.

Capital Contributions and Grants	Net (Expense) Revenue and Changes in Net Position
$ -	$ (447,779)
$ -	(447,779)
	497,461
	2,497
	37,209
	537,167
	89,388
	1,569,851
	$ 1,659,239

ATASCADERO CEMETERY DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2023

	General Fund	Permanent Fund	Totals
ASSETS			
Cash and investments	$ 1,162,535	$ 1,059,056	$ 2,221,591
Prepaid expenditures	3,118		3,118
Total assets	$ 1,165,653	$ 1,059,056	$ 2,224,709
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 1,200	$ -	$ 1,200
Sales tax liability	1,333		1,333
Total liabilities	2,533		2,533
Fund Balances:			
Nonspendable:			
Prepaid expenditures	3,118		3,118
Endowment care		1,055,458	1,055,458
Restricted:			
Maintenance		3,598	3,598
Unassigned	1,160,002		1,160,002
Total fund balances	1,163,120	1,059,056	2,222,176
Total liabilities and fund balances	$ 1,165,653	$ 1,059,056	$ 2,224,709

The notes to basic financial statements are an integral part of this statement.

ATASCADERO CEMETERY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL
FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2023

Total Fund Balances - Governmental Funds		$ 2,222,176
Amounts reported for governmental activities in the statement of net position are different because:		
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 at historical cost	1,032,498	
Accumulated depreciation	(695,177)	
Net		337,321
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:		
Compensated absences payable	57,279	
OPEB liability	419,035	
Net pension liability	467,032	
Net		(943,346)
Deferred outflows and inflows of resources relating to pension and OPEB: In governmental funds, deferred outflows and inflows of resources relating to pension and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pension and OPEB are reported.		
Deferred inflows of resources relating to pension	(38,397)	
Deferred outflows of resources relating to pension	232,633	
Deferred inflows of resources relating to OPEB	(174,183)	
Deferred outflows of resources relating to OPEB	23,035	
Net		43,088
Total Net Position - Governmental Activities		$ 1,659,239

The notes to basic financial statements are an integral part of this statement.

ATASCADERO CEMETERY DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2023

	General Fund	Permanent Fund	Totals
Revenues:			
Cemetery sales and fees	$ 89,450	$ -	$ 89,450
Taxes	497,461		497,461
Interest	19,087	18,122	37,209
Intergovernmental	2,497		2,497
Endowment care		12,075	12,075
Total revenues	608,495	30,197	638,692
Expenditures:			
Salaries and benefits	408,469		408,469
Services and supplies	161,192		161,192
Capital outlay	20,193		20,193
Total expenditures	589,854		589,854
Excess of revenues over (under) expenditures	18,641	30,197	48,838
Fund balances, July 1	1,144,479	1,028,859	2,173,338
Fund balances, June 30	$ 1,163,120	$ 1,059,056	$ 2,222,176

The notes to basic financial statements are an integral part of this statement.

ATASCADERO CEMETERY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

Net Change in Fund Balances - Governmental Funds	$	48,838
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital assets of $20,193 is more than depreciation expense of $18,498 in this period.		1,695
In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This fiscal year, vacation used exceeded the amount earned by $23,521.		23,521
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 fiscal year, the difference between OPEB costs and actual employer contributions was:		8,058
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This fiscal year, the difference between pension costs and the actual employer contribution was:		7,276
Change in Net Position - Governmental Activities	$	89,388

The notes to basic financial statements are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Atascadero Cemetery District (the District) began operating in 1940, under the authorization of Section 8890 et. seq. of the Health and Safety Code of the State of California, for the purpose of providing cemetery services. The District is administered and governed by a board of three trustees.

B. Reporting Entity

The reporting entity is the Atascadero Cemetery District. There are no component units included in this report which meet the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity,* as amended by GASB Statement No. 39, GASB Statement No. 61, and GASB Statement No. 80.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are 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 not properly included among program revenues are reported instead as *general revenues.*

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

D. Basis of Presentation

Government-wide Financial Statements:

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Presentation (Continued)

Fund Financial Statements: (Continued)

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds' present increases, (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

E. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues – exchange and non-exchange transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under 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 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 collectible within the current period or within 60 days after fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes and grants. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenues:

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants received before eligibility requirements are met are recorded as deferred revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as deferred revenue.

Expenses/expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payments are due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. **Fund Accounting**

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance or net position, revenues, and expenditures. The District's resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into two major funds as follows:

Major Governmental Funds:

The *General Fund* is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Permanent Fund* was created to account for funds received for future maintenance and care of the cemetery. The interest earned on the principal in the fund may be used for the general operation of the District. The fund principal may never be spent.

G. **Budgets and Budgetary Accounting**

The District adopts an annual budget on or before August 30. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations.

The Board of Trustees may amend the budget by motion during each fiscal year.

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended. Lease contracts entered into by the District are subject to annual review by the Board of Trustees; hence, they legally are one-year contracts with an option for renewal for another fiscal year.

H. **Investments**

Investments are stated at fair value.

I. **Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the District.

J. **Capital Assets**

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair value at the date of the contribution. Capital assets are defined by the District as assets with an initial, individual cost of more than $500 and estimated useful life in excess of two years.

Capital assets include public domain (infrastructure) capital assets placed in service after June 30, 1980, consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements. Depreciation is charged as an expense against operations. The estimated useful lives are as follows:

Equipment	5 to 40 years
Structures	10 to 40 years

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the American Institute of Certified Public Accountants, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

L. **Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

M. **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

N. **Compensated Absences**

The District accrues accumulated vacation leave and then expenses the cost as paid in the General Fund. It is the policy of the District to pay all accumulated vacation leave and compensated time off when an employee retires or is otherwise terminated.

Vacation pay and compensated time off are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

O. **Pension**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the net position of the Atascadero Cemetery District's California Public Employee's Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan's net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. **Other Postemployment Benefits**

For purposes of measuring the OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (the OPEB Plan) and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis. For the purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Pursuant to GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," the District recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The District has two items which qualify for reporting in this category; refer to Note 6 and Note 8 for a detailed listing of the deferred outflows of resources the District has reported.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Deferred Outflows and Inflows of Resource (Continued)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period. The District has two items which qualify for reporting in this category; refer to Note 6 and 8 for a detailed listing of the deferred inflows of resources the District has reported.

R. Fund Balances

Fund balance of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 99	"Omnibus 2022"	The provisions of this statement are effective in April 2022 except for the provisions related to leases, PPPs, SBITAs, financial guarantees and derivative instruments. The provisions related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The provisions related to financial guarantees and derivative instruments are effective for fiscal years beginning after June 15, 2023.
Statement No. 100	"Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62"	The provisions of this statement are effective for fiscal years beginning after June 15, 2023.
Statement No. 101	"Compensated Absences"	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.

NOTE 2 – CASH AND INVESTMENTS

The District maintains its cash in the San Luis Obispo County Treasury. The County Treasurer pools and invests the District's cash with other funds under its control. Interest earned on pooled investments is apportioned quarterly into participating funds based upon each fund's average daily deposit balance. Any investment gains or losses are proportionately shared by all funds in the Pool. Investments are carried at fair value. On June 30, 2023, the District had the following cash and investments on hand:

Cash and investments with the County Treasurer	$ 2,221,591
Total cash and investments	$ 2,221,591

Cash and investments are presented on the accompanying basic financial statements, as follows:

Cash and investments, statement of net position	$ 2,221,591
Total cash and investments	$ 2,221,591

The District categorizes its fair value measurements within the fair value hierarchy established by U.S. 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 did not have investments that were measured under Level 1, Level 2, or Level 3.

Investments Authorized by the District's Investment Policy

The District's investment policy only authorizes investment in the local government investment pool administered by the County of San Luis Obispo. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk.

NOTE 2 – CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk

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

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

		Remaining Maturity (in Months)			
Investment Type	Carrying Amount	12 Months Or Less	13 - 24 Months	25 - 60 Months	More Than 60 Months
San Luis Obispo County Investment Pool	$ 2,221,591	$ 2,221,591	$ -	$ -	$ -
Total	$ 2,221,591	$ 2,221,591	$ -	$ -	$ -

Disclosures Relating to Credit Risk

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

				Rating as of Fiscal Year End		
Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	AAA	Aa	Not Rated
San Luis Obispo County Investment Pool	$ 2,221,591	N/A	$ -	$ -	$ -	$ 2,221,591
Total	$ 2,221,591		$ -	$ -	$ -	$ 2,221,591

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District investments.

Custodial Credit Risk

Custodial credit risks for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California

NOTE 2 – CASH AND INVESTMENTS (Continued)

law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

None of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as San Luis Obispo County Investment Pool).

<u>Investment in San Luis Obispo County Investment Pool</u>

The District is a participant in the San Luis Obispo County Investment Pool that is regulated by the California Government Code. The fair value of the District's investment in this pool is reported in the accompanying basic financial statements at the amount based upon the District's pro-rata share of the fair value provided by the San Luis Obispo County Investment Pool for the entire San Luis Obispo County Investment Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the San Luis Obispo County Investment Pool, which are recorded on an amortized cost basis.

NOTE 3 – PROPERTY TAXES

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following page is a summary of major policies and practices relating to property taxes:

Property Valuations - are established by the Assessor of the County of San Luis Obispo for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provisions of Article XIIIA of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax Levies - are limited to 1% of full value which results in a tax rate of $1.00 per $100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates - are attached annually on January 1, proceeding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax Collections - are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments: the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the county for late payments.

NOTE 3 – PROPERTY TAXES (Continued)

Tax Levy Apportionments - Due to the nature of the District-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county auditor-controller based primarily on the ratio that each agency represented of the total District-wide levy for the three years prior to fiscal year 1979.

Property Tax Administration Fees - The State of California FY 90-91 Budget Act, authorized counties to collect an administrative fee for collection and distribution of property taxes.

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Nondepreciable capital assets				
Land	$ 35,608	$ -	$ -	$ 35,608
Construction in progress	39,111			39,111
Total nondepreciable capital assets	$ 74,719	$ -	$ -	$ 74,719
Depreciable capital assets:				
Building and improvements	$ 533,275	$ -	$ -	$ 533,275
Equipment	404,311	20,193		424,504
Total depreciable capital assets	937,586	20,193		957,779
Less accumulated depreciation	676,679	18,498		695,177
Net depreciable capital assets	$ 260,907	$ 1,695	$ -	$ 262,602
Net capital assets	$ 335,626	$ 1,695	$ -	$ 337,321

NOTE 5 – LONG-TERM LIABILITIES

The following is a summary of long-term liability activity for the fiscal year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due within One Year
Compensated absences	$ 80,800	$ 12,253	$ 35,774	$ 57,279	$ -
OPEB liability	515,958		96,923	419,035	
Net pension liability	183,240	283,792		467,032	
Total long-term liabilities	$ 779,998	$ 296,045	$ 132,697	$ 943,346	$ -

NOTE 6 – PENSION PLAN

A. General Information about the Pension Plan

Plan Descriptions

All qualified permanent and probationary employees are eligible to the participate in the District's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statue and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

NOTE 6 – PENSION PLAN (Continued)

A. General Information about the Pension Plan (Continued)

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 nonduty 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' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous	
	Prior to	On or after
Hire Date	January 1, 2013	January 1, 2013
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	52 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	1.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	8.63%	8.00%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for 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. Contributions to the pension plan from the District were $58,192 for the fiscal year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of $467,032 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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 Pension Plan participants, actuarially determined. The District's proportionate share of net pension liability for the miscellaneous plan as of June 30, 2021, and 2022 was as follows:

	Miscellaneous
Proportion - June 30, 2021	0.00965%
Proportion - June 30, 2022	0.00998%
Change - Increase (Decrease)	0.00033%

NOTE 6 – PENSION PLAN (Continued)

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

For the year ended June 30, 2023, the District recognized pension expense of $50,917. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources in the table on the following page:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	$ 58,192	
Differences between expected and actual experience	9,379	6,282
Changes in assumptions	47,857	
Net difference between projected and actual earnings on retirement plan investments	85,548	
Changes in proportion	31,657	
Differences between District's contributions and proportionate share of contributions		32,115
	$ 232,633	$ 38,397

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

$58,192 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

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

Fiscal Year Ending June 30,	Amount
2024	$ 33,554
2025	31,592
2026	18,575
2027	52,323
	$ 136,044

NOTE 6 – PENSION PLAN (Continued)

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

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

(1) The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Change in Assumptions

For the measurement date of June 30, 2022, the discount rate was lowered from 7.15% to 6.90% and the inflation rate was decreased from 2.50% to 2.30%.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for public agency plans (including PERF C), 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 6.90 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90 percent will be applied to all plans in the Public Employees Retirement Fund including PERF C. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB No. 68 section.

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

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Project returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

NOTE 6 – PENSION PLAN (Continued)

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

The expected real rates of return by asset class are as followed:

Asset Class	Assumed Asset Allocation	Real Return Years 1-10(a)(b)
Global Equity - cap-weighted	30.0%	4.45%
Global Equity -non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

(a) An expected inflation of 2.30% used for this period.
(b) Figures are based on the 2021-22 Asset Liability Management study.

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

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

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
District's proportionate share of the net pension plan liability/(asset)	$ 738,965	$ 467,032	$ 243,299

Pension Plan Fiduciary Net Position

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

C. Payable to the Pension Plan

At June 30, 2023, the District had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2023.

NOTE 7 – NET POSITION

The government-wide financial statements utilize a net position presentation. GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

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

NOTE 8 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION

Plan Description

Plan administration: The District administers a single employer defined benefit healthcare plan (the Retiree Health Plan). The District currently provides retiree health benefits to eligible retirees.

Benefits provided: Employees may retire under PERS (age 50 and 5-years CalPERS service) and receive District-paid contributions under Public Employees Medical and Hospital Care Act (PEMHCA). The District contributes up to the employee only premium. The retiree must pay for any spouse and family premiums. In addition, the District contributes the employee only premium for retirees who elect dental coverage. Similar to the PEMHCA benefit, the employee must pay spouse and family premiums if spouse or family coverage is elected. Survivor benefits are not available. There is no minimum FTE required to receive benefits at retirement. Part time benefits are not prorated. The District does not offer vision or life benefits for retirees.

Employees Covered

As of June 30, 2021, actuarial valuation, the following current and former employees were covered by the benefit terms under the District's Plan:

Active plan members	3
Inactive employees or beneficiaries currently receiving benefit payments	1
Total	4

The District currently finances benefits on a pay-as-you-go basis.

OPEB Liability

The District's OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation dated June 30, 2021, standard actuarial update procedures were used to project/discount from valuation to measurement dates.

NOTE 8 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

OPEB Liability (Continued)

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

Salary increases:	3.00%
Inflation rate:	2.50%
Discount rate	3.69%
Healthcare cost trend rate	5.20% for 2022 through 2034; 5.00% for 2035 through 2049; 4.50% for 2050 through 2064; and 4% for 2065 and later years

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

Actuarial assumptions used in the June 30, 2021 valuation were based on a review of plan experience during the period July 1, 2019 to June 30, 2021.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. To achieve the goal set by the investment policy, plan assets will be managed to earn, on a long-term basis, a rate of return equal to or in excess of the target rate of return of 1.92 percent.

Change in assumptions: For the June 30, 2022 measurement date, the discount rate was increased from 1.92% to 3.69%.

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

a) The long-term expected rate of return on OPEB plan investments — to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;

b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher — to the extent that the conditions in (a) are not met.

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

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments	Municipal Bond 20-Year High Grade Rate Index	Discount Rate
June 30, 2022	June 30, 2021	1.92%	1.92%	1.92%
June 30, 2022	June 30, 2021	3.69%	3.69%	3.69%

NOTE 8 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

Changes in the OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022 (Valuation date: June 30, 2021)	$ 515,958
Changes recognized for the measurement period:	
Service cost	23,577
Interest	10,300
Changes in assumptions	(124,636)
Benefit payments	(6,164)
Net changes	(96,923)
Balance at June 30, 2023 (Measurement date: June 30, 2022)	$ 419,035

Sensitivity of the OPEB liability to changes in the discount rate: The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.69 percent) or 1-percentage point higher (4.69 percent) than the current discount rate:

	1% Decrease 2.69%	Current Rate 3.69%	1% Increase 4.69%
OPEB Liability	$ 484,253	$ 419,035	$ 364,717

Sensitivity of the OPEB liability to changes in the healthcare trend rates: The following present the OPEB liability, as well as what the OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (4.20 percent) or 1-percentage point higher (6.20 percent) than the current healthcare cost trend rates:

	1% Decrease 4.20%	Current Rate 5.20%	1% Increase 6.20%
OPEB Liability	$ 347,285	$ 419,035	$ 510,474

NOTE 8 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

OPEB Expense and Deferred Outflow/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of $1,597. As of the fiscal year ended June 30, 2023, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 9,655	$ -
Changes in assumptions	13,380	109,830
Difference between expected and actual experience		64,353
	$ 23,035	$ 174,183

$9,655 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the fiscal year ended June 30, 2024.

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

Fiscal Year Ending June 30,	Deferred Inflows of Resources
2024	$ (31,486)
2025	(31,486)
2026	(31,486)
2027	(31,486)
2028	(27,073)
Thereafter	(7,786)
	$ (160,803)

NOTE 9 – COMMITMENTS AND CONTINGENCIES

State and Federal Allowances, Awards, and Grants:

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under the terms of the grants, it is believed that any required reimbursements will not be material.

Litigation:

According to the District's staff, no contingent liabilities are outstanding, and no lawsuits are pending of any real financial consequence.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

ATASCADERO CEMETERY DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Cemetery sales and fees	$ 140,000	$ 140,000	$ 89,450	$ (50,550)
Property tax	453,500	453,500	497,461	43,961
Interest	24,957	24,957	19,087	(5,870)
Intergovernmental	4,344	4,344	2,497	(1,847)
Total revenues	622,801	622,801	608,495	(14,306)
Expenditures:				
Salaries and benefits	463,100	463,100	408,469	54,631
Services and supplies	207,200	207,200	161,192	46,008
Capital outlay	57,500	57,500	20,193	37,307
Contingencies	20,000	20,000		20,000
Total expenditures	747,800	747,800	589,854	157,946
Excess of revenues over (under) expenditures	(124,999)	(124,999)	18,641	143,640
Fund balance, July 1	1,144,479	1,144,479	1,144,479	
Fund balance, June 30	$ 1,019,480	$ 1,019,480	$ 1,163,120	$ 143,640

ATASCADERO CEMETERY DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last 10 Years*
As of June 30, 2023

The following table provides required supplementary information regarding the District's Pension Plan.

	2023	2022	2021	2020	2019
Proportion of the net pension liability	0.00359%	0.00359%	0.00357%	0.00348%	0.00337%
Proportionate share of the net pension liability	$ 467,032	$ 183,240	$ 388,304	$ 356,604	$ 324,777
Covered payroll	$ 266,106	$ 232,533	$ 221,560	$ 214,249	$ 204,167
Proportionate share of the net pension liability as a percentage of covered payroll	175.51%	78.80%	175.26%	166.44%	159.07%
Plan's total pension liability	$ 49,525,975,138	$ 46,174,942,264	$ 43,702,930,887	$ 41,426,453,489	$ 38,944,855,364
Plan's fiduciary net position	$ 37,975,170,163	$ 40,766,653,876	$ 32,822,501,335	$ 31,179,414,067	$ 29,308,589,559
Plan fiduciary net position as a percentage of the total pension liability	76.68%	88.29%	75.10%	75.26%	75.26%

	2018	2017	2016	2015
Proportion of the net pension liability	0.00338%	0.00330%	0.00296%	0.00384%
Proportionate share of the net pension liability	$ 335,071	$ 285,720	$ 202,894	$ 238,683
Covered payroll	$ 199,107	$ 191,216	$ 180,142	$ 168,306
Proportionate share of the net pension liability as a percentage of covered payroll	168.29%	149.42%	112.63%	141.81%
Plan's total pension liability	$ 37,161,348,332	$ 33,358,627,624	$ 31,771,217,402	$ 30,829,966,631
Plan's fiduciary net position	$ 27,244,095,376	$ 24,705,532,291	$ 24,907,305,871	$ 24,607,502,515
Plan fiduciary net position as a percentage of the total pension liability	73.31%	74.06%	78.40%	79.82%

Notes to Schedule:

Changes in assumptions

In 2023, the discount rate was decreased to 6.90% and the inflation rate was decreased to 2.30%.

*- Fiscal year 2015 was the 1st year of implementation.

ATASCADERO CEMETERY DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
Last 10 Years*
As of June 30, 2023

The following table provides required supplementary information regarding the District's Pension Plan.

	2023	2022	2021	2020	2019
Contractually required contribution (actuarially determined)	$ 58,192	$ 53,095	$ 47,904	$ 41,896	$ 36,367
Contribution in relation to the actuarially determined contributions	58,192	53,095	47,904	41,896	36,367
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 285,271	$ 266,106	$ 232,533	$ 221,560	$ 214,249
Contributions as a percentage of covered payroll	20.40%	19.95%	20.60%	18.91%	16.97%

	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 28,331	$ 27,302	$ 23,795	$ 20,273
Contribution in relation to the actuarially determined contributions	28,331	27,302	23,795	20,273
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 204,167	$ 199,107	$ 191,216	$ 180,142
Contributions as a percentage of covered payroll	13.88%	13.71%	12.44%	11.25%

Notes to Schedule:

There were no changes in assumptions for the fiscal year ended June 30, 2023.

*- Fiscal year 2015 was the 1st year of implementation.

ATASCADERO CEMETERY DISTRICT

SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS

Last 10 Years *

As of June 30, 2023

Measurement Period	2023	2022	2021	2020	2019
Total OPEB Liability					
Service cost	$ 23,577	$ 19,722	$ 8,019	$ 7,785	$ 14,816
Interest on the total OPEB liability	10,300	12,012	18,022	20,963	18,711
Actual and expected experience difference			(105,432)	37,980	
Changes in assumptions	(124,636)	18,734	(7,654)		
Changes in benefit terms				(59,622)	(48,763)
Benefit payments	(6,164)	(10,114)	(10,146)	(11,154)	(11,338)
Net change in total OPEB liability	(96,923)	40,354	(97,191)	(4,048)	(26,574)
Total OPEB liability, beginning of fiscal year	515,958	475,604	572,795	576,843	603,417
Total OPEB liability, end of fiscal year	$ 419,035	$ 515,958	$ 475,604	$ 572,795	$ 576,843
Covered payroll:	$ 266,106	$ 232,533	$ 221,560	$ 245,645	$ 231,730
Total OPEB liability as a percentage of covered payroll:	157.47%	221.89%	214.66%	233.18%	248.93%

	2018
Total OPEB Liability	
Service cost	$ 14,383
Interest on the total OPEB liability	18,051
Actual and expected experience difference	
Changes in assumptions	
Changes in benefit terms	
Benefit payments	(11,338)
Net change in total OPEB liability	21,096
Total OPEB liability, beginning of fiscal year	582,321
Total OPEB liability, end of fiscal year	$ 603,417
Covered payroll:	$ 199,107
Total OPEB liability as a percentage of covered payroll:	303.06%

Notes to Schedule:

Changes in assumptions

In 2023, the discount rate was increased to 3.69%.

*- Fiscal year 2018 was the first year of implementation, therefore only six years are shown.

ATASCADERO CEMETERY DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS
Last 10 Years *
As of June 30, 2023

The District's contribution for the fiscal year ended June 30, 2023 was $9,655. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2023, therefore the District does not need to comply with GASB 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2022 was $5,370. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2022, therefore the District does not need to comply with GASB 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2021 was $8,040. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2021, therefore the District does not need to comply with GASB 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2020 was $8,080. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2020, therefore the District does not need to comply with GASB 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2019 was $8,029. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2019, therefore the District does not need to comply with GASB 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2018 was $8,173. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2018, therefore the District does not need to comply with GASB 75's Required Supplementary Information requirements.

*- Fiscal year 2018 was the first year of implementation, therefore only six years are shown.