

GOLETA CEMETERY DISTRICT

AUDIT REPORT

June 30, 2023

GOLETA CEMETERY DISTRICT
TABLE OF CONTENTS
June 30, 2023

Financial Section

Independent Auditors' Report 1

Basic Financial Statements:

 Government-wide Financial Statements:

 Statement of Net Position 3

 Statement of Activities 4

 Fund Financial Statements:

 Balance Sheet – Governmental Funds 5

 Reconciliation of the Governmental

 Funds Balance Sheet to the Statement of Net Position 6

 Statement of Revenues, Expenditures, and Changes In Fund Balances -

 Governmental Funds 7

 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,

 and Changes in Fund Balances to the Statement of Activities 8

 Notes to Basic Financial Statements 9

Required Supplementary Information

 Budgetary Comparison Schedule

 General Fund 27

 Schedule of Proportionate Share of Net Pension Liability 28

 Schedule of Pension Contributions..... 29

 Schedule of Changes in the Net OPEB Liability and Related Ratios..... 30

 Schedule of OPEB Contributions 31

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Goleta Cemetery District
Goleta, 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 Goleta 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 Goleta 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 Goleta 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 Goleta 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 Goleta 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.

- 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 Goleta 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 Goleta 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 that the budgetary comparison information, the Schedule of Proportionate Share of Net Pension Liability, the Schedule of Pension Contributions, the Schedule of Changes in the Net 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 a report dated February 14, 2024, on our consideration of the Goleta Cemetery District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Moss, Ling & Hargheim LLP

Santa Maria, California
February 14, 2024

GOLETA CEMETERY DISTRICT
STATEMENT OF NET POSITION
June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 4,119,024
Interest receivable	22,492
Net OPEB asset	51,629
Capital assets:	
Nondepreciable	1,005,418
Depreciable, net	<u>2,045,042</u>
Total assets	<u>7,243,605</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pensions	199,913
Deferred OPEB	<u>88,830</u>
Total deferred outflows of resources	<u>288,743</u>
LIABILITIES	
Sales tax payable	811
Noncurrent liabilities:	
Compensated absences	32,796
Net pension liability	<u>544,869</u>
Total liabilities	<u>578,476</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pensions	23,511
Deferred OPEB	<u>10,043</u>
Total deferred inflows of resources	<u>33,554</u>
NET POSITION	
Net investment in capital assets	3,050,460
Restricted for:	
Restricted for perpetual care	907,184
Restricted for maintenance	562,015
Unrestricted	<u>2,400,659</u>
Total net position	<u><u>\$ 6,920,318</u></u>

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

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

		Program Revenues			Net (Expense)
			Operating	Capital	Revenue and
	Expenses	Charges for	Contributions	Contributions	Changes in
		Services	and Grants	and Grants	Net Position
Governmental activities:					
Cemetery	\$ 886,371	\$ 489,879	\$ -	\$ -	\$ (396,492)
Total governmental activities	<u>\$ 886,371</u>	<u>\$ 489,879</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(396,492)</u>
General Revenues					
Taxes:					
Secured and unsecured property taxes					709,580
Investment loss					62,155
Intergovernmental					<u>27,508</u>
Total general revenues					<u>799,243</u>
Change in net position					402,751
Net position, beginning of fiscal year					<u>6,517,567</u>
Net position, end of fiscal year					<u>\$ 6,920,318</u>

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

GOLETA CEMETERY DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2023

	General Fund	Permanent Fund	Totals
ASSETS			
Cash and investments	\$ 2,657,658	\$ 1,461,166	\$ 4,118,824
Petty cash	200		200
Interest receivable	14,459	8,033	22,492
Total assets	<u>\$ 2,672,317</u>	<u>\$ 1,469,199</u>	<u>\$ 4,141,516</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Sales tax payable	\$ 811	\$ -	\$ 811
Total liabilities	<u>811</u>		<u>811</u>
Fund Balances:			
Nonspendable:			
Perpetual care		907,184	907,184
Restricted:			
Maintenance		562,015	562,015
Assigned:			
Land reserve	1,673,989		1,673,989
Unassigned	997,517		997,517
Total fund balances	<u>2,671,506</u>	<u>1,469,199</u>	<u>4,140,705</u>
Total liabilities and fund balances	<u>\$ 2,672,317</u>	<u>\$ 1,469,199</u>	<u>\$ 4,141,516</u>

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

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

Total fund balances, governmental funds	\$ 4,140,705
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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 net OPEB asset, capital assets and accumulated depreciation.

Net OPEB asset	\$ 51,629	
Capital assets at historical cost	4,614,448	
Accumulated depreciation	<u>(1,563,988)</u>	
Net		3,102,089

Long-term liabilities and compensated absences have not been included in the governmental funds activity:

Compensated absences	(32,796)	
Net pension liability	<u>(544,869)</u>	
Total		(577,665)

Deferred outflows and inflows of resources: In governmental funds, deferred outflows and inflows of resources are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources are reported.

Deferred inflows of resources relating to pensions	(23,511)
Deferred inflows of resources relating to OPEB	(10,043)
Deferred outflows of resources relating to pensions	199,913
Deferred outflows of resources relating to OPEB	<u>88,830</u>

Total net position, governmental activities	<u><u>\$ 6,920,318</u></u>
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The notes to basic financial statements are an integral part of this statement.

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

	General	Permanent Fund	Totals
Revenues:			
Property taxes	\$ 709,580	\$ -	\$ 709,580
Intergovernmental	27,508		27,508
Investment income	39,212	22,943	62,155
Burial rights	259,376		259,376
Charges for services	198,734		198,734
Miscellaneous	1,869		1,869
Endowment care		29,900	29,900
	<hr/>	<hr/>	<hr/>
Total revenues	1,236,279	52,843	1,289,122
	<hr/>	<hr/>	<hr/>
Expenditures:			
Salaries and benefits	592,635		592,635
Services and supplies	261,334		261,334
Capital outlay	56,034		56,034
	<hr/>	<hr/>	<hr/>
Total expenditures	910,003		910,003
	<hr/>	<hr/>	<hr/>
Excess of revenues over (under) expenditures	326,276	52,843	379,119
	<hr/>	<hr/>	<hr/>
Fund balances, July 1	2,345,230	1,416,356	3,761,586
	<hr/>	<hr/>	<hr/>
Fund balances, June 30	\$ 2,671,506	\$ 1,469,199	\$ 4,140,705
	<hr/>	<hr/>	<hr/>

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

GOLETA 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	\$ 379,119
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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 \$56,034 was less than depreciation expense of \$106,059 in the period.	(50,025)
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In the statement of activities, compensated absences are measured by the amounts earned during each fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). This fiscal year, vacation earned exceeded the amounts used by \$16,166.

(16,166)

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 accrual-basis pension costs and actual employer contributions was:

52,622

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 accrual-basis OPEB costs and actual employer contributions was:

37,201

Change in net position - governmental activities	\$ 402,751
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The notes to basic financial statements are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Goleta Cemetery District (the District) is an independent division of local government authorized by California Health and Safety Code Section 8890 et seq. The District is governed by a Board of Trustees appointed by the County Board of Supervisors to serve four year terms or until successors are appointed and qualified.

B. Reporting Entity

The reporting entity is the Goleta Cemetery District. There are no component units included in this report which meets the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, No. 61 No. 80, and No. 90.

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 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.

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 presents increases, (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 revenue:

Unearned revenues arise when assets are received before revenue recognition criteria have been satisfied. Grants received before eligibility requirements are met are recorded as unearned 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 payment is 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 except for endowment interest, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed. In the case of endowment interest, unrestricted funds are used first.

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 balances, 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 on the next page:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Accounting (Continued)

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. The original and revised budgets are presented for the General Fund.

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. Prepaid Items

The District has the option of reporting expenditures in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure during the period benefitted.

J. 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.

K. 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 \$1,000 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 governmental column in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the statement of net position. The estimated useful lives are as follows:

Equipment	7 to 10 years
Structures	10 to 50 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. 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 7 for a detailed listing of the deferred outflows of resources the District has reported.

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 Note 7 for a detailed listing of the deferred inflows of resources the District has reported.

M. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Santa Barbara County Employees' Retirement System (SBCERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by SBCERS. 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.

N. Other Postemployment Benefits (OPEB)

For purposes of measuring the net 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 (OPEB Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Net Position

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 position that is net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

P. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. 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.

R. Compensated Absences

The District's policy permits employees to accumulate earned but unused vacation and sick leave benefits. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and fund liability of the governmental fund from which it will be paid. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements. The District's policy is to record the current cost of sick leave only when it is used.

S. 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 convey 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.

GOLETA CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. 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 substantially all of its cash in the Santa Barbara 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 on deposit with County Treasurer	\$ 4,118,824
Petty cash	<u>200</u>
Total cash and investments	<u>\$ 4,119,024</u>

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

Cash and investments, statement of net position	<u>\$ 4,119,024</u>
Total cash and investments	<u>\$ 4,119,024</u>

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. These principles recognize a three-tiered fair value hierarchy. 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 any investments that were measured under Level 1, Level 2, or Level 3.

GOLETA CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 - CASH AND INVESTMENTS (Continued)

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 Santa Barbara. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. 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:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
Santa Barbara County Investment Pool	\$ 4,118,824	\$ 4,118,824	\$ -	\$ -	\$ -
Total	\$ 4,118,824	\$ 4,118,824	\$ -	\$ -	\$ -

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 (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>		
				<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Santa Barbara County Investment Pool	\$4,118,824	N/A	\$ -	\$ -	\$ -	\$4,118,824
Total	\$4,118,824		\$ -	\$ -	\$ -	\$4,118,824

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

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 government investment pools (such as Santa Barbara County Investment Pool).

GOLETA CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investment in Santa Barbara County Investment Pool

The District is a participant in the Santa Barbara County Investment Pool that is regulated by the California Government Code. The fair value of the District's investment in this pool is based upon the District's pro-rata share of the fair value provided by the Santa Barbara County Investment Pool for the entire Santa Barbara 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 Santa Barbara 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 is a summary of major policies and practices relating to property taxes:

Property Valuations - are established by the Assessor of the County of Santa Barbara for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provision of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From the base 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, preceding 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 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.

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.

GOLETA CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 4 – CAPITAL ASSETS

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

	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Governmental activities:					
Nondepreciable capital assets:					
Land	\$ 845,871	\$ -	\$ -	\$ -	\$ 845,871
Construction in progress	125,071	56,034		(21,558)	159,547
Total nondepreciable capital assets	\$ 970,942	\$ 56,034	\$ -	\$ (21,558)	\$ 1,005,418
Depreciable capital assets:					
Buildings and improvements	\$ 3,200,259	\$ -	\$ -	\$ -	\$ 3,200,259
Equipment	387,213			21,558	408,771
Total depreciable capital assets	3,587,472			21,558	3,609,030
Less accumulated depreciation	1,457,929	106,059			1,563,988
Net depreciable capital assets	\$ 2,129,543	\$ (106,059)	\$ -	\$ 21,558	\$ 2,045,042
Net capital assets	\$ 3,100,485	\$ (50,025)	\$ -	\$ -	\$ 3,050,460

NOTE 5 – LONG-TERM LIABILITIES

Changes in long-term liabilities

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

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Compensated absences	\$ 16,630	\$ 26,029	\$ 9,863	\$ 32,796	\$ -
Net pension liability	311,148	233,721		544,869	
Net OPEB liability/(asset)	(119,289)	67,660		(51,629)	
	\$ 208,489	\$ 327,410	\$ 9,863	\$ 526,036	\$ -

NOTE 6 – PENSION PLAN

A. General Information about the Pension Plan

Plan Description

The District provides pension benefits to eligible employees through cost sharing multiple-employer defined benefit pension plans administered by the Santa Barbara County Employees' Retirement System (SBCERS). Members of the pension plans include all permanent employees working full time, or at least 50% part time for the County, and the following independent special districts: Carpinteria-Summerland Fire Protection District, Mosquito and Vector Management District of Santa Barbara County, Goleta Cemetery District, Santa Maria Cemetery District, Oak Hill Cemetery District, Carpinteria Cemetery District, Summerland Sanitary District, Santa Barbara County Air Pollution Control district, Santa Barbara County Association of Governments, and the Santa Barbara County Superior Court. SBCERS issues publicly available financial reports that maybe obtained at <http://cosb.countyofsb.org/sbcers/default.aspx?id=19040>.

NOTE 6 – PENSION PLAN (Continued)

A. General Information about the Pension Plan (Continued)

SBCERS was established on January 1, 1944, and is administered by the Board of Retirement to provide service retirement, disability, death, and survivor benefits for employees of the County and participating districts. The Santa Barbara County Board of Supervisors and the governing boards of the participating districts adopt resolutions, as permitted by the California State Government Code §31450 (County Employees' Retirement Law of 1937 (CERL)), which affect the benefits of the SBCERS members. SBCERS is governed by the California Constitution, CERL, and the bylaws, policies and procedures adopted by the SBCERS' Board of Retirement.

SBCERS administers six County pension plans. With the passage of the Public Employees Pension Reform Act ("PEPRA"), the County established a new pension plan, Plan 8, with two rate tiers – one for safety and one for general members. As of January 1, 2013, Plan 8 is the only pension plan available to new employees. PEPRA made several changes to the pension benefits that may be offered to employees hired on or after January 1, 2013, including increasing minimum retirement ages, increasing the percentage required for member contributions, and excluding certain types of compensation as pensionable. PEPRA has also created limits on pensionable compensation tied to the Social Security taxable wage base. The cumulative effect of these PEPRA changes will ultimately reduce the District's retirement costs.

Summary of Plans and Eligible Participants

Open for New Enrollment:

General Plan 8	General members hired on or after January 1, 2013 may continue in plan.
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Closed to New Enrollment:

General Plan 5A	General members hired before June 25, 2012 may continue in plan.
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Benefits Provided

All pension plans provide benefits, in accordance with CERL regulations, upon retirement, disability or death of members. Retirement benefits are based on years of service, final average compensation, and retirement age. Employees terminating before accruing 5 years (or 10 years for Plan) of retirement service credit (5 or 10-year vesting) forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning 5 or 10 years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement. Differences between expected or actual experience for vested and non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

Service related disability benefits are based upon final average compensation or retirement benefits (if eligible). Non-service related disability benefits are based on 1) years of service and final average compensation or 2) retirement benefits (if eligible). General Plan 2 participants receive disability benefits through a long-term insurance policy. Death benefits are based upon a variety of factors including whether the participant was retired or not.

Annual cost-of-living adjustments (COLAs) after retirement are provided in all plans except General Plan 2. COLAs are granted to eligible retirement members each April based upon the Bureau of Labor Statistics Average Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles-Riverside-Orange County area as the preceding January 1 and is subject to an annual maximum dependent upon the provisions of the pension plans.

Specific details for the retirement, disability or death benefit calculations and COLA maximums for each of the pension plans are available in the SBCERS' Annual Comprehensive Financial Report (ACFR). The SBCERS' ACFR is available online at <http://cosb.countyofsb.org/sbcers/default.aspx?id=19040>.

GOLETA CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 6 – PENSION PLAN (Continued)

A. General Information about the Pension Plan (Continued)

Contributions

Per Article 16 of the Constitution of the State of California, contribution requirements of the active employees and the participating employers are established and may be amended by the SBCERS Board of Retirement. Depending upon the applicable plan, employees are required to contribute a certain percent of their annual pay. For each of the plans, the County's contractually required contributions (formerly known as the actuarially required contribution (ARC)) rate for the year ended June 30, 2023, was a specified percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Additional amounts required to finance any unfunded accrued liability are the responsibility of the plan sponsors. Contributions to the pension plan from the District were \$116,476 for the year ended June 30, 2023. Active members are plan members who are currently accruing benefits and/or playing contributions into the applicable plan.

Employer and employee contribution rates and active members for each plan are as follows:

	<u>Employer Contribution</u>	<u>Employee Contribution</u>	<u>Active Members</u>
	<u>Rates</u>	<u>Rates</u>	
General Plan 5A	37.55%	5.68%	1
General Plan 8	31.36%	8.40%	3

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

At June 30, 2023, the District reported a liability of \$544,869 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. At June 30, 2022, the District's proportion was 0.0732%, which was a increase of 0.0073% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$63,854. 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 116,476	\$ -
Differences between expected and actual experience	28,550	1,291
Change in assumptions	8,399	2,183
Net difference between projected and actual earnings on retirement plan investments		3,396
Adjustment due to differences in proportions	46,488	13,512
Difference in actual contributions and proportionate share of contributions		3,129
	<u>\$ 199,913</u>	<u>\$ 23,511</u>

GOLETA CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 6 – PENSION PLAN (Continued)

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

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.

\$116,476 was reported as deferred outflows of resources related to pensions resulting from the 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 pensions will be recognized in the pension expenses as follows:

<u>Fiscal year Ending June 30,</u>	<u>Amount</u>
2024	\$ 7,337
2025	12,366
2026	(21,404)
2027	61,627
	<u>\$ 59,926</u>

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

Inflation	2.75%
Salary increases	3.00% plus merit component
COLA increases	2.60% for those with a 3.00% COLA cap; 1.90% for those with a 2.00% COLA cap
Investment rate of return	7.00% net of investment expense
Post-retirement Benefit Increases	Sex distinct RP-2000 Combined Mortality, projected with generational improvements using Scale BB

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2019.

The long-term expected rate of return of pension plan investments (7.0 percent) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table on the following page:

GOLETA CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 6 – PENSION PLAN (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Broad US Equity	19%	3.30%
Dev'd Market Non-US Equity	11%	5.50%
Emerging Markets Equity	7%	7.75%
Core Fixed Income	17%	0.00%
Custom Non-Core Fixed Income	11%	3.13%
Custom Real Return	15%	3.73%
Custom Real Estate	10%	4.50%
Private Equity	10%	6.50%
Cash	0%	-1.00%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension fund's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund's fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and was applied to all period of projected benefit payments to determine the total pension liability.

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

The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, 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 (6.0 percent) or 1- percentage point higher (8.0 percent) than the current rate:

	<u>1% Decrease 6.00%</u>	<u>Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
District's proportionate share of the net pension plan liability	\$ 1,017,462	\$ 544,869	\$ 158,242

Pension Plan Fiduciary Net Position

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

GOLETA CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

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

Benefits provided. The district contributes the full premium for the retired participant (not including the spouse or family). The contribution continues when the retiree is Medicare eligible. Those who retire directly from the District with at least 57 years in age and 10 years District service are eligible. In addition, the District pays the PEMHCA administrative fee. The District does not contribute dental, vision, and life benefits for retirees.

Employees Covered

As of the 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	4
Inactive employees or beneficiaries currently receiving benefits	<u>3</u>
Total	<u><u>7</u></u>

Net OPEB Liability

The District's net 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.

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	5.50%
Investment rate of return	5.50%, net of OPEB plan investment expense
Medical cost trend rate	5.20% for 2022 through 2034; 5% for 2035 through 2049 4.5% 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. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

GOLETA CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Net OPEB Liability (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Broad U.S. Equity	50%	4.40%
U.S. Fixed	50%	1.50%
Total	100%	

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 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:

<u>Reporting Date</u>	<u>Measurement Date</u>	<u>Long Term Expected Return of Plan Investments</u>	<u>Municipal 20 Year High Grade Rate Index</u>	<u>Discount Rate</u>
June 30, 2022	June 30, 2021	5.50%	3.69%	5.50%
June 30, 2023	June 30, 2022	5.50%	3.69%	5.50%

GOLETA CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2022 (Valuation Date June 30, 2021)	\$ 331,491	\$ 450,780	\$ (119,289)
Changes recognized for the measurement period:			
Service cost	13,238		13,238
Interest	18,302		18,302
Contributions - employer		24,257	(24,257)
Net investment income		(57,743)	57,743
Benefit payments	(24,257)	(24,257)	
Administrative expense		(2,634)	2,634
Net Changes	7,283	(60,377)	67,660
Balance at June 30, 2023 (Measurement Date June 30, 2022)	\$ 338,774	\$ 390,403	\$ (51,629)

Sensitivity of the Net OPEB liability/(asset) to changes in the discount rate. The following presents the net OPEB liability (asset), as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (4.50 percent) or 1-percentage-point higher (6.50 percent) than the current discount rate:

	1% Decrease 4.50%	Current Rate 5.50%	1% Increase 6.50%
Net OPEB liability (asset)	\$ (13,864)	\$ (51,629)	\$ (83,547)

Sensitivity of the Net OPEB liability/(asset) to changes in the healthcare trend rates. The following presents the net OPEB liability (asset), as well as what the net OPEB liability (asset) would be if it were calculated using a 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%)	Healthcare Cost Trend Rate (5.20%)	1% Increase (6.20%)
Net OPEB liability (asset)	\$ (87,763)	\$ (51,629)	\$ (8,447)

GOLETA CEMETERY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$(12,994). 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 19,022	\$ -
Difference between expected and actual experience	22,693	3,388
Change in assumptions	11,195	6,655
Net difference between projected and actual earnings on retirement plan investments	35,920	
	<u>\$ 88,830</u>	<u>\$ 10,043</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to the net OPEB liability (asset) to be recognized in future periods in a systematic and rational manner. \$19,022 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 year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the pension expense as follows:

<u>Fiscal year Ending June 30,</u>	<u>Amount</u>
2024	\$ 3,684
2025	13,131
2026	11,583
2027	23,547
2028	6,517
Thereafter	1,303
	<u>\$ 59,765</u>

NOTE 8 – 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 and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.

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REQUIRED SUPPLEMENTARY INFORMATION

GOLETA CEMETERY DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 619,365	\$ 619,365	\$ 709,580	\$ 90,215
Intergovernmental	16,700	16,700	27,508	10,808
Investment income	8,000	8,000	39,212	31,212
Burial rights	190,000	190,000	259,376	69,376
Charges for services	144,000	144,000	198,734	54,734
Miscellaneous	1,100	1,100	1,869	769
Total revenues	979,165	979,165	1,236,279	257,114
Expenditures:				
Salaries and benefits	598,500	598,500	592,635	5,865
Services and supplies	309,850	309,850	261,334	48,516
Capital outlay	875,000	875,000	56,034	818,966
Total expenditures	1,783,350	1,783,350	910,003	873,347
Excess of revenues over (under) expenditures	(804,185)	(804,185)	326,276	1,130,461
Fund balance, July 1	2,345,230	2,345,230	2,345,230	
Fund balance, June 30	<u>\$ 1,541,045</u>	<u>\$ 1,541,045</u>	<u>\$ 2,671,506</u>	<u>\$ 1,130,461</u>

GOLETA 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	0.0732%	0.0659%	0.0673%	0.0671%	0.0710%
Proportionate share of the net pension liability	\$ 544,869	\$ 311,148	\$ 710,513	\$ 572,502	\$ 613,546
Covered payroll	\$ 336,660	\$ 328,204	\$ 295,965	\$ 290,619	\$ 287,937
Proportionate share of the net pension liability as percentage of covered payroll	161.8%	94.8%	240.1%	197.0%	213.1%
Plan's total pension liability	\$ 4,641,199,825	\$ 4,463,050,962	\$ 4,249,671,331	\$ 4,051,341,557	\$ 3,866,167,644
Plan's fiduciary net position	\$ 3,896,842,594	\$ 3,990,898,759	\$ 3,193,931,965	\$ 3,198,134,055	\$ 3,002,018,510
Plan fiduciary net position as a percentage of the total pension liability	83.96%	89.42%	75.16%	78.94%	77.65%
	2018	2017	2016	2015	
Proportion of the net pension liability	0.0686%	0.0723%	0.0709%	0.0719%	
Proportionate share of the net pension liability	\$ 645,368	\$ 607,836	\$ 515,888	\$ 438,833	
Covered payroll	\$ 275,831	\$ 277,794	\$ 264,476	\$ 260,546	
Proportionate share of the net pension liability as percentage of covered payroll	234.0%	218.8%	195.1%	168.4%	
Plan's total pension liability	\$ 3,742,076,485	\$ 3,395,252,229	\$ 3,260,156,781	\$ 3,123,968,401	
Plan's fiduciary net position	\$ 2,801,306,795	\$ 2,554,538,523	\$ 2,532,528,974	\$ 2,513,629,759	
Plan fiduciary net position as a percentage of the total pension liability	74.86%	75.24%	77.68%	80.46%	

Note 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, therefore only nine years are shown.

GOLETA 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.

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution (actuarially determined)	\$ 116,476	\$ 115,086	\$ 98,682	\$ 94,258	\$ 89,716
Contribution in relation to the actuarially determined contributions	<u>116,476</u>	<u>115,086</u>	<u>98,682</u>	<u>94,258</u>	<u>89,716</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 359,168	\$ 336,660	\$ 328,204	\$ 295,965	\$ 290,619
Contributions as a percentage of covered payroll	32.4%	34.2%	30.1%	31.8%	30.9%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Contractually required contribution (actuarially determined)	\$ 90,197	\$ 82,713	\$ 87,150	\$ 84,699	
Contribution in relation to the actuarially determined contributions	<u>90,197</u>	<u>82,713</u>	<u>87,150</u>	<u>84,699</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 287,937	\$ 275,831	\$ 277,794	\$ 264,476	
Contributions as a percentage of covered payroll	31.3%	30.0%	31.4%	32.0%	

Note 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, therefore only nine years are shown.

GOLETA CEMETERY DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Last 10 Years*

As of June 30, 2023

	2023	2022	2021	2020	2019
Total OPEB Liability					
Service cost	\$ 13,238	\$ 10,949	\$ 16,097	\$ 25,568	\$ 25,822
Interest on the total OPEB liability	18,302	15,375	14,861	14,175	11,099
Actual and expected experience difference		31,421		(48,540)	
Changes in assumptions		15,501		(95,375)	(22,503)
Changes in benefit terms					
Benefit payments	(24,257)	(20,416)	(12,615)	(3,024)	(3,014)
Net change in total OPEB Liability	7,283	52,830	18,343	(107,196)	11,404
Total OPEB liability- beginning	331,491	278,661	260,318	367,514	356,110
Total OPEB liability- ending (a)	<u>\$ 338,774</u>	<u>\$ 331,491</u>	<u>\$ 278,661</u>	<u>\$ 260,318</u>	<u>\$ 367,514</u>
Plan Fiduciary Net Position					
Contribution - employer	\$ 24,257	\$ 20,416	\$ 12,615	\$ 348,354	\$ -
Net investment income	(57,743)	82,639	13,896	13,955	
Benefit payments	(24,257)	(20,416)	(12,615)	(3,024)	
Administrative expense	(2,634)	(2,404)	(1,926)	(710)	
Net change in plan fiduciary net position	(60,377)	80,235	11,970	358,575	
Plan fiduciary net position- beginning	\$ 450,780	\$ 370,545	\$ 358,575		
Plan fiduciary net position- ending (b)	<u>\$ 390,403</u>	<u>\$ 450,780</u>	<u>\$ 370,545</u>	<u>\$ 358,575</u>	<u>\$ -</u>
Net OPEB liability (asset) - ending (a)-(b)	<u>\$ (51,629)</u>	<u>\$ (119,289)</u>	<u>\$ (91,884)</u>	<u>\$ (98,257)</u>	<u>\$ 367,514</u>
Covered payroll	\$ 325,288	\$ 300,238	\$ 295,965	\$ 290,619	\$ 287,937
Total Net OPEB liability (asset) as a percentage of covered payroll	(15.87)%	(39.73)%	(31.05)%	(33.81)%	127.64%
	2018				
Total OPEB Liability					
Service cost	\$ 25,070				
Interest on the total OPEB liability	10,128				
Actual and expected experience difference					
Changes in assumptions					
Changes in benefit terms					
Benefit payments	(5,301)				
Net change in total OPEB Liability	29,897				
Total OPEB liability- beginning	326,213				
Total OPEB liability- ending (a)	<u>\$ 356,110</u>				
Plan Fiduciary Net Position					
Contribution - employer	\$ -				
Net investment income					
Benefit payments					
Administrative expense					
Net change in plan fiduciary net position					
Plan fiduciary net position- beginning					
Plan fiduciary net position- ending (b)	<u>\$ -</u>				
Net OPEB liability (asset) - ending (a)-(b)	<u>\$ 356,110</u>				
Covered payroll	\$ 275,831				
Total Net OPEB liability (asset) as a percentage of covered payroll	129.10%				

*- Fiscal year 2018 was the 1st year of implementation, therefore only six years are shown.

GOLETA CEMETERY DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS

Last 10 Years*

As of June 30, 2023

	2023	2022	2021	2020
Contractually required contribution (actuarially determined)	\$ -	\$ -	\$ 12,559	\$ 12,194
Contribution in relation to the actuarially determined contributions	24,257	20,416	19,991	12,364
Contribution deficiency (excess)	<u>\$ (24,257)</u>	<u>\$ (20,416)</u>	<u>\$ (7,432)</u>	<u>\$ (170)</u>
Covered payroll	\$ 325,288	\$ 300,238	\$ 328,204	\$ 295,965
Contributions as a percentage of covered payroll	7.5%	6.8%	6.1%	4.2%

The District's contribution for the fiscal year ended June 30, 2019 was \$348,354. 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 \$3,014. 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 1st year of implementation, therefore only six years are shown.