

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Newcastle, California**

**ANNUAL FINANCIAL REPORT
with
Independent Auditor's Report Thereon**

JUNE 30, 2021

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Newcastle, Rocklin, Gold Hill Cemetery District
Newcastle, California

We have audited the accompanying basic financial statements of the governmental activities and each major fund, of the Newcastle, Rocklin, Gold Hill Cemetery District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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 Newcastle, Rocklin, Gold Hill Cemetery District as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-9 and 30-32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Fechter & Company
Certified Public Accountants


Sacramento, California
April 12, 2022

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Management's Discussion and Analysis
June 30, 2021**

This section of the annual financial report of the Newcastle, Rocklin, Gold Hill Cemetery District presents our discussion and analysis of the District's financial performance during the fiscal years ended June 30, 2021. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements, including the notes and the supplementary information that immediately follow this section.

FINANCIAL HIGHLIGHTS

In order to provide a better understanding of the District's financial operations, financial performance and supplement the information provided in the financial statements, management offers this narrative overview of the financial activities of the Newcastle, Rocklin, Gold Hill Cemetery District for the fiscal years ended June 30, 2021. We encourage readers to consider the information here in conjunction with the basic financial statements, footnotes and other supplementary information.

Government-wide net position increased to \$17,566,526 from \$16,747,487 for fiscal year ended June 30, 2021.

General revenues, primarily taxes and investment earnings, accounted for \$1,866,626 or 80.5% of total revenue for fiscal year ending June 30, 2021 a slight decrease from the \$1,904,306 or 86.5% of total revenues for fiscal year ending June 30, 2020.

For fiscal year ending June 30, 2021, total government-wide assets were \$18,389,289, cash and investments were \$13,692,929 of which \$1,466,520 was restricted. Net capital assets totaled \$3,618,846.

Total cemetery expenses for the year ended June 30, 2021 were \$1,540,809 which is a 15.0% increase from the \$1,339,455 for fiscal year ended June 30, 2020.

OVERVIEW OF ANNUAL FINANCIAL REPORT

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements presenting different views of the District.

The government-wide financial statements provide both short-term and long-term information about the District's overall financial status and are composed of the follows:

The Statement of Net Position

The Statement of Net Position includes all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

Statement of Activities

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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These two statements report the District's net position and changes in them. Net position is the difference between assets and liabilities, which is one way to measure the District's financial health, or financial position. Overtime, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To assess the overall health of the District, you need to consider additional non-financial factors including the condition of the District's buildings and other facilities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds - not the District as a whole. These statements focus on individual funds of the District, reporting the District's operation in more detail than the government-wide statements while focusing on current operations. Funds are accounting devices the District uses to record specific sources of funding and spending on particular programs. Some funds are required by law and covenants.

Most of the District's basic services are reported in governmental funds which generally focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using the modified accrual accounting, which measures cash, and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statement, we provide additional information of the governmental fund statements that explain the relationship (or differences) between them.

The District may establish other funds to control and manage money for particular purposes or to show that certain revenues have been properly used.

The fund financial statements are composed of:

The Governmental Fund Balance Sheet

This statement details the balance in the District's two active funds:

- General Fund where all general activity of the District is accounted for and
- The District's permanent fund, the Endowment Fund which accounts for the endowment fees collected to provide for long term operation and maintenance of the Districts cemeteries.

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Management's Discussion and Analysis
June 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The following table presents a summary of the District's statement of net position by category as of June 30, 2021 and 2020.

TABLE 1: NET POSITION

Condensed Summary of Assets, Liabilities, and Net Position

Assets	2021	2020	Change
Current and other assets	\$ 13,033,448	\$ 12,360,199	\$ 673,248
Permanently restricted	1,466,520	1,409,571	56,949
Capital assets, net	3,618,846	3,430,078	188,768
Deferred outflows	270,475	328,669	(58,194)
Total assets	<u>\$ 18,389,289</u>	<u>\$ 17,528,517</u>	<u>\$ 860,772</u>
Liabilities			
Current and other liabilities	\$ 105,770	\$ 94,298	\$ 11,472
Long term liabilities	711,412	658,010	53,402
Deferred inflows	5,581	28,722	(23,141)
Total liabilities	<u>822,763</u>	<u>781,030</u>	<u>41,733</u>
Net Assets			
Invested in capital assets	3,618,846	3,430,078	188,768
Permenant	2,115,101	2,047,556	67,545
Committed	10,765,200	10,765,200	-
Unreserved net assets	1,067,379	504,653	562,726
Total net assets	<u>17,566,526</u>	<u>16,747,487</u>	<u>819,039</u>
Total liabilities and net assets	<u>\$ 18,389,289</u>	<u>\$ 17,528,517</u>	<u>\$ 860,772</u>

A summary of total District revenues, expenses, and changes in net position is presented in the table below.

TABLE 2: CHANGES IN NET POSITION

Condensed Summary of Revenues and Expenses

	2021	2020	Change
Revenues	\$ 2,359,848	\$ 2,234,203	\$ 125,645
Operating Expenses	1,540,809	1,339,455	201,354
Revenues over expenses	<u>\$ 819,039</u>	<u>\$ 894,748</u>	<u>\$ (75,709)</u>

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Endowment Care Fund

The Endowment Care Fund had cash balance at June 30, 2021 of \$2,170,338, which represents an increase of \$60,305 from the fiscal year ended June 30, 2020.

General Fund Budgetary Highlights

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues	\$ 2,301,268	\$ 1,915,836	\$ 385,432
Operating expenses	<u>1,611,940</u>	<u>1,962,858</u>	<u>(350,918)</u>
Net increase	<u>\$ 689,328</u>	<u>\$ (47,022)</u>	<u>\$ 736,350</u>

Fiscal year 2021 budgeted revenues totaled \$1,915,836 which compares to the actual revenues of \$2,301,268 exceeding budget by \$385,432.

Expenditures budgeted at \$1,962,858 compares to the actual expenditures of \$1,611,940 resulting in an underbudget amount of \$350,918.

Property and Equipment

As of June 30, 2021, and 2020 the District owned the following capital assets:

TABLE 3: PROPERTY AND EQUIPMENT

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Assets not being depreciated		
Land	\$ 430,106	\$ 430,106
Construction in progress	22,186	45,929
Total assets not being depreciated	<u>452,292</u>	<u>476,035</u>
Assets being depreciated		
Structures	742,216	742,216
Improvements	4,204,293	3,835,633
Equipment	471,506	493,831
Total cost, assets being depreciated	<u>5,418,015</u>	<u>5,071,680</u>
Accumulated Depreciation		
Structures	(303,252)	(279,539)
Improvements	(1,542,906)	(1,414,729)
Equipment	(405,302)	(423,369)
Total accumulated depreciation	<u>(2,251,460)</u>	<u>(2,117,637)</u>
Net assets being depreciated	3,166,555	2,954,043
Property and Equipment, net	<u>\$ 3,618,847</u>	<u>\$ 3,430,078</u>

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EXPENSES:

Employment and Wages

Full time employees - A 3% wage increase was awarded for this fiscal year for employees. Retirement Benefits CalPERS retirement employer contribution this fiscal year increased to 8.794% from 8.081% the previous year. PEPRAs employer contributions are 7.732%. CalPERS perform annual valuations each year and adjust the employer contribution according to a specific formula.

Maintenance, Supplies and Office Expenses

Cemetery District maintenance procedures and conditions have remained about the same. Office expenses, maintenance and grounds supplies increases are attributable to an increase in maintenance of District equipment.

Improvements

For the 2020/21 fiscal year we began and completed the development of a new garden at Rocklin called Block 7. We have continued the planning for a new water tank in our undeveloped property at Newcastle which is. Project is estimated to begin in April and end in late April early May.

REVENUES:

Sales of plots increased in fiscal year 2020/21 by approximately 55% from last fiscal year. Sales of niches in this fiscal year have increased by .91% over last fiscal year. The District performed 249 total interments this fiscal year as compared to 180 last fiscal year. Of the interments, 103 were full casket interments and 146 were cremation interment.

Vaults are outer burial containers that surround the casket within the grave. There are those that are purchased and installed at the time of the burial, and there are underground burial vaults that are pre-installed when a cemetery section was designed and constructed.

By necessity, the latter vaults are purchased at the same time the plot is sold. Newcastle Cemetery, Section N is the only area within our cemeteries that currently have underground burial vaults. In all other burial sections, vaults are purchased at the time of interment. The District purchases polypropylene (Vantage) adult size vaults and also infant and toddler size vaults that are sold at time of use.

Vantage vault sales for adult casket interments sales were less compared to last year. Sales fluctuate from year to year.

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Underground burial vault sales have increased due to the growing popularity of this newer section at the Newcastle Cemetery. It is the only section at any of our cemeteries that offers underground burial vaults in both single and double depth configurations. It also allows upright monuments in selected rows of the section. No other section in any of our cemeteries can accommodate double depth burials. Any other sections that allowed upright monuments in selected rows are almost completely sold out of this option, so this Section has become a popular selling area. Urn vault sales decreased this year to 83 from last year's sales of 101.

Endowment Care

Endowment funds added to the endowment care trust this fiscal year amount to \$49,520, an increase from last fiscal year. In addition, the endowment fund earned \$9,060. Since July 1984, endowment care is charged at the time of the plot/niche sale. Therefore, if sales of plots and niches are down, endowment care proceeds will likely be less as well. However, on plots sold prior to July 1984, endowment care is collected at the time of burial, once per grave used. Endowment care collected on those plots varies from year to year. Balance of the endowment care fund cash and investments at June 30, 2021 was \$2,170,338.

FINANCIAL ANALYSIS OF THE DISTRICT

As a non-enterprise government agency, the District does not operate with a profit motive as a private company would. The District follows these operating tenets:

- Price services with the goal of recover the cost of providing service to its constituents; and
- Consider the price of service with an eye on securing the financial resources needed to maintain and improve the capital facilities used in providing those services and
- Grow the endowment care fund to a balance sufficient to generate the necessary investment earnings at a level that will sustain the cemetery in perpetuity.

The financial statements assist a reader in determining whether the District is meeting these goals. In general, net assets provide a realistic indicator of a government's financial position. For the fiscal year ending June 30, 2021, assets exceeded liabilities by \$13,614,151.

OPERATIONS SUMMARY

Overall, operations throughout fiscal year ended June 30, 2021 were routine. Negotiations for the 22.9- acre parcel owned by the Facia Family is currently on hold until further notice.

The poor economic conditions in the past years have not yet adversely affected the District. Our Board of Trustees have, in fore site, planned and reserved funds for operations, development, improvements, and other contingencies so that it can function efficiently in good times and bad.

**NEWCASTLE, ROCKLIN, GOLD HILL
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Management's Discussion and Analysis
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FUTURE PLANS

The District completed the Section 3A Garden at Rocklin Cemetery. The District is presently working with an engineer to design plans to develop a new garden at Rocklin Cemetery as well as to develop a 20 acres parcel at Newcastle that will include an additional water tank.

REQUESTS FOR INFORMATION

This discussion is intended to provide management's perspective on the District's financial position and results of operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Trustees, 850 Taylor Road, Newcastle, California 95658.

Basic Financial Statements
Government-Wide Financial Statements

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
STATEMENT OF NET POSITION
June 30, 2021

ASSETS

Cash in banks	\$ 43,435
Cash in county treasury	12,182,974
Interest receivable	19,627
Inventories	787,412
Capital assets, net of accumulated depreciation	3,618,846
Permanently restricted cash and investments	1,466,520
Total assets	18,118,814
Deferred outflows of resources	270,475

LIABILITIES

Accrued payroll expenses	96,076
Unearned cemetery revenues	9,694
Net pension liability	711,412
Total Liabilities	817,182
Deferred inflows of resources	5,581

NET POSITION

Invested in capital assets, net of related debt	3,618,846
Restricted for:	
Permenant funds	
Expendeble	736,897
Nonexpendable	1,378,204
Committed	10,765,200
Unrestricted	1,067,379
Net Position	\$ 17,566,526

The accompanying notes are an integral part of these financial statements

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
STATEMENTS OF ACTIVITIES
June 30, 2021

EXPENSE

Governmental activities- cemetery services	
Personnel services	\$ 984,717
Cemetery services	290,795
Materials and Supplies	80,199
Depreciation	185,098
Total cemetery services	1,540,809
Charges for cemetery services	443,702
Net program expense	1,097,107
General revenues	
Property taxes	1,811,932
Investment income	54,694
Total general revenues	1,866,626
Endowment care	49,520
Net change in net position	819,039
Net Position - beginning of the year	16,747,487
Net Position - end of year	\$ 17,566,526

The accompanying notes are an integral part of these financial statements

Basic Financial Statements
Governmental Fund Financial Statements

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET
June 30, 2021

	<u>General Fund</u>	<u>Endowment Fund</u>	<u>Total</u>
ASSETS			
Cash in bank	\$ 43,435	\$ -	\$ 43,435
Cash in county treasury	11,479,156	703,818	12,182,974
Interest receivable	16,284	3,343	19,627
Inventories	7,366	-	7,366
Permenently restricted investments	-	1,466,520	1,466,520
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 11,546,241</u>	<u>\$ 2,173,681</u>	<u>\$ 13,719,922</u>
LIABILITIES			
Accrued payroll liabilities	96,077	-	96,077
Unearned cemetery revenues	9,694	-	9,694
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>105,771</u>	<u>-</u>	<u>105,771</u>
FUND BALANCES			
Non spendable		1,427,724	1,427,724
Committed			
Future cemetery maintenance	-	745,957	745,957
Future occurences	1,250,000	-	1,250,000
Future land development	4,000,000	-	4,000,000
Future capital outlay	1,515,200	-	1,515,200
Contingencies	4,000,000	-	4,000,000
Permentaly restricted	-	-	-
Uassigned	675,270	-	675,270
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>11,440,470</u>	<u>2,173,681</u>	<u>13,614,151</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 11,546,241</u>	<u>\$ 2,173,681</u>	<u>\$ 13,719,922</u>

The accompanying notes are an integral part of these financial statements

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
June 30, 2021

Fund Balances of Governmental Funds	\$ 13,614,151
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental funds	3,618,846
Noncurrent portions of the inventory do not require current resources and are therefore excluded from governmental funds	780,046
Net pension liability	(711,412)
Deferred outflows of resources	270,475
Deferred inflows of resources	(5,581)
	<hr/>
Net position of governmental activities	<u><u>\$ 17,566,525</u></u>

The accompanying notes are an integral part of these financial statements

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
June 30, 2021

	<u>General Fund</u>	<u>Endowment Fund</u>	<u>Total</u>
Governmental Activities			
Revenues			
Property taxes	\$ 1,811,932	\$ -	\$ 1,811,932
Cemetery services	443,702	49,520	493,222
Use of money and property	45,634	9,060	54,694
	<u>2,301,268</u>	<u>58,580</u>	<u>2,359,848</u>
Expenditures			
Salaries and employee benefits	896,262	-	896,262
Cemetery services	290,795	-	290,795
Materials and supplies	51,016	-	51,016
Capital outlay	373,867	-	373,867
	<u>1,611,940</u>	<u>-</u>	<u>1,611,940</u>
Excess of revenue over expenditures	689,328	58,580	747,908
Fund Balances - Beginning of year	10,751,142	2,115,101	12,866,243
	<u>11,440,470</u>	<u>2,173,681</u>	<u>13,614,151</u>
Fund Balances - End of year	<u>\$ 11,440,470</u>	<u>\$ 2,173,681</u>	<u>\$ 13,614,151</u>

The accompanying notes are an integral part of these financial statements

**NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES AND CHANGES IN
NET POSITION ACTIVITIES AND CHANGES IN NET POSITION
June 30, 2021**

Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures and Changes in Fund Balances because:

Net Change in Fund Balances - Total Governmental Funds	\$ 747,908
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, The costs of those assets is allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:

Depreciation expense	(185,098)
Capital outlay	373,867

Difference between cash and accrual pension expense	(88,455)
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Inventory of pre-placed vaults is reported as an assets on the government wide statements when the items are purchased and installed but as an expense when sold.	(29,183)
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Change in net position of governmental activities	\$ 819,039
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**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Notes to Financial Statements
June 30, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Newcastle, Rocklin, Gold Hill Cemetery District is a (the District) is a special District of Placer County. The District was formed on May 30, 1927 to provide and maintain burial grounds for residents in the geographical area covered by the District. The basic operations of the District are provided by portions of property taxes paid to Placer County and sales of burial sites. in the Statement of Revenues, Expenditures and Changes in Fund Balances, these operations are reflected in the general fund.

The District's financial statements have been prepared in conformity with generally accepted accounting principles (GAAP). The government accounting standards board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements, statements and interpretations.

The accounting methods and procedures adopted by the District conform to generally accepted accounting principles as applied to governmental entities.

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the District as a whole. They include all funds of the District except for fiduciary funds. The statements distinguish between governmental and business-type activities, if any. Governmental activities are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed as a whole or in part by fees charged to external parties for goods or services. The District does not have business-type funds.

Fund Financial Statements

The District's fund financial statements are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds of the District are organized into three major categories; government, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10% of the corresponding total for all funds of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Notes to Financial Statements
June 30, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The District reports the following government funds:

General Fund -The General Fund is the general operating fund of the District and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Permanent Funds - Permanent Funds report trust arrangements in which the reporting government is the beneficiary of the earnings on the principal.

Major Funds - The District has two funds, both of which are designated as major funds as follows:

General Fund - see above description.

Endowment Fund – A permanent fund that is used to account for endowment fees collected by the District on grave sales which are permanently restricted, and interest earned on endowment funds which are unrestricted.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statement regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources focus as defined below.

In the fund financial statement, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

The "current financial resources" measurement focus is used when accounting for all governmental funds. With this measure focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. Their funds use fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the "economic resources" measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and all liabilities (whether current or noncurrent) associated with the operation of these funds are reported.

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Notes to Financial Statements
June 30, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

In government-wide Statement of Net Position and Statement of Activities, Governmental accounting activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District defines available to be within 60 days of year-end. Expenditures, including capital outlay, are recorded when the related fund liability is incurred.

Budgetary Data

The District follows the following procedures in establishing the budgetary data reflected in the financial statements for the general fund:

A proposed operating budget for the fiscal year beginning July 1, is presented to the Board of Trustees at the July meeting. The operating budget includes proposed expenditures and means to finance them.

By August 1, the Board of Trustees adopts a final budget and submits it to Placer County. Placer County adjusts the budget to reflect their most current estimates of tax revenues. These adjustments are automatically accepted by the Board of Trustees.

Property Taxes

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on December 10th and April 10th. All general property taxes are allocated by the County Auditor-Controller's office to the various taxing entities in installments during the year.

The Placer County has elected into the Teeter Plan for property tax distributions. Therefore, the District receives 100% of the secured property tax levies to which it is entitled, whether or not collected. Unsecured delinquent taxes are considered fully collectible and no allowance for uncollectable taxes is provided.

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Notes to Financial Statements
June 30, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Taxes (continued)

Property taxes are accrued as receivables in the period when they are levied. Property tax revenues are recognized when they become available. "Available" means due, or past due, and receivable within the current period and collected or expected to be allocated soon enough thereafter to be used to pay liabilities, for the current period. This period was 60 days from the end of the fiscal year.

Cash and Investments

Cash includes demand accounts maintained with a banking institution and amounts maintained with the District's fiscal agent, Placer County. Placer County does not allow the District to make independent investments of excess funds.

Inventory

Inventory consists of vaults, both uninstalled and preinstalled vaults. Inventory is stated at cost using the first-in, first-out method of accounting. The cost of vaults is removed from inventory the time of sale. Inventory reported in the fund financial statements is the estimated amount to be used within 60 days of year end. The amount reported on the government wide is the total amount available at the fiscal year end.

Property and Equipment

Property and Equipment purchased or acquired with an original cost of \$3,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives.

Structures	25 Years
Improvements and Infrastructure	40 Years
Equipment	5 Years
Office Furniture and Equipment	3-5 Years

Unearned Cemetery Revenues

These are amounts that have been collected in anticipation of internments for which the internment has not yet been performed. These amounts could be refunded or the internment could take place in the future.

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Notes to Financial Statements
June 30, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

The District provides a compensated absence allowance for eligible employees. Compensated absences are comprised of the following components:

Vacation

Vacation time may be carried over and accumulated in subsequent calendar years to a maximum of 160 hours excess accumulated hours, if any, will be cashed out in January of each year. Full-time, eligible employees accrue vacation for each hour of service from completion of their probationary period as follows:

<u>Hours of Service</u>	<u>Vacation Earned per pay period</u>
0 - 4,160	3.08 hours
4,161 - 8,320	3.68 hours
8,320 - 18,720	4.61 hours
18,721 - 39,520	6.15 hours
39,521 or more	7.69 hours

Sick Leave

The District's sick leave policy permits the accumulation of 12 sick days per year. Maximum carryover to the following year is 180 days, excess paid to employee December 1st of each year. An employee in good standing, leaving the District prior to retirement, can be paid all accumulated sick pay, provided the employee has 5 years of continuous employment and the payment is approved by the Board.

Other Post-Employment Benefits

The District does not provide other post-employment benefits to employees.

Pension Plan

The District accounts for Pension expense in accordance with the requirements of GASB 68.

Fund Equity

The District-wide financial statements utilize a net position presentation. Net position balances are categorized as invested in property and equipment, net of related debt; restricted and unrestricted.

Invested in Property and Equipment, Net of Related Debt - This category groups all property and equipment into one component of net position. Accumulated depreciation and the outstanding balances of debt, if any, that are attributable to the acquisition, construction, or improvement of these assets reduce the net balance in this category.

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Notes to Financial Statements
June 30, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Equity (continued)

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 projects or other purposes.

The District's governmental fund statements utilize a fund balance presentation. Fund balances are categorized as nonspendable, restricted, committed, assigned and unassigned.

Nonspendable Fund Balance - This category presents the portion of fund balance that cannot be spent because it is either not in a spendable form or it is legally or contractually required to be maintained intact. The District has the corpus of the Endowment Fund that is legally required to remain intact and therefore meets the definition of nonspendable.

Restricted Fund Balance - This category presents the portion of the fund balance that is for specific purposes stipulated by constitution, external resource providers, laws and regulations, or enabling legislation.

Committed Fund Balance - This category presents the portion of the fund balance that is used for specific purposes determined by formal action (Resolution) of the District's highest level of decision-making authority and remains committed unless removed in the same manner. For the District, this level of authority lies with the Board of Trustees.

Assigned Fund Balance - This category presents the portion of the fund balance that is intended to be used by the District for specific purposes but does not meet the criteria to be classified as restricted or committed.

Unassigned Fund Balance - This category presents the portion of the fund balance that does not fall into nonspendable, restricted, committed, or assigned and are spendable.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of asset and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Notes to Financial Statements
June 30, 2021**

NOTE 2: CASH AND INVESTMENTS

Cash and investments were comprised of the following at June 30, 2021:

Cash on Hand	\$	250
Bank Deposits		43,185
Cash and Investments held by Placer County		12,182,974
Endowment Fund Cash and Investments held by Placer County		1,466,520
Total Cash and Investments	\$	<u>13,692,929</u>

Investments

The District's investment policy, in conformity with applicable California General Statutes, authorizes investments in Placer County pooled funds. The value of the position in the pools is the same as the pool shares. These investments are not categorized since these funds and pool contain a diversified portfolio of securities within each category as defined in the following paragraph:

Category 1 includes investments that are insured or registered or for which collateral is held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker or dealer or its trust department in the District's name. Category 3 includes unsecured and unregistered investments for which securities are held by the broker or dealer or by its trust department or agent but not in the District's name.

NOTE 3: INVENTORY

Inventory consists of the following at June 30, 2021:

	Units on	
	Hand	<u>Cost</u>
Vaults-preplaced	2,826	\$ 776,951
Vaults	89	10,080
Vases	35	<u>381</u>
Total Inventory		<u>\$ 787,412</u>

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Notes to Financial Statements
June 30, 2021**

NOTE 3: INVENTORY (continued)

Inventory is reported in the financial statements as follows:

Current inventory	\$ 7,366
Non current inventory	<u>780,046</u>
 Total Inventory	 <u><u>\$ 787,412</u></u>

Current inventory is estimated as the amount expected to be used within 60 days if the fiscal year end.

NOTE 4: PROPERTY AND EQUIPMENT

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>June 30, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>June 30, 2021</u>
Assets not being depreciated					
Land	\$ 430,106	\$ -	\$ -	\$ -	\$ 430,106
Construction in progress	45,929	344,916	-	(368,660)	22,185
Total assets not being depreciated	<u>476,035</u>	<u>344,916</u>	<u>-</u>	<u>(368,660)</u>	<u>452,291</u>
Assets being depreciated					
Structures	742,216	-	-	-	742,216
Improvements	3,835,633	-	-	368,660	4,204,293
Equipment	493,831	28,950	(51,275)	-	471,506
Total cost, assets being depreciated	<u>5,071,680</u>	<u>28,950</u>	<u>(51,275)</u>	<u>368,660</u>	<u>5,418,015</u>
Accumulated Depreciation					
Structures	(279,539)	(23,713)	-	-	(303,252)
Improvements	(1,414,729)	(128,177)	-	-	(1,542,906)
Equipment	(423,369)	(33,208)	51,275	-	(405,302)
Total accumulated depreciation	<u>(2,117,637)</u>	<u>(185,098)</u>	<u>51,275</u>	<u>-</u>	<u>(2,251,460)</u>
Net assets being depreciated	2,954,043	(156,148)	-	368,660	3,166,555
Property and Equipment, net	<u>\$ 3,430,078</u>	<u>\$ 188,768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,618,846</u>

Depreciation expense for the year ended June 30, 2021 was \$185,098 and has been recorded in cemetery services in the Statement of Activities.

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Notes to Financial Statements
June 30, 2021**

NOTE 5: LAND LEASE INCOME

The District entered into a land lease agreement with a third party. The 10-year lease, entered into in 2003, allows the third party to place a static billboard on District property. As of June 30, 2021, the lessor was treating this as a month-to-month lease under the final terms of the lease agreement. Lease income for the fiscal year ended June 30, 2021 was \$16,225.

NOTE 6: DEFINED BENEFITS PENSION PLANS

The District provides eligible employee's pension plans benefits through the New Castle, Rocklin, Gold Hill Cemetery District - Miscellaneous Plan and PEPRA Miscellaneous Plan (collectively the Plan).

Plan Description, Benefits Provided and Employees Covered

The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees; Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2020 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2020 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS website under Forms and Publications.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and contribution rate of employees. For the measurement period ended June 30, 2020 (the measurement date), the active employee contribution rate is 6.918% (Miscellaneous Plan) and 6.235% (PEPRA Miscellaneous Plan) of annual pay, and the average employer's contribution rate is 8.081% (Miscellaneous Plan) and 6.985% (PEPRA Miscellaneous Plan) of annual payroll.

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Notes to Financial Statements
June 30, 2021**

NOTE 6: DEFINED BENEFITS PENSION PLANS (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. Both the June 30, 2019 total pension liability and the June 30, 2020 total pension liability were based on the following actuarial methods and assumptions.

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Delivered using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.50% thereafter.

Discount Rate

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

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Notes to Financial Statements
June 30, 2021**

NOTE 6: DEFINED BENEFITS PENSION PLANS (continued)

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

Asset Class	Allocation	Real Return	Real Return Years
		Years 1 - 10	11+
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	(.92%)

The following table shows the Plan's proportionate share of the risk pool collective net pension liability over the measurement period.

	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (Asset) (c=a-b)
Balance at June 30, 2019	2,032,213	1,374,203	\$ 658,010
Balance at June 30, 2020	2,123,268	1,414,707	708,561
Net Change	\$ 91,055	\$ 40,504	\$ 50,551

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or one percentage-point higher (8.15%) than the current rate:

	Discount Rate -1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15%
Employer's Net Pension Liability/(Asset)	\$ 1,002,272	\$ 711,712	\$ 471,632

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Notes to Financial Statements
June 30, 2021**

NOTE 6: DEFINED BENEFITS PENSION PLANS (continued)

Components of Pension Expense and Deferred Outflows and Deferred Inflows

As of June 30, 2021, the District reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ -	\$ 5,076
Difference between expected and actual experience	36,677	
Net Difference between projected and Actual Earnings	21,143	
Difference between Employer's Contribution and Proportionate Share of Contributions	8,390	505
Changes in Employer Proportion	94,330	-
Pension Contributions made Subsequent to Measurement Date	94,880	-
Totals	<u>\$ 255,420</u>	<u>\$ 5,581</u>

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Notes to Financial Statements
June 30, 2021**

NOTE 6: DEFINED BENEFITS PENSION PLANS (continued)

Amounts reported as deferred outflows and deferred inflows of resources related to pensions, will be recognized in future pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows (Inflows) of Resources
2022	61,498
2023	63,238
2024	20,082
2025	10,140
	\$ 154,958

NOTE 7: COMMITMENTS AND CONTENGENCIES

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters.

There are no claims to be reported based on the GASB and GAAP requirements of which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that is probable that a liability has been incurred at the date of the financial statements and he amount for the loss can be reasonably estimated.

There are no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverage for each of the past three years.

NOTE 8: COVID-19 CONSIDERATIONS

In January 2020, SARS-CoV-2, the coronavirus responsible for COVID-19, was detected in the United States of America. As a result of this virus, State and Local Health officials established various stay at home and other measures to reduce the spread. To date, the District has not experienced any significant impacts other than the purchase of personal protective equipment, taking additional sanitization measures and staggering internment service times. The long-term impact in the State of California is uncertain at this time.

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Notes to Financial Statements
June 30, 2021**

NOTE 9: SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 12, 2022, the date these financial statements were available for release.

Required Supplementary Information

**NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
GENERAL FUND BUDGETARY COMPARISON SCHEDULE
June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Total</u>
Governmental Activities			
Revenues			
Property taxes	\$ 1,480,936	\$ 1,811,932	\$ (330,996)
Cemetery services	254,900	443,702	(188,802)
Use of money and property	180,000	45,634	134,366
	<u>1,915,836</u>	<u>2,301,268</u>	<u>(385,432)</u>
Expenditures			
Salaries and employee benefits	869,812	896,262	(26,450)
Cemetery services	313,550	290,795	22,755
Materials and supplies	7,000	51,016	(44,016)
Capital outlay	772,496	373,867	398,629
	<u>1,962,858</u>	<u>1,611,940</u>	<u>350,918</u>
Excess of revenue over expenditures	<u>\$ (47,022)</u>	<u>\$ 689,328</u>	<u>\$ (736,350)</u>

See accompanying notes to General Fund Budgetary Comparison Schedule

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Notes to General Fund Budgetary Comparison Schedule
For the Year Ended
June 30, 2021**

NOTE 1: GENERAL BUDGET POLICIES

Formal budgetary integration is employed as a management control device during the year for the General Fund. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) and consistent with the basis used for financial reporting. There are no reconciling items between the budgetary information and the GAAP information.

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT
Supplementary Information - Pension
June 30, 2021**

Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of Measurement Date in Relation to PERF

	June 30,				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Plan's Proportion of the Net Pension Liability/(Asset)	0.01154%	0.00520%	0.00322%	0.00338%	0.00661%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$2,123,268	\$ 658,010	\$ 422,075	\$ 408,053	\$ 172,451
Plan's Covered-Employee Payroll	\$ 571,243	\$ 552,743	\$ 508,399	\$ 332,056	\$ 333,317
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	26.90%	84.00%	83.02%	122.89%	51.74%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	66.63%	68.48%	70.48%	69.16%	81.10%

Schedule of Plan Contributions

	Fiscal Year				
	2019-20	2018-19	2017-18	2016-17	2015-16
Actuarily determined contribution	\$ 94,880	\$ 71,949	\$ 31,491	\$ 28,139	\$ 23,988
Contributions in relation to the Actuarily determined contribution	\$ (94,880)	\$ (71,949)	(31,491)	(28,139)	(23,988)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 571,243	\$ 552,743	\$ 508,399	\$ 332,056	\$ 333,317
Contributions as a percentage of covered employee payroll	16.61%	13.02%	6.19%	8.47%	7.20%

Notes to Schedule

Change in Benefit Terms

The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 as they have minimal cost impact.

Change in Assumptions

None