

County of Solano
Office of the Auditor-Controller



**AN AUDIT OF THE
SUISUN FAIRFIELD ROCKVILLE CEMETERY DISTRICT
OF SOLANO COUNTY**

**Independent Auditor's Report and Financial Statements
For the fiscal years ended June 30, 2015 and 2014**

**Auditor-Controller: Simona Padilla-Scholtens, CPA
Assistant Auditor-Controller: Phyllis Taynton, CPA
Deputy Auditor-Controller: Kirk Starkey, CPA
Auditor: Jasmine Herber, CPA**

**Suisun Fairfield Rockville Cemetery District of Solano County
For the fiscal years ended June 30, 2015 and 2014**

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**Suisun Fairfield Rockville Cemetery District of Solano County
For the fiscal years ended June 30, 2015 and 2014**

Board of Trustees*

Earl Kilmer, Chairperson

Ruthe Ashley

Wayne Engell

Mary Ellsworth

Jim Robinson

Dorothy Little

Vacant

* As of August 30, 2016

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OFFICE OF THE AUDITOR-CONTROLLER

SIMONA PADILLA-SCHOLTENS, CPA
Auditor-Controller

PHYLLIS TAYNTON, CPA
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COUNTY

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Independent Auditor's Report

Board of Trustees
Suisun Fairfield Rockville Cemetery District
Fairfield, CA 94534

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Suisun Fairfield Rockville Cemetery District (District), as of and for the fiscal years ended June 30, 2015 and 2014, 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 an opinion 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 of 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 error or fraud. In making those risk assessments, the auditor considers internal control relevant to the District'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 District'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities of the Suisun Fairfield Rockville Cemetery District as of June 30, 2015 and 2014, and the respective changes in financial position thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

In connection with the audit contained herein, there are certain independence disclosures necessary pursuant to *Generally Accepted Auditing Standards*. As required by various statutes in the California Government Code, County Auditor-Controllers are mandated to perform certain accounting, auditing and financial reporting functions. These activities may impair an auditor's independence. Although the Auditor-Controller is statutorily obligated to maintain accounts of departments, districts, or funds within the County treasury, we believe the following safeguards and divisions of responsibility exists:

- The Internal Audit Division has the responsibility to perform audits and has no other responsibility for the accounts and records being audited including the approval or posting of financial transactions that would preclude the user of this report from relying on the information contained therein.
- In addition, the Auditor-Controller is an independent elected official and does not engage in management decisions on behalf of the audited entity.

Emphasis of Matter

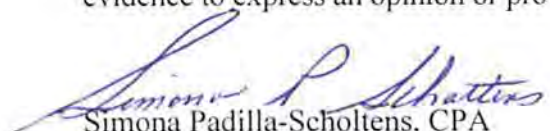
Implementation of New Accounting Standards

As described in Note IV-E to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, effective July 1, 2014. Our opinions are not modified with respect to this matter.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 6 through 11, schedules of net pension liability and related ratios, schedule of contributions and budgetary comparison information on pages 38 through 41, 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.


Simona Padilla-Scholtens, CPA
Auditor-Controller

Fairfield, California

August 30, 2016

Suisun Fairfield Rockville Cemetery District

Management's Discussion and Analysis

As management of the Suisun Fairfield Rockville Cemetery District of Solano County, California (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended June 30, 2015 and 2014. We encourage readers to consider the information presented here in conjunction with additional information in our financial statements.

Financial Highlights

- In fiscal year (FY) 2014/15, the District adopted two new statements of financial accounting standards issued by the Government Accounting Standards Board (GASB) relating to pension activity.
 - Statement No. 68, *Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27*. This statement establishes standards of accounting and financial reporting for the District's defined benefit pension plan.
 - Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement addresses the contribution amounts, if any, after the measurement date of the District's beginning net pension liability. The District's contributions during FY 2014/15 are reported as deferred outflows of resources in accordance with this statement.
- The District recorded a prior period adjustment of \$392,964 to account for the implementation of GASB Nos. 68 and 71 to record the District's net pension liability on the statement of net position.
- The District's net position totaled \$7,182,376 at June 30, 2015 and \$7,188,750 at June 30, 2014. Of these amounts, \$2,690,882 and \$2,833,105 at June 30, 2015 and 2014, respectively, may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$386,590 as a result of the current year's operations and increased by \$209,136 as a result of fiscal year 2013/14 operations.
- The District's governmental funds reported an ending fund balance of \$4,845,004 at June 30, 2015 and \$4,487,312 at June 30, 2014, of which \$1,109,856 and \$884,985, respectively, are available for spending at the District's discretion (unassigned fund balance).
 - At June 30, 2015, the remaining amounts of \$1,553,389, \$100,600 and \$32,893 are categorized as nonspendable for perpetual care of the cemetery, imprest cash fund and inventory respectively, and \$221,795, \$1,226,471, \$500,000 and \$100,000 are assigned for future capital acquisition, future capital improvements, external investments and retirement health, respectively.
 - At June 30, 2014, the remaining amounts of \$1,425,801, \$100,600 and \$31,479 are categorized as nonspendable for perpetual care of the cemetery, imprest cash fund and inventory respectively, and \$221,795, \$1,222,652, \$500,000 and \$100,000 are assigned for future capital acquisition, future capital improvements, external investments and retirement health, respectively.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the remaining balance reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 12-13 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

The basic governmental fund financial statements can be found on pages 14-19 of this report.

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

and fund financial statements. The notes to the financial statements can be found on pages 20-36 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparison schedule for the General Fund and the schedule of funding progress for the retirement program. Required supplementary information can be found on pages 38-42 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets exceeded liabilities by \$7,182,376 and \$7,188,750 at June 30, 2015 and 2014, respectively.

**Suisun Fairfield Rockville Cemetery District
Statement of Net Position
June 30, 2015 and 2014**

| | 2015 | 2014 |
|--|--------------|--------------|
| Assets: | | |
| Current assets | \$ 5,258,996 | \$ 4,822,652 |
| Noncurrent assets | 2,804,612 | 2,797,765 |
| Total assets | 8,063,608 | 7,620,417 |
| Deferred outflows of resources: | | |
| Deferred outflows related to pensions | 127,967 | - |
| Total deferred outflows of resources | 127,967 | - |
| Liabilities: | | |
| Current liabilities | 413,989 | 335,340 |
| Noncurrent liabilities | 438,224 | 96,327 |
| Total liabilities | 852,213 | 431,667 |
| Deferred inflows of resources: | | |
| Deferred inflows related to pensions | 156,983 | - |
| Total deferred inflows of resources | 156,983 | - |
| Net position: | | |
| Net investment in capital assets | 2,804,612 | 2,797,765 |
| Restricted net position | 1,686,882 | 1,557,880 |
| Unrestricted net position | 2,690,882 | 2,833,105 |
| Total net position | \$ 7,182,376 | \$ 7,188,750 |

The key elements in the significant changes in current assets, deferred outflows of resources, liabilities and deferred inflows of resources are as follows:

Current assets: Current assets increased by \$436,344 or approximately 9% at June 30, 2015. The increase is due to favorable operations for the current fiscal year resulting in an increase to the District's cash balance.

Noncurrent assets: This reflects all of the capital assets held by the District offset by their corresponding accumulated depreciation amounts. The increase in capital assets is due to various capital improvements offset by increase in accumulated depreciation.

Current liabilities: Current liabilities increased by \$78,649 primarily due to increase in payments collected for pre-need contracts. Pre-need contracts are prepaid burial agreements between the cemetery and the buyer.

Noncurrent liabilities: The increase in noncurrent liabilities of \$341,897 is a result of the recognition of net pension liability in the statement of net position.

Governmental activities increased the District's net position by \$386,590 during fiscal year 2014/15.

**Suisun Fairfield Rockville Cemetery District
Change in Net Position
For the fiscal years ended June 30, 2015 and 2014**

| | <u>2015</u> | <u>2014</u> |
|---|---------------------|---------------------|
| Program expenses: | | |
| Employee services | \$ 793,543 | \$ 790,792 |
| Depreciation | 125,061 | 123,518 |
| Professional & specialized services | 95,249 | 53,600 |
| Utilities | 52,520 | 63,597 |
| Maintenance | 11,659 | 61,753 |
| Insurance | 26,418 | 28,648 |
| Purchases for resale | 26,585 | 20,544 |
| Transportation & travel | 21,414 | 22,376 |
| Household expense | 9,048 | 8,810 |
| Communication | 8,714 | 7,865 |
| Supplies | 5,835 | 5,274 |
| Property tax refunds | 2,655 | 19,447 |
| Special district expense | 3,656 | 2,951 |
| Membership | 3,490 | 2,713 |
| Non capitalized equipment | 3,526 | 410 |
| Small tools & instruments | 2,510 | 2,477 |
| Miscellaneous | 4,489 | 1,156 |
| Total program expenses | <u>1,196,372</u> | <u>1,215,931</u> |
| Program revenues: | | |
| Charges for services | 306,087 | 260,846 |
| Operating grants and contributions | - | 3,819 |
| Total program revenues | <u>306,087</u> | <u>264,665</u> |
| Net program expenses | <u>890,285</u> | <u>951,266</u> |
| General revenues: | | |
| Property taxes | 1,127,722 | 995,517 |
| Interest and investment earnings | 70,353 | 30,083 |
| Lease income | 29,300 | 30,700 |
| Intergovernmental revenues | - | 74,602 |
| Endowment contribution | 49,500 | 29,500 |
| Total general revenues | <u>1,276,875</u> | <u>1,160,402</u> |
| Change in net position | 386,590 | 209,136 |
| Net position - beginning, restated | 6,795,786 | 6,979,614 |
| Net position - ending | <u>\$ 7,182,376</u> | <u>\$ 7,188,750</u> |

The key elements in the significant changes in net position are as follows:

Program expenses: Program expenses decreased by \$19,559 from prior year primarily due to lower expenses for utilities, maintenance and property tax refunds offset by an increase in professional and specialized services expenses.

Program revenues: Program revenues increased by \$41,422 due to increases in charges for services and operating grants and contributions (endowment care). The increase was a result of more services purchased/used by District customers.

General revenues: General revenues increased by \$116,473 primarily due to increase in property tax revenue and interest and investment earnings.

Financial Analysis of the District's Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The Permanent Fund is the District's perpetual-care fund, which provides resources for the current and future maintenance of the cemetery. The District's Permanent Fund reports resources legally restricted to the extent only earnings, and not principal, can be used to support the District's current maintenance costs, if necessary.

At June 30, 2015 and 2014, the District's governmental funds reported a combined ending fund balance of \$4,845,004 and \$4,487,312, an increase of \$357,692 and \$298,911, respectively, over the previous fiscal year. Of the ending fund balances, \$1,109,856 and \$884,985 constitute unassigned fund balance, which is available for spending at the District's discretion.

Governmental revenues totaled \$1,582,962 and \$1,425,067 in fiscal years 2014/15 and 2013/14, respectively.

Governmental expenditures totaled \$1,225,270 and \$1,126,156 in fiscal year 2014/15 and 2013/14, respectively. This represents approximately 9% increase due to employee services, capital outlay and professional and specialized services expenditures.

Budgetary Highlights

The General Fund budget (Adopted and Final versions) is reflected in the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual, as presented on pages 38-39 in the Required Supplementary Information (RSI) section of this report.

There were no revenue changes between the adopted budget and the final budget of the General Fund in fiscal year 2014/15. Actual revenues recognized were greater than budgeted amounts by \$81,500 in fiscal year 2014/15 mainly due to unanticipated revenue from charges for services and

earnings on investment. There were no changes between the adopted and final budget for expenditures. Actual expenditures were less than appropriations by \$428,260 mainly due to appropriations for capital outlay and maintenance not being fully utilized.

There were changes between the adopted budget and the final budget of the General Fund in fiscal year 2013/14 as a result of the increase in appropriations for maintenance and property tax refunds. For fiscal year 2013/14, revenues recognized exceeded budget by \$304,479 due to unanticipated revenue from property taxes. Expenditures incurred were less than budget by \$249,295 mainly due to appropriations for professional and specialized services, maintenance and capital outlay not being fully utilized.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets as of June 30, 2015 and 2014 totaled \$2,804,612 and \$2,797,765 (net of accumulated depreciation), respectively. This investment in capital assets includes land, infrastructure, equipment and structures and improvements. The net capital assets increased by \$6,847 and decreased by \$65,619 at June 30, 2015 and 2014, respectively.

Additional information on the District's capital assets can be found in Note III B on pages 28-29 of this report.

Long-term debt. At June 30, 2015 and 2014 the District had \$438,224 and \$96,327, respectively, of long term debt owed for net pension liability and compensated absences. This amount is entirely backed by the full faith and credit of the District. For more information, see Note III C on page 29 of this report.

Economic factors and Next Year's Operating Activity

The following factors were considered in preparing the District's budget for the fiscal year 2015/16:

- The District plans to continue its fiscal policy of managing costs associated with District operations. This incorporates the Future Development and Projects Plan (which spans from one to ten years) that includes both projects that are essential to and esthetically enhance the cemeteries.
- The District has increased fees for certain services provided to the public.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District's Board of Trustees, 4219 Suisun Valley Rd., Suisun Valley, CA 94534.

Suisun Fairfield Rockville Cemetery District
Statement of Net Position
June 30, 2015 and 2014

| | <u>6/30/2015</u> | <u>6/30/2014</u> |
|---------------------------------------|---------------------|---------------------|
| ASSETS | | |
| Current assets | | |
| Cash & equivalents | \$ 5,205,932 | \$ 4,742,240 |
| Accounts receivable | 3,077 | 28,731 |
| Inventory | 32,893 | 31,479 |
| Prepaid expense | 17,091 | 20,202 |
| Total current assets | <u>5,258,993</u> | <u>4,822,652</u> |
| Noncurrent assets | | |
| Capital assets, net | | |
| Land | 943,864 | 943,864 |
| Infrastructure | 498,191 | 533,482 |
| Structures and improvements | 1,268,268 | 1,243,684 |
| Equipment | 78,739 | 76,735 |
| Construction in progress | 15,550 | - |
| Total noncurrent assets | <u>2,804,612</u> | <u>2,797,765</u> |
| Total assets | <u>8,063,605</u> | <u>7,620,417</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows related to pensions | 127,967 | - |
| Total deferred outflows of resources | <u>127,967</u> | <u>-</u> |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | 76,641 | 52,956 |
| Deposits payable | 332,176 | 276,992 |
| Other liabilities | 5,172 | 5,392 |
| Total current liabilities | <u>413,989</u> | <u>335,340</u> |
| Noncurrent liabilities | | |
| Net pension liability | 344,918 | - |
| Compensated absences | 93,306 | 96,327 |
| Total noncurrent liabilities | <u>438,224</u> | <u>96,327</u> |
| Total liabilities | <u>852,213</u> | <u>431,667</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows related to pensions | 156,983 | - |
| Total deferred inflows of resources | <u>156,983</u> | <u>-</u> |
| NET POSITION | | |
| Net investment in capital assets | 2,804,612 | 2,797,765 |
| Restricted for | | |
| Perpetual care | 1,553,389 | 1,425,801 |
| Imprest cash | 100,600 | 100,600 |
| Inventory | 32,893 | 31,479 |
| Unrestricted | 2,690,882 | 2,833,105 |
| Total net position | <u>\$ 7,182,376</u> | <u>\$ 7,188,750</u> |

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

Suisun Fairfield Rockville Cemetery District
Statement of Activities
For the fiscal years ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|-------------------------------------|---------------------|---------------------|
| Program expenses: | | |
| Employee services | \$ 793,543 | \$ 790,792 |
| Depreciation | 125,061 | 123,518 |
| Professional & specialized services | 95,249 | 53,600 |
| Utilities | 52,520 | 63,597 |
| Maintenance | 11,659 | 61,753 |
| Insurance | 26,418 | 28,648 |
| Purchases for resale | 26,585 | 20,544 |
| Transportation & travel | 21,414 | 22,376 |
| Household expense | 9,048 | 8,810 |
| Communication | 8,714 | 7,865 |
| Supplies | 5,835 | 5,274 |
| Property tax refunds | 2,655 | 19,447 |
| Special district expense | 3,656 | 2,951 |
| Membership | 3,490 | 2,713 |
| Non capitalized equipment | 3,526 | 410 |
| Small tools & instruments | 2,510 | 2,477 |
| Miscellaneous | 4,489 | 1,156 |
| Total program expenses | <u>1,196,372</u> | <u>1,215,931</u> |
| Program revenues: | | |
| Charges for services | 306,087 | 260,846 |
| Operating grants and contributions | - | 3,819 |
| Total program revenues | <u>306,087</u> | <u>264,665</u> |
| Net program expenses | <u>890,285</u> | <u>951,266</u> |
| General revenues: | | |
| Property taxes | 1,127,722 | 995,517 |
| Interest and investment earnings | 70,353 | 30,083 |
| Lease income | 29,300 | 30,700 |
| Intergovernmental revenues | - | 74,602 |
| Endowment contributions | 49,500 | 29,500 |
| Total general revenues | <u>1,276,875</u> | <u>1,160,402</u> |
| Change in net position | 386,590 | 209,136 |
| Net position - beginning, restated | 6,795,786 | 6,979,614 |
| Net position - ending | <u>\$ 7,182,376</u> | <u>\$ 7,188,750</u> |

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

Suisun Fairfield Rockville Cemetery District
Balance Sheet
Governmental Funds
June 30, 2015

| | <u>General</u> | <u>Permanent</u> | <u>Total Governmental Funds</u> |
|---|----------------------------|----------------------------|---|
| Assets | | | |
| Cash & equivalents | \$ 2,929,467 | \$ 709,871 | \$ 3,639,338 |
| Accounts receivable | 2,777 | 300 | 3,077 |
| Deposits with others | 537,865 | 1,028,729 | 1,566,594 |
| Inventory | 32,893 | - | 32,893 |
| Prepaid expense | 17,091 | - | 17,091 |
| Total assets | <u><u>\$ 3,520,093</u></u> | <u><u>\$ 1,738,900</u></u> | <u><u>\$ 5,258,993</u></u> |
| Liabilities | | | |
| Accounts payable | \$ 76,641 | \$ - | \$ 76,641 |
| Deposits payable | 332,176 | - | 332,176 |
| Other liabilities | 5,172 | - | 5,172 |
| Total liabilities | <u><u>413,989</u></u> | <u><u>-</u></u> | <u><u>413,989</u></u> |
| Fund Balance | | | |
| Nonspendable: | | | |
| Perpetual care | - | 546,561 | 546,561 |
| Deposits with others (endowment) | - | 1,006,828 | 1,006,828 |
| Imprest cash | 100,600 | - | 100,600 |
| Inventory | 32,893 | - | 32,893 |
| Assigned: | | | |
| Future equipment acquisition | 221,795 | - | 221,795 |
| Future capital improvements | 1,226,471 | - | 1,226,471 |
| Deposits with others (investments) | 500,000 | - | 500,000 |
| Retirement health | 100,000 | - | 100,000 |
| Unassigned | 924,345 | 185,511 | 1,109,856 |
| Total fund balance | <u><u>3,106,104</u></u> | <u><u>1,738,900</u></u> | <u><u>4,845,004</u></u> |
| Total liabilities and fund balance | <u><u>\$ 3,520,093</u></u> | <u><u>\$ 1,738,900</u></u> | <u><u>\$ 5,258,993</u></u> |

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

Suisun Fairfield Rockville Cemetery District
Balance Sheet
Governmental Funds
June 30, 2014

| | <u>General</u> | <u>Permanent</u> | <u>Total Governmental Funds</u> |
|------------------------------------|---------------------|---------------------|---|
| Assets | | | |
| Cash & equivalents | \$ 2,575,016 | \$ 653,580 | \$ 3,228,596 |
| Accounts receivable | 25,131 | 3,600 | 28,731 |
| Deposits with others | 506,464 | 1,007,180 | 1,513,644 |
| Prepaid expense | 20,202 | - | 20,202 |
| Inventory | 31,479 | - | 31,479 |
| Total assets | <u>\$ 3,158,292</u> | <u>\$ 1,664,360</u> | <u>\$ 4,822,652</u> |
| Liabilities | | | |
| Accounts payable | \$ 52,956 | \$ - | \$ 52,956 |
| Deposits payable | 276,992 | - | 276,992 |
| Other liabilities | 5,392 | - | 5,392 |
| Total liabilities | <u>335,340</u> | <u>-</u> | <u>335,340</u> |
| Fund Balance | | | |
| Nonspendable: | | | |
| Perpetual care | - | 423,060 | 423,060 |
| Deposits with others (endowment) | - | 1,002,741 | 1,002,741 |
| Imprest cash | 100,600 | - | 100,600 |
| Inventory | 31,479 | - | 31,479 |
| Assigned: | | | |
| Future equipment acquisition | 221,795 | - | 221,795 |
| Future capital improvements | 1,222,652 | - | 1,222,652 |
| Deposits with others (investments) | 500,000 | - | 500,000 |
| Retirement health | 100,000 | - | 100,000 |
| Unassigned | 646,426 | 238,559 | 884,985 |
| Total fund balance | <u>2,822,952</u> | <u>1,664,360</u> | <u>4,487,312</u> |
| Total liabilities and fund balance | <u>\$ 3,158,292</u> | <u>\$ 1,664,360</u> | <u>\$ 4,822,652</u> |

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

**Suisun Fairfield Rockville Cemetery District
Reconciliation of the Balance Sheet
of the Governmental Funds to the Statement of Net Position
For the fiscal years ended June 30, 2015 & 2014**

| | 2015 | 2014 |
|---|------------------|------------------|
| Governmental Fund Balances | \$ 4,845,004 | \$ 4,487,312 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds | | |
| Land | 943,864 | 943,864 |
| Construction in progress | 15,550 | - |
| Infrastructure, net of \$417,516 and \$382,225 accumulated depreciation for 2014/15 and 2013/14, respectively | 498,191 | 533,482 |
| Structures and improvements, net of \$763,311 and \$704,578 accumulated depreciation for 2014/15 and 2013/14, respectively | 1,268,268 | 1,243,684 |
| Equipment, net of \$449,381 and \$421,363 accumulated depreciation for 2014/15 and 2013/14, respectively | 78,739 | 76,735 |
| Deferred inflows and outflows of resources related to the net pension liability are not due and payable in the current period and, therefore, are not reported in the fund. | | |
| Deferred outflows | 127,967 | - |
| Deferred inflows | (156,983) | - |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds | | |
| Net pension liability | (344,918) | |
| Compensated absences | (93,306) | (96,327) |
| Net position of governmental activities | \$ 7,182,376 | \$ 7,188,750 |

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

Suisun Fairfield Rockville Cemetery District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2015

| | <u>General</u> | <u>Permanent</u> | <u>Total Governmental Funds</u> |
|---|---------------------|---------------------|---|
| Revenues: | | | |
| Property taxes | \$ 1,127,722 | \$ - | \$ 1,127,722 |
| Charges for services | 306,087 | - | 306,087 |
| Endowment fees | - | 49,500 | 49,500 |
| Lease income | 29,300 | - | 29,300 |
| Interest and investment earnings | 45,313 | 25,040 | 70,353 |
| Total revenues | <u>1,508,422</u> | <u>74,540</u> | <u>1,582,962</u> |
| Expenditures: | | | |
| Employee services | 815,593 | - | 815,593 |
| Capital outlay | 131,909 | - | 131,909 |
| Professional & specialized services | 95,249 | - | 95,249 |
| Utilities | 52,520 | - | 52,520 |
| Maintenance | 11,659 | - | 11,659 |
| Purchases for resale | 26,585 | - | 26,585 |
| Insurance | 26,418 | - | 26,418 |
| Transportation & travel | 21,414 | - | 21,414 |
| Household expense | 9,048 | - | 9,048 |
| Communication | 8,714 | - | 8,714 |
| Supplies | 5,835 | - | 5,835 |
| Miscellaneous | 4,489 | - | 4,489 |
| Membership | 3,490 | - | 3,490 |
| Property tax refunds | 2,655 | - | 2,655 |
| Special district expense | 3,656 | - | 3,656 |
| Non-capitalized equipment | 3,526 | - | 3,526 |
| Small tools & instruments | 2,510 | - | 2,510 |
| Total expenditures | <u>1,225,270</u> | <u>-</u> | <u>1,225,270</u> |
| Excess of revenues over expenditures | 283,152 | 74,540 | 357,692 |
| Fund balance - beginning (restated) | <u>2,822,952</u> | <u>1,664,360</u> | <u>4,487,312</u> |
| Fund balance - ending | <u>\$ 3,106,104</u> | <u>\$ 1,738,900</u> | <u>\$ 4,845,004</u> |

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

Suisun Fairfield Rockville Cemetery District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2014

| | <u>General</u> | <u>Permanent</u> | <u>Total Governmental Funds</u> |
|---|---------------------|---------------------|---|
| Revenues: | | | |
| Property taxes | \$ 995,522 | \$ - | \$ 995,522 |
| Charges for services | 260,846 | - | 260,846 |
| Endowment fees | - | 29,500 | 29,500 |
| Interest and investment earnings | 23,385 | 10,517 | 33,902 |
| Lease income | 30,700 | - | 30,700 |
| Intergovernmental revenues | - | 74,597 | 74,597 |
| Total revenues | <u>1,310,453</u> | <u>114,614</u> | <u>1,425,067</u> |
| Expenditures: | | | |
| Employee services | 797,201 | - | 797,201 |
| Utilities | 63,597 | - | 63,597 |
| Maintenance | 61,753 | - | 61,753 |
| Professional & specialized services | 53,600 | - | 53,600 |
| Purchases for resale | 29,819 | - | 29,819 |
| Insurance | 28,648 | - | 28,648 |
| Transportation & travel | 22,376 | - | 22,376 |
| Property tax refunds | 19,447 | - | 19,447 |
| Capital outlay | 18,059 | - | 18,059 |
| Household expense | 8,810 | - | 8,810 |
| Communication | 7,865 | - | 7,865 |
| Supplies | 5,274 | - | 5,274 |
| Special district expense | 2,951 | - | 2,951 |
| Membership | 2,713 | - | 2,713 |
| Small tools & instruments | 2,477 | - | 2,477 |
| Miscellaneous | 1,156 | - | 1,156 |
| Non-capitalized equipment | 410 | - | 410 |
| Total expenditures | <u>1,126,156</u> | <u>-</u> | <u>1,126,156</u> |
| Excess of revenues over expenditures | 184,297 | 114,614 | 298,911 |
| Fund balance - beginning | 2,669,220 | 1,549,746 | 4,218,966 |
| Change in inventory | (30,565) | - | (30,565) |
| Fund balance - beginning (restated) | <u>2,638,655</u> | <u>1,549,746</u> | <u>4,188,401</u> |
| Fund balance - ending | <u>\$ 2,822,952</u> | <u>\$ 1,664,360</u> | <u>\$ 4,487,312</u> |

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

Suisun Fairfield Rockville Cemetery District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the fiscal years ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|-----------------------|-----------------------|
| Net change in fund balances | \$ 357,692 | \$ 298,911 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlay 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 depreciation expense exceeded capital outlay in fiscal year 2014/15 and 2013/14. | | |
| Capital outlay | 131,909 | 18,059 |
| Depreciation expense | <u>(125,061)</u> | <u>(123,518)</u> |
| Amount by which capital outlay exceeded depreciation | 6,848 | (105,459) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund. | | |
| Change in inventory | - | 9,275 |
| Change in pension expense | 19,029 | - |
| Change in compensated absences | <u>3,021</u> | <u>6,409</u> |
| Change in net position of governmental activities | <u>\$ 386,590</u> | <u>\$ 209,136</u> |

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

Suisun Fairfield Rockville Cemetery District of Solano County
Notes to the Financial Statements
For the fiscal years ended June 30, 2015 and 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Suisun Fairfield Rockville Cemetery District (District) of Solano County was formed on October 1, 2007 as a result of the consolidation of the Suisun Fairfield Cemetery District and Rockville Cemetery District. The Rockville Cemetery District was originally organized on March 2, 1925 and the Suisun-Fairfield Cemetery District was originally organized on August 11, 1924.

The consolidated District continues to operate the two public cemeteries, the Rockville Cemetery and the Suisun Fairfield Cemetery, under sections 8125 to 8137 and 9000 to 9093 of the Health and Safety Code for the State of California.

The Board of Trustees consisting of seven (7) members, serving four-year terms, governs the District. The Board of Supervisors of Solano County approves the appointment of each Trustee.

B. Government-wide and Fund Financial Statements

The District's financial accounts are maintained in accordance with generally accepted accounting principles (GAAP) and the uniform accounting system for districts prescribed by the State Controller in compliance with the Government Code of the State of California.

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 primary government. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are clearly identifiable with a specific function. 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, and 2) grants and contributions restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available

when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those that are required to be accounted for in another fund.

The *Permanent Fund* is the District's endowment fund. It accounts for all financial resources of the government collected for the future care of district property.

The amounts reported as program revenues in the statement of activities include charges to customers for goods and services. General revenues include all taxes (property and redevelopment) and interest income.

D. Assets, Liabilities, and Net Position or Equity

1. Cash and Equivalents

The District's cash is maintained in a commercial bank, investment accounts and in the County's Treasury.

The First Northern Bank account is funded on an imprest (advance) basis with the District's cash in the County Treasury. The District uses the commercial bank account to satisfy its obligations resulting from day-to-day operations. As of June 30, 2015 and 2014, the carrying amount and the bank balance were \$100,600, which is entirely covered by federal depository insurance.

The Wells Fargo Advisors brokerage account represents the endowment fund-principal and other reserve funds in the amount of \$1,500,000 invested with Wells Fargo Advisors, LLC. In July 2011 the District Board of Trustees approved the investment of funds separate from the County in an effort to obtain a higher interest yield. These accounts consist of the following asset types: fixed income securities, mutual funds and cash and sweep balances. The total composition of asset types was 83%, 16% and 1%, respectively, as of June 30, 2015. The fair value of the District's investments at June 30, 2015 was \$1,566,594, reflecting a \$66,594 unrealized gain. The fair value of investments is based on independent third party pricing models and published market prices. The total asset value of \$1,566,594 at June 30, 2015 is not covered by federal depository insurance.

The District's cash maintained in the Solano County Treasury is pooled with the County and various other depositors. The District is a mandatory depositor, pursuant to the California Health & Safety Code § 9074. The District's ability to withdraw large sums of cash from the County Treasury may be subject to certain restrictions set by the County Treasurer.

The County's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the County Board of Supervisors. The objectives of the policy (in order of priority) are: safety, liquidity, and yield. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code, and the percentage of the portfolio which may be invested in certain instruments with longer terms of maturity. A detailed breakdown of cash and investments and a categorization of risk factors per GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, are presented in the County of Solano Comprehensive Annual Financial Report.

2. Accounts Receivable

Accounts receivable represents the balance due to the District for services rendered.

3. Inventory

Inventory represents vaults, liners, urns and vases purchased by the District for resale to customers at a future date. The District uses the *purchase basis* to account for the inventory in their governmental fund. This method recognizes inventories of materials and supplies as an expenditure in the accounting period incurred. Significant amounts of inventory are not considered a financial resource and therefore are reported as an asset and fully reserved. Changes in inventory are accounted for as an adjustment to fund balance directly.

4. Prepaid Expense

Prepaid expense represents payments to vendors for cost applicable to future accounting periods.

5. Capital Assets

Capital assets, which include land, construction in progress, structures and improvements, infrastructure, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District's capitalization policy as assets with an initial cost of more than \$1,500 and a useful life of three years or longer. Such assets are recorded at historical cost if purchased or estimated historical cost if constructed. Donated capital assets are valued at their fair value on the date of donation.

Structures and improvements, equipment, and depreciable infrastructure assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|----------------------------------|--------------|
| Structures and improvements | 30 |
| Computer equipment | 5 |
| Office equipment | 3-7 |
| Specialty equipment and vehicles | 3-20 |
| Infrastructure | 10-12 |

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

In the fund financial statements, fixed assets used in the District's operations are accounted for as capital outlay expenditures of the District's General Fund upon acquisition.

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so it will *not* be recognized as an outflow of resources (expense/expenditure) until then. As of June 30, 2015, the District has two items that qualify for reporting in this category. A deferred outflow of resources for pension contributions made after the measurement date (June 30, 2014) and deferred outflow of resources for the difference between actual employer contributions and allocated employer contributions reported in the government-wide financial statement.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so it will not be recognized as an inflow of resources (revenue) until that time. As of June 30, 2015, the District has deferred inflows of resources for the difference between projected and actual earnings on pension plan investments reported in the government-wide financial statements. This amount is deferred and amortized over a fixed 5-year period. The District has also deferred inflows or resources for the adjustment due to differences in proportions. This amount is deferred and amortized over the expected average remaining service lifetime of the Public Agency Cost-Sharing Multiple Employer Plan (PERF C) membership as of the valuation date, with the first portion recognized in pension expenses in the year measured.

7. Accounts Payable

Accounts payable represents the balance due for goods received and/or services rendered.

8. Deposits Payable

Deposits payable represent both full payment and installment payments collected from pre-need contracts. These include the sale of plots and niches, cemetery services/products such as opening and closing of graves or niches, vaults, grave liners, urns, vases, and endowment care fees. Amounts received are recognized as revenues upon actual delivery of the services/products or when payment in full has been received, depending on the item purchased.

9. Other Liabilities

Other liabilities represent a security deposit for lease of the Stone Chapel per terms of the lease agreement.

10. Compensated Absences

It is the District's policy to permit qualified employees to accumulate earned but unused vacation and sick leave benefits. Accrued vacation and sick leave is paid at the time of the employee's termination based on established District policy. Compensated absences leave is accrued when incurred in the government-wide financial statements. A liability is reported in the governmental fund only if unused vacation and sick leave after limitations are expected to be liquidated (paid out due to an employee separating from service with the District) with expendable available financial resources.

11. 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 Suisun Fairfield Rockville Cemetery District's California Public Employees Retirement System (CalPERS) Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. Net Position/Fund Balance

The government-wide financial statements utilize a net position presentation. Net position is categorized as net invested in capital assets, restricted and unrestricted.

- *Net invested in capital assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt, attributable to the acquisition, construction or improvement of these assets reduces the balance in this category.
- *Restricted*- This category represents the permanent fund principal that is legally restricted for the perpetual care of the cemetery. This portion of net position is considered "nonexpendable" and is required to be retained in perpetuity. In addition, this category represents items that are not in spendable form and not expected to be converted to cash (long-term receivables, imprest cash, and inventory).

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

The various categories of fund balance represent relative strength or hierarchy of spending constraints. These categories are established either by inherent, external or internal limitations.

As of June 30, 2015 and 2014, fund balance was categorized as follows:

- *Nonspendable* – Nonspendable fund balance consists of funds that are legally or contractually required to be maintained intact (endowment care) or funds that are not expected to be converted to cash (imprest cash/inventory).
- *Assigned* – Assigned fund balance consists of funds constrained by the District's intent to be used for a specific purpose.
- *Unassigned* – Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

13. Fund Balance Policy

Assigned Fund Balance

The District, during any Board meeting, may establish or change an Assigned Fund Balance through Board approval.

District Spending Priority Policy

The District's Spending Priority Policy applies to fund balance and revenue sources. In circumstances when expenditure is made for a purpose which following amounts are available in multiple fund balance classification, the use of fund balance will be applied in the following order:

1. Restricted
2. Committed
3. Assigned
4. Unassigned

14. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Property Taxes

The State of California (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100 percent of market value as defined by Article XIII and may be adjusted by no more than two percent per year unless the property is sold or transferred. The State Legislature has determined the method of distributing receipts from a one percent tax levy among the counties, cities, school districts, and other districts.

Secured, unitary and supplemental property taxes are apportioned in advance of collection. Unsecured taxes are apportioned after collection.

B. GANN Appropriations Limit

Article XIII B of the California Constitution provides exceptions for some special districts for establishing an appropriations limit. As per Article XIII B, the District is not subject to the appropriations limit because the District's tax levy for fiscal year 1977/78 was below 12 ½ cents per \$100 of assessed valuation.

III. DETAILED NOTES

A. Cash and Investments

The District's cash and investments at June 30, 2015 were as follows:

| | General Fund | Permanent Fund |
|--|---------------------|---------------------|
| Cash in county treasury | \$ 2,828,867 | \$ 709,871 |
| Cash and investment with fiscal agents: | | |
| Imprest cash - First Northern Bank | 100,600 | - |
| Total cash and investment with fiscal agents | 100,600 | - |
| District's investment (Fair Value): | | |
| Money Market | 37,999 | 10,871 |
| Corporate Bonds | 81,798 | 209,477 |
| Government Bonds | 127,480 | 259,211 |
| Government Asset | 26,469 | 25,167 |
| Certificate of Deposits | 152,801 | 310,835 |
| Foreign Bonds | 50,042 | 50,042 |
| Mutual Funds | 61,276 | 163,126 |
| Total District's Investment | 537,865 | 1,028,729 |
| Total Cash and Investments | \$ 3,467,332 | \$ 1,738,600 |

The District's cash and investments at June 30, 2014 were as follows

| | General Fund | Permanent Fund |
|--|---------------------|-----------------------|
| Cash in county treasury | <u>\$ 2,474,416</u> | <u>\$ 653,580</u> |
| Cash and investment with fiscal agents: | | |
| Imprest cash - First Northern Bank | <u>100,600</u> | <u>-</u> |
| Total cash and investment with fiscal agents | <u>100,600</u> | <u>-</u> |
| District's investment (Fair Value): | | |
| Money Market | 12,989 | 11,803 |
| Corporate Bonds | 83,639 | 212,598 |
| Government Bonds | 99,727 | 296,265 |
| Government Asset | 46,150 | 40,829 |
| Certificate of Deposits | 152,952 | 235,440 |
| Foreign Bonds | 50,479 | 50,480 |
| Mutual Funds | <u>60,528</u> | <u>159,765</u> |
| Total District's Investment | <u>506,464</u> | <u>1,007,180</u> |
| Total Cash and Investments | <u>\$ 3,081,480</u> | <u>1,660,760</u> |

Investment Policy

The District's investment policy is summarized as follows:

It is the policy of the District to meet the short and long term cash demands of the District in a manner which will safeguard the principal and maintain the liquidity while providing an optimum investment return for the needs of the District.

Pursuant to California Public Health and Safety Code § 9066, the Trustees may invest and reinvest the principal of the endowment care fund in securities and obligations set forth in Section 53601 of the Government Code and those investments set forth in this section. The District's Board of Trustees shall not spend the principal of the endowment care fund pursuant to California Health and Safety Code §9065(e). All investments shall be made by the authority of the Board of Trustees as an agenda item at a regular or special Board meeting.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment or a deposit. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to decline in fair values by following provisions of California Government Code § 53601 which limits maximum maturities to five years unless the legislative body grants express authority to increase the maturity either specifically or as part of an investment program.

Credit risk

Credit risk is the risk of loss due to the failure or credit downgrade of an issuer or backer. State law limits investments in commercial paper and corporate bonds to the top two

ratings issued by nationally recognized statistical rating organization. The District's investment policy mitigates its exposure to credit risk by

- Limiting purchases to "investment grade securities"; and
- Diversifying the portfolio so the failure or downgrade of an individual security will have a minimal impact on the portfolio as a whole.

Custodial credit risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty 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 deposits or investments, other than the following provision for deposits: The California Government Code requires a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

B. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2015 was as follows:

| Governmental Activities | Beginning Balance | Additions & Transfers-in | Retirements & Transfers-out | Ending Balance |
|--|--------------------------|-------------------------------------|--|-----------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 943,864 | \$ - | \$ - | \$ 943,864 |
| Construction in progress | - | 15,550 | - | 15,550 |
| Total capital assets, not being depreciated | 943,864 | 15,550 | - | 959,414 |
| Capital assets being depreciated: | | | | |
| Infrastructure | 915,707 | - | - | 915,707 |
| Structures and Improvements | 1,948,262 | 83,317 | - | 2,031,579 |
| Equipment | 498,098 | 33,041 | (3,019) | 528,120 |
| Total capital assets, being depreciated | 3,362,067 | 116,358 | (3,019) | 3,475,406 |
| Less accumulated depreciation for: | | | | |
| Infrastructure | (382,225) | (35,291) | - | (417,516) |
| Structures and Improvements | (704,578) | (58,733) | - | (763,311) |
| Equipment | (421,363) | (31,037) | 3,019 | (449,381) |
| Total accumulated depreciation | (1,508,166) | (125,061) | 3,019 | (1,630,208) |
| Total capital assets, being depreciated, net | 1,853,901 | (8,703) | - | 1,845,198 |
| Governmental activities capital assets, net | \$ 2,797,765 | \$ 6,847 | \$ - | \$ 2,804,612 |

Capital assets activity for the fiscal year ended June 30, 2014 was as follows:

| Governmental Activities | Beginning Balance | Additions & Transfers-in | Retirements & Transfers-out | Ending Balance |
|--|--------------------------|-------------------------------------|--|-----------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 943,864 | \$ - | \$ - | \$ 943,864 |
| Construction in progress | - | - | - | - |
| Total capital assets, not being depreciated | <u>943,864</u> | <u>-</u> | <u>-</u> | <u>943,864</u> |
| Capital assets being depreciated: | | | | |
| Infrastructure | 914,222 | 1,485 | - | 915,707 |
| Structures and Improvements | 1,904,577 | 43,685 | - | 1,948,262 |
| Equipment | 492,945 | 12,729 | (7,576) | 498,098 |
| Total capital assets, being depreciated | <u>3,311,744</u> | <u>57,899</u> | <u>(7,576)</u> | <u>3,362,067</u> |
| Less accumulated depreciation for: | | | | |
| Infrastructure | (346,933) | (35,292) | - | (382,225) |
| Structures and Improvements | (647,181) | (57,397) | - | (704,578) |
| Equipment | (398,110) | (30,829) | 7,576 | (421,363) |
| Total accumulated depreciation | <u>(1,392,224)</u> | <u>(123,518)</u> | <u>7,576</u> | <u>(1,508,166)</u> |
| Total capital assets, being depreciated, net | <u>1,919,520</u> | <u>(65,619)</u> | <u>-</u> | <u>1,853,901</u> |
| Governmental activities capital assets, net | <u>\$ 2,863,384</u> | <u>\$ (65,619)</u> | <u>\$ -</u> | <u>\$ 2,797,765</u> |

C. Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

| Governmental Activities: | Beginning Balance | Additions | Reductions | Ending Balance |
|---------------------------------|--------------------------|-------------------|-------------------|-----------------------|
| Net pension liability | \$ - | \$ 344,918 | \$ - | \$ 344,918 |
| Compensated absences | 96,327 | - | 3,021 | 93,306 |
| Total long-term liabilities | <u>\$ 96,327</u> | <u>\$ 344,918</u> | <u>\$ 3,021</u> | <u>\$ 438,224</u> |

Long-term liability activity for the fiscal year ended June 30, 2014, was as follows:

| Governmental Activities: | Beginning Balance | Additions | Reductions | Ending Balance |
|---------------------------------|--------------------------|------------------|-------------------|-----------------------|
| Compensated absences | \$ 102,736 | \$ - | \$ 6,409 | \$ 96,327 |
| Total long-term liabilities | <u>\$ 102,736</u> | <u>\$ -</u> | <u>\$ 6,409</u> | <u>\$ 96,327</u> |

IV. OTHER INFORMATION

A. Employee Pension Plan

Plan Description

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

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death benefit, the 1957 Survivor Benefit, or the Optional Settlement 22 Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Contributions

Section 20814 of the California Public Employees' Retirement Law requires the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. 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 cost 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 the contribution rate of employees. For the measurement period ended June 30, 2014 (measurement date), the active employee contribution rate is 7.947% of annual pay, and the average employer's contribution rate is 14.716% of annual payroll.

The District contribution to the Plan for fiscal years 2014/15 and 2013/14 were \$105,549 and \$99,572, respectively.

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

Net Pension Liability

As of June 30, 2015, the District's proportionate share of the net pension liability was \$344,918.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2013 and 2014 was as follows:

| | <u>Miscellaneous</u> |
|----------------------------|----------------------|
| Proportion - June 30, 2013 | 0.00611% |
| Proportion - June 30, 2014 | <u>0.00554%</u> |
| Change - Decrease | <u>-0.00057%</u> |

As a result of the implementation of GASB 68 pronouncement, the District recognized pension expense of \$86,519 at June 30, 2015.

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Employer contributions to pension plan subsequent to measurement date | \$ 105,549 | \$ - |
| Difference between District contributions and proportionate share of contributions | 22,418 | - |
| Difference between projected and actual earnings on pension plan investments | - | 132,812 |
| Difference in proportion | - | 24,171 |
| | <u>\$ 127,967</u> | <u>\$ 156,983</u> |

The District will recognize \$105,549 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date as a reduction of the net pension liability in the fiscal year ended June 30, 2016.

Other remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized to pension expense in the future period as follows:

| Amortization Period Fiscal Year Ended June 30 | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| 2016 | \$ 8,006 | \$ 41,836 |
| 2017 | 8,006 | 41,836 |
| 2018 | 6,406 | 40,108 |
| 2019 | | 33,203 |
| 2020 | <u>\$ 22,418</u> | <u>\$ 156,983</u> |

Actuarial Assumptions

The total pension liabilities in the June 30, 2013 and June 30, 2014 actuarial valuation reports were determined using the following actuarial assumptions:

| | |
|----------------------------------|--|
| Actuarial Cost Method | Entry Age Normal in accordance with the requirements of GASB Statement No. 68 |
| Actuarial Assumptions | |
| Discount Rate | 7.50% |
| Inflation | 2.75% |
| Salary Increases | Varies by Entry Age and Service |
| Investment Rate of Return | 7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation |
| Mortality Rate Table | Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. |
| Post Retirement Benefit Increase | Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75 thereafter. |

The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 Experience Study report (Further details of the Experience Study) which can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. 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 result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.5% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.5% 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's website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.5% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment

return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

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

The long-term expected rate of return includes both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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.

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Real Return Years 1-10 ¹</u> | <u>Real Return Years 11-60 ²</u> |
|-------------------------------|--------------------------|--|---|
| Global Equity | 47.0% | 5.25% | 5.71% |
| Global Fixed Income | 19.0 | 0.99 | 2.43 |
| Inflation Sensitive | 6.0 | 0.45 | 3.36 |
| Private Equity | 12.0 | 6.83 | 6.95 |
| Real Estate | 11.0 | 4.50 | 5.13 |
| Infrastructure and Forestland | 3.0 | 4.50 | 5.09 |
| Liquidity | 2.0 | (0.55) | (1.05) |

¹An expected inflation of 2.5% used for this period

²An expected inflation of 3.0% used for this period

Sensitivity of the District's Proportionate Share 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 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50%) or 1 percentage-point higher (8.50%) than the current rate:

| | | |
|-----------------------|----|---------|
| 1% Decrease | | 6.50% |
| Net Pension Liability | \$ | 647,185 |
| Current Discount Rate | | 7.50% |
| Net Pension Liability | \$ | 344,918 |
| 1% Increase | | 8.50% |
| Net Pension Liability | \$ | 94,066 |

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See pages 40 and 41 for the required supplementary schedules.

C. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District continues to carry commercial insurance for all risks of loss, including general liability, business automobile liability, property, errors and omissions, pollution liability, fraud, workers' compensation and employee health and accident insurance.

D. Restatement of Net Position

As a result of implementing GASB 68 and GASB 71 for the accounting and reporting of pension information beginning with FY 2014/15, the District restated its beginning net position at July 1, 2014 for government-wide activities. The restatement is summarized as follows:

| | | |
|-------------------------------------|----|------------------|
| Net position, July 1, 2013 | \$ | 6,979,614 |
| Change in net position | | <u>209,136</u> |
| Net position, July 1, 2014 | | 7,188,750 |
| Restatements: | | |
| Net pension liability | | (492,536) |
| Deferred outflow of resources | | <u>99,572</u> |
| Net position, July 1, 2014 restated | | <u>6,795,786</u> |

E. New Effective Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the District's financial reporting process. The District implemented the following standards in June 30, 2015:

GASB Statement No. 68 – In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement replaces the requirements of Statement

No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this Statement.

GASB Statement No. 71 – In November 2013, GASB issued Statement No. 71, *Pension Transition For Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. This Statement was applied simultaneously with the provisions of Statement No. 68.

F. Future Implementation of New Governmental Accounting Standards

The District is currently analyzing its accounting and financial reporting practices to determine the impact on the financial statements of the following GASB Statements:

Statement No. 72 – Fair Value Measurement and Application

The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this Statement are effective for the District’s fiscal year ending June 30, 2016.

Statement No. 73 – Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68

The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this Statement are effective for the District’s fiscal year ending June 30, 2016, with some provisions for 2017.

Statement No. 74 – Financial Reporting for Postemployment Benefit Plans Other than Pension Plans

The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental

OPEB plans for making decisions and assessing accountability. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this Statement are effective for the District's fiscal year ending June 30, 2017.

Statement No. 82 – Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73

The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions* and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

G. Subsequent events

The District's Board of Trustees passed a resolution on November 14, 2016 to change the name of the District to Solano Cemetery District. The change has no impact on our opinion for the periods under audit.

REQUIRED SUPPLEMENTARY INFORMATION

Suisun Fairfield Rockville Cemetery District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the fiscal year ended June 30, 2015

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|----------------------------|----------------------------|----------------------------|---|
| | <u>Adopted</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Property taxes | \$ 1,109,002 | 1,109,002 | \$ 1,127,722 | \$ 18,720 |
| Charges for services | 260,000 | 260,000 | 306,087 | 46,087 |
| Lease income | 30,000 | 30,000 | 29,300 | (700) |
| Interest and investment earnings | 17,000 | 17,000 | 45,313 | 28,313 |
| Intergovernmental revenues | 10,920 | 10,920 | - | (10,920) |
| Total revenues | <u>1,426,922</u> | <u>1,426,922</u> | <u>1,508,422</u> | <u>81,500</u> |
| Expenditures: | | | | |
| Employee services | 871,613 | 871,613 | 815,593 | 56,020 |
| Capital outlay | 320,700 | 320,700 | 131,909 | 188,791 |
| Professional & specialized services | 115,977 | 115,977 | 95,249 | 20,728 |
| Utilities | 60,000 | 60,000 | 52,520 | 7,480 |
| Maintenance | 118,000 | 118,000 | 11,659 | 106,341 |
| Purchases for resale | 30,000 | 30,000 | 26,585 | 3,415 |
| Insurance | 35,000 | 35,000 | 26,418 | 8,582 |
| Transportation & travel | 31,000 | 31,000 | 21,414 | 9,586 |
| Household expense | 9,000 | 9,000 | 9,048 | (48) |
| Communication | 8,700 | 8,700 | 8,714 | (14) |
| Supplies | 9,440 | 9,440 | 5,835 | 3,605 |
| Miscellaneous | 15,100 | 15,100 | 4,489 | 10,611 |
| Membership | 3,200 | 3,200 | 3,490 | (290) |
| Property tax refunds | 8,800 | 8,800 | 2,655 | 6,145 |
| Special district expense | 5,500 | 5,500 | 3,656 | 1,844 |
| Non-capitalized equipment | 6,500 | 6,500 | 3,526 | 2,974 |
| Small tools & instruments | 5,000 | 5,000 | 2,510 | 2,490 |
| Total expenditures | <u>1,653,530</u> | <u>1,653,530</u> | <u>1,225,270</u> | <u>428,260</u> |
| Excess of revenues over expenditures | (226,608) | (226,608) | 283,152 | 509,760 |
| Fund balance - beginning (restated) | <u>2,822,952</u> | <u>2,822,952</u> | <u>2,822,952</u> | <u>-</u> |
| Fund balance - ending | <u><u>\$ 2,596,344</u></u> | <u><u>\$ 2,596,344</u></u> | <u><u>\$ 3,106,104</u></u> | <u><u>\$ 509,760</u></u> |

The notes to the required supplementary information are an integral part of this statement.

Suisun Fairfield Rockville Cemetery District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the fiscal year ended June 30, 2014

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--------------------------------------|-------------------------|---------------------|---------------------------|---|
| | <u>Adopted</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Property taxes | \$ 690,567 | 690,567 | \$ 995,522 | \$ 304,955 |
| Charges for services | 255,000 | 255,000 | 260,846 | 5,846 |
| Lease income | 28,000 | 28,000 | 30,700 | 2,700 |
| Interest and investment earnings | 21,500 | 21,500 | 23,385 | 1,885 |
| Intergovernmental revenues | 10,907 | 10,907 | - | (10,907) |
| Total revenues | <u>1,005,974</u> | <u>1,005,974</u> | <u>1,310,453</u> | <u>304,479</u> |
| Expenditures: | | | | |
| Employee services | 878,738 | 878,738 | 797,201 | 81,537 |
| Utilities | 60,000 | 60,000 | 63,597 | (3,597) |
| Maintenance | 57,700 | 102,700 | 61,753 | 40,947 |
| Professional & specialized services | 101,135 | 101,135 | 53,600 | 47,535 |
| Purchases for resale | 30,000 | 30,000 | 29,819 | 181 |
| Insurance | 40,765 | 40,765 | 28,648 | 12,117 |
| Transportation & travel | 27,000 | 27,000 | 22,376 | 4,624 |
| Property tax refunds | 4,893 | 17,463 | 19,447 | (1,984) |
| Capital outlay | 56,510 | 56,510 | 18,059 | 38,451 |
| Household expense | 10,000 | 10,000 | 8,810 | 1,190 |
| Communication | 7,500 | 7,500 | 7,865 | (365) |
| Supplies | 9,440 | 9,440 | 5,274 | 4,166 |
| Membership | 3,200 | 3,200 | 2,713 | 487 |
| Special district expense | 5,500 | 5,500 | 2,951 | 2,549 |
| Small tools & instruments | 5,000 | 5,000 | 2,477 | 2,523 |
| Miscellaneous | 14,500 | 14,500 | 1,156 | 13,344 |
| Non-capitalized equipment | 6,000 | 6,000 | 410 | 5,590 |
| Total expenditures | <u>1,317,881</u> | <u>1,375,451</u> | <u>1,126,156</u> | <u>249,295</u> |
| Excess of revenues over expenditures | (311,907) | (369,477) | 184,297 | 553,774 |
| Fund balance - beginning | 2,669,220 | 2,669,220 | 2,669,220 | |
| Change in inventory | - | - | (30,565) | (30,565) |
| Fund balance - beginning (restated) | 2,669,220 | 2,669,220 | 2,638,655 | (30,565) |
| Fund balance - ending | <u>\$ 2,357,313</u> | <u>\$ 2,299,743</u> | <u>\$ 2,822,952</u> | <u>\$ 523,209</u> |

The notes to the required supplementary information are an integral part of this statement.

**Suisun Fairfield Rockville Cemetery District
 Required Supplementary Information (Unaudited)
 Schedule of Plan's Proportionate Share of the Net Pension Liability and Related Ratios
 Last 10 Years**

| Measurement Period | <u>June 30, 2014¹</u> |
|---|----------------------------------|
| Plan's Proportion of Net Pension Liability/(Asset) | 0.00554% |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) | \$ 344,918 |
| Plan's Covered-Employee Payroll | \$ 578,025 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll | 59.67% |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability | 84.86% |

¹ Historical information is required only for measurement periods in which GASB 68 is applicable

**Suisun Fairfield Rockville Cemetery District
 Required Supplementary Information (Unaudited)
 Schedule of Contributions-Pension Plan
 Last 10 Years**

| | 2014-15 ¹ | 2013-14 ¹ |
|---|----------------------|----------------------|
| Actuarially Determined Contribution ² | \$ 88,697 | \$ 82,710 |
| Contributions in Relation to the Actuarially Determined Contribution ² | (88,697) | (82,710) |
| Contribution Deficiency (Excess) | \$ - | \$ - |
| | | |
| Covered-Employee Payroll ^{3,4} | \$ 595,366 | \$ 578,025 |
| Contributions as a Percentage of Covered-Employee Payroll ³ | 14.90% | 14.31% |

¹ Historical information is required only for measurement periods in which GASB 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

³ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

⁴ Payroll from prior year (\$561,190) was assumed to increase by 3.00% payroll growth assumption.

Suisun Fairfield Rockville Cemetery District of Solano County
Notes to Required Supplementary Information
For the fiscal years ended June 30, 2015 and 2014

Budgetary Information

Pursuant to Health and Safety Code Section 9070, on or before August 30 of each year, the District Board of Trustees shall adopt a final budget which shall conform to the accounting and budgeting procedures for Special Districts contained in the California Code of Regulations. The final budget shall establish its appropriations limit pursuant to Division 9 of the Government Code. All annual appropriations lapse at fiscal year-end.

An operating budget prepared on a modified accrual basis is adopted each fiscal year for the general fund. A budget is not prepared for the permanent fund. The Board of Trustees shall provide a copy of the final budget to the auditor of each county in which the District is located.