

**LIVE OAK CEMETERY DISTRICT,  
CALIFORNIA**

**FINANCIAL STATEMENTS  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2022**

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**LIVE OAK CEMETERY DISTRICT  
Annual Financial Report  
For the Year Ended June 30, 2022**

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## **INTRODUCTORY SECTION**

- **List of Officials**

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**LIVE OAK CEMETERY DISTRICT**  
**List of Officials**  
**For the Year Ended June 30, 2022**

**Board of Trustees**

Scott Davis	Chair
Frank Spengler	Vice Chair
Debbie Charlesworth	Trustee
Mark Breeding	Trustee
Stephanie Allen	Trustee

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## **FINANCIAL SECTION**

- **Independent Auditor's Report**
- **Basic Financial Statements**
- **Required Supplementary Information**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Live Oak Cemetery District  
Live Oak, California

**Report on the Audit of the Financial Statements****Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Live Oak Cemetery District, California (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2022, 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.

**Basis for Opinions**

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

**Responsibilities of Management for the Financial Statements**

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

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

To the Board of Directors  
Live Oak Cemetery District  
Live Oak, California

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

To the Board of Directors  
Live Oak Cemetery District  
Live Oak, California

### **Required Supplementary Information**

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

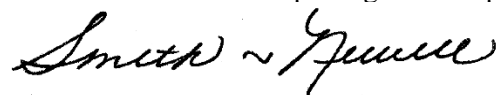
### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 14, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



Smith & Newell CPAs  
Yuba City, California  
December 14, 2022

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## **Basic Financial Statements**

- **Government-Wide Financial Statements**

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**LIVE OAK CEMETERY DISTRICT**  
**Statement of Net Position**  
**June 30, 2022**

	<b>Total Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 1,256,407
Receivables:	
Accounts	46,478
Taxes	5,758
Interest	3,226
Capital assets:	
Non-depreciable	50,075
Depreciable, net	112,106
Total capital assets	<u>162,181</u>
<b>Total Assets</b>	<u>1,474,050</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred pension adjustments	<u>33,133</u>
<b>Total Deferred Outflows of Resources</b>	<u>33,133</u>
 <b>LIABILITIES</b>	
Accounts payable	17,320
Salaries and benefits payable	5,795
Unearned revenue	46,478
Pre-need deposits	403,569
Long-term liabilities:	
Due within one year	1,223
Net pension liability	<u>80,162</u>
<b>Total Liabilities</b>	<u>554,547</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred pension adjustments	<u>79,144</u>
<b>Total Deferred Inflows of Resources</b>	<u>79,144</u>
 <b>NET POSITION</b>	
Investment in capital assets	162,181
Restricted for:	
Capital improvement	257,676
Endowment:	
Nonexpendable	365,338
Expendable	7,997
Unrestricted	<u>80,300</u>
<b>Total Net Position</b>	<u><u>\$ 873,492</u></u>

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

**LIVE OAK CEMETERY DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

<u>Functions/Programs:</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Governmental Activities</u>
Governmental activities:				
General government	\$ 310,474	\$ 195,999	\$ 1,058	\$ -
<b>Total Governmental Activities</b>	310,474	195,999	1,058	-
<b>Total</b>	\$ 310,474	\$ 195,999	\$ 1,058	\$ -
<b>General revenues:</b>				
Taxes:				
Property taxes				122,529
Interest and investment earnings				(44,159)
Miscellaneous revenues				3,625
<b>Contributions to permanent fund</b>				<b>22,300</b>
<b>Total General Revenues and Contributions to Permanent Fund</b>				<b>104,295</b>
<b>Change in Net Position</b>				<b>(9,122)</b>
<b>Net Position - Beginning</b>				<b>882,614</b>
<b>Net Position - Ending</b>				<b>\$ 873,492</b>

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

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## **Basic Financial Statements**

- **Fund Financial Statements**

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**LIVE OAK CEMETERY DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

	<u>General</u>	<u>Pre-Need</u>	<u>Special Assessment</u>	<u>Endowment</u>	<u>Totals</u>
<b>ASSETS</b>					
Cash and investments	\$ 135,543	\$ 388,834	\$ 359,615	\$ 372,415	\$ 1,256,407
Receivables:					
Accounts	-	46,478	-	-	46,478
Taxes	5,758	-	-	-	5,758
Interest	372	972	941	941	3,226
<b>Total Assets</b>	<u>\$ 141,673</u>	<u>\$ 436,284</u>	<u>\$ 360,556</u>	<u>\$ 373,356</u>	<u>\$ 1,311,869</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 16,628	\$ -	\$ 692	\$ -	\$ 17,320
Salaries and benefits payable	3,532	-	2,263	-	5,795
Pre-need deposits	-	403,569	-	-	403,569
<b>Total Liabilities</b>	<u>20,160</u>	<u>403,569</u>	<u>2,955</u>	<u>-</u>	<u>426,684</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	46,478	-	-	46,478
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>46,478</u>	<u>-</u>	<u>-</u>	<u>46,478</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	365,558	365,558
Restricted	-	(13,763)	257,676	7,798	251,711
Assigned	-	-	99,925	-	99,925
Unassigned	121,513	-	-	-	121,513
<b>Total Fund Balances</b>	<u>121,513</u>	<u>(13,763)</u>	<u>357,601</u>	<u>373,356</u>	<u>838,707</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 141,673</u>	<u>\$ 436,284</u>	<u>\$ 360,556</u>	<u>\$ 373,356</u>	<u>\$ 1,311,869</u>

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

**LIVE OAK CEMETERY DISTRICT**  
**Reconciliation of the Governmental Funds Balance Sheet to the**  
**Government-Wide Statement of Net Position - Governmental Activities**  
**June 30, 2022**

<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 838,707</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	162,181
Deferred outflows of resources related to pension are not reported in the governmental funds.	33,133
Deferred inflows of resources related to pension are not reported in the governmental funds.	(79,144)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Compensated absences	(1,223)
Net pension liability	(80,162)
<b>Net Position of Governmental Activities</b>	<b><u>\$ 873,492</u></b>

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

**LIVE OAK CEMETERY DISTRICT**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2022**

	<u>General</u>	<u>Pre-Need</u>	<u>Special Assessment</u>	<u>Endowment</u>	<u>Totals</u>
<b>REVENUES</b>					
Taxes and assessments	\$ 122,529	\$ -	\$ 79,187	\$ -	\$ 201,716
Intergovernmental	1,058	-	-	-	1,058
Use of money and property	(5,084)	(13,946)	(12,282)	(12,847)	(44,159)
Charges for services	86,595	30,217	-	22,300	139,112
Other revenues	3,625	-	-	-	3,625
<b>Total Revenues</b>	<u>208,723</u>	<u>16,271</u>	<u>66,905</u>	<u>9,453</u>	<u>301,352</u>
<b>EXPENDITURES</b>					
Current general government:					
Salaries and benefits	133,190	-	52,291	-	185,481
Services and supplies	77,060	363	18,664	380	96,467
<b>Total Expenditures</b>	<u>210,250</u>	<u>363</u>	<u>70,955</u>	<u>380</u>	<u>281,948</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(1,527)</u>	<u>15,908</u>	<u>(4,050)</u>	<u>9,073</u>	<u>19,404</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	30,217	-	-	-	30,217
Transfers out	-	(30,217)	-	-	(30,217)
<b>Total Other Financing Sources (Uses)</b>	<u>30,217</u>	<u>(30,217)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	28,690	(14,309)	(4,050)	9,073	19,404
<b>Fund Balances - Beginning</b>	92,823	546	361,651	364,283	819,303
<b>Fund Balances - Ending</b>	<u>\$ 121,513</u>	<u>\$ (13,763)</u>	<u>\$ 357,601</u>	<u>\$ 373,356</u>	<u>\$ 838,707</u>

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

**LIVE OAK CEMETERY DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances of Governmental Funds to the**  
**Government-Wide Statement of Activities - Governmental Activities**  
**For the Year Ended June 30, 2022**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ 19,404
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 and reported as depreciation expense.	
Less current year depreciation	(28,081)
Certain changes in deferred outflows and deferred inflows of resources reported in the Statement of Activities relate to long-term liabilities and are not reported in the governmental funds.	
Change in deferred outflows of resources related to pension	(3,992)
Change in deferred inflows of resources related to pension	(63,729)
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 funds.	
Change in compensated absences	2,602
Change in net pension liability	<u>64,674</u>
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ (9,122)</u></u>

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



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## **Basic Financial Statements**

- **Notes to Basic Financial Statements**

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**LIVE OAK CEMETERY DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Live Oak Cemetery District is a special district within the County of Sutter governed by an independent five-member Board of Trustees. The financial transactions are recorded in the Sutter County accounting system and are reflected in a general fund, two special revenue funds and a permanent fund.

**Component Units**

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no component units of the District.

**Joint Agencies**

The District is a member of the Golden State Risk Management Authority (GSRMA). GSRMA is a joint powers authority organized for the purpose of providing services and other functions necessary and appropriate for the creation, operation, and maintenance of liability, workers' compensation, property and other risk pooling and coverage plans for its members. GSRMA began operations on July 1, 1979 and has continued without interruption since that time. GSRMA is composed of member agencies consisting of cemetery districts, cities, counties, fire districts, school districts and special districts and is governed by a board of directors appointed by the members. Complete audited financial statements can be obtained from GSRMA's office at 243 W. Sycamore Street, Willows, CA 95988. The District is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

**B. Basis of Presentation**

**Government-Wide Financial Statements**

The Statement of Net Position and Statement of Activities display information on all of the activities of the District. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. These statements report the governmental activities of the District, which are normally supported by taxes, assessments, intergovernmental revenues and charges for services. The District had no business-type activities at June 30, 2022.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**LIVE OAK CEMETERY DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

**Fund Financial Statements**

Fund financial statements of the District are organized into four 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. The funds of the District are organized into the governmental category. The emphasis is placed on major funds within the governmental category.

The District reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District.
- The Pre-Need fund is a special revenue fund used to account for pre-need deposits. Funding comes primarily from pre-need deposits and interest earnings.
- The Special Assessment fund is a capital projects fund used to account for special assessment collections and expenditures. Funding comes primarily from assessments.
- The Endowment fund is a permanent fund used to account for endowment collections.

**C. Basis of Accounting and Measurement Focus**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property taxes, interest, certain state and federal grants and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within sixty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

**D. Non-Current Governmental Assets/Liabilities**

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide Statement of Net Position.

**LIVE OAK CEMETERY DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Cash and Investments**

The District pools all cash and investments, other than imprest cash, with the County of Sutter. The Sutter County Treasury is an external investment pool for the District and the District is considered an involuntary participant. The District's share in this pool is displayed in the accompanying financial statements as cash and investments.

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums, and realized gains and losses, net of administrative fees, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in these financial statements as unrealized gains and losses are not apportioned to pool participants.

**F. Receivables**

Receivables for governmental activities consist mainly of accounts, taxes and interest. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

**G. Inventory**

Inventories are recorded as expenditures at the time the inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

**H. Capital Assets**

Capital assets, including public domain infrastructure, are defined by the District as assets with a cost of \$1,000 or more. Capital assets are recorded at historical or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their acquisition value at the date of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets' estimated useful lives in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Buildings and improvements	10-20 years
Equipment	3-10 years
Software	10 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

**I. Interfund Transactions**

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

**LIVE OAK CEMETERY DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Interfund Transactions (Continued)**

Loans reported as receivables and payables are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide Statement of Activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures in the reimbursing fund and reductions to expenditures in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation

**J. Compensated Absences and Other Postemployment Benefits**

The District’s policy regarding compensated absences is to permit employees to accumulate earned but unused vacation leave. In the government-wide financial statements the accrued compensated absences are recorded as an expense and related liability, with the current portion estimated based on historical trends. In the governmental fund financial statements, the expenditures and liabilities related to those obligations are recognized only when they mature. The District includes its share of social security and medicare taxes payable on behalf of the employees in the accrual for compensated absences.

The District does not currently provide other postemployment benefits.

**K. Pension**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the District’s California Public Employees’ Retirement System (CalPERS) plan (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.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

**L. Unearned Revenue**

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

**LIVE OAK CEMETERY DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. This item relates to the outflows from changes in the net pension liability and is reported on the Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item relates to the inflows from changes in the net pension liability and is reported on the Statement of Net Position.

**N. Property Tax**

Sutter County is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County of Sutter up to 1 percent of the full cash value of taxable property, plus other increases approved by the voter and distributed in accordance with statutory formulas.

The valuation/lien date for all taxes is January 1. Secured property tax is due in two installments, the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Unsecured property taxes are due on March 1, and become delinquent, if unpaid on August 31.

The County uses the alternative method of property tax apportionment known as the “Teeter Plan”. Under this method of property tax apportionment, the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

**O. Assessments**

An assessment of \$23.52 per year was levied upon each separately assessable dwelling unit within the assessment District. The amount levied is collected by Sutter County along with property taxes.

Sutter County assesses properties, bills, collects, and distributes assessments to the District.

Assessments are due in two installments (secured roll), on November 1 and March 1 and become delinquent after December 10 and April 10, respectively.

**P. Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**LIVE OAK CEMETERY DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Q. Implementation of Governmental Accounting Standards Board (GASB) Statements**

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

**Statement No. 87, Leases.** This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

**Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period.** This statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period.

**Statement No. 92, Omnibus 2020.** This Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature.

**Statement No. 93, Replacement of Interbank Offered Rates.** The objective of this Statement is to address implications of GASB Statement No. 53 and GASB Statement No. 87 and other accounting and financial reporting implications that result from the replacement of an IBOR.

**Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.** The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**R. Future Accounting Pronouncements**

The following GASB Statements will be implemented, if applicable, in future financial statements:

Statement No. 91 "Conduit Debt Obligations" The requirements of this statement are effective for periods beginning after December 15, 2021. (FY 22/23)

Statement No. 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements" The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)

Statement No. 96 "Subscription-Based Information Technology Arrangements" The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)



**LIVE OAK CEMETERY DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 2: CASH AND INVESTMENTS**

**A. Financial Statement Presentation**

As of June 30, 2022, the District's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 300
Total Cash	<u>300</u>
Investments:	
Sutter County Treasurer's Pool	<u>1,256,107</u>
Total Investments	<u>1,256,107</u>
Total Cash and Investments	<u>\$ 1,256,407</u>

**B. Cash**

At year end, the District had cash on hand of \$300.

**C. Investments**

The District does not have a formal investment policy. At June 30, 2022, all investments of the District were in the County of Sutter investment pool. Under the provisions of the County's investment policy and the California Government Code, the County may invest or deposit in the following:

- U.S. Treasury Notes, Bonds, Bills
- U.S. Government Agencies
- Medium-Term Notes
- Commercial Paper of "Prime" Quality
- Negotiable Certificates of Deposit
- Local Agency Investment Fund (LAIF)
- California Asset Management Program (CAMP)
- Bankers' Acceptances
- Repurchase Agreements
- Certificates of Deposit
- Money Market Mutual Funds
- State or Local Agency Obligations

Fair Value of Investments - The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

The District's position in external investment pools is in itself regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the District's investments in external investment pools are not recognized in the three-tiered fair value hierarchy described above.

**LIVE OAK CEMETERY DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

At June 30, 2022, the District had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
None	\$ -	\$ -	\$ -	\$ -
Total Investments Measured at Fair Value	-	<u>-</u>	<u>-</u>	<u>-</u>
Investments in External Investment Pool				
Sutter County Treasurer's Pool	<u>1,256,107</u>			
Total Investments	<u>\$ 1,256,107</u>			

**Interest Rate Risk** - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the County's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the County to meet all projected obligations.

**Credit Risk** - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's investment policy sets specific parameters by type of investment to be met at the time of purchase. As of June 30, 2022, the District's investments were all held with the County of Sutter investment pool which is not rated by a nationally recognized statistical rating organization.

**Custodial Credit Risk** - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of mutual funds or government investment pools.

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law and the investment policy of the County contain limitations on the amount that can be invested in any one issuer. All investments of the District are in the Sutter County investment pool which contains a diversification of investments.

**LIVE OAK CEMETERY DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

**D. Investments in External Pool**

The Sutter County Pooled Investment Fund is a pooled investment fund program governed by the County which monitors and reviews the management of public funds maintained in the investment pool in accordance with the County investment policy and the California Government Code. The Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the Board of Supervisors every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value. Investments in the Sutter County Pooled Investment Fund are regarded as highly liquid as deposits and withdrawals can be made at any time without penalty. The Pool does not impose a maximum investment limit. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County of Sutter's financial statements may be obtained by contacting the County of Sutter Auditor-Controller's office at 463 Second Street, Suite 124, Yuba City, CA 95991.

**NOTE 3: CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2022, was as follows:

	Balance <u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2022</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 50,075	\$ -	\$ -	\$ 50,075
Total Capital Assets, Not Being Depreciated	<u>50,075</u>	<u>-</u>	<u>-</u>	<u>50,075</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	304,575	-	-	304,575
Equipment	197,366	-	-	197,366
Software	<u>4,708</u>	<u>-</u>	<u>-</u>	<u>4,708</u>
Total Capital Assets, Being Depreciated	<u>506,649</u>	<u>-</u>	<u>-</u>	<u>506,649</u>
Less Accumulated Depreciation For:				
Buildings and improvements	( 228,379)	( 12,642)	-	( 241,021)
Equipment	( 133,375)	( 15,439)	-	( 148,814)
Software	<u>( 4,708)</u>	<u>-</u>	<u>-</u>	<u>( 4,708)</u>
Total Accumulated Depreciation	<u>( 366,462)</u>	<u>( 28,081)</u>	<u>-</u>	<u>( 394,543)</u>
Total Capital Assets, Being Depreciated, Net	<u>140,187</u>	<u>( 28,081)</u>	<u>-</u>	<u>112,106</u>
Total Capital Assets, Net	<u>\$ 190,262</u>	<u>(\$ 28,081)</u>	<u>\$ -</u>	<u>\$ 162,181</u>

**Depreciation**

Depreciation was charged to governmental activities as follows:

General government	<u>\$ 28,081</u>
Total Depreciation Expense	<u>\$ 28,081</u>

**LIVE OAK CEMETERY DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 4: INTERFUND TRANSACTIONS**

**Transfers**

Transfers are indicative of funding for subsidies of various District operations. The following are the interfund transfers for fiscal year ended June 30, 2022:

	Transfers In	Transfers Out
General fund	\$ 30,217	\$ -
Pre-Need fund	-	30,217
Total	\$ 30,217	\$ 30,217

**NOTE 5: UNEARNED REVENUE**

At June 30, 2022, components of unearned revenue were as follows:

	Unearned
Pre-Need fund	
Pre-Need deposits	\$ 46,478
Total	\$ 46,478

**NOTE 6: LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Amounts Due Within One Year
Compensated Absences	\$ 3,825	\$ 7,102	(\$ 9,704)	\$ 1,223	\$ 1,223
Total	\$ 3,825	\$ 7,102	(\$ 9,704)	\$ 1,223	\$ 1,223

**NOTE 7: NET POSITION**

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

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

**LIVE OAK CEMETERY DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 7: NET POSITION (CONTINUED)**

**Net Position Flow Assumption**

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

**NOTE 8: FUND BALANCES**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can be made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the District’s highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the District that can, by Board action, commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the District’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the District’s General fund that includes all amounts not contained in the other classifications.

**LIVE OAK CEMETERY DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 8: FUND BALANCES (CONTINUED)**

The fund balances for the governmental funds as of June 30, 2022, were distributed as follows:

	<u>General</u>	<u>Pre-Need</u>	<u>Special Assessment</u>	<u>Endowment</u>	<u>Total</u>
<b>Nonspendable:</b>					
Endowment - nonspendable	\$ -	\$ -	\$ -	\$ 365,358	\$ 365,358
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>365,358</u>	<u>365,358</u>
<b>Restricted for:</b>					
Capital improvements	-	-	257,676	-	257,676
Endowment - spendable	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,997</u>	<u>7,997</u>
Subtotal	<u>-</u>	<u>-</u>	<u>257,676</u>	<u>7,997</u>	<u>265,673</u>
<b>Assigned to:</b>					
Land acquisition	<u>-</u>	<u>-</u>	<u>99,925</u>	<u>-</u>	<u>99,925</u>
Subtotal	<u>-</u>	<u>-</u>	<u>99,925</u>	<u>-</u>	<u>99,925</u>
<b>Unassigned</b>	<u>121,513</u>	<u>(13,763)</u>	<u>-</u>	<u>-</u>	<u>107,750</u>
Total	<u>\$ 121,513</u>	<u>(\$ 13,763)</u>	<u>\$ 357,601</u>	<u>\$ 373,355</u>	<u>\$ 838,706</u>

**Fund Balance Flow Assumption**

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Fund Balance Policy**

The Board of Trustees has not adopted a formal fund balance or minimum fund balance policy by passage of an ordinance or resolution.

**NOTE 9: PENSION PLAN**

**A. General Information about the Pension Plan**

**Plan Description**

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

**LIVE OAK CEMETERY DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 9: PENSION PLAN (CONTINUED)**

**A. General Information about the Pension Plan (Continued)**

**Plan Description (Continued)**

Effective January 1, 2013, the District added a retirement tier for the Miscellaneous Plan for new employees as required under the Public Employee Pension Reform Act (PEPRA). Classic employees are generally defined as employees who have been a member of any public retirement system who have had less than a six-month break in service. Applicable new hires to the District defined as classic employees as determined by PERS will be subject to the non-PEPRA benefit tier. New non-classic employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new non-classic employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the District's retirement costs.

**Summary of Rate Tiers and Eligible Participants**

Open for New Enrollment	
Miscellaneous PEPRA	Miscellaneous members hired on or after January 1, 2013
Closed to New Enrollment	
Miscellaneous	Miscellaneous members hired before January 1, 2013

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for Miscellaneous Plan members if the membership date is on or after January 1, 2013) with statutorily reduced benefits. Retirement benefits are paid monthly for life. 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 2W Death Benefit. The cost-of-living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

Each Rate Tier's specific provisions and benefits in effect at June 30, 2022, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.0% @ 60	50-60	1.092% to 2.418%
Miscellaneous PEPRA	2.0% @ 62	52-62	1.000% to 2.500%

**LIVE OAK CEMETERY DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 9: PENSION PLAN (CONTINUED)**

**A. General Information about the Pension Plan (Continued)**

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for all Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	8.650%	7.000%	0.000%
Miscellaneous PEPRA	7.590%	6.750%	0.000%

For the year ended June 30, 2022, the contributions recognized as part of pension expense for the Plan were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 18,570	\$ -

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

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, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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, 2021 and 2022 was as follows:

	<u>Proportion June 30, 2021</u>	<u>Proportion June 30, 2022</u>	<u>Change – Increase (Decrease)</u>
Miscellaneous	.00343%	.00422%	0.00079%

As of June 30, 2022, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 80,162
Total Net Pension Liability	<u>\$ 80,162</u>



**LIVE OAK CEMETERY DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 9: PENSION PLAN (CONTINUED)**

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

For the year ended June 30, 2022, the District recognized pension expense of \$23,310. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 20,264	\$ -
Changes of assumptions	-	-
Difference between expected and actual experience	8,989	-
Difference between projected and actual earnings on pension plan investments	-	( 69,977)
Difference between District contributions and proportionate share of contributions	-	( 9,167)
Adjustment due to differences in proportions	3,880	-
Total	\$ 33,133	(\$ 79,144)

\$20,264 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended</u> <u>June 30</u>	
2023	(\$ 15,883)
2024	( 15,187)
2025	( 15,867)
2026	( 19,338)
2027	-
Thereafter	-
Total	(\$ 66,275)

**Actuarial Assumptions**

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Investment Rate of Return	7.15%
Inflation	2.50%
Salary Increases	Varies by entry-age and service
Mortality Rate Table	Derived 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

**LIVE OAK CEMETERY DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 9: PENSION PLAN (CONTINUED)**

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

**Actuarial Assumptions (Continued)**

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017 Experience Study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Long-Term Expected Rate of Return**

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. 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+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**LIVE OAK CEMETERY DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 9: PENSION PLAN (CONTINUED)**

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

**Long-Term Expected Rate of Return (Continued)**

The table below reflects the 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 rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	<u>1.0%</u>	0.00%	-0.92%
Total	<u>100.0%</u>		

(a) An expected inflation of 2.00% used for this period

(b) An expected inflation of 2.92% used for this period

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

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

	<u>1% Decrease 6.15%</u>	<u>Discount Rate 7.15%</u>	<u>1% Increase 8.15%</u>
Miscellaneous	\$ 161,349	\$ 80,162	\$ 13,046

**Pension Plan Fiduciary Net Position**

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

**NOTE 10: 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; injuries to employees; and natural disasters. The District purchases coverage from a risk management authority. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

**LIVE OAK CEMETERY DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 11: OTHER INFORMATION**

**A. Commitments and Contingencies**

There are potential claims and legal actions pending against the District for which no provision has been made in the financial statements. In the opinion of District management and legal counsel, liabilities arising from these claims and legal actions, if any, either will not be material or cannot be estimated at this time.

**B. Subsequent Events**

Management has evaluated events subsequent to June 30, 2022 through December 14, 2022, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information  
(Unaudited)**

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**LIVE OAK CEMETERY DISTRICT**  
**Required Supplementary Information**  
**District Pension Plan**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**For the Year Ended June 30, 2022**  
**Last 10 Years\***

<b>Measurement Period</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>
<b>Miscellaneous Plan</b>				
Proportion of the net pension liability	0.00145%	0.00281%	0.00290%	0.00304%
Proportionate share of the net pension liability	\$ 90,104	\$ 77,077	\$ 100,788	\$ 119,862
Covered payroll	73,157	74,682	81,475	108,284
Proportionate share of the net pension liability as a percentage of covered payroll	123.17%	103.21%	123.70%	110.69%
Plan fiduciary net position as a percentage of the total pension liability	82.35%	85.30%	77.34%	75.14%

\* The District implemented GASB 68 for the fiscal year June 30, 2015, therefore only eight years are shown.



<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
0.00315%	0.00327%	0.00340%	0.00420%
\$ 118,855 109,920	\$ 130,940 104,744	\$ 144,836 117,152	\$ 80,162 112,763
108.13%	125.01%	123.63%	71.09%
75.82%	77.25%	77.71%	90.49%

**LIVE OAK CEMETERY DISTRICT**  
**Required Supplementary Information**  
**District Pension Plan**  
**Schedule of Contributions**  
**For the Year Ended June 30, 2022**  
**Last 10 Years\***

<b>Fiscal Year</b>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>
<b>Miscellaneous Plan</b>				
Contractually required contributions (actuarially determined)	\$ 6,121	\$ 5,431	\$ 10,991	\$ 7,696
Contributions in relation to the actuarially determined contributions	<u>(6,121)</u>	<u>(7,872)</u>	<u>(7,523)</u>	<u>(12,440)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (2,441)</u>	<u>\$ 3,468</u>	<u>\$ (4,744)</u>
Covered payroll	\$ 74,682	\$ 81,475	\$ 108,284	\$ 109,920
Contributions as a percentage of covered payroll	8.20%	9.66%	6.95%	11.32%

\* The District implemented GASB 68 for the fiscal year June 30, 2015, therefore only eight years are shown.

<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
\$ 7,821	\$ 9,056	\$ 9,349	\$ 20,264
<u>(14,349)</u>	<u>(17,636)</u>	<u>(18,570)</u>	<u>(20,264)</u>
<u>\$ (6,528)</u>	<u>\$ (8,580)</u>	<u>\$ (9,221)</u>	<u>\$ -</u>
\$ 104,744 13.70%	\$ 117,152 15.05%	\$ 112,763 16.47%	\$ 118,900 17.04%

**LIVE OAK CEMETERY DISTRICT**  
**Required Supplementary Information**  
**District Pension Plan**  
**Notes to District Pension Plan**  
**For the Year Ended June 30, 2022**

**NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Change of Assumptions and Methods**

Benefit Changes: None

Changes of Assumptions: None

**NOTE 2: SCHEDULE OF CONTRIBUTIONS**

Methods and assumptions used to determine the contribution rates were as follows:

Valuation Date	June 30, 2019
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percentage of Payroll and Direct Rate Smoothing
Remaining Amortization Period	Differs by employer rate plan but no more than 30 years
Asset valuation method	Fair value
Discount rate	7.15%
Payroll growth	2.75%
Inflation	2.50%
Salary increases	Varies based on entry age and service
Investment rate of return	7.15%

**LIVE OAK CEMETERY DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Taxes and assessments	\$ 205,251	\$ 205,251	\$ 122,529	\$ (82,722)
Intergovernmental	1,105	1,105	1,058	(47)
Use of money and property	5,000	5,000	(5,084)	(10,084)
Charges for services	110,000	110,000	86,595	(23,405)
Other revenues	6,300	6,300	3,625	(2,675)
<b>Total Revenues</b>	<u>327,656</u>	<u>327,656</u>	<u>208,723</u>	<u>(118,933)</u>
<b>EXPENDITURES</b>				
Current general government:				
Salaries and benefits	196,750	180,550	133,190	47,360
Services and supplies	68,100	89,200	77,060	12,140
<b>Total Expenditures</b>	<u>264,850</u>	<u>269,750</u>	<u>210,250</u>	<u>59,500</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>62,806</u>	<u>57,906</u>	<u>(1,527)</u>	<u>(59,433)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	30,217	30,217
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>30,217</u>	<u>30,217</u>
<b>Net Change in Fund Balances</b>	62,806	57,906	28,690	(29,216)
<b>Fund Balances - Beginning</b>	<u>92,823</u>	<u>92,823</u>	<u>92,823</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 155,629</u>	<u>\$ 150,729</u>	<u>\$ 121,513</u>	<u>\$ (29,216)</u>

**LIVE OAK CEMETERY DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Pre-Need - Major Special Revenue Fund**  
**For the Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ (13,946)	\$ (13,946)
Charges for services	45,000	45,000	30,217	(14,783)
<b>Total Revenues</b>	<u>45,000</u>	<u>45,000</u>	<u>16,271</u>	<u>(28,729)</u>
<b>EXPENDITURES</b>				
Current general government: Services and supplies	24,500	24,500	363	24,137
<b>Total Expenditures</b>	<u>24,500</u>	<u>24,500</u>	<u>363</u>	<u>24,137</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>20,500</u>	<u>20,500</u>	<u>15,908</u>	<u>(4,592)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(30,217)	(30,217)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(30,217)</u>	<u>(30,217)</u>
<b>Net Change in Fund Balances</b>	<u>20,500</u>	<u>20,500</u>	<u>(14,309)</u>	<u>(34,809)</u>
<b>Fund Balances - Beginning</b>	<u>546</u>	<u>546</u>	<u>546</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 21,046</u>	<u>\$ 21,046</u>	<u>\$ (13,763)</u>	<u>\$ (34,809)</u>

**LIVE OAK CEMETERY DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Special Assessment - Major Special Revenue Fund**  
**For the Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Taxes and assessments	\$ 77,500	\$ 77,500	\$ 79,187	\$ 1,687
Use of money and property	-	-	(12,282)	(12,282)
<b>Total Revenues</b>	<u>77,500</u>	<u>77,500</u>	<u>66,905</u>	<u>(10,595)</u>
<b>EXPENDITURES</b>				
Current general government:				
Salaries and benefits	59,000	59,000	52,291	6,709
Services and supplies	126,500	126,500	18,664	107,836
<b>Total Expenditures</b>	<u>185,500</u>	<u>185,500</u>	<u>70,955</u>	<u>114,545</u>
<b>Net Change in Fund Balances</b>	(108,000)	(108,000)	(4,050)	103,950
<b>Fund Balances - Beginning</b>	<u>361,651</u>	<u>361,651</u>	<u>361,651</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 253,651</u>	<u>\$ 253,651</u>	<u>\$ 357,601</u>	<u>\$ 103,950</u>

**LIVE OAK CEMETERY DISTRICT  
Required Supplementary Information  
Note to Budgetary Comparison Schedules  
For the Year Ended June 30, 2022**

**NOTE 1: BUDGETARY BASIS OF ACCOUNTING**

Formal budgetary integration is employed as a management control device during the year. The District presents a comparison of annual budget to actual results for the General fund and Pre-Need major special revenue fund, and Special Assessment major special revenue fund. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

The following procedures are performed by the District in establishing the budgetary data reflected in the financial statements:

- (1) The District Manager submits to the Board of Trustees a recommended budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) The Board of Trustees reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (3) Prior to July 1, the budget is adopted through the passage of a resolution.
- (4) From the effective date of the budget, the amounts stated therein, as recommended expenditures become appropriations to the District. The Board may amend the budget by motion during the fiscal year.

The District does not use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.



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## **OTHER REPORT AND SCHEDULES**

- **Other Report**
- **Schedule of Findings and Recommendations**
- **Schedule of Prior Year Findings and Recommendations**
- **Management's Corrective Action Plan**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees  
Live Oak Cemetery District  
Live Oak, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Live Oak Cemetery District, California (District), as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 14, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations, that we consider to be significant deficiencies. (2022-001 and 2022-002)

To the Board of Trustees  
Live Oak Cemetery District  
Live Oak, California

### **Report on Compliance and Other Matters**

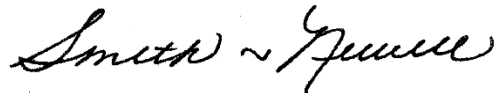
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **District's Response to Findings**

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit are described in the accompanying management's corrective action plan. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Smith & Newell CPAs  
Yuba City, California  
December 14, 2022

**LIVE OAK CEMETERY DISTRICT**  
**Schedule of Findings and Recommendations**  
**For the Year Ended June 30, 2022**

**2022-001 Fund Balance Policy (Significant Deficiency)**

**Criteria**

In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. It requires that all governmental funds reclassify the fund balance accounts to new categories to report constraints on the specific purposes for which amounts in the fund can be spent.

**Condition**

We noted that the District did not adopt a fund balance policy to establish the sequence in which revenues are to be spent.

**Cause**

The District did not adopt a fund balance policy.

**Effect**

Without a fund balance policy in place, inconsistencies and misclassifications in the components of fund balance may occur.

**Questioned Costs**

No questioned costs were identified as a result of our procedures.

**Context**

Not applicable.

**Repeat Finding**

This is a repeat of prior year finding 2021-002.

**Recommendation**

We recommend that the District adopt a fund balance policy.

**Views of Responsible Officials and Planned Corrective Action**

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

**LIVE OAK CEMETERY DISTRICT**  
**Schedule of Findings and Recommendations**  
**For the Year Ended June 30, 2022**

**2022-002 Deficiencies in Control Structure Design (Significant Deficiency)**

**Criteria**

Good internal control requires that adequate controls be incorporated in the internal control structure.

**Condition**

There is an absence of segregation of duties consistent with control objectives.

**Cause**

The District has limited office staff.

**Effect**

The District's internal control procedures do not include appropriate segregation of duties.

**Questioned Cost**

No questioned costs were identified as a result of our procedures.

**Context**

Not applicable.

**Repeat Finding**

This is not a repeat finding.

**Recommendation**

We recommend that continued effort be made to incorporate good internal control policies into the District's operating procedures.

**Views of Responsible Officials and Planned Corrective Action**

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

**LIVE OAK CEMETERY DISTRICT**  
**Schedule of Prior Year Findings and Recommendations**  
**For the Year Ended June 30, 2022**

<u>Audit Reference</u>	<u>Status of Prior Year Audit Recommendations</u>
<b>2021-001</b>	<p><b>Pre-Need Deposits</b></p> <p><b>Recommendation</b></p> <p>We recommend that monies held for pre-need deposits be reconciled to the general ledger on a monthly basis.</p> <p><b>Status</b></p> <p>Implemented</p>
<b>2021-002</b>	<p><b>Fund Balance Policy</b></p> <p><b>Recommendation</b></p> <p>We recommend that the District adopt a fund balance policy.</p> <p><b>Status</b></p> <p>Not Implemented</p>
<b>2021-003</b>	<p><b>Budget</b></p> <p><b>Recommendation</b></p> <p>We recommend that the District control and monitor expenditures so that they do not exceed the approved budget. If budget revisions are required, we recommend that the District take appropriate action to amend the budget.</p> <p><b>Status</b></p> <p>Implemented</p>

**LIVE OAK CEMETERY DISTRICT  
Management's Corrective Action Plan  
For the Year Ended June 30, 2022**

**Finding 2022-001      Fund Balance Policy (Significant Deficiency)**

We recommend that the District adopt a fund balance policy.

Management's Response:      The District concurs with the finding.

Responsible Individual:      Laurie Schuster, District Manager

Corrective Action Plan:      To approve and adopt a fund balance policy in relation to GASB No. 54.

Anticipated Completion Date:      October 2022

**Finding 2022-002      Deficiencies in Control Structure (Significant Deficiency)**

We recommend that continued effort be made to incorporate good internal control policies into the District's operating procedures.

Management's Response:      The District concurs with the finding.

Responsible Individual:      Laurie Schuster, District Manager

Corrective Action Plan:      Develop a better checks and balances system between the Office/District Manager and the Board of Trustees. Each Board Member will review the monthly operating (blue) folder and sign-off once completed.

Anticipated Completion Date:      October 2022