

**EXETER PUBLIC  
CEMETERY DISTRICT**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**Year Ended June 30, 2021**

# **EXETER PUBLIC CEMETERY DISTRICT**

**JUNE 30, 2021**

## **BOARD OF TRUSTEES/ADMINISTRATION**

Andrea Sousa	President
Vickie Riddle	Secretary
Ron Faulkner	Trustee
Ricardo Martinez	Superintendent

## TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT .....	1
FINANCIAL STATEMENTS	
Statement of Net Position .....	4
Statement of Revenues, Expenses and Changes in Fund Net Position .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements .....	8
SUPPLEMENTARY INFORMATION	
Selected Financial Data .....	13



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## M. GREEN AND COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

### Independent Auditors' Report

Board of Trustees  
Exeter Public Cemetery District

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of the Exeter Public Cemetery District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of Exeter Public Cemetery District, as of June 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditors' 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 opinion.

#### 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.

REBECCA AGREDANO, CPA  
MARLA D. BORGES, CPA  
NICOLE A. CENTOFANTI, CPA  
BRENDA A. DADDINO, CPA  
JASON A. FRY, CPA, MSA  
ELAINE D. HOPPER, CPA, CFE  
R. IAN PARKER, CPA  
MARY L. QUILLIN, CPA  
GIUSEPPE SCALIA, CPA  
NATALIE H. SIEGEL, CPA  
ROSALIND WONG, CPA  
  
LARRY W. AYERS, CPA  
JAMES G. DWYER, CPA  
KEVIN M. GREEN, CPA  
GREG GROEN, CPA  
WM. KENT JENSEN, CPA  
KATHLEEN M. LAMPE, CPA  
LYNN M. LAMPE, CPA  
ALAN S. MOORE, CPA  
KENNETH B. NUNES, CPA  
KEITH M. SPRAGUE, CPA  
KENNETH W. WHITE, JR., CPA  
  
NORIKO A. AWBREY, CPA  
TYLER J. CODAY, CPA  
MANNY GONZALEZ, CPA  
JASMAN S. KHOSA, CPA  
KRYSTAL PARREIRA, CPA, MSA  
GINILU VANDERWALL, CPA  
KRISTI WEAVER, CPA



## **Auditors' 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 auditors' report that includes our opinion. 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 auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

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

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

## **Required Supplementary Information**

Management has omitted the management's discussion and analysis section 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.

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The schedule of selected financial data is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of selected financial data is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "M. Green and Company LLP". The signature is written in dark ink and is positioned above the printed text of the firm's name and location.

Tulare, California  
September 20, 2021

# EXETER PUBLIC CEMETERY DISTRICT

## STATEMENT OF NET POSITION JUNE 30, 2021

### ASSETS

#### CURRENT ASSETS:

Cash and cash investments	\$ 215,416	
Vault inventory	6,075	
Prepaid insurance	<u>9,859</u>	
Total current assets		\$ 231,350

RESTRICTED ASSETS, cash and cash investments 463,435

#### CAPITAL ASSETS:

Land	69,439	
Other capital assets, net of depreciation	<u>218,389</u>	
Total capital assets		<u>287,828</u>
Total assets		<u>\$ 982,613</u>

### LIABILITIES AND NET POSITION

#### CURRENT LIABILITIES:

Current portion, note payable	\$ 14,791	
Accounts payable	8,794	
Accrued vacation	<u>3,500</u>	
Total current liabilities		27,085

#### LONG-TERM LIABILITIES:

Note payable, net of current portion	15,310
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#### NET POSITION:

Invested in capital assets, net of related debt	257,727	
Restricted for cemetery care, expendable	15,301	
Restricted for cemetery care, nonexpendable	448,134	
Unrestricted	<u>219,056</u>	
Total net position		<u>940,218</u>
Total liabilities and net position		<u>\$ 982,613</u>

See notes to financial statements.



# EXETER PUBLIC CEMETERY DISTRICT

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION YEAR ENDED JUNE 30, 2021

### OPERATING REVENUES:

Sale of lots and services	\$ 288,100	
Sale of vaults and liners	77,031	
Miscellaneous	<u>44,945</u>	
Total operating revenues		\$ 410,076

### OPERATING EXPENSES:

Salaries and employee benefits	185,125	
Utilities	10,308	
Communications	2,207	
Legal and professional	22,555	
Insurance	11,763	
Repairs and maintenance, structures	18,106	
Repairs and maintenance, equipment	14,834	
Liners and vaults	40,889	
Office	863	
Interest	1,311	
Uniforms	5,907	
Administrative fees	1,777	
Miscellaneous	6,000	
Depreciation	<u>20,412</u>	
Total operating expenses		<u>342,057</u>
Operating income		68,019

### NONOPERATING REVENUES:

Sale of assets	1,352	
Interest income	8,404	
Property taxes	<u>81,406</u>	
Total nonoperating revenues		91,162

### ADDITIONS TO PERMANENT ENDOWMENT CARE

Increase in net position		194,181
Net position, July 1, 2020		<u>746,037</u>
Net position, June 30, 2021		<u>\$ 940,218</u>

See notes to financial statements.



# EXETER PUBLIC CEMETERY DISTRICT

## STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2021

### CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers	\$ 410,076	
Cash payments to suppliers for goods and services	(139,561)	
Cash payments to employees for services	<u>(183,525)</u>	
Net cash provided by operating activities		\$ 86,990

### CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Cash received from property taxes and aid from other governmental agencies	81,406	
Cash received from permanent endowment care	35,000	
Payments on long-term debt	<u>(14,288)</u>	
Net cash provided by noncapital financing activities		102,118

### CASH FLOWS FROM INVESTING ACTIVITIES:

Interest income	8,404	
Cash used by property and equipment acquisition	<u>(3,259)</u>	
Net cash provided by investing activities		<u>5,145</u>
Net increase in cash and cash investments		194,253
Cash and cash investments, July 1, 2020		<u>484,598</u>
Cash and cash investments, June 30, 2021		<u>\$ 678,851</u>

(continued)

# EXETER PUBLIC CEMETERY DISTRICT

## STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2021

### RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Operating income	\$	68,019	
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation		20,412	
(Increase) decrease in:			
Prepaid insurance		(931)	
Vault inventory		653	
Increase (decrease) in:			
Accounts payable		(2,763)	
Accrued vacation		1,600	
Net cash provided by operating activities			\$ 86,990

### SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Noncash financing transactions:			
Cost of property and equipment acquisitions	\$	(50,048)	
Less gain on trade-in		2,400	
Less financed		44,389	
Net cash used by property and equipment acquisition			\$ (3,259)
Increase in long-term debt	\$	44,389	
Gain on trade-in		2,400	
Less financed property and equipment acquisitions		(46,789)	
Net cash provided by long-term debt			\$ -

See notes to financial statements.

# EXETER PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

### NOTE 1 – Summary of Significant Accounting Policies

#### Organization

The Exeter Public Cemetery District (the District) was formed to operate and maintain three cemeteries located within the District's boundaries. The District services the cities of Exeter, Farmersville, Lemon Cove, and Lindcove located in Tulare County, California. It is a State of California public district.

#### Reporting Entity

The District's basic financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District
- exclusion of the organization would render the financial statement incomplete or misleading

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB statements.

#### Fund Accounting

The operations of the District are accounted for in an enterprise fund. An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where costs (expenses, including depreciation) of providing services to the general public on a continuing basis are financed through user charges.

#### Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts of the District and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The accrual basis of accounting is required for enterprise funds and is utilized by the District. Under this method, revenues are recorded when earned and expenditures or expenses are recorded when incurred.

#### Operating and Nonoperating Revenues

Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as property taxes and investment earnings, result from nonexchange transactions or ancillary activities.



# EXETER PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

### NOTE 1 – Summary of Significant Accounting Policies (continued)

#### Budgetary Procedures

The District operates under a budget prepared and approved annually by the Board of Trustees. The budget is prepared on a detailed line item basis. Revenues are budgeted by source, and expenditures or expenses are budgeted by use (salaries and employee benefits, services and supplies, other charges, fixed asset acquisitions and contingencies). Once approved, the Board of Trustees may amend the adopted budget when unexpected modifications are required in estimated revenues and expenditures.

#### Cash and Cash Equivalents

For the purposes of these financial statements, the District considers cash and all other highly liquid investments with original maturities of three months or less at date of purchase to be cash and cash equivalents.

#### Capital Assets

Capital assets are recorded at cost and depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	15 – 40 years
Vehicles	7 – 10 years
Equipment	5 – 15 years

#### Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability of the District. Employees do not gain a vested right to accumulated sick leave; therefore, accumulated employee sick leave benefits are not recognized as a liability of the District but are recorded as expenditures in the year that sick leave is taken.

#### Equity Classifications

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The District reports three categories of net position as follows:

Net investment in capital assets, net of related debt – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.



# EXETER PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

### NOTE 1 – Summary of Significant Accounting Policies (continued)

#### Equity Classifications (continued)

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies restricted net position first, unless a determination is made to use unrestricted net position. The District's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

#### Inventory

The inventory of vaults and liners is stated at the lower of cost or market with cost determined using the first-in, first-out (FIFO) method.

#### Nature and Purpose of Restricted Net Position

Restricted net position includes amounts which are legally segregated for specific usage or commitments to outside third parties. Restricted net position presented in the statement of net position are for the maintenance and care of the cemetery facilities. These amounts include specific receipts from outside parties and the interest earned thereon. Per state law, the Board may not spend the principal of these restricted funds, however, the income is available for the current maintenance and care of the cemetery facilities. The expendable and nonexpendable components of the restricted net position as of June 30, 2021, were \$15,301 and \$448,134, respectively. The interest earned during the year ended June 30, 2021, was \$6,640.

#### Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. These taxes are levied from July 1 through June 30. Taxes are payable in two installments on November 1 and February 1 and are collected December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of Tulare bills and collects the taxes for the District. Property tax revenues are recognized by the District when received, except at year end, an accrual is made when property taxes are received soon enough thereafter to pay liabilities of the current period.

#### Income Taxes

The District is a governmental agency and is not subject to income taxes.

#### 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 that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Accordingly, actual results could differ from those estimates.

# EXETER PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

### NOTE 2 – Cash and Cash Investments

Statutes authorize districts to invest in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit, banker's acceptances, repurchase agreements, insured money market accounts, commercial paper, county investment pools and the State Treasurer's Local Agency Investment Fund.

The Board has adopted a formal investment policy which allows District funds to be invested in various items including bank and savings and loan associations fully insured by the Federal Deposit Insurance Corporation, and the Tulare County investment pool.

Cash and cash investments at June 30, 2021, were as follows:

Cash in County Treasury	\$ 678,851
Restricted and unrestricted cash and cash investments:	
Restricted for cemetery care	\$ 463,435
Unrestricted	215,416
Total cash and cash investments	\$ 678,851

The District's cash in County Treasury was not subject to credit risk categorization and is carried at cost which approximates fair value. All pooled funds are regulated by the California Government Code.

### NOTE 3 – Capital Assets

The following is a summary of changes in capital assets:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<u>Capital assets not being depreciated:</u>				
Land	\$ 69,439	\$ -	\$ -	\$ 69,439
<u>Other capital assets:</u>				
Buildings and improvements	496,703	3,259	-	499,962
Vehicles	47,390	-	-	47,390
Equipment	184,145	46,789	(27,013)	203,921
Total other capital assets				
at historical cost	728,238	50,048	(27,013)	751,273
Accumulated depreciation	(538,437)	(20,412)	25,965	(532,884)
Other capital assets, net	189,801	29,636	(1,048)	218,389
Capital assets, net	\$ 259,240	\$ 29,636	\$ (1,048)	\$ 287,828

# EXETER PUBLIC CEMETERY DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

### **NOTE 4 – Note Payable**

Due to KS StateBank, payable in monthly installments of \$1,300, including interest at 3.46 percent per annum. The first payment was due August 16, 2020, and the final payment is due July 16, 2023. The funding financed two lawnmowers. The debt is secured by the assets.

Changes in long-term debt are as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance June 30, 2021</u>
Note payable	\$ -	\$ 44,389	\$ 14,288	\$ 30,101

Future principal and interest repayment requirements are as follows:

	<u>Principal</u>	<u>Interest</u>
2022	\$ 14,791	\$ 808
2023	15,310	289
Totals	<u>\$ 30,101</u>	<u>\$ 1,097</u>

### **NOTE 5 – Commitments and Contingencies**

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which may negatively impacted net income. Other financial impacts could occur, though such potential impacts are unknown at this time.

### **NOTE 6 – Subsequent Events**

Management has evaluated subsequent events through September 20, 2021, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements, nor have any subsequent events occurred, the nature of which would require disclosure.

## **SUPPLEMENTARY INFORMATION**



# EXETER PUBLIC CEMETERY DISTRICT

## SELECTED FINANCIAL DATA YEAR ENDED JUNE 30

Description	2021	2020	2019	2018	2017
Sale of lots and services	\$ 288,100	\$ 160,800	\$ 163,950	\$ 160,200	\$ 173,000
Sale of vaults and liners	\$ 77,031	\$ 44,917	\$ 49,884	\$ 48,167	\$ 47,469
Total operating revenues	\$ 410,076	\$ 230,638	\$ 241,479	\$ 233,573	\$ 255,639
Total operating expenses	\$ 342,057	\$ 330,563	\$ 341,657	\$ 343,721	\$ 336,595
Property taxes and aid from governmental agencies	\$ 81,406	\$ 77,774	\$ 75,241	\$ 73,244	\$ 69,588
Increase (decrease) in net position, excluding endowment care	\$ 152,541	\$ (24,924)	\$ (15,476)	\$ (35,753)	\$ (17,006)
Cash and cash investments (bank and county)	\$ 215,416	\$ 63,153	\$ 78,603	\$ 91,178	\$ 102,421

See independent auditors' report.