

**EXETER MEMORIAL DISTRICT**  
**FINANCIAL STATEMENTS**  
**WITH INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2022**

**TABLE OF CONTENTS**

	<u>Page</u>
Management's Discussion and Analysis . . . . .	1-3
Independent Auditor's Report . . . . .	4-6
Financial Statements	
Statement of Net Position . . . . .	7
Statement of Activities . . . . .	8-9
Statement of Cash Flows . . . . .	10
Notes to the Financial Statements . . . . .	11-19
Other Independent Auditor's Report	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i> . . . . .	20-21
Supplementary Information	
Budget vs. Actual Schedule . . . . .	22-23

**EXETER MEMORIAL DISTRICT  
2021-2022 AUDIT REPORT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

This Management's Discussion and Analysis (MD&A) is intended to be an easily readable analysis of the Exeter Memorial District's financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the Independent Auditor's Report found on pages 4-6 and the financial statements that follow.

The MD&A is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

**Overview of the Financial Statements**

This report consists of the following three parts: Management's Discussion and Analysis (MD&A), Basic Financial Statements, and other Supplementary Information. The first two statements are condensed and present a government-wide view of the District's finances. Within this view, all District operations are categorized and reported as business-type activities. Business-type activities are activities that are supported by fees charged for goods or services.

Basic Financial Statements

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets of the District, the liabilities it owes, and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Business-type activities are reported on the accrual basis of accounting.
- The Statement of Activities identifies the District's revenues and expenses and summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the District's financial condition.

Government-wide Financial Statements

A condensed version of the Statements of Net Position as of June 30, is as follows:

	<u>2022</u>	<u>2021</u>
Assets	\$ 1,037,929	\$ 1,040,190
Current Liabilities	<u>18,886</u>	<u>11,063</u>
Net Position	<u>\$ 1,019,043</u>	<u>\$ 1,029,127</u>

**EXETER MEMORIAL DISTRICT  
2021-2022 AUDIT REPORT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Government-wide Financial Statements (Continued)

A condensed version of the Statement of Activities for the years ended June 30, is as follows:

	<u>2022</u>	<u>2021</u>
Total Revenues	\$ 358,570	\$ 325,636
Total Expenditures	<u>(368,654)</u>	<u>(304,473)</u>
Excess Revenues Over Expenditures	\$ <u>(10,084)</u>	\$ <u>21,163</u>

Capital Assets

At June 30, 2022 and 2021, the District had \$362,572 and \$295,818, respectively, invested in capital assets, consisting primarily of structure and improvements and equipment.

	<u>2022</u>	<u>2021</u>
Land	\$ 1	\$ 1
Structures and Improvements	1,105,096	998,175
Furniture and Fixtures	36,707	46,325
Maintenance Equipment	35,355	35,355
Kitchen Equipment	<u>48,771</u>	<u>48,771</u>
Total Capital Assets	1,225,930	1,128,627
Less Accumulated Depreciation	<u>(863,358)</u>	<u>(832,809)</u>
Net Capital Assets	\$ <u>362,572</u>	\$ <u>295,818</u>

During the year ended June 30, 2022 there were the following additions to capital assets:

Sliding Glass Doors	\$ 20,962
LED Message Sign	35,108
Internet Wiring	10,501
Light Pole - South Parking Lot	7,912
New Roof	<u>56,250</u>
	\$ <u>130,733</u>

During the year ended June 30, 2022, the District had disposed of the memorial building sign, a computer, a security camera system, and folding chairs.

**EXETER MEMORIAL DISTRICT  
2021-2022 AUDIT REPORT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Management's Comments on the Investment of District Funds**

The responsibility for the accounting and investment of District funds resides with the Board of Directors. The Board is limited in its investment choices by the applicable sections of the California Health and Safety code. Currently the District keeps its funds with the County of Tulare.

The District's funds are managed by the Tulare County Treasurer and the Board of Directors to achieve an adequate return with minimal risk.

**Management's Comments on Capital Assets and Long-Term Debt**

The District's capital assets consist of land, buildings, and equipment.

As of June 30, 2022, the District does not have any outstanding long-term liabilities.

**Financial Contact**

The District's financial statements are designed to present users (citizens, taxpayers, customers, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, please contact the District's Board at P.O. Box 496, Exeter, CA 93221.

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Exeter Memorial District  
Exeter, California

### Opinions

We have audited the accompanying financial statements of the business-type activities of the Exeter Memorial 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 business-type activities of the Exeter Memorial District as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows 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. 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 Exeter Memorial District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

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

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

In performing an audit in accordance with generally accepted auditing standards, 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 Exeter 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**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-3 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.

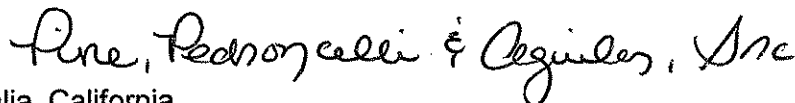
We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Exeter Memorial District's basic financial statements. The Budget vs. Actual Schedule on pages 22-23 is presented for purposes of additional analysis and are not a required part of the basic financial statements. The budget 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. Such 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 Budget vs. Actual Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2023, on our consideration of Exeter Memorial District's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Ducor Community Services District's internal control over financial reporting and compliance.



Visalia, California  
February 21, 2023

**EXETER MEMORIAL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2022**

**ASSETS**

**CURRENT ASSETS**

Cash in County Treasury	\$ 659,007
Prepaid Insurance	15,511
Prepaid Expenses	<u>839</u>
Total Current Assets	<u>675,357</u>

**NON CURRENT ASSETS**

Capital Assets:	
Nondepreciable	1
Depreciable, Net	<u>362,571</u>
Net Property and Equipment	<u>362,572</u>

<b>TOTAL ASSETS</b>	<u><u>1,037,929</u></u>
---------------------	-------------------------

**LIABILITIES**

Accounts Payable	13,289
Accrued Vacation	<u>5,597</u>

<b>TOTAL LIABILITIES</b>	<u><u>18,886</u></u>
--------------------------	----------------------

**NET POSITION**

Net Investment in Capital Assets	362,572
Unrestricted Net Position:	
Unrestricted, Board Designated - Capital Investment	105,099
Undesignated	<u>551,372</u>

<b>TOTAL NET POSITION</b>	<u><u>\$ 1,019,043</u></u>
---------------------------	----------------------------

The accompanying notes are an integral part of these financial statements.



**EXETER MEMORIAL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

Operating Revenues:	
Facilities Rental	\$ <u>35,660</u>
 Total Operating Revenues	 <u>35,660</u>
 Operating Expenses:	
Salaries and Wages	94,812
Employee Benefits	54,551
Payroll Taxes	7,031
Worker's Compensation Insurance	4,490
Communications	2,587
Depreciation Expense	38,502
Household Supplies	8,261
Insurance	14,174
Repairs and Maintenance for Equipment	999
Repairs and Maintenance for Building and Improvements	40,134
Equipment Replacement	863
Memberships	2,605
Miscellaneous Expense	628
Office Expense	726
Outside Services	26
Professional Services	24,925
Travel Expense	856
Utilities	<u>63,589</u>
 Total Operating Expenses	 <u>359,759</u>
 Operating Loss	 <u>(324,099)</u>

The accompanying notes are an integral part of these financial statements.

**EXETER MEMORIAL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

Non-Operating Revenues (Expenses):	
Property Taxes	\$ 315,312
Investment Income	7,043
Other Revenue	555
Loss on Disposal of Assets	(1,665)
Tax Administration Fees	<u>(7,230)</u>
Non-Operating Revenues (Expenses), Net	<u>314,015</u>
Change in Net Position	(10,084)
NET POSITION, Beginning of the Year	<u>1,029,127</u>
NET POSITION, End of the Year	<u>\$ 1,019,043</u>

The accompanying notes are an integral part of these financial statements.

**EXETER MEMORIAL DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in Net Position	\$ (10,084)
Adjustments to Reconcile Change in Net Position to	
Net Cash Flows from Operating Activities:	
Depreciation	38,502
Loss on Disposal of Assets	1,665
Increase in Operating Assets:	
Prepaid Expenses	(213)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	8,641
Accrued Payroll	(378)
Accrued Vacation	<u>(440)</u>
Net Cash Provided by Operating Activities	<u>37,693</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Acquisition of Equipment	<u>(106,921)</u>
Net Cash Used by Investing Activities	<u>(106,921)</u>
Net Decrease in Cash	(69,228)
Cash - Beginning of Year	<u>728,235</u>
<b>CASH - END OF YEAR</b>	<b>\$ <u>659,007</u></b>

The accompanying notes are an integral part of these financial statements.

**EXETER MEMORIAL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

1. Summary of Significant Accounting Policies

Organization of the District

Exeter Memorial District (the District) is a California Special District organized to maintain a building for military veterans organizations. It was formed in 1953 and the building was completed in 1954.

Reporting Entity

The District's basic financial statements include the accounts of all of 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, as set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, 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 statements 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.

Basis of Accounting

Basis of accounting refers to when revenues and 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 proprietary fund types and is utilized by the District. Under this method, revenues are recorded when earned and expenses are recorded when incurred.

This report has been prepared in accordance with accounting principles generally accepted in the United States of America. The District applies all Governmental Accounting Standards Board pronouncements as well as the Financial Accounting Standards Board pronouncements issued after November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board pronouncements.

Operating and Non-Operating Revenues

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

**EXETER MEMORIAL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

1. Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting

By state law, the District's governing board must approve a tentative budget no later than July 1 and adopt a final budget no later than September 15. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

The budget is revised by the District's governing board during the year to give consideration to unanticipated income and expenditures. This was not considered necessary during the year ended June 30, 2022.

Cash Equivalents and Investments

The District considers all highly liquid investments (including restricted cash and investments) with maturities of three months or less when purchased to be cash equivalents. This includes bank accounts and deposits with the County of Tulare ("County").

The County is authorized to deposit cash and invest excess funds by California Government Code Section 5648 et seq. The funds maintained by the County are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with Tulare County Treasury indicates that the amount was less than 1% for the year ended June 30, 2022.

Deposits and Investments

The District maintains all its cash in the Tulare County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

**EXETER MEMORIAL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are reported at actual cost or estimated historical cost if historical records are not available. Donated assets are reported at estimated fair value at the time received. Maintenance and repairs are charged to expenses as incurred and improvements and renewals are capitalized.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset amounts), depreciation methods, and estimated useful lives of capital assets are reported as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	All	N/A	N/A
Structures and Improvements	\$1,000	Straight-Line	10-40
Equipment	\$500	Straight-Line	5-25

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Accrued Vacation

Employees earn vacation benefits based on the number of years of service with the District ranging from 40 hours to 120 hours with a maximum accrual allowed up to 200 hours. Accrued vacation has been provided based upon each employee's unused vacation at June 30, 2022, at the employees' current rate of pay.

**EXETER MEMORIAL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

1. Summary of Significant Accounting Policies (Continued)

Net Position

Net position comprise the various net earnings from operating income, non-operating revenues and expenses and capital contributions. Net position are classified in the following three components:

*Net Investment in Capital Assets* - This component of net position consists of 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* - This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

Property Tax

Under California law, property taxes are assessed and collected by the County up to 1% of the assessed value, plus other increases approved by the voters. The property taxes go into a pool and are allocated to the District based on formulas, which were established by the County of Tulare and the cities and districts within the County. The property tax calendar for the District is as follows:

Lien Date	January 1
Levy Date	July 1 through June 30
Due Dates	November 1 and February 1
Collection Dates	December 10 and April 10

Property tax revenues are recognized when they become measurable and available to finance current liabilities. Property taxes on the unsecured roll are assessed on January 1 lien date and become delinquent if unpaid on September 30.

Management's Review

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through February 21, 2023, the date the financial statements were available to be issued.

**EXETER MEMORIAL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**2. Cash and Investments**

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

**Pooled Funds:**

Cash in County Treasury Investment Fund	\$ <u>659,007</u>
---	-------------------

The District's cash in the Tulare County Treasury is pooled with other entities and invested in several types of investments. The total of Tulare County Investments as of June 30, 2022 was as follows:

<u>Credit Rating</u>	<u>Book Value</u>	<u>% of Portfolio</u>
AAA	\$ 232,635,139	9%
A-1+/A-1(Short-Term Rating)	491,021,728	18%
AA	1,435,350,211	53%
A	430,341,209	16%
BBB**	11,833,747	<1%
Not Rated ***	66,213,293	2%
Cash****	<u>25,934,722</u>	<u>1%</u>
<b>Total Portfolio</b>	<b>\$ <u>2,693,330,049</u></b>	<b><u>100%</u></b>

\*\*Securities rated in the BBB category by S&P are rated A- or equivalent or better by at least one NRSRO or were rated A- or the equivalent or better by at least one NRSRO at time of purchase.

\*\*\*The portion of the portfolio that is invested in LAIF, the State of California pooled investment fund, is not rated. The remaining portion not rated comprises individual securities with ratings of A- or the equivalent or better by at least one NRSRO.

\*\*\*\*Fully collateralized in accordance with California government code.

Investments Authorized by the District's Investment Policy

The District's Investment Policy only authorizes investment in the local government investment pool administered by the County of Tulare, California and time certificates of deposit. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk.



**EXETER MEMORIAL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

2. Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2022, the weighted average maturity of the investments contained in the County of Tulare investment pool is approximately 691 days.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment.

<u>Investment Type</u>	<u>Amount</u>	<u>Maturity Date</u>
County Investment Pool	\$ 659,007	691 days

Disclosures Relating to Interest Rate Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County of Tulare Investment Pool does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investment policy of the County contains a limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represents more than 10% of Total County's investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institutions, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

**EXETER MEMORIAL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

2. Cash and Investments (Continued)

Custodial Credit Risk (Continued)

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in possession of another party. The California Government Code and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

The County is a voluntary participant in the State Treasurer's Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported at amounts based upon the County's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The Tulare County Treasury is authorized to invest in the following:

A listing of the securities owned by the Tulare County as of June 30, 2022 is shown below:

	Portfolio Composition		% of Portfolio	% Permitted by Policy
	Book Value	Market Value		
U.S. Treasuries	\$ 654,148,548	\$ 626,126,353	24%	100%
Federal Agencies	715,152,251	683,668,194	27%	75%
Agency Mortgage Backed Securities	13,743,225	13,359,482	1%	
U.S. Instrumentalities - Supernationals	68,914,113	66,731,249	3%	30%
Negotiable Certificates CD's	269,378,962	268,511,020	10%	30%
Corporate Bonds and Notes	490,431,517	476,627,766	18%	30%
Municipal Obligations	84,075,100	82,169,756	3%	30%
Asset Backed Securities	31,845,581	30,925,452	1%	20%
Commercial Paper	223,021,729	222,587,102	8%	40%
Local Agency Investment Fund	184,719	184,719	<1%	\$75 million
CAMP	110,264,780	110,264,780	4%	50%
Money Market Funds	6,234,801	6,234,801	<1%	15%
Money Market Accounts	13,511,099	13,511,099	1%	50%
Cash	12,423,624	12,423,624	<1%	100%
	<u>\$ 2,693,330,049</u>	<u>\$ 2,613,325,397</u>	<u>100%</u>	

**EXETER MEMORIAL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

2. Cash and Investments (Continued)

All cash is payable to the District upon demand. Exeter Memorial District's portion of pooled funds at June 30, 2022 was \$659,007.

3. Capital Assets

The following is a summary of the changes in capital assets as of June 30, 2022:

	Balance 7/1/2021	Additions	Deletions	Balance 6/30/2022
Nondepreciable Capital Assets:				
Land	\$ 1	\$ -	\$ -	\$ 1
Total Nondepreciable	1	-	-	1
Depreciable Capital Assets:				
Structures and Improvements	998,175	106,921	-	1,105,096
Furniture and Fixtures	46,325		9,618	36,707
Maintenance Equipment	35,355	-	-	35,355
Kitchen Equipment	48,771	-	-	48,771
Total Depreciable Capital Assets	1,128,626	106,921	9,618	1,225,929
Less Accumulated Depreciation				
Structures and Improvements	718,142	32,962	-	751,104
Furniture and Fixtures	40,882	2,049	7,953	34,978
Maintenance Equipment	28,132	1,850	-	29,982
Kitchen Equipment	45,653	1,641	-	47,294
Total Accumulated Depreciation	832,809	38,502	7,953	863,358
Net Depreciable Capital Assets	295,817	68,419	1,665	362,571
Total Capital Assets, Net	\$ 295,818	\$ 68,419	\$ 1,665	\$ 362,572

**EXETER MEMORIAL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**4. Retirement Plan**

The District makes contributions to each eligible employees' Simplified Employee Pension (SEP) plan account. The amount of the contribution is based on management's discretion and is limited to a maximum of 25% of covered compensation. The employees are 100% vested. The District contributed 13% of qualified salary expenditures to the plan.

The District contribution information for the year ended June 30, 2022 is as follows:

<u>Number of Employees Covered</u>	<u>Total Employer Contribution</u>	<u>Total Qualified Salary</u>
2	\$ <u>11,476</u>	\$ <u>89,485</u>

**5. Risk Management**

The District has purchased commercial insurance policies for various risks of loss related to torts; theft, damage or destruction of assets; wrongful acts; injuries to employees; and employee health and life. Payments of premiums for these policies are recorded as expenses of the District. Insurance settlements have not exceeded insurance coverage in any of the past three years. There are no significant reductions in coverage compared to the prior years.

OTHER INDEPENDENT AUDITOR'S REPORT

**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 Directors of  
Exeter Memorial District  
Exeter, 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 business-type activities of Exeter Memorial District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Exeter Memorial District's basic financial statements, and have issued our report thereon dated February 21, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Exeter Memorial District's internal control over financial reporting (internal control) to determine the 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 Exeter Memorial District's internal control. Accordingly, we do not express an opinion on the effectiveness of Exeter Memorial 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.

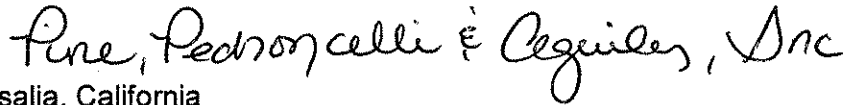
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Exeter Memorial District's financial statements are free of 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 determination of financial statement amounts. 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*.

**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.



Visalia, California  
February 21, 2023

## OTHER SUPPLEMENTARY INFORMATION

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information that is required by other entities.



**EXETER MEMORIAL DISTRICT  
BUDGET VS ACTUAL SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2022**

	Original / Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
Property Taxes	\$ 291,000	\$ 315,312	\$ 24,312
Investment Income	11,000	7,043	(3,957)
Facilities Rental	8,000	35,660	27,660
Other Revenue	-	555	555
Loss on Disposal of Assets	-	(1,665)	(1,665)
Total Revenue	<u>310,000</u>	<u>356,905</u>	<u>46,905</u>
<b>EXPENDITURES</b>			
Salaries and Wages	147,000	94,812	52,188
Employee Benefits	77,000	54,551	22,449
Payroll Taxes	7,750	7,031	719
Worker's Compensation Insurance	2,300	4,490	(2,190)
Agricultural	1,000	-	1,000
Communications	2,500	2,587	(87)
Depreciation Expense	-	38,502	(38,502)
Household Supplies	10,000	8,261	1,739
Insurance	20,000	14,174	5,826
Maintenance - Equipment	5,000	999	4,001
Maintenance - Buildings and Improvements	150,000	40,134	109,866
Equipment Replacement	-	863	(863)
Memberships	1,000	2,605	(1,605)
Miscellaneous Expense	2,000	628	1,372
Office Expenses	2,200	726	1,474
Outside Services	-	26	(26)
Professional Services	30,000	24,925	5,075
Publications	250	-	250
Rents and Leases Equipment	3,000	-	3,000
Small Tools	750	-	750
Special Expense	500	-	500

See independent auditor's report.

**EXETER MEMORIAL DISTRICT  
BUDGET VS ACTUAL SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2022**

	Original / Final Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES (Continued)</b>			
Tax Administrative Fee	\$ 6,700	\$ 7,230	\$ (530)
Transportation and Travel	1,000	856	144
Utilities	<u>58,000</u>	<u>63,589</u>	<u>(5,589)</u>
Total Expenditures	<u>527,950</u>	<u>366,989</u>	<u>160,961</u>
Excess Revenues Over (Under) Expenditures	<u>(217,950)</u>	(10,084)	<u>207,866</u>
Net Position, Beginning of Year		<u>1,029,127</u>	
Net Position, End of Year		<u>\$ 1,019,043</u>	

See independent auditor's report.