

HAPPY HOMESTEAD CEMETERY DISTRICT
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

HAPPY HOMESTEAD CEMETERY DISTRICT

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LARRY BAIN, CPA

An Accounting Corporation

Member of American Institute of Certified Public Accountants

Member of AICPA Peer Review Program

2148 Frascati Drive, El Dorado Hills, CA 95762 / 916.601-8894

lpbain@sbcglobal.net

Board of Trustees

Happy Homestead Cemetery District

South Lake Tahoe, CA

Opinion

We have audited the accompanying financial statements of the governmental activities and fund information of Happy Homestead Cemetery District, as of and for the year ended June 30, 2023, 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 financial position of Happy Homestead Cemetery District as of June 30, 2023, and the changes in financial position of those activities and funds for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Happy Homestead Cemetery 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 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 Happy Homestead Cemetery District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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 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, including omissions, 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 Happy Homestead Cemetery 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 Happy Homestead Cemetery 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–8, the budgetary comparison for the General fund on page 27, the District's Employees' Retirement System Schedule of the District's Proportionate Share of the Net Pension Liability and the Retirement System Schedule of the District's Contributions on pages 28 and 29, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Larry Bain, CPA

Larry Bain, CPA
An Accounting Corporation
January 22, 2024

Happy Homestead Cemetery District
Required Supplementary Information
Management's Discussion and Analysis (Unaudited)
June 30, 2023

This section of the Happy Homestead Cemetery District's annual financial report presents an analysis of the District's financial performance during the fiscal year ended June 30, 2023. This information is presented in conjunction with the audited basic financial statements, which follows this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2023

- The assets of the District exceeded liabilities at the close of the 2022-2023 fiscal year by \$1,640,574 (net position), of this amount, \$396,435 (unrestricted net position) may be used to meet ongoing obligations to constituents and creditors, and \$566,376 is invested in capital assets, net of related debt.
- The General Funds fund balance increased \$3,447 and the Perpetual Care Fund increased \$25,372.
- As of June 30th 2023 the District's governmental funds reported combined fund balances of \$1,852,573. \$139,762 of the fund balance is unassigned. The rest of the fund balance is either restricted for perpetual care and prepaid burials or committed to capital projects.
- At the end of the fiscal year, fund balance for the general fund was \$1,203,629 or 228% of the total general fund expenditures.
- The Districts total cash balance increased by \$50,515 to \$1,923,531
- Interest Income of \$29,776 is higher than previous year by \$22,329.
- Property Tax Income of \$368,830 was up \$35,305 from previous year.
- Service Revenue Income of \$156,002 was higher by \$11,708 from previous year.
- Pre-need liability of \$552,446 increased \$36,557 over the start of the year.
- The Districts net pension liability increased by \$155,263 To \$325,466 at June 30, 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components, government – wide financial statements, fund financial statements and notes to the basic financial statements. This report also includes additional required supplementary information in addition to the basic financial statements.

REQUIRED FINANCIAL STATEMENTS

Government – Wide Financial Statements are designed to provide readers with a broad overview of District finances, in a manner similar to a private-sector business.

The *Statements of Net Position* include information on the District's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statements of Activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Happy Homestead Cemetery District
Required Supplementary Information
Management's Discussion and Analysis (Continued)
June 30, 2023

Both of these government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business type activities). The governmental activities of the District include general government-Cemetery Service. The District has no business- type activities.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and to demonstrate finance-related legal compliance. All of the funds of the District can be divided into one category: governmental funds.

Governmental funds – *are* used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as of balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changed in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the District's budgetary comparative information for the general fund.

**Happy Homestead Cemetery District
Required Supplementary Information
Management's Discussion and Analysis (Continued)
June 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

NET POSITION

A summary of the Districts Statement of Net Position is presented below

	Condensed Statement of Net Position	
	June 30, 2023	June 30, 2022
	Governmental Activities	Governmental Activities
Current and Other Assets	\$ 1,923,531	\$ 1,874,071
Capital Assets-Net	566,376	519,768
Total Assets	2,489,907	2,393,839
Deferred Outflow Pension Liabilities	154,681	142,433
Current/non-current	975,239	752,181
Deferred Inflows Pensions	28,775	77,693
Net Position:		
Invested in Capital Assets	566,376	519,768
Net Position Restricted	677,763	652,391
Unrestricted Net Position	396,435	434,239
Total Net Position	\$ 1,640,574	\$ 1,606,398

As the above table indicates, total assets went from \$2,393,839 to \$2,489,907 an increase of \$96,068 during the fiscal year ended June 30, 2023. This is primarily due to an increase in cash. Total liabilities went from \$752,181 to \$975,239 an increase of \$223,058. This is due primarily to an increase in the long term pension liability.

Net position increased by a net of \$34,176 to \$1,640,574.

Happy Homestead Cemetery District
Required Supplementary Information
Management's Discussion and Analysis (Continued)
June 30, 2023

Statement of Activities

A summary of the Districts Statement of Activities is presented below

	Condensed Statement of Activities Fiscal Year June 30, 2023	Fiscal Year June 30, 2022
	Governmental Activities	Governmental Activities
Program Revenues		
Charges for Services	\$ 104,890	\$ 123,428
General Revenue		
Property Taxes and Assessments	371,446	336,160
Contributions to permanent endowment	14,555	14,136
Interest and investment income	29,776	7,447
Other	183	968
Total Revenue	520,850	482,139
Expenses:		
Governmental Activities		
Cemetery Services	486,674	407,808
Total Change in Net Position	\$ 34,176	\$ 74,331

The statement of activities, identify the various revenue and expense items which affect the change in net position. The information indicates an increase of \$34,176 in net position from June 30, 2022 to June 30, 2023 from operations.

**Happy Homestead Cemetery District
Required Supplementary Information
Management’s Discussion and Analysis (Continued)
June 30, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

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

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

As of the end of the fiscal year, the District’s governmental funds reported total ending fund balances of \$1,203,629 in the General Fund and \$677,763 in the Perpetual Care Fund. Fund balances are restricted committed or assigned. The perpetual care fund, fund balance is restricted to show the portion that cannot be used for maintenance and the rest represents unspent interest revenue that has accrued in the account, which is assigned for perpetual care.

Budgetary Highlights

General fund revenues for the 2022-2023 fiscal year were budgeted at \$505,375 (final amended budget). The actual revenues were \$532,034. The District increased the general fund-fund balance by \$3,447 in the 2022-2023 fiscal year.

General fund expenditures were budgeted at \$539,237. The actual amount expended was \$528,588 or \$10,649 less than the final amended budget. The favorable expenditure variance was mainly due to less expenditures compared to those budgeted primarily in services and supplies expenditures. The district completed the retaining wall project, spending \$75,781 in the current year and \$98,033 over the life of the project.

CAPITAL ASSETS AND DEBT ADMINISTRATION

	CAPITAL ASSETS	
	(net of accumulated depreciation)	
	Governmental Activities	
	6/30/2023	6/30/2022
Land	\$ 60,000	\$ 60,000
Construction in Progress	-	22,252
Structures and site improvements	490,859	416,779
Equipment	15,517	20,737
Total	\$ 566,376	\$ 519,768

As of June 30, 2023 the District’s investment in capital assets totaled \$566,376 net of accumulated depreciation. The investment in capital assets includes cemetery district, land, site improvements, buildings and improvements, and equipment. The capital assets are presented in the government – wide statement of net position. Additional detail is presented in the notes to the financial statements.

**Happy Homestead Cemetery District
Required Supplementary Information
Management's Discussion and Analysis (Continued)
June 30, 2023**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

At the end of fiscal year 22-23 the district has completed the asphalt reseal of the new cemetery side including the roundabout, the retaining wall project below the shop including the landscaping, also some brick work around the Heavenly Niche area.

The district also completed the landscaping in the Meadowview cremation area, and the paving stones around the reflection areas.

LONG – TERM LIABILITIES

In the fiscal year ending June 30, 2023, the Districts Deposit Liabilities are \$552,446, Compensated Absences are \$55,188 and Net Pension Liability is \$325,466. The District currently has no outstanding long term leases.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In Fiscal year 23-24 the district plans on adding another directory board in front of the shop yard,, and a 3d map of the entire cemetery.

The district will also be placing a fence from the pump shed to the end of Block B, we will be adding a topped arbor to the Joe Tillson reflection area, and locating pipes for our crypt pre-bury we plan on doing in FY 25-26.

ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide the District's customers, investors and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Happy Homestead Cemetery District at, 1261 Johnson Blvd., South Lake Tahoe, California 96150.

HAPPY HOMESTEAD CEMETERY DISTRICT

**STATEMENT OF NET POSITION
JUNE 30, 2023**

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and investments	\$ 980,443
Imprest cash	1,030
Restricted cash and investments	942,058
Total current assets	<u>1,923,531</u>
Non-Current Assets	
Capital assets:	
Land	60,000
Construction in progress	-
Structures and improvements	965,406
Equipment	236,432
Less: accumulated depreciation	<u>(695,462)</u>
Total capital assets	<u>566,376</u>
Total non-current assets	<u>566,376</u>
Total asset	<u>2,489,907</u>
Deferred Outflows of Resources	
Deferred outflows-pensions	154,681
Total deferred outflows of resources	<u>154,681</u>
Liabilities	
Current liabilities:	
Accounts payables	32,889
Accrued salaries	9,250
Due within one year	8,095
Total current liabilities	<u>50,234</u>
Noncurrent liabilities:	
Due in more than one year	925,006
Total non-current liabilities	<u>925,006</u>
Total Liabilities	<u>975,239</u>
Deferred Inflows of Resources	
Deferred inflows-pensions	28,775
Total deferred inflows of resources	<u>28,775</u>
Net Position	
Net investment in capital assets	566,376
Restricted for:	
Perpetual care:	
Expendable	288,151
Nonexpendable	389,612
Unrestricted	396,435
Total net position	<u>\$ 1,640,574</u>

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

HAPPY HOMESTEAD CEMETERY DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Expenses	<u>Program Revenues</u> Charges for Services	Total
Governmental Activities:			
Cemetery services	\$ 486,674	\$ 104,890	\$ (381,784)
Total governmental activities	\$ 486,674	\$ 104,890	(381,784)

General revenues:

Taxes:

Property tax, levied for general purposes	371,446
Contributions to permanent endowment fund	14,555
Other	183
Investment income	29,776
Total general revenues	415,960
Change in Net Position	34,176
Net position - beginning	1,606,398
Net position - ending	\$ 1,640,574

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

HAPPY HOMESTEAD CEMETERY DISTRICT

**GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2023**

	General Fund	Permanent Fund <u>Perpetual Care</u>	<u>Totals</u>
Assets			
Cash and investments	\$ 692,292	\$ 288,151	\$ 980,443
Imprest cash	1,030		1,030
Restricted cash and investments	552,446	389,612	942,058
Total assets	<u>\$ 1,245,768</u>	<u>\$ 677,763</u>	<u>\$ 1,923,531</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 32,889	\$ -	\$ 32,889
Accrued salaries	9,250		9,250
Total liabilities	<u>42,139</u>		<u>42,139</u>
Fund Balances			
Restricted for imprest cash	1,030		1,030
Restricted for perpetual care		389,612	389,612
Restricted for prepaid burials	552,446		552,446
Committed for capital projects	510,391		510,391
Assigned for perpetual care		288,151	288,151
Unassigned	139,762		139,762
Total fund balances	<u>1,203,629</u>	<u>677,763</u>	<u>1,881,392</u>
Total liabilities and fund balances	<u>\$ 1,245,768</u>	<u>\$ 677,763</u>	<u>\$ 1,923,531</u>

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

HAPPY HOMESTEAD CEMETERY DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2023**

Total fund balances of governmental funds	\$ 1,881,392
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 funds.	566,376
Compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds.	(55,188)
The net pension liability and deferred inflows/outflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds.	(199,560)
The refundable value of pre-need services and products are not payable from current financial resources and therefore are not reported in the general fund. The statement of net position included this deposit liability: Deposits	<u>(552,446)</u>
Net position of governmental activities	<u>\$ 1,640,574</u>

HAPPY HOMESTEAD CEMETERY DISTRICT

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
JUNE 30, 2023**

	General Fund	Permanent Fund Perpetual Care	Totals
Revenues			
Property taxes	\$ 368,830	\$ -	\$ 368,830
Use of money and property	18,959	10,817	29,776
Intergovernmental	2,616		2,616
Charges for current services	141,447	14,555	156,002
Miscellaneous	183		183
Total revenues	532,035	25,372	557,407
Expenditures			
Public protection			
Salaries and benefits	339,678		339,678
Services and supplies	34,395		34,395
Insurance	6,895		6,895
Utilities	11,493		11,493
Maintenance	60,346		60,346
Capital Outlay	75,781		75,781
Total expenditures	528,588		528,588
Net change in fund balances	3,447	25,372	28,819
Fund balances, beginning of fiscal year	1,200,182	652,391	1,852,573
Fund balances, end of fiscal year	\$ 1,203,629	\$ 677,763	\$ 1,881,392

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

HAPPY HOMESTEAD CEMETERY DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2023**

Net change in fund balances - total governmental funds	\$ 28,819
Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of revenues, expenditures and changes in fund balances because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities. The costs of those assets is allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:	
Capital outlay	75,781
Current year depreciation expense	(29,173)
Changes in compensated absences and capital leases reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds.	(10,597)
Net pension liability and deferred inflows/outflows of resources reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds.	5,902
Payments made for refundable pre-need services and products are recognized as revenues when received in the General Fund. These revenues are recognized when earned in the government-wide financial statements:	
Change in deposits	<u>(36,557)</u>
Change in net position of governmental activities	<u>\$ 34,175</u>

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

HAPPY HOMESTEAD CEMETERY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

Note 1: Summary of Significant Accounting Policies

The financial statements of the Happy Homestead Cemetery District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The Happy Homestead Cemetery District (District) was organized in 1964 under the Health and Safety Code of the State of California. The District is located in the County of El Dorado surrounded by the City of South Lake Tahoe.

A local Board of Trustees consisting of three members governs the District. As provided in the California Health and Safety Code, Section 9020-9031, trustee appointments are approved by the El Dorado County Board of Supervisors for four year terms.

The District's specific powers and responsibilities as set-forth in Section 7, Part 4, Division 8 of the Health and Safety Code are summarized as follows:

- Maintain a cemetery limited in use to the burial of residents and taxpayers of the District.
- Establish rates charged for burials within the cemetery.
- Require deposits into an endowment fund that are sufficient to generate income that can be used to maintain the cemetery.
- Maintain an up-to-date plot/lot map.
- Maintain other required information on all persons buried in the cemetery.

Endowment Fund

In August 1984, California Assembly Bill No. 3245 amended section 8952 of the Health and Safety Code, requiring cemetery districts to establish an endowment care fund. The endowment fund accounts for the receipt of endowment deposits for each burial right sold, and accumulates interest.

The District has defined its reporting entity in accordance with accounting principles generally accepted in the United States of America, which provides guidance for determining which governmental activities, organizations and functions should be included in the reporting entity. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criterion for including a potential component unit within the reporting entity is the governing body's financial accountability. A primary governmental entity is financially accountable if it appoints a voting majority of a component unit's governing body and it is able to impose its will on the component unit, or if there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if a component unit is fiscally dependent on the primary governmental entity regardless of whether the component unit has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board

No operations of other entities met the aforementioned oversight criteria for inclusion or exclusion from the accompanying financial statements in accordance with the Governmental Accounting Standards Board Statement.

HAPPY HOMESTEAD CEMETERY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or as a reservation of fund balance. The District considers property taxes available if they are collected within sixty-days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as compensated absences and claims and judgments are recorded only when payment is due. General capital acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financial sources.

C. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government.

The statement of activities demonstrates the degree to which the program expenses are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function. Program revenues include 1) charges paid by the recipient of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

Fund Financial Statements

The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in separate columns.

The District reports the following major governmental funds:

General Fund - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists primarily of general government type activities.

Permanent Fund – This fund accounts for funds deposited for perpetual care of the District cemetery. The principle portion of these deposits is not available for use by the District.

The principle portion of the endowment deposits are recorded as restricted cash and restricted equity on the statement of net position and balance sheet of the District. The interest earned on the endowment care deposits is available for use by the District for the maintenance of the cemetery grounds.

HAPPY HOMESTEAD CEMETERY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 1: Summary of Significant Accounting Policies (Continued)

D. Budgetary Reporting

The District prepares an annual operating and capital budget, which is approved and adopted by the Board of Trustees. The budget serves as an approved plan to facilitate financial control and operational evaluation.

E. Use of Estimates in the Preparation of Financial Statements:

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Cash and Investments

The District deposits its cash in the El Dorado County Treasury. The County maintains a cash and investment pool that is available to all funds for which the County Treasury is the depository, for the purpose of increasing interest earnings through investment activities. In accordance with the requirements of the California State Government Code, a Treasury Oversight Committee has been formed to provide oversight for the County's *Investment Policy*, and arranges for the annual audit of the cash and investment pool. Copies of the Treasurer-Tax Collector's monthly reports and annual report can be obtained from the Treasurer-Tax Collector's Office.

Investments are reported at fair value. Fair value represents the amount the District can reasonably expect to receive for an investment in a current sale between a willing buyer and seller. The fair value of investments is obtained from custodial investments. The fair value of the District's investments in the El Dorado County investment pool is determined on an amortized cost basis which approximates fair value.

G. Capital Assets

Capital assets have been acquired for general District purposes. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost or estimated cost where no historical records are available. Donated capital assets are valued at their estimated fair market value on the date donated. The District defines capital assets as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Capital assets are depreciated in the government-wide statements using the straight-line method over their estimated useful lives. The estimated useful lives are as follows:

Structures and improvements	10-25 years
Equipment	5-10 years

H. Compensated Absences

District employees accumulate unpaid vested benefits for compensatory time-off and vacation which is reported as a liability of the District. Vacation time accrues at varying amounts based on length of service up to a maximum 500 hours. Sick leave accrues at a rate of 96 hours a year. The accumulated benefits will be liquidated in future years as employees elect to use them. Upon termination or retirement, an employee will receive compensation for unused vacation and sick leave.

HAPPY HOMESTEAD CEMETERY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 1: Summary of Significant Accounting Policies (Continued)

I. Net Position

Net position comprises the various net earnings from operating income, non-operating revenues and expenses and capital contributions. Net position is 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 (if any). If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment and capital asset. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

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

J. Fund Balances – Governmental Funds

The District adopted a policy for GASB Statement No. 54, Fund Balance Reporting. GASB 54 establishes fund balance classifications that comprise a hierarchy based on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. While the classifications of fund balance in the District’s various governmental funds were revised, the implementation of this standard had no effect on total fund balance.

K. Property Tax Revenue

El Dorado County, through the Auditor-Controller’s Office and the Treasurer-Tax Collector, is responsible for assessing, collecting and distributing property taxes in accordance with enabling legislation. Property taxes, in general, attach as an enforceable lien on property on January 1. Taxes are levied on July 1 and are payable in two installments, November 1 and February 1. The County apportions property taxes according to the alternative method of distribution known as the Teeter Plan. Under the Teeter Plan, the current year’s secured property tax levy is distributed to participating agencies within the County without consideration of delinquency factors. The district recognizes property taxes as revenue when the County distributes them.

Note 2: Cash and Investments:

Cash and investments at June 30, 2023, consisted of the following:

Imprest cash	\$	1,030
Cash and investment in the County Treasurer		692,292
Restricted investments-County Treasurer		<u>1,230,209</u>
Total cash and investments	\$	<u><u>1,923,531</u></u>

HAPPY HOMESTEAD CEMETERY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 2: Cash and Investments (Continued)

A. Investments Authorized by the California Government Code and the Entity’s Investment Policy

The table below identifies the **investment types** that are authorized for the Happy Homestead Cemetery District by the California Government Code (or the District’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District’s investment policy, where more restrictive) that address **interest rate risk, credit risk and concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District investment policy.

CGC Section	Authorized Investment Type	Maximum Maturity	Authorized Limit (%)	Required Rating
53601 (a)	Local Agency Bonds	5 years	None	None
53601 (b)	US Treasury Bills, Notes or Bonds	5 years	None	None
53601 (c)	State Registered Warrants, Notes, or Bonds	5 years	None	None
53601 (d)	Notes and bonds of other Local California Agencies	5 years	None	None
53601 (e)	US Agencies	5 years	None	None
53601 (f)	Bankers Acceptances	270 days	40%	None
53601 (g)	Prime Commercial Paper	180 days	15% or 30%	A1/P1
53601 (h)	Negotiable Certificates of Deposit	5 years	30%	None
53601 (i)	Repurchase and Reverse Purchase Agreements	1 Year/92 Days	None/20%	None
53601 (j)	Medium Term Corporate Notes	5 years	30%	A
53601 (k)	Money Market Mutual Funds and Mutual Funds	5 years	20%	2-AAA
53601 (m)	Collateralized Bank Deposits	5 years	None	None
53601 (n)	Mortgage Pass-Through Securities	5 years	20%	AA
53635 (a)	County Pooled Investment Funds	N/A	None	None
6500 et seq	California Asset Management Program (CAMP)	N/A	None	None
16429.1	Local Agency Investment Fund (LAIF)	N/A	None	None

The Principal portion of investments held for endowment care is limited to the following investment types:

CGC Section	Authorized Investment Type	Maximum Maturity	Authorized Limit (%)	Required Rating
9066 (a)	Securities and obligation set forth in CGC Section 53601			
9066 (b)	US Treasury Bill, Notes or Bonds	None	None	None
9066 (c)	Notes and Bonds of other Local California Agencies	None	None	None
9066 (d)	State Registered Warrants, Notes, or Bonds	None	None	None
9066 (e)	Corporate Notes	None	None	None
9066 (f)	Certificates of Deposit (FDIC Insured)	None	None	None
9066 (g)	Savings & Loan Certificates (FSLIC Insured)	None	None	None

HAPPY HOMESTEAD CEMETERY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 2: Cash and Investments (Continued)

B. 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 and investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. 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 distribution of the District's investment maturity:

Investment Type	Totals	Remaining Maturity (in Months)	
		12 Months or Less	13-48 Months
El Dorado County*	\$ 1,922,501	\$ 1,922,501	\$ -
Totals	\$ 1,922,501	\$ 1,922,501	\$ -

*Not subject to categorization

C. Concentrations of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There are no investments to one issuer exceeding those limits.

D. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment of collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits; The California Government Code requires that a financial institution secured 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 government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2023, the District's carrying amount of deposits totaled \$1,030 and the bank balance was \$879 subject to coverage by the Federal Depository Insurance or covered by collateral held in the pledging bank's trust department in the District's name.

E. Investment in Government Pool

Investments are accounted for in accordance with the provisions of GASB Statement No. 31, which requires governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in fair value of investments in the year in which the change occurred. The District reports its investment in the El Dorado County investment pool at fair value based on quoted market information obtained from fiscal agents or other sources if the change is material to the financial statements.

HAPPY HOMESTEAD CEMETERY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 3: Capital Assets

Activity for the District’s capital assets is summarized below

	Balance July 1, 2022	Additions	Retirement/ Adjustments	Balance June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 60,000	\$ -	\$ -	\$ 60,000
Construction in progress	22,252		(22,252)	-
Capital assets, being depreciated:				
Structures and improvements	867,373	98,033		965,406
Equipment	236,432			236,432
Total capital assets, being depreciated	1,103,805	98,033		1,201,838
Less accumulated depreciation	(666,289)	(29,173)		(695,462)
Total capital assets, being depreciated, net	437,516	68,860		506,376
Governmental activities, capital assets, net	\$ 519,768	\$ 68,860	\$ (22,252)	\$ 566,376

Note 4: Long-Term Liabilities

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Amount Due In One Year
Deposit liability	\$ 515,889	\$ 52,672	\$ (16,115)	\$ 552,446	\$ -
Compensated absences	44,591	26,786	(16,189)	55,188	8,095
Net pension liability (note 5)	170,203	155,263		325,466	-
Totals	\$ 730,683	\$ 234,721	\$ (32,304)	\$ 933,100	\$ 8,095

Deposit Liability

Payments made for refundable pre-need services and products are collected in advance and recorded as a long-term liability until such time that services are rendered.

Compensated absences

The District recorded \$55,188 in accrued vacation and sick leave at June 30, 2023. The District policy authorizes payment of accumulated vacation and sick leave at time of separation from the District. This amount is accrued in accordance with GASB 16.

HAPPY HOMESTEAD CEMETERY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 5: Defined Benefit Pension Cost-Sharing Employer Plan

A. General Information about the Pension Plans

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

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 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52 - 67
Monthly benefits , as a % of eligible	1.50% to 2.00%	1.00% to 2.00%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	10.87%	7.47%

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 the 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.

For the year ended June 30, 2023, the contributions recognized as part of pension expense for each Plan were as follows:

Contributions-employer	\$	59,555
Contributions-employee (paid by employer)	\$	6,805

HAPPY HOMESTEAD CEMETERY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 5: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

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

As of June 30, 2023, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate share of Net pension liability
Miscellaneous Plans	\$ 325,466

The District’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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 plans relative to the projected contributions of all participating employers, actuarially determined.

The District’s proportionate share of the net pension liability as of June 30, 2022 and 2023 was as follows:

Proportion - June 30, 2022	0.00896%
Proportion - June 30, 2023	0.00696%
Change - Increase (Decrease)	-0.00201%

For the year ended June 30, 2023, the District recognized pension expense of \$65,868. At June 30, 2023, 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
Differences between expected and actual experience	\$ 2,158	\$ -
Changes of assumptions	33,351	
Net difference between projected and actual earnings on pension plan investments	59,617	
Changes in proportion		(7,836)
Change in proportionate share of contributions		(20,939)
District contributions subsequent to the measurement date	59,555	
Total	\$ 154,681	\$ (28,775)

\$59,555 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, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

HAPPY HOMESTEAD CEMETERY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 5: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

Measurement Period

Ended June 30:

2024	\$	(19,344)
2025		(13,761)
2026		3,218
2027		(36,464)
2028		-
Thereafter		-

Actuarial Assumptions – The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	6.90%

Discount Rate – The discount rate used to measure the total pension liability was 6.90% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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 returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded to the nearest one quarter of one percent.

HAPPY HOMESTEAD CEMETERY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 5: Defined Benefit Pension Cost-Sharing Employer Plan (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>New Strategic Allocation</u>	<u>Real Return Years 1-10 (1)(2)</u>
Global equity-cap weighted	30.0%	4.45%
Global equity non-cap weighted	12.0%	3.84%
Private equity	13.0%	7.28%
Treasury	5.0%	27.00%
Mortgage backed securities	5.0%	50.00%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	-5.0%	-0.59%

(1) An expected inflation of 2.30% used for this period

(2) Figures are based on the 2021-22 Asset Liability Management study.

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 each Plan, calculated using the discount rate for each 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>Discount Rate -1% (5.9%)</u>	<u>Current Discount Rate (6.9%)</u>	<u>Discount Rate +1% (7.9%)</u>
Miscellaneous	\$ 528,846	\$ 325,466	\$ (158,134)

Note 6: 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 together with other districts in the State carry Golden State Risk Management Insurance (GSRMA), a public entity risk pool currently operating as a common risk management and Joint Powers Authority for property, liability and workers compensation insurance. The District pays an annual contribution for property and liability insurance to GSRMA to share the risk management. Furthermore the District carries workers compensation coverage based upon actual payroll classified into rate categories pursuant to the rules published by the California Workers’ Compensation Insurance Rating Bureau. The GSRMA agrees to pay all amounts legally required by California Workers compensation laws.

The Agreement for Formation provides that GSRMA will be self-sustaining through member contributions and does not required additional contributions if claims exceed contributions. The agreement for formation stipulates that members are liable for their pro rata share of any fund deficits upon termination from or dissolution of GSRMA. At June 30, 2023 GSRMA had a fund surplus. Financial statements for GSRMA are available at the District’s office. Settlements have not exceeded insurance coverage in any of the last three years.

HAPPY HOMESTEAD CEMETERY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 7: Commitments and Contingencies

COVID 19

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of Happy Homestead Cemetery District could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. The District has not included any contingencies in the financial statements specific to this issue.

HAPPY HOMESTEAD CEMETERY DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Property taxes	\$ 330,375	\$ 348,375	\$ 368,830	\$ 20,455
Use of money and property	3,000	9,000	18,959	9,959
Intergovernmental	2,500	2,500	2,616	116
Charges for current services	145,000	145,000	141,447	(3,553)
Miscellaneous	500	500	183	(317)
Total Revenues	<u>481,375</u>	<u>505,375</u>	<u>532,035</u>	<u>26,660</u>
Expenditures:				
Cemetery services				
Salaries and benefits	346,737	346,737	339,678	7,059
Services and supplies	116,000	117,000	113,129	3,871
Capital Outlay	45,500	75,500	75,781	(281)
Total Expenditures	<u>508,237</u>	<u>539,237</u>	<u>528,588</u>	<u>10,649</u>
Net change in fund balance	<u>\$ (26,862)</u>	<u>\$ (33,862)</u>	3,447	<u>\$ 37,309</u>
Fund balances, beginning of fiscal year			<u>1,200,182</u>	
Fund balances, end of fiscal year			<u>\$ 1,203,629</u>	

HAPPY HOMESTEAD CEMETERY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

JUNE 30, 2023

<u>Reporting Date</u>	<u>District's proportion of the net pension liability (asset)</u>	<u>District's proportionate share of the net pension liability (asset)</u>	<u>District's covered-employee payroll</u>	<u>District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
<u>CalPERS-Misc</u>					
6/30/2015	0.00611%	\$150,897	\$104,549	144.33%	80.79%
6/30/2016	0.00576%	\$158,279	\$147,463	107.33%	81.95%
6/30/2017	0.00590%	\$204,768	\$164,292	124.64%	78.78%
6/30/2018	0.00617%	\$243,059	\$167,886	144.78%	72.94%
6/30/2019	0.00622%	\$234,404	\$190,923	122.77%	74.09%
6/30/2020	0.00658%	\$263,610	\$199,645	132.04%	73.54%
6/30/2021	0.00681%	\$287,144	\$205,192	139.94%	73.43%
6/30/2022	0.00896%	\$170,203	\$145,679	116.83%	72.11%
6/30/2023	0.00696%	\$325,466	\$148,363	219.37%	83.91%

* The amounts presented for each fiscal year were determined as of the fiscal year-end

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available is presented.

HAPPY HOMESTEAD CEMETERY DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
JUNE 30, 2023**

<u>Reporting Date</u>	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered employee payroll</u>	<u>Contribution as a percentage of covered- employee payroll</u>
<u>CalPERS-Misc</u>					
6/30/2015	\$17,157	(\$17,157)	\$0	\$104,549	16.41%
6/30/2016	\$18,169	(\$18,169)	\$0	\$147,463	12.32%
6/30/2017	\$21,988	(\$21,988)	\$0	\$164,292	13.38%
6/30/2018	\$25,568	(\$25,568)	\$0	\$167,886	15.23%
6/30/2019	\$30,306	(\$30,306)	\$0	\$190,923	15.87%
6/30/2020	\$35,074	(\$35,074)	\$0	\$199,645	17.57%
6/30/2021	\$32,617	(\$32,617)	\$0	\$205,192	15.90%
6/30/2022	\$35,551	(\$54,027)	(18,476)	\$145,679	24.40%
6/30/2023	\$41,029	(\$59,555)	(18,526)	\$148,363	27.65%

* The amounts presented for each fiscal year were determined as of the fiscal year-end

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available is presented.

HAPPY HOMESTEAD CEMETERY DISTRICT

**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

Note 1: Budgets and Budgetary Accounting

As required by the laws of the State of California, the District prepares and legally adopts a final balanced operating budget. Public hearings were conducted on the proposed final budget to review all appropriations and the sources of financing. Because the final budget must be balanced, any shortfall in revenue requires an equal reduction in financing requirements.

The budget for the general fund was adopted on the modified accrual basis of accounting. The budget for the general fund is the only legally adopted budget.

At the fund level, actual expenditures cannot exceed budgeted appropriations. In order to accommodate operational changes that may result during the course of a budget year, management can modify in line items of a budget, but cannot modify between objects without a Board resolution.

The budgetary data presented in the accompanying financial statements includes all revisions approved by the Board of Trustees.