

**OAK GROVE CEMETERY DISTRICT
FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2021**

**OAK GROVE CEMETERY DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2021**

Table of Contents

	<u>Page</u>
Board of Directors and Administration	1
Independent Auditor's Report	2 - 3
Management's Discussion and Analysis	4 - 7
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	10
Reconciliation of Governmental Funds Balance Sheet to Net Position of Governmental Activities	11
Statement of Revenues, Expenditures and Changes in Fund Balance	12
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balance of Governmental Funds to the Statement of Activities	13
Notes to Financial Statements	14-21
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – Governmental Funds	23

**OAK GROVE CEMETERY DISTRICT
BOARD OF DIRECTORS AND ADMINISTRATION
JUNE 30, 2021**

Board of Directors

Richard D. Schulz	President
Richard M. Alves	Member
Michael McMillan	Member

Administration

Judy Escalera	Bookkeeper/Office Administrator
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Independent Auditor's Report

To the Board of Directors
Oak Grove Cemetery District
Laton, California

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Oak Grove Cemetery District, as of June 30, 2021 and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

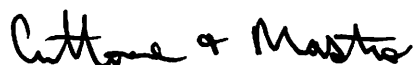
Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 and budgetary comparison information on page 23 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oak Grove Cemetery District's basic financial statements. The combining fund financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining fund financial statements are the responsibility of management and were derived from and relate 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 combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



April 6, 2022

OAK GROVE CEMETERY DISTRICT
Management's Discussion and Analysis

As management of the Oak Grove Cemetery District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the District's financial statements, which follow this section.

Overview of the Financial Statements

This annual financial report includes this management's discussion and analysis, the independent auditor's report, government-wide financial statements combined with the fund financial statements and notes that explain in more detail some of the information in the financial statements.

Government-Wide Financial Statements

The government wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner, which is similar to a private-sector business. They are presented on the accrual basis of accounting where revenues and expenditures are recognized on the date they occurred rather than on the date they were collected or paid.

The Statement of Net Position presents information on all of the District's assets, deferred outflow of resources, liabilities, and deferred inflow of resources with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

All of the District's functions are determined to be governmental activities versus business-type activities. The government wide financial statements are reported on combined statements on pages 8 and 9.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District only has two funds, general fund and endowment care fund, which are categorized as governmental funds.

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 current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements. The governmental funds statements are presented on pages 10 through 13

OAK GROVE CEMETERY DISTRICT
Management's Discussion and Analysis

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 statements of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this 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 are presented on pages 14 through 21.

Government-Wide Financial Analysis

As noted earlier, over time net position may serve as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the Oak Grove Cemetery District, assets exceeded liabilities by \$397,290 as of June 30, 2021 and an overall increase of \$117,134 over the prior year.

Net Position

A comparison of the Statement of Net Position can determine the change in the components of financial position (the assets and liabilities) of the District from year-end to year-end. This comparison is presented in the following table:

Condensed Statement of Net Position June 30, 2021 and 2020

	2021	2020	Dollar Change	Percentage Change
ASSETS				
Current and other assets	\$ 942,162	\$ 827,370	\$ 114,792	13.87%
Capital assets	98,866	103,025	(4,159)	-4.04%
Total Assets	<u>1,041,028</u>	<u>930,395</u>	<u>110,633</u>	<u>11.89%</u>
LIABILITIES				
Current liabilities	20,024	51,018	(30,994)	-60.75%
Deferred Inflows	623,714	599,221	24,493	4.09%
Total Liabilities	<u>643,738</u>	<u>650,239</u>	<u>(6,501)</u>	<u>-1.00%</u>
NET POSITION				
Invested in capital assets	98,866	103,025	(4,159)	-4.04%
Restricted	461,090	421,713	39,377	9.34%
Unrestricted	(162,666)	(244,582)	81,916	-33.49%
Total Net Position	<u>\$ 397,290</u>	<u>\$ 280,156</u>	<u>\$ 117,134</u>	<u>41.81%</u>

OAK GROVE CEMETERY DISTRICT
Management's Discussion and Analysis

The table shows the District's Net Position increased by \$117,134 primarily due to an increase in current and other assets.

Revenues, Expenses and Changes in Net Position

A comparison of the Statement of Revenues, Expenses and Changes in Net Position for each year will explain the changes in financial position that resulted from the operating activities during the year. This comparison is presented in the following table:

Condensed Statement of Revenues, Expenses and Changes in Net Position
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
REVENUES				
Program revenues				
Charges for services	\$ 208,592	\$ 100,222	\$ 108,370	108.13%
Grants and contributions	-	60	(60)	-100.00%
General revenues				
Taxes	123,660	119,743	3,917	3.27%
Investment earnings	<u>15,729</u>	<u>17,922</u>	<u>(2,193)</u>	<u>-12.24%</u>
Total Revenues	347,981	237,947	110,034	46.24%
EXPENSES				
Cemetery activities	<u>230,847</u>	<u>234,472</u>	<u>(3,625)</u>	<u>-1.55%</u>
Increase in net position	117,134	3,475	113,659	3270.76%
Beginning net position	<u>280,156</u>	<u>276,681</u>	<u>3,475</u>	<u>1.26%</u>
Ending Net Position	<u>\$ 397,290</u>	<u>\$ 280,156</u>	<u>\$ 117,134</u>	<u>41.81%</u>

The table shows the District's Net Position increased for the year ended June 30, 2021 by \$117,134. Factors contributing to this increase include:

- Compared to prior year the District's revenues increased \$110,034 or 46.24% across all sources of revenue.
- Compared to the prior year the District's expenses decreased by \$3,625 or 1.55% primarily due to operating supplies and small tools and depreciation.

Debt Service Requirements

The District has no long-term debt.

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2021 amounted to \$98,866 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements and equipment.

**OAK GROVE CEMETERY DISTRICT
Management's Discussion and Analysis**

Contacting the District's Management

This annual financial report is designed to provide our customers and creditors with a general overview of the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Oak Grove Cemetery District, 19811 South Cedar Avenue, Laton, California 93242.

OAK GROVE CEMETERY DISTRICT
STATEMENT OF NET POSITION
June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 305,906
Investments	148,154
Interest receivable	1,727
Inventory	16,293
Prepaid expense	<u>8,992</u>
Total current assets	<u>481,072</u>
Noncurrent assets	
Restricted for endowment - cash	223,950
Restricted for endowment - investments	235,697
Restricted for endowment - interest receivable	1,443
Capital assets (net of allowance for depreciation)	<u>98,866</u>
Total noncurrent assets	<u>559,956</u>
Total Assets	<u>1,041,028</u>
LIABILITIES	
Current liabilities	
Accounts payable and accrued expense	18,787
Accrued vacation and sick leave payable	<u>1,237</u>
	20,024
Deferred inflows	
Pre-need deposits	<u>623,714</u>
Total Liabilities	<u>643,738</u>
NET POSITION	
Net investment in capital assets	98,866
Restricted - nonspendable	403,155
Restricted - spendable	57,935
Unrestricted	<u>(162,666)</u>
Total Net Position	<u>\$ 397,290</u>

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

**OAK GROVE CEMTERY DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Cemetery activities	\$ 230,847	\$ 208,592	\$ -	\$ -	\$ (22,255)	\$ -	\$ (22,255)
Total governmental activities	<u>230,847</u>	<u>208,592</u>	<u>-</u>	<u>-</u>	<u>(22,255)</u>	<u>-</u>	<u>(22,255)</u>
General revenues:							
Unrestricted							
Property taxes					123,660	-	123,660
Interest					14,976	-	14,976
Net increase/(decrease) in fair value of investments					<u>753</u>	<u>-</u>	<u>753</u>
Total general revenues					<u>139,389</u>	<u>-</u>	<u>139,389</u>
Change in net position					117,134	-	117,134
Net position - beginning of year					<u>280,156</u>	<u>\$ -</u>	<u>280,156</u>
Net position, end of year					<u>\$ 397,290</u>	<u>\$ -</u>	<u>\$ 397,290</u>

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

**OAK GROVE CEMETERY PARK DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021**

	<u>General Fund</u>	<u>Endowment Care fund</u>	<u>Total</u>
ASSETS			
Cash & cash equivalents	305,906	223,950	529,856
Investments	148,154	235,697	383,851
Interest receivable	1,727	1,443	3,170
Inventory	16,293	-	16,293
Prepaid expense	<u>8,992</u>	<u>-</u>	<u>8,992</u>
Total Assets	<u>\$ 481,072</u>	<u>\$ 461,090</u>	<u>\$ 942,162</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued expense	\$ 18,787	\$ -	\$ 18,787
Accrued vacation and sick leave payable	<u>1,237</u>	<u>-</u>	<u>1,237</u>
	20,024	-	20,024
Deferred inflows			
Pre-need deposits	<u>623,714</u>	<u>-</u>	<u>623,714</u>
Total Liabilities	<u>643,738</u>	<u>-</u>	<u>643,738</u>
FUND BALANCE			
Nonspendable	25,285	403,155	428,440
Restricted	-	57,935	57,935
Unassigned/(deficit)	<u>(187,951)</u>	<u>-</u>	<u>(187,951)</u>
Total Fund Balance	<u>(162,666)</u>	<u>461,090</u>	<u>298,424</u>
Total Liabilities and Fund Balance	<u>\$ 481,072</u>	<u>\$ 461,090</u>	<u>\$ 942,162</u>

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

**OAK GROVE CEMETERY PARK DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE
SHEET TO NET POSITION OF GOVERNMENTAL ACITIVITES
June 30, 2021**

RECONCILIATION TO STATEMENT OF NET POSITION:

Amounts reported for governmental activities in the
Statement of Net Position are different because:

Total fund balance reported above	\$ (162,666)	\$ 461,090	\$ 298,424
Capital assets (net of depreciation) used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>98,866</u>	<u>-</u>	<u>98,866</u>
Total Net Position - Governmental Activities	<u>\$ (63,800)</u>	<u>\$ 461,090</u>	<u>\$ 397,290</u>

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

OAK GROVE CEMETERY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	<u>General</u>	<u>Endowment</u>	<u>Total</u>
	<u>Fund</u>	<u>Care</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
REVENUES			
Property taxes	\$ 123,660	\$ -	\$ 123,660
Sales and services	182,072	26,520	208,592
Interest & dividends	6,433	8,543	14,976
Net increase/(decrease) in fair value of investments	(4,201)	4,954	753
Total Revenues	<u>307,964</u>	<u>40,017</u>	<u>347,981</u>
EXPENDITURES			
Current			
Salaries and wages	105,113	-	105,113
Employee benefits	35,342	-	35,342
Communications	5,396	-	5,396
Cost of sales	17,955	-	17,955
Dues and memberships	1,478	-	1,478
Insurance	12,543	-	12,543
Legal and professional	2,231	120	2,351
Office supplies and postage	2,607	-	2,607
Operating supplies and small tools	12,662	-	12,662
Repairs and maintenance	4,830	-	4,830
Travel and transportation	3,142	-	3,142
Uniforms and laundry	2,774	-	2,774
Utilities	15,015	-	15,015
Capital			
Capital outlay	5,480	-	5,480
Total Expenditures	<u>226,568</u>	<u>120</u>	<u>226,688</u>
Excess of Revenues Over (Under) Expenditures			
Before Other Financing Sources (Uses)	81,396	39,897	121,293
OTHER FINANCING SOURCES (USES)			
Transfer in (out)	520	(520)	-
Fund Balance At Beginning Of Year	<u>(244,582)</u>	<u>421,713</u>	<u>177,131</u>
Fund Balance At End Of Year	<u>\$ (162,666)</u>	<u>\$ 461,090</u>	<u>\$ 298,424</u>

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

**OAK GROVE CEMETERY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021**

RECONCILIATION TO STATEMENT OF ACTIVITIES:

Net Changes in Fund Balance - Governmental Funds \$ 121,293

All capital outlays to purchase or build capital assets are reported in governmental activities as expenditures. However, for governmental activities those capital outlays other than non-capitalized items are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

Capital outlay	\$	5,480	
Depreciation expense		<u>(9,639)</u>	<u>(4,159)</u>

Total Changes in Net Position - Governmental Activities \$ 117,134

**OAK GROVE CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021**

(1) Description of Entity

(a) Description of Operations

Oak Grove Cemetery District was formed May 30, 1930 as a special district in the State of California and is governed by a three-person board of directors. The District was established to provide burial services for the Riverdale, Burrel, Lanare and Laton, California areas.

- (b) In accordance with the requirements of Statement No. 14, *The Financial Reporting Entity, of the Governmental Accounting Standards Board (GASB)*, the financial statements must present the District (the primary government) and its component units. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.

(2) Summary of Significant Accounting Policies

(a) Basic Financial Statements

The financial statements of the Oak Grove Cemetery District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applied to government 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 government's policies are described below.

Basic financial statements are presented at both the government-wide and fund financial level. Government-wide financial statements report information about the reporting unit as a whole. For the most, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business type activity. Taxes and other items not included among program revenues are reported instead as general revenues.

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. The District has no proprietary type funds, therefore only reports governmental type funds.

**OAK GROVE CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021
(continued)**

(b) Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred.

The District reports the following governmental funds:

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

The Endowment Care Fund accounts for legislative mandated maintenance activities of the District.

(c) 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 certificates of deposit and deposits with the County of Fresno investment pool.

(d) Inventory

Inventory consists of supplies held for consumption and are stated at cost on the first-in, first out basis. The stated value of inventory is not spendable.

(e) Capital Assets

Capital assets which include property, plant and equipment are reported in the government-wide financial statements. Capital assets are recorded at historical cost. Donated assets are recorded at estimated fair market value as of the date of the donation. The costs of normal maintenance and repairs that do not add to the value or capacity of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation on the remaining capital assets is provided on the straight-line basis over the following estimated useful lives:

**OAK GROVE CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021
(continued)**

The estimated useful lives of the various assets of the District are as follows:

<u>Type of Assets</u>	<u>Estimated Useful Life in Years</u>
Buildings and Improvements	10 - 40
Equipment	5 - 10

(f) Property Tax Revenues

The County of Fresno is the collection agency for taxes within the County. Taxes are recognized as revenues in the current year when the District is notified by the County of the amounts. They become a lien against the property on the date of levy. Taxes are due and payable at the County on April 10 and December 10 for real property and August 15 for personal property, and collections are remitted to the District.

(g) Economic Dependency

The District receives a substantial amount of its support from property tax revenue. During the year ended June 30, 2021, property tax revenues represent 35.5% of total revenue.

(h) Compensated Absences

Full-time, permanent employees are granted vacation benefits in specified maximums depending on tenure with the District. Unused vacation may be accumulated beyond each calendar year. Sick leave is granted to employees. Upon separation of service, employees may be entitled to compensation for their unused vacation amount.

(i) Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

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

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. **Restricted** – amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**OAK GROVE CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021
(continued)**

- b. **Committed** – amounts that can be used only for specific purposes determined by a formal action of the District Board (Board). The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or motions approved by the Board.
- c. **Assigned** – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board has the authority to assign amounts for specific purposes.
- d. **Unassigned** – all other spendable amounts.

When the District incurs an expense for which both restricted and unrestricted resources may be used, it is the policy of the District to use restricted resources first, then unrestricted resources.

(j) Budgets

The District adopts an annual budget. The governmental funds budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles (GAAP).

(k) Use of Estimates

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

(3) Cash and Cash Equivalents and Investments

All cash of the District are deposited in a Bank of the West bank account or the Fresno County Treasury where it is invested in savings accounts and short-term investments by the County Treasurer under the Fresno County cash management program. Interest income is allocated to the District by the Fresno County Treasury (the District's fiscal agent) quarterly based on its average cash balances. The District's investments in the Fresno County Treasury are stated at cost, which approximates market.

Cash and cash equivalents at June 30, 2021 consisted of the following:

Cash on Hand	\$	20
Cash in Banks		39,158
Fresno County		<u>490,678</u>
		529,856
Less Restricted Cash		<u>(223,950)</u>
Total Cash and Cash Equivalents, Unrestricted	\$	<u><u>305,906</u></u>

**OAK GROVE CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021
(continued)**

Investments at June 30, 2021 consisted of the following:

Morgan Stanley U.S. Government Sec Tr	\$148,154
Morgan Stanley Global Fixed Income Opp C	<u>235,697</u>
	383,851
Less Restricted Investments	<u>(235,697)</u>
Total Investments, Unrestricted	<u>\$148,154</u>

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2: Inputs to valuation methodology include inputs – other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level:				
Fresno County Treasurer Pooled Cash Fund	\$ 490,678	\$ -	\$ 490,678	\$ -
Mutual Funds	<u>383,851</u>	<u>383,851</u>	<u>-</u>	<u>-</u>
	<u>\$ 874,529</u>	<u>\$ 383,851</u>	<u>\$ 490,678</u>	<u>\$ -</u>

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Fresno County Treasurer Fund

The Fresno County Treasurer's Pooled Cash Portfolio (Pool) is a pooled investment fund program governed by the Fresno County's Board of Supervisors and administered by the Fresno County Treasurer. Investments in the Pool are highly liquid as deposits and withdrawals can be made at any time without penalty. The Pool does not impose a maximum investment limit. The Fresno County's bank deposits are either federally insured or collateralized in accordance with the California Government Code.

**OAK GROVE CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021
(continued)**

Authorized Deposits and Investments

The District's investment policy authorizes investments in the Fresno County Treasurer's Pooled Cash Portfolio and certificates of deposit and mutual funds with Morgan Stanley. The District's investment policy does not contain specific provisions intended to limit its exposure to interest rate risk, credit risk, custodial risk, and concentration of credit risk.

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. The District does not have a formal investment policy that would further limit investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

Disclosures Relating to Credit 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; however, the Fresno County Pool is not rated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss.

Concentration of Credit Risk, continued

The District's deposit portfolio with governmental agencies consists of Fresno County at 93% of the cash balance, of the District's total depository and investment portfolio. The District does not have a formal investment policy that would further limit exposure to concentration of credit risk.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does 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. As of June 30, 2021, the District did not have cash with banks that exceeded federal depository insurance limits.

**OAK GROVE CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021
(continued)**

The custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code does 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 Fresno County Pool).

(4) Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2021 was as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Building Improvements	115,509	-	889	114,620
Equipment	<u>178,735</u>	<u>5,480</u>	<u>1,594</u>	<u>182,621</u>
Total	299,244	5,480	2,483	302,241
Allowance for Depreciation	<u>(196,219)</u>	<u>(9,639)</u>	<u>(2,483)</u>	<u>(203,375)</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 103,025</u>	<u>\$ (4,159)</u>	<u>\$ -</u>	<u>\$ 98,866</u>

(5) Endowment Care Fund

The Endowment Care Fund was established to provide for the perpetual care of the cemetery through investment earnings generated from fees collected. Through June 30, 2021, \$403,155 has been accumulated by the Fund and must remain within the Fund, while \$57,935 is accumulated earnings and is available for cemetery maintenance.

(6) Deficit Fund Balance

The General Fund had a deficit fund balance of \$162,666 as of June 30, 2021.

(7) Fund Balance – Nonspendable and Restricted

The following is an analysis of reserved and designated fund balances as of June 30, 2021:

Nonspendable for:	
Endowment	\$403,155
Inventory and prepaids	25,285
Restricted for cemetery maintenance	<u>57,935</u>
	<u>\$486,375</u>

**OAK GROVE CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021
(continued)**

(8) Subsequent Events

The District evaluated subsequent events for recognition and disclosure through April 6, 2022, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2021 that required recognition or disclosure in such financial statements.

SUPPLEMENTARY INFORMATION

OAK GROVE CEMETERY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL-GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property Taxes	\$ 153,462	\$ 123,660	\$ (29,802)
Sales and services	105,170	208,592	103,422
Interest	8,350	14,976	6,626
Net increase/(decrease) in fair value of investments	<u>-</u>	<u>753</u>	<u>753</u>
Total Revenues	<u>266,982</u>	<u>347,981</u>	<u>80,999</u>
EXPENDITURES			
Current			
Salaries and wages	106,269	105,113	1,156
Employee benefits	42,407	35,342	7,065
Communications	5,790	5,396	394
Cost of sales	15,192	17,955	(2,763)
Dues and memberships	1,681	1,478	203
Insurance	12,919	12,543	376
Legal and professional	5,881	2,351	3,530
Office supplies and postage	3,948	2,607	1,341
Operating supplies and small tools	8,150	12,662	(4,512)
Repairs and maintenance	12,149	4,830	7,319
Travel and transportation	6,494	3,142	3,352
Uniforms and laundry	4,960	2,774	2,186
Utilities	17,919	15,015	2,904
Capital			
Capital Outlay	<u>-</u>	<u>5,480</u>	<u>(5,480)</u>
Total Expenditures	<u>243,759</u>	<u>226,688</u>	<u>17,071</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 23,223</u>	121,293	<u>\$ 98,070</u>
Fund Balance At Beginning Of Year		<u>177,131</u>	
Fund Balance At End Of Year		<u>\$ 298,424</u>	