

SANTA MARGARITA CEMETERY DISTRICT

Audited Financial Statements
June 30, 2020

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Santa Margarita Cemetery District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Santa Margarita Cemetery District (the District) as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2020, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance

and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2025, on our consideration of the Santa Margarita Cemetery District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim LLP

Santa Maria, California
July 29, 2025

Santa Margarita Cemetery District
Statement of Net Position
June 30, 2020

Governmental
Activities

ASSETS

CURRENT ASSETS

Cash and investments

\$ 190,682

Total current assets

190,682

CAPITAL ASSETS, net

24,312

Total assets

\$ 214,994

LIABILITIES AND NET POSITION

LIABILITIES

Accounts payable

\$ 778

Total liabilities

778

NET POSITION

Investment in capital assets

24,312

Restricted for endowment care

16,703

Unrestricted

173,201

Total net position

214,216

Total liabilities and net position

\$ 214,994

Santa Margarita Cemetery District
Statement of Activities
For the Fiscal Year Ended June 30, 2020

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Contributions and Grants	
Governmental activities				
Cemetery	\$ 44,342	\$ 2,397	\$ -	\$ (41,945)
Total governmental activities	<u>\$ 44,342</u>	<u>\$ 2,397</u>	<u>\$ -</u>	<u>(41,945)</u>
General revenues				
Taxes:				
Secured and unsecured property taxes				39,687
Investment income				3,598
State aid				<u>1,593</u>
Total general revenues				<u>44,878</u>
Change in net position				2,933
Net position, beginning of year				<u>211,283</u>
Net position, end of year				<u>\$ 214,216</u>

Santa Margarita Cemetery District
Governmental Funds – Balance Sheet
June 30, 2020

	<u>General Fund</u>	<u>Permanent Fund</u>	<u>Total</u>
ASSETS			
ASSETS			
Cash and investments	\$ 173,979	\$ 16,703	\$ 190,682
Total assets	<u>\$ 173,979</u>	<u>\$ 16,703</u>	<u>\$ 190,682</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 778	\$ -	\$ 778
Total liabilities	<u>778</u>	<u>-</u>	<u>778</u>
FUND BALANCES			
Nonspendable			
Perpetual care	-	16,703	16,703
Unassigned	<u>173,201</u>	<u>-</u>	<u>173,201</u>
Total fund balances	<u>173,201</u>	<u>16,703</u>	<u>189,904</u>
Total liabilities and fund balances	<u>\$ 173,979</u>	<u>\$ 16,703</u>	<u>\$ 190,682</u>

Santa Margarita Cemetery District
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
June 30, 2020

Total fund balances \$ 189,904

Amounts reported for governmental activities in the statement of net position
are different because:

In governmental funds, only current assets are reported. In the statement
of net position, all assets are reported, including capital assets and
accumulated depreciation.

Capital assets at historical cost \$ 162,283

Accumulated depreciation (137,971)

Net 24,312

Total net position \$ 214,216

Santa Margarita Cemetery District
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2020

Net change in fund balances \$ 15,089

Amounts reported for governmental activities in the statement of activities are
different because:

Capital assets are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets
is allocated over their useful lives as depreciation expense. This
is the amount by which additions to capital assets is greater
than depreciation expense of \$12,156 in the period.

(12,156)

Change in net position \$ 2,933

Santa Margarita Cemetery District
Notes to Basic Financial Statements
June 30, 2020

Note 1 – Summary of Significant Accounting Policies

Organization – The District began operating in 1915, under the authorization of the State of California, for the purpose of providing cemetery services. The District is administered and governed by a board of three trustees.

Reporting entity – The reporting entity is the Santa Margarita Cemetery District. There are no component units included in this report which meet the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39, No. 61, and No. 80.

Basis of Presentation

Government-wide financial statements – The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund financial statements – Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds' present increases and decreases in net current assets.

Basis of accounting – Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues

Exchange and non-exchange transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. For the District, "available" means collectible within the current period or within 60 days after fiscal year-end.

Note 1 – Summary of Significant Accounting Policies (Continued)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes and grants. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue – Unearned revenues arise when assets are received before revenue recognition criteria have been satisfied. Grants received before eligibility requirements are met are recorded as unearned revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as unearned revenue.

Expenses/expenditures – On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund accounting – The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance or net position, revenues, and expenditures. The District's resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into two major funds as follows:

Major governmental funds – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The Permanent Fund was created to account for funds received for future maintenance and care of the cemetery. The interest earned on the principal in the fund may be used for the general operation of the District. The fund principal may never be spent.

Budgets and budgetary accounting – The District adopts an annual budget on or before August 30. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations.

The Board of Trustees may amend the budget by motion during each fiscal year. The original and revised budgets are presented for the General Fund.

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended. Lease contracts entered into by the District are subject to annual review by the Board of Trustees; hence, they legally are one year contracts with an option for renewal for another fiscal year.

Santa Margarita Cemetery District
Notes to Basic Financial Statements
June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

Investments – Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and state investment pools are determined by the program sponsor.

Fair value measurements – The District categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure fair value, and consists of three levels:

Level 1 – Inputs are quoted prices in active markets for identical assets.

Level 2 – Inputs are observable, either directly or indirectly, but not quoted market prices.

Level 3 – Inputs are unobservable and rely on the District's own assumptions, including pricing models and discounted cash flow methodologies.

Investments are recorded at fair value when applicable. The District's recurring fair value measurements are based on market participant assumptions and are valued using pricing services or other appropriate valuation techniques, depending on the investment type and available inputs. The District's investment in the San Luis Obispo County Treasury Investment Pool is measured at fair value and classified as a Level 2 input within the fair value hierarchy. The fair value is based on the District's proportionate share of the pool's fair value as provided by the County Treasurer.

Encumbrances – Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the District.

Capital assets – Capital assets are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair value at the date of the contribution. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and estimated useful life in excess of two years.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the governmental column in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the statement of net position. The estimated useful lives are as follows:

Equipment	5 years
Structures	25 years

Accounts payable – Amounts due to vendors for goods and services received prior to year-end. Liabilities are recognized when incurred and are typically paid within 30 to 60 days.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the American Institute of Certified Public Accountants, 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 amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund balances – Fund balances of the governmental funds are classified as follows:

Nonspendable – Represents amounts that cannot be spent because they are either not in spendable form or legally required to remain intact.

Restricted – Represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed – Amounts constrained to specific purposes by formal action of the Board. These constraints can only be changed by the same formal action. Commitments are typically made through budget adoption or amendment.

Assigned – Amounts the District intends to use for specific purposes, as expressed by the Board or its designee. Assigned balances are not restricted or committed but are intended for a narrower purpose than the general operations of the District.

Unassigned – Residual amounts not classified in the above categories. The general fund is the only fund that may report a positive unassigned fund balance.

Spending order policy – When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Future accounting pronouncements – GASB Statements listed below will be implemented in the future financial statements:

Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal year beginning after December 15, 2019
Statement No. 89	"Accounting for Interest Cost Incurred Before the End of Construction Period"	The provisions of this statement are effective for fiscal year beginning after December 15, 2019
Statement No. 91	"Conduit Debt Obligations"	The provisions of this statement are effective for fiscal year beginning after December 15, 2020
Statement No. 92	"Omnibus"	The provisions of this statement are effective for fiscal year beginning after June 15, 2021
Statement No. 93	"Replacement of Interbank Offered Rates"	The provisions of this statement are effective for fiscal year beginning after June 15, 2021

Santa Margarita Cemetery District
Notes to Basic Financial Statements
June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

Statement No. 94	"Public-Private and Public-Public Partnerships and Availability	The provisions of this statement are effective for fiscal year beginning after June 15, 2022
Statement No. 96	"Subscription-Based Information Technology	The provisions of this statement are effective for fiscal year beginning after June 15, 2022
Statement No. 98	"The Annual Comprehensive Financial Report"	The provisions of this statement are effective for fiscal year beginning after December 15, 2021
Statement No. 99	"Omnibuss 2022"	Certain provisions of this statement are effective for fiscal year beginning after June 15, 2022 and June 15, 2023
Statement No. 100	"Accounting Changes and Error Corrections"	The provisions of this statement are effective for fiscal year beginning after June 15, 2023

Note 2 – Cash and Investments

The District maintains all its cash in the San Luis Obispo County Treasury, where it is pooled with the cash of other participating agencies. The County Treasurer invests the pooled funds in accordance with the California Government Code and the County's investment policy. Interest income is allocated quarterly based on each participant's average daily balance. Investment gains or losses are proportionately shared by all participants in the pool.

The District reports its investment in the County pool at fair value. As of June 30, 2020, the District's cash and investments totaled \$190,682 all of which was held in the San Luis Obispo County Investment Pool.

Investments authorized by the District's investment policy – The District's investment policy authorizes investment only in the local government investment pool administered by the County of San Luis Obispo. The policy does not contain specific provisions to limit exposure to interest rate risk, credit risk, or concentration of credit risk. The District relies on the County Treasurer's oversight and investment practices to manage these risks in accordance with the California Government Code.

Interest rate risk – The risk that changes in market interest rates will adversely affect the value of investments. Generally, the longer the maturity of an investment, the more its value is affected by changes in interest rates. The District manages its interest rate risk by investing solely in the County pool, which is structured to preserve principal and provide liquidity through a diversified and laddered portfolio.

Santa Margarita Cemetery District
Notes to Basic Financial Statements
June 30, 2020

Note 2 – Cash and Investments (Continued)

The following table summarizes the maturity of the District's investments as of June 30, 2020:

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months Or Less	13 - 24 Months	25 - 60 Months	More Than 60 Months
San Luis Obispo County Investment Pool	\$ 190,682	\$ 190,682	\$ -	\$ -	\$ -
Total	\$ 190,682	\$ 190,682	\$ -	\$ -	\$ -

Credit risk – The risk that an issuer or counterparty to an investment will fail to fulfill its obligations. The District's investment in the San Luis Obispo County Investment Pool is not rated. However, the County's investment policy is designed to comply with the California Government Code and prioritizes safety, liquidity, and diversification.

Concentration of credit risk – The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District's investments.

Custodial credit risk – Custodial credit risk for deposits is the risk that, in the event of a bank failure, the District may not be able to recover its deposits or collateral securities held by an outside party. Although the District's investment policy does not include specific provisions to limit this risk, the California Government Code requires that public deposits be secured by eligible securities held in an undivided collateral pool maintained by a regulated depository institution. The fair value of pledged securities must equal at least 110% of the total deposits not covered by federal depository insurance. Alternatively, financial institutions may pledge first trust deed mortgage notes valued at 150% of such deposits.

As of June 30, 2020, none of the District's deposits in excess of FDIC limits were exposed to custodial credit risk, as all were fully collateralized in accordance with state law.

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the District would be unable to recover the value of its investments or related collateral. This type of risk generally applies only to direct investments in marketable securities. Because the District invests solely through the San Luis Obispo County Investment Pool—a government investment pool—custodial credit risk does not apply.

Investment in San Luis Obispo County Investment Pool – The District participates in the San Luis Obispo County Investment Pool, which is managed by the County Treasurer in accordance with the California Government Code. The District's investment is reported at fair value in the accompanying financial statements, based on its pro-rata share of the fair value of the entire pool as provided by the County Treasurer. Although the County maintains its internal investment accounting records on an amortized cost basis, the fair value of the pool is determined and allocated to participants at year-end. The balance available for withdrawal is based on the County's accounting records.

Santa Margarita Cemetery District
Notes to Basic Financial Statements
June 30, 2020

Note 3 – Property Taxes

Property taxes in the State of California are administered at the county level and include secured, unsecured, and utility tax rolls. The following summarizes the key policies applicable to the District:

Property valuations – Assessed values for secured and unsecured property are determined by the San Luis Obispo County Assessor, while utility property is assessed by the State Board of Equalization. Under Article XIII A of the California Constitution (Proposition 13), properties are assessed at 100% of full cash value as of the date of purchase, change in ownership, or completion of new construction. Subsequent annual increases in assessed value are limited to a maximum of 2%. These limitations do not apply to personal property, which is subject to annual reappraisal at market value.

Tax levy and rate limitations – Property tax levies are limited to 1% of assessed value, resulting in a general tax rate of \$1.00 per \$100 of assessed valuation, pursuant to Proposition 13. Additional taxes for voter-approved indebtedness are not subject to this limitation.

Lien and levy dates – The lien date for secured and unsecured property taxes is January 1 preceding the fiscal year for which taxes are levied (July 1 to June 30). Taxes are levied based on ownership and property status as of that lien date. Liens remain attached to real property regardless of changes in ownership. Unsecured taxes, while not a lien on real property, become a lien if unpaid and delinquent.

Collection and due dates – The County Tax Collector is responsible for billing and collecting property taxes:

Secured roll taxes are payable in two installments:

- 1st installment: Due November 1, delinquent after December 10
- 2nd installment: Due March 1, delinquent after April 10

Unsecured roll taxes are due in one installment:

- Due July 1, delinquent after August 31

Penalties and interest apply for late payments in accordance with state law.

Apportionment of property taxes – Under legislation enacted after Proposition 13, the County Auditor-Controller allocates property tax revenues to local agencies using a formula based primarily on their proportionate share of the total countywide levy during the three years prior to fiscal year 1978–79. As a result, the District receives a fixed share of the 1% levy based on historical proportions.

Property tax administration fees – Pursuant to the State of California's FY 1990–91 Budget Act, counties are authorized to charge local agencies a property tax administration fee to recover costs associated with the collection and distribution of property taxes.

Santa Margarita Cemetery District
Notes to Basic Financial Statements
June 30, 2020

Note 4 – Capital Assets

Capital assets activity for the fiscal year ended June 30, 2020, are as follows:

	July 1, 2019	Additions	Deletions	June 30, 2020
Governmental activities				
Capital assets subject to depreciation				
Buildings and improvements	\$ 162,283	\$ -	\$ -	\$ 162,283
Less accumulated depreciation for				
Buildings and improvements	125,815	12,156	-	137,971
Total capital assets, net	<u>\$ 36,468</u>	<u>\$ (12,156)</u>	<u>\$ -</u>	<u>\$ 24,312</u>

Note 5 – Net Position

The government-wide financial statements utilize a net position presentation. GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This category represents net position of the District, not restricted for any project or other purpose.

Note 6 – Commitments and Contingencies

State and federal allowances, awards, and grants – The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under the terms of the grants, it is believed that any required reimbursements will not be material.

Litigation – According to the District's Trustees, no contingent liabilities are outstanding, and no lawsuits are pending of any real financial consequence.

Santa Margarita Cemetery District
Notes to Basic Financial Statements
June 30, 2020

Note 7 – Excess of Expenditures over Appropriations

Excess of expenditures over appropriations in individual funds is as follows:

<u>Fund</u>	<u>Excess Expenditures</u>
Major Fund:	
General Fund	
Services and supplies	\$ 7,095

Note 8 – Subsequent Events

The District has evaluated events and transactions occurring subsequent to June 30, 2020 through July 29, 2025, which is the date the financial statements were available to be issued. Based on this evaluation, there were no events identified that require adjustment to or disclosure in the accompanying financial statements.

Required Supplementary Information

Santa Margarita Cemetery District
Budgetary Comparison Schedule – General Fund
June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Cemetery sales and fees	\$ 2,500	2,500	\$ 2,397	\$ (103)
Taxes	28,000	28,000	39,687	11,687
Interest	1,500	1,500	3,598	2,098
State aid	-	-	1,593	1,593
Total revenues	<u>32,000</u>	<u>32,000</u>	<u>47,275</u>	<u>15,275</u>
EXPENDITURES				
Salaries and benefits	15,000	15,000	10,091	4,909
Services and supplies	15,000	15,000	22,095	(7,095)
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>32,186</u>	<u>(2,186)</u>
Net change in fund balance	2,000	2,000	15,089	13,089
FUND BALANCE, beginning of year	<u>138,007</u>	<u>138,007</u>	<u>158,112</u>	
FUND BALANCE, end of year	<u>\$ 140,007</u>	<u>\$ 140,007</u>	<u>\$ 173,201</u>	<u>\$ 13,089</u>