

Shiloh Public Cemetery District Annual Report

For the Fiscal Year Ended
June 30, 2016

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Shiloh Public Cemetery District

For the Fiscal Year Ended June 30, 2016

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AUDITOR-CONTROLLER
TREASURER-TAX COLLECTOR

JONATHAN KADLEC
ASSISTANT AUDITOR-CONTROLLER
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Shiloh Public Cemetery District
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Auditor-Controller's Report

Report on the Financial Statements

We were engaged to audit the accompanying government wide financial statements, fund financial statements, and the related notes to the financial statements of the Shiloh Public Cemetery District (the District), as of and for the year ended June 30, 2016, which collectively comprise the 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 controls 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 an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the independence impairments described in the Basis for Disclaimer of Opinion paragraph, auditing standards require us to disclaim an opinion on the financial statements.

Basis for Disclaimer of Opinion

As required by various statutes within the California Government Code, County Auditor-Controllers are mandated to perform certain accounting, auditing and financial reporting functions. In Sonoma County, the Auditor-Controller and Treasurer-Tax Collector (ACTTC) positions are combined. The District's cash is pooled with the Sonoma County Treasurer (a division of the ACTTC), who acts as a disbursing agent for the District. The Accounting Division within the ACTTC maintains internal controls over the financial accounting management information system, and processes transactions that have been approved by the District. The Accounting Division processes County checks for expenditures approved by the District, these checks are

signed by the Auditor-Controller - Treasurer-Tax Collector. These non-audit activities create management participation threats to auditor independence, as discussed in Interpretation 101-3 of the American Institute of Certified Public Accountants Code of Professional Conduct, which cannot be mitigated. Internal Audit, a Division of the ACTTC Office, which has no other responsibility for the accounts and records being audited, performed this audit. The significance to which this departure affects assets, liabilities, net position, deferred outflows of resources, deferred inflows of resources, revenues and expenses of the District has not been determined.

Disclaimer of Opinion

Because of the independence impairments described in the Basis for Disclaimer of Opinion paragraph, auditing standards require us to disclaim an opinion on the financial statements. Accordingly, we do not express an opinion on these financial statements.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A), beginning on page 1, and required supplementary information, beginning on page 37, 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 on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Sonoma County Auditor-Controller

Sonoma County Auditor-Controller

June 30, 2017

Management's Discussion and Analysis

As management of the District we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with the District's financial statements and the accompanying notes to the basic financial statements.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the current fiscal year ended June 30, 2016, by \$846,933 (net position). Of this amount, \$368,760 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$45,260.
- As of the close of the current fiscal year, the District's governmental fund reported an ending fund balance of \$439,755, an increase of \$7,572, in comparison with the prior year. All of this ending fund balance is available for spending at the government's discretion (unassigned fund balance).
- At the end of the year, unassigned fund balance for the general fund was \$439,755 or 89.6% of the total general fund expenditures of \$490,783.

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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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 similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two 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 showing how the government's 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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's funds are a governmental fund and fiduciary fund.

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 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 financing 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 fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District uses a governmental fund to account for its activities, which include burial services in the District boundaries. The District adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. Fiduciary funds use the accrual basis of accounting.

Notes to the basic 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.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$846,933 at the close of the current fiscal year.

Just over half of the District's net position (56.5%) reflects its investment in capital assets (e.g., land, buildings and improvements and equipment). The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Summary of Net Position

As of June 30

	2016	Restated 2015
Current and other assets	\$ 566,950	\$ 596,059
Capital assets	<u>478,173</u>	<u>456,164</u>
Total assets	<u>1,045,123</u>	<u>1,052,223</u>
Deferred outflow of resources related to pensions	<u>62,986</u>	<u>25,205</u>
Other liabilities outstanding	127,195	163,876
Long-term liabilities outstanding	<u>73,548</u>	<u>90,161</u>
Total liabilities	<u>200,743</u>	<u>254,037</u>
Deferred inflow of resources related to pensions	<u>60,433</u>	<u>21,718</u>
Net position:		
Net investment in capital assets	478,173	456,164
Unrestricted, undesignated	<u>368,760</u>	<u>345,509</u>
Total net position	<u>\$ 846,933</u>	<u>\$ 801,673</u>

The balance of unrestricted, undesignated net position \$368,760 may be used to meet the District's ongoing obligations to citizens and vendors.

At the end of the current fiscal year, the District is able to report positive balances in both categories of net position. The same held true for the prior fiscal year.

Governmental activities. Governmental activities increased the District's net position by \$45,260.

**Changes in Net Position
For the Fiscal Year Ended June 30**

	2016	2015
Revenues:		
Program Revenues:		
Burial services	\$ 83,790	\$ 109,937
General Revenues:		
Property taxes	408,812	380,393
Investment earnings	4,331	3,251
Net gain (loss) in fair market value of cash investments	(738)	(5,417)
Total revenues	496,195	488,164
 Expenses:		
Burial services	453,095	569,687
 Increase (decrease) in net position before transfers	43,100	(81,523)
 Other Financing Sources (Uses):		
Transfers	2,160	1,595
Increase (decrease) in net position	45,260	(79,928)
Net position - beginning of the year	801,673	907,933
Prior period adjustment (Note III. E)		(26,332)
Net position - end of the year, as restated	\$ 846,933	\$ 801,673

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, 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 current fiscal year, the District's governmental fund reported ending fund balance of \$439,755, an increase of \$7,572 in comparison with the prior year. The entire total amount constitutes unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$439,755, which equals the total general fund balance. For the same time period, total general fund expenditures were \$490,783. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 89.6% of total general fund expenditures. The total fund balance equals the unassigned fund balance.

General Fund Budgetary Highlights

There were no differences between the original budget and the final amended budget.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets, as of June 30, 2016, amounts to \$478,173 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and equipment. The total increase in the District's investment in capital assets for the current fiscal year was \$22,010.

The District added capital assets totaling \$65,412 during the current fiscal year, comprising of improvements to the bathroom and lunchroom in the main building at Shiloh.

Additional information on the District's capital assets can be found in Note III.B in the Notes to the Basic Financial Statements.

Long-term debt. At the end of the current fiscal year, the District had total long-term obligations outstanding of \$6,223 in compensated absences and \$67,325 in net pension obligations.

Economic Factors and Next Year's Budgets and Rates

- A cost of living increase of 2.6% for employees, approved on June 8, 2016, effective July 1, 2016 for FY 2016-2017, employee benefit costs are anticipated to continue to rise for FY 2016/17.
- Minimal or no increase in property tax, real property sales and taxable sales revenues are projected for FY 2016/17.

All of these factors were considered in preparing the District's budget for the fiscal year ending June 30, 2017.

As of the close of the current fiscal year, the District's governmental fund reported an ending fund balance of \$439,755.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Shiloh Cemetery District, 7130 Windsor Road, Windsor, CA 95492.

Shiloh Public Cemetery District
Statement of Net Position
As of June 30, 2016

Assets	
Cash and investments	\$ 566,950
Capital assets (net of accumulated depreciation):	
Non-depreciable	224,250
Depreciable	<u>253,923</u>
Total assets	<u>1,045,123</u>
Deferred outflow of resources related to pensions	<u>62,986</u>
Liabilities	
Accounts payable	44,626
Unearned revenue	82,569
Non-current liabilities:	
Net pension liability	67,325
Compensated absences	<u>6,223</u>
Total liabilities	<u>200,743</u>
Deferred inflow of resources related to pensions	<u>60,433</u>
Net Position	
Net investment in capital assets	478,173
Unrestricted, undesignated	<u>368,760</u>
Total net position	<u><u>\$ 846,933</u></u>

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

Shiloh Public Cemetery District
Statement of Activities
For the Fiscal Year Ended June 30, 2016

Program Expenses

Burial services		
Salaries and employee benefits	\$	318,311
Services and supplies		91,381
Depreciation		<u>43,403</u>
Total program expenses		<u>453,095</u>

Program Revenues

Charges for services		
Sales of grave plots		60,799
Intergovernmental		3,760
Other charges for services		<u>19,231</u>
Total program revenues		<u>83,790</u>
Net program revenues (expenses)		<u>(369,305)</u>

General Revenues

Property taxes	408,812
Investment earnings	4,331
Net loss in fair market value of cash and investments	(738)

Other Financing Sources (Uses)

Operating transfer in - endowment fund	<u>2,160</u>
Total general revenues and transfers	<u>414,565</u>
Change in net position	45,260
Net position - beginning of the year, as restated	<u>801,673</u>
Net position - end of the year	<u>\$ 846,933</u>

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

Shiloh Public Cemetery District
Balance Sheet
Governmental Fund
June 30, 2016

Assets

Cash and investments	\$ <u>566,950</u>
Total assets	\$ <u><u>566,950</u></u>

Liabilities and Fund Balance

Liabilities:

Accounts payable	\$ 44,626
Unearned revenue	<u>82,569</u>
Total liabilities	<u>127,195</u>

Fund balance:

Unassigned	<u>439,755</u>
Total liabilities and fund balance	\$ <u><u>566,950</u></u>

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

Shiloh Public Cemetery District
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Fund
As of June 30, 2016

Fund balance - total governmental fund	\$	439,755
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		478,173
Certain amounts are not available to pay current period expenditures and therefore are deferred outflows of resources in the governmental funds		62,986
Certain amounts are not available to pay current period expenditures and therefore are deferred inflows of resources in the governmental funds		(60,433)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:		
Compensated absences		(6,223)
Net pension obligations		(67,325)
Net position of governmental activities	\$	846,933

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

Shiloh Public Cemetery District
Statement of Revenues, Expenditures and
Changes in Fund Balance
Governmental Fund
For the Fiscal Year Ended June 30, 2016

Revenues

Property taxes	\$	408,812
Sales of grave plots		60,799
Investment earnings		4,331
Net loss in fair market value of cash and investments		(738)
Intergovernmental revenue		3,760
Charges for services		19,231
		496,195
Total revenues		496,195

Expenditures

Current:		
Salaries and employee benefits		333,990
Services and supplies		91,381
Capital outlay		65,412
		490,783
Total expenditures		490,783

Excess (deficiency) of revenue over (under) expenditures		5,412
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Other Financing Sources (Uses)

Operating transfer in - endowment fund		2,160
--	--	-------

Net changes in fund balance		7,572
Fund balance - beginning of the year, as restated (Note III.E)		432,183
Fund balance - end of the year	\$	439,755

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

Shiloh Public Cemetery District
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of Governmental Fund
To the Statement of Activities
For the Fiscal Year Ended June 30, 2016

Amounts reported for governmental activities in the statement of activities (page 8) are different because:

Net change in fund balance - total governmental fund (page 11)	\$	7,572
<p>Governmental funds report capital outlays as expenditures. In the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Expenditure for capital assets		65,412
Current year depreciation		(43,403)
Change in deferred inflows and deferred outflow of resources reported in the statement of net position		(934)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.</p>		
Change in compensated absences		3,306
Change in net pension liability		13,307
		13,307
Change in net position of governmental activities (page 8)	\$	45,260

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

Shiloh Public Cemetery District
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Governmental Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Property taxes	\$ 355,783	\$ 355,783	\$ 408,812	\$ 53,029
Sales of grave plots	65,500	65,500	60,799	(4,701)
Investment earnings	5,400	5,400	4,331	(1,069)
Net gain in fair market value of cash and investments	-	-	(738)	(738)
Intergovernmental revenue	3,270	3,270	3,760	490
Charges for services	30,000	30,000	19,231	(10,769)
Total revenues	459,953	459,953	496,195	36,242
Expenditures				
Current:				
Salaries and employee benefits	367,000	368,373	333,990	34,383
Services and supplies	175,300	170,787	91,381	79,406
Capital outlay	25,000	25,000	65,412	(40,412)
Appropriation for contingency	0	0	-	-
Total expenditures	567,300	564,160	490,783	73,377
Excess (deficiency) of revenues over (under) expenditures	(107,347)	(104,207)	5,412	109,619
Other Financing Sources (Uses)				
Operating transfer in - endowment fund	-	-	2,160	2,160
Net change in fund balance, budgetary and GAAP basis	\$ (107,347)	\$ (104,207)	\$ 7,572	\$ 111,779

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

**Shiloh Public Cemetery District
Statement of Fiduciary Net Position
Fiduciary Fund
As of June 30, 2016**

	<u>Endowment Care Fund</u>
Assets	
Cash and investments	\$ <u>291,205</u>
Total assets	<u>291,205</u>
 Net Position	
Net position held in trust for endowment care	\$ <u><u>291,205</u></u>

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

Shiloh Public Cemetery District
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2016

		Endowment Care Fund
		<u> </u>
Additions:		
Investment earnings	\$	1,851
Endowment revenue		13,339
		<u> </u>
Total additions		15,190
Deductions:		
Operating transfer out		2,160
		<u> </u>
Change in net position		13,030
Net position - beginning		278,175
		<u> </u>
Net position - ending	\$	<u><u>291,205</u></u>

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

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

I. Summary of Significant Accounting Policies

A. Reporting Entity

The cemetery was incorporated into the District by the voters within the District prior to June 1978. The District is governed by a Board of Trustees appointed by the Sonoma County Board of Supervisors to serve 4-year terms. Current or former residents or taxpayers of the District, and their families are entitled to burial or inurnment in the cemetery.

B. Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 section and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement 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 recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Taxes, interest, and charges for services are accrued when receipt occurs within 365 days of the end of the accounting period so as to be both measurable and available. Licenses, permits, fines, forfeitures, and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Property taxes are accrued when their receipt occurs within sixty days of the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims judgments are recorded only when payment is due.

Amounts recorded as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided and 2) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

The District reports the following major governmental fund:

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

Additionally, the District reports the following fiduciary fund type:

The endowment care fund accounts for the assets of those who have purchased plots.

D. Assets, Liabilities, and Net Position

1. Deposits and Investments

The District maintains its operating cash in accounts with the Sonoma County Treasurer, who acts as a disbursing agent. Consequently, the District benefits from the Treasurer's practice of pooling cash and investments of certain funds. Interest earned on these pooled investments is allocated and apportioned quarterly to the District, based on the average daily balance for each quarter.

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

2. Payables

a. Accounts payable

Accounts payable include transactions in which the District has received goods and or services during the current year, but has not paid for them as of June 30th.

b. Property Taxes

The County of Sonoma is responsible for assessing, collecting and distributing property taxes in accordance with state law. Liens on real property are established January 1 for the ensuing fiscal year. The property tax is levied as of July 1 on all taxable property located in the County of Sonoma. Secured property taxes are due in two installments, on November 1 and February 1, and are delinquent after December 10 and April 10, respectively. Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

Since the passage of California's Proposition 13, beginning with fiscal year 1978/1979, general property taxes are based either on a flat 1% rate applied to the 1975/1976 full value, or on 1% of the sales price of the property on sales transactions and construction after the 1975/1976 valuation. Taxable values on properties (exclusive or increases related to sales and construction) can rise at a maximum of 2% per year.

On June 30, 1993, the Board of Supervisors adopted the "Teeter" Method of property tax allocation. This method allocates property taxes based on the total property tax billed. At year-end the County advances cash to each taxing jurisdiction equal to its current year delinquent property taxes. In exchange, the County receives the penalties and interest on delinquent taxes when collected. The penalties and interest are used to pay the interest cost of borrowing the cash used for the advances.

c. Unearned revenues

Unearned revenues are resource inflows which do not yet meet the criteria for revenue recognition. Unearned charges for services, such as charges by the District for burial services, are always reported as unearned revenues.

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

3. Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost or value in excess of \$5,000 and an expected service life exceeding 12 months. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Buildings and improvements and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Improvements	10
Compressor	12
Tractors	10
Pick-up truck	5
Utility Vehicle	5

4. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

5. Net Position

Net position is classified into three components - 1) net investment in capital assets, 2) restricted (if any), and 3) unrestricted. These components are defined as follows:

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

- Net investment in capital assets - This component of net position groups all capital assets, including infrastructure, into one component of net position, net of accumulated depreciation and reduced by outstanding debt related to the acquisition, construction or improvement of these assets.
- Restricted net position - This component consists of external constraints or restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments or restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - This component represents the net position of the entity, not restricted for any project or other purpose.

6. Fund Balance

In the fund financial statements, governmental funds report fund balance using the classifications listed in *GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions*. Initial distinction is made in reporting fund balance information identifying amounts that are considered non-spendable, such as fund balance associated with inventories. Spendable fund balance for the governmental fund consists of the following classifications:

- a. *Restricted Fund Balance* – the portion of fund balance that can only be spent for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- b. *Committed Fund Balance* – the portion of fund balance whose use is subject to formal action of the Board of Trustees (the Board), the government’s highest level decision making authority. These commitments remain binding unless changed or removed by formal action of the Board as the formal authority that imposed the constraint. The underlying action that imposed, modified, or removed the limitation would need to occur no later than the close of the reporting period.
- c. *Assigned* – the portion of fund balance that is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.
- d. *Unassigned* – the residual amount of all general fund spendable resources not contained in the other classifications.

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

7. Estimates

The preparation of financial statements 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 expenses during the reporting period. Actual results could differ from those estimates.

E. Current Governmental Accounting Standards Board (GASB) Statements

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The provisions of this statement are effective for the County’s fiscal year ending June 30, 2016.

F. Future Government Accounting Standards Board (GASB) Pronouncements

The District is currently analyzing its accounting and financial reporting practices to determine the potential impact on the financial statements of the following GASB Statements:

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The provisions of this statement should be applied simultaneously with the provisions of Statement No. 68. The provisions of this statement are effective for the County’s fiscal year ending June 30, 2017 – except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for fiscal years beginning after June 30, 2017. Management has not determined the effect of this statement.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The provisions of this statement are effective for the County’s fiscal year ending June 30, 2017. Management has not determined the effect of this statement.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension Plans*. The primary objective of this

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
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Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The provisions of this statement are effective for the County's fiscal year ending June 30, 2018. Management has not determined the effect of this statement.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. The objective of this Statement is to provide transparency in financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. The provisions of this statement are effective for the County's fiscal year ending June 30, 2017. Management has not determined the effect of this statement.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address certain pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The provisions of this statement are effective for the fiscal year ending June 30, 2017.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. The objective of this Statement is to address accounting and financial reporting for certain external investment pools and pool participants. It establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. Certain provisions of this statement became effective in fiscal year ending June 30, 2016 while others become effective in fiscal year ending June 30, 2017. The District did not have any circumstances applicable during fiscal year ending June 30, 2016.

GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The provisions of this Statement are effective for the County's fiscal year ending June 30, 2018.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The provisions of this Statement are effective for the County's fiscal year ending June 30, 2018.

Shiloh Public Cemetery District
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GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address issues regarding (1) the presentation of payroll-related measure in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for the County's fiscal year ending June 30, 2017, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgetary revenue estimates represent original estimates modified for any authorized adjustment which was contingent upon new or additional revenue sources. Budgetary expenditure amounts represent original appropriations adjusted by budget transfers and authorized appropriation adjustments made during the year. All budgets are adopted on a non-GAAP basis. The District's budgetary information was not amended during the year.

III. Detailed Notes

A. Deposits and Investments

The District follows the County's practice of pooling cash and investments of all funds with the County Treasurer, except for funds held by Exchange Bank (for the purpose of payroll remittances) and cash on hand used as a petty cash fund. Deposits with Exchange Bank are FDIC insured up to \$250,000.

Investment in the Sonoma County Treasurer's Investment Pool

As authorized by Health and Safety Code 13854 (a) the District's cash is pooled with the Sonoma County Treasurer, who acts as a disbursing agent for the District. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the Treasury Pool for the entire Treasury Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by the Treasury Pool, which are recorded on an amortized cost basis. Interest earned on investments pooled with the County is allocated quarterly to the appropriate fund based on its respective average daily balance for that quarter. The Treasury Oversight Committee has regulatory oversight for all monies deposited into the Treasury Pool.

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

Investment Guidelines

The District's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority: safety of capital, liquidity and maximum rate of return. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code 53601, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity.

A copy of the Treasury Pool Investment Policy is available upon request from the Sonoma County Treasurer at 585 Fiscal Drive, Suite 100, Santa Rosa, California, 95403.

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 is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, one of the ways that the Treasury Pool manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of June 30, 2016, approximately 37 percent of the securities in the Treasury Pool had maturities of one year or less. Of the remainder, only 1 percent had a maturity of more than five years.

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. The Treasury Pool does not have a rating provided by a nationally recognized statistical rating organization.

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 custodial credit 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 and the Treasury Pool'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 and securities lending transactions:

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

- 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 depository regulated under state law. 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.
- The California Government Code limits the total of all securities lending transactions to 20% of the fair value of the investment portfolio.

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 the Treasury Pool).

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. For a listing of investments in any one issuer (other than U.S. Treasury securities, mutual funds, or external investment pools) that represent 5% or more of total County investments, refer to the 2016 Sonoma County Comprehensive Annual Financial Report.

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

B. Capital assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers & Adjustments</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ 224,250	\$	\$	\$ -	\$ 224,250
Total capital assets not being depreciated	<u>224,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,250</u>
Capital assets being depreciated:					
Buildings and improvements	686,616	65,412		-	752,028
Equipment	<u>126,229</u>			<u>-</u>	<u>126,229</u>
Total capital assets being depreciated	<u>812,845</u>	<u>65,412</u>	<u>-</u>	<u>-</u>	<u>878,257</u>
Less accumulated depreciation for:					
Buildings and improvements	(527,891)	(33,175)		-	(561,066)
Equipment	<u>(53,041)</u>	<u>(10,228)</u>		<u>-</u>	<u>(63,269)</u>
Total accumulated depreciation	<u>(580,932)</u>	<u>(43,403)</u>	<u>-</u>	<u>-</u>	<u>(624,335)</u>
Total capital assets being depreciated, net	<u>231,913</u>	<u>22,009</u>	<u>-</u>	<u>-</u>	<u>253,923</u>
Capital assets, net	<u>\$ 456,163</u>	<u>\$ 22,009</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478,173</u>

Depreciation expense was charged to functions/programs of Shiloh Public Cemetery District as follows:

Governmental activities:

Burial services \$ 43,403

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

C. Long-Term Debt

Long-term liability activity for the year ended June 30, 2016, was as follows:

	Beginning Balance as restated	Additions	Retirements	Ending Balance	Due Within One Year
Compensated absences	\$ 9,529	\$ -	\$ 3,306	\$ 6,223	\$ -
Net pension liability	80,632		13,307	67,325	
Total long-term liabilities	<u>\$ 90,161</u>	<u>\$ -</u>	<u>\$ 16,613</u>	<u>\$ 73,548</u>	<u>\$ -</u>

D. Unearned Revenue

The District collects money from customers who pay in advance for burial services and burial products. The money collected prior to the District providing burial services and burial products is recorded as unearned revenue. The District recognizes revenue in the period burial services and burial products are provided.

E. Prior Period Adjustment

Net position and fund balance as of June 30, 2016, have been restated as follows for the correction of an error. Cash received for burial services in prior years was recognized as revenue in advance of services being performed. At June 30, 2016 the District recognized an additional \$32,620 in unearned revenue related to burial services, for which the District received cash in prior years, but had not yet performed the services.

Beginning net position as previously reported at June 30, 2015	<u>\$ 828,005</u>
Prior period adjustment - recognition of unearned revenue	(26,332)
Net position as restated, June 30, 2015	<u>\$ 801,673</u>
Beginning fund balance as previously reported at June 30, 2015	\$ 458,515
Prior period adjustment - recognition of unearned revenue	(26,332)
Fund balance as restated, June 30, 2015	<u>\$ 432,183</u>

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

IV. Other Information

A. Risk Management

The District maintains workers' compensation, general liability, property and automobile insurance coverage with Golden State Risk Management Authority.

B. Employee Retirement Plan

The District has one Pension Plan, which consists of two separate rate plans, both of which are administered by the California Public Employee's Retirement Systems (CalPERS). The CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by state statute and Resolution of the Board. The CalPERS Miscellaneous Plan 2% at 55 (Tier 1) is no longer open to new entrants. The California Public Employees' Pension Reform Act (PEPRA), which took effect in January 2013, changes the way CalPERS retirement is applied, and places compensation limits on members. The CalPERS PEPRA Miscellaneous Plan 2% at 62 (Tier 2) is now utilized by the District and is open to new entrants. Information for Tier 1 and Tier 2 rate plans have been combined by CalPERS and are reported as one Plan in the District's financial statements and notes to the basic financial statements.

At June 30, 2016, the District's Plan membership consisted of the following:

	<u>Tier 1</u>	<u>Tier 2</u>
Number of Members		
Active	2	1
Transferred	0	0
Separated	3	0
Retired	1	0

All full-time employees participate in CalPERS, an agent multiple-employer public retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. The Shiloh Cemetery District is part of a cost-sharing pool within CalPERS. Copies of CalPERS annual financial report may be obtained from their Executive Office – 400 Q Street, Sacramento, CA, 95811.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2014
Measurement Date (MD)	June 30, 2015
Measurement Period (MP)	July 1, 2014 to June 30, 2015

Plan Description, Benefits Provided and Employees Covered

The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2013 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2014 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) 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. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by the Miscellaneous pool, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the District's pension plan as of the measurement period ended June 30, 2015 (the measurement date), the average active employee contribution rate is 6.942 percent of annual pay, and the average employer's contribution rate is 11.533 percent of annual payroll.

Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

The District's employer contributions were equal to the required employer contributions for the year ended June 30, 2016.

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

<u>Plan</u>	<u>Employee</u>	<u>Employer</u>	<u>Covered Payroll</u>	<u>Employer contributions as a % of Covered Payroll</u>
Tier 1	\$ 10,793	\$ 12,339	\$ 154,183	8.00%
Tier 2	2,082	2,077	33,310	6.24%
Total	<u>\$ 12,875</u>	<u>\$ 14,416</u>	<u>\$ 183,939</u>	

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2015 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. The June 30, 2015 total pension liability was based on the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.65% Net of Pension Plan Investment; includes inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefits Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. 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 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 68 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The discount rate was changed from 7.50 percent (net of administration expense in 2014) to 7.65 percent as of the June 30, 2015 measurement date to correct the adjustment which previously reduced the discount rate for administrative expenses. CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach.

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, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) 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 down to the nearest one quarter of one percent.

The table below reflects 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 geometric rates of return are net of administrative expenses.

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

Asset Class	New Strategic Allocation	Real Return Years 1 10 ¹	Real Return Years 11+ ²
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	(0.55%)	(1.05%)

¹ An expected inflation of 2.5% used for this period.

² An expected inflation of 3% used for this period.

Pension Plan Fiduciary Net Position

Detailed information about CalPERS' fiduciary net position is available in a separately issued CalPERS comprehensive annual financial report at CalPERS' website.

Allocation of net Pension Liability and Pension Expense to Individual Plans

The Districts proportion of the net pension liability was based on the contribution rates within the pool based on separate relationships through the plans sponsored within the miscellaneous pool. At June 30, 2015, the District's proportion of the Plan's net pension liability and pension expense was 0.00245% and 0.00834%, respectively. Please refer to Appendix D of the CalPERS Public Agency Cost-Sharing Allocation Methodology Report that can be obtained at CalPERS' website under the GASB 68 section for the calculation of the Plan's proportionate share of the total pension liability and fiduciary net position.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.65 percent. The schedule presents information to determine what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65) than the current rate.

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

	Discount Rate - 1%		Current Discount		Discount Rate + 1%
	(6.65%)		Rate (7.65%)		(8.65%)
Plan's Net Pension Liability/(Asset)	\$ 112,909		\$ 67,325		\$ 29,690

Recognition of Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings 5 year straight-line amortization

All other amounts Straight-line amortization over the average expected remaining service lives of all member that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years of all employees that are provided with pensions through the Plan by the total number of participants (active, inactive and retired) in the Plan. The EARSL for the 2015 measurement period is 3.8 years, which was obtained by dividing the total service years 467,023 (the sum of remaining service lifetimes of the active employees) by 122,410 (the total number of participants: active, inactive and retired). Inactive employees and retirees have remaining service lifetimes equal to 0, and the total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

Pension Liability

At June 30, 2016, the District reported a net pension liability of \$67,325 for its proportionate share of the CalPERS' net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The District's reported liability at June 30, 2016, decreased by \$13,307 from the prior year liability of \$80,632 because of changes in the CalPERS net pension liability and the District's proportionate share of that liability. The CalPERS' publicly available financial report provides details on the change in net pension liability.

Pension Expense and Deferred Outflow and Deferred Inflows

For the year ended June 30, 2016, the District recognized pension expense of \$14,089 for CalPERS pension expense. At June 30, 2016, the District reported its proportionate share of 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	\$ 1,572	\$ -
Changes of Assumptions	-	(14,868)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	38,111	(45,564)
Adjustment due to differences in Proportions	-	
Employer contributions paid to CalPERS Subsequent to the measurement date	23,304	-
Total	\$ 62,986	\$ (60,433)

Shiloh Public Cemetery District
Notes to the Basic Financial Statements
June 30, 2016

The \$23,304 reported as deferred outflow of resources related to pensions resulting from the District's contributions to CalPERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflow and inflows of resources related to CalPERS pensions will be recognized in pension expense as follows:

Year Ended June 30	Amount
2016	\$ (10,409)
2017	(10,409)
2018	(9,460)
2019	9,528
2020	-
Thereafter	-
Total	<u>\$ (20,751)</u>

**Shiloh Public Cemetery District
Required Supplementary Information
June 30, 2016**

**Schedule of Proportionate Share of the Net Pension Liability
CalPERS Miscellaneous Plan at Measurement Date**

	June 30 2014	[1]	June 30 2015
Miscellaneous Plan			
Proportion of the net pension liability	0.00130%		0.00245%
Proportionate share of the net pension liability	\$ 80,632		\$ 67,325
Covered-employee payroll	\$ 165,468		\$ 228,172
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	48.73%		29.51%
CalPERS fiduciary net position as a percentage of the total pension liability	81.35%		79.89%

[1] Omitted years: GASB No. 68 was implemented during the year ended June 30, 2015. No data was available prior to this date.

**Shiloh Public Cemetery District
Required Supplementary Information
June 30, 2016**

**Schedule of Contributions
CalPERS Miscellaneous Plan at Measurement Date**

	June 30 2014	[1]	June 30 2015
Miscellaneous Plan			
Actuarially determined contribution	\$ 18,755		\$ 25,205
Contributions in relation to the actuarially determined contribution	(18,755)		(25,205)
Contribution deficiency (excess)	\$ -		\$ -
Covered-employee payroll	\$ 165,468		\$ 228,172
Contributions as a percentage of covered-employee payroll	11.33%		11.05%

[1] Omitted years: GASB No. 68 was implemented during the year ended June 30, 2015. No data was available prior to this date.

**Shiloh Public Cemetery District
Roster of Board Members
June 30, 2016**

As of June 30, 2016, the Board of Trustees consisted of the following members:

<u>Trustees</u>	<u>Office</u>	<u>Term Expires</u>
Richard Fuller.....	Chairperson	July, 2017
Lin Branscomb.....	Vice Chairperson	July, 2017
Lawrence Stimach.....		March, 2021
Seat Vacant		
Seat Vacant		

Clerk of the Board

Leslie Jones	N/A
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Regular Meetings:

The regular meeting of the Board of Trustees is held at 9:00 A.M. on the second Wednesday of each month at the cemetery office located at the intersection of Shiloh Road and Windsor Road at 7130 Windsor Road, Windsor, California, 95492, phone (707) 838-6684.