

DRAFT

Selma Cemetery District
Audited Financial Statements and
Supplementary Information
June 30, 2018

Selma Cemetery District
Selma, California
June 30, 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Selma Cemetery District
Selma, California

We have audited the accompanying statements of net position of Selma Cemetery District (the District) as of June 30, 2018, and the related statement of changes in fund balances/statement of activities and the related notes to the financial statements which collectively comprise the cemetery district's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *State Controller's Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial Position of the Selma Cemetery District, as of June 30, 2018, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's office and state regulations governing special districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information contained in Schedules I through VII as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. These Activity Summaries have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Adair & Evans

Tulare, California
January 16, 2019

SELMA CEMETERY DISTRICT

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Management's Discussion and Analysis for Fiscal Year Ending June 30, 2018

The Selma Cemetery District was formed in 1926 and was expanded in 1976 to make the Sphere of Influence and district boundaries coterminous. The Selma Cemetery District serves the City of Selma and the surrounding rural agricultural area, a total of 25,560 acres. The District abuts the Fowler, Sanger/Del Rey, Parlier and Kingsburg cemetery districts.

Selma Cemetery District operates under the California Health & Safety Code regarding public cemetery districts. The District is a local government agency governed by a five-member board of trustees appointed to a four year term by the Fresno County Supervisors. The District is responsible for the ownership, improvement, expansion, and operation of cemeteries and the provision of interment services within its boundaries with exclusive jurisdiction and control over its maintenance and management.

The District has a full-time general manager, a full-time grounds supervisor, a part-time office assistant, and 2 full-time employees which are responsible for providing burial services and upkeep of the cemetery grounds.

The District encompasses approximately 52 acres and has a total potential of approximately 6,430 burial sites in the currently developed 35 acres.

The District is an endowment care facility. Additional funds are collected with each burial and are reserved in a separate fund for the future maintenance and upkeep of the District facilities.

As a public cemetery, the District receives an allocation of property tax revenue from Fresno County. The District received \$217,562 in the current fiscal year in property tax allocations. These funds are used to augment the burial service fees to cover the current operating costs of the District.

Discussion of the basic financial statements:

Government Wide Statements

The government wide statements present the financial picture of the District as measured by its total economic resources using the accrual basis of accounting. This is similar to that used by private sector companies. These statements provide both short term and long term information about the District's financial status as a whole. The statement of net position and statement of activity include all the assets of the District (including its infrastructure) as well as all liabilities (including any long-term debt). All of the current year's revenue and expenses are accounted for in the statement of activity regardless of when cash is received or paid.

The government wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are one way to measure the District's financial health or position. Over time, increase or decrease in the District's net position are indicators of whether its financial position is improving or deteriorating. To further assess the overall health of the District, one needs to consider additional non-financial factors such as changes in the Districts population, the ability to adjust service charges and the impact of changes in laws and regulations that may apply to the District.

The government wide financial statements in these financial statements include only governmental type activities.

Fund Financial Statements

The fund financial statements present the financial picture of the District in more detail than the government wide statements by describing the individual parts or funds. Funds are used to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and the District itself may establish other funds to control and manage assets for particular purposes at its discretion.

The District has only one fund type known as a governmental fund. Governmental fund types are presented on the modified accrual basis of accounting and a current resources focus. Assets expected to be used up and liabilities that come due during the year or soon thereafter are reflected. Capital assets acquisitions are treated as expenditures. Revenues for which cash is received during the year or soon thereafter are included. Expenditures for goods and services that have been received and for which payment is due during the year or soon thereafter are included.

The following condensed financial information is provided:

Condensed Statement of Net Position:

	General Fund	Endowment Care Fund	Main Purchase Fund	Totals
Assets	\$ 1,437,710	\$ 2,593,871	\$ 611,914	\$ 4,643,495
Deferred Outflows of Resources	<u>114,165</u>	<u>0</u>	<u>0</u>	<u>114,165</u>
Totals Assets and Deferred Outflows of Resources	<u>\$ 1,551,875</u>	<u>\$ 2,593,871</u>	<u>\$ 611,914</u>	<u>\$ 4,757,660</u>
Current Liabilities	\$ 23,021	\$ 0	\$ 0	\$ 23,021
Long-Term Liabilities	<u>290,352</u>	<u>0</u>	<u>0</u>	<u>290,352</u>
Total Liabilities	313,373	0	0	313,373
Deferred Inflows of Resources	<u>27,126</u>	<u>0</u>	<u>0</u>	<u>27,126</u>
Fund balances	<u>1,211,376</u>	<u>2,593,871</u>	<u>611,914</u>	<u>4,417,161</u>
Total Liabilities, Deferred Inflows of Resources and Fund balances	<u>\$ 1,551,875</u>	<u>\$ 2,593,871</u>	<u>\$ 611,914</u>	<u>\$ 4,757,660</u>

Management comments on current year burial services:

The District burial numbers for the past five years are presented below:

Burials July 1st through June 30th for
Fiscal Year Ending:

2018	173
2017	184
2016	141
2015	157
2014	168

Management comments on current year burial services: (Continued)

Current burial fees of the District are summarized as follows:

Ground burials	\$ 2,856.66 - \$ 3,437.95
Cremation ground	\$ 1,170.26
Cremation niche	\$ 1,157.42 - \$ 1,614.83

Management comments on the investment of district funds:

The responsibility for the accounting and investment of District funds resides with the Board of Directors. The Board is limited in its investment choices by the applicable actions of the California Health and Safety code. Currently the District keeps its excess funds with Wells Fargo Advisors. These funds are managed by Wells Fargo Advisors to achieve an adequate return with minimal risk.

Management comments on capital assets and long-term debt:

The District's capital assets consist of land, buildings and equipment. The land comprises approximately 52 acres. The land has been engineered to provide burial plots. The buildings include the District office, mausoleum and miscellaneous other service structures. The District has various types of equipment to provide burial services.

The District purchased approximately 17 acres of land, 3 ½ miles southeast of the current District site, at 12157 Bethel Avenue. The land is intended for future expansion of the District.

The District has no substantial long-term debt.

Management comments on reserved funds:

The District has funds reserved for future maintenance and upkeep of the District property. This reserve, referred to as Endowment Care, is required under the California Health and Safety code. The reserve is comprised of endowment care funds collected for each burial service performed. These funds are transferred to a separate fund, maintained by Wells Fargo Advisors. The current reserved Endowment Care funds balance is \$1,287,245. The fund earns interest each month, which is maintained in an unreserved account and is available for use by the District. The current unreserved portion is \$1,306,626.

The District also maintains a separate reserve fund for main purchases. This reserve fund is referred to as Main Purchase Fund. These funds are strictly reserved for capital improvements and property purchase. The current unreserved Main Purchase funds balance is \$611,914. The fund earns interest each month and is maintained by Wells Fargo Advisors.

The District also provides miscellaneous general fund reserves for inventory purchases.

Condensed Statement of Governmental Fund Revenues, Expenses, and Changes in Net Position:

	<u>General Fund</u>	<u>Endowment Care Fund</u>	<u>Main Purchase Fund</u>	<u>Totals</u>
Total revenues	\$ 619,317	\$ 34,926	\$ 1,333	\$ 655,576
Total expenditures	(734,691)	0	0	(734,691)
Total transfers, net	53,286	(60,455)	7,169	0
Net increase (decrease) in net position	<u>\$ (62,088)</u>	<u>\$ (25,529)</u>	<u>\$ 8,502</u>	<u>\$ (79,115)</u>

Management comments on the condensed financial information:

It is the opinion of District management that the District continues to be in good financial condition. The District has sufficient assets to cover liabilities and adequate cash flow to meet current obligations.

The District's fund balances decreased from the prior year by \$79,115. The decrease was due to expenditures being more than revenues with \$25,066 of the expenses being due to the pension expense. The District continues to charge burial fees in an adequate amount to cover current operating costs.

Condensed budget comparison:

The District prepares an annual budget of projected revenue and expenditures. The District's board of directors reviews and adopts the budget as an operating guideline for the year. A condensed version of the budget is presented below:

	All Governmental Funds	
	<u>Budget</u>	<u>Actual</u>
Revenues	\$ 633,200	\$ 655,576
Expenditures	(671,579)	(734,691)
Deficiency of revenue over expenditures	<u>\$ (38,379)</u>	<u>\$ (79,115)</u>

Management comments on budget results:

District revenues are variable due to the burial options chosen by families and the number of interments during the year. End of year balances reflect a decrease in net position due to expenditures relating to the improvement of the Bethel property previously purchased by the District in the prior fiscal year. Investment income was substantially better than budgeted for due to a favorable investment market.

The basic financial statements and notes follow this management discussion and analysis.

Selma Cemetery District

Governmental Funds Balance Sheet / Statement of Net Position

June 30, 2018

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
	General Fund	Endowment Care Fund	Main Purchase Fund	Totals	Adjustments (Note 5)	Statement of Net Position
ASSETS						
Cash and cash equivalents	\$ 208,317	\$ 48,367	\$ 8,861	\$ 265,545	\$ 0	\$ 265,545
Accrued interest	0	7,662	2,218	9,880	0	9,880
Accounts receivable	2,224	0	0	2,224	0	2,224
Inventory	26,097	0	0	26,097	0	26,097
Investments	16,372	2,537,842	600,835	3,155,049	0	3,155,049
Capital assets, net of accumulated depreciation	0	0	0	0	1,184,700	1,184,700
Total assets	253,010	2,593,871	611,914	3,458,795	1,184,700	4,643,495
						0
DEFERRED OUTFLOWS OF RESOURCES						
	114,165	0	0	114,165	0	114,165
Total assets and deferred outflows of resources	\$ 367,175	\$ 2,593,871	\$ 611,914	\$ 3,572,960	\$ 1,184,700	\$ 4,757,660
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION						
LIABILITIES						
Current Liabilities						
Accounts payable	\$ 15,777	\$ 0	\$ 0	\$ 15,777	\$ 0	\$ 15,777
Sales tax payable	1,553	0	0	1,553	0	1,553
Accumulated compensated absences	5,691	0	0	5,691	0	5,691
Total current liabilities	23,021	0	0	23,021	0	23,021
Long-Term Liabilities						
Net pension liability	278,349	0	0	278,349	0	278,349
Accumulated compensated absences	0	0	0	0	12,003	12,003
Total long-term liabilities	278,349	0	0	278,349	12,003	290,352
Total liabilities	301,370	0	0	301,370	12,003	313,373
DEFERRED INFLOWS OF RESOURCES						
	27,126	0	0	27,126	0	27,126
FUND BALANCES / NET POSITION						
Reserved for inventories	26,097	0	0	26,097	(26,097)	0
Reserved for mausoleum maintenance	16,372	0	0	16,372	(16,372)	0
Reserved for Endowment Care	0	1,287,245	0	1,287,245	(1,287,245)	0
Unreserved	(3,790)	1,306,626	611,914	1,914,750	(1,914,750)	0
Total fund balances	38,679	2,593,871	611,914	3,244,464	(3,244,464)	0
Total liabilities, deferred inflows of resources, and fund balances	\$ 367,175	\$ 2,593,871	\$ 611,914	\$ 3,572,960		
Net Position						
Investment in capital assets, net of related debt					1,184,700	1,184,700
Restricted for Endowment Care					1,287,245	1,287,245
Restricted for mausoleum maintenance					16,372	16,372
Unrestricted					1,928,844	1,928,844
Total net position					\$ 4,417,161	\$ 4,417,161
Total liabilities, deferred inflow of resources and net position						\$ 4,757,660

See independent auditors' report and accompanying notes

Selma Cemetery District

Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances / Statement of Activities
For the year ended June 30, 2018

	General Fund	Endowment Care Fund	Main Purchase Fund	Totals	Adjustments (Note 5)	Statement of Activities
REVENUES						
Property taxes, including penalties and interest	\$ 217,562	\$ 0	\$ 0	\$ 217,562	\$ 0	\$ 217,562
Fees and services	399,341	43,235	0	442,576	0	442,576
Net investment income	2,414	(8,309)	1,333	(4,562)	0	(4,562)
Total revenues	619,317	34,926	1,333	655,576	0	655,576
EXPENDITURES						
Salaries and employee benefits	291,852	0	0	291,852	1,468	293,320
Payroll taxes and workers compensation	58,844	0	0	58,844	0	58,844
Retirement and benefits	65,759	0	0	65,759	0	65,759
Repairs and maintenance	37,224	0	0	37,224	0	37,224
Gasoline and oil	7,371	0	0	7,371	0	7,371
Laundry	3,540	0	0	3,540	0	3,540
Vaults and marker foundations	54,518	0	0	54,518	0	54,518
Supplies	2,445	0	0	2,445	0	2,445
Utilities	19,371	0	0	19,371	0	19,371
Insurance	20,812	0	0	20,812	0	20,812
Telephone	5,908	0	0	5,908	0	5,908
Legal and accounting	14,455	0	0	14,455	0	14,455
Contract labor	43,448	0	0	43,448	0	43,448
Office expense	3,389	0	0	3,389	0	3,389
Other (sales tax, miscellaneous, sand/gravel)	25,685	0	0	25,685	0	25,685
Travel and meetings	14,694	0	0	14,694	0	14,694
Capital Outlay	16,367	0	0	16,367	(16,367)	0
Depreciation	0	0	0	0	38,842	38,842
Pension expense	25,066	0	0	25,066	0	25,066
Total expenditures	710,748	0	0	710,748	23,943	734,691

Selma Cemetery District
Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances / Statement of Activities
For the year ended June 30, 2018

	General Fund	Endowment Care Fund	Main Purchase Fund	Totals	Adjustments (Note 5)	Statement of Activities
TRANSFERS	\$ 53,286	\$ (60,455)	\$ 7,169	\$ 0	\$ 0	\$ 0
EXCESS (DEFICIENCY) OF REVENUES AND TRANSFERS IN OVER EXPENDITURES AND TRANSFERS OUT	(38,145)	(25,529)	8,502	(55,172)	55,172	0
Change in net position					(79,115)	(79,115)
Fund balances / Net position, beginning of year	76,824	2,619,400	603,412	3,299,636	0	4,496,276
Fund balances / Net position, end of year	<u>\$ 38,679</u>	<u>\$ 2,593,871</u>	<u>\$ 611,914</u>	<u>\$ 3,244,464</u>	<u>\$ 0</u>	<u>\$ 4,417,161</u>

Selma Cemetery District
Notes to Audited Financial Statements
June 30, 2018

NOTE 1 - Summary of Significant Accounting Policies

The District operates as a special district under California Law and is subject to applicable sections of the Health and Safety Code. The District operates under a Director - Manager form of government and provides for cemetery services to the general public. The District's Board of Directors is appointed by the Fresno County Board of Supervisors.

The accounting policies of the District conform to generally accepted accounting principles as applicable to government agencies. The following is a summary of the more significant provisions:

1. The Reporting Entity

For financial reporting purposes, the reporting entity includes all funds and authorities for which the District holds corporate powers. The Governmental Accounting Standards Board (GASB) has established criteria in determining financial accountability. The criteria include appointment of a majority of the voting members of an organization's governing board, and either (1) the District has the ability to impose its will on the organization, or (2) there is potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District.

These financial statements represent the Selma Cemetery District, the primary government. The District is a legally separate entity which possesses the power to tax and assess fees on property. The District is considered a California Special District and is subject to California laws and regulations, including the Health and Safety Code as applicable to Public Cemeteries. Fresno County does not exercise significant controlling power over the District. Accordingly the District is not considered a component unit of Fresno County. Further, the District has no component units; it has not created any separate political subdivisions and does not exercise any political or financial control over any other entity.

2. 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 by providing a separate set of self-balancing accounts which are comprised of each fund's assets, deferred outflows of resource, liabilities, deferred inflows of resources, net position, revenue, and expenditures. Government resources are allocated to and for individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types as follows:

GOVERNMENTAL FUND TYPES

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

Endowment Care Fund – The Endowment Care Fund is a special revenue fund used to account for the endowment care revenues and expenditures. The District is required by law to maintain this fund. The purpose of this fund is to provide sufficient funds to properly maintain the cemetery grounds once all available grave sites have been used. The District currently has not been required to expend any funds for endowment care because the Cemetery still has available grave sites to be sold.

Main Purchase Fund – A separate fund used by the District for the purpose of accumulating and investing funds for major property and equipment purchases.

3. Basis of Presentation – Government-Wide and Fund Financial Statements

Government wide financial statements are comprised of the statement of net position and the statement of activities. They contain information on all the activities of the primary government and are presented on the accrual basis of accounting. The statement of net position and statement of activity include all the assets of the District (including its infrastructure), deferred outflows of resources, all liabilities (including any long-term debt), and deferred inflows of resources. All of the current year's revenue and expenses are accounted for in the statement of activity regardless of when cash is received or paid.

Selma Cemetery District
Notes to Audited Financial Statements
June 30, 2018

NOTE 1 - Summary of Significant Accounting Policies (Continued)

3. Basis of Presentation – Government-Wide and Fund Financial Statements (Continued)

The fund financial statements are comprised of the governmental funds balance sheet and the statement of governmental revenues, expenditures and changes in fund balances. These statements reflect the activity of the various governmental funds of the District and are accounted for on the modified accrual basis of accounting. Assets expected to be used up and liabilities that come due during the year or soon thereafter are reflected. Capital assets acquisitions are treated as expenditures. Revenues for which cash is received during the year or soon thereafter are included. Expenditures for goods and services that have been received and for which payment is due during the year or soon thereafter are included.

4. Net Position

Governmental Accounting Standard Board Statement (GASBS) No. 63, requires the classification of net position into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt - This component of net position consists of capital assets, net of accumulated depreciation reduced by the outstanding debt balances and unspent debt proceeds related to the acquisition, construction, or improvement of the capital assets.
- Restricted – This component of net position consists of assets with external constraints placed on their use. Constraints included those imposed by debt indentures, grants or law and regulations of other governments, by law through constitutional provisions or enabling legislation.
- Unrestricted – This component of net position consists of net amount of assets, deferred outflows of resources, liabilities, and deferred inflows that do not meet the definition of restricted or net investment in capital assets.

5. Basis of Accounting

The basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting also refers to the timing of the measurements made, regardless of the measurement focus applied.

The governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Gross receipts and taxes are considered measurable when in the hands of intermediary collecting governments and are recognized as revenue at that time. All major revenues are susceptible to accrual. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

6. Budgets and Budgetary Accounting

The District follows these procedures in establishing budgetary data reflected in these financial statements:

- a. Formal budgets are established and approved by the District's Trustees for the general fund and is on file with Fresno County. These budgets are used as a management control device and are adopted on a basis consistent with generally accepted accounting principles.
- b. The budgetary comparison schedule - budget and actual present comparisons of legally adopted budgets with actual data. Since both the actual data and the budget amounts are presented on a basis consistent with generally accepted accounting principles, no additional reconciliation is required.

Selma Cemetery District
Notes to Audited Financial Statements
June 30, 2018

NOTE 1 - Summary of Significant Accounting Policies (Continued)

6. Budgets and Budgetary Accounting (Continued)

- c. The District's Board of Directors can authorize transfers between departments in any fund.
- d. Unused appropriations for all of the annually budgeted funds lapse at the end of the year.
- e. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

7. Cash and Investments

The District maintains its funds in various bank accounts, the Fresno County investment pool and investment accounts held at Wells Fargo Advisors.

Various restrictions on deposits and investments are imposed by statutes and by the District's investment policy as summarized below:

Deposits – All deposits with financial institutions must be collateralized with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations.

Investments – The District is authorized to make direct investments in various types of investments as governed by its investment policy and California statutes. Generally, the District can invest in U.S. Government, federal agency and instrumentality obligations, commercial paper rated "A" or better by Moody's or Standard and Poor's Corporation, repurchase agreements and the County's investment pool. When repurchase agreements are executed, the fair value of the securities must be equal to or greater than 102% of market value. The District has also imposed other various restrictions in its investment policy. As of June 30, 2018, the District held investments that did meet its investment policy. These investments are identified in the supplementary information to the financial statements.

8. Property, Plant, and Equipment

The District's property, plant, and equipment are recorded at cost. The cost of additions, renewals and betterments are capitalized; repairs and minor acquisitions and replacements are charged to operating expenses as incurred. Interest cost incurred that is related to the construction of property is capitalized.

Depreciation is computed on the straight-line method using the following estimated useful lives:

Buildings and Improvements	10 – 60 Years
Equipment	10 Years

All property, plant, and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. The District has no donated assets.

9. Inventory

Inventory consists of grave liners and vaults held for future use. Inventories are stated at the lower of cost or market accounted for on the consumption method.

10. Accumulated Compensated Absences

Employees of the District are allowed to accrue 15 days vacation time (after 5 years of employment) and 45 days of sick time as long as they are employed. Upon termination, the employee is not compensated for unused sick leave. Therefore, accrued compensated absences have been provided for based on each employee's accumulated vacation leave at June 30, 2018, at the employees current pay rate.

Selma Cemetery District
Notes to Audited Financial Statements
June 30, 2018

NOTE 1 - Summary of Significant Accounting Policies (Continued)

11. Revenue Recognition – Property Taxes

Real property taxes attach as an enforceable lien on property five years from the end of the applicable tax year. Unsecured property taxes attach as an enforceable lien after the penalty date, which varies depending upon when the unsecured taxes were billed. Taxes are levied on March 1 and are due and payable at that time. One half of the unpaid real property taxes levied March 1 become delinquent December 10 of the current year and the remaining half become delinquent April 10 of the following year.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within thirty days after year end. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

12. Reserves of Net Position

The District records reserves, and also designates amounts, to indicate that a portion of the General Fund is segregated for specific future uses. All principal endowment care funds are reserved for future cemetery maintenance.

The District has reserved or designated the following amounts:

Inventory	\$ 26,097
Accrued compensated absences	17,694
Mausoleum maintenance	16,372
Investment in capital assets, net of related debt	1,184,700
Endowment care	<u>1,287,245</u>
Total reserves and designations	<u>\$ 2,532,108</u>

14. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, the pension expense, information about the fiduciary net position of the Local Government of Example's California Public Employees' Retirement System (CalPERS) plans (plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when 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.

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, 2016
Measurement Date (MD)	June 30, 2017
Measurement Period (MP)	July 1, 2016 to June 30, 2017

Selma Cemetery District
Notes to Audited Financial Statements
June 30, 2018

NOTE 1 - Summary of Significant Accounting Policies (Continued)

15. Subsequent Events

Subsequent events have been evaluated through January 16, 2019 which is the date the financial statements were available to be issued.

NOTE 2 – Cash and Investments

Cash and investments are specifically identified in Schedule V included in the supplementary information. The deposits and investments are summarized as follows:

Cash and cash equivalents

	<u>General Fund</u>	<u>Endowment Fund</u>	<u>Main Purchase Fund</u>	<u>Totals</u>
External investment pool				
– Fresno County	\$ 218,963	\$ 103	\$ 69	\$ 219,135
Deposits – Bank of the Sierra	-10,883	19,825	0	8,942
Cash on hand or on deposit	<u>237</u>	<u>28,439</u>	<u>8,792</u>	<u>37,468</u>
Total cash and cash equivalents	<u>\$ 208,317</u>	<u>\$ 48,367</u>	<u>\$ 8,861</u>	<u>\$ 265,545</u>

Investments

	<u>General Fund</u>	<u>Endowment Fund</u>	<u>Main Purchase Fund</u>	<u>Totals</u>
U.S. Government and State agencies	\$ 0	\$ 622,773	\$ 307,540	\$ 930,313
Corporate bonds	0	581,781	141,448	723,229
Foreign bonds	0	73,860	0	73,860
Mutual funds	16,372	680,819	108,010	805,201
Certificates of Deposit – various institutions	<u>0</u>	<u>578,609</u>	<u>43,836</u>	<u>622,445</u>
Total investments	<u>\$ 16,372</u>	<u>\$ 2,537,842</u>	<u>\$ 600,835</u>	<u>\$ 3,155,048</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to it. Local financial institutions, under California state law, are required to collateralize local government agency deposits in excess of FDIC insured amounts up to \$250,000. As of June 30, 2018, the District's did not have deposits in financial institutions in excess of the insured limit. The District's investments in negotiable certificates of deposit at various financial institutions located throughout the U.S. were less than the maximum FDIC insured amount at each financial institution.

Interest Rate Risk – Investments

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District has a formal investment policy that limits investment maturities to 5 years or less, except for US treasury bills, notes and bonds, and of State government instrumentalities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's specific investments are listed in Schedule V of the supplementary information with their corresponding maturity dates.

Selma Cemetery District
Notes to Audited Financial Statements
June 30, 2018

NOTE 2 – Cash and Investments (Continued)

Credit Risk – Investments

The District's investment policy is in accordance with state law and as such, limits certain investments to the top two ratings issued by nationally recognized statistical rating organizations. As of June 30, 2018, the District's investment in the Fresno County investment pool had an average dollar-weighted quality rating of AA+ (Moody's Investment Services). The District's investments in corporate bonds and U.S. agencies through Wells Fargo Advisors were generally rated AAA (Moody's Investment Services). The District does have a number of corporate bonds rated less than AAA, however the District does not anticipate losses related to these investments. All of the District's investments in U.S. agencies carry the explicit guarantee of the U.S. government. Refer to Schedule V in the supplementary information for a full listing of investments held and current ratings. The District does not own individual investments, outside of mutual funds and external investment pools, which represent greater than 5% of total investments.

Concentration of Credit Risk

The District's investment policy requires diversification of its investment by security type and institution to avoid risk of loss resulting from over concentration of assets in a specific maturity, a specific insurer or a specific class of securities. The District's specific investments are listed in Schedule V in the supplementary information which identifies the issuer, fair value and maturity dates for all investments held.

Change in Fair Value of Investments

The District's change in its fair value of assets is computed as follows:

Change in fair value of investments (and certificates of deposit):

Fair value at end of year	\$ 3,155,048
Adjustment for current year amortization of premium/discount	2,826
Add: proceeds of investments sold during fiscal year	454,129
Less: cost of investments purchased during the fiscal period	(511,640)
Less: Fair value at beginning of year	<u>(3,176,234)</u>
Change in fair value of investments	<u>\$ (75,870)</u>

Net investment income is comprised of:

Interest received	\$ 75,137
Less: interest received, earned in prior year	(8,551)
Add: interest earned, not yet received	9,880
Less: accrued interest paid on investments purchased	(2,332)
Less: current year amortization on bond premium/discount	(2,826)
Change in fair value of investments	<u>(75,870)</u>
Net investment income	<u>\$ (4,562)</u>

Selma Cemetery District
Notes to Audited Financial Statements
June 30, 2018

NOTE 3 - Capital Assets

The following is a summary of the changes in Capital Assets:

Cost:	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Land and improvements	\$ 1,350,647	\$ 0	\$ 0	\$ 1,350,647
Buildings	370,404	7,086	1,063	376,427
Equipment	354,984	9,376	437	363,923
Total	<u>\$ 2,076,035</u>	<u>\$ 16,462</u>	<u>\$ 1,500</u>	<u>\$ 2,090,997</u>

Accumulated Depreciation:	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Land and improvements	\$ 477,635	\$ 11,055	\$ 0	\$ 488,690
Buildings	91,739	9,487	968	100,258
Equipment	299,486	18,300	437	317,349
Total	<u>\$ 868,860</u>	<u>\$ 38,842</u>	<u>\$ 1,405</u>	<u>\$ 906,297</u>

NOTE 4 - Defined Benefit Pension Plan

A. GENERAL INFORMATION

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Miscellaneous Plan of the Selma Cemetery District part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer plan administered by CalPERS, which acts as common investment and administrative agent for participating member employers. Benefits provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. The basic benefit will be 2% of "final compensation" for each year of credited service upon retirement at age 55. Final compensation is defined as the average monthly pay during the last 36 consecutive months of work or another period of 36 consecutive months selected by the member if the average pay rate was higher. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustment for each plan is applied as specified by the Public Employee's Retirement law.

Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.4% - 2.4%	1.0% - 2.5%

Selma Cemetery District
Notes to Audited Financial Statements
June 30, 2018

NOTE 4 - Defined Benefit Pension Plan (Continued)

Employees Covered

At June 30, 2018 the following employees were covered by the benefit terms of the Plan:

Inactive employees or beneficiaries currently receiving benefits	3	
Inactive employees entitled to but not yet receiving benefits	3	
Active employees	6	
Total	12	

Contributions

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 either the Miscellaneous or Safety risk pools, 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.

B. NET PENSION LIABILITY

The District's net pension liability for the plan is measured as the total pension liability, less the pensions plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2016 and June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
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% therein.

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

Selma Cemetery District
Notes to Audited Financial Statements
June 30, 2018

NOTE 4 - Defined Benefit Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15 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 7.15 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.

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 long-term expected rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017.

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.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 101</u>	<u>Real Return Years 11+2</u>
Global Equity	50.0%	3.95%	5.71%
Fixed Income	34.0	0.70	2.24
TIPs	5.0	(0.10)	2.04
Commodities	3.0	1.10	4.95
REITS	8.0	2.60	7.88
1 An expected inflation of 2.5% used for this period			
2 An expected inflation of 3.0% used for this period			

Selma Cemetery District
Notes to Audited Financial Statements
June 30, 2018

NOTE 4 - Defined Benefit Pension Plan (Continued)

C. Changes in the Net Pension Liability

The Changes in the Net Pension Liability for the Plan is as follows:

	TOTAL PENSION LIABILITY	PLAN FIDUCIARY NET POSITION	NET PENSION LIABILITY (ASSET)
Balance at 6/30/2017	\$ 1,157,547	\$ 930,680	\$ 226,867
Changes in the year:			
Service Cost	\$ 33,188	\$ 0	\$ 33,188
Interest on Total Pension Liability	\$ 91,273	\$ 0	\$ 91,273
Changes of Benefit Terms	\$ 164	\$ 0	\$ 163
Changes of Assumptions	\$ 138,734	\$ 0	\$ 138,734
Differences between Expected and Actual Experience	\$ (8,670)	\$ 0	\$ (8,670)
Net Plan to Plan Resource Movement	\$ 0	\$ (2,326)	\$ 2,326
Contributions - Employer	\$ 0	\$ 40,797	\$ (40,797)
Contributions - Employees	\$ 0	\$ 15,022	\$ (15,022)
Net Investment Income	\$ 0	\$ 151,178	\$ (151,178)
Benefit Payments, including Refunds of	\$ (55,635)	\$ (55,635)	\$ 0
Employee Contributions	\$ 0	\$ 0	\$ 0
Administrative Expense	\$ 0	\$ (1,463)	\$ 1,463
Other Miscellaneous Income	\$ 0	\$ 0	\$ 0
Net changes	\$ 199,055	\$ 147,573	\$ 51,482
Balance at 6/30/2018	\$ 1,356,602	\$ 1,078,253	\$ 278,349

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

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	\$ 464,945	\$ 278,349	\$ 123,806

Selma Cemetery District
Notes to Audited Financial Statements
June 30, 2018

NOTE 4 - Defined Benefit Pension Plan (Continued)

D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the District recognized pension expense of \$25,060. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 56,608	\$ 4,316
Differences between Expected and Actual Experience	456	6,536
Differences between Projected and Actual Investment Earnings	12,802	0
Differences between Employer's Contributions and Proportionate Share of Contributions	306	16,273
Change in Employer's Proportion	19,309	0
Pension Contributions Made Subsequent to Measurement Date	24,684	0
Total	\$ 114,165	\$ 27,126

\$24,684 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (income).

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

Fiscal Year Ending June 30:	Amount
2019	\$ 15,433
2020	33,796
2021	20,726
2022	(7,601)
2023	-
Thereafter	-
	62,355

NOTE 5 – Adjustments

The following adjustments are required to adjust the Statement of Net Position and Statement of Activities to the accrual basis as required by GASB No. 63. These adjustments consist of:

1. The adjustments for capital assets, net of accumulated depreciation (Note 3) are added to the Statement of Net Position in the amount of \$1,184,701.
2. Accumulated compensated absences in the amount of \$12,003 are now reported as long-term liabilities and are added to the Statement of Net Position.
3. Various fund balances, reserved or designated by the Board of Directors have been eliminated and are now reported as a component of Net Position.
4. Current year accrued compensated absences are reported as a component of current year salaries and employee benefits and are adjusted in the Statement of Activities.
5. Current year depreciation expense of \$38,842 is reported as an addition to the Statement of Activities.

Selma Cemetery District
Notes to Audited Financial Statements
June 30, 2018

NOTE 5 – Adjustments (Continued)

6. Current year capital acquisitions of are eliminated from the Statement of Activities and are reported as additions to fixed assets.
7. The District's prior fiscal year ending June 30, 2017 net position in the amount of \$4,496,276 includes the following items:
 - a. Investment in Capital Assets, net of related debt of \$1,207,175.
 - b. Restricted for Endowment Care of \$1,253,050.
 - c. Restricted for mausoleum maintenance of \$19,457.
 - d. Unrestricted net position of \$2,016,594.

NOTE 6 – Fair Value Disclosure

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

	General Fund	Main Purchase Fund	Endowment Care Fund	Total
Investments by fair value level				
Debt Securities				
Mutual Funds	\$ 16,372	\$ 108,010	\$ 680,819	\$ 805,201
Government Bonds	0	252,777	514,449	767,226
Government Asset Backed Securities	0	54,763	108,324	163,087
Certificates of Deposit	0	43,836	578,609	622,445
Foreign Bonds	0	0	73,860	73,860
Corporate Bonds	0	141,449	581,781	723,230
Total Investments	<u>\$ 16,372</u>	<u>\$ 600,835</u>	<u>\$ 2,537,842</u>	<u>\$ 3,155,049</u>

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level			
Mutual Funds	\$ 805,201	\$ 0	\$ 0
Government Bonds	767,226	0	0
Government Asset Backed Securities	163,087	0	0
Certificates of Deposit	0	622,444	0
Foreign Bonds	73,860	0	0
Corporate Bonds	0	723,229	0
Total Investments	<u>\$ 1,809,375</u>	<u>\$ 1,345,674</u>	<u>\$ 0</u>

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SUPPLEMENTARY INFORMATION

Selma Cemetery District

Supplementary Information

For the year ended June 30, 2018

SCHEDULE I - Budgetary Comparison Schedule

	All governmental funds		Variance- Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Property taxes, including penalties and interest	\$ 199,200	\$ 217,562	\$ 18,362
Fees and services	294,000	442,576	148,576
Other income	140,000	0	(140,000)
Use of money, interest	0	(4,562)	(4,562)
Total revenues	633,200	655,576	22,376
EXPENDITURES			
Salaries and employee benefits	297,245	293,320	3,925
Payroll taxes and workers compensation	50,834	58,844	(8,010)
Retirement and benefits	93,000	90,825	2,175
Repairs and maintenance	13,500	37,224	(23,724)
Gasoline and oil	7,000	7,371	(371)
Laundry	3,500	3,540	(40)
Vaults and marker foundations	47,500	54,518	(7,018)
Supplies	3,000	2,445	555
Utilities	18,500	19,371	(871)
Insurance	11,500	20,812	(9,312)
Telephone	5,500	5,908	(408)
Legal and accounting	12,000	14,455	(2,455)
Contract labor	37,500	43,448	(5,948)
Office expense	3,000	3,389	(389)
Other (sales tax, miscellaneous, sand/gravel)	5,000	25,685	(20,685)
Travel and meetings	16,500	14,694	1,806
Depreciation	45,000	38,842	6,158
Buildings, equipment and improvements	1,500	0	1,500
Total expenditures	671,579	734,691	(63,112)
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	\$ (38,379)	(79,115)	\$ (40,736)
Depreciation and Captial Additions		23,943	
Fund balance, beginning of year		3,299,636	
Fund balance, June 30		\$ 3,244,464	

Selma Cemetery District

Supplementary Information

June 30, 2018

SCHEDULE II - Property Tax Revenues

Current secured taxes	\$ 186,120
Current unsecured taxes	10,107
Homeowners' property tax relief	2,036
Other tax revenue	<u>19,299</u>
Total property tax revenues	<u>\$ 217,562</u>

SCHEDULE III - Services and Fees Revenue

Sale of plots only	\$ 81,520
Vaults and urns	87,828
Vault installation	39,120
Opening and closing	127,790
Marker setting	31,935
Other Income	<u>31,148</u>
Total general fund services and fees	399,341
Endowment care fund	<u>43,235</u>
Total services and fees revenue	<u>\$ 442,576</u>

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Selma Cemetery District

Supplementary Information

June 30, 2018

SCHEDULE IV - Insurance Coverage

Insurance coverage of the District in force at June 30, 2018 is summarized as follows, coverage period extends from 7/1/17 to 6/30/18:

General Liability	
Each Occurrence	\$ 1,000,000
Errors and Omissions	\$ 1,000,000
Government Codes	\$ 1,000,000
Automobile	
Any Auto/Hired/Non-Owned Automobiles	\$ 1,000,000
Garage Liability	\$ 1,000,000
Worker's Compensation	
Employers' Liability Coverage	\$ 5,000,000
Crime	
Each Occurrence	\$ 10,000,000

Insurance coverage of the District in force at June 30, 2018 is summarized as follows, coverage period extends from 3/31/17 to 3/31/18:

Property	
Real and Personal Property, Fine Arts, and Mobile Equipment (Owned)	replacement
(max \$600,000,000 per covered loss)	cost
Each Occurrence/All risk	\$ 25,000,000
Each Occurrence/Flood (annual aggregate limit applies)	\$ 25,000,000
Each Accident/Boiler and Machinery	\$ 25,000,000
Each Occurrence/Terrorism (annual aggregate limit)	\$ 200,000,000

Selma Cemetery District
Supplementary Information
June 30, 2018

SCHEDULE V - Deposits and Investments

Description	Remaining Balance	Current Value	Maturity Date	Moody's / S&P Rating	Interest Rate	Comments
General Fund						
EXTERNAL INVESTMENT POOL - FRESNO COUNTY		\$ 218,963	SEE COMMENTS	(2)		WEIGHTED AVERAGE MATURITY OF 2.2 YEARS
CASH ON HAND		237		(1)		FDIC INSURED
BANK OF THE SIERRA CHECKING ACCCOUNT		(12,266)		(1)		FDIC INSURED
BANK OF THE SIERRA DEBIT ACCOUNT		1,370		(1)		FDIC INSURED
WELLS FARGO ADVISORS BK DEPOSIT SWEEP ACCOUNT		13		(1)		BANK DEPOSIT SWEEP FDIC INSURED - RESERVED FOR MAUSOLEUM
Cash and Cash Equivalent		\$ 208,317				
BOND FUND OF AMERICA		\$ 16,372				
Investments		\$ 16,372				
Total deposits and investments - General Fund		\$ 224,690				

Endowment Care Fund						
EXTERNAL INVESTMENT POOL - FRESNO COUNTY		103	SEE COMMENTS	(2)		WEIGHTED AVERAGE MATURITY OF 1.8 YEARS
BANK OF THE SIERRA DEBIT ACCOUNT		19,825		(1)		FDIC INSURED
WELLS FARGO ADVISORS BK DEPOSIT SWEEP ACCOUNT		28,439		(1)		BANK DEPOSIT SWEEP FDIC INSURED
Cash and Cash Equivalent		\$ 48,367				
JP MORGAN CHASE SR UNSEC	55,000	53,895	03/01/2021	A3 / A-	2.550	
ALTRIA GROUP INC.	75,000	73,207	08/09/2022	A3 / A-	2.850	
ALTRIA GROUP INC.	50,000	48,805	08/09/2022	A3 / A-	2.850	
BERKSHIRE HATHAWAY FIN SR UNSECURED	25,000	24,983	05/15/2018	AA2 / AA	2.000	
AMERICAN EXPR CENT CD	40,000	39,276	08/29/2018	(1)	2.000	CERTIFICATE OF DEPOSIT FDIC INSURED
JOHN DEERE CAPITAL CORP CORENOTES	50,000	49,846	12/13/2018	A2 / A	1.950	
JP MORGAN CHASE & CO SR UNSECURED	25,000	24,961	01/28/2019	A3 / A-	2.350	
JP MORGAN CHASE & CO SR UNSECURED	50,000	48,709	06/07/2021	A3 / A-	2.400	
JP MORGAN CHASE & CO SR UNSECURED	50,000	49,554	06/23/2020	A3 / A-	2.750	
WELLS FARGO UNSEC SR	50,000	49,714	04/22/2019	A2 / A	2.125	
GOLDMAN SACHS BK USA CD NEW YORK NY	50,000	49,862	04/30/2019	(1)	2.000	CERTIFICATE OF DEPOSIT FDIC INSURED
GE CAPITAL RETAIL BANK CD	50,000	49,864	05/02/2019	(1)	2.000	CERTIFICATE OF DEPOSIT FDIC INSURED
CATERPILLAR MED TERM NOTE	50,000	49,726	06/09/2019	A2 / A	2.100	
STATE BANK OF INDIA CD	45,000	44,766	12/05/2019	(1)	2.200	CERTIFICATE OF DEPOSIT FDIC INSURED
STATE BANK OF INDIA CD	30,000	29,844	12/05/2019	(1)	2.200	CERTIFICATE OF DEPOSIT FDIC INSURED
UNITED HEALTH SR UNSEC	50,000	49,734	12/15/2019	A3 / A-	2.300	
SANTANDER UK PLC	75,000	73,860	03/16/2020	A1 / A	2.375	
AMEX CD	50,000	48,986	12/23/2020	(1)	2.300	CERTIFICATE OF DEPOSIT FDIC INSURED
FEDERAL NATL MTG ASSN NOTES	25,000	24,341	12/24/2020	AAA / AA+	1.500	
AMEX CD	40,000	40,000	12/30/2020	(1)	2.300	CERTIFICATE OF DEPOSIT FDIC INSURED
MORGAN STANLEY BANK	50,000	49,792	04/05/2021	(1)	2.800	CERTIFICATE OF DEPOSIT FDIC INSURED
DISCOVER BANK CD	75,000	71,242	11/02/2021	(1)	1.750	CERTIFICATE OF DEPOSIT FDIC INSURED
FEDERAL HOME LOAN BANK BONDS	50,000	49,417	01/29/2021	AAA / AA+	2.250	
MICROSOFT CORP UNSEC NOTE	60,000	58,651	02/12/2022	AAA / AAA	2.375	
STATE BANK OF INDIA CD	60,000	58,247	03/14/2022	(1)	2.250	CERTIFICATE OF DEPOSIT FDIC INSURED
FEDERAL FARM CREDIT BANK	50,000	48,632	03/29/2022	AAA / AA+	2.180	
COMENITY BANK CD	100,000	96,732	05/10/2022	(1)	2.400	CERTIFICATE OF DEPOSIT FDIC INSURED
FEDERAL FARM CREDIT BANK	50,000	48,704	12/14/2022	AAA / AA+	2.300	
GNMA PASS THRU POOL 610207	1,352	1,414	05/15/2023	(2)	6.500	
GNMA PASS THRU POOL 610207	2,896	3,030	05/15/2023	(2)	6.500	
FEDERAL FARM CREDIT NOTES	80,000	76,523	12/19/2023	AAA / AA+	2.050	
FEDERAL FARM CREDIT NOTES	100,000	95,774	04/07/2025	AAA / AA+	2.580	
FNMA PASS THRU POOL 330296	5,690	5,955	11/01/2025	(2)	6.000	
FNMA PASS THRU POOL 330296	5,857	6,130	11/01/2025	(2)	6.000	
FEDERAL FARM CREDIT BANK BONDS	30,000	28,575	04/13/2026	AAA / AA+	2.640	
FEDERAL HOME LOAN BANK BONDS	60,000	56,185	06/23/2026	AAA / AA+	2.470	
FEDERAL NATL MTG ASSN NOTES	70,000	65,518	12/27/2027	AAA / AA+	2.500	
FEDERAL NATL MTG ASSN NOTES	75,000	70,198	12/27/2027	AAA / AA+	2.500	
FNMA PASS THRU POOL 534455	12,023	13,251	11/01/2028	(2)	6.500	

Selma Cemetery District
Supplementary Information
June 30, 2018

SCHEDULE V - Deposits and Investments

FNMA PASS THRU POOL 534455	5,690	6,088	11/01/2028	(2)	6.500	
GNMA PASS THRU POOL 502618	2,810	3,072	03/15/2029	(2)	6.000	
FNMA PASS THRU POOL 763497	1,006	1,100	08/01/2029	(2)	6.000	
GNMA PASS THRU POOL 599779	4,419	4,873	10/15/2032	(2)	6.500	
FHLMC 3540 TB REMIC MULTICLASS CMO	1,488	1,591	03/15/2039	(2)	5.000	
FEDERAL NATL MTG ASSN MULTICLASS CMO	12,799	12,404	03/25/2041	(2)	2.500	
WELLS FARGO FDS TR SHORT DURATION GOVT BOND FD		147,433		(1)		OPEN END MUTUAL FUND
BOND FUND OF AMERICA CL A ABNDX		192,371		(1)		OPEN END MUTUAL FUND
BOND FUND OF AMERICA CL A ABNDX		166,523		(1)		OPEN END MUTUAL FUND
WELLS FARGO FDS TR SHORT DURATION GOVT BOND FD		174,491		(1)		OPEN END MUTUAL FUND
Investments		\$ 2,537,842				
Total deposits and investments - Endowment Care Fund		\$ 2,586,209				

Main Purchase Fund						
WELLS FARGO ADVISORS BK DEPOSIT SWEEP ACCOUNT		8,792		(1)		BANK DEPOSIT SWEEP FDIC INSURED
EXTERNAL INVESTMENT POOL - FRESNO COUNTY		69	SEE COMMENTS	(2)		WEIGHTED AVERAGE MATURITY OF 2.2 YEARS
Cash and Cash Equivalent		\$ 8,861				
FEDERAL HOME LOAN BANK BONDS	70,000	69,176	06/28/2019	AAA / AA+	1.190	
JP MORGAN CHASE & CO SR UNSECURED	50,000	49,363	06/23/2020	AAA / A-	2.750	
DISCOVER BANK	45,000	43,836	07/06/2021	(1)	2.100	CERTIFICATE OF DEPOSIT FDIC INSURED
CATERPILLER INL SERVICE	45,000	43,210	10/01/2021	AAA / A	1.931	
FEDERAL NATL LN MTG ASSN NOTES	45,000	43,512	11/24/2021	AAA / AA+	2.020	
MICROSFOT CORP UNSEC NOTE	50,000	48,876	02/12/2022	AAA / AA+	2.375	
FEDERAL HOME LOAN BANK BONDS	50,000	45,872	09/23/2026	AAA / AA+	2.125	
FEDERAL NATL LN MTG ASSN NOTES	100,000	94,217	11/26/2027	AAA / AA+	2.500	
FNMA PASS THRU POOL 571670	3,893	4,004	02/01/2031	(2)	7.000	
GNMA II PASS THRU POOL 3864	2,770	2,977	06/20/2036	(2)	5.500	
FNMA 07-72 DB REMIC MULTICLASS CMO	6,060	6,647	07/25/2037	(2)	5.750	
GNMA II PASS THRU POOL MA0698	49,436	41,135	01/20/2043	(2)	3.000	
COLUMBIA FDS SERV TR 11		108,010		(1)		OPEN END MUTUAL FUND
Investments		\$ 600,835				
Total deposits and investments - Main Purchase Fund		\$ 609,696				

(1) These types of deposits/investments do not have credit ratings

(2) Investments in US Government debt and external investment pools are considered to have no credit risk, accordingly no credit rating is disclosed for these investments.