LINDSAY-STRATHMORE PUBLIC CEMETERY DISTRICT

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Year Ended June 30, 2018

LINDSAY-STRATHMORE PUBLIC CEMETERY DISTRICT

JUNE 30, 2018

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M. Green and Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Lindsay-Strathmore Public Cemetery District
Lindsay, California

We have audited the accompanying financial statements of the Lindsay-Strathmore Public Cemetery District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion 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 auditors' 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 auditors consider internal control relevant to the District'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 District'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.

Basis for Qualified Opinion

Because of the inadequate accounting records for the years ended prior to June 30, 2009, we were unable to form an opinion regarding the amount at which the nonexpendable balance in the restricted endowment fund should be reported in the accompanying balance sheet as of June 30, 2018.

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Qualified Opinion

In our opinion, except for the effects of such adjustments determined to be necessary had prior years' accounting records concerning the nonexpendable balance in the restricted endowment fund been adequate, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Lindsay-Strathmore Public Cemetery District, as of June 30, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance 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

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

Accounting principles generally accepted in the United States of America require that Lindsay-Strathmore Public Cemetery District's Schedule of Proportionate Share of the Net Pension Liability of California Public Employees' Retirement System – Last Ten Years and Schedule of Contributions to California Public Employees' Retirement System – Last Ten Years on pages 19 and 20 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 this 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 financial statements that collectively comprise the Lindsay-Strathmore Public Cemetery District's basic financial statements. The schedule of selected financial data is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of selected financial data is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of selected financial data is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

M. Green and Company LLP

Tulare, California
November 6, 2018

LINDSAY-STRATHMORE
PUBLIC CEMETERY DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2018

LINDSAY-STRATHMORE PUBLIC CEMETERY DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2018

ASSETS

CURRENT ASSETS:		
Cash and cash investments	$ 553,609	
Accounts receivable	26,630	
Revolving funds receivable	663	
Inventory	6,580	
Prepaid insurance	8,910	
Total current assets		$ 596,392
RESTRICTED ASSETS, cash and cash investments:		
Cash and cash investments	640,951	
Other receivable	5,500	
Total restricted assets		646,451
CAPITAL ASSETS:		
Land	231,511	
Other capital assets, net of depreciation	277,707	
Total capital assets		509,218
OTHER ASSETS:		
Net pension asset		195,812
DEFERRED OUTFLOWS		55,495
Total assets and deferred outflows		$ 2,003,368

LIABILITIES AND NET POSITION

CURRENT LIABILITIES:		
Accounts payable	$ 22,122	
Accrued compensated absences	6,900	
Accrued expenses	4,445	
Other payable	5,500	
Total current liabilities		$ 38,967
LONG-TERM LIABILITIES:		
Unearned income		109,102
DEFERRED INFLOWS		55,822
NET POSITION:		
Invested in capital assets	509,218	
Restricted for cemetery care, expendable	76,277	
Restricted for cemetery care, nonexpendable	570,174	
Unrestricted	643,808	
Total net position		1,799,477
Total liabilities, deferred inflows and net position		$ 2,003,368

See notes to financial statements.

LINDSAY-STRATHMORE PUBLIC CEMETERY DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION YEAR ENDED JUNE 30, 2018

OPERATING REVENUES:		
Sale of lots and services	$ 165,871	
Sale of vaults and liners	43,540	
Miscellaneous	22,813	
Total operating revenues		$ 232,224
OPERATING EXPENSES:		
Salaries and employee benefits	223,813	
Board compensation	1,100	
Utilities	11,424	
Communications	2,990	
Legal and professional	8,873	
Insurance	9,733	
Repairs and maintenance, structures	467	
Repairs and maintenance, grounds	14,966	
Repairs and maintenance, equipment	9,613	
Liners and vaults	26,192	
Marker setting	1,155	
Office	5,509	
Uniforms	1,439	
Administrative fees	2,518	
Miscellaneous	9,375	
Depreciation	21,736	
Total operating expenses		350,903
Operating loss		(118,679)

(continued)

LINDSAY-STRATHMORE PUBLIC CEMETERY DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION YEAR ENDED JUNE 30, 2018

Operating loss from previous page		$ (118,679)
NONOPERATING REVENUES (EXPENSES):		
Donations	$ 120	
Farm income	117,997	
Farm expense	(65,974)	
Loss on the sale of assets	(30)	
Interest income	12,663	
Property taxes	113,473	
Total nonoperating revenues (expenses)		178,249
ADDITIONS TO PERMANENT ENDOWMENT CARE		23,760
Increase in net position		83,330
Net position, July 1, 2017		1,716,147
Net position, June 30, 2018		$ 1,799,477

See notes to financial statements.

LINDSAY-STRATHMORE PUBLIC CEMETERY DISTRICT

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 247,226	
Cash payments to suppliers for goods and services	(102,009)	
Cash payments to employees for services	(219,113)	
Net cash used by operating activities		$ (73,896)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from property taxes and aid from other governmental agencies	113,473	
Cash received from restricted donation	120	
Cash received from permanent endowment care	23,760	
Net cash provided by noncapital financing activities		137,353
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets		(78,798)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Farm income, net	43,036	
Interest income	12,663	
Net cash provided by investing activities		55,699
Net increase in cash and cash investments		40,358
Cash and cash investments, July 1, 2017		1,154,202
Cash and cash investments, June 30, 2018		$ 1,194,560

(continued)

LINDSAY-STRATHMORE PUBLIC CEMETERY DISTRICT

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:

Operating loss	$ (118,679)	
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	21,736	
(Increase) decrease in:		
Inventory	5,801	
Prepaid insurance	272	
Net pension asset	487	
Deferred outflows	(24,695)	
Increase in:		
Accounts payable	7,569	
Accrued expenses	6,148	
Unearned income	15,002	
Deferred inflows	12,463	
Net cash used by operating activities		$ (73,896)

See notes to financial statements.

NOTE 1 – Summary of Significant Accounting Policies

Organization

The Lindsay-Strathmore Public Cemetery District (the District) was organized under the laws of the State of California to operate and maintain two cemeteries located within the District's boundaries. The District services the cities of Lindsay and Strathmore located in Tulare County, California. It is a State of California public district.

Reporting Entity

The District's basic financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District
- exclusion of the organization would render the financial statement incomplete or misleading

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity.

Fund Accounting

The operations of the District are accounted for in an enterprise fund. An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where costs (expenses, including depreciation) of providing services to the general public on a continuing basis are financed through user charges.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts of the District and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The accrual basis of accounting is required for enterprise funds and is utilized by the District. Under this method, revenues are recorded when earned and expenditures or expenses are recorded when incurred.

Operating and Nonoperating Revenues

Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as property taxes and investment earnings, result from nonexchange transactions or ancillary activities.

NOTE 1 – Summary of Significant Accounting Policies (continued)

Budgetary Procedures

The District operates under a budget prepared and approved annually by the Board of Trustees. The budget is prepared on a detailed line item basis. Revenues are budgeted by source, and expenditures or expenses are budgeted by use (salaries and employee benefits, services and supplies, other charges, fixed asset acquisitions and contingencies). Once approved, the Board of Trustees may amend the adopted budget when unexpected modifications are required in estimated revenues and expenditures.

Pensions

For purposes of measuring the net pension asset/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 the CalPERS website under Forms and Publications.

Cash and Cash Equivalents

For the purposes of these financial statements, the District considers cash and all other highly liquid investments with original maturities of thee months or less at date of purchase to be cash and cash equivalents.

Inventory

Inventory is stated at the lower of cost or market using the first-in, first-out (FIFO) method.

Capital Assets

Capital assets are recorded at cost and depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	7 - 30 years
Vehicles	5 - 10 years
Equipment	5 - 10 years

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability of the District. Employees do not gain a vested right to accumulated sick leave; therefore, accumulated employee sick leave benefits are not recognized as a liability of the District, but are recorded as expenditures in the year that sick leave is taken.

NOTE 1 – Summary of Significant Accounting Policies (continued)

Equity Classifications

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The District reports three categories of net position as follows:

> *Net investment in capital assets* – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
>
> *Restricted net position* – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
>
> *Unrestricted net position* – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies restricted net position first, unless a determination is made to use unrestricted net position. The District's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

Nature and Purpose of Restricted Net Position

Restricted net position are amounts which are legally segregated for specific usage or commitments to outside third parties. Restricted net position presented in the statement of net position are for the maintenance and care of the cemetery facilities. These amounts include specific receipts from outside parties and the interest earned thereon. Per state law, the Board may not spend the principal of these restricted funds, however, the income is available for the current maintenance and care of the cemetery facilities.

The District was a beneficiary of the Triton Trust. These funds, and the interest thereon, are available for the current maintenance and care of the cemetery facilities. During the year ended June 30, 2018, the District did not use restricted funds to acquire equipment.

The expendable and nonexpendable components of the restricted net position as of June 30, 2018, were $76,277 and $570,174, respectively. The interest earned during the year ended June 30, 2018, was $6,792.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. These taxes are levied from July 1 through June 30. Taxes are payable in two installments on November 1 and February 1 and are collected December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of Tulare bills and collects the taxes for the District. Property tax revenues are recognized by the District when received, except at year end, an accrual is made when property taxes are received soon enough thereafter to pay liabilities of the current period.

NOTE 1 – Summary of Significant Accounting Policies (continued)

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2 – Cash and Cash Investments

Statutes authorize districts to invest in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit, banker's acceptances, repurchase agreements, insured money market accounts, commercial paper, county investment pools and the State Treasurer's Local Agency Investment Fund.

The Board has adopted a formal investment policy which allows District funds to be invested in various items including bank and savings and loan associations fully insured by the Federal Deposit Insurance Corporation, and the Tulare County investment pool.

Cash and cash investments at June 30, 2018, were as follows:

Petty cash	$ 100
Cash in bank	189,427
Cash in County Treasury	1,005,033
Total cash and cash investments	$ 1,194,560

Restricted and unrestricted cash and cash investments:

Restricted for cemetery care	$ 640,951
Unrestricted	553,609
Total cash and cash investments	$ 1,194,560

LINDSAY-STRATHMORE PUBLIC CEMETERY DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 – Cash and Cash Investments (continued)

The District's cash in County Treasury was not subject to credit risk categorization and is carried at cost which approximates fair value. All pooled funds are regulated by the California Government Code.

The District maintains cash balances at a major bank with a strong credit rating. All accounts are insured through FDIC up to a balance of $250,000. The cash balances were fully insured as of June 30, 2018. The District has not incurred any losses related to these balances.

NOTE 3 – Accounts Receivable

Accounts receivable represent crop proceeds not received at June 30, 2018. The District determines collectability based on collection history of the District and analysis of the outstanding balances. The balances are deemed fully collectible; therefore, no allowance has been made as of June 30, 2018.

NOTE 4 – Capital Assets

The following is a summary of changes in capital assets:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets not being depreciated:				
Land	$ 231,511	$ -	$ -	$ 231,511
Other capital assets:				
Buildings and improvements	140,516	-	-	140,516
Roads	127,556	-	-	127,556
Irrigation and grounds	160,240	-	-	160,240
Equipment	447,179	78,798	(528)	525,449
Total other capital assets at historical cost	875,491	78,798	(528)	953,761
Accumulated depreciation	(654,816)	(21,736)	498	(676,054)
Other capital assets, net	220,675	57,062	(30)	277,707
Capital assets, net	$ 452,186	$ 57,062	$ (30)	$ 509,218

NOTE 5 – Pension Plan

General Information about the Pension Plan

Plan Description

Qualified employees are covered under a multiple-employer, cost-sharing defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by state statute and Local Government resolution. The benefit terms of the CalPERS plan may be amended through legislation and Public Employers' Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumption 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. To be eligible for retirement, the member must be at least age 50 and have a minimum of five years of credited service. If you became a member on or after January 1, 2013, you must be at least age 52. Monthly benefits are based on three factors: service credit, benefit factor and final compensation. Service credit is based on years of credited service, equal to one year of full time employment. The benefit factor, which is a percentage of pay to which the member is entitled for each year of service, is determined by their age at retirement and the retirement formula based on their membership date with each employer. There are two miscellaneous retirement formulas: 2 percent at age 60 for those hired prior to January 1, 2013, with benefit factors ranging from 1.1 percent to 2.4 percent with retirement ages of 50 to 62; 2 percent at age 62 for those hired after January 1, 2013, with benefit factors ranging from 1 percent to 2.5 percent with retirement ages of 52 to 67. Final compensation is the highest average pay rate and special compensation during any consecutive one-year or three-year period, which period is used, depends on the members' retirement formula. All members are eligible for non-duty disability benefits after ten years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit and the 1959 Survivor Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective July 1 following notice of a change in the rate. The CalPERS board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS' periodic actuarial valuation process or by state statute. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the year ended June 30, 2018, for employees hired prior to January 1, 2013, the active employee contribution rate is 7 percent of annual pay, and the employer's contribution rate is 7.2 percent. For employees hired after January 1, 2013, the active employee contribution rate is 6.25 percent of annual pay, and the employer's contribution rate is 6.533 percent. The District's contributions to CalPERS for the fiscal year ended June 30, 2018, were $10,746.

NOTE 5 – Pension Plan (continued)

Pension Assets, Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2018, the District reported a net pension asset of $195,812 for its proportionate share of the net pension liability for the Miscellaneous Plan.

The District's net pension asset for the Plan is measured as the proportionate share of the net pension liability. The net pension asset is measured as of June 30, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The following represents the change in the proportionate share of net pension liability by year (the measurement date):

Proportionate share at June 30, 2016	(0.005651)%
Proportionate share at June 30, 2017	(0.004967)%
Change decease	0.000684%

For the year ended June 30, 2018, the District recognized a pension expense of ($2,590). At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 10,746	$ -
Differences between expected and actual experience	139	(3,877)
Changes in assumptions	34,152	(1,620)
Adjustments due to differences in proportions	8,170	(3,459)
Change in employer's proportion and difference between the employer's contributions and the employer's proportionate share of contributions	2,288	(29,754)
Net difference between projected and actual earnings on plan investments	-	(17,112)
Totals	$ 55,495	$ (55,822)

NOTE 5 – Pension Plan (continued)

Pension Assets, Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

$10,746 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as an increase to the net pension asset or reduction of the net pension liability in the year ended June 30, 2018.

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

Measurement Period Ended June 30	Net Effect on Expense
2018	$ (11,598)
2019	5,749
2020	2,311
2021	(7,535)
Total	$ (11,073)

Actuarial Assumptions

The total pension liabilities in the June 30, 2018, actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous Plan
Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	Varies (1)
Experience Study	7/1/1996 - 6/30/2011
Investment Rate of Return	7.50% (2)
Post-Retirement Benefit Increase	Contract COLA up to 2.75% until PPPA floor on purchasing power applies, 2.75% thereafter

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses; includes inflation

NOTE 5 – Pension Plan (continued)

Pension Assets, Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Actuarial Assumptions (continued)

CalPERS uses mortality tables developed based on CalPERS specific data for all funds. The mortality table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

Summary of Changes of Benefits or Assumptions

There were no changes to benefit terms or plan provisions that applied to members of CalPERS.

As of the June 30, 2017, measurement date, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

There were no changes in actuarial methods or assumptions used for the June 30, 2016, measurement date.

As of the June 30, 2015, measurement date, the discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

Discount Rate

The discount rate used to measure the total pension liability for CalPERS was 7.15 percent. CalPERS' projection of the expected benefits and contributions were performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the CalPERS Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at the CalPERS website.

CalPERS utilized historical returns of all the Plan's asset classes to determine the expected compounded (geometric returns over the short-term (first 10 years) and the long-term (11-60 years) using the building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated. 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 rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

NOTE 5 – Pension Plan (continued)

Pension Assets, Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Discount Rate (continued)

The table below reflects long-term expected real rate of return by asset class, as follows:

Asset Class	Current Target Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11 + (b)
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.45%	-0.90%
Total	100.00%		

(a) An expected inflation of 2.50% used for this period.
(b) An expected inflation of 3.00% used for this period.

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

The following represents the District's proportionate share of the net pension liability calculated using the discount rate as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher that the current rate:

	Miscellaneous Plan
1.00% Decrease	6.15%
Net Pension Asset	$83,238
Current Discount Rate	7.15%
Net Pension Asset	$195,812
1.00% Increase	8.15%
Net Pension Asset	$289,049

NOTE 5 – Pension Plan (continued)

Pension Assets, Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separate issue CalPERS financial reports on their website. The plan's fiduciary net position has been determined on the same basis as that used by the plan.

NOTE 6 – Subsequent Events

Management has evaluated subsequent events through November 6, 2018, the date the financial statements were available to be issued, and has determined no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any other subsequent events occurred, the nature of which would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

LINDSAY-STRATHMORE PUBLIC CEMETERY DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM – LAST TEN YEARS

Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Employee Payroll	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2014	-0.003049%	$ (189,692)	$ 60,328	-314.47%	-141.60%
June 30, 2015	-0.003441%	$ (236,175)	$ 109,501	-215.68%	-146.02%
June 30, 2016	-0.002269%	$ (196,299)	$ 176,673	-111.11%	-132.77%
June 30, 2017	-0.001974%	$ (195,812)	$ 174,725	-112.07%	123.92%

Notes to the Schedule:

This schedule is presented to illustrate the requirement to show information for ten years. Only four years are presented because ten years of data is not yet available.

Change in Assumptions

Measurement Date	Discount Rate	Inflation	Payroll Growth	Projected Salary Increase (1)	Experience Study	Investment Rate of Return (2)
June 30, 2014	7.50%	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%
June 30, 2015	7.65% (3)	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%
June 30, 2016	7.65% (3)	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%
June 30, 2017	7.15% (3)	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses; includes inflation

(3) Excludes reduction of pension plan administrative expense

CalPERS uses mortality tables developed based on CalPERS specific data for all funds. The mortality table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

See independent auditors' report.

LINDSAY-STRATHMORE PUBLIC CEMETERY DISTRICT

SCHEDULE OF CONTRIBUTIONS TO CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM – LAST TEN YEARS

Fiscal Year End	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll: Miscellaneous	Contributions as a Percentage of Covered Employee Payroll: PEPRA
June 30, 2015	$ 7,284	$ 7,284	$ -	$ 109,501	6.652%	*
June 30, 2016	$ 11,853	$ 11,853	$ -	$ 176,673	6.709%	*
June 30, 2017	$ 11,525	$ 11,525	$ -	$ 160,992	7.159%	*
June 30, 2018	$ 10,746	$ 10,746	$ -	$ 154,457	7.200%	6.533%

Notes to the Schedule:

This schedule is presented to illustrate the requirement to show information for ten years. Only four years are presented because ten years of data is not yet available.

*District specific actuarial valuations were not performed for PEPRA prior to June 30, 2015.

Change in Assumptions

Measurement Date	Discount Rate	Inflation	Payroll Growth	Projected Salary Increase (1)	Experience Study	Investment Rate of Return (2)
June 30, 2014	7.50%	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%
June 30, 2015	7.65% (3)	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%
June 30, 2016	7.65% (3)	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%
June 30, 2017	7.15% (3)	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%

(1) Depending on age, service and type of employment
(2) Net of pension plan investment expenses; includes inflation
(3) Excludes reduction of pension plan administrative expense

CalPERS uses mortality tables developed based on CalPERS specific data for all funds. The mortality table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

See independent auditors' report.

SUPPLEMENTARY INFORMATION

LINDSAY-STRATHMORE PUBLIC CEMETERY DISTRICT

SELECTED FINANCIAL DATA
YEARS ENDED JUNE 30

Description	2018	2017	2016	2015
Sale of lots and services	$ 165,871	$ 128,772	$ 116,997	$ 149,798
Sale of vaults and liners	$ 43,540	$ 38,539	$ 41,886	$ 47,638
Total operating revenues	$ 232,224	$ 184,338	$ 185,803	$ 235,978
Total operating expenses	$ 350,903	$ 336,758	$ 363,340	$ 331,833
Property taxes and aid from governmental agencies	$ 113,473	$ 105,782	$ 105,786	$ 107,623
Net farm income	$ 52,023	$ 86,514	$ 11,671	$ 17,461
Increase (decrease) in net position, excluding endowment care	$ 52,778	$ 72,009	$ (54,133)	$ 29,416
Unrestricted cash and cash investments (bank and county)	$ 553,609	$ 534,627	$ 544,654	$ 611,274

See independent auditors' report.