



Sonnenberg & Company, CPAs

A Professional Corporation

5190 Governor Drive, Suite 201, San Diego, California 92122

Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX



Leonard C. Sonnenberg, CPA

Ramona Cemetery District Audited Financial Statements June 30, 2022

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Leonard C. Sonnenberg, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ramona Cemetery District

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Ramona Cemetery District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages i to iv and budgetary comparison information on page 24 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

March 6, 2023


Sonnenberg & Company, CPAs

Ramona Cemetery District

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Ramona Cemetery District
Management's Discussion and Analysis
For the Year Ended June 30, 2022**

INTRODUCTION

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Ramona Cemetery District (the District) provides an introduction to the financial statements of the District for the year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded liabilities at the close of the 2021-2022 fiscal years by \$1,077,191 (net position). Of this amount \$505,768 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors. \$514,985 is restricted for endowment and maintenance and \$56,438 is invested in capital assets.
- The District's net position decreased \$156,291 from \$1,233,482 to \$1,077,191 respectively in FY2021 and FY2022.
- The District's total revenues decreased 16% or \$67,085.
- The District's total expenses increased 7% or \$22,705 primarily due to increases of personnel expenses.

See the District's condensed financial statements on page vi for more detailed information.

FINANCIAL ANALYSIS OF THE DISTRICT

The District's basic financial statements comprise three components: (1) **Governmental-wide** financial statements, (2) **Fund** financial statements, and (3) **Notes** to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the district's finances, in a manner similar to a private-sector business. Government-wide financial statements include a statement of net position and a statement of activities.

**Ramona Cemetery District
Management's Discussion and Analysis
For the Year Ended June 30, 2022**

The *statement of net position* presents information on all District assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as useful indicator of whether or not the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

The government-wide financial statement presents information about the functions of the Ramona Cemetery District that is principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Ramona Cemetery District include the operation and maintenance of the cemetery grounds in its service area located in Ramona, California. The District does not have any business-type activities.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts which are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Ramona Cemetery District only has governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**Ramona Cemetery District
Management's Discussion and Analysis
For the Year Ended June 30, 2022**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains various individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Endowment Care Income Special Revenue Fund and the Endowment Care Principal Permanent Fund; all of which are considered to be major funds.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 10 through 23.

Required Supplementary Information

The required supplementary information is presented concerning the District's *Budget to Actual Comparison Schedule*. The District adopts an annual appropriated budget for its General Fund. A *Budget to Actual Comparison Schedule* has been provided to demonstrate compliance with this budget. See Required Supplementary Information - *Budget to Actual Comparison Schedule* on page 24 for more detailed information.

- Property tax revenues were \$9,465 more than estimated revenue due to increases in property assessment values and property tax collections by the County San Diego.
- Operating revenues (interment space sales and services) were \$25,123 more than estimated revenue. More interments and burial rights were performed and purchased than anticipated. An increase in endowment care also contributed to the general increase in operating revenue.
- Salary and benefits expenditure were more than budgeted by \$5,017. The variances include merit increase for all staff.

**Ramona Cemetery District
Management's Discussion and Analysis
For the Year Ended June 30, 2022**

CAPITAL ASSET ADMINISTRATION

The District's capital assets include land, building improvement, and equipment. As of June 30, 2022, the District had invested \$56,438 in capital assets.

For government-wide financial statement presentation, all depreciable capital assets using the modified method were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures.

Capital assets for the governmental activities are presented below to illustrate changes in the current year:

	Balance June 30, 2021	Additions	Deletion	Balance June 30, 2022
Land	\$ 15,000	\$ -	\$ -	\$ 15,000
Building Improvements	201,035	25,598	-	226,633
Equipment	171,913	-	-	171,913
	387,948	25,598	-	413,546
Accumulative Depreciation	(351,255)	(5,853)	-	(357,108)
Capital Assets, Net	\$ 36,693	\$ 19,745	\$ -	\$ 56,438

This District's board designated \$144,000 for future capital improvement during the year ended June 30, 2022.

DEBT ADMINISTRATION

No new debt was issued during the year. There was no debt balance as of June 30, 2022.

**Ramona Cemetery District
Management's Discussion and Analysis
For the Year Ended June 30, 2022**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report was designed to provide a general overview of the District's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District office at 532 Ash Street, Ramona CA or telephone (760) 789-0136. Email address is ramonacemetery@sbcglobal.net.

Professional Staff -

John E. Vargas	District Manager
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Board of Trustees -

William Biggs	President
Daniel Vengler	Vice President
Robert Stuckey	Secretary

RAMONA CEMETERY DISTRICT
CONDENSED FINANCIAL STATEMENTS
June 30, 2022

	2022 Governmental Activities	2021 Governmental Activities	Variance in Amount	Variance in %
Assets				
Cash and Investments	\$ 778,718	\$ 771,989	\$ 6,729	1%
Restricted Cash	489,942	453,978	35,964	8%
Property Tax Receivable, net	4,794	2,990	1,804	60%
Interest Receivable	5,431	2,584	2,847	110%
Prepaid Insurance	-	10,616	(10,616)	100%
Due From Other Fund	-	-	-	100%
Capital Assets, net	56,438	36,693	19,745	54%
Total Assets	<u>1,335,323</u>	<u>1,278,850</u>	<u>56,473</u>	<u>4%</u>
Liabilities				
Accounts Payable	8,497	8,364	133	2%
Accrued Payroll	9,021	7,653	1,368	18%
Compensated Absences	8,140	8,076	64	1%
Pre-need Deposits	232,474	21,275	211,199	100%
Total Liabilities	<u>258,132</u>	<u>45,368</u>	<u>212,764</u>	<u>469%</u>
Net Position				
Net Investment in Capital Assets	56,438	36,693	19,745	54%
Restricted for:				
Nonexpendable - Endowment Principal	355,279	333,013	22,266	7%
Expendable - Maintenance	159,706	152,578	7,128	5%
Unrestricted	505,768	711,198	(205,430)	-29%
Total Net Position	<u>\$ 1,077,191</u>	<u>\$ 1,233,482</u>	<u>\$ (156,291)</u>	<u>-13%</u>
Revenues				
Program Revenues				
Charges for Services	\$ 91,303	\$ 170,739	\$ (79,436)	-47%
General Revenues				
Property Tax	251,362	238,289	13,073	5%
Interest and Investment Income	10,156	10,878	(722)	-7%
Other Revenue	6	6	-	100%
Total Revenues	<u>352,827</u>	<u>419,912</u>	<u>(67,085)</u>	<u>-16%</u>
Expenses				
Salaries and Employee Benefits	241,930	243,133	(1,203)	0%
Services and Supplies	107,969	83,071	24,898	30%
Depreciation Expense	5,853	6,843	(990)	-14%
Total Expenses	<u>355,752</u>	<u>333,047</u>	<u>22,705</u>	<u>7%</u>
Change in Net Position	(2,925)	86,865	(89,790)	-103%
Net Position, Beginning	1,233,482	1,172,565	60,917	5%
Prior Period Adjustment	(153,366)	(25,948)	(127,418)	-100%
Net Position, Beginning (restated)	<u>1,080,116</u>	<u>1,146,617</u>	<u>(66,501)</u>	<u>-95%</u>
Net Position, Ending	<u>\$ 1,077,191</u>	<u>\$ 1,233,482</u>	<u>\$ (156,291)</u>	<u>-13%</u>

Ramona Cemetery District

BASIC FINANCIAL STATEMENTS

**RAMONA CEMETERY DISTRICT
STATEMENT OF NET POSITION
June 30, 2022**

	<u>Governmental Activities</u>
Assets	
Cash and Investments	\$ 778,718
Restricted Cash	489,942
Property Tax Receivable, net	4,794
Interest Receivable	5,431
Capital Assets, net	<u>56,438</u>
Total Assets	<u>1,335,323</u>
Deferred Outflows of Resources	
Total Deferred Outflows of Resources	<u>-</u>
Total Assets, Deferred Outflows of Resources	<u>\$ 1,335,323</u>
Liabilities	
Accounts Payable	8,497
Accrued Payroll	9,021
Compensated Absences	8,140
Pre-need Deposits	<u>232,474</u>
Total Liabilities	<u>258,132</u>
Deferred Inflows of Resources	
Total Deferred Inflows of Resources	<u>-</u>
Net Position	
Net Investment in Capital Assets	56,438
Restricted for:	
Nonexpendable - Endowment Principal	355,279
Expendable - Maintenance	159,706
Total Restricted Net Position	<u>514,985</u>
Unrestricted	
Board Designated	144,000
Undesignated and Unrestricted	361,768
Total Unrestricted Net Position	<u>505,768</u>
Total Net Position	<u>1,077,191</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 1,335,323</u>

The accompanying notes are an integral part of these financial statements

RAMONA CEMETERY DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

	Expenses	Program Revenues Charges for Services	Revenues and Changes in Net Position Governmental Activities
Functions/Programs			
Governmental Activities			
Cemetery Operations	\$ 369,588	\$ 106,189	\$ (263,399)
General Revenues			
Property Taxes			250,312
Interest and Investment Income			10,156
Other Revenue			6
Total General Revenues			260,474
Change in Net Position			(2,925)
Net Position, Beginning of Year			1,233,482
Prior Period Adjustment			(153,366)
Net Position, Beginning (restated)			1,080,116
Net Position, Ending of Year			\$ 1,077,191

The accompanying notes are an integral part of these financial statements

RAMONA CEMETERY DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u> <u>Endowment Care Income</u>	<u>Permanent Fund</u> <u>Endowment Care Principal</u>	<u>Total Governmental Funds</u>
Assets				
Cash and Investments	\$ 778,718	\$ -	\$ -	\$ 778,718
Restricted Cash	-	156,929	333,013	489,942
Property Tax Receivable, net	4,794	-	-	4,794
Interest Receivable	3,055	2,376	-	5,431
Due From Other Fund	<u>(18,701)</u>	<u>(3,565)</u>	<u>22,266</u>	<u>-</u>
Total Assets	\$ <u>767,866</u>	\$ <u>155,740</u>	\$ <u>355,279</u>	\$ <u>1,278,885</u>
Liabilities				
Accounts Payable	\$ 8,497	\$ -	\$ -	\$ 8,497
Accrued Payroll	9,021	-	-	9,021
Compensated Absences	8,140	-	-	8,140
Pre-need Deposits	<u>232,474</u>	<u>-</u>	<u>-</u>	<u>232,474</u>
Total Liabilities	258,132	-	-	258,132
Fund Balances				
Restricted	-	155,740	355,279	511,019
Unassigned	<u>509,734</u>	<u>-</u>	<u>-</u>	<u>509,734</u>
Total Fund Balances	<u>509,734</u>	<u>155,740</u>	<u>355,279</u>	<u>1,020,753</u>
Total Liabilities and Fund Balances	\$ <u>767,866</u>	\$ <u>155,740</u>	\$ <u>355,279</u>	\$ <u>1,278,885</u>

The accompanying notes are an integral part of these financial statements

RAMONA CEMETERY DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
For the Year Ended June 30, 2022

Fund Balances	\$ 1,020,753
Amount Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital Assets, Net of Depreciation, Used in the Governmental Activities are not Financial Resources Therefore are not Reported in the Balance Sheet.	<u>56,438</u>
Net Position of Governmental Activities	<u><u>\$ 1,077,191</u></u>

The accompanying notes are an integral part of these financial statements

RAMONA CEMETERY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Permanent Fund	Total Governmental Funds
	General Fund	Endowment Care Income	Endowment Care Principal	Total Governmental Funds
Revenues:				
Property Taxes	\$ 247,465	\$ -	-	\$ 247,465
Charges for Services	141,755	-	22,266	164,021
Interest and Investment Income	8,340	3,162	-	11,502
Other Revenue	6	-	-	6
Total Revenues	<u>397,566</u>	<u>3,162</u>	<u>22,266</u>	<u>422,994</u>
Expenditures				
Salaries and Employee Benefits	240,498	-	-	240,498
Services and Supplies	115,819	-	-	115,819
Capital Outlay	25,598	-	-	25,598
Total Expenditures	<u>381,915</u>	<u>-</u>	<u>-</u>	<u>381,915</u>
Excess of Revenues over Expenditures	15,651	3,162	22,266	41,079
Fund Balances, Beginning	756,566	\$ 152,578	\$ 333,013	1,242,157
Prior Period Adjustment	(262,483)	-	-	(262,483)
Fund Balances, Beginning (restated)	<u>494,083</u>	<u>152,578</u>	<u>333,013</u>	<u>979,674</u>
Fund Balances, Ending	<u>\$ 509,734</u>	<u>\$ 155,740</u>	<u>\$ 355,279</u>	<u>\$ 1,020,753</u>

The accompanying notes are an integral part of these financial statements

RAMONA CEMETERY DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
For the Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 41,079
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Prior Period Adjustment	(217,115)
Governmental Funds Report Capital Outlay as an Expenditure in the Full Amount as Current Financial Resources. However, in the Statement of Activities, the Cost of These Assets is Allocated over the Estimated Useful Life as Depreciation Expense	
Addition of Property Improvement	25,598
Depreciation	<u>(5,853)</u>
Change in Net Position of Governmental Activities	\$ <u><u>(156,291)</u></u>

The accompanying notes are an integral part of these financial statements

Ramona Cemetery District

NOTES TO BASIC FINANCIAL STATEMENTS

**RAMONA CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1. Organization and Purpose

The Ramona Cemetery District (the District) was formed in 1959 to ensure that cemetery services were available within an expansive area of unincorporated east San Diego County. The District boundary includes approximately 169 square miles and is generally similar to the boundary of the Ramona School District. The District operates under Section 8900 of the Health and Safety Code of the State of California. A Board consisting of three trustees is appointed by the Board of Supervisors to four-year terms of office under Board Policy A-74, Citizen in County Boards, Commissions and Participation Committees. Trustees must be registered voters living within the District.

As of June 30, 2022, the Board of Trustees for the District consisted of:

William Biggs	President
Daniel Vengler	Vice President
Robert Stuckey	Secretary

Note 2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below:

A. Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities report information on all the activities of the District. The District reports governmental activities, which are activities that normally are supported by taxes.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by

RAMONA CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Note 2. Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

the recipients of goods or services offered by the programs. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

When both restricted and unrestricted net position is available, restricted resources are used only after the unrestricted resources are depleted.

Fund Financial Statements

Fund financial statements of the District are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund balance, revenues, and expenditures/expenses. An emphasis is placed on major funds within the governmental category.

The District reports the following major governmental funds:

- The General Fund is the primary operating fund of the District and is always classified as major fund. It is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds.
- The Endowment Care Income Special Revenue Fund is established to account for the earnings of the Endowment Care Principal Permanent Fund. This fund is restricted for the maintenance and care of cemeteries in accordance with the provisions of the Health and Safety Code.
- The Endowment Care Principal Permanent Fund is established to account for endowment care fees collected with the sale of graves and is legally restricted per the Health and Safety Codes.

The District does not have any non-major governmental funds.

**RAMONA CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 2. Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

B. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

On the government-wide statement of net position and the statement of activities, activities are presented using the economic resources measurement focus. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the government are reported.

In the fund financial statements, all governmental funds are accounted for on the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balances (net current assets) are considered a measure of “available spendable resources”. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the fiscal year.

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is uncured or economic asset used. Regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. For this purpose, the government considers revenues to be available if they collected within a 60 day period to pay current liabilities at the end of the current fiscal year.

**RAMONA CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 2. Summary of Significant Accounting Policies (continued)

C. Budgets and Budgetary Accounting

The District prepares a fiscal year budget in accordance with applicable laws and regulations. The budget is prepared on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. The annual budget is prepared and adopted by the Board of Trustees.

D. Property Taxes

Property taxes attach as an enforceable lien as of March 1. Taxes are payable in two installments on December 10 and April 10. The County of San Diego bills and collects the taxes for the District. Tax revenues are recognized by the District when received.

E. Program Revenues

Program revenues are funding sources that are specifically tied to a function of the government, rather than from taxes or other general revenue. Since program revenues are tied to a direct function, the associated revenues are considered incremental and would cease if the function was eliminated. The District's program revenue base consists of Charges for Services, which includes the following: a) interment space sales, interment services and other sales and b) endowment fees.

F. Cash and Investments

The District's cash and investments are in short-term highly liquid instruments, with original maturities of three months or less. The District's funds are pooled with the County of San Diego's cash and investments to generate optimum investment return.

G. Capital Assets

Capital assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Capital assets are depreciated during the expected life of the asset on the straight-line method. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset is not included among capital assets. The following estimated useful lives are used for purposes of depreciation: Building Improvement- 20 years and equipment 3-7 years.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Upon sale of capital assets, the proceeds are included in the results of operations as other financing sources.

RAMONA CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Note 2. Summary of Significant Accounting Policies (continued)

H. Impairment of Capital Assets

The District reviews its capital assets for impairment whenever events or changes in circumstances indicate that carrying value of an asset may not be recoverable. As of June 30, 2022, there has been no impairment of the capital assets.

I. Compensated Absences

Employees of the District accumulate paid time off (PTO) leave. Upon termination or retirement, employees may receive a cash payment for unused PTO. PTO earned and used is reported in the statements of net position. A liability for these amounts is reported in Fund Financial Statements only if they become due and payable as a result of employee resignations and retirements.

J. Investment Valuations

The District applies GASB 72 for determining a fair value measurement for reporting purposes, applying fair value to investments, and disclosures related to all hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: 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.

K. Pre-need Deposits

Deposit received in advance for future services is deferred until earned and included as liability in these financial statements.

L. Fund Balance

Fund balances are reported classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components:

Nonspendable - This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The District did not have any nonspendable fund balance as of the year ended June 30, 2022.

Restricted - this component includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers. The restricted fund balance was \$514,985 as of the year ended June 30, 2022.

**RAMONA CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 2. Summary of Significant Accounting Policies (continued)

L. Fund Balance (continued)

Committed – This component includes amounts that can only be used for the specific purposes determined by a formal action of the District’s highest level of decision-making authority, the District’s Board of Trustees. Commitments may be changed or lifted only by the Board of Trustees taking the same formal action that imposed the constraint originally. As of June 30, 2022, the District did not have any committed fund balance.

Assigned – This component comprises amounts intended to be used to the District for specific purposes that are either restricted or committed. Intent is expressed by (1) the District’s Board of Trustees or (b) a body (for example: a budget or finance committee) or official to which the District’s Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. As of June 30, 2022, the District did not have any assigned fund balance.

Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund. As of June 30, 2022, the District’s unassigned fund balance was \$505,768. (\$144,000 out of \$505,768 for board designated).

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the District’s policy to use committed resources first, then assigned, and then unassigned as they are needed.

M. Net Position

Net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation.

Restricted Net Position – This amount is restricted by external contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The restricted fund balance was \$514,985 as of year ended June 30, 2022 (\$355,279 for endowment principal and \$159,706 for maintenance).

RAMONA CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Note 2. Summary of Significant Accounting Policies (continued)

M. Net Position(continued)

Unrestricted Net Position - This amount is all net assets that do not meet the definition of "invested in capital assets" or "restricted net assets." The District's board designated \$144,000 for capital improvement during the year ended June 30, 2022.

The District first utilizes restricted resources to finance qualifying activities.

N. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosure. Actual results could differ from those estimates under different assumptions and conditions.

O. Reclassifications

Certain prior year balances may have been reclassified in order to conform to current year presentation. Pre-need deposit was not recognized in the prior year's financial statements. Therefore, the adjustment of \$153,366 to record the deposit has the effect of decreasing the unrestricted beginning net position/fund balance.

**RAMONA CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 3. Cash and Investments

As of June 30, 2022, cash and investments consisted of the following:

Deposits with Financial Institutions	\$	170,907
San Diego County Investment Pool		1,097,753
Total	\$	1,268,660

the District's restricted cash and investment was \$778,718 out of \$489,942 for endowment and maintenance.

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive).

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Quality Requirements (S&P Rating)
U.S. Treasury Obligations	5 years	None	None	None
Federal Agencies	5 years	None	GNMA (ony) FHLB, FNMA, FFCB, FHLMC (only)	None
Federal Instrumentalities	5 years	None	None	None
State and Local Agencies				
District's Own Bonds	5 years	None	None	AA
State Instruments	5 years	20%	None	AA or A-1+
Other Local Agency (Within CA only)	5 years	20%	None	AA or F-1+ A - short-term or A long-term
Repurchase Agreements	1 years	20%	None	A or A-1
Prime Commercial Paper	270 Days	25%	10%	A
Bankers' Acceptances	180 Days	15%	30%	AA-
Medium-Term Notes	5 years	20%	None	None
Local agency investment fund (LAIF)	N/A	\$60 Million	N/A	None
San Diego County Treasurer's Pooled Money Fund	N/A	0% or \$5 Million	N/A	None
California Assets Management Program	N/A	0% or \$5 Million	N/A	None
Money market Funds	5 years	20%	10%	AAAm

**RAMONA CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 3. Cash and Investments (continued)

San Diego County Investment Pool

The County Treasurer invests the Pool monies in accordance with standards set forth by the California Government Code and the County Investment Policy. The County Treasury Oversight Committee conducts Pool oversight. This District's deposit in the San Diego County Treasurer's Money Market fund of the Investment Pool (Pool) is similar to demand deposit and amounts can be withdrawn at any time without prior written notice. Interest is apportioned to the District monthly base on the average daily balances on deposit with the County Treasurer. A total of \$1,097,753 of the District's cash and investments at June 30, 2022 are part of the Pool. The government code requires the District to use the County Treasury as depository for its funds, except for certain revolving funds and other approved or allowable investments approved by the Board Trustees.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment; generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity.

<u>Investment Type</u>	<u>Total Fair Value</u>	<u>Term to Maturity 12 months or less</u>
San Diego County Investment Pool \$	1,097,753 \$	1,097,753

**RAMONA CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 3. Cash and Investments (continued)

Credit Risk

Generally credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code of the City's investment policy, or debt agreements, and the actual ratings as of year-end.

<u>Investment Type</u>	<u>Total Fair Value</u>	<u>Minimum Rating</u>	<u>Actual Ratings at Year-end AAA</u>
San Diego County Investment Pool \$	1,097,753	N/A	\$ 1,097,753

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governments units by pledging securities in an undivided collateral pool held by a depository regulated under that law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Concentration Credit Risk

As of June 30, 2022, no deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. As of June 30, 2022, the District had no investments held by the same broker-dealer (counterparty) that was used by the District to buy the securities.

**RAMONA CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 3. Cash and Investments (continued)

Fair Value Measurements

Generally accepted accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

- Level 1 inputs are quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the investment.

The District's statements of net position include the following financial instruments that are required to be measured at fair value on a recurring basis:

- Investments in the San Diego County Treasury Pool are considered Level 2 assets and are reported at the fair value of the underlying assets as provided by the County of San Diego.

Note 4. Capital Assets

Capital assets for the year ended June 30, 2022 are as follows:

	Balance				Balance
	June 30, 2021	Additions	Deletion		June 30, 2022
Land	\$ 15,000	\$ -	\$ -		\$ 15,000
Building Improvements	201,035	25,598	-		226,633
Equipment	171,913	-	-		171,913
	<u>387,948</u>	<u>25,598</u>	<u>-</u>		<u>413,546</u>
Accumulative Depreciation	(351,255)	(5,853)	-		(357,108)
Capital Assets, Net	<u>\$ 36,693</u>	<u>\$ 19,745</u>	<u>\$ -</u>		<u>\$ 56,438</u>

**RAMONA CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 5. Risk Management

The District is insured under a plan managed by the Golden State Risk Management Authority for commercial general liability, and carries workers' compensation insurance in statutory amounts from the State Compensation Insurance Fund. No claims have been asserted during the fiscal year under examination, and there are no unpaid claims.

Note 6. Related Parties

During the year ended June 30, 2022 the District had two Trustees who were receiving health benefits paid for by the District. During the year ended June 30, 2022 the District paid \$47,144 in current health benefits for the two eligible trustee members. The District pays its trustees for board meeting attendance. The total amount paid to the trustees was \$1,700 for the year ended June 30, 2022.

Note 7. Interfund Transactions

Interfund receivable and payable as of the year ended June 30, 2022 are as follows:

	Due From	Due To
Governmental Activities:		
General Fund	\$ 18,701	
Endowment Care & Principal		\$ 18,701

Note 8. Restated Beginning Balance of Net Position/Fund Balance

Pre-need deposit was not recognized in the prior year's financial statements. Therefore, the adjustment of \$153,366 to record the deposit has the effect of decreasing the unrestricted beginning net position/fund balance.

**RAMONA CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 9. New Governmental Accounting Standard Implemented

During fiscal years ended June 30, 2022, the District has implemented the following new GASB pronouncements:

- GASB Statement No. 87 - In June 2017, GASB issued Statement No. 87, Leases (GASB Statement No. 87), Application of this statement is effective for the District's fiscal year ending June 30, 2022. Application of this statement did not have a material effect on the District's financial statements for the fiscal year ended June 30, 2022.
- GASB Statement No. 89 - In June 2018, GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period (GASB Statement No. 89), Application of this statement is effective for the District's fiscal year ending June 30, 2022, as amended by GASB 95. Application of this statement did not have a material effect on the District's financial statements for the fiscal year ended June 30, 2022.
- GASB Statement No. 92 - In January 2020, GASB issued Statement No. 92, Omnibus 2020. Application of this statement is effective for the District's fiscal year ending June 30, 2022, as amended by GASB 95. Application of this statement did not have a material effect on the District's financial statements for the fiscal year ended June 30, 2022.
- GASB Statement No. 93 - In March 2020, GASB issued Statement No. 93, Replacement of Interbank Offered Rates. Application of this statement is effective for the District's fiscal year ending June 30, 2022, as amended by GASB 95. Application of this statement did not have a material effect on the District's financial statements for the fiscal year ended June 30, 2022.
- GASB Statement No. 97 - In June 2020, GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32. Application of this statement is effective for the District's fiscal year ending June 30, 2022. Application of this statement did not have a material effect on the District's financial statements for the fiscal year ended June 30, 2022.

**RAMONA CEMETERY DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 10. Upcoming Governmental Accounting Standards Implementation

The District is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- GASB Statement No. 91 - In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations (GASB Statement No. 91), Application of this statement is effective for the District's fiscal year ending June 30, 2023, as amended by GASB 95.
- GASB Statement No. 94 - In March 2020, GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Application of this statement is effective for the District's fiscal year ending June 30, 2023.
- GASB Statement No. 96 - In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. Application of this statement is effective for the District's fiscal year ending June 30, 2023.

Note 11. Management's Review/Subsequent Event

The District's Management has evaluated subsequent events through March 6, 2023, the date the financial statements were available to be issued.

The spread of Coronavirus (COVID-19) has caused a substantial impact on the U.S. economy. There is significant uncertainty around the effects and duration of business interruption related to COVID-19. The extent of the impact on the District's operations, management, employees, vendors, and clients/ consumers/ owners, will depend on certain developments, which cannot be determined at this time.

Ramona Cemetery District

REQUIRED SUPPLEMENTARY INFORMATION

**RAMONA CEMETERY DISTRICT
BUDGET TO ACTUAL COMPARISON SCHEDULE
For the Year Ended June 30, 2022**

	Original/Final Budgeted			Original/ Final Budgeted Total	Actual Total	Variance Positive (Negative)
	General Fund	Endowment Care Income	Endowment Care Principal			
Revenues:						
Property Taxes	\$ 238,000	\$ -	\$ -	\$ 238,000	\$ 247,465	9,465
Charges for Services	103,252	-	27,720	138,898	164,021	25,123
Interest and Investment Income	-	-	-	-	11,502	11,502
Other Revenue	-	-	-	-	6	6
TOTAL INCOME	341,252	-	27,720	376,898	422,994	46,096
Expenditures:						
Salaries and Employee Benefits	228,498	-	-	228,498	240,498	12,000
Services and Supplies	128,400	-	-	128,400	115,819	(12,581)
Capital Outlay	-	-	-	20,000	25,598	5,598
Total Expenditures	356,898	-	-	376,898	381,915	5,017
Excess of Revenues over Expenditures	(15,646)	-	27,720	-	41,079	41,079

See Independent Auditor's Report