

VISALIA PUBLIC CEMETERY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

NOTE 1: ORGANIZATION AND DESCRIPTION OF BUSINESS

The Visalia Public Cemetery District was formed in October 1916 to provide burial spaces and internment services. Its office is located at 1300 West Goshen Avenue in Visalia, California. The District encompasses 80 acres of actual burial land with additional expansion property owned for future cemetery development and use.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The operations of the District are accounted for under a single governmental enterprise fund type described as a proprietary fund. Accounts are maintained in a manner similar to those of a private enterprise in that the costs of providing services to District landowners on a continuing basis are generally recovered through user charges and assessments. The measurement focus is upon the determination of net income, financial position and changes in cash flows. The District applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as the Financial Accounting Standards Board (FASB) pronouncements (unless those pronouncements conflict with or contradict GASB pronouncements).

Basis of Accounting – The District maintains its accounts on an accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

Use of Estimates

The District uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

VISALIA PUBLIC CEMETERY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Cost of additions, renewals, and betterments are capitalized. Minor acquisitions and replacements are charged to operating expense.

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

Building and Improvements	20-40 years
Equipment	7-10 years

Impairment of Long-Lived Assets – Long-lived assets consist primarily of property and equipment, and other intangible assets. The recoverability of long-lived assets is evaluated by an analysis of operating results and consideration of other significant events or changes in the business environment. If the District has indications of impairment, such as current operating losses, the District will evaluate whether impairment exists on the basis of un-discounted expected future cash flows from operations, before interest, for the remaining amortization period. If impairment exists, the carrying amount of the long-lived assets is reduced to its estimated fair value, less any costs associated with the final settlement. As of June 30, 2016, there was no impairment of the District's long-lived assets.

Net Assets, Reserved – Reserves have been established by the Board of Trustees for perpetual endowment care, expansion property and land acquisitions, Veterans' Memorial Wall Project (Note 6), and employees' retirement health care fund.

VISALIA PUBLIC CEMETERY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Accumulated Vacation and Sick Leave – Accumulated vacation and sick leave benefits are not recorded as liabilities on the books of the District due to the fact that the benefits did not vest. The District's policy is to record amounts as operating expenses in the period vacation or sick leave is taken.

New Accounting Pronouncements – As of June 30, 2015, the District adopted Governmental Accounting Standards (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. The objective of this statement is for governments providing defined benefit pension plans to recognize their long-term obligation for pension benefits as a liability on the statement of net position and to more comprehensively and comparably measure the annual costs of pension benefits. The statement also requires revised and new note disclosures and required supplementary information (RSI) to be reported by employers.

VISALIA PUBLIC CEMETERY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Valuation Date (VD)	June 30, 2014
Measurement Date (MD)	June 30, 2016
Measurement Period (MP)	July 1, 2014 – June 30, 2015

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 on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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 Local Government is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

VISALIA PUBLIC CEMETERY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Discount Rate**

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. However, employers may determine the impact at the plan level for their own financial reporting purposes.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

VISALIA PUBLIC CEMETERY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

VISALIA PUBLIC CEMETERY DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>ASSET CLASS</u>	<u>NEW STRATEGIC ALLOCATION</u>	<u>REAL RETURN YEARS 1-10<sup>1</sup></u>	<u>REAL RETURN YEARS 11+<sup>2</sup></u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.14%
Infrastructure and Forestland	3.0%	4.50%	5.08%
Liquidity	2.0%	-0.55%	-1.05%

<sup>1</sup> An expected inflation of 2.5% used for this period.

<sup>2</sup> An expected inflation of 3.0% used for this period.

***Pension Plan Fiduciary Net Position***

The plan fiduciary net position disclosed in your GASB 68 accounting valuation report may differ from the plan assets reported in your funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included in fiduciary net position. These amounts are excluded for rate setting purposes in your funding actuarial valuation. In addition, differences may result from early CAFR closing and final reconciled reserves.

VISALIA PUBLIC CEMETERY DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2016

NOTE 3: CASH AND CASH EQUIVALENTS

Cash at June 30, 2016, consisted of the following:

Deposits:	
Cash on Hand and in Banks	\$ 55,002
Cash in Revolving Fund	110,451
Cash in Liquid Asset Funds - Wells Fargo Advisors	4,007,447
Pooled Funds:	
Cash in County Treasury	-
TOTAL CASH AND CASH EQUIVALENTS	\$ 4,172,900

Cash balances held in banks and in revolving funds are insured up to \$250,000 by the Federal Depository Insurance Corporation.

The District previously maintained pooled cash funds in the Tulare County Treasury. The County pools these funds with those of other districts in the County and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. As of June 30, 2015, all pooled cash funds with Tulare County Treasury were withdrawn and transferred to other cash fund accounts.

The District also maintains cash balances at the Wells Fargo Advisors brokerage firm located in Visalia, California. These balances are covered by the Federal Depository Insurance Corporation and/or are guaranteed by the Federal government and have at a minimum, an AA rating as authorized by the California Government Health and Safety Code Section 53601. Wells Fargo Advisors accordingly maintains insurance on these accounts to the full value of the cash and securities in the event of insolvency.



VISALIA PUBLIC CEMETERY DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2016

NOTE 4: ACCOUNTS/CONTRACTS RECEIVABLE

County Tax Revenues/contracts receivable shown on Exhibit "A" are detailed as follows:

	PRE-NEED FUND	GENERAL FUND
County Tax Revenues	\$ -	\$ 8,786
Pre-Need Contracts	20,584	-
Total Receivables	\$ 20,584	\$ 8,786

NOTE 5: PENSION PLANS

***General Information about the Pension Plans***

Plan Descriptions - All qualified permanent and probationary employees are eligible to participate in the Local Government's Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (Ca1PERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. Ca1PERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the Ca1PERS website.

Benefits Provided - Ca1PERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

VISALIA PUBLIC CEMETERY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

NOTE 5: PENSION PLANS (Continued)

The following table shows the Plan's proportionate share of the risk pool collective net pension liability over the measurement period.

	INCREASE (DECREASE)		
	PLAN TOTAL PENSION LIABILITY (a)	PLAN FIDUCIARY NET POSITION (b)	PLAN NET PENSION LIABILITY/(ASSET) (c) = (a) - (b)
Balance at: 6/30/14 (VD)	\$ 2,077,702	\$ 1,746,858	\$ 330,844
Balance at: 6/30/15 (MD)	\$ 2,079,141	\$ 1,745,465	\$ 333,676
Net Changes During 2014-15	\$ 1,439	\$ (1,393)	\$ 2,832

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

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	DISCOUNT RATE - 1% (6.50%)	CURRENT DISCOUNT RATE (7.50%)	DISCOUNT RATE + 1% (8.50%)
Plan's Net Pension Liability/(Asset)	\$ 595,636	\$ 333,676	\$ 114,710

***Subsequent Events***

There were no subsequent events that would materially affect the results presented in this disclosure.

VISALIA PUBLIC CEMETERY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

NOTE 5: PENSION PLANS (Continued)

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

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

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

Difference between projected and actual earnings	5-year straight-line amortization
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All other Amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period
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The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of participants (active, inactive and retired) in PERF C.

The EARSL for the 2014-15 measurement period is 3.8 years, which was obtained by dividing the total service years 467,023 (the sum of remaining service lifetimes of the active employees) by 122,410 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also, note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

VISALIA PUBLIC CEMETERY DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2016

NOTE 5: PENSION PLANS (Continued)

***Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions***

As of the start of the measurement period (July 1, 2014), the net pension liability/(asset) for the plan is \$330,844. (The net pension liability of the Miscellaneous Risk Pool as of June 30, 2014, is \$2,471,487,278).

For the measurement period ended June 30, 2015 (the measurement date), the Visalia Public Cemetery District incurred a pension expense/(income) of \$16,864 for the Plan (the pension expense for the risk pool for the measurement period is \$169,012,983).

Note that no adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer.

As of June 30, 2015, the Visalia Public Cemetery District reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between Expected and Actual Experience	\$ 1,085	\$ -
Changes of Assumptions	-	(10,260)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	26,297	(31,440)
Adjustments due to Differences in Proportions	-	-
<b>TOTAL</b>	<b>\$ 27,382</b>	<b>\$ (41,700)</b>

The amounts above are net of outflows and inflows recognized in the 2014 - 2015 measurement period expense.

VISALIA PUBLIC CEMETERY DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2016

NOTE 5: PENSION PLANS (Continued)

Amounts reported as deferred outflows and deferred inflows of resources related to pensions, other than the employer-specific item, will be recognized in the future pension expense as follows:

MEASUREMENT PERIOD ENDED JUNE 30:	DEFERRED OUTFLOWS/(INFLOWS) OF RESOURCES
2016	\$ (27,725)
2017	(27,725)
2018	(25,192)
2019	25,374
2020	-
Thereafter	-

NOTE 6: NET ASSETS, RESERVED

During the prior year, the Board took under consideration a change in the guidelines for their Reserve policy. The new policy reflects reserves for perpetual endowment care, expansion property acquisitions, and Veterans' Memorial Wall Project. As of June 30, 2016, the District had the following actual reserves:

Expansion Property and Land Acquisition	\$ 237,290
Perpetual Endowment Care	2,739,075
Veterans' Memorial Wall Project	19,642
Employees' Retirement Health Care Fund	36,005
Total Reserves	\$ 3,032,012

The Reserve Policy was approved and implemented in July 2003 after review by the Board of Trustees.

NOTE 7: SUBSEQUENT EVENTS

The District has evaluated subsequent events for recognition or disclosure through the date these financial statements were available to be issued, November 30, 2016. No subsequent events were recognized as reportable as of this date.

VISALIA PUBLIC CEMETERY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

NOTE 8: EXTRAORDINARY LOSS – EMBEZZLEMENT/THEFT

The extraordinary loss – Embezzlement/Theft represents a loss uncovered during the course of the audit for the fiscal year ended June 30, 2016. During the audit it was determined that revenues were underreported by the amount of the embezzlement/theft loss in the amount of \$339,170.

The District has corrected these financial statements to correctly report all revenues and the corresponding embezzlement/theft loss.

The District has not met with the Board of Trustees and presented the findings. The Board has referred the findings of the embezzlement/theft loss to law enforcement authorities and their insurance carrier for further investigation. At this time, the District believes they will recover the losses from their insurance carrier.

REQUIRED SUPPLEMENTARY INFORMATION

VISALIA PUBLIC CEMETERY DISTRICT  
 SCHEDULE OF PLAN'S PORPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 AND RELATED RATIOS AS OF THE MEASUREMENT DATE IN RELATION TO PERF C  
 YEAR ENDED JUNE 30, 2016

Net pension liability and fiduciary net position are allocated to the plan based on its proportion of the Miscellaneous Risk Pool. However, GASB 68 requires that employers report certain proportions as a percentage of the total plan (PERF C, excluding the 1959 Survivors Risk Pool), which includes both the Miscellaneous and Safety Risk Pools. All cost-sharing public agency plans, are categorized as either Miscellaneous or Safety within PERF C. Therefore, to assist employers in meeting the requirements of GASB 68, proportions shown in the table below represent the plan's proportion of PERF C, excluding the 1959 Survivors Risk Pool, and not its proportion of the Miscellaneous Risk Pool.

	<u>6/30/2015</u> <sup>1</sup>
Plan's Proportion of the Net Pension Liability/(Asset)	0.00122%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$333,676
Plan's Covered-Employee Payroll <sup>2</sup>	\$253,601
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	131.58%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	78.40%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

<sup>3</sup> The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.



VISALIA PUBLIC CEMETERY DISTRICT  
SCHEDULE OF PLAN CONTRIBUTIONS<sup>1</sup>  
YEAR ENDED JUNE 30, 2016

	<u>2014-2015</u>	<u>2013-2014</u>
Actuarially Determined Contribution <sup>2</sup>	\$ 16,864	\$ 16,908
Contributions in Relation to the Actuarially Determined Contribution	<u>\$ 16,864</u>	<u>\$ (16,908)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll <sup>3,4</sup>	\$ 253,601	\$ 274,005
Contributions as a Percentage of Covered-Employee Payroll <sup>3</sup>	6.65%	6.17%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

<sup>3</sup> Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

<sup>4</sup> Payroll from prior year (\$274,005) was assumed to increase by the 3.00 percent payroll growth assumption.

**Notes to Schedule**

**Change in Benefit Terms:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

**Change in Assumptions:** None

VISALIA PUBLIC CEMETERY DISTRICT  
 SCHEDULE OF PLAN CONTRIBUTIONS<sup>1</sup>  
 YEAR ENDED JUNE 30, 2016

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

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

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table <sup>1</sup>	Derived using CalPERS' Membership Data for All Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

<sup>1</sup> The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2015 experience study report.

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

SUPPLEMENTAL INFORMATION

SUPPLEMENTAL DATA

The Visalia Public Cemetery District maintained three cemeteries in the year under review: The Visalia Cemetery, the Elbow Cemetery, and the Venice Hill Cemetery. Over the past 30 years, burials were made only in the Visalia Cemetery. For the 2015-2016 year, 447 burials took place.

Total assessed valuation of taxable property within the District boundaries decreased from that of the previous year. Assessed values before adjustment on the secured roll was \$2,509,633,581. Assessed values before adjustment on the unsecured roll was \$137,353,969. A comparison of assessed valuation is shown in the following:

	<u>2015-2016</u>	<u>2014-2015</u>	<u>INCREASE (DECREASE)</u>
<b>SECURED ROLL</b>			
Assessed Valuation for Property Tax Levy	\$ 2,509,633,581	\$ 2,374,638,714	\$ 134,994,867
Special Valuations:			
Homeowner's Exemption	29,394,448	29,866,570	(472,122)
Total Secured Roll	<u>2,539,028,029</u>	<u>2,404,505,284</u>	<u>134,522,745</u>
<b>UNSECURED ROLL</b>			
Assessed Valuation for Property Tax Levy	137,353,969	136,541,616	812,353
Special Valuations:			
Homeowner's Exemption	-	-	-
Total Unsecured Roll	<u>137,353,969</u>	<u>136,541,616</u>	<u>812,353</u>
<b>TOTAL ASSESSED VALUATION</b>	<u>\$ 2,676,381,998</u>	<u>\$ 2,541,046,900</u>	<u>\$ 135,335,098</u>

See independent auditors' report.

Board of Trustees  
 Visalia Public Cemetery District  
 November 30, 2016

The following is a summary of property tax revenue for the year ended June 30, 2016:

Current Secured Taxes	\$ 114,461
Current Unsecured Taxes Collected and Unapportioned	6,486
Taxes at June 30, 2015	-
Prior Year's Taxes Collected/Other	<u>20,996</u>
TOTAL	<u>\$ 141,943</u>

Tax collections unapportioned at June 30, 2016 were apportioned in July 2016, although they are included in the tax revenue on Exhibit "B".

Insurance coverage of the District in force at June 30, 2016 is summarized in the following:

Fire, extended coverage, vandalism and malicious mischief on buildings located in the Visalia Public Cemetery.

Property Coverage (\$250 Deductible/5% per Structure for Earthquake)

Up to \$5,000,000 per occurrence for the following covered property and coverage extension:

Aboveground and Belowground Penstock	Outdoor Property Including Signs
Aboveground Piping	Owned & Non-owned Mobile Equipment
Accounts Receivable	Rented & Hired Vehicles
Ammonia Contamination	Paved Surfaces
Commandeered Property	Preservation of Property
Communications Equipment	Property in Course of Construction
Computer Equipment & Electronic Media	Real and Personal Property
Debris Removal	Rental Value
Demolition & Increased Cost of Construction	Utility Interruption
Emergency Service Portable Equipment	Vacant Buildings
Extra Expense/Expediting Expense	Valuable Papers & Records
Fine Arts	Loss of Income
Automobiles (Owned, Rented or Borrowed)	Trees, Shrubs, Landscape (\$50,000/Occur.)

See independent auditors' report.

Up to the respective sublimit for the following covered property and coverage extensions:

Pollutant Cleanup & Removal	\$	250,000
Personal Effects of Insureds	\$	50,000
Personal Effects of Patients & Fire Victims	\$	50,000
Recertification of Equipment & Vehicles	\$	50,000
Trees, Shrubs & Landscape Planting	\$	50,000
Fire Department Service Charge	\$	25,000
Towing & Transportation Expenses	\$	5,000
Employee Dishonesty: Blanket Policy	\$	250,000
Forgery or Alteration	\$	250,000
Theft, Disappearance, Destruction: Loss Outside Premises	\$	25,000
Loss Inside Premises	\$	25,000
Computer Fraud	\$	100,000
Workmen's Compensation	\$	1,000,000
<u>Commercial General Liability</u>		
Bodily Injury & Property Damage - Per Occurrence	\$	22,000,000
Bodily Injury & Property Damage - Aggregate	\$	11,000,000
Personal Injury & Advertising Injury - Per Person	\$	22,000,000
Personal Injury & Advertising Injury - Per Aggregate	\$	11,000,000
Professional Liability - Per Error/Omission	\$	11,000,000
Professional Liability - Aggregate	\$	22,000,000
Wrongful Acts - Per Wrongful Act	\$	11,000,000
Wrongful Acts - Aggregate	\$	22,000,000
Fire Damage Limit - Per Fire	\$	1,000,000

The above limits of insurance and aggregates apply separately to bodily injury and property damage occurrences, personal and advertising injury offenses, professional liability errors or omissions and wrongful acts claims.

See independent auditors' report.

Coverage Summary (including, but not limited to):

Advertising Injury Liability	Intentional Acts Liability
Backpay Awards Liability	Medical Payments
Civil Rights & Discrimination Liability	Negligent Training & Supervision
Contractual Liability	Pollution Liability
Directors & Officers Liability	Professional Liability
Disinfectant Release Liability	Personal & Advertising Injury
Employee Benefits Liability	Premises/Operations Liability
Employment Practices Liability	Products/Completed Operations Liability
Fiduciary Liability	Public Officials Errors & Omissions
Fireworks Liability	Sexual Harassment/Molestation Liability
Good Samaritan Liability	Vicarious Liability
Hired & Non-owned Auto Liability	Water/Sewer Backup Liability
Injury to Volunteers	Water Contamination Liability
Uninsured Motorists Bodily Injury (\$1,000,000 Each Accident)	Uninsured Motorists Property Damage (\$3,500 Per Accident)

See independent auditors' report.

VISALIA PUBLIC CEMETERY DISTRICT  
 COMBINED SCHEDULE OF OPERATING REVENUES  
 ALL PROPRIETARY FUND TYPES AND SIMILAR FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SCHEDULE 1

DISTRICT OPERATIONS	PROPRIETARY FUNDS				TOTALS
	GENERAL FUND	ENDOWMENT FUND	PRE-NEED FUND	VETERANS' MEMORIAL WALL FUND	
Sale of Burial Spaces	\$ 232,787	\$ -	\$ -	\$ -	\$ 232,787
Interment Fees	146,552	-	-	-	146,552
Setting Grave Markers	66,332	-	-	-	66,332
Vases and Flower Stands	248	-	-	-	248
Sale of Vaults and Liners	83,699	-	-	-	83,699
Endowment Care	-	104,068	-	-	104,068
Handling Fees/Non-Resident Fees	128,489	-	-	-	128,489
Contract Fees	9,082	-	-	-	9,082
Veterans' Memorial Wall Donations	-	-	-	2,600	2,600
Pre-Need Payment Proceeds	30,163	-	3,299	-	33,462
Other Operational Revenue	339,170	-	-	-	339,170
<b>TOTAL</b>	<b>\$ 1,036,522</b>	<b>\$ 104,068</b>	<b>\$ 3,299</b>	<b>\$ 2,600</b>	<b>\$ 1,146,489</b>

See independent auditors' report.



VISALIA PUBLIC CEMETERY DISTRICT  
 COMBINED SCHEDULE OF DISTRICT TAX REVENUES  
 ALL PROPRIETARY FUND TYPES AND SIMILAR FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SCHEDULE 2

	PROPRIETARY FUNDS				TOTALS
	GENERAL FUND	ENDOWMENT FUND	PRE-NEED FUND	VETERANS' MEMORIAL WALL FUND	
DISTRICT TAX REVENUE					
Current Secured Roll	\$ 114,461	\$ -	\$ -	\$ -	\$ 114,461
Current Unsecured Roll	6,486	-	-	-	6,486
Prior Year Taxes	5,614	-	-	-	5,614
Other Taxes:					
Business Inventory					
Relief/Other	15,382	-	-	-	15,382
<b>TOTAL DISTRICT TAX REVENUES</b>	<b>\$ 141,943</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 141,943</b>

See independent auditors' report.

VISALIA PUBLIC CEMETERY DISTRICT  
 COMBINED SCHEDULE OF OPERATING EXPENSES  
 ALL PROPRIETARY FUND TYPES AND SIMILAR FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SCHEDULE 3

	PROPRIETARY FUNDS				TOTALS
	GENERAL FUND	ENDOWMENT FUND	PRE-NEED FUND	VETERANS' MEMORIAL WALL FUND	
<b>SALARIES AND EMPLOYEE BENEFITS</b>					
Regular Salaries	\$ 212,508	\$ -	\$ -	\$ -	\$ 212,508
Extra Help/Contract Labor	360,000	-	-	-	360,000
Payroll Taxes, Employer's Portion	17,993	-	-	-	17,993
Director Fees	4,700	-	-	-	4,700
Employee Group Insurance	36,861	-	-	-	36,861
Retirement Benefits	37,543	-	-	-	37,543
Total	669,605	-	-	-	669,605
<b>SERVICE AND SUPPLIES</b>					
Equipment Rental/Lease	1,178	-	-	-	1,178
Communications/Publications	11,927	-	-	-	11,927
Janitorial/Clothing/Uniforms Insurance	3,318	-	-	-	3,318
Maintenance:	17,181	-	-	-	17,181
Equipment/Grounds/Fuel	31,203	-	-	-	31,203
Marker Setting	63,073	-	-	-	63,073
Office Expense	10,379	-	-	-	10,379
Professional Services	20,922	-	-	-	20,922
Vaults and Liners	67,112	-	-	-	67,112
Small Tools and Instruments	1,954	-	-	-	1,954
Utilities	44,317	-	-	-	44,317
Dues	2,319	-	-	-	2,319
Travel and Conventions/Training/Miscellaneous	10,565	-	-	-	10,565
Total	285,448	-	-	-	285,448
<b>DEPRECIATION</b>					
Machinery and Equipment	17,180	-	-	1,477	18,657
Structures and Improvements	165,844	-	-	20,643	186,487
Total	183,024	-	-	22,120	205,144
Taxes and Assessments/Interest	5,058	-	-	-	5,058
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,143,135</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,120</b>	<b>\$ 1,165,255</b>

See independent auditors' report.