

**TRUCKEE CEMETERY DISTRICT,
CALIFORNIA**

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEARS ENDED
JUNE 30, 2020 AND 2021**

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TRUCKEE CEMETERY DISTRICT
Annual Financial Report
For the Years Ended June 30, 2020 and 2021

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INTRODUCTORY SECTION

- **List of Officials**

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TRUCKEE CEMETERY DISTRICT
List of Officials
For the Years Ended June 30, 2020 and 2021

Board of Trustees

Greg Van Loon	Chairperson
Sarah Lupyak	Trustee
Edmund Czerwinski	Trustee
Sandra Kaverman	Trustee

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FINANCIAL SECTION

- **Independent Auditor's Report**
- **Basic Financial Statements**
- **Required Supplementary Information**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Truckee Cemetery District
Truckee, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Truckee Cemetery District, California (District), as of and for the years ended June 30, 2020 and 2021, 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Board of Trustees
Truckee Cemetery District
Truckee, California

Opinions

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, 2020 and 2021, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Management has omitted the Management's Discussion and Analysis 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.

Other Information

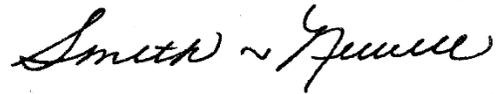
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

To the Board of Trustees
Truckee Cemetery District
Truckee, California

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 25, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



Smith & Newell CPAs
Yuba City, California
March 25, 2024

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Basic Financial Statements

- **Government-Wide Financial Statements**

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TRUCKEE CEMETERY DISTRICT
Statement of Net Position
June 30, 2020 and 2021

	Total Governmental Activities	
	2020	2021
ASSETS		
Cash and investments	\$ 810,279	\$ 919,608
Prepaid costs	-	5,328
Capital assets:		
Non-depreciable	50,650	50,650
Depreciable, net	97,036	80,637
Total capital assets	147,686	131,287
Total Assets	957,965	1,056,223
LIABILITIES		
Salaries and benefits payable	8,035	3,879
Total Liabilities	8,035	3,879
NET POSITION		
Investment in capital assets	147,686	131,287
Restricted for Endowment		
Nonexpendable	107,941	107,941
Expendable	61,614	64,151
Unrestricted	632,689	748,965
Total Net Position	\$ 949,930	\$ 1,052,344

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

TRUCKEE CEMETERY DISTRICT
Statement of Activities
For the Year Ended June 30, 2020

<u>Functions/Programs:</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Governmental Activities</u>
Governmental activities:				
General government	\$ 135,085	\$ 35,653	\$ 3,974	\$ -
Total Governmental Activities	135,085	35,653	3,974	-
Total	\$ 135,085	\$ 35,653	\$ 3,974	\$ -
General revenues:				
Taxes				
Property taxes				
Interest and investment earnings				
				192,474
				12,204
Total General Revenues				204,678
Change in Net Position				109,220
Net Position - Beginning				840,710
Net Position - Ending				\$ 949,930

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

TRUCKEE CEMETERY DISTRICT
Statement of Activities
For the Year Ended June 30, 2021

<u>Functions/Programs:</u>	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:				
General government	\$ 136,870	\$ 19,502	\$ 4,499	\$ -
Total Governmental Activities	136,870	19,502	4,499	-
Total	\$ 136,870	\$ 19,502	\$ 4,499	\$ -
General revenues:				
Taxes				
Property taxes				204,954
Interest and investment earnings				10,329
Total General Revenues				215,283
Change in Net Position				102,414
Net Position - Beginning				949,930
Net Position - Ending				\$ 1,052,344

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

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Basic Financial Statements

- **Fund Financial Statements**

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TRUCKEE CEMETERY DISTRICT
Balance Sheet
Governmental Funds
June 30, 2020 and 2021

	2020		
	General Fund	Endowment	Totals
ASSETS			
Cash and investments	\$ 640,724	\$ 169,555	\$ 810,279
Prepaid costs	-	-	-
Total Assets	\$ 640,724	\$ 169,555	\$ 810,279
LIABILITIES			
Salaries and benefits payable	\$ 8,035	\$ -	\$ 8,035
Total Liabilities	8,035	-	8,035
FUND BALANCES			
Nonspendable	-	107,941	107,941
Restricted	-	61,614	61,614
Unassigned	632,689	-	632,689
Total Fund Balances	632,689	169,555	802,244
Total Liabilities and Fund Balances	\$ 640,724	\$ 169,555	\$ 810,279

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

2021

<u>General Fund</u>	<u>Endowment</u>	<u>Totals</u>
\$ 747,516	\$ 172,092	\$ 919,608
5,328	-	5,328
<u>\$ 752,844</u>	<u>\$ 172,092</u>	<u>\$ 924,936</u>
\$ 3,879	\$ -	\$ 3,879
3,879	-	3,879
-	107,941	107,941
-	64,151	64,151
748,965	-	748,965
748,965	172,092	921,057
<u>\$ 752,844</u>	<u>\$ 172,092</u>	<u>\$ 924,936</u>

TRUCKEE CEMETERY DISTRICT
Reconciliation of the Governmental Funds Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2020 and 2021

	2020	2021
Total Fund Balances - Total Governmental Funds	\$ 802,244	\$ 921,057
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	147,686	131,287
Net Position of Governmental Activities	\$ 949,930	\$ 1,052,344

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

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TRUCKEE CEMETERY DISTRICT
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Years Ended June 30, 2020 and 2021

	2020		
	General Fund	Endowment	Totals
REVENUES			
Taxes	\$ 192,474	\$ -	\$ 192,474
Use of money	10,278	1,926	12,204
Intergovernmental	3,974	-	3,974
Charges for services	31,128	4,525	35,653
	237,854	6,451	244,305
Total Revenues			
EXPENDITURES			
Current general government:			
Salaries and benefits	43,039	-	43,039
Services and supplies	62,940	250	63,190
Capital outlay	18,289	-	18,289
	124,268	250	124,518
Total Expenditures			
Net Change in Fund Balances	113,586	6,201	119,787
Fund Balances - Beginning	519,103	163,354	682,457
Fund Balances - Ending	\$ 632,689	\$ 169,555	\$ 802,244

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

2021

<u>General Fund</u>	<u>Endowment</u>	<u>Totals</u>
\$ 204,954	\$ -	\$ 204,954
10,227	102	10,329
4,499	-	4,499
16,802	2,700	19,502
<u>236,482</u>	<u>2,802</u>	<u>239,284</u>
63,807	-	63,807
48,400	265	48,665
7,999	-	7,999
<u>120,206</u>	<u>265</u>	<u>120,471</u>
116,276	2,537	118,813
<u>632,689</u>	<u>169,555</u>	<u>802,244</u>
<u>\$ 748,965</u>	<u>\$ 172,092</u>	<u>\$ 921,057</u>

TRUCKEE CEMETERY DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of the Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Years Ended June 30, 2020 and 2021

	2020	2021
Net Change in Fund Balances - Total Governmental Funds	\$ 119,787	\$ 118,813
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Expenditures for capital outlay	18,289	7,999
Less current year depreciation	(28,856)	(24,398)
Change in Net Position of Governmental Activities	\$ 109,220	\$ 102,414

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

Basic Financial Statements

- **Notes to Basic Financial Statements**

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TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2020 and 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Truckee Cemetery District is an appointed special district of California formed under Section 8900 of the Health and Safety Code. The District operates and maintains cemetery grounds in the Town of Truckee. The financial transactions are recorded in the Nevada County accounting system and are reflected in a General fund and one permanent fund.

The District is governed by a four-member Board of Trustees. The Trustees themselves administer the operations of the District in accordance with policies adopted by the Board of Trustees and in accordance with Health and Safety Code Section 8950. These financial statements encompass all fiscal activities under control of its Board of Trustees. Control was determined on the basis of budget adoption and continuing oversight responsibilities.

Component Units

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no component units of the District.

B. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information on all the activities of the District. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double counting of internal accounting. These statements report the governmental activities of the District, which are normally supported by taxes. The District had no business-type activities at June 30, 2020 and 2021.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2020 and 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements

Fund financial statements of the District are organized into two funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures. The funds of the District are organized into the governmental category. The emphasis is placed on major funds, each displayed in a separate column.

The District reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District.
- The Endowment fund is a permanent fund used to account for endowment collections.

C. Basis of Accounting and Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property tax, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property tax, certain state and federal grants, charges for services, and use of money and property are considered susceptible to accrual and are accrued when their receipt occurs within sixty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide Statement of Net Position.

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2020 and 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments

The District pools a portion of cash and investments, other than cash on hand and in checking accounts and LAIF, with the County of Nevada. The Nevada County Treasury is an external investment pool for the District and the District is considered an involuntary participant. The District's share in this pool is displayed in the accompanying financial statements as cash and investments.

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums, and realized capital gains and losses, net of administrative fees, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in the financial statements as unrealized gains or losses are not apportioned to pool participants.

F. Receivables

At June 30, 2020 and 2021, the District did not have any significant accounts receivable.

G. Other Assets

Inventory

Inventories are recorded as expenditures at the time the inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

Prepaid Costs

Prepayments made for services that will benefit periods beyond June 30, 2020 and 2021, are recorded as prepaid costs in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

H. Capital Assets

Capital assets are recorded at historical cost, or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are to be recorded at their acquisition value at the date of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets' estimated useful lives in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	5 years
Structures and improvements	20-40 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2020 and 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2020 and 2021, the District did not have any deferred outflows of resources.

In addition to liabilities, the statement of financial 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 a future period and so will not be recognized as an inflow of resources (revenue) until then. At June 30, 2020 and 2021, the District did not have any deferred inflows of resources.

J. Property Tax

Nevada County is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County of Nevada up to 1 percent of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas.

The valuation/lien date for all taxes is January 1. Secured property tax is due in two installments, the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Unsecured property taxes are due on March 1, and become delinquent if unpaid on August 31.

The County uses the alternative method of property tax apportionment known as the “Teeter Plan”. Under this method of property tax apportionment, the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

K. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide Statement of Activities.

Reimbursements occur when the funds responsible for particular expenditures repay the funds that initially paid for them. Such reimbursements are reflected as expenditures in the reimbursing fund and reductions to expenditures in the reimbursed fund.

All other interfund transactions are treated as transfers.

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2020 and 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Compensated Absences and Other Postemployment Benefits

The District does not provide compensated absences or other postemployment benefits.

M. Estimates

The preparation of basic 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 and disclosures. Accordingly, actual results could differ from those estimates.

N. Implementation of Governmental Accounting Standards Board (GASB) Statements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

Effective for the Year Ended June 30, 2020:

Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. This Statement extends the effective dates of certain accounting and financial reporting provisions in the Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. The requirements of this Statement apply to the financial statements of all state and local governments. The GASB Statements effected by this statement include Statement No. 84 - Fiduciary Activities, Statement No. 87 – Leases, Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period, Statement No. 90 - Majority Equity Interests, Statement No. 91 – Conduit Debt Obligations, Statement No. 92 – Omnibus 2020, and Statement No. 93 – Replacement of Interbank Offered Rates.

Effective for the Year Ended June 30, 2021:

Statement No. 84, “Fiduciary Activities.” The requirements of this statement are effective for periods beginning after December 15, 2019. The District does not have any fiduciary activities to report for the year ended June 30, 2021.

Statement No. 90, “Majority Equity Interest.” In September 2018, the GASB issued Statement No. 90, an amendment of GASB Statements No. 14 and No. 61. The requirements of this statement will take effect for financial statement starting with the fiscal year that ends June 30, 2021. The District does not have any majority equity interests to report for the year ended June 30, 2021.

O. Future Accounting Pronouncements

The following GASB Statements will be implemented, if applicable, in future financial statements:

Statement No. 87 “Leases” The requirements of this statement are effective for periods beginning after June 15, 2021. (FY 21/22)

Statement No. 89 “Accounting for Interest Cost Incurred Before the End of a Construction Period” The requirements of this statement are effective for periods beginning after December 15, 2020. (FY 21/22)

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2020 and 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Future Accounting Pronouncements (Continued)

- Statement No. 91 “Conduit Debt Obligations” The requirements of this statement are effective for periods beginning after December 15, 2021. (FY 22/23)
- Statement No. 92 “Omnibus 2020” The requirements of this statement are effective for periods beginning after June 15, 2021. (FY 21/22)
- Statement No. 93 “Replacement of Interbank Offered Rates” The requirements of this statement are effective for periods beginning after June 15, 2021. (FY 21/22)
- Statement No. 94 “Public-Private and Public-Public Partnerships and Availability Payment Arrangements” The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)
- Statement No. 96 “Subscription-Based Information Technology Arrangements” The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)
- Statement No. 97 “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans” The requirements of this statement are effective for periods beginning after June 15, 2021. (FY 21/22)

NOTE 2: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2020, the District’s cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 200
Deposits (less outstanding checks)	<u>180,438</u>
Total Cash	<u>180,638</u>
Investments:	
Local Agency Investment Fund (LAIF)	6,401
Nevada County Treasurer’s Pool	<u>623,240</u>
Total Investments	<u>629,641</u>
Total Cash and Investments	<u>\$ 810,279</u>

As of June 30, 2021, the District’s cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 200
Deposits (less outstanding checks)	<u>176,784</u>
Total Cash	<u>176,984</u>
Investments:	
Local Agency Investment Fund (LAIF)	6,456
Nevada County Treasurer’s Pool	<u>736,168</u>
Total Investments	<u>742,624</u>
Total Cash and Investments	<u>\$ 919,608</u>

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2020 and 2021

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

B. Cash

At June 30, 2020, the carrying amount of the District's cash deposits (including amounts in checking accounts, savings accounts, and money market accounts) was \$180,638 and the bank balance was \$180,248. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition, the District had cash on hand of \$200.

At June 30, 2021, the carrying amount of the District's cash deposits (including amounts in checking accounts, savings accounts, and money market accounts) was \$176,784 and the bank balance was \$179,026. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition, the District had cash on hand of \$200.

Custodial Credit Risk - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The District's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of public funds.

C. Investments

The District does not have a formal investment policy. At June 30, 2020 and 2021, all investments of the District were in the County of Nevada investment pool. Under the provisions of the County's investment policy and the California Government Code, the County may invest or deposit in the following:

- Bankers' Acceptances
- Commercial Paper
- Local Agency Investment Fund (LAIF)
- Medium-Term Corporate Notes
- Money Market Funds
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Reverse Repurchase Agreements
- Securities of the Federal Government and of its Agencies
- California State Registered Warrants, Treasury Notes and Bonds
- Local Agency Obligations
- Certificates of Deposit
- Pass-Through Securities

Fair Value of Investments - The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2020 and 2021

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

The District's position in external investment pools is in itself regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the District's investment in external investment pools are not recognized in the three-tiered fair value hierarchy described above.

At June 30, 2020, the District had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
None	\$ -	\$ -	\$ -	\$ -
Total Investments Measured at Fair Value	-	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Investments in External Investment Pool				
LAIF	6,401			
Nevada County Treasurer's Pool	<u>623,240</u>			
Total Investments	<u>\$ 629,641</u>			

At June 30, 2021, the District had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
None	\$ -	\$ -	\$ -	\$ -
Total Investments Measured at Fair Value	-	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Investments in External Investment Pool				
LAIF	6,456			
Nevada County Treasurer's Pool	<u>736,168</u>			
Total Investments	<u>\$ 742,624</u>			

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the County's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the County to meet all projected obligations.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's investment policy sets specific parameters by type of investment to be met at the time of purchase. As of June 30, 2020, and 2021, the District's investments were all held in LAIF and the County of Nevada investment pool, which are not rated by a nationally recognized statistical rating organization.

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2020 and 2021

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. With respect to investments, custodial credit risk generally applies to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of mutual funds or government investment pools.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law and the investment policy of the County contain limitations on the amount that can be invested in any one issuer. All investments of the District are in the Nevada County investment pool and in the Local Agency Investment Fund which contains a diversification of investments.

D. Investments in External Investment Pools

The Nevada County Pooled Investment Fund is a pooled investment fund program governed by the County which monitors and reviews the management of public funds maintained in the investment pool in accordance with the County investment policy and the California Government Code. The Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the Board of Supervisors every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value. Investments in the Nevada County Pooled Investment Fund are regarded as highly liquid as deposits and withdrawals can be made at any time without penalty. The Pool does not impose a maximum investment limit. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County of Nevada's financial statements may be obtained by contacting the County of Nevada Auditor-Controller's office at 950 Maidu Avenue, Nevada City, CA 95959.

Local Agency Investment Fund – The District maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State statute. At June 30, 2020, the District's investment in LAIF valued at amortized cost was \$6,401 and is the same as the value of the pooled shares. There were no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$100.9 billion. Of that amount, 96.63 percent is invested in non-derivative financial products and 3.37 percent in structured notes and asset-backed securities. At June 30, 2021, the District's investment in LAIF valued at amortized cost was \$6,456 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$193.3 billion. Of that amount, 97.69 percent is invested in non-derivative financial products and 2.31 percent in structured notes and asset-backed securities.

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2020 and 2021

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020
Capital Assets, Not Being Depreciated				
Land	\$ 50,650	\$ -	\$ -	\$ 50,650
Total Capital Assets, Not Being Depreciated	50,650	-	-	50,650
Capital Assets, Being Depreciated				
Buildings and improvements	367,137	7,714	-	374,851
Equipment	87,800	10,575	-	98,375
Total Capital Assets, Depreciated	454,937	18,289	-	473,226
Less Accumulated Depreciation For:				
Buildings and improvements	(279,703)	(16,347)	-	(296,050)
Equipment	(67,631)	(12,509)	-	(80,140)
Total Accumulated Depreciation	(347,334)	(28,856)	-	(376,190)
Total Capital Assets, Depreciated, Net	107,603	(10,567)	-	97,036
Total Capital Assets, Net	\$ 158,253	(\$ 10,567)	-	\$ 147,686

Capital assets activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021
Capital Assets, Not Being Depreciated				
Land	\$ 50,650	\$ -	\$ -	\$ 50,650
Total Capital Assets, Not Being Depreciated	50,650	-	-	50,650
Capital Assets, Being Depreciated				
Buildings and improvements	374,851	-	-	374,851
Equipment	98,375	7,999	-	106,374
Total Capital Assets, Depreciated	473,226	7,999	-	481,225
Less Accumulated Depreciation For:				
Buildings and improvements	(296,050)	(16,347)	-	(312,397)
Equipment	(80,140)	(8,051)	-	(88,191)
Total Accumulated Depreciation	(376,190)	(24,398)	-	(400,588)
Total Capital Assets, Depreciated, Net	97,036	(16,399)	-	80,637
Total Capital Assets, Net	\$ 147,686	(\$ 16,399)	\$ -	\$ 131,287

Depreciation

Depreciation expense was charged to governmental functions as follows:

	June 30, 2020	June 30, 2021
General government	\$ 28,856	\$ 24,398
Total Depreciation Expense	\$ 28,856	\$ 24,398

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2020 and 2021

NOTE 4: NET POSITION

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

NOTE 5: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds can be made up of the following:

- **Nonspendable fund balance** - 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 “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the District’s highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the District that can, by Board action, commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the District’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose.

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2020 and 2021

NOTE 5: FUND BALANCES (CONTINUED)

- **Unassigned fund balance** - the residual classification for the District's General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amount restricted, committed, or assigned to those purposes

The fund balances for the governmental funds as of June 30, 2020, were distributed as follows:

	<u>General</u>	<u>Endowment</u>	<u>Total</u>
Nonspendable:			
Endowment – nonspendable	\$ -	\$ 107,941	\$ 107,941
Subtotal	<u>-</u>	<u>107,941</u>	<u>107,941</u>
Restricted for:			
Endowment – spendable	-	61,614	61,614
Subtotal	<u>-</u>	<u>61,614</u>	<u>61,614</u>
Unassigned	<u>632,689</u>	<u>-</u>	<u>632,689</u>
Total	<u>\$ 632,689</u>	<u>\$ 169,555</u>	<u>\$ 802,244</u>

The fund balances for the governmental funds as of June 30, 2021, were distributed as follows:

	<u>General</u>	<u>Endowment</u>	<u>Total</u>
Nonspendable:			
Endowment – nonspendable	\$ -	\$ 107,941	\$ 107,941
Subtotal	<u>-</u>	<u>107,941</u>	<u>107,941</u>
Restricted for:			
Endowment – spendable	-	64,151	64,151
Subtotal	<u>-</u>	<u>64,151</u>	<u>64,151</u>
Unassigned	<u>748,965</u>	<u>-</u>	<u>748,965</u>
Total	<u>\$ 748,965</u>	<u>\$ 172,092</u>	<u>\$ 921,057</u>

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by unassigned fund balance.

Fund Balance Policy

The Board of Trustees has not adopted a formal fund balance or minimum fund balance policy by passage of an ordinance or resolution.

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2020 and 2021

NOTE 6: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases coverage from a commercial carrier. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 7: OTHER INFORMATION

A. Subsequent Events

Management has evaluated events subsequent to June 30, 2021 through March 25, 2024, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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Required Supplementary Information

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TRUCKEE CEMETERY DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 185,000	\$ 185,000	\$ 192,474	\$ 7,474
Use of money	8,256	8,256	10,278	2,022
Intergovernmental	4,800	4,800	3,974	(826)
Charges for services	18,000	18,000	31,128	13,128
Total Revenues	<u>216,056</u>	<u>216,056</u>	<u>237,854</u>	<u>21,798</u>
EXPENDITURES				
Current general government:				
Salaries and benefits	34,200	34,200	43,039	(8,839)
Service and supplies	89,736	89,736	62,940	26,796
Capital outlay	-	-	18,289	(18,289)
Total Expenditures	<u>123,936</u>	<u>123,936</u>	<u>124,268</u>	<u>(332)</u>
Net Change in Fund Balances	92,120	92,120	113,586	21,466
Fund Balances - Beginning	<u>519,103</u>	<u>519,103</u>	<u>519,103</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 611,223</u>	<u>\$ 611,223</u>	<u>\$ 632,689</u>	<u>\$ 21,466</u>

TRUCKEE CEMETERY DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 193,000	\$ 193,000	\$ 204,954	\$ 11,954
Use of money	10,145	10,145	10,227	82
Intergovernmental	4,000	4,000	4,499	499
Charges for services	32,410	32,410	16,802	(15,608)
Total Revenues	<u>239,555</u>	<u>239,555</u>	<u>236,482</u>	<u>(3,073)</u>
EXPENDITURES				
Current general government:				
Salaries and benefits	50,270	50,270	63,807	(13,537)
Service and supplies	71,726	71,726	48,400	23,326
Capital outlay	-	-	7,999	(7,999)
Total Expenditures	<u>121,996</u>	<u>121,996</u>	<u>120,206</u>	<u>1,790</u>
Net Change in Fund Balances	117,559	117,559	116,276	(1,283)
Fund Balances - Beginning	<u>632,689</u>	<u>632,689</u>	<u>632,689</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 750,248</u>	<u>\$ 750,248</u>	<u>\$ 748,965</u>	<u>\$ (1,283)</u>

**TRUCKEE CEMETERY DISTRICT
Required Supplementary Information
Notes to Budgetary Comparison Schedules
For the Years Ended June 30, 2020 and 2021**

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year. The District presents a comparison of annual budget to actual results for the General fund. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

The following procedures are performed by the District in establishing the budgetary data reflected in the financial statements:

- (1) The Board of Trustees reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (2) Prior to January 1, the budget is adopted by motion.
- (3) From the effective date of the budget, the amounts stated therein, as recommended expenditures become appropriations to the District. The Board may amend the budget by motion during the fiscal year.

The District does not use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

NOTE 2: EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the fiscal year ended June 30, 2020, the District incurred expenditures in excess of appropriations as follows:

	<u>Appropriations</u>	<u>Expenditures</u>	Excess of Expenditures Over <u>Appropriations</u>
General fund	\$ 123,936	\$ 124,268	\$ 332

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OTHER REPORT AND SCHEDULES

- **Other Report**
- **Schedule of Findings and Recommendations**
- **Schedule of Prior Year Findings and Recommendations**
- **Management's Corrective Action Plan**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees
Truckee Cemetery District
Truckee, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Truckee Cemetery District, California (District) as of and for the years ended June 30, 2020 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 25, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations, that we consider to be significant deficiencies. (2021-001 through 2021-004)

To the Board of Trustees
Truckee Cemetery District
Truckee, California

Compliance and Other Matters

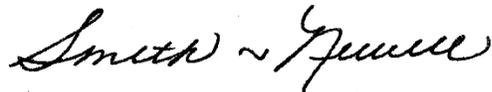
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

District's Response to Findings

The District's response to the findings identified in our audit are described in the accompanying management's corrective action plan. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Smith & Newell CPAs
Yuba City, California
March 25, 2024

TRUCKEE CEMETERY DISTRICT
Schedule of Findings and Recommendations
For the Years Ended June 30, 2020 and 2021

2021-001 Policies and Procedures (Significant Deficiency)

Criteria

Good internal control requires that procedures be documented and performed in a consistent manner in accordance with approved District policy.

Condition

We noted written policies and procedures for all current financial processes, including budgeting, setting assessment rates, processing expenditures and fund balance, have not been developed and approved by the Board of Trustees.

Cause

The District has not developed written policies and procedures for all current financial processes.

Effect

Without written procedures, tasks may not be performed in a consistent manner among employees. In addition, written procedures are helpful if someone else has to perform duties he/she normally would not perform.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is a repeat of prior year finding 2019-002.

Recommendation

We recommend that the District develop written policies and procedures for all current financial processes and that approval of these policies and procedures by the Board of Trustees be documented.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

TRUCKEE CEMETERY DISTRICT
Schedule of Findings and Recommendations
For the Years Ended June 30, 2020 and 2021

2021-002 Payroll (Significant Deficiency)

Criteria

Good internal control over payroll requires that personnel files be maintained, which include such information as authorized payrates and supporting documentation for federal and state withholding (i.e., Form W-4 and Form DE-4).

Condition

Supporting documentation was not available to support the federal and state taxes that were being withheld.

Cause

The District did not maintain employee files.

Effect

Federal and state payroll taxes withheld were unable to be verified by supporting documentation.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is a repeat of prior year finding 2019-003.

Recommendation

We recommend that the District maintain employee files, which include authorized payrates and employee withholding documentation.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

TRUCKEE CEMETERY DISTRICT
Schedule of Findings and Recommendations
For the Years Ended June 30, 2020 and 2021

2021-003 Expenditures (Significant Deficiency)

Criteria

Good internal control over accounts payable requires that the District maintain adequate documentation to support expenditures.

Condition

During fieldwork, we noted that the District was missing invoices for five of the 25 items selected for testing in the fiscal year ended June 30, 2020 and for six of the 25 items selected for testing in the fiscal year ended June 30, 2021.

Cause

The District did not provide adequate supporting documentation to verify all expenditures.

Effect

The District was missing invoices in the amount of \$342, for the fiscal year ending June 30, 2020 and \$795 for the fiscal year ending June 30, 2021.

Questioned Cost

\$342 for fiscal year ending June 30, 2020 and \$795 for fiscal year ending June 30, 2021.

Context

We randomly selected 25 expenditures to test the internal controls of expenditures for each fiscal year. Sampling was a statistically valid sample.

Repeat Finding

This is a repeat of prior year finding 2019-004.

Recommendation

We recommend that the District maintain adequate documentation to support expenditure payments.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

TRUCKEE CEMETERY DISTRICT
Schedule of Findings and Recommendations
For the Years Ended June 30, 2020 and 2021

2021-004 Accountability of Endowment Fund (Significant Deficiency)

Criteria

Cemetery districts that have established and collected endowment funds are to track the nonexpendable portion of the fund.

Condition

At the time of our fieldwork we noted that the fund balance of the Endowment fund had not been separated between the portion that was expendable for operations and the portion that was nonexpendable.

Cause

The District was not tracking the nonexpendable endowment revenues that had been received.

Effect

The District is not tracking the expendable portion of endowment funds.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is a repeat of prior year finding 2019-005.

Recommendation

We recommend that the District analyze the collections in prior years for the Endowment fund and separate the fund balance into the nonexpendable and expendable balance source.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

TRUCKEE CEMETERY DISTRICT
Schedule of Prior Year Findings and Recommendations
For the Years Ended June 30, 2020 and 2021

<u>Audit Reference</u>	<u>Status of Prior Year Audit Recommendations</u>
2019-001	<p>Prior Period Adjustment</p> <p>Recommendation</p> <p>We recommend the District review the financial records and ensure that all items are recorded correctly.</p> <p>Status</p> <p>Implemented</p>
2019-002	<p>Policies and Procedures</p> <p>Recommendation</p> <p>We recommend that the District develop written policies and procedures for all current financial processes and that approval of these policies and procedures by the Board of Trustees be documented.</p> <p>Status</p> <p>Not implemented</p>
2019-003	<p>Payroll</p> <p>Recommendation</p> <p>We recommend that the District maintain employee files, which include authorized payrates and employee withholding documentation.</p> <p>Status</p> <p>Ongoing</p>
2019-004	<p>Expenditures</p> <p>Recommendation</p> <p>We recommended that the District maintain adequate documentation to support expenditure payments.</p> <p>Status</p> <p>Not implemented</p>

TRUCKEE CEMETERY DISTRICT
Schedule of Prior Year Findings and Recommendations
For the Years Ended June 30, 2020 and 2021

<u>Audit Reference</u>	<u>Status of Prior Year Audit Recommendations</u>
2019-005	<p>Accountability of Endowment Fund</p> <p>Recommendation</p> <p>We recommend that the District analyze the collections in prior years for the Endowment fund and separate the fund balance into the nonexpendable and expendable balance source.</p> <p>Status</p> <p>Not implemented</p>

**TRUCKEE CEMETERY DISTRICT
Management's Corrective Action Plan
For the Years Ended June 30, 2020 and 2021**

Finding 2021-001 Policies and Procedures (Significant Deficiency)

We recommend that the District develop written policies and procedures for all current financial processes and that approval of these policies and procedures by the Board of Trustees be documented.

Management's Response: No response provided.

Finding 2021-002 Payroll (Significant Deficiency)

We recommend that the District establish procedures to ensure that the required payroll tax returns are filed timely and that the taxes are withheld and paid to appropriate Federal or State authority.

Management's Response: No response provided.

Finding 2021-003 Expenditures (Significant Deficiency)

We recommend that the District maintain adequate documentation to support expenditure payments.

Management's Response: No response provided.

Finding 2021-004 Accountability of Endowment Fund (Significant Deficiency)

We recommend that the District analyze the collections in prior years for the Endowment fund and separate the fund balance into the nonexpendable and expendable balance source.

Management's Response: No response provided.

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