

**NEVADA CEMETERY DISTRICT
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NEVADA CEMETERY DISTRICT

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LARRY BAIN, CPA

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Nevada Cemetery District
Nevada City, CA

Qualified Opinion

We have audited the accompanying financial statements of the governmental activities and fund information of Nevada Cemetery District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nevada Cemetery District as of June 30, 2023, and the changes in financial position of those activities and funds for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

Management has not retained a listing of assets to support \$5,659,982 reported as land in the statement of net position. Accounting principles generally accepted in the United States of America require that capital assets be supported by a schedule showing when the assets were purchased and the historical cost at the time of purchase.

Management has also not maintained the preneed list reported as preneed deposits in the amount of \$221,858 in the governmental funds balance sheet and the government-wide statement of net position.

The amount by which these departures would affect the assets, net position, fund balance and revenues of the governmental activities and fund financial statements is not reasonably determinable.

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Nevada Cemetery District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than

for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Other Matters

Required Supplementary Information

The Nevada Cemetery District has not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Other Information

The required supplementary information other than MD&A, as listed in the table of contents as the budgetary comparison schedule for the General fund on page 19, the District's Employees' Retirement System Schedule of the District's Proportionate Share of the Net Pension Liability and the Retirement System Schedule of the District's Contributions on pages 20 and 21, is 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 (GASB), 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.



Larry Bain, CPA
An Accounting Corporation
February 25, 2025

NEVADA CEMETERY DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental Activities</u>
Current Assets	
Cash and investments	\$ 1,249,309
Inventory	8,000
Total current assets	<u>1,257,309</u>
Non-Current Assets	
Restricted cash and investments	170,888
Capital assets:	
Land	5,659,982
Structures and improvements	285,320
Equipment	228,260
Less: accumulated depreciation	<u>(456,035)</u>
Total capital assets	<u>5,717,527</u>
Total non-current Assets	<u>5,888,415</u>
Total asset	<u>7,145,724</u>
Deferred Outflows of Resources	
Deferred outflows-pensions	<u>137,272</u>
Total deferred outflows of resources	<u>137,272</u>
Liabilities	
Current Liabilities:	
Accrued expense	-
Salaries payable	4,280
Preneed deposits	221,858
Due within one year	<u>3,064</u>
Total current liabilities	<u>229,202</u>
Non-Current Liabilities:	
Due in more than one year	<u>355,680</u>
Total liabilities	<u>584,882</u>
Deferred Inflows of Resources	
Deferred inflows-pensions	<u>30,683</u>
Total deferred inflows of resources	<u>30,683</u>
Net Position	
Net investment in capital assets	5,717,527
Restricted for:	
Perpetual care:	170,888
Unrestricted	<u>779,016</u>
Total net position	<u>\$ 6,667,431</u>

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

NEVADA CEMETERY DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for</u> <u>Services</u>	<u>Total</u>
Governmental Activities:			
Cemetery services	\$ 587,750	\$ 109,935	\$ (477,815)
Total governmental activities	<u>\$ 587,750</u>	<u>\$ 109,935</u>	<u>(477,815)</u>

General Revenues:

Taxes:	
Property tax, levied for general purposes	680,867
Contributions to permanent endowment fund	6,694
Investment income (loss)	25,231
Total general revenues	<u>712,792</u>
Change in net position	<u>234,977</u>
Net position - beginning	6,426,500
Prior period adjustment	5,954
Net position - ending	<u>\$ 6,667,431</u>

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

NEVADA CEMETERY DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2023

	General Fund	Fund Perpetual Care	Totals
Assets			
Cash and investments	\$ 1,249,309	\$ -	\$ 1,249,309
Restricted cash and investments		170,888	170,888
Inventory	8,000		8,000
Total assets	\$ 1,257,309	\$ 170,888	\$ 1,428,197
Liabilities and Fund Balances			
Liabilities			
Accrued expense	\$ -	\$ -	\$ -
Salaries payable	4,280		4,280
Preneed deposits	221,858		221,858
Total liabilities	226,138		226,138
Fund balances			
Restricted		170,888	170,888
Unassigned	1,031,171		1,031,171
Total fund balances	1,031,171	170,888	1,202,059
Total liabilities and fund balances	\$ 1,257,309	\$ 170,888	\$ 1,428,197

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

NEVADA CEMETERY DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2023

Total fund balances of governmental funds	\$ 1,202,059
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	5,717,527
Compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds.	(7,757)
The net pension liability and deferred inflows/outflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds.	<u>(244,398)</u>
Net position of governmental activities	<u>\$ 6,667,431</u>

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

NEVADA CEMETERY DISTRICT

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
JUNE 30, 2023

	General Fund	Permanent Fund Perpetual Care	Totals
Revenues			
Property taxes	\$ 676,702	\$ -	\$ 676,702
Use of money and property	21,877	3,354	25,231
Intergovernmental	4,165		4,165
Charges for current services	109,935	6,694	116,629
Total revenues	<u>812,679</u>	<u>10,048</u>	<u>822,727</u>
Expenditures			
Cemetery Services			
Salary and wages	264,716		264,716
Employee benefits	135,039		135,039
Service and supplies	147,355		147,355
Total expenditures	<u>547,110</u>		<u>547,110</u>
Net change in fund balance	<u>265,569</u>	<u>10,048</u>	<u>275,617</u>
Fund balances, beginning of fiscal year	765,602	160,840	926,442
Fund balances, end of fiscal year	<u>\$ 1,031,171</u>	<u>\$ 170,888</u>	<u>\$ 1,202,059</u>

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

NEVADA CEMETERY DISTRICT

RECONCILIATION OF THE STATE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 275,617
Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of revenues, expenditures and changes in fund balances because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities. The costs of those assets is allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:	
Capital outlay	-
Current year depreciation expense	(28,016)
Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds.	2,403
Net pension liability and deferred inflows/outflows of resources reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds.	<u>(15,027)</u>
Change in net position of governmental activities	<u>\$ 234,977</u>

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

NEVADA CEMETERY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

Note 1: Summary of Significant Accounting Policies

The financial statements of the Nevada Cemetery District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The Nevada Cemetery District was formed in 1942 as a special District by the voters in a general election. At that time the boundaries of the District were set as part of the formation of the District. In 1986 and again in 2007 the physical land size of the District was increased to the present time where the District encompasses all of western Nevada County situated below the 5,000-foot elevation. There are 27 cemeteries managed by the District. Two of the cemeteries are recent additions: Deer Creek in 2010 and Elster Memorial in 2012. Both are lawn cemeteries and increase the District available plots by approximately 3,000. In October of 2018, NCD opened a 48-unit columbarium at Penn Valley Cemetery

The consolidated District operates the public cemeteries under sections 8125 to 8137 and 9000 to 9093 of the Health and Safety Code for the State of California.

The District consists of a five (5) member Board of Trustees serving four-year terms. The Board of Trustees govern the District. The Board of Supervisors of Nevada County approves the appointment of each Trustee.

Endowment Fund

In August 1984, California Assembly Bill No. 3245 amended section 8952 of the Health and Safety Code, requiring cemetery districts to establish an endowment care fund. The endowment fund accounts for the receipt of endowment deposits for each burial right sold, and accumulates interest.

The District has defined its reporting entity in accordance with accounting principles generally accepted in the United States of America, which provides guidance for determining which governmental activities, organizations and functions should be included in the reporting entity. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criterion for including a potential component unit within the reporting entity is the governing body's financial accountability. A primary governmental entity is financially accountable if it appoints a voting majority of a component unit's governing body and it is able to impose its will on the component unit, or if there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if a component unit is fiscally dependent on the primary governmental entity regardless of whether the component unit has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board

Based upon the aforementioned oversight criteria, the District does not have any component units.

NEVADA CEMETERY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if collected within 90 days of the end of the current fiscal year. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or as a reservation of fund balance. The District considers property taxes available if they are collected within sixty-days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as compensated absences and claims and judgments are recorded only when payment is due. General capital acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financial sources.

C. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government.

The statement of activities demonstrates the degree to which the program expenses are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function. Program revenues include 1) charges paid by the recipient of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, are presented instead as general revenues.

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

Fund Financial Statements

The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in separate columns.

The District reports the following major governmental funds:

General Fund - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists primarily of general government type activities.

Permanent Fund - This fund accounts for funds deposited for perpetual care of the District cemetery. The principle portion of these deposits is not available for use by the District.

The principle portion of the endowment deposits are recorded as restricted cash and restricted equity on the statement of net position and balance sheet of the District. The interest earned on the endowment care deposits is available for use by the District for the maintenance of the cemetery grounds.

NEVADA CEMETERY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

D. Budgetary Reporting

The District prepares an annual operating and capital budget, which is approved and adopted by the Board of Trustees. The budget serves as an approved plan to facilitate financial control and operational evaluation.

E. Use of Estimates in the Preparation of Financial Statements:

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

F. Cash and Investments

The District deposits its cash in the Nevada County Treasury. The County maintains a cash and investment pool that is available to all funds for which the County Treasury is the depository, for the purpose of increasing interest earnings through investment activities. In accordance with the requirements of the California State Government Code, a Treasury Oversight Committee has been formed to provide oversight for the County's *Investment Policy*, and arranges for the annual audit of the cash and investment pool. Copies of the Treasurer-Tax Collector's monthly reports and annual report can be obtained from the Treasurer-Tax Collector's Office.

Investments are reported at fair value. Fair value represents the amount the District can reasonably expect to receive for an investment in a current sale between a willing buyer and seller. The fair value of investments is obtained from custodial investments. The fair value of the District's investments in the Nevada County investment pool is determined on an amortized cost basis which approximates fair value.

G. Capital Assets

Capital assets have been acquired for general District purposes. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost or estimated cost where no historical records are available. Donated capital assets are valued at their estimated fair market value on the date donated. The District defines capital assets as assets with an initial individual cost of more than \$1,500 and an estimated useful life in excess of three years. Capital assets are depreciated in the government-wide statements using the straight-line method over their estimated useful lives. The estimated useful lives are as follows:

Structures and improvements	30 years
Computer Equipment	5 years
Office Equipment	3-7 years
Specialty equipment and vehicles	3-20 years
Infrastructure	10-12 years

NEVADA CEMETERY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

H. Net Position

Net position comprises the various net earnings from operating income, non-operating revenues and expenses and capital contributions. Net position is classified in the following three components:

Net Investment in Capital Assets-This component of net position consists of 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 (if any). If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment and capital asset. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted-This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position-This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

I. Fund Balances – Governmental Funds

The District adopted a policy for GASB Statement No. 54, Fund Balance Reporting. GASB 54 establishes fund balance classifications that comprise a hierarchy based on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. While the classifications of fund balance in the District's various governmental funds were revised, the implementation of this standard had no effect on total fund balance.

J. Property Tax Revenue

Nevada County, through the Auditor-Controller's Office and the Treasurer-Tax Collector, is responsible for assessing, collecting and distributing property taxes in accordance with enabling legislation. Property taxes, in general, attach as an enforceable lien on property on January 1. Taxes are levied on July 1 and are payable in two installments, November 1 and February 1. The County apportions property taxes according to the alternative method of distribution known as the Teeter Plan. Under the Teeter Plan, the current year's secured property tax levy is distributed to participating agencies within the County without consideration of delinquency factors. The district recognizes property taxes as revenue when the County distributes them.

NEVADA CEMETERY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 2: Cash and Investments:

Cash and investments at June 30, 2023, consisted of the following:

Cash and investment in the County Treasurer	\$ 1,420,197
Total cash and investments	\$ 1,420,197

The District maintains its general cash account with the Nevada County Treasurer's office. The County maintains the cash of the District in a "pooled" cash fund for special districts. The cash maintained in the "pooled" cash fund with Nevada County at June 30, 2023, was \$82,523.

California Government Code authorizes the Treasurer of the County to invest excess funds in the following list of eligible securities:

- a) Obligations of the U.S. Treasury, agencies and instrumentalities.
- b) Bankers acceptances eligible for purchase by the Federal Reserve System.
- c) Commercial paper with A-1 rating by Moody's Investors Service or a P-1 rating by Standard and Poor's.
- d) Repurchase agreements or reverse repurchase agreements.
- e) Medium-term notes with a five-year maximum maturity from corporations operating within the United States and rated in the top three rating categories by Moody's Investment Service and Standard and Poor's.
- f) Shares of beneficial interest issued by the diversified management companies (money market funds) investing in securities and obligations as outlined in a) through f) above. Certain security rankings and/or organizational requirements apply to this investment.

The District's funds are managed in accordance with the investment policy of the County Treasury. On a quarterly basis the Treasurer allocates interest to participants based upon their average daily balances. Required disclosure information regarding the categorization of investments and investment risk can be found in the County's financial statements. The Nevada County's financial statements may be obtained by contacting the Nevada County Auditor-Controller's office at 950 Maidu Avenue, Suite 230, Nevada City, CA 95959.

Note 3: Capital Assets

Activity for the District's capital assets is summarized below

	Balance July 1, 2022	Additions	Retirement/ Adjustments	Balance June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 5,659,982	\$ -	\$ -	\$ 5,659,982
Capital assets, being depreciated:				
Structures and improvements	285,320			285,320
Equipment	222,306	5,954		228,260
Total capital assets, being depreciated	507,626	5,954		513,580
Less accumulated depreciation	(428,019)	(28,016)		(456,035)
Total capital assets, being depreciated, net	79,607	(22,062)		57,545
Governmental activities, capital assets, net	\$ 5,739,589	\$ (22,062)	\$ -	\$ 5,717,527

NEVADA CEMETERY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 4: Long-Term Liabilities

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Amount Due In One Year
Compensated absences	\$ 10,160	\$ 3,725	\$ (6,128)	\$ 7,757	\$ 3,064
Net pension liability (Note 5)	173,097	177,890		350,987	-
Totals	\$ 3,391,370	\$ 181,615	\$ (6,128)	\$ 358,744	\$ 3,064

Compensated absences

The District offers its full-time employees and part-time employee's vacation and sick leave benefits. Part-time employees is 30 hours or more as a regular employee accrues benefits based on prorated hours worked. Employee's accrue vacation and sick leave starting the first of the month after completing 1 month of continuous service and are eligible to use accrued time after six month. Vacation is accumulated at a rate of 3.33 hours per month from the 1st month to the 24th month, 6.66 hours from the 25th month to the 71st month, 10 hours per month from the 72nd month to the 131st month, 13.33 hours from the 132nd month to the 251st month and 16.66 hours from the 252nd month forward. The maximum amount allowed to accrue at any given time is 240 hours. All accumulated vacation is paid out at termination. This amount is accrued in accordance with GASB 16.

Sick leave accumulates for full-time and part-time (prorated) at 12 days per year. Accumulated sick leave will not be paid out at termination, but employee's retiring from the District through CalPERS may convert their sick leave balance to service credits.

Note 5: Defined Benefit Pension Cost-Sharing Employer Plan

A. General Information about the Pension Plans

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

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 55 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.

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

NEVADA CEMETERY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 5: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

Miscellaneous

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52 - 67
Monthly benefits, as a % of eligible	1.5% to 2%	1.0% to 2%
Required employee contribution rates	8.00%	6.75%
Required employer contribution rates	14.03%	7.47%

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 the 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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2023, the contributions recognized as part of pension expense for each Plan were as follows:

Contributions-employer	\$	34,686
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B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2023, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability (Ass
Miscellaneous plans	\$ 350,987

The District’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans was measured as of June 30, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The District’s proportionate share of the net pension liability as of June 30, 2022 and 2023 reporting dates were as follows:

Proportion - June 30, 2022	0.00652%
Proportion - June 30, 2023	0.00750%
Change - increase (decrease)	0.00098%

NEVADA CEMETERY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 5: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

For the year ended June 30, 2023, the District recognized pension expense of \$49,713. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,328	\$ -
Changes of assumptions	35,966	
Net difference between projected and actual earnings on pension plan investments	64,292	
Changes in proportion		(20,176)
Difference between proportionate and actual contributions		(10,507)
District contributions subsequent to the measurement date	34,686	
Total	\$ 137,272	\$ (30,683)

\$34,686 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

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

Measurement Period	
Ended June 30:	
2024	\$ (13,452)
2025	(11,695)
2026	(7,434)
2027	(39,322)
2028	-
Thereafter	-

Actuarial Assumptions – The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial cost method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount rate	6.90%
Inflation	2.50%
Projected salary increase	Varies by Entry Age and Ser
Investment rate of return	6.90%

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial Experience Study. Further details of the Experience Study can found on the CalPERS website.

NEVADA CEMETERY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 5: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 6.90% for each Plan. 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 6.90 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a report that can be obtained from the CalPERS website.

CalPERS reviews actuarial assumptions as part of its regular Asset Liability Management review cycle. Any changes to the discount rate will require Board action and proper stakeholder outreach. CalPERS will continue to check the materiality of differences in calculation until such time as we have changed our methodology.

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, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound 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 quarter of one percent.

The table below reflects the 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 rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10 (1)(2)
Global equity-cap weighted	30.0%	4.45%
Global equity non-cap weighted	12.0%	3.84%
Private equity	13.0%	7.28%
Treasury	5.0%	27.00%
Mortgage backed securities	5.0%	50.00%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	-5.0%	-0.59%

(1) An expected inflation of 2.30% used for this period

(2) Figures are based on the 2021-22 Asset Liability Management study.

NEVADA CEMETERY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Note 5: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate -1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Miscellaneous	\$ 570,316	\$ 350,987	\$ (170,534)

Note 6: Stewardship, Compliance and Accountability

A. Over Expended Budget

The District over expended the salary and employee benefits budget by \$23,879.

B. Prior Period Adjustment

A prior period adjustment was made increasing net position in the government-wide statement of activities to account for a copy machine that was purchased and expensed in the prior fiscal year, but was not capitalized in the statement of net position.

Note 7: 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 together with other districts in the State carry Golden State Risk Management Insurance (GSRMA), a public entity risk pool currently operating as a common risk management and Joint Powers Authority for property, liability and workers compensation insurance. The District pays an annual contribution for property and liability insurance to GSRMA to share the risk management. Furthermore the District carries workers compensation coverage based upon actual payroll classified into rate categories pursuant to the rules published by the California Workers’ Compensation Insurance Rating Bureau. The GSRMA agrees to pay all amounts legally required by California Workers compensation laws.

The Agreement for Formation provides that GSRMA will be self-sustaining through member contributions and does not required additional contributions if claims exceed contributions. The agreement for formation stipulates that members are liable for their pro rata share of any fund deficits upon termination from or dissolution of GSRMA. At June 30, 2023 GSRMA had a fund surplus. Financial statements for GSRMA are available at the District’s office. Settlements have not exceeded insurance coverage in any of the last three years.

Note 8: Subsequent Event

Subsequent events were evaluated through February 25, 2025, the date these financial statements were available for distribution.

NEVADA CEMETERY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 JUNE 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Property taxes	\$ 509,508	\$ 509,508	\$ 676,702	\$ 167,194
Use of Money and Property				
Investment income (loss)	11,726	11,726	21,877	10,151
Intergovernmental	4,194	4,194	4,165	(29)
Charges for current services	102,310	102,310	109,935	7,625
Total revenues	<u>627,738</u>	<u>627,738</u>	<u>812,679</u>	<u>184,941</u>
Expenditures:				
Cemetery Services				
Salary and employee benefits	375,876	375,876	399,755	(23,879)
Services and supply	158,214	158,214	147,355	10,859
Capital outlay	721,385	721,385		721,385
Total expenditures	<u>1,255,475</u>	<u>1,255,475</u>	<u>547,110</u>	<u>708,365</u>
Change in fund balance	<u>\$ (627,737)</u>	<u>\$ (627,737)</u>	<u>265,569</u>	<u>\$ (523,424)</u>
Fund balance, beginning of fiscal year			<u>765,602</u>	
Fund balance, end of fiscal year			<u>\$ 1,031,171</u>	

NEVADA CEMETERY DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2023**

Reporting date	District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered-employee payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
6/30/2015	0.01510%	\$344,918	\$578,025	59.67%	83.76%
6/30/2016	0.01982%	\$543,782	\$564,977	96.25%	81.09%
6/30/2017	0.01039%	\$360,766	\$592,796	60.86%	91.17%
6/30/2018	0.00571%	\$224,956	\$615,969	36.52%	92.53%
6/30/2019	0.00459%	\$173,020	\$635,137	27.24%	92.90%
6/30/2020	0.00681%	\$272,766	\$574,513	47.48%	89.99%
6/30/2021	0.00847%	\$357,082	\$590,919	60.43%	89.03%
6/30/2022	0.00475%	\$(90,245)	\$532,865	-16.94%	86.52%
6/30/2023	0.01056%	\$494,127	\$572,317	86.34%	96.93%

* The amounts presented for each fiscal year were determined as of the fiscal year-end

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available is presented.

NEVADA CEMETERY DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
JUNE 30, 2023**

<u>Reporting date</u>	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered employee payroll</u>	<u>Contribution as a percentage of covered-employee payroll</u>
6/30/2015	\$82,710	(\$82,710)	\$0	\$578,025	14.31%
6/30/2016	\$88,697	(\$88,697)	\$0	\$564,977	15.70%
6/30/2017	\$61,865	(\$61,865)	\$0	\$592,796	10.44%
6/30/2018	\$62,456	(\$62,456)	\$0	\$615,969	10.14%
6/30/2019	\$70,260	(\$70,260)	\$0	\$635,137	11.06%
6/30/2020	\$73,994	(\$73,994)	\$0	\$574,513	12.88%
6/30/2021	\$76,529	(\$76,529)	\$0	\$590,919	12.95%
6/30/2022	\$78,831	(\$78,831)	\$0	\$532,865	14.79%
6/30/2023	\$86,600	(\$86,600)	\$0	\$572,317	15.13%

* The amounts presented for each fiscal year were determined as of the fiscal year-end

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available is presented.

NEVADA CEMETERY DISTRICT

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

Note 1: Budgets and Budgetary Accounting

As required by the laws of the State of California, the District prepares and legally adopts a final balanced operating budget. Public hearings were conducted on the proposed final budget to review all appropriations and the sources of financing. Because the final budget must be balanced, any shortfall in revenue requires an equal reduction in financing requirements.

The budget for the general fund was adopted on the modified accrual basis of accounting. The budget for the general fund is the only legally adopted budget.

At the fund level, actual expenditures cannot exceed budgeted appropriations. In order to accommodate operational changes that may result during the course of a budget year, management can modify line items of a budget, but cannot modify between objects without a Board resolution.

The budgetary data presented in the accompanying financial statements includes all revisions approved by the Board of Trustee's.