

**TRUCKEE CEMETERY DISTRICT,
CALIFORNIA**

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEARS ENDED
JUNE 30, 2022 AND 2023**

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TRUCKEE CEMETERY DISTRICT
Annual Financial Report
For the Years Ended June 30, 2022 and 2023

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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, 2022 and 2023

Board of Trustees

Kathy Freeman	Trustee
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 Audit of the Financial Statements**Opinions**

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, 2022 and 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2022 and June 30, 2023, 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.

Basis for Opinions

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. 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 the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

To the Board of Trustees
Truckee Cemetery District
Truckee, California

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

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

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

To the Board of Trustees
Truckee Cemetery District
Truckee, California

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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtain 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.

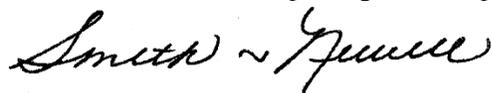
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 13, 2025, 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
January 13, 2025

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Basic Financial Statements

- **Government-Wide Financial Statements**

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TRUCKEE CEMETERY DISTRICT
Statement of Net Position
June 30, 2022 and 2023

	Total Governmental Activities	
	2022	2023
ASSETS		
Cash and investments	\$ 1,065,951	\$ 1,191,451
Receivables:		
Taxes	148	-
Capital assets:		
Non-depreciable	50,650	70,688
Depreciable, net	56,239	35,077
Total capital assets	106,889	105,765
Total Assets	1,172,988	1,297,216
LIABILITIES		
Salaries and benefits payable	10,938	9,043
Total Liabilities	10,938	9,043
NET POSITION		
Investment in capital assets	106,889	105,765
Restricted for Endowment		
Nonexpendable	107,941	107,941
Expendable	66,146	72,427
Unrestricted	881,074	1,002,040
Total Net Position	\$ 1,162,050	\$ 1,288,173

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, 2022

<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	\$ 128,439	\$ 22,160	\$ 5,015	\$ -
Total Governmental Activities	128,439	22,160	5,015	-
Total	\$ 128,439	\$ 22,160	\$ 5,015	\$ -
General revenues:				
Taxes:				
Property taxes				222,607
Interest and investment earnings				(14,787)
Contributions to permanent fund				3,150
Total General Revenues and Contributions to Permanent Fund				210,970
Change in Net Position				109,706
Net Position - Beginning				1,052,344
Net Position - Ending				\$ 1,162,050

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, 2023

<u>Functions/Programs:</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	
Governmental activities:					
General government	\$ 162,025	\$ 17,755	\$ 6,031	\$ -	\$ (138,239)
Total Governmental Activities	162,025	17,755	6,031	-	(138,239)
Total	\$ 162,025	\$ 17,755	\$ 6,031	\$ -	(138,239)
General revenues:					
Taxes:					
Property taxes					249,179
Interest and investment earnings					13,483
Contributions to permanent fund					1,700
Total General Revenues and Contributions to Permanent Fund					264,362
Change in Net Position					126,123
Net Position - Beginning					1,162,050
Net Position - Ending					\$ 1,288,173

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, 2022 and 2023

	2022		
	General Fund	Endowment	Totals
ASSETS			
Cash and investments	\$ 892,154	\$ 173,797	\$ 1,065,951
Receivables:			
Taxes	148	-	148
Due from other funds	-	-	-
Total Assets	\$ 892,302	\$ 173,797	\$ 1,066,099
LIABILITIES			
Salaries and benefits payable	\$ 10,938	\$ -	\$ 10,938
Due to other funds	-	-	-
Total Liabilities	10,938	-	10,938
FUND BALANCES			
Nonspendable	-	107,941	107,941
Restricted	-	65,856	65,856
Unassigned	881,364	-	881,364
Total Fund Balances	881,364	173,797	1,055,161
Total Liabilities and Fund Balances	\$ 892,302	\$ 173,797	\$ 1,066,099

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

2023

<u>General Fund</u>	<u>Endowment</u>	<u>Totals</u>
\$ 1,012,485	\$ 178,966	\$ 1,191,451
-	-	-
-	1,000	1,000
<u>\$ 1,012,485</u>	<u>\$ 179,966</u>	<u>\$ 1,192,451</u>
\$ 9,043	\$ -	\$ 9,043
1,000	-	1,000
<u>10,043</u>	<u>-</u>	<u>10,043</u>
-	107,941	107,941
-	72,025	72,025
<u>1,002,442</u>	<u>-</u>	<u>1,002,442</u>
<u>1,002,442</u>	<u>179,966</u>	<u>1,182,408</u>
<u>\$ 1,012,485</u>	<u>\$ 179,966</u>	<u>\$ 1,192,451</u>

TRUCKEE CEMETERY DISTRICT
Reconciliation of the Governmental Funds Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2022 and 2023

	2022	2023
Total Fund Balances - Total Governmental Funds	\$ 1,055,161	\$ 1,182,408
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	106,889	105,765
Net Position of Governmental Activities	\$ 1,162,050	\$ 1,288,173

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, 2022 and 2023

	2022		
	General Fund	Endowment	Totals
REVENUES			
Taxes	\$ 222,607	\$ -	\$ 222,607
Use of money	(14,518)	(269)	(14,787)
Intergovernmental	5,015	-	5,015
Charges for services	22,160	3,150	25,310
	235,264	2,881	238,145
Total Revenues			
EXPENDITURES			
Current general government:			
Salaries and benefits	65,295	-	65,295
Services and supplies	37,570	1,176	38,746
Capital outlay	-	-	-
	102,865	1,176	104,041
Total Expenditures			
Net Change in Fund Balances	132,399	1,705	134,104
Fund Balances - Beginning	748,965	172,092	921,057
Fund Balances - Ending	\$ 881,364	\$ 173,797	\$ 1,055,161

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

2023

<u>General Fund</u>	<u>Endowment</u>	<u>Totals</u>
\$ 249,179	\$ -	\$ 249,179
8,464	5,019	13,483
6,031	-	6,031
<u>17,755</u>	<u>1,700</u>	<u>19,455</u>
281,429	6,719	288,148
100,968	-	100,968
39,345	550	39,895
<u>20,038</u>	<u>-</u>	<u>20,038</u>
<u>160,351</u>	<u>550</u>	<u>160,901</u>
121,078	6,169	127,247
<u>881,364</u>	<u>173,797</u>	<u>1,055,161</u>
<u>\$ 1,002,442</u>	<u>\$ 179,966</u>	<u>\$ 1,182,408</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, 2022 and 2023

	2022	2023
Net Change in Fund Balances - Total Governmental Funds	\$ 134,104	\$ 127,247
<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	-	20,038
Less current year depreciation	(24,398)	(21,162)
Change in Net Position of Governmental Activities	\$ 109,706	\$ 126,123

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, 2022 and 2023

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. 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, 2022 and 2023.

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.

Fund Financial Statements

Fund financial statements of the District are organized into two funds, which are considered to be separate accounting entities. 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 and are treated as major funds.

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2022 and 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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 taxes, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which they 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 taxes, 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 60 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.

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.

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2022 and 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments (Continued)

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. During the fiscal years ended June 30, 2022 and June 30, 2023, the Nevada County Treasurer has not entered into any legally binding guarantees to support the value of participant equity in the investment pool.

F. Receivables

At June 30, 2022 and 2023, the District did not have any significant accounts receivable.

G. 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.

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.

I. Compensated Absences, Pension, and Other Postemployment Benefits

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

J. 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 assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2022 and 2023, the District did not have any deferred outflows of resources.

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2022 and 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources (Continued)

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 assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until then. At June 30, 2022 and 2023, the District did not have any deferred inflows of resources.

K. 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.

L. 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.

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.

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2022 and 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Statement No. 87, Leases. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period.

Statement No. 91, Conduit Debt Obligations. This statement improves the comparability of financial reporting for issuers by eliminating the option to recognize a liability for a conduit debt obligation.

Statement No. 92, Omnibus 2020. This Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature.

Statement No. 93, Replacement of Interbank Offered Rates. The objective of this Statement is to address implications of GASB Statement No. 53 and GASB Statement No. 87 and other accounting and financial reporting implications that result from the replacement of an IBOR.

Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions.

Statement No. 96, Subscription-Based Information Technology Arrangements. This statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The definition and uniform guidance will result in greater consistency in practice.

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 will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

Statement No. 99, Omnibus 2022. This statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2022 and 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Future Accounting Pronouncements

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

Statement No. 99 “Omnibus 2022” The requirements of this statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. (FY 23/24)

Statement No. 100 “Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62” The requirements of this statement are effective for fiscal years beginning after June 15, 2023. (FY 23/24)

Statement No. 101 “Compensated Absences” The requirements of this statement are effective for fiscal years beginning after December 15, 2023. (FY 24/25)

NOTE 2: CASH AND INVESTMENTS

A. Financial Statement Presentation

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

Cash:	
Cash on hand	\$ 200
Deposits (less outstanding checks)	<u>169,558</u>
Total Cash	<u>169,758</u>
Investments:	
Local Agency Investment Fund (LAIF)	6,390
Nevada County Treasurer’s Pool	<u>889,803</u>
Total Investments	<u>896,193</u>
Total Cash and Investments	<u>\$ 1,065,951</u>

As of June 30, 2023, the District’s cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 200
Deposits (less outstanding checks)	<u>169,499</u>
Total Cash	<u>169,699</u>
Investments:	
Local Agency Investment Fund (LAIF)	6,486
Nevada County Treasurer’s Pool	<u>1,015,266</u>
Total Investments	<u>1,021,752</u>
Total Cash and Investments	<u>\$ 1,191,451</u>

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2022 and 2023

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

B. Cash

At June 30, 2022, the carrying amount of the District's cash deposits (including amounts in checking accounts, savings accounts, and money market accounts) was \$169,558 and the bank balance was \$172,991. 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, 2023, the carrying amount of the District's cash deposits (including amounts in checking accounts, savings accounts, and money market accounts) was \$169,499 and the bank balance was \$170,136. 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, 2022 and 2023, 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:

- U.S. Treasury and Agency Obligations
- California State Registered Warrants, Treasury Notes and Bonds
- Local Agency Obligations
- Bankers' Acceptances
- Money Market Funds
- Commercial Paper
- Medium-Term Notes
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Reverse Repurchase Agreements
- Certificates of Deposit
- Pass-Through Securities
- Local Agency Investment Fund (LAIF)
- California Asset Management Program (CAMP)
- Supranationals

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2022 and 2023

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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

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, 2022, 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	6,390			
Nevada County Treasurer's Pool	<u>889,803</u>			
Total Investments	<u>\$ 896,193</u>			

At June 30, 2023, 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	6,486			
Nevada County Treasurer's Pool	<u>1,015,266</u>			
Total Investments	<u>\$ 1,021,752</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.

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2022 and 2023

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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, 2022, and 2023, 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.

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 contain 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 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, 2022, the District's investment in LAIF valued at amortized cost was \$6,390 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 \$231.6 billion. Of that amount, 98.12 percent is invested in non-derivative financial products and 1.88 percent in structured notes and asset-backed securities. At June 30, 2023, the District's investment in LAIF valued at amortized cost was \$6,486 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 \$176.4 billion. Of that amount, 97.22 percent is invested in non-derivative financial products and 2.78 percent in structured notes and asset-backed securities.

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2022 and 2023

NOTE 3: CAPITAL ASSETS

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

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
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	106,374	-	-	106,374
Total Capital Assets, Depreciated	481,225	-	-	481,225
Less Accumulated Depreciation For:				
Buildings and improvements	(312,397)	(16,347)	-	(328,744)
Equipment	(88,191)	(8,051)	-	(96,242)
Total Accumulated Depreciation	(400,588)	(24,398)	-	(424,986)
Total Capital Assets, Depreciated, Net	80,637	(24,398)	-	56,239
Total Capital Assets, Net	\$ 131,287	(\$ 24,398)	-	\$ 106,889

Capital assets activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023
Capital Assets, Not Being Depreciated				
Land	\$ 50,650	\$ -	\$ -	\$ 50,650
Construction in Progress	-	20,038	-	20,038
Total Capital Assets, Not Being Depreciated	50,650	20,038	-	70,688
Capital Assets, Being Depreciated				
Buildings and improvements	374,851	-	-	374,851
Equipment	106,374	-	-	106,374
Total Capital Assets, Depreciated	481,225	-	-	481,225
Less Accumulated Depreciation For:				
Buildings and improvements	(328,744)	(16,347)	-	(345,091)
Equipment	(96,242)	(4,815)	-	(101,057)
Total Accumulated Depreciation	(424,986)	(21,162)	-	(446,148)
Total Capital Assets, Depreciated, Net	56,239	(21,162)	-	35,077
Total Capital Assets, Net	\$ 106,889	(\$ 1,124)	\$ -	\$ 105,765

Depreciation

Depreciation expense was charged to governmental functions as follows:

	<u>June 30, 2022</u>	<u>June 30, 2023</u>
General government	\$ 24,398	\$ 21,162
Total Depreciation Expense	<u>\$ 24,398</u>	<u>\$ 21,162</u>

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2022 and 2023

NOTE 4: INTERFUND TRANSACTIONS

Due From/To Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds.

The following are due from and due to balances as of June 30, 2023:

	Due From Other Funds	Due To Other Funds
General Fund	\$ -	\$ 1,000
Endowment	1,000	-
Total	\$ 1,000	\$ 1,000

NOTE 5: 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 6: 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.

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2022 and 2023

NOTE 6: FUND BALANCES (CONTINUED)

- **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. Restrictions may effectively be changed or lifted only with the consent of resources providers.
- **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.
- **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, 2022, were distributed as follows:

	General	Endowment	Total
Nonspendable:			
Endowment – nonspendable	\$ -	\$ 107,941	\$ 107,941
Restricted for:			
Endowment – spendable	-	65,856	65,856
Unassigned	881,364	-	881,364
Total	\$ 881,364	\$ 173,797	\$ 1,055,161

The fund balances for the governmental funds as of June 30, 2023, were distributed as follows:

	General	Endowment	Total
Nonspendable:			
Endowment – nonspendable	\$ -	\$ 107,941	\$ 107,941
Restricted for:			
Endowment – spendable	-	72,025	72,025
Unassigned	1,002,442	-	1,002,442
Total	\$ 1,002,442	\$ 179,966	\$ 1,182,408

TRUCKEE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2022 and 2023

NOTE 6: FUND BALANCES (CONTINUED)

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 assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policy

The Board of Trustees has not established a fund balance policy by passage of an ordinance or resolution. Fund balance, which is committed or assigned for a specific purpose, is typically done through adoption of the budget and subsequent budget amendments.

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 purchases coverage from a commercial carrier. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 8: OTHER INFORMATION

A. Subsequent Events

Management has evaluated events subsequent to June 30, 2023 through January 13, 2025, 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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 210,000	\$ 210,000	\$ 222,607	\$ 12,607
Use of money	10,200	10,200	(14,518)	(24,718)
Intergovernmental	4,500	4,500	5,015	515
Charges for services	17,330	17,330	22,160	4,830
Total Revenues	<u>242,030</u>	<u>242,030</u>	<u>235,264</u>	<u>(6,766)</u>
EXPENDITURES				
Current general government:				
Salaries and benefits	65,800	65,800	65,295	505
Service and supplies	52,891	52,891	37,570	15,321
Capital outlay	2,500	2,500	-	2,500
Total Expenditures	<u>121,191</u>	<u>121,191</u>	<u>102,865</u>	<u>18,326</u>
Net Change in Fund Balances	120,839	120,839	132,399	11,560
Fund Balances - Beginning	<u>748,965</u>	<u>748,965</u>	<u>748,965</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 869,804</u>	<u>\$ 869,804</u>	<u>\$ 881,364</u>	<u>\$ 11,560</u>

TRUCKEE CEMETERY DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 210,000	\$ 210,000	\$ 249,179	\$ 39,179
Use of money	10,200	10,200	8,464	(1,736)
Intergovernmental	4,500	4,500	6,031	1,531
Charges for services	17,330	17,330	17,755	425
Total Revenues	<u>242,030</u>	<u>242,030</u>	<u>281,429</u>	<u>39,399</u>
EXPENDITURES				
Current general government:				
Salaries and benefits	95,800	95,800	100,968	(5,168)
Service and supplies	79,341	79,341	39,345	39,996
Capital outlay	2,500	2,500	20,038	(17,538)
Total Expenditures	<u>177,641</u>	<u>177,641</u>	<u>160,351</u>	<u>17,290</u>
Net Change in Fund Balances	64,389	64,389	121,078	56,689
Fund Balances - Beginning	<u>881,364</u>	<u>881,364</u>	<u>881,364</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 945,753</u>	<u>\$ 945,753</u>	<u>\$ 1,002,442</u>	<u>\$ 56,689</u>

TRUCKEE CEMETERY DISTRICT
Required Supplementary Information
Note to Budgetary Comparison Schedules
For the Years Ended June 30, 2022 and 2023

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.

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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, 2022 and June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 13, 2025.

Report on 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations as items 2023-001 through 2023-005 to be significant deficiencies.

To the Board of Trustees
Truckee Cemetery District
Truckee, California

Report on Compliance and Other Matters

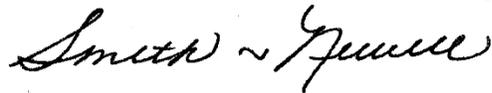
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying management's corrective action plan. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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
January 13, 2025

TRUCKEE CEMETERY DISTRICT
Schedule of Findings and Recommendations
For the Years Ended June 30, 2022 and 2023

2023-001 Capital Assets (Significant Deficiency)

Criteria

Good internal control over capital assets requires that the District record and maintain a depreciation schedule that includes updated amounts for accumulated depreciation and current year depreciation expense for all capital assets owned by the District.

Condition

The District had not updated its depreciation schedule for fiscal years ending June 30, 2022 and June 30, 2023.

Cause

The District has not maintained a depreciation schedule which includes additions, retirements, accumulated depreciation and current-year depreciation expense.

Effect

The risk of errors or irregularities occurring and not being detected in a timely manner is increased when a detail listing of capital assets is not maintained.

Questioned Cost

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

Context

Not applicable.

Repeat Finding

This is not a repeat finding.

Recommendation

We recommend that the District record and maintain a depreciation schedule, including additions, retirements, accumulated depreciation and current year depreciation expense.

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, 2022 and 2023

2023-002 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. 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 2021-001.

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, 2022 and 2023

2023-003 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 years ended June 30, 2022 and June 30, 2023.

Cause

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

Effect

The District was missing invoices in the amounts of \$1,084 and \$270, for the fiscal years ending June 30, 2022 and June 30, 2023, respectively.

Questioned Cost

\$1,084 and \$270 for fiscal years ending June 30, 2022 and June 30, 2023, respectively.

Context

We randomly selected 25 expenditures to test the internal controls of expenditures.

Repeat Finding

This is a repeat of prior year finding 2021-003.

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, 2022 and 2023

2023-004 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 expendable endowment revenues that had been received.

Effect

The expendable portion of endowment funds was correctly stated at fiscal year ends June 30, 2022 and June 30, 2023.

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 2021-004.

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 Findings and Recommendations
For the Years Ended June 30, 2022 and 2023

2023-005 Audit Adjustments (Significant Deficiency)

Criteria

Governmental auditing standards require independent auditors to evaluate all unadjusted misstatements of financial statements.

Condition

At the time of our audit, we noted that the financial statements as presented to us for audit contained misstatements that required adjustment.

Cause

The District had not reconciled and adjusted cash and investments held in the Nevada County Treasury and the Local Agency Investment Fund.

Effect

The financial statements as presented to us contained misstatements and required adjustment.

Questioned Cost

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

Context

Not applicable.

Repeat Finding

This is not a repeat finding.

Recommendation

We recommend that the District reconcile all accounts in a timely manner so that required adjustments can be recorded prior to the start of the annual audit.

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, 2022 and 2023

<u>Audit Reference</u>	<u>Status of Prior Year Audit Recommendations</u>
2021-001	<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>
2021-002	<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>Implemented</p>
2021-003	<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>
2021-004	<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, 2022 and 2023

Finding 2023-001 Capital Assets (Significant Deficiency)

We recommend that the District record and maintain a depreciation schedule, including additions, retirements, accumulated depreciation and current year depreciation expense.

Management's Response: The District concurs with the finding.

Responsible Individual: Mishaela Chavez, Secretary

Corrective Action Plan: Mishaela is going to meet with the previous treasurer to ensure proper schedule of depreciation.

Anticipated Completion Date: June 30, 2025

Finding 2023-002 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: The District concurs with the finding.

Responsible Individual: Mishaela Chavez, Secretary

Corrective Action Plan: The District will put in policies and procedures and into the Standard Operating Policy and Procedures.

Anticipated Completion Date: June 30, 2025

Finding 2023-003 Expenditures (Significant Deficiency)

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

Management's Response: The District concurs with the finding.

Responsible Individual: Mishaela Chavez and Greg Zirbel

Corrective Action Plan: The District will ensure all receipts are given to the Secretary in clearly marked folders.

Anticipated Completion Date: February 1, 2025

**TRUCKEE CEMETERY DISTRICT
Management's Corrective Action Plan
For the Years Ended June 30, 2022 and 2023**

Finding 2023-004 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: Mishaela noted that she believed she was following this.

Responsible Individual: Mishaela Chavez, Secretary

Corrective Action Plan: Mishaela will plan to meet with Tricia Cook to go over this finding.

Anticipated Completion Date: June 30, 2025

Finding 2023-005 Audit Adjustments (Significant Deficiency)

We recommend that the District reconcile all accounts in a timely manner so that required adjustments can be recorded prior to the start of the annual audit.

Management's Response: The District concurs with the finding.

Responsible Individual: Mishaela Chavez, Secretary

Corrective Action Plan: The District will be timelier with the reconciliation reports and the Board expects to have the reports at every meeting.

Anticipated Completion Date: April 1, 2025