

Tulare Public Cemetery District

Annual Financial Report

For the Year Ended
June 30, 2024

(July 2023-June 2024)

Completed by Auditor
Kevin Brejnak, CPA



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To the Board of Trustees
Tulare Public Cemetery District
Tulare, California

In planning and performing our audit of the basic financial statements of Tulare Public Cemetery District for the year ending June 30, 2024, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control structure.

However, during our audit we noted matters that are an opportunity for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated February 19, 2025, on the financial statements of Tulare Public Cemetery District.

Observation: As of the time of our audit, the District did not have an accounting manual that memorializes its policies and procedures related to its financial operations. Developed internally, the accounting manual will contain district-specific accounting information for the entity to follow. The accounting manual works as a guideline for personnel and as a training manual for new employees. The manual will enhance its internal control structure by including someone with the appropriate skills, knowledge, and expertise to assist in the financial closing procedures.

Recommendation: An accounting manual contains the accounting policies and procedures of a governmental entity. The District should work with its external CPA to review and create a district-specific procedures manual for its financial operations.

Observation: The District criteria for charging non-resident fees should be not be waived. Excusing an established and required fee may be perceived as a gift of public funds.

Recommendation: Review established criteria for charging non-resident fees. The District should seek advice from counsel.

Observation: The District does not have a set fee schedule evaluation timeframe. Reviewing the schedule of fees/charges is important for aligning community expectations for the services/maintenance output of the District.

Recommendation: Establish a set fee schedule evaluation timeframe. It is critical that the District evaluate fees at regular intervals as it ensures that revenues can keep up with the escalating costs of materials/services. The District must evaluate its cost structure and align it with the service expectations of the community.

We will review the status of the current year comment during our next audit engagement.

A handwritten signature in black ink that reads 'Kevin Brejnak CPA'.

February 19, 2025



A: PO Box 891724 | Temecula, CA 92589
E: kevin@brejnakcpa.com

April 1, 2025

To the Board of Trustees
Tulare Public Cemetery District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tulare Public Cemetery District for the fiscal year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated February 7, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Tulare Public Cemetery District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023-24. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. There were no misstatements identified during our audit that were not communicated to management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 19, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

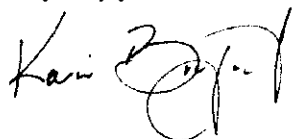
Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the district's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of Tulare Public Cemetery District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kevin Brejnak". The signature is stylized with a large, looped "K" and a trailing flourish.

Kevin Brejnak, CPA

TULARE PUBLIC CEMETERY DISTRICT

**Financial Statements
& Required Supplementary Information
With Independent Auditors' Report**

**For the Year Ended
June 30, 2024**

TULARE PUBLIC CEMETERY DISTRICT
For the Fiscal Year Ended June 30, 2024
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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Tulare Public Cemetery District

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Tulare Public Cemetery District (District) as of and for the fiscal year ended June 30, 2024, 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, 2024, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 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.

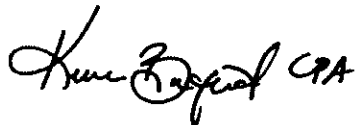
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated February 19, 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 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.



February 19, 2025

TULARE PUBLIC CEMETERY DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2024

Management's Discussion and Analysis (MD&A) offers readers of the Tulare Public Cemetery District's financial statements a narrative overview of the District's financial activities for the year ended June 30, 2024. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- District's net position increased by approximately 3.7% compared to the prior fiscal year.
- The District experienced an increase in net position of \$163,119.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's financial statements. The District's basic financial statements reflect the combined results of the Operating and Capital Programs and include three components: (1) Statement of Net Position; (2) Statements of Revenues, Expenses, and Changes in Net Position; and (3) Notes to the Financial Statements.

The financial statements accompanying this MD&A present the net position and results of operations during the year ending June 30, 2024. These financial statements have been prepared using the accrual basis of accounting, which is similar to the accounting basis used by for-profit entities. Each financial statement is identified and defined in this section, and analyzed in subsequent sections of this MD&A.

REQUIRED FINANCIAL STATEMENTS

Statement of Net Position

The Statement of Net Position presents information on the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Assets exceed liabilities, resulting in a net position of \$4,630,766 as of June 30, 2024.

Statements of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position present information showing how the District's net position changed during the fiscal year. All of the year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the results of the District's operations for the year and can be used to determine if the District has successfully recovered all of its costs through user fees and other charges. Operating revenues and expenses are related to the District's core activities (sale of internment rights and burial services). General revenues and expenses are not directly related to the core activities of the District (e.g. interest income, interest expense, property taxes). For the fiscal year ended June 30, 2024 net position increased by \$163,119.

TULARE PUBLIC CEMETERY DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2024

REQUIRED FINANCIAL STATEMENTS (continued)

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by grantor requirements.

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION

Analysis of Net Position

Table A-1: Condensed Statement of Net Position

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Change</u>
ASSETS			
Current assets	\$ 3,342,551	\$ 2,857,536	\$ 485,015
Non-current assets	<u>1,281,174</u>	<u>1,388,763</u>	<u>(107,589)</u>
Total assets	<u>4,623,725</u>	<u>4,246,299</u>	<u>377,426</u>
DEFERRED OUTFLOWS	<u>396,525</u>	<u>608,517</u>	<u>(211,992)</u>
LIABILITIES			
Current liabilities	94,419	58,546	35,873
Non-current liabilities	<u>20,088</u>	<u>22,386</u>	<u>(2,298)</u>
Total liabilities	<u>114,507</u>	<u>80,932</u>	<u>33,575</u>
DEFERRED INFLOWS	<u>274,977</u>	<u>306,237</u>	<u>(31,260)</u>
NET POSITION			
Investment in capital assets	710,958	807,800	(96,842)
Restricted	2,315,812	2,118,250	197,562
Unrestricted	<u>1,603,996</u>	<u>1,541,597</u>	<u>62,399</u>
Total net position	<u>\$ 4,630,766</u>	<u>\$ 4,467,647</u>	<u>\$ 163,119</u>

At the end of the fiscal year, the District shows a balance in its unrestricted net position of \$1,630,996. The restricted assets increased due to an increased balance in the endowment from charges and investment earnings. Unrestricted assets increased which was due to net decreases in expenses associated with the District's position related to its CalPERS pension plan.

TULARE PUBLIC CEMETERY DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2024

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Revenues and Expenses

Table A-2: Condensed Statements of Activities

	June 30, 2024	June 30, 2023	Change
Program revenue	\$ 1,410,758	\$ 1,312,445	\$ 98,313
Expenses	1,589,545	2,436,808	(847,263)
Net program expense	(178,787)	(1,124,363)	945,576
General revenues	341,906	372,510	(30,604)
Change in net position	163,119	(751,853)	914,972
Net position			
Beginning of year	4,467,647	5,219,500	(751,853)
End of year	<u>\$ 4,630,766</u>	<u>\$ 4,467,647</u>	<u>\$ 163,119</u>

While the Statement of Net Position shows the change in financial position, the Statements of Revenues, Expenses and Changes in Net Position provides answers to the nature and source of these changes. The main factors in the change in net position is due to increased program and general revenues, combined with lower expenses.

Table A-3: Total Revenues

	June 30, 2024	June 30, 2023	Increase (Decrease)
Program revenues:			
Charges for services	\$ 1,273,446	\$ 1,197,647	\$ 75,799
Endowment care fees	137,312	114,798	22,514
Total program revenues	<u>1,410,758</u>	<u>1,312,445</u>	<u>98,313</u>
General revenues:			
Property taxes	239,311	222,049	17,262
Other revenues	27,859	93,330	(65,471)
Investment earnings	74,736	57,131	17,605
Total general revenues	<u>341,906</u>	<u>372,510</u>	<u>(30,604)</u>
Total revenues	<u>\$ 1,752,664</u>	<u>\$ 1,684,955</u>	<u>\$ 67,709</u>

Total revenue from all sources increased by 4.0%, or \$67,709, from the prior year due mainly to investment earnings and gains in program revenue charges.

TULARE PUBLIC CEMETERY DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2024

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Revenues and Expenses

Table A-4: Total Expenses

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Increase (Decrease)</u>
Expenses:			
Salaries and employee benefits	\$ 847,804	\$ 1,702,700	\$ (854,896)
Utilities	52,953	72,305	(19,352)
Services and supplies	589,786	549,430	40,356
Interest on long-term debt	280	217	63
Depreciation	<u>98,722</u>	<u>112,156</u>	<u>(13,434)</u>
Total expenses	<u>\$ 1,589,545</u>	<u>\$ 2,436,808</u>	<u>\$ (847,263)</u>

Total expenses for the District's operations decreased by \$847,163, from the prior year due to recording net pension expenses of \$942,859 in prior year due to changes in the CalPERS investments and the District's proportionate share which inflated salary and benefits costs.

CAPITAL ASSETS

Net capital assets decreased by \$98,722 from the prior year due to depreciation charges.

Table A-5: Capital Assets at Year-End, Net of Depreciation

	<u>Balance June 30, 2024</u>	<u>Balance June 30, 2023</u>
Capital assets:		
Land	\$ 129,465	\$ 129,465
Depreciable assets	2,272,054	2,272,054
Accumulated depreciation	<u>(1,686,339)</u>	<u>(1,587,617)</u>
Total capital assets, net	<u>\$ 715,180</u>	<u>\$ 813,902</u>

ANALYSIS OF INDIVIDUAL DISTRICT FUNDS

General Operating Fund

Total budgeted expenditures for the fiscal year show expenditures exceeding revenues. The actual results for the year show revenues exceeding expenditures by \$260,597. Higher than anticipated revenues and lower than projected expenditures for capital outlay led to an ending fund balance of \$955,040.

TULARE PUBLIC CEMETERY DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2024

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Individual District Funds

Endowment Care Fund

The Endowment Care Fund increased by \$188,545 over the prior year. The principal portion of this fund is restricted and cannot be used for general operations. The increase is due to investment gains on the principal portion and endowment fees charged for services.

FACTORS AFFECTING CURRENT FINANCIAL POSITION

The District is heavily reliant on generating at-need and pre-need sales to help operations. Any disruption in the number of services performed during a given year will have a dramatic impact on the level of spending the District can accommodate with spending down reserves.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our Board of Trustees, citizens, customers, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives and the stewardship of the facilities it owns and operates. If you have questions about this report or need additional information, please contact the Tulare Public Cemetery District at 900 E. Kern Avenue, Tulare, CA 93274, (559) 686-5544.

TULARE PUBLIC CEMETERY DISTRICT*Statement of Net Position**June 30, 2024*

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,178,970
Accounts receivable	141,361
Inventory	22,220
Non-current assets:	
Net pension asset	565,994
Capital assets, net of accumulated depreciation	715,180
Total assets	<u>4,623,725</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources for pension	<u>396,525</u>
LIABILITIES	
Accounts payable	94,419
Non-current liabilities:	
Due within one year	17,954
Due in more than one year	2,134
Total liabilities	<u>114,507</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources for pension	<u>274,977</u>
NET POSITION	
Net investment in capital assets	710,958
Restricted for:	
Nonexpendable	2,083,159
Expendable	232,653
Unrestricted	1,603,996
Net position	<u><u>\$ 4,630,766</u></u>

TULARE PUBLIC CEMETERY DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2024

	Governmental Activities
EXPENSES	
Salaries and employee benefits	\$ 847,804
Utilities	52,953
Services and supplies	589,786
Depreciation	98,722
Interest on long-term debt	280
	<u>1,589,545</u>
Total expenses	<u>1,589,545</u>
PROGRAM REVENUES	
Charges for current services	<u>1,410,758</u>
Net program revenues (expenses)	<u>(178,787)</u>
GENERAL REVENUES	
Property taxes	239,311
Investment income	74,736
Other revenues	<u>27,859</u>
Total general revenues	<u>341,906</u>
Change in net position	163,119
Net position, July 1, 2023	<u>4,467,647</u>
Net position, June 30, 2024	<u><u>\$ 4,630,766</u></u>

TULARE PUBLIC CEMETERY DISTRICT*Balance Sheet – Governmental Funds**June 30, 2024*

		Permanent Fund	
	General Fund	Endowment Care Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 885,878	\$ 2,293,092	\$ 3,178,970
Accounts receivable	141,361	-	141,361
Inventory	22,220	-	22,220
Total assets	<u>\$ 1,049,459</u>	<u>\$ 2,293,092</u>	<u>\$ 3,342,551</u>
LIABILITIES			
Accounts payable	\$ 94,419	\$ -	\$ 94,419
Total liabilities	<u>94,419</u>	<u>-</u>	<u>94,419</u>
FUND BALANCES			
Nonspendable	22,720	2,060,439	2,083,159
Restricted	-	232,653	232,653
Unassigned	932,320	-	932,320
Total fund balances	<u>955,040</u>	<u>2,293,092</u>	<u>3,248,132</u>
Total liabilities and fund balances	<u>\$ 1,049,459</u>	<u>\$ 2,293,092</u>	<u>\$ 3,342,551</u>

TULARE PUBLIC CEMETERY DISTRICT***Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position******June 30, 2024***

Total fund balances - governmental funds**\$ 3,248,132**

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.

Cost of capital assets:	2,401,519	
Accumulated depreciation:	<u>(1,686,339)</u>	
Capital assets, net of depreciation		715,180

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the governmental funds:

Deferred outflows of resources - pension	396,525
Deferred inflows of resources - pension	(274,977)
Net pension liability/asset	565,994
Lease payable	(4,222)
Compensated absences	<u>(15,866)</u>

Total net position - governmental activities**\$ 4,630,766**

TULARE PUBLIC CEMETERY DISTRICT**Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds****For the Fiscal Year Ended June 30, 2024**

		Permanent Fund	
	General Fund	Endowment Care Fund	Total Governmental Funds
REVENUES			
Property taxes	\$ 239,311	\$ -	\$ 239,311
Charges for current services	1,273,446	137,312	1,410,758
Other revenues	27,859	-	27,859
Investment income	23,503	51,233	74,736
Total revenues	1,564,119	188,545	1,752,664
EXPENDITURES			
Current:			
Salaries and employee benefits	658,623	-	658,623
Utilities	52,953	-	52,953
Services and supplies	589,786	-	589,786
Debt service:			
Principal	1,880	-	1,880
Interest	280	-	280
Total expenditures	1,303,522	-	1,303,522
Net change in fund balances	260,597	188,545	449,142
FUND BALANCE			
Balances, July 1, 2023	694,443	2,104,547	2,798,990
Balances, June 30, 2024	\$ 955,040	\$ 2,293,092	\$ 3,248,132

TULARE PUBLIC CEMETERY DISTRICT***Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024***

Net change in fund balances - total governmental funds **\$ 449,142**

Amounts reported for governmental activities in the statement of activities are different because:

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Net pension expense	(189,599)
Compensated absences	418

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 as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay	-
Depreciation expense	<u>(98,722)</u>
Net:	(98,722)

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reduction of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

1,880

Change in net position - governmental activities **\$ 163,119**

TULARE PUBLIC CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

The Tulare Public Cemetery District was established August 1, 1927, under the State Cemetery District Act of 1909 and as subsequently amended. It was later incorporated in the California Health and Safety code of 1939. At the time of organization, the Tulare Public Cemetery District took over the then existing Tulare City Cemetery, which had been in operation for approximately fifty years. The District operates as a special district under California Law and is subject to applicable sections of the Health and Safety Code Section 9010. The District's Board of Trustees is appointed by the Tulare County Board of Supervisors.

Reporting Entity

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments and to general practice within California Special Districts. The District accounts for its financial transactions in accordance with the policies and procedures of the State Controller's Office Division of Local Government Fiscal Affairs Minimum Audit Requirements and Reporting Guidelines for California Special Districts.

The preparation of these financial statements requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues, and expenditures, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Management also determines the accounting principles to be used in the preparation of the financial statements.

A description of the significant accounting policies employed in the preparation of these financial statements follows: Accounting principles generally accepted in the United States of America require that these financial statements present the accounts of the District and any of its component units. Component units are legally separate entities of which the District is considered to be financially accountable or otherwise has a relationship, which is such that the exclusion of the entity would cause the financial statements to be misleading. Blended component units are considered, in substance, part of the District's operations, so the accounts of these entities are to be combined with the data of the District. Component units, which do not meet these requirements, are reported in the financial statements as discrete units to emphasize their separate legal status. However, the District has determined that it is not financially accountable for, nor has any other relationship with, any other organization, which would require its inclusion in these financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately, compared to business-type activities, which rely to a significant extent on fees and charges for support. The District currently has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

TULARE PUBLIC CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-Wide and Fund Financial Statements (continued)

Taxes and other items not properly included among program revenues are reported instead as general revenues. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded 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, payments for services, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 120 days after yearend, except for contracts for services which are recognized at the time the contract is signed. Property taxes and investment income are susceptible to accrual. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Permanent funds account for assets for which the principal may not be spent.

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

General Fund: This fund is used to account for all financial resources of the District except those required to be accounted for in another fund. Included are transactions for services, rents, property taxes, and interest. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the rules of the Health and Safety Code and by approval of the Board of Trustees.

Endowment Care Fund: This fund is used to account for financial resources to be used for future maintenance of the Cemetery at such time when all lots have been sold and there is no longer revenue generated from such sales. The resources are derived from an endowment care fee assessed on each sale of a burial right and earnings on these resources. The principal must be preserved intact. Endowment Fund is in accordance with Section 9065(e) of the California Health and Safety Code.

TULARE PUBLIC CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES **(continued)**

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Budgetary Data

Health and Safety Code Section 9070(a) states that on or before August 30 of each year, the board of trustees shall adopt a final budget, which shall conform to the accounting and budgeting procedures for special districts contained in Subchapter 3 (commencing with § 1031.1) of, and Article 1 (commencing with § 1121) of Subchapter 4 of Division 2 of Title 2 of the California Code of Regulations. The board of trustees may divide the annual budget into categories, including, but not limited to maintenance and operation, employee compensation, interest and redemption for indebtedness, as well as reserves (for endowment income fund, capital outlay, pre-need, contingencies, and unallocated general reserve).

The District follows these procedures in establishing budgetary data reflected in the Required Supplementary Information – Budgetary Comparison Schedule. The annual budget is a complete financial plan for the ensuing budget year and consists of an operating budget and a capital budget. The General Fund is the only Fund for which an annual budget is legally adopted on a basis consistent with generally accepted accounting principles (GAAP). The Board then considers the proposed budget at its regular meeting, which is open to the public.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1, each year. Secured property taxes are levied on July 1 and are payable in two installments, on December 10 and April 10. The County of Tulare Assessor's Office assesses all real and personal property within the County each year.

Property tax in California is levied in accordance with Article 13A of the State Constitution at one (1%) of countywide assessed valuations. The County of Tulare Treasurer's Office remits an undisclosed portion of the one (1%) current and delinquent property tax collections to the District throughout the year.

Pension

The District follows *GASB Statement No. 68, Accounting and Financial Reporting for Pensions* which became applicable as of July 2014. This statement requires accrual-based measurement and recognition of the cost of pension benefits during the periods when employees render their services.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes.

TULARE PUBLIC CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes mandate the District maintain substantially all of its cash in the Tulare County Treasury. The County's investment pool operates in accordance with appropriate state laws and regulations. The fair value of the District's position in the pool is not the same as the value of the pooled shares. The method used to determine the value of participants' equity withdrawn is based on the book value, amortized cost plus accrued interest, multiplied by the District's percentage at the date of such withdrawal. The County Treasurer's investments, including U.S. Treasury and Agency securities, are carried at fair value based on current market prices. Bond anticipation notes are carried at fair value. Commercial paper is carried at amortized cost. Investments in bankers' acceptances and nonparticipating guaranteed investment contracts are carried at cost. Participating guaranteed investment contracts are carried at fair value based on net realizable value.

The District has adopted GASB Statement No. 72, Fair Value Measurement and Application; investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Mutual funds are carried at fair value based on the funds' share price. Local agency obligations are carried at fair value based on the value of each participating dollar.

Receivables and Allowance for Doubtful Accounts

Contracts for services include both preneed and at-need receivables to be collected. The accounts are evaluated on an annual basis to determine those that may not be collectable using the specific identification method. The allowance for accounts receivable is based on those accounts that have been identified as uncollectable that must be approved by the District's Board of Trustees to be written-off. At June 30, 2024 there was no allowance for accounts receivable.

Inventory

Inventory of preneed supplies and fuel is valued at the lower of cost or market using the first-in/first-out method. The costs of government fund-type inventories are recorded as expenditures when consumed rather than when purchased. As of June 30, 2024, the district had an inventory balance of \$22,220.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of five years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the estimated useful lives. Estimated service lives for the District's classes of assets are as follows:

Description	Estimated Lives
Buildings and Improvements	20-40 years
Machinery, Vehicles, and Equipment	10-15 years

TULARE PUBLIC CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Balances and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at year-end are referred to as due to/from other funds (i.e. current portion of interfund loans). Interfund transfers occur because the District receives charges for services through the special revenues funds and transfers these funds to the general fund as expenditures are incurred or due to contractual requirements.

Deferred Outflows of Resources and Deferred 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 represents the consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflow of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

Currently, the District has deferred inflows/outflows of resources for its pension plan.

Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position 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. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. 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 placed on net position use through external 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 "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

TULARE PUBLIC CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Pension

The District follows GASB Statement No. 68, Accounting and Financial Reporting for Pensions as of July 1, 2014. This statement requires accrual-based measurement and recognition of the cost of pension benefits during the periods when employees render their services.

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

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

Valuation Date (VD)	June 30, 2022
Measurement Date (MD)	June 30, 2023
Measurement Period (MP)	July 1, 2022 to June 30, 2023

Fund Balances

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

- **Nonspendable:** Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.
- **Restricted:** Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.
- **Committed:** The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.
- **Assigned:** Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.
- **Unassigned:** Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose.

When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

TULARE PUBLIC CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual and vacation leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Compensated absences expected to be paid with expendable available resources are accrued and recorded as liabilities and expenditures of the general fund. Amounts not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

TULARE PUBLIC CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2024, are reported at fair value and consisted of the following:

	Balance June 30, 2024
Petty cash	\$ 500
Cash on hand	2,409
Deposits in financial institutions	75,203
External Investment Pool - Cash in Tulare County Treasury	3,100,858
Total cash and investments	<u>\$ 3,178,970</u>

California statutes authorize governments to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. For the year ended June 30, 2024, the District's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity
U.S. Treasury Obligations	5 years
U.S. Agency Securities	5 years
Insured or Collateralized Certificates of Deposit	5 years
State of California Local Agency Investment Fund	N/A
Local Government Investment Pools	N/A
Money Market Funds	N/A
Passbook Savings and Money Market Accounts	N/A

Pooled Funds

The District maintains balances of cash in the County Treasury in each of its funds at June 30, 2024. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited to participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable state laws, the County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2024, the County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

TULARE PUBLIC CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 2 – CASH AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits and Investments

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of a failure of the counter party (e.g. broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Neither the California Government Code nor the County's investment policy contains legal or policy requirements that would limit the District's exposure to custodial credit risk for deposits or investments, except that the California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Concentration of Credit Risk

The District's investment policy places limits on the amounts the District may invest in any one issuer or type of investment and as of June 30, 2024, and the District was in compliance with its investment policy.

Investment Valuation

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 3 inputs.

The following presentation represents investment disclosures for investments held by the District as of June 30, 2024.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
External Investment Pool	<u>\$ -</u>	<u>\$ 3,100,858</u>	<u>\$ -</u>	<u>\$ 3,100,858</u>

TULARE PUBLIC CEMETERY DISTRICT
Notes to Financial Statements
June 30, 2024

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2024:

	General Fund
Pre-need accounts	\$ 142,392
Other receivables	<u>(1,031)</u>
Total	<u><u>\$ 141,361</u></u>

NOTE 4 – PROPERTY TAXES

Property taxes allocated to the District for the year ended June 30, 2024 were as follows:

Current:	
Secured	\$ 192,066
Unsecured	14,322
Supplemental	6,305
Tax relief subventions	1,157
Prior:	
Secured	4,455
Unsecured	292
Supplemental	832
Redevelopment	<u>19,882</u>
Total	<u><u>\$ 239,311</u></u>

NOTE 5 – EQUIPMENT LEASE PAYABLE

The District leases equipment with a historical cost and accumulated depreciation of \$10,000 and \$7,500, respectively, under lease arrangements.

Future lease payments are as follows:

Year	Principal	Interest	Total
2024-25	\$ 2,088	\$ 117	\$ 2,205
2025-26	<u>2,134</u>	<u>26</u>	<u>2,160</u>
	<u><u>\$ 4,222</u></u>	<u><u>\$ 143</u></u>	<u><u>\$ 4,365</u></u>

TULARE PUBLIC CEMETERY DISTRICT
Notes to Financial Statements
June 30, 2024

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 129,465	\$ -	\$ -	\$ 129,465
Total capital assets not being depreciated	129,465	-	-	129,465
Capital assets being depreciated:				
Building & improvements	1,529,969	-	-	1,529,969
Equipment	732,085	-	-	732,085
Leased equipment	10,000	-	-	10,000
Total capital assets being depreciated	2,272,054	-	-	2,272,054
Accumulated depreciation for:				
Building & improvements	(1,169,799)	(41,406)	-	(1,211,205)
Equipment	(412,818)	(54,816)	-	(467,634)
Leased equipment	(5,000)	(2,500)	-	(7,500)
Total accumulated depreciation	(1,587,617)	(98,722)	-	(1,686,339)
Total capital assets being depreciated, net	684,437	(98,722)	-	585,715
Governmental activity capital assets, net	\$ 813,902	\$ (98,722)	\$ -	\$ 715,180

Depreciation expense for cemetery operations amounted to \$98,722 for the fiscal year ended June 30, 2024. The district has no estimated costs remaining on current contracts.

NOTE 7 – NON-CURRENT LIABILITIES

A schedule of changes in non-current liabilities for the fiscal year ended June 30, 2024, is shown below:

	Balance July 1, 2023	Additions	Decreases	Balance June 30, 2024	Due Within One Year
Compensated absences	\$ 16,284	\$ -	\$ 418	\$ 15,866	\$ 15,866

TULARE PUBLIC CEMETERY DISTRICT**Notes to Financial Statements****June 30, 2024**

NOTE 8 – FUND BALANCE

At June 30, 2024, fund balances of the District's governmental funds were classified as follows:

	General Fund	Permanent Fund Endowment Care Fund	Total
Nonspendable:			
Endowment principal	\$ -	\$ 2,060,439	\$ 2,060,439
Petty cash	500	-	500
Inventory	22,220	-	22,220
Total Nonspendable	22,720	2,060,439	2,083,159
Restricted:			
Cemetery maintenance	-	232,653	232,653
Total Restricted	-	232,653	232,653
Unassigned:			
Unassigned balances	932,320	-	932,320
Total Unassigned	932,320	-	932,320
Total	\$ 955,040	\$ 2,293,092	\$ 3,248,132

NOTE 9 – COMMITMENTS, CONTINGENCIES AND OTHER UNCERTAINTIES

The District is involved in routine litigation incidental to its business and may be subject to claims and litigation from outside parties. After consultation with legal counsel, management believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

Investment securities are exposed to various risks such as interest rate, market and credit. The financial markets in recent months have shown heightened volatility and the markets are significantly down. Due to the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the various risk factors, in the near term could materially affect investment balances and the amounts reported in the financial statements. Additionally, many mutual funds invest in the securities of foreign companies, which involve special risks and considerations not typically associated with investing in U.S. companies.

TULARE PUBLIC CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 10 – PENSION PLAN

Plan Description, Benefits Provided and Employees Covered

All qualified permanent and probationary employees are eligible to participate in the Tulare Public Cemetery District Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of an individual rate plan within a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the miscellaneous pools. Accordingly, rate plans within the miscellaneous pools are not separate plans under GASB Statement No. 68.

Individual employers may sponsor more than one rate plan in the miscellaneous pools. Tulare Public Cemetery District sponsors two rate plans (Classic and PEPR). Benefit provisions under the Plan are established by State statute and Tulare Public Cemetery District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found at 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.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and will be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan 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. The District's contributions to the Plan for the year ended June 30, 2024 were \$41,896.

For the measurement period ended June 30, 2022 (the measurement date), the active employee contribution rate is 7.10 percent of annual pay, and the employer's contribution rate is 10.10 percent (7.68 percent for PEPR) of annual payroll. Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution. CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis.

TULARE PUBLIC CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 10 – PENSION PLAN (continued)

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

At June 30, 2024, the District reported a net pension (asset) liability of (\$565,994) for its proportionate share of the net pension liability. The net pension (asset) liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, 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 plan relative to the projected contributions of all participants actuarially determined.

At June 30, 2024, the District's net pension liability as a proportion of the miscellaneous pool was (0.011%). The District recognized pension expense of \$189,599 for the year ended June 30, 2024.

At June 30, 2024, 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
Pension contributions subsequent to measurement date	\$ 42,281	\$ -
Differences between actual and expected experience	4,485	28,914
Changes in assumptions	-	34,172
Change in employer's proportion and differences between the employer's contributions and employer's proportionate share of contributions	349,759	120,251
Net differences between projected and actual earnings on plan investments	-	91,640
Total	<u>\$ 396,525</u>	<u>\$ 274,977</u>

The \$42,281 reported as deferred outflows of resources related to the pension resulting from District 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 in pension expense as follows:

Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2025	\$ 103,296
2025	59,432
2027	(80,830)
2028	(2,631)

TULARE PUBLIC CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 10 – PENSION PLAN (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2020 total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	6.90% Net of Pension Investment and Administrative Expense
Mortality	Derived using CalPERS Membership Data for all funds Annuitant Mortality Table

(1) The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality, and retirement rates. The Experience Study report can be obtained at CalPERS' website at www.calpers.ca.gov under Forms and Publications.

Change in Assumption

There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

TULARE PUBLIC CEMETERY DISTRICT*Notes to Financial Statements**June 30, 2024*

NOTE 10 – PENSION PLAN (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Equity	10%	5.40%
Small Cap Equity	3%	6.17%
Developed International Equity	10%	6.13%
Emerging Markets Equity	9%	8.17%
Core Fixed	4%	0.39%
Short-Term Govt/Credit	14%	-0.014%
Cash & Equivalents	3%	-0.73%
Private Equity	15%	10.83%
Private Credit	13%	5.93%
Infrastructure	3%	6.30%
Value Add Real Estate	5%	7.20%
Opportunistic Real Estate	5%	8.50%
Risk Parity	3%	3.80%
Hedge Funds	3%	2.40%
Total	<u>100%</u>	

Sensitivity of the District's 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 calculated using the discount rate of 6.90 percent, 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 one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

1% Decrease	5.90%
Net Pension Liability	\$(263,987)
Current Discount Rate	6.90%
Net Pension Liability	\$(565,994)
1% Increase	7.90%
Net Pension Liability	\$(814,572)

TULARE PUBLIC CEMETERY DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 10 – PENSION PLAN (continued)

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net positions is available in the separately issued CalPERS financial report.

The District did not report a payable outstanding for contributions to the pension plan required for the year ended June 30, 2024.

Subsequent Events

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

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss: Net differences between projected and actual earnings on pension plan investments (5 year straight-line amortization) and all other amounts (Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period).

NOTE 11 – SUBSEQUENT EVENTS

Events subsequent to June 30, 2024, have been evaluated through February 19, 2025, the date at which the District's audited financial statements were available to be issued. No events requiring disclosure have occurred through this date.

Required Supplementary Information

TULARE PUBLIC CEMETERY DISTRICT
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	\$ 225,000	\$ 225,000	\$ 239,311	\$ 14,311
Charges for current services	1,055,000	1,055,000	1,273,446	218,446
Other revenues	28,100	28,100	27,859	(241)
Investment income	7,000	7,000	23,503	16,503
Total revenues	<u>1,315,100</u>	<u>1,315,100</u>	<u>1,564,119</u>	<u>249,019</u>
EXPENDITURES				
Current:				
Salaries and employee benefits	852,250	852,250	658,623	193,627
Utilities	75,000	75,000	52,953	22,047
Services and supplies	541,805	541,805	589,786	(47,981)
Capital outlay	150,000	150,000	-	150,000
Debt service	-	-	2,160	(2,160)
Total expenditures	<u>1,619,055</u>	<u>1,619,055</u>	<u>1,303,522</u>	<u>315,533</u>
OTHER FINANCING SOURCES/USES				
Operating transfers in	60,000	60,000	-	(60,000)
Net change in fund balances	(243,955)	(243,955)	260,597	504,552
FUND BALANCE				
Balances, July 1, 2023	<u>694,443</u>	<u>694,443</u>	<u>694,443</u>	
Balances, June 30, 2024	<u>\$ 450,488</u>	<u>\$ 450,488</u>	<u>\$ 955,040</u>	

TULARE PUBLIC CEMETERY DISTRICT***Schedule of the District's Proportionate Share of the Net Pension Liability
For the Fiscal Year Ended June 30, 2024***

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the Net Pension Liability	-0.011%	-0.053%	-0.050%	-0.010%	-0.020%	-0.020%	-0.010%	-0.020%	-0.020%
Proportionate Share of the Net Pension Liability	(565,994)	(574,861)	(1,005,000)	(595,000)	(602,000)	(598,000)	(504,000)	(605,000)	(475,000)
Covered Payroll	446,472	509,609	410,000	259,000	243,000	249,000	281,000	251,000	318,000
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	-126.8%	-112.8%	-245.1%	-229.7%	-247.7%	-240.2%	-179.4%	-241.0%	-149.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	123.0%	143.2%	166.0%	131.0%	133.0%	132.0%	131.0%	139.0%	133.0%

TULARE PUBLIC CEMETERY DISTRICT
Schedule of District's Pension Contributions
For the Fiscal Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution (Actuarially Determined)	\$ 42,281	\$ 41,896	\$ 35,442	\$ 26,874	\$ 18,130	\$ 20,155	\$ 15,345	\$ 17,583	\$ 18,779
Contributions in Relation to the Actuarially Determined Contributions	(42,281)	(41,896)	(35,442)	(26,874)	(18,130)	(20,155)	(15,345)	(17,583)	(18,779)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$446,472	\$509,609	\$505,000	\$410,000	\$259,000	\$243,000	\$249,000	\$281,000	\$251,000
Contributions as a Percentage of Payroll	9.47%	8.22%	7.0%	6.6%	7.0%	8.3%	6.2%	6.3%	7.5%

TULARE PUBLIC CEMETERY DISTRICT
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

NOTES TO SCHEDULE

Budgetary Comparison Schedule

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Excess of Expenditures Over Appropriations

At June 30, 2024, the District had excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule were incurred as follows:

<u>Appropriations Category</u>	<u>Amount</u>
Current:	
Services and supplies	\$ 47,981
Debt service	2,160

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), and the plans' fiduciary net position. In the future, as data become available, ten years of information will be presented.

Schedule of District Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data become available, ten years of information will be presented.

Other Independent Auditors' Report



A: PO Box 891724 | Temecula, CA 92589
E: kevin@brejnakcpa.com

**INDEPENDENT AUDITORS' 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
Tulare Public Cemetery District

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, each major fund, and the aggregate remaining fund information of Tulare Public Cemetery District as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Tulare Public Cemetery District's basic financial statements, and have issued our report thereon dated February 19, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tulare Public Cemetery District's internal control over financial reporting (internal control) to determine the 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 Tulare Public Cemetery District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tulare Public Cemetery 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 District'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.

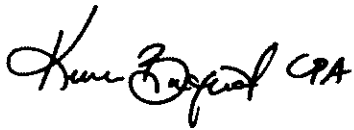
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tulare Public Cemetery District's financial statements are free of 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 determination of financial statement amounts. 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*.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, reading "Keri Rappert CPA". The signature is fluid and cursive, with the "CPA" part written in a slightly more formal, blocky style.

February 19, 2025



A: PO Box 891724 | Temecula, CA 92589
E: kevin@brejnakcpa.com

April 1, 2025

To the Board of Trustees
Tulare Public Cemetery District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tulare Public Cemetery District for the fiscal year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated February 7, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Tulare Public Cemetery District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023-24. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. There were no misstatements identified during our audit that were not communicated to management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 19, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

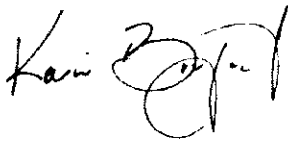
Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the district's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of Tulare Public Cemetery District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kevin Brejnak", with a stylized flourish at the end.

Kevin Brejnak, CPA