

**ELSINORE VALLEY
CEMETERY DISTRICT**

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

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

ELSINORE VALLEY CEMETERY DISTRICT
For the Fiscal Year Ended June 30, 2024
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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Elsinore Valley Cemetery District

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Elsinore Valley 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 December 2, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.



December 2, 2024

ELSINORE VALLEY 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 Elsinore Valley Cemetery District's financial statements a narrative overview of the District's financial activities for the fiscal 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 14.3% compared to the prior fiscal year.
- The District had an operating gain of \$1,163,705.

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 fiscal 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 \$9.3 million 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, and property taxes). For the fiscal year ended June 30, 2024 net position increased by approximately \$1.2 million.

ELSINORE VALLEY 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	\$ 6,469,684	\$ 5,904,421	\$ 565,263
Restricted assets	1,117,354	938,991	178,363
Capital assets, net	<u>1,769,373</u>	<u>1,356,459</u>	<u>412,914</u>
Total assets	<u>9,356,411</u>	<u>8,199,871</u>	<u>1,156,540</u>
LIABILITIES			
Current liabilities	57,600	59,992	(2,392)
Non-current liabilities	<u>17,304</u>	<u>22,077</u>	<u>(4,773)</u>
Total liabilities	<u>74,904</u>	<u>82,069</u>	<u>(7,165)</u>
NET POSITION			
Investment in capital assets	1,769,373	1,356,459	412,914
Restricted	1,117,354	938,991	178,363
Unrestricted	<u>6,394,780</u>	<u>5,822,352</u>	<u>572,428</u>
Total net position	<u>\$ 9,281,507</u>	<u>\$ 8,117,802</u>	<u>\$ 1,163,705</u>

At the end of fiscal year 2024, the District shows a balance in its unrestricted net position of \$6,394,780. The restricted assets increased because of an increased balance in the Endowment Fund. The Endowment Fund is restricted as it is not available for current use. Unrestricted assets increased due primarily to the operating surplus in the General Fund.

ELSINORE VALLEY 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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Change</u>
Program revenue	\$ 516,085	\$ 283,761	\$ 232,324
Expenses	<u>983,651</u>	<u>938,047</u>	<u>45,604</u>
Net program expense	(467,566)	(654,286)	186,720
General revenues	<u>1,631,271</u>	<u>1,240,321</u>	<u>390,950</u>
Change in net position	1,163,705	586,035	577,670
Net position			
Beginning of year	<u>8,117,802</u>	<u>7,531,767</u>	<u>586,035</u>
End of year	<u>\$ 9,281,507</u>	<u>\$ 8,117,802</u>	<u>\$ 1,163,705</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 increased revenue from service fees, charges, and property taxes which surpassed its expenses.

Table A-3: Total Revenues

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Increase (Decrease)</u>
Program revenues:			
Charges for services	\$ 386,025	\$ 210,071	\$ 175,954
Endowment care fees	<u>130,060</u>	<u>73,690</u>	<u>56,370</u>
Total program revenues	<u>516,085</u>	<u>283,761</u>	<u>232,324</u>
General revenues:			
Property taxes	1,262,288	1,183,217	79,071
Investment earnings	357,506	45,763	311,743
Other revenues	<u>11,477</u>	<u>11,341</u>	<u>136</u>
Total general revenues	<u>1,631,271</u>	<u>1,240,321</u>	<u>390,950</u>
Total revenues	<u>\$ 2,147,356</u>	<u>\$ 1,524,082</u>	<u>\$ 623,274</u>

Total revenue from all sources increased by 40.9%, or \$623,274, from the prior year due mainly to unrealized gains on the district's investment accounts and increases from property tax collections.

ELSINORE VALLEY 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	\$ 508,508	\$ 458,362	\$ 50,146
Utilities	64,246	58,257	5,989
Services and supplies	358,246	388,592	(30,346)
Depreciation	<u>52,551</u>	<u>32,836</u>	<u>19,715</u>
Total expenses	<u>\$ 983,551</u>	<u>\$ 938,047</u>	<u>\$ 45,504</u>

Total expenses for the District's operations increased by 4.9%, or \$45,504, from the prior year due to increases in salaries and employee benefits offset by decreased spending for services and supplies.

CAPITAL ASSETS

Net capital assets increased by \$412,914 from the prior year due to site improvement projects completed during the fiscal year.

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

	<u>Balance June 30, 2024</u>	<u>Balance June 30, 2023</u>	<u>Increase (Decrease)</u>
Capital assets:			
Land and work in progress	\$ 860,080	\$ 827,950	\$ 32,130
Depreciable assets	1,529,767	1,096,432	433,335
Accumulated depreciation	<u>(620,474)</u>	<u>(567,923)</u>	<u>(52,551)</u>
Total capital assets, net	<u>\$ 1,769,373</u>	<u>\$ 1,356,459</u>	<u>\$ 412,914</u>

ANALYSIS OF INDIVIDUAL DISTRICT FUNDS

General Operating Fund

Total budgeted revenues for the fiscal year show expenditures exceeding revenues. The actual results for the year show revenues exceeding expenditures by \$240,729. Higher than anticipated revenues and lower than projected on capital asset acquisitions led to an ending fund balance of \$3,264,564.

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

ANALYSIS OF INDIVIDUAL DISTRICT FUNDS (continued)

Endowment Care Fund

The Endowment Care Fund increased by \$178,363 over the prior year. The principal portion of this fund is restricted and cannot be used for general operations. Thus, this fund will increase annually. The District can use the investment income portion of the fund, but has elected to allow the fund to grow with the investment income included.

Capital Projects Fund

The Capital Projects Fund increased by \$132,043 over the prior year due to interest earnings and unrealized gains on its investment holdings.

Pre-Need Fund

The Pre-Need fund increased by \$194,883 mainly due to collections from pre-need sales during the fiscal year.

FACTORS AFFECTING CURRENT FINANCIAL POSITION

The District anticipates that the General Fund revenues and expenses for the fiscal year will be roughly the same as the prior year. There has been an economic gains that may affect the District's operations and investment earnings for the near future. However, the potential impact to the District is unknown at this time.

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 Elsinore Valley Cemetery District at 18170 Collier Avenue, Lake Elsinore, CA 92530, (951) 674-2418.

ELSINORE VALLEY CEMETERY DISTRICT
Statement of Net Position
June 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,040,105
Due from County of Riverside:	
Property taxes	16,712
Interest	23,407
Investments	4,506,814
Capital assets, net of accumulated depreciation	<u>1,769,373</u>
 Total assets	 <u>9,356,411</u>
LIABILITIES	
Accounts payable	57,600
Non-current liabilities:	
Due within one year - compensated absences	<u>17,304</u>
 Total liabilities	 <u>74,904</u>
NET POSITION	
Net investment in capital assets	1,769,373
Restricted for:	
Nonexpendable	1,030,499
Expendable	86,855
Unrestricted	<u>6,394,780</u>
 Net position	 <u>\$ 9,281,507</u>

ELSINORE VALLEY CEMETERY DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2024

	<u>Governmental Activities</u>
EXPENSES	
Salaries and employee benefits	\$ 508,508
Utilities	64,246
Services and supplies	358,346
Depreciation	<u>52,551</u>
Total expenses	<u>983,651</u>
PROGRAM REVENUES	
Charges for current services	<u>516,085</u>
Net program revenues (expenses)	<u>(467,566)</u>
GENERAL REVENUES	
Property taxes	1,262,288
Investment income	357,506
Other revenues	<u>11,477</u>
Total general revenues	<u>1,631,271</u>
Change in net position	1,163,705
Net position, July 1, 2023	<u>8,117,802</u>
Net position, June 30, 2024	<u><u>\$ 9,281,507</u></u>

ELSINORE VALLEY CEMETERY DISTRICT

Balance Sheet – Governmental Funds

June 30, 2024

	General Fund	<u>Permanent Fund</u> Endowment Fund	Capital Projects Fund	Special Revenue Fund <u>Pre-Need Fund</u>	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,184,516	\$ 412,744	\$ 44,841	\$ 398,004	\$ 3,040,105
Investments	1,104,308	701,043	2,701,463	-	4,506,814
Due from County of Riverside					
Property taxes	16,712	-	-	-	16,712
Interest	16,628	3,567	-	3,212	23,407
Total assets	<u>\$ 3,322,164</u>	<u>\$ 1,117,354</u>	<u>\$ 2,746,304</u>	<u>\$ 401,216</u>	<u>\$ 7,587,038</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 57,600	\$ -	\$ -	\$ -	\$ 57,600
Total liabilities	<u>57,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,600</u>
Fund balances					
Nonspendable	-	1,030,499	-	-	1,030,499
Restricted	-	86,855	-	-	86,855
Committed	-	-	-	401,216	401,216
Assigned	-	-	2,746,304	-	2,746,304
Unassigned	3,264,564	-	-	-	3,264,564
Total fund balances	<u>3,264,564</u>	<u>1,117,354</u>	<u>2,746,304</u>	<u>401,216</u>	<u>7,529,438</u>
Total liabilities and fund balances	<u>\$ 3,322,164</u>	<u>\$ 1,117,354</u>	<u>\$ 2,746,304</u>	<u>\$ 401,216</u>	<u>\$ 7,587,038</u>

ELSINORE VALLEY CEMETERY DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024

Total fund balances - governmental funds \$ 7,529,438

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:	2,389,847	
Accumulated depreciation:	<u>(620,474)</u>	
Capital assets, net of depreciation		1,769,373

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

Compensated absences	<u>(17,304)</u>
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Total net position - governmental activities \$ 9,281,507

ELSINORE VALLEY CEMETERY DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the Fiscal Year Ended June 30, 2024

	General Fund	Permanent Fund Endowment Fund	Capital Projects Fund	Special Revenue Fund Pre-Need Fund	Total Governmental Funds
REVENUES					
Property taxes	\$ 1,262,288	\$ -	\$ -	\$ -	\$ 1,262,288
Charges for current services	210,140	130,060	-	175,885	516,085
Other revenues	11,477	-	-	-	11,477
Investment income	153,867	48,303	132,043	23,293	357,506
Total revenues	<u>1,637,772</u>	<u>178,363</u>	<u>132,043</u>	<u>199,178</u>	<u>2,147,356</u>
EXPENDITURES					
Current:					
Salaries and employee benefits	513,281	-	-	-	513,281
Utilities	64,246	-	-	-	64,246
Services and supplies	358,346	-	-	-	358,346
Capital outlay	465,465	-	-	-	465,465
Total expenditures	<u>1,401,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,401,338</u>
OTHER FINANCING SOURCES/USES					
Operating transfers in	4,295	-	-	-	4,295
Operating transfers out	-	-	-	(4,295)	(4,295)
Total other financing sources/uses	<u>4,295</u>	<u>-</u>	<u>-</u>	<u>(4,295)</u>	<u>4,295</u>
Net change in fund balances	240,729	178,363	132,043	194,883	746,018
FUND BALANCE					
Balances, July 1, 2023	<u>3,023,835</u>	<u>938,991</u>	<u>2,614,261</u>	<u>206,333</u>	<u>6,783,420</u>
Balances, June 30, 2024	<u>\$ 3,264,564</u>	<u>\$ 1,117,354</u>	<u>\$ 2,746,304</u>	<u>\$ 401,216</u>	<u>\$ 7,529,438</u>

ELSINORE VALLEY 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 \$ 746,018

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.

Compensated absences 4,773

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	465,465	
Depreciation expense	<u>(52,551)</u>	
Net:		<u>412,914</u>

Change in net position - governmental activities \$ 1,163,705

ELSINORE VALLEY CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

The Elsinore Valley Cemetery District (the District) is a public cemetery district operating under the provisions of the Health and Safety Code Sections 9010 et seq. The District was established in 1955 to provide maintenance and preservation of an existing cemetery. The District is governed by a Board of Trustees (Board) that acts as the authoritative body of the entity. The Board is comprised of five members appointed by the County Board of Supervisors. Each member serves a term of four years; there are no term limits for reappointment.

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.

ELSINORE VALLEY CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended 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 a permanent fund and 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.

Capital Projects Fund: This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including acquisition or construction of capital facilities and other capital assets.

Pre-Need Fund: This fund is used to account for proceeds from “pre-need” activities that are restricted or committed to the financing of pre-need burial services which compose a substantial portion of the inflows of the fund.

ELSINORE VALLEY CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended 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.

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 Riverside 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.

ELSINORE VALLEY CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2024

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

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. At June 30, 2024, there were no inventory balances.

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:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	15-25 years
Machinery, Vehicles, and Equipment	5-10 years

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.

ELSINORE VALLEY CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2024

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

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.

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 Riverside 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 Riverside Treasurer's Office remits an undisclosed portion of the one (1%) current and delinquent property tax collections to the District throughout the year.

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.

ELSINORE VALLEY CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2024

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

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 endowment fund principal, 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.

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.

ELSINORE VALLEY CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2024

NOTE 2 – CASH AND INVESTMENTS

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

Cash on hand and in banks	\$	321,817
Cash in County Treasury		2,655,027
Cash with fiscal agent		<u>63,261</u>
Total cash	\$	<u><u>3,040,105</u></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:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>
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

ELSINORE VALLEY CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2024

NOTE 2 – CASH AND INVESTMENTS (continued)

Demand Deposits

At June 30, 2024, the carrying amount of the District's demand deposits was \$321,242 and the financial institutions balances totaled \$317,083. The \$5,309 net difference represents outstanding checks, deposits-in-transit and/or other reconciling items.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. The District had no amounts exposed to custodial credit risk at June 30, 2024.

Pooled Funds

The District maintains balances of cash in the County Treasury in its General Fund and Endowment Fund 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.

ELSINORE VALLEY CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2024

NOTE 2 – CASH AND INVESTMENTS (continued)

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

	<u>Rating</u>	<u>Percent</u>	<u>Level</u>	<u>Fair Value</u>	<u>< 1 year</u>	<u>1-5 years</u>	<u>> 5 years</u>
Investment held with Stifel:							
Certificates of deposit	N/A	11%		517,206	\$ 517,206	\$ -	\$ -
Fixed income securities:							
Corporate bonds	Aa3	33%	1	1,476,662	391,497	896,688	188,477
Government bonds	AAA	31%	1	1,376,018	422,117	953,901	-
Mutual funds	N/A	25%	1	1,136,928	1,136,928	-	-
				<u>\$ 4,506,814</u>	<u>\$ 2,467,748</u>	<u>\$ 1,850,589</u>	<u>\$ 188,477</u>

Authorized Investments and Investment Policy

The District has adopted an investment policy directing the District Manager to deposit funds in financial institutions to purchase financial investments in accordance with California Government Code 53600-53610.

Fair Value Measurement Input

The District categorizes its fair value measurement inputs within the fair value hierarchy established by generally accepted accounting principles. The District has presented its measurement inputs as noted in the previous table.

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.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with longer maturities have greater sensitivity to changes in market interest rates. The District's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The District has elected to use the segmented time distribution method of disclosure for the maturities of its investments as related to interest rate risk as noted in the previous table.

Custodial Credit Risk – Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the District's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

ELSINORE VALLEY CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2024

NOTE 3 – DUE FROM COUNTY OF RIVERSIDE

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

	<u>General Fund</u>	<u>Endowment Fund</u>	<u>Pre-Need Fund</u>	<u>Total</u>
Property taxes	\$ 16,712	\$ -	\$ -	\$ 16,712
Interest	16,628	3,567	3,212	23,407
Total	<u>\$ 33,340</u>	<u>\$ 3,567</u>	<u>\$ 3,212</u>	<u>\$ 40,119</u>

NOTE 4 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2024:

	<u>General Fund</u>
Accounts payable	\$ 44,289
Accrued payroll	13,311
	<u>\$ 57,600</u>

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

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

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2024</u>
Capital assets not being depreciated:				
Land	\$ 827,950	\$ -	\$ -	\$ 827,950
Work in process	-	32,130	-	32,130
Total capital assets not being depreciated	<u>827,950</u>	<u>32,130</u>	<u>-</u>	<u>860,080</u>
Capital assets being depreciated:				
Building & improvements	728,150	425,690	-	1,153,840
Equipment	368,282	7,645	-	375,927
Total capital assets being depreciated	<u>1,096,432</u>	<u>433,335</u>	<u>-</u>	<u>1,529,767</u>
Accumulated depreciation for:				
Building & improvements	(290,053)	(44,104)	-	(334,157)
Equipment	(277,870)	(8,447)	-	(286,317)
Total accumulated depreciation	<u>(567,923)</u>	<u>(52,551)</u>	<u>-</u>	<u>(620,474)</u>
Total capital assets being depreciated, net	<u>528,509</u>	<u>380,784</u>	<u>-</u>	<u>909,293</u>
Governmental activity capital assets, net	<u>\$ 1,356,459</u>	<u>\$ 412,914</u>	<u>\$ -</u>	<u>\$ 1,769,373</u>

Depreciation expense amounted to \$52,551 for the fiscal year ended June 30, 2024.

ELSINORE VALLEY CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2024

NOTE 6 – 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	\$ 22,077	\$ -	\$ 4,773	\$ 17,304	\$ 17,304

NOTE 7 – 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. 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.

NOTE 8 – FUND BALANCES

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

	General Fund	Permanent Fund Endowment Fund	Capital Projects Fund	Special Revenue Fund Pre-Need Fund	Total
Nonspendable:					
Endowment principle	\$ -	\$ 1,030,499	\$ -	\$ -	\$ 1,030,499
Total Nonspendable	-	1,030,499	-	-	1,030,499
Restricted:					
Cemetery maintenance	-	86,855	-	-	86,855
Total Restricted	-	86,855	-	-	86,855
Committed:					
Pre-need	-	-	-	401,216	401,216
Total Committed	-	-	-	401,216	401,216
Assigned:					
Capital projects	-	-	2,746,304	-	2,746,304
Total Assigned	-	-	2,746,304	-	2,746,304
Unassigned:					
Unassigned balances	3,264,564	-	-	-	3,264,564
Total Unassigned	3,264,564	-	-	-	3,264,564
Total	\$3,264,564	\$1,117,354	\$2,746,304	\$ 401,216	\$7,529,438

ELSINORE VALLEY CEMETERY DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2024

NOTE 9 – DEFINED CONTRIBUTION PLAN

The District's 401(k) is a defined contribution plan. Employees are eligible after six months of employment with the District. Employee contributions are always 100% vested. The District match is 100% of the employee's contribution, up to 4% of the employee's salary.

The District contributed \$5,926 for the fiscal year ended June 30, 2024. The total compensation of the District employees (and covered by the plan) was \$148,150 for the fiscal year ended June 30, 2024.

NOTE 10 – INTERFUND TRANSFERS

Interfund activity results from loans, services provided, reimbursements or transfer between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditure or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and transfers out are netted on the government-wide statements of activities unless they do not net to zero.

Interfund activity for the fiscal year consisted of transfers from the Pre-need Fund to the General Fund for \$4,295.

NOTE 11 – SUBSEQUENT EVENTS

Events subsequent to June 30, 2024 have been evaluated through December 2, 2024, the date at which the District's audited financial statements were available to be issued. No events requiring disclosures other than the one described above have occurred through this date.

Required Supplementary Information

ELSINORE VALLEY 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	\$ 1,088,500	\$ 1,088,500	\$ 1,262,288	\$ 173,788
Charges for current services	155,000	155,000	210,140	55,140
Other revenues	9,500	9,500	11,477	1,977
Investment income	37,000	37,000	153,867	116,867
Total revenues	<u>1,290,000</u>	<u>1,290,000</u>	<u>1,637,772</u>	<u>347,772</u>
EXPENDITURES				
Current:				
Salaries and employee benefits	594,485	594,485	513,281	81,204
Utilities	80,400	80,400	64,246	16,154
Services and supplies	462,000	462,000	358,346	103,654
Capital outlay	<u>2,875,000</u>	<u>2,875,000</u>	<u>465,465</u>	<u>2,409,535</u>
Total expenditures	<u>4,011,885</u>	<u>4,011,885</u>	<u>1,401,338</u>	<u>2,610,547</u>
OTHER FINANCING SOURCES/USES				
Operating transfers in	<u>-</u>	<u>-</u>	<u>4,295</u>	<u>4,295</u>
Total other financing sources/uses	<u>-</u>	<u>-</u>	<u>4,295</u>	<u>4,295</u>
Net change in fund balances	(2,721,885)	(2,721,885)	240,729	2,962,614
FUND BALANCE				
Balances, July 1, 2023	<u>3,023,835</u>	<u>3,023,835</u>	<u>3,023,835</u>	
Balances, June 30, 2024	<u>\$ 301,950</u>	<u>\$ 301,950</u>	<u>\$ 3,264,564</u>	

ELSINORE VALLEY 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 incurred no excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule.

Other Independent Auditors' Report



A: PO Box 891724 | Temecula, CA 92589
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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

Board of Trustees
Elsinore Valley Cemetery District
Lake Elsinore, 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 Elsinore Valley Cemetery District as of and for fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Elsinore Valley Cemetery District's basic financial statements, and have issued our report thereon dated December 2, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Elsinore Valley 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 Elsinore Valley Cemetery District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Elsinore Valley 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 Elsinore Valley 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, appearing to read "Kevin R. [unclear] CPA". The signature is written in a cursive style.

December 2, 2024