

**PARLIER CEMETERY DISTRICT
PARLIER, CA**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2022**

**PARLIER CEMETERY DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Parlier Cemetery District
Parlier, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Parlier Cemetery District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 22-23 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we 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 our report dated August 16, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
August 16, 2023

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BASIC FINANCIAL STATEMENTS

**PARLIER CEMETERY DISTRICT
STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

ASSETS

Current assets:

Cash and investments	\$ 272,355
Accounts receivable	6,443
Interest receivable	1,381
Inventory	12,766
Prepaid expense	<u>1,259</u>
Total current assets	<u>294,204</u>

Other assets:

Cash – restricted for endowment	250,080
Capital assets (net of accumulated depreciation)	<u>184,228</u>
Total other assets	<u>434,308</u>

Total assets	<u>728,512</u>
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LIABILITIES

Current liabilities:

Accounts payable and accrued expense	4,847
Compensated absences	<u>3,760</u>

Total liabilities	<u>8,607</u>
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NET POSITION

Investment in capital assets	184,228
Restricted for:	
Endowments - nonexpendable	250,626
Unrestricted	<u>285,051</u>

Total net position	<u>\$ 719,905</u>
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The notes to the basic financial statements are an integral part of this statement.

**PARLIER CEMETERY DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
FUNCTIONS/PROGRAMS:				
Governmental activities:				
Cemetery activities	\$ 358,502	\$ 261,218	\$ -	\$ (97,284)
Total governmental activities	<u>\$ 358,502</u>	<u>\$ 261,218</u>	<u>\$ -</u>	<u>(97,284)</u>
General revenues:				
Property taxes				77,284
Intergovernmental				30,749
Interest				6,690
Total general revenues				114,723
Revenues over/(under) expenditures				17,439
Other items:				
Endowment contributions				14,100
Change in net position				31,539
Net position - beginning, restated				688,366
Net position - ending				\$ 719,905

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

**PARLIER CEMETERY DISTRICT
GOVERNMENTAL FUND BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Permanent Fund Endowment Care	Total Governmental Funds
ASSETS			
Cash and investments	\$ 272,355	\$ -	\$ 272,355
Cash – restricted for endowment	-	250,080	250,080
Accounts receivable	6,443	-	6,443
Interest receivable	835	546	1,381
Inventory	12,766	-	12,766
Prepaid expense	1,259	-	1,259
	<u>\$ 293,658</u>	<u>\$ 250,626</u>	<u>\$ 544,284</u>
LIABILITIES			
Accounts payable and accrued expense	\$ 4,847	\$ -	\$ 4,847
	<u>4,847</u>	<u>-</u>	<u>4,847</u>
FUND BALANCES			
Nonspendable:			
Prepaid expenses	1,259	-	1,259
Inventory	12,766	-	12,766
Endowment	-	250,626	250,626
Unassigned	274,786	-	274,786
	<u>288,811</u>	<u>250,626</u>	<u>539,437</u>
	<u>\$ 293,658</u>	<u>\$ 250,626</u>	<u>\$ 544,284</u>

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

**PARLIER CEMETERY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

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

Total fund balances - total governmental funds	\$	539,437
Capital assets of \$493,661, net of accumulated depreciation of \$309,433, used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		184,228
Compensated absences are not due and payable in the current period; therefore, they are not reported in the governmental funds.		<u>(3,760)</u>
Net position of governmental activities	\$	<u>719,905</u>

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

**PARLIER CEMETERY DISTRICT
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Permanent Fund Endowment Care	Total Governmental Funds
REVENUES			
Charges for services	\$ 261,218	\$ 14,100	\$ 275,318
Property taxes	77,284	-	77,284
Intergovernmental	30,749	-	30,749
Interest and use of property	3,037	3,653	6,690
Total revenues	372,288	17,753	390,041
EXPENDITURES			
Current:			
General government:			
Salaries and wages	193,398	-	193,398
Employee benefits	45,294	-	45,294
Vaults and vases	24,147	-	24,147
Ground repairs and maintenance	9,106	-	9,106
Insurance	9,255	-	9,255
Utilities	4,034	-	4,034
Legal and professional	14,262	-	14,262
Operating supplies and small tools	3,848	-	3,848
Office supplies and postage	8,566	-	8,566
Equipment repairs and maintenance	5,146	-	5,146
Uniforms and laundry	2,734	-	2,734
Communication	4,510	-	4,510
Miscellaneous	2,177	-	2,177
Gasoline, fuel and oil	3,609	-	3,609
Trustee compensation	400	-	400
Contract labor	1,020	-	1,020
Travel and transportation	1,556	-	1,556
Security	696	-	696
Dues and subscriptions	284	-	284
Bank charges	6,061	-	6,061
Capital outlay	99,399	-	99,399
Total expenditures	439,502	-	439,502
Excess (deficiency) of revenues over (under) expenditures	(67,214)	17,753	(49,461)
OTHER FINANCING SOURCES (USES)			
Transfers in	208,168	-	208,168
Transfers out	-	(208,168)	(208,168)
Total other financing sources (uses)	208,168	(208,168)	-
Net change in fund balance	140,954	(190,415)	(49,461)
Fund balance - beginning, restated	147,857	441,041	588,898
Fund balance - ending	\$ 288,811	\$ 250,626	\$ 539,437

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

**PARLIER CEMETERY DISTRICT
RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL FUND
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

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

Net change in fund balances - total governmental funds	\$	(49,461)
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is capitalized. This is the amount of capital assets recorded.		99,399
Depreciation expense on capital assets is reported in the government-wide statement of activities, but it does not require the use of current financial resources; therefore, depreciation expense is not reported as an expenditure in the governmental funds.		(17,459)
Compensated absences expense reported in the statement of activities does not require the use of current financial resources; therefore, it is not reported as an expenditure in the governmental funds.		<u>(940)</u>
Change in net position of governmental activities	\$	<u>31,539</u>

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

**PARLIER CEMETERY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 – ORGANIZATION AND OPERATIONS

Parlier Cemetery District (the District) was organized upon the approval of the Board of Supervisors of Fresno County in order to provide cemetery activities in Fresno County. As the District is a governmental unit, it is exempt from federal and California taxes on income.

The accounting and reporting policies of the District conform to generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the government's accounting principles are described below.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the District conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments are prescribed by the Government Accounting Standards Board (GASB).

A. Financial Reporting Entity

As required by generally accepted accounting principles, these general-purpose financial statements present the District in conformance with GASB Statement No. 14, "The Financial Reporting Entity". Under Statement No. 14, component units are organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. The District has no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements, which are the statement of net position and the statement of activities, report information on all the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include charges to customers and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

C. 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 when liabilities are incurred, regardless of the timing of related cash flow. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider have been met.

**PARLIER CEMETERY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. 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, District revenues are available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when liabilities are incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The District reports the following major governmental funds:

General Fund – The General Fund is the District's major operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Endowment Care Fund – The Endowment Care Fund is a permanent fund. It is used to account for and report resources that are restricted to the extent that only earnings, not principal, may be used for by the District for legislatively mandated maintenance activities.

D. Restricted Resources

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

E. Assets, Liabilities and Net Position/Fund Balance

Cash and Investments

The District maintains an account with the County of Fresno Treasury and has a bank account at Bank of the West. The primary operating account is with the County of Fresno Treasury. Funds maintained with the County of Fresno Treasury are invested in an external investment pool in savings accounts and short-term investments by the County Treasurer under the County of Fresno's Statement of Investment Policy. Interest income is allocated to the District by the County of Fresno (the District's fiscal agent) quarterly based on its average daily cash balances.

Inventory

Inventory consists of expendable supplies held for consumption and are stated at cost on the first-in, first-out basis. The value of inventory is fully reserved in an equal amount.

**PARLIER CEMETERY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Assets, Liabilities and Net Position/Fund Balance (Continued)

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of five years. All material fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. When an asset is disposed of, cost and related accumulated depreciation is removed and any gain or loss arising from its disposal is credited or charged to operations.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is recorded by using the straight-line method. The book value of each asset is reduced by equal amounts over its estimated useful life as follows:

	<u>Estimated Useful Life In Years</u>
Buildings	30
Land Improvements	20
Equipment	5 - 20

G. Fund Equity

In the fund financial statements, governmental funds report fund balance amounts in the following classifications: Non-spendable, restricted, committed, assigned and unassigned. Non-spendable amounts represent inventories, prepaid items and long-term receivables. Restricted amounts have been restricted by external bodies. Committed amounts have been restricted by the District's governing board. Assigned amounts represent tentative designations by the District. Unassigned amounts are spendable and are not restricted, committed or assigned.

H. Net Position

Net position comprises the various net earnings from operating income, nonoperating revenue and expense and capital contributions. Net position is classified in the following three components:

Invested in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net asset components as the unspent proceeds.

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

Unrestricted – This component of net position consists of net position that does not meet the definition of restricted or invested in capital assets, net of related debt.

**PARLIER CEMETERY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Net Position (Continued)

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District Manager through the budgetary process.

Unassigned – This classification includes amounts that have not been restricted, committed, or assigned to a specific purpose within the District. This classification includes any negative residual amounts that may exist as a result of expenditures incurred for specific purposes in excess of amounts restricted, committed or assigned to those purposes.

I. Budgets and Budgetary Accounting

The District established a budget for its governmental fund for the year ended June 30, 2022. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

J. Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. These taxes are levied from July 1 through June 30. Taxes are payable in two installments on November 1 and April 1, and are collected on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of Fresno bills and collects taxes for the District.

K. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**PARLIER CEMETERY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 – CASH AND INVESTMENTS

The following is a reconciliation of the District's cash, cash equivalent, and investment balances as of June 30, 2022:

Cash in County of Fresno's investment pool	\$	423,115
Cash in bank		<u>99,320</u>
 Total cash and investments	 \$	 <u>522,435</u>
		<u>Government-Wide Statement of Net Position</u>
Cash and investments	\$	272,355
Cash – restricted for endowment		<u>250,080</u>
 Total cash and investments	 \$	 <u>522,435</u>

Statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit, bankers' acceptances, repurchase agreements, insured money market accounts, commercial paper, county investment pools and the State Treasurer's Local Agency Investment Fund (LAIF). The District invests its cash with the Fresno County Treasurer, which is part of the Fresno County Investment Pool. All pooled funds are regulated by the California Government Code.

A. Concentration of Credit Risk

The District does not have any limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The District does not have any investments in any one issuer (other than the external investment pool) that represents 5% or more of total District's investments.

The following is a summary of the credit quality ratings at June 30, 2022:

Investment Type	Fair Value	Quality Ratings Not Rated
County investment pool	\$ <u>423,115</u>	\$ <u>423,115</u>
 Total investments	 \$ <u>423,115</u>	 \$ <u>423,115</u>

B. Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government 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 California Government Code and the District's policies do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

**PARLIER CEMETERY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. Custodial Credit Risk (Continued)

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% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District has waived collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

The carrying amounts of the District's cash deposits totaled \$522,435 at June 30, 2022. Bank balances were \$532,557, the total amount of which was insured and/or collateralized with securities held by the pledging financial institutions in the District's name.

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 California Government Code and the District's policies do not contain legal or 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 (such as LAIF).

As of June 30, 2022, there were no investments that were required to be identified by GASB Statement No. 40 in relation to custodial credit risk.

C. Investment in County Treasury

The District is considered to be a voluntary participant in the Fresno County Investment Pool (FCIP), an external investment pool. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer. Cash in the County Treasury is considered unclassified as to credit risk because it is not evidenced by securities that exist in physical or book entry form. A separate financial report for the Fresno County Investment Pool is prepared by the Fresno County Treasurer. Copies of the report can be obtained at the County of Fresno website.

D. Investment Values

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's only investments, which are allocated at fair value, are in the FCIP. FCIP invests in numerous types of investments ranging all levels in the fair value hierarchy. Accordingly, FCIP is not an investment type that can be categorized in any particular level in the fair value hierarchy.

NOTE 4 – INVENTORY

Inventory as of June 30, 2022 consisted of vaults and vases totaling \$12,766.

**PARLIER CEMETERY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 – CAPITAL ASSETS

The following is a summary of changes in capital assets:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 59,365	\$ -	\$ -	\$ 59,365
Total capital assets, not being depreciated	<u>59,365</u>	<u>-</u>	<u>-</u>	<u>59,365</u>
Capital assets, being depreciated:				
Buildings and improvements	121,149	68,750	-	189,899
Equipment	213,748	30,649	-	244,397
Total capital assets being depreciated	<u>334,897</u>	<u>99,399</u>	<u>-</u>	<u>434,296</u>
Less accumulated depreciation	<u>(291,974)</u>	<u>(17,459)</u>	<u>-</u>	<u>(309,433)</u>
Total capital assets being depreciated, net	<u>42,923</u>	<u>81,940</u>	<u>-</u>	<u>124,863</u>
Total capital assets, net	<u>\$ 102,288</u>	<u>\$ 81,940</u>	<u>\$ -</u>	<u>\$ 184,228</u>

NOTE 6 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2022 consisted of the following:

Sales taxes payable	\$ <u>4,847</u>
Total	\$ <u><u>4,847</u></u>

NOTE 7 – SALES AND SERVICE

Charges for current sales and services for the year ended June 30, 2022, consisted of the following:

Grave openings	\$ 56,250
Vault sales	67,040
Land sales	80,320
Vault handling fees	21,150
Sale of vases, benches, niches, stands, etc.	19,235
Nonresident charges	7,200
Other sales and service	<u>10,023</u>
Total General Fund revenue (program revenue)	261,218
Endowment care	<u>14,100</u>
Total	<u>\$ 275,318</u>

**PARLIER CEMETERY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 – ENDOWMENT CARE FUND

The Endowment Care Fund (the Fund) was established to provide for the perpetual care of the cemetery through interest generated from fees collected. Through June 30, 2022, \$250,626 had been received by the Fund and must remain within the Fund. Any interest earnings on the endowment is available for cemetery maintenance. During the year ended June 30, 2022, approximately \$208,000 was transferred from the Endowment Care Fund to the General Fund for cemetery care and maintenance. A budget is not legally required for this Fund.

NOTE 9 – BOARD OF TRUSTEES

Members of the Board of Trustees as of June 30, 2022, were as follows:

Dorothy Garza	Chairperson
Guadalupe Barela	Trustee
Barbara Gomez	Trustee

Nanci Tapia is the Manager of the District and Secretary to the Board of Trustees.

NOTE 10 – RECLASSIFICATION

Certain reclassifications were made to the financial statements in order to conform to the presentation shown. These reclassifications had no effect on the District’s fund balance nor net position at June 30, 2021.

NOTE 11 – RESTATEMENT OF BEGINNING FUND BALANCE

Beginning net position has been restated to record a prior period adjustment to correct a prior year error. A summary of the original net position and effects of the correction are noted below.

Description	Government- Wide Governmental Activities	Governmental Funds General Fund
Fund balance/net position, June 30, 2021, as previously reported	\$ 658,214	\$ 558,746
Prior period adjustment:		
Overstatement of deposits	16,649	16,649
Understatement of accounts receivable	6,443	6,443
Overstatement of charges for services	7,060	7,060
Total prior period adjustment	30,152	30,152
Fund balance/net position, July 1, 2021, as restated	\$ 688,366	\$ 588,898

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REQUIRED SUPPLEMENTARY INFORMATION

**PARLIER CEMETERY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund		
	Budget -- Original and Final	Actual	Variance with Final Budget
REVENUES			
Charges for services	\$ 280,000	\$ 261,218	\$ (18,782)
Property taxes	69,000	77,284	8,284
Intergovernmental	-	30,749	30,749
Interest and use of property	-	3,037	3,037
	<u>349,000</u>	<u>372,288</u>	<u>23,288</u>
EXPENDITURES			
Current:			
General government:			
Salaries and wages	165,000	193,398	(28,398)
Employee benefits	21,900	45,294	(23,394)
Vaults and vases	43,100	24,147	18,953
Ground repairs and maintenance	41,520	9,106	32,414
Insurance	10,500	9,255	1,245
Utilities	7,500	4,034	3,466
Legal and professional	17,000	14,262	2,738
Operating supplies and small tools	6,000	3,848	2,152
Office supplies and postage	8,000	8,566	(566)
Equipment repairs and maintenance	2,000	5,146	(3,146)
Uniforms and laundry	5,500	2,734	2,766
Communication	5,000	4,510	490
Miscellaneous	6,000	2,177	3,823
Gasoline, fuel and oil	5,500	3,609	1,891
Trustee compensation	-	400	(400)
Contract labor	-	1,020	(1,020)
Travel and transportation	1,500	1,556	(56)
Security	800	696	104
Dues and subscriptions	800	284	516
Bank charges	250	6,061	(5,811)
Capital outlay	-	99,399	(99,399)
	<u>347,870</u>	<u>439,502</u>	<u>(91,632)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,130</u>	<u>(67,214)</u>	<u>(68,344)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	208,168	208,168
Total other financing sources (uses)	<u>\$ -</u>	<u>208,168</u>	<u>\$ 208,168</u>
Net change in fund balance		140,954	
Fund balance - beginning, restated		<u>147,857</u>	
Fund balance - ending		<u>\$ 288,811</u>	

**PARLIER CEMETERY DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – BUDGETARY INFORMATION

The District follows the following procedures, annually, in establishing the budgetary data reflected in the budgetary comparison schedule:

- A. The Office Manager submits to the Board a proposed budget for the fiscal year commencing the following July 1 each year. The budget includes expected revenues by source and expenditures by use.
- B. The Board reviews the proposed budget at specially scheduled sessions, which are open to the public. The Board also conducts a public hearing on the proposed budget to obtain comments from interested people.
- C. The budget is legally adopted by resolution and documented in the District’s minutes.
- D. During the fiscal year, any required changes to the adopted budget are presented to the Board for ratification.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The General Fund incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2022:

Excess of Expenditures over Appropriations:

Current:

General government:	
Salaries and wages	\$ (28,398)
Employee benefits	(23,394)
Office supplies and postage	(566)
Equipment repairs and maintenance	(3,146)
Trustee compensation	(400)
Contract labor	(1,020)
Travel and transportation	(56)
Bank charges	(5,811)
Capital outlay	(99,399)

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OTHER INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees
Parlier Cemetery District
Parlier, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Parlier Cemetery District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 16, 2023.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540

fax 559.299.2344

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.

Price Page & Company

Clovis, California
August 16, 2023

FINDINGS AND QUESTIONED COSTS

**PARLIER CEMETERY DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Type of auditor's report issued:

Unmodified

Internal control over financial reporting

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified -
not considered to be material weaknesses?

_____ Yes X None reported

Noncompliance material to financial
statements noted?

_____ Yes X No

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

**PARLIER CEMETERY DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENT FINDINGS

Finding 2021-01 – Segregation of Duties (Significant Deficiency)

Condition:

The District does not have adequate segregation of duties between the functions of authorization, recording or reconciling, and maintaining custody of assets.

Criteria:

The California State Controller's Office publication, "2015 Internal Control Guidelines for California Local Agencies".

Cause:

Small special district with the general manager handling the collection, receipting and recording of cash receipts. Also, the general manager handles the entire disbursement process including opening the mail, processing invoices for payment, writing checks and recording checks in the accounting software. Finally, the general manager also prepares the bank reconciliation.

Effect:

A lack of segregation of duties results in an increased risk of error and fraud.

Recommendation:

The State Controller's Internal Control Guidelines provide the following recommendation for small governments, such as the District:

For some small local governments, segregation of duties may be a challenge. Review and approval by an appropriate second person may be the most important control activity. That second person may be a member of the governing body in a review or approval role.

Status:

Implemented.