

Sanger/Del-Rey Cemetery District
Audited Financial Statements and
Supplementary Information
June 30, 2025

Sanger/Del-Rey Cemetery District
Sanger, California
June 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Sanger/Del-Rey Cemetery District
Sanger, California

Opinions

We have audited the accompanying statements of net position of Sanger/Del-Rey Cemetery District (the District) as of June 30, 2025, and the related statement of changes in fund balances/statement of activities and the related notes to the financial statements which collectively comprise the cemetery 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 of the District as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's office and state regulations governing special districts.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. 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 these 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 the 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 Sanger/Del-Rey Cemetery 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.

Auditors' 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 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, 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, budgetary comparison information, proportional share of net pension liability, and schedule of pension contributions 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information contained in Schedules II and III as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these activity summaries are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Adair & Evans

Tulare, California
January 30, 2026

SANGER/DEL REY CEMETERY DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

As management of Sanger/Del Rey Cemetery District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with information that is included within the financial statements.

Financial Highlights

- Assets of the District exceeded its liabilities as of June 30, 2025 by \$4,703,971. Of this amount, unrestricted net position of \$1,025,191 may be used to meet the District's ongoing obligations to customers and creditors. As of June 30, 2024, assets exceeded liabilities by \$4,681,836 with unrestricted net position equaling \$1,134,003.
- Total net position increased by \$22,135 for the year ended June 30, 2025. For the year ended June 30, 2024, total net position increased by \$131,128.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$3,956,609, an increase of \$76,430 in comparison with the prior year. Of this amount, \$1,347,878 is unassigned and available for spending, with none of it designated for specific future use by the Board of Trustees of the District. For the year ended June 30, 2024, the District's governmental funds had a combined ending fund balance of \$3,862,939, with \$1,396,047 being unassigned and available for spending. There was an increase of \$152,185 in the combined ending fund balance in the prior year.
- During the current year, the District's fixed assets increased by a net of \$4,857. The increase was attributable to purchases of fixed assets in the amount of \$70,952, less depreciation. Depreciation expense, the ratable amortization of the cost of fixed assets, amounted to \$66,095 for the current year. The prior year depreciation was \$63,990.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Sanger/Del Rey Cemetery District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the two 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.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expense are reported in this statement for some items that will only result in cash flow in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally non business in nature (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include cemetery activities, primarily for the residents of the Sanger/Del Rey area of Fresno County. The District has no business-type activities.

The government-wide financial statements include only the District itself. The District has no component units.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds. The district has no proprietary funds and three governmental funds: the General Fund, Infrastructure and the Endowment Care Fund.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenue, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between the two.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2025, the District's assets exceeded liabilities by \$4,703,971. A significant portion of the District's net position, \$1,076,814 (23 percent), reflects its investment in capital assets, less any related debt used to acquire those assets that are still outstanding. Capital assets are used to provide services to customers and they are not available for future spending.

In addition, \$2,601,966 (55 percent) of the District's net position is restricted for specific uses and, generally, is not available for future spending.

The following represent summaries of the District's net position and changes in net position for the current and prior years:

Sanger/Del Rey Cemetery District's Net Position

	Governmental Activites	Current Year Total	Prior Year Total
Current assets	\$ 1,440,137	\$ 1,440,137	\$ 1,623,803
Other assets	3,763,145	3,763,145	3,504,727
Deferred outflows	216,746	216,746	297,286
Total assets and deferred outflows	5,420,028	5,420,028	5,425,816
Current liabilities	59,631	59,631	56,197
Noncurrent liabilities	513,865	513,865	512,064
Deferred inflows	142,561	142,561	175,719
Total liabilities and deferred inflows	716,057	716,057	743,980
Net position:			
Invested in capital assets, net of related debt	1,076,814	1,076,814	1,074,341
Restricted - nonspendable	2,140,342	2,140,342	2,070,692
Restricted - spendable	461,624	461,624	387,560
Unrestricted	1,025,191	1,025,191	1,149,243
Total net position	\$ 4,703,971	\$ 4,703,971	\$ 4,681,836

Sanger/Del Rey Cemetery District's Changes in Net Position

	Governmental Activites	Current Year Total	Prior Year Total
Program revenue			
Charges for services	\$ 771,218	\$ 771,218	\$ 859,361
Total program revenue	771,218	771,218	859,361
Expense			
Cemetery activities	1,389,224	1,389,224	1,345,445
Decrease in net position before general revenue	(618,006)	(618,006)	(486,084)
General revenue and other items	640,141	640,141	615,982
Increase in net position	22,135	22,135	129,898
Net position, beginning of year	4,681,836	4,681,836	4,551,938
Net position, end of year	\$ 4,703,971	\$ 4,703,971	\$ 4,681,836

Governmental activities. Governmental activities increased the District's net position by \$76,430, accounting for 100 percent of the total growth in net position.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance and related legal requirements.

Governmental Funds. The purpose of the District's governmental fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2025, the District's governmental funds reported combined ending fund balances of \$3,956,609, an increase of \$76,430 in comparison to the prior year. Of the combined ending fund balance, \$1,025,191 is unassigned and is available for spending at the District's discretion.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2025 amounted to \$1,076,814 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, and equipment.

Additional information on the District's capital assets can be found in note three.

Debt administration. Except for the unfunded pension obligation, the District had no long-term debt.

Additional information on the District's unfunded pension obligation can be found in note seven.

Economic Factors and Next Year's Budgets and Rates

The general fund budget for the year ending June 30, 2026 is projected to break even. Compared to the current year, revenue is anticipated to decrease by \$151,813 while expenditures are expected to decrease by \$75,383. Sales and services revenue is anticipated to decrease by \$46,464, property tax and intergovernmental revenue is expected to decrease by \$41,845 and all other revenue is expected to decrease by \$63,504. Capital outlay is expected to decrease by \$36,412, salaries, wages and employee benefits are expected to decrease by \$22,337 and services and supplies are expected to decrease by \$16,634 compared to 2024/2025.

Requests for Information

This financial report is designed to provide a general overview of Sanger/Del Rey Cemetery District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the District Manager, Sanger/Del Rey Cemetery District, 658 South Rainbow Avenue, Sanger, California 93657.

Sanger/Del-Rey Cemetery District
 Governmental Funds Balance Sheet / Statement of Net Position
 June 30, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	General Fund	Endowment Care Fund	Infrastructure Fund	Totals
ASSETS				
Cash and cash equivalents	\$ 1,123,491	\$ 0	\$ 279,917	\$ 1,403,408
Cash & cash equivalents - restricted	0	2,580,830	0	2,580,830
Due from other funds	0	2,200	0	2,200
Accrued interest	6,767	18,936	2,061	27,764
Inventory	6,765	0	0	6,765
Lease receivable	105,501	0	0	105,501
Capital assets, net of accumulated depreciation	0	0	0	0
Total assets	<u>1,242,524</u>	<u>2,601,966</u>	<u>281,978</u>	<u>4,126,468</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total assets and deferred outflows of resources	\$ 1,242,524	\$ 2,601,966	\$ 281,978	\$ 4,126,468

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 37,150	\$ 0	\$ 0	\$ 37,150
Payroll taxes payable	1,358	0	0	1,358
Due to other funds	2,200	0	0	2,200
Sales tax payable	981	0	0	981
Wages payable	11,485	0	0	11,485
Accumulated compensated absences	6,457	0	0	6,457
Total current liabilities	<u>59,631</u>	<u>0</u>	<u>0</u>	<u>59,631</u>
Long-Term Liabilities				
Net pension liability	0	0	0	0
Accumulated compensated absences	0	0	0	0
Total long-term liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>59,631</u>	<u>0</u>	<u>0</u>	<u>59,631</u>
DEFERRED INFLOWS OF RESOURCES				
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,242,524	\$ 2,601,966	\$ 281,978	\$ 4,126,468

FUND BALANCES / NET POSITION				
Nonspendable				
Restricted	6,765	2,140,342	0	2,147,107
Committed	0	461,824	0	461,824
Unassigned	1,065,900	0	281,978	2,81,978
Total fund balances	<u>1,072,665</u>	<u>2,601,966</u>	<u>281,978</u>	<u>3,956,609</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,242,524	\$ 2,601,966	\$ 281,978	\$ 4,126,468

Net Position				
Investment in capital assets, net of related debt				
Restricted for				
Expendable - maintenance	1,076,814			1,076,814
Nonexpendable - Endowment principal	461,624			461,624
Unrestricted	2,140,342			2,140,342
Total net position	<u>1,025,191</u>			<u>1,025,191</u>
Total liabilities, deferred inflow of resources and net position	\$ 4,703,971			\$ 4,703,971
				\$ 5,420,028

See independent auditors' report and accompanying notes

Sanger/Del-Rey Cemetery District
Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances / Statement of Activities
For the year ended June 30, 2025

	General Fund	Endowment Care Fund	Infrastructure Fund	Totals	Adjustments (Note 6)	Statement of Activities
REVENUES						
Burial fees and service	\$ 701,568	\$ 69,650	\$ 0	\$ 771,218	\$ 0	\$ 771,218
Property taxes	521,260	0	0	521,260	0	521,260
Interest income	27,088	74,064	8,144	109,296	0	109,296
Real estate rent	9,585	0	0	9,585	0	9,585
Total revenues	1,259,501	143,714	8,144	1,411,359	0	1,411,359
EXPENDITURES						
Salaries and wages	596,136	0	0	596,136	(7,991)	588,145
Employee benefits	289,447	0	0	289,447	(77,559)	211,888
Vaults and other costs of sales	60,984	0	0	60,984	0	60,984
Repairs and maintenance - grounds	71,667	0	0	71,667	0	71,667
Legal and professional	24,800	0	0	24,800	0	24,800
Utilities	38,964	0	0	38,964	0	38,964
Insurance	37,412	0	0	37,412	0	37,412
Travel and training	29,360	0	0	29,360	0	29,360
Workers' compensation insurance	18,092	0	0	18,092	0	18,092
Office supplies and postage	8,956	0	0	8,956	0	8,956
Repairs and maintenance - equipment	4,731	0	0	4,731	0	4,731
Fuel and oil	17,526	0	0	17,526	0	17,526
Telephone	5,299	0	0	5,299	0	5,299
Laundry and cleaning	10,922	0	0	10,922	0	10,922
Waste disposal	8,816	0	0	8,816	0	8,816
Auditing	18,475	0	0	18,475	0	18,475
Security/gate closure	5,990	0	0	5,990	0	5,990
Dues and subscriptions	7,076	0	0	7,076	0	7,076
Sand, cement and gravel	4,439	0	0	4,439	0	4,439
Tree trimming	2,000	0	0	2,000	0	2,000
Miscellaneous	1,273	0	0	1,273	0	1,273
Bank charges	362	0	0	362	0	362
Meals and entertainment	1,250	0	0	1,250	0	1,250
Capital Outlay	70,952	0	0	70,952	(70,952)	0
Depreciation	0	0	0	0	66,095	66,095
Pension expense	0	0	0	0	144,702	144,702
Total expenditures	1,334,929	0	0	1,334,929	54,295	1,389,224

Sanger/Del-Rey Cemetery District
Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances / Statement of Activities
For the year ended June 30, 2025

	General Fund	Endowment Care Fund	Infrastructure Fund	Totals	Adjustments (Note 6)	Statement of Activities
EXCESS (DEFICIENCY) OF REVENUES AND TRANSFERS IN OVER EXPENDITURES AND TRANSFERS OUT \$	(75,428)	\$ 143,714	\$ 8,144	\$ 76,430	\$ (76,430)	\$ 0
Change in net position	1,148,093	2,458,252	273,834	3,880,179	22,135	22,135
Fund balances / Net position, beginning of year					0	4,681,836
Fund balances / Net position, end of year	\$ 1,072,665	\$ 2,601,966	\$ 281,978	\$ 3,956,609	\$ 0	\$ 4,703,971

Sanger/Del-Rey Cemetery District

Notes to Audited Financial Statements

June 30, 2025

NOTE 1 - Summary of Significant Accounting Policies

The District was organized April 8, 1925 upon the approval of the Board of Supervisors of Fresno County. The District was organized and operates as a special district under California Law and is subject to applicable sections of the Health and Safety Code. The District operates under a Director - Manager form of government and provides for cemetery services to the general public. The District's Board of Directors is appointed by the Fresno County Board of Supervisors. As the District is a governmental unit, it is exempt from federal and California income tax.

The accounting policies of the District conform to generally accepted accounting principles as applicable to government agencies. The following is a summary of the more significant provisions:

1. The Reporting Entity

For financial reporting purposes, the reporting entity includes all funds and authorities for which the District holds corporate powers. The Governmental Accounting Standards Board (GASB) has established criteria in determining financial accountability. The criteria include appointment of a majority of the voting members of an organization's governing board, and either (1) the District has the ability to impose its will on the organization, or (2) there is potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District.

These financial statements represent the Sanger/Del-Rey Cemetery District, the primary government. The District is a legally separate entity which possesses the power to tax and assess fees on property. The District is considered a California Special District and is subject to California laws and regulations, including the Health and Safety Code as applicable to Public Cemeteries. Fresno County does not exercise significant controlling power over the District. Accordingly, the District is not considered a component unit of Fresno County. Further, the District has no component units; it has not created any separate political subdivisions and does not exercise any political or financial control over any other entity.

2. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, deferred outflows of resource, liabilities, deferred inflows of resources, net position, revenue, and expenditures. Government resources are allocated to and for individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types as follows:

GOVERNMENTAL FUND TYPES

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except for those specifically required to be accounted for in another fund.

Endowment Care Fund – The Endowment Care Fund is a special revenue fund used to account for the endowment care revenues and expenditures. The District is required by law to maintain this fund. The purpose of this fund is to provide sufficient funds to properly maintain the cemetery grounds once all available grave sites have been used. The District currently has not been required to expend any funds for endowment care because the cemetery still has available grave sites to be sold.

Infrastructure Fund – A separate fund used by the District for the purpose of accumulating and investing funds for major property and equipment purchases.

3. Basis of Presentation – Government-Wide and Fund Financial Statements

Government wide financial statements are comprised of the statement of net position and the statement of activities. They contain information on all the activities of the primary government and are presented on the accrual basis of accounting.

Sanger/Del-Rey Cemetery District

Notes to Audited Financial Statements

June 30, 2025

NOTE 1 - Summary of Significant Accounting Policies (Continued)

3. Basis of Presentation – Government-Wide and Fund Financial Statements (Continued)

The statement of net position and statement of activity include all the assets of the District (including its infrastructure), deferred outflows of resources, all liabilities (including any long-term debt), and deferred inflows of resources. All of the current year's revenue and expenses are accounted for in the statement of activity regardless of when cash is received or paid.

The fund financial statements are comprised of the governmental funds balance sheet and the statement of governmental revenues, expenditures, and changes in fund balances. These statements reflect the activity of the various governmental funds of the District and are accounted for on the modified accrual basis of accounting. Assets expected to be used up and liabilities that come due during the year or soon thereafter are reflected. Capital assets acquisitions are treated as expenditures. Revenues for which cash is received during the year or soon thereafter are included. Expenditures for goods and services that have been received and for which payment is due during the year or soon thereafter are included.

4. Net Position

Governmental Accounting Standards Board Statement (GASBS) No. 63, requires the classification of net position into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt – This component of net position consists of capital assets, net of accumulated depreciation reduced by the outstanding debt balances and unspent debt proceeds related to the acquisition, construction, or improvement of the capital assets.
- Restricted – This component of net position consists of assets with external constraints placed on their use. Constraints included those imposed by debt indentures, grants, or laws and regulations of other governments, by law, through constitutional provisions, or enabling legislation.
- Unrestricted – This component of net position consists of net amount of assets, deferred outflows of resources, liabilities, and deferred inflows that do not meet the definition of restricted or net investment in capital assets.

5. Fund Balance

Governmental Accounting Standard Board Statement (GASBS) No. 63, requires the classification of fund balance into the following five different components:

- Nonspendable – resources that are not in spendable form or required to be maintained.
- Restricted – resources are subject to externally enforceable legal restrictions; these restrictions are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
- Committed – resources are constrained to specific purposes by formal action of the Board of Directors such as an ordinance or resolution, which are considered equally binding. The constraint remains binding unless removed in the same formal manner by the Board. Board action to commit fund balance must occur within the fiscal reporting period while the amount committed may be determined subsequently.
- Assigned – amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Upon action by the Board, the General Manager is authorized to assign amounts to be used for specific purposes.
- Unassigned – any residual positive net resources of the General Fund in excess of those portions of fund balance classified in one of the other four categories of fund balance.

See independent auditors' report

Sanger/Del-Rey Cemetery District
Notes to Audited Financial Statements
June 30, 2025

NOTE 1 - Summary of Significant Accounting Policies (Continued)

6. Basis of Accounting

The basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting also refers to the timing of the measurements made, regardless of the measurement focus applied.

The governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Gross receipts and taxes are considered measurable when in the hands of intermediary collecting governments and are recognized as revenue at that time. All major revenues are susceptible to accrual. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

7. Budgets and Budgetary Accounting

The District follows these procedures in establishing budgetary data reflected in these financial statements:

- a. Formal budgets are established and approved by the District's Trustees for the general fund and is on file with Fresno County. These budgets are used as a management control device and are adopted on a basis consistent with generally accepted accounting principles.
- b. The budgetary comparison schedule - budget and actual present comparisons of legally adopted budgets with actual data. Since both the actual data and the budget amounts are presented on a basis consistent with generally accepted accounting principles, no additional reconciliation is required.
- c. The District's Board of Directors can authorize transfers between departments in any fund.
- d. Unused appropriations for all of the annually budgeted funds lapse at the end of the year.
- e. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year. There were no changes to the budget from the original adopted budget during the year.

8. Cash and Investments

The District maintains its funds in various bank accounts and the Fresno County investment pool. Investments are reported at fair value. Cash represents cash on hand from banks. Investments are all short-term highly liquid investments pooled in the county's investment pool and therefore considered cash-equivalents for financial statement purposes.

9. Inventory

Inventory consists of grave liners and vaults held for future use. Inventories are stated at the lower of cost or net realizable value.

10. Property, Plant, and Equipment

The District's property, plant, and equipment are recorded at cost. The cost of additions, renewals and betterments are capitalized; repairs and minor acquisitions and replacements are charged to operating expenses as incurred. Interest cost incurred that is related to the construction of property is capitalized.

Depreciation is computed on the straight-line method using the following estimated useful lives:

Buildings and Improvements	10 – 40 Years
Equipment	5 – 10 Years

All property, plant, and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. The District has no donated assets.

See independent auditors' report

Sanger/Del-Rey Cemetery District

Notes to Audited Financial Statements

June 30, 2025

NOTE 1 - Summary of Significant Accounting Policies (Continued)

11. Revenue Recognition – Property Taxes

Real property taxes attach as an enforceable lien on property five years from the end of the applicable tax year. Unsecured property taxes attach as an enforceable lien after the penalty date, which varies depending upon when the unsecured taxes were billed. Taxes are levied on March 1 and are due and payable at that time. One half of the unpaid real property taxes levied March 1 become delinquent December 10 of the current year and the remaining half become delinquent April 10 of the following year.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within thirty days after year end. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

12. Reserves of Net Position

The District records reserves, and also designates amounts, to indicate that a portion of the General Fund is segregated for specific future uses. All principal endowment care funds are reserved for future cemetery maintenance.

The District has reserved or designated the following amounts:

Investment in capital assets, net of related debt	\$ 1,076,814
Inventory	6,765
Endowment care – nonspendable	2,140,342
Endowment care –restricted	<u>461,624</u>
Total reserves and designations	<u>\$ 3,685,545</u>

13. Pensions

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

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

Valuation Date (VD)	June 30, 2023
Measurement Date (MD)	June 30, 2024
Measurement Period (MP)	July 1, 2023 to June 30, 2024

14. Leases

As of July 1, 2024, the District adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain right-to-use leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. As a result of implementing this standard the District recognized a lease receivable and deferred inflow of resources in the amount of \$105,501 and \$110,228 as of June 30, 2025 and 2024, respectively. There was no restatement of net position.

See independent auditors' report

Sanger/Del-Rey Cemetery District
Notes to Audited Financial Statements
June 30, 2025

NOTE 1 - Summary of Significant Accounting Policies (Continued)

14. Leases (Continued)

The District is a lessor for noncancellable lease of 21.33 acres of farmland. The District recognizes a lease receivable in its financial statements for leases with a term greater than 12 months. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments related to leases include how the District determines: 1) the discount rate it uses to discount the expected lease receivable to present value, 2) lease term, and 3) lease revenue:

- The District uses a rate of 3.22% at the lease inception date as the discount rate.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments expected to be received during the lease period.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

15. Subsequent Events

Subsequent events have been evaluated through January 30, 2026, which is the date the financial statements were available to be issued.

NOTE 2 – Cash and Cash Equivalents

Cash and cash equivalents

	<u>General Fund</u>	<u>Endowment Fund</u>	<u>Infrastructure Fund</u>	<u>Totals</u>
Cash on hand	\$ 101	\$ 0	\$ 0	\$ 101
Cash in banks	186,239	0	0	186,239
County of Fresno	<u>937,151</u>	<u>2,580,830</u>	<u>279,917</u>	<u>3,797,898</u>
Total cash and cash equivalents	<u>\$ 1,123,491</u>	<u>\$ 2,580,830</u>	<u>\$ 279,917</u>	<u>\$ 3,984,238</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to it. Local financial institutions, under California state law, are required to collateralize local government agency deposits in excess of FDIC insured amounts up to \$250,000. As of June 30, 2025, the District did not have deposits in financial institutions in excess of the insured limit. The District's investments in negotiable certificates of deposit at various financial institutions located throughout the U.S. were less than the maximum FDIC insured amount at each financial institution.

Sanger/Del-Rey Cemetery District

Notes to Audited Financial Statements

June 30, 2025

NOTE 2 – Cash and Cash Equivalents (Continued)

Credit Risk – Investments

The District's investment policy is in accordance with state law and as such, limits certain investments to the top two ratings issued by nationally recognized statistical rating organizations. As of June 30, 2025, the District's investment in the Fresno County investment pool had an average dollar-weighted quality rating of AA+ (Moody's Investment Services). The District does not own individual investments outside of the external investment pools, which represent greater than 5% of total investments.

NOTE 3 – Lease Receivable

The District is reporting a lease receivable of \$105,501 at June 30, 2025. For the fiscal year then ended, the District reported lease revenue of \$9,585 and interest revenue of \$3,469 related to lease payments received. The lease is summarized as follows:

On February 18, 2015, the District, as a lessor, entered into a twenty-year lease agreement with Farmex Land Management, Inc. for the lease of 21.33 acres of farmland. Based on this agreement, the District is receiving annual payments through the fiscal year ended June 30, 2036. There are no renewal options included in this lease agreement.

Future minimum lease payments to be recognized as income are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 8,124	\$ 3,448	\$ 11,572
2027	8,390	3,182	11,572
2028	8,664	2,908	11,572
2029	8,947	2,625	11,572
2030	9,240	2,332	11,572
Thereafter	<u>62,136</u>	<u>7,297</u>	<u>69,433</u>
Total Payments	\$ 105,501	\$ 21,792	\$ 127,293

NOTE 4 - Capital Assets

The following is a summary of the changes in Capital Assets:

Cost:	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
Land	\$ 426,384	\$ 0	\$ 0	\$ 426,384
Buildings and improvements	968,611	4,697	0	973,308
Equipment	<u>630,065</u>	<u>66,255</u>	<u>13,378</u>	<u>682,942</u>
Total	\$ 2,025,060	\$ 70,952	\$ 13,378	\$ 2,082,634
	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
Accumulated Depreciation:				
Land	\$ 0	\$ 0	\$ 0	\$ 0
Buildings and improvements	532,901	30,818	0	563,719
Equipment	<u>420,202</u>	<u>35,277</u>	<u>13,378</u>	<u>442,101</u>
Total	\$ 953,103	\$ 66,095	\$ 13,378	\$ 1,005,820

See independent auditors' report

Sanger/Del-Rey Cemetery District
Notes to Audited Financial Statements
June 30, 2025

NOTE 5 - Defined Benefit Pension Plan

A. GENERAL INFORMATION

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Miscellaneous Plan of the Sanger/Del-Rey Cemetery District part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer plan administered by CalPERS, which acts as common investment and administrative agent for participating member employers. Benefits provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. The basic benefit will be 2% of "final compensation" for each year of credited service upon retirement at age 55. Final compensation is defined as the average monthly pay during the last 36 consecutive months of work or another period of 36 consecutive months selected by the member if the average pay rate was higher. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustment for each plan is applied as specified by the Public Employee's Retirement law.

Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.1% - 2.4%	1.0% - 2.5%

Employees Covered

At June 30, 2025 the following employees were covered by the benefit terms of the Plan:

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	0
Active employees	6
Total	8

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Sanger/Del-Rey Cemetery District
Notes to Audited Financial Statements
June 30, 2025

NOTE 5 - Defined Benefit Pension Plan (Continued)

B. NET PENSION LIABILITY

The District's net pension liability for the plan is measured as the total pension liability, less the pensions plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2023 and June 30, 2024 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.9%
Inflation	2.3%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post-Retirement Benefits Increase	Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

Discount Rate

The discount rate used to measure the total pension liability was 6.9 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.9 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.9 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The long-term expected rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2024.

Sanger/Del-Rey Cemetery District

Notes to Audited Financial Statements

June 30, 2025

NOTE 5 - Defined Benefit Pension Plan (Continued)

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

Asset Class	Assume Asset Allocation	Real Return Years 1 – 10 ^{1,2}
Global equity – cap-weighted	30.00%	4.54%
Global equity – non-cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)
1 An expected inflation of 2.3% used for this period		
2 Figures are based on the 2021-22 Asset Liability Management study.		

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Plan's Net Pension Liability	\$ 843,644	\$ 505,415	\$ 227,002

D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the District recognized pension expense of \$144,702. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 12,990	\$ 0
Differences between Expected and Actual Experience	43,698	1,705
Differences between Projected and Actual Investment Earnings	29,096	0
Differences between Employer's Contributions and Proportionate Share of Contributions	0	30,628
Change in Employer's Proportion	53,404	0
Pension Contributions Made Subsequent to Measurement Date	77,558	0
Total	\$ 216,746	\$ 32,333

Sanger/Del-Rey Cemetery District
Notes to Audited Financial Statements
June 30, 2025

NOTE 5 - Defined Benefit Pension Plan (Continued)

\$77,558 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (income).

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expenses(incomes) as follows:

Fiscal Year Ending June 30:	Amount
2026	\$ 48,916
2027	65,189
2028	2,721
2029	(9,971)
2030	0
Thereafter	0
	\$ 106,855

NOTE 6 – Adjustments

The following adjustments are required to adjust the Statement of Net Position and Statement of Activities to the accrual basis as required by GASB No. 63. These adjustments consist of:

1. The adjustment for capital assets, net of accumulated depreciation (Note 3) is added to the Statement of Net Position in the amount of \$1,076,814.
2. Accumulated compensated absences in the amount of \$8,450 are now reported as long-term liabilities and are added to the Statement of Net Position.
3. Various fund balances, reserved or designated by the Board of Directors have been eliminated and are now reported as a component of Net Position.
4. Current year accrued compensated absences are reported as a component of current year salaries and employee benefits and are adjusted in the Statement of Activities.
5. Current year depreciation expense of \$66,095 is reported as an addition to the Statement of Activities.
6. Current year capital acquisitions of \$70,952 are eliminated from the Statement of Activities and are reported as additions to fixed assets.
7. Employee benefits of \$77,559 related to GASB 68 is eliminated and pension plan expense of \$144,702 is reported.

NOTE 7 – Prior Period Adjustment

During the year, management discovered that prior year reported fixed assets were overstated and cash was understated by \$17,240. An adjustment to beginning fund balance has been made in that amount to correct the beginning fund balance. An adjustment to beginning net position related to depreciation on these overstated fixed assets has reduced beginning net position by \$1,230.

SUPPLEMENTARY INFORMATION

Sanger/Del-Rey Cemetery District

Supplementary Information

For the year ended June 30, 2025

SCHEDULE I - Budgetary Comparison Schedule

	All governmental funds		Variance- Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Burial fees and service	\$ 800,350	\$ 771,218	\$ (29,132)
Property taxes	469,147	521,260	52,113
Interest income	15,374	109,296	93,922
Real estate rent	11,572	9,585	(1,987)
Total revenues	1,296,443	1,411,359	114,916
EXPENDITURES			
Salaries and wages	520,155	596,136	(75,981)
Employee benefits	315,000	289,447	25,553
Vaults and other costs of sales	49,500	60,984	(11,484)
Repairs and maintenance - grounds	105,900	71,667	34,233
Legal and professional	5,000	24,800	(19,800)
Utilities	24,000	38,964	(14,964)
Insurance	37,394	37,412	(18)
Travel and training	24,000	29,360	(5,360)
Workers' compensation insurance	17,923	18,092	(169)
Office supplies and postage	8,250	8,956	(706)
Repairs and maintenance - equipment	10,750	4,731	6,019
Fuel and oil	17,500	17,526	(26)
Telephone	6,500	5,299	1,201
Laundry and cleaning	10,000	10,922	(922)
Waste disposal	9,000	8,816	184
Auditing	20,000	18,475	1,525
Security/gate closure	6,930	5,990	940
Dues and subscriptions	6,600	7,076	(476)
Sand, cement and gravel	3,500	4,439	(939)
Tree trimming	5,500	2,000	3,500
Miscellaneous	0	1,273	(1,273)
Bank charges	1,000	362	638
Meals and entertainment	0	1,250	(1,250)
Capital Outlay	84,841	70,952	13,889
Total expenditures	1,289,243	1,334,929	(45,686)
EXCESS OF REVENUES OVER EXPENDITURES	\$ 7,200	76,430	\$ 69,230
Fund balance, beginning of year		3,880,179	
Fund balance, June 30		\$ 3,956,609	

See independent auditors' report

Sanger/Del-Rey Cemetery District

Supplementary Information

June 30, 2025

SCHEDULE II - Property Tax Revenues

Current secured taxes	\$ 474,664
Current unsecured taxes	24,188
Homeowners' property tax relief	2,845
Other tax revenue	<u>19,563</u>
Total property tax revenues	<u>\$ 521,260</u>

SCHEDULE III - Services and Fees Revenue

Graves and plots	\$ 208,920
Vaults and urns	179,893
Opening and closing	185,485
Marker setting	61,710
Nonresident charges	42,050
Other income	<u>23,510</u>
Total general fund services and fees	701,568
Endowment care fund	<u>69,650</u>
Total services and fees revenue	<u>\$ 771,218</u>

Sanger/Del-Rey Cemetery District
 Supplementary Information
 For the year ended June 30, 2025

SCHEDULE IV - Proportionate Share of the Net Pension Liability - Last 10 Years

	2025	2024	2023	2022	2021
Proportion of the net pension liability	0.01045 %	0.009904 %	0.009226 %	0.002296 %	0.007307 %
Proportionate share of the net pension liability	\$ 505,415	\$ 495,239	\$ 431,673	\$ 43,596	\$ 308,229
Covered - employee payroll	\$ 465,917	\$ 437,973	\$ 424,551	\$ 436,152	\$ 429,180
Proportionate Share of the net pensions liability as percentage of covered-employee payroll	108.48 %	113.08 %	101.68 %	10.00 %	71.82 %
Plan fiduciary net position as a percentage of the total pension liability	79.84 %	81.58 %	82.90 %	98.12 %	85.82 %
	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.006458 %	0.00537709 %	0.005523 %	0.00435166 %	0.00949219 %
Proportionate share of the net pension liability	\$ 258,599	\$ 202,647	\$ 217,721	\$ 151,154	\$ 260,415
Covered - employee payroll	\$ 389,203	\$ 373,106	\$ 373,106	\$ 369,659	\$ 349,866
Proportionate Share of the net pensions liability as percentage of covered-employee payroll	66.44 %	54.31 %	58.35 %	40.89 %	74.43 %
Plan fiduciary net position as a percentage of the total pension liability	87.36 %	91.11 %	90.03 %	92.08 %	85.18 %

See independent auditors' report

Sanger/Del-Rey Cemetery District

Supplementary Information

For the year ended June 30, 2025

SCHEDULE V - Schedule of Contributions - Last 10 Years

	2025	2024	2023	2022	2021
Contractually required contributions (actuarially determined)	\$ 77,558	\$ 66,378	\$ 62,536	\$ 57,415	\$ 48,068
Contributions in relation to the actuarially determined contributions	(77,558)	(66,378)	(62,536)	(57,415)	(50,650)
Contribution deficiency (excess)	0	0	0	0	(2,582)
Covered-employee payroll	\$ 465,917	\$ 437,973	\$ 424,551	\$ 436,152	\$ 429,180
Contributions as a percentage of covered-employee payroll	16.65 %	15.16 %	14.73 %	13.16 %	11.80 %
Contractually required contributions (actuarially determined)	\$ 39,274	\$ 49,024	\$ 47,271	\$ 51,906	\$ 50,008
Contributions in relation to the actuarially determined contributions	(39,274)	(62,176)	(54,661)	(51,906)	(289,650)
Contribution deficiency (excess)	0	(13,152)	(7,390)	0	(239,642)
Covered-employee payroll	\$ 389,203	\$ 373,106	\$ 373,106	\$ 369,659	\$ 349,866
Contributions as a percentage of covered-employee payroll	10.09 %	16.66 %	14.65 %	14.04 %	82.79 %

See independent auditors' report



ADAIR & EVANS

an Accountancy Corporation

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January 30, 2026

Sanger/Del-Rey Cemetery District
568 S. Rainbow Ave.
Sanger, CA 93657

To the Board of Directors

In planning and performing our audit of the financial statements of Sanger/Del-Rey Cemetery District ("District") as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal controls.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies in internal control or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant and material weaknesses.

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 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. A material weakness is a deficiency, or a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in internal control to be significant deficiencies.

- Due to the limited number of accounting staff, the District is unable to provide any substantial separation of duties for various accounting functions. This provides an opportunity for errors and/or fraud to occur within the District, either in financial reporting or the safeguarding of assets. ✓
- There were time cards missing signatures. ✓
- For the months of May and June 2025, transfers were not booked on the bookkeeping software between the Westamerica Bank Accounts and the county accounts.

- For the months of May and June 2025, payroll related expenses were not recorded on the bookkeeping software. ✓
- WestAmerica Bank was not reconciled timely. ✓

This communication is intended solely for the information and use of management, the Board of Directors of the Sanger/Del-Rey Cemetery District, the County of Fresno, and the California State Controller's office. It is not intended to be and should not be used by anyone other than these specified parties.

Adair & Evans

ADAIR & EVANS
Certified Public Accountants

* Status update → under the 3rd week **
*



ADAIR & EVANS

an Accountancy Corporation

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Garry W. Riezebos, CPA
Amanda Burlingame, CPA
Michael J. Semas, CPA

Kathy L. Hamada, CPA
Bret P. Stuber, CPA
John M. Oppedyk, CPA
Racquel Villapudua, CPA
Amy Deschenes, CPA
Crystal Pacheco, CPA
Anthony Moore, CPA
Janice Gish-Snow, CRTCP

January 30, 2026

Sanger/Del-Rey Cemetery District
568 S. Rainbow Avenue
Sanger, CA 93657

To the Board of Directors:

We have audited the financial statements of the governmental activities of the Sanger/Del-Rey Cemetery District ("District") for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 24, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Sanger/Del-Rey Cemetery District are described in Note 1 to the financial statements. No new accounting policies were adopted or changed during 2025. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the depreciation of capital assets is based on an estimate of the useful lives of the property or equipment. The actual useful lives of your property and equipment may vary substantially from this estimate. We evaluated the key factors and assumptions used to develop the depreciation allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of your defined benefit plan in Note 5 to the financial statements. This disclosure is based on information received from the California Public Employees Retirement System (CalPERS) and includes significant assumptions and estimates in order to determine your pension obligation and unfunded (if applicable) liability.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 30, 2026.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, Budgetary Comparison Schedule, Proportionate Share of Net Pension Liability, and Schedule of Pension Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's

responses to our inquiries, the basis financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Property Tax Revenues Schedule and Services and Fees Revenues Schedule, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors, County of Fresno, the State of California Controller's office, and management of Sanger/Del-Rey Cemetery District and is not intended to be and should not be used by, anyone other than these specified parties.

Very truly yours,
ADAIR & EVANS



Tim Dodson
Certified Public Accountant

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for the period ended June 30, 2025

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Account #	Account Name / Description	Debits	Credits
06/30/2025			
<u>AJE 1</u>			
24500	ENDOWMENT CARE FEES	65,450.00	
41700	ENDOWMENT CARE		65,450.00
MOVE ENDOWMENT CARE FEES TO P&L			
06/30/2025			
<u>AJE 2</u>			
11000	ACCOUNTS RECEIVABLE		14,930.48
11100	INTEREST RECEIVABLE	11,955.44	
40650	SALES-GARDEN CRYPTS		1,185.00
40000	SALES-GRAVES AND PLOTS		1,080.00
78000	UTILITIES		141.78
39005	RET EARN - GF/ENDOWMENT	5,695.72	
78000	UTILITIES		313.90
TO ADJUST BEGINNING EQUITY			
06/30/2025			
<u>AJE 3</u>			
10400	COUNTY GENERAL FUND	71,716.58	
10500	ENDOWMENT CARE FUND	7,200.00	
10150	WESTAMERICA - TRANSFER ACCT		78,916.58
10400	COUNTY GENERAL FUND	57,775.01	
10500	ENDOWMENT CARE FUND	6,000.00	
10150	WESTAMERICA - TRANSFER ACCT		63,775.01
RECORD MISSING TRANSFERS MAY/JUNE			
06/30/2025			
<u>AJE 4</u>			
1575	BANK CHARGES	4.00	
0150	WESTAMERICA - TRANSFER ACCT		4.00
RECORD TRANSFER ACCOUNT BANK CHARGES			
6/30/2025			
<u>AJE 5</u>			
2000	PAYROLL TAX	7,040.86	
0150	WESTAMERICA - TRANSFER ACCT		7,040.86
RECORD TRANSFER ACCOUNT TAX PAYMENT FOR JUNE			
6/30/2025			
<u>AJE 6</u>			
1200	INTEREST INCOME		0.65
1000	PAYROLL TAX	6,281.98	
1000	PAYROLL TAX	1,173.27	
000	PERS RETIREMENT	2,968.02	

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for the period ended June 30, 2025

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Account #	Account Name / Description	Debits	Credits
72000	PAYROLL TAX	6,182.68	
73000	PERS RETIREMENT	2,968.02	
75575	SALES TAX	1,647.12	
72000	PAYROLL TAX	1,159.54	
61575	BANK CHARGES	4.00	
78000	UTILITIES	71.62	
71000	OFFICE	78.01	
59501	AUTO EXPENSES	865.84	
10300	WEST AMERICA - PETTY CHECKING		23,399.46

RECORD PETTY ACCOUNT MISSING EXPENSES FOR MAY

06/30/2025

AJE 7

42200	INTEREST INCOME		0.75
72000	PAYROLL TAX	6,709.30	
72000	PAYROLL TAX	1,219.98	
72000	PAYROLL TAX	1,673.42	
75575	SALES TAX	980.13	
73000	PERS RETIREMENT	2,968.02	
61575	BANK CHARGES	4.00	
71000	OFFICE	19.50	
70000	MAINTENANCE-GROUNDS	142.20	
72000	BOARD COMPENSATION	793.60	
72000	BOARD COMPENSATION	900.00	
75000	EMPLOYEE BENEFIT PROGRAMS	81.20	
0300	WEST AMERICA - PETTY CHECKING		15,490.60

RECORD PETTY ACCOUNT MISSING EXPENSES FOR JUNE

06/30/2025

AJE 8

4100	DEFERRED INFLOWS PERS	119,813.00	
4101	DEFERRED INFLOWS LEASE		119,813.00

SEPARATE DEFERRED INFLOWS LEASE FROM PERS INFLOWS

6/30/2025

AJE 9

7001	DEFERRED OUTFLOWS		80,540.00
4100	DEFERRED INFLOWS PERS	23,573.00	
4000	PENSION LIABILITY		10,176.00
2999	PENSION EXPENSE/INCOME	144,702.00	
3000	PERS RETIREMENT		77,559.00

ADJUST PERS TO EMPLOYER TOOL

3/30/2025

AJE 10

1101	DEFERRED INFLOWS LEASE	9,584.65	
1200	LEASE RECEIVABLE		7,867.73

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Account #	Account Name / Description	Debits	Credits
11100	INTEREST RECEIVABLE	548.67	
42250	INTEREST INCOME-GENERAL FUND		3,469.48
42400	OTHER INCOME	1,203.89	
ADJUST LEASES TO LEASE CRUNCH SCHEDULE. GASB 87			
06/30/2025		<u>AJE 11</u>	
42400	OTHER INCOME	6,121.11	
42400	OTHER INCOME	2,649.41	
42400	OTHER INCOME	114.12	
42000	PROPERTY TAX REVENUE		8,884.64
RECLASS ROPS AND OTHER PROPTERY TAX ITEMS OUT OF OTHER INCOME AND INTP PROPERTY TAX ACCOUNT			
06/30/2025		<u>AJE 12</u>	
10400	COUNTY GENERAL FUND	45,812.74	
42000	PROPERTY TAX REVENUE		33,129.88
42250	INTEREST INCOME-GENERAL FUND		7,733.34
42400	OTHER INCOME		4,949.52
ADJUST COUNTY OF FRESNO GENERAL FUND FOR PROPERTY TAXES AND INTEREST THAT WERE NOT BOOKED ON GL. TO ADJUST TO COUNTY OF FRESNO STATEMENT JUNE 30 2025			
06/30/2025		<u>AJE 13</u>	
0500	ENDOWMENT CARE FUND	18,068.39	
1800	ENDOWMENT CARE-INTEREST		19,438.81
1100	INTEREST RECEIVABLE	1,370.42	
ADJUST ENOWMENT CARE CASH ACCOUNT IN FRESNO COUNTY FOR ADDITIONAL INTEREST. TO ADJUST TO STATEMENT BALANCE.			
6/30/2025		<u>AJE 14</u>	
0700	INFRASTRUCTURE	1,980.46	
2255	INFRASTRUCTURE INTEREST		2,072.02
1100	INTEREST RECEIVABLE	91.56	
ADJUST INFRASTRUCTURE CASH ACCOUNT TO SCHEDULE.			
6/30/2025		<u>AJE 15</u>	
1100	INTEREST RECEIVABLE	1,843.27	
2250	INTEREST INCOME-GENERAL FUND		1,843.27
ADJUST TOTAL INTEREST RECEIVABLE ON BALANCE SHEET TO FRESNO COUNTY STATEMENTS			

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Account #	Account Name / Description	Debits	Credits
06/30/2025			
		<u>AJE 16</u>	
65550	EQUIPMENT PURCHASE-FIXED ASSET		62,332.11
15100	EQUIPMENT	66,254.75	
70000	MAINTENANCE-GROUNDS		3,922.64
	CAPITALIZE FIXED ASSETS		
06/30/2025			
		<u>AJE 17</u>	
15600	BUILDING IMPROVEMENTS	4,697.00	
65552	FENCING		4,697.00
	CAPITALIZE FIXED ASSETS		
06/30/2025			
		<u>AJE 18</u>	
64000	DEPRECIATION EXPENSE	69,545.61	
15800	ACCUMULATED DEPRECIATION		69,545.61
	RECORD DEPRECIATION EXPENSE		
06/30/2025			
		<u>AJE 19</u>	
51500	VAULT COST	1,875.00	
13000	INVENTORY		1,875.00
	ADJUST INVENTORY AT 06302025		
06/30/2025			
		<u>AJE 20</u>	
11500	VAULT COST	3,557.00	
11550	GARDEN CRYPT COST		2,244.00
11575	MONTICELLO COST		1,796.00
11580	MEMORIAL BENCHES		388.80
11600	FREIGHT CHARGES		337.00
2000	ASH VAULT COST		670.00
6000	GARBAGE	391.36	
8000	LAUNDRY AND CLEANING	1,500.06	
8500	LEGAL AND PROFESSIONAL	5,217.50	
0000	MAINTENANCE-GROUNDS	1,507.22	
1000	OFFICE		487.47
5000	REPAIRS-EQUIPMENT		490.62
6000	SECURITY	600.00	
7000	TELEPHONE	661.65	
7500	TRAVEL&TRAINING-GM&BOARD		882.81
8000	UTILITIES	7,049.44	
0000	GAS AND OIL	1,626.78	
0000	ACCOUNTS PAYABLE		14,814.31
	ADJUST AP		

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for the period ended June 30, 2025

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Account #	Account Name / Description	Debits	Credits
06/30/2025		<u>AJE 21</u>	
23300	PAYROLL LIABILITIES	9,917.68	
75500	SALARIES EXPENSE		9,917.68
	ADJUST ACCRUED COMP ASCENCES.		
06/30/2025		<u>AJE 22</u>	
23200	WAGES PAYABLE	2,130.22	
75500	SALARIES EXPENSE		2,130.22
	ADJUST ACCRUED WAGES AT 6/30/2025		
06/30/2025		<u>AJE 23</u>	
23400	FICA PAYROLL TAXES PAYABLE	8,489.52	
72000	PAYROLL TAX		8,489.52
	ADJUST FICA PAYABLE		
06/30/2025		<u>AJE 24</u>	
23500	FEDERAL INCOME TAX PAYABLE	17,300.40	
72000	PAYROLL TAX		17,300.40
	ADJUST FEDERAL WITHHOLDING PAYABLE.		
06/30/2025		<u>AJE 25</u>	
23600	STATE INCOME TAXES PAYABLE	6,705.47	
72000	PAYROLL TAX		6,705.47
23700	SDI TAX PAYABLE	1,711.50	
72000	PAYROLL TAX		1,711.50
23900	EMPLOYEES CREDIT UNION		1.00
2000	PAYROLL TAX	1.00	
	ADJUST PAYROLL TAXES PAYABLE		
6/30/2025		<u>AJE 26</u>	
4200	DUE FROM OTHER FUNDS		4,100.00
4200	DUE TO OTHER FUNDS	4,100.00	
	ADJUST DUE TO/FROM FUNDS		

Account #	Account Name / Description	Debits	Credits
06/30/2025			
<u>AJE 27</u>			
12400	OTHER INCOME	17,240.00	
15500	BUILDINGS		17,240.00
CHECK DATED 05/29/2024, CHECK #65-0307626 THAT WAS VOIDED BY SANGER DISTRICT. CHECK WAS FOR LANDSCAPPING COSTS TO SUNSET LANDSCAPE, BUT DISTRICT DECIDED TO NOT PAY SUNSET AND DO THE WORK THEMSELVES. CHECK FOR 17,240 WAS REFUNDED TO DISTRICT DURING 24/25 YEAR			
06/30/2025			
<u>AJE 28</u>			
15500	BUILDINGS		2,000.00
39000	PRIOR PERIOD ADJUSTMNET	2,000.00	
ADJUST FOR ADDITIONAL \$2,000 IN AJE #27. RELATED TO SUNSET LANDSCAPE PURCHASE. \$2,000 INITIAL PAYMENT			
06/30/2025			
<u>AJE 29</u>			
15800	ACCUMULATED DEPRECIATION	770.00	
39000	PRIOR PERIOD ADJUSTMNET		770.00
A/D RELATED TO SUNSET LANDCAPING PROJECT. PRIOR PERIOD ADJUSTMNET			
06/30/2025			
<u>AJE 30</u>			
15800	ACCUMULATED DEPRECIATION	3,065.71	
14000	DEPRECIATION EXPENSE		3,450.91
19000	OTHER EXPENSE	385.20	
ADJUST DEPRECIATION AND ACCUMULATED DEPRECIATION.			
06/30/2025			
<u>AJE 31</u>			
5800	ACCUMULATED DEPRECIATION	13,378.00	
5100	EQUIPMENT		13,378.00
DISPOSE OF TRADED IN PUSH MOWER			
Totals		<u>900,883.82</u>	<u>900,883.82</u>