

**EBBETTS PASS VETERANS MEMORIAL DISTRICT**  
**BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

DRAFT

**EBBETTS PASS VETERANS MEMORIAL DISTRICT**

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# LARRY BAIN, CPA

An Accounting Corporation

Member of American Institute of Certified Public Accountants

Member of AICPA Peer Review Program

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2148 Frascati Drive, El Dorado Hills, CA 95762 / 916.601-8894

DRAFT

[lpbain@sbcglobal.net](mailto:lpbain@sbcglobal.net)

Board of Directors  
Ebbetts Pass Veterans Memorial District  
Murphys, CA

## **Opinion**

We have audited the accompanying financial statements of the governmental activities and fund information of Ebbetts Pass Veterans Memorial District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ebbetts Pass Veterans Memorial District as of June 30, 2023, and the changes in financial position of those activities and funds for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Ebbetts Pass Veterans Memorial District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of 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 Ebbetts Pass Veterans Memorial District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, 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 Ebbetts Pass Veterans Memorial 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 Ebbetts Pass Veterans Memorial 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.

#### **Other Matters**

##### *Required Supplementary Information*

The Ebbetts Pass Veterans Memorial District has not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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 is not modified as a result of the omission.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basis 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.

**DRAFT**

**Larry Bain, CPA**  
**An Accounting Corporation**

July 23, 2024

**EBBETTS PASS VETERANS MEMORIAL DISTRICT**

**STATEMENT OF NET POSITION  
JUNE 30, 2023**

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash and investments	\$ 706,921
Total current assets	<u>706,921</u>
Capital assets:	
Land	20,000
Buildings and improvements	245,739
Less: accumulated depreciation	<u>(97,601)</u>
Total capital assets	<u>168,138</u>
Total assets	<u>875,059</u>
Net Position	
Net investment in capital assets	168,138
Unrestricted	<u>706,921</u>
Total net position	<u>\$ 875,059</u>

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

**EBBETTS PASS VETERANS MEMORIAL DISTRICT**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Expenses</u>	<u>Program Revenue Charges for Services</u>	<u>Total</u>
Governmental Activities:			
Culture and recreation	\$ <u>68,394</u>	\$ <u>600</u>	\$ <u>(67,794)</u>
Total governmental activities	\$ <u><u>68,394</u></u>	\$ <u><u>600</u></u>	\$ <u><u>(67,794)</u></u>

General Revenues:

    Taxes:

Property tax, levied for general purposes	91,697
Investment income	11,117
Other revenues	<u>1,500</u>
Total general revenues	<u>104,314</u>
Change in net position	36,520
Net position - beginning	<u>838,539</u>
Prior period adjustment	
Net position - ending	\$ <u><u>875,059</u></u>

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

**EBBETTS PASS VETERANS MEMORIAL DISTRICT**

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2023**

	<u>General Fund</u>	<u>Total Governmental Funds</u>
Assets		
Cash and investments	\$ <u>706,921</u>	\$ <u>706,921</u>
Total assets	\$ <u><u>706,921</u></u>	\$ <u><u>706,921</u></u>
Fund balances		
Unassigned	<u>706,921</u>	<u>706,921</u>
Total fund balances	<u>706,921</u>	<u>706,921</u>
Total fund balances	\$ <u><u>706,921</u></u>	\$ <u><u>706,921</u></u>

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

**EBBETTS PASS VETERANS MEMORIAL DISTRICT**

**RECONCILIATION of GOVERNMENTAL FUNDS BALANCE SHEET  
To the STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Fund balances of governmental funds	\$	706,921
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental funds.		<u>168,138</u>
Net position of governmental activities	\$	<u><u>875,059</u></u>

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



**EBBETTS PASS VETERANS MEMORIAL DISTRICT**

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	General	Total
	Fund	Governmental
	<u>Fund</u>	<u>Funds</u>
Revenues		
Property taxes	\$ 91,039	\$ 91,039
Intergovernmental revenues	658	658
Use of money and property	11,717	11,717
Insurance reimbursement		-
Other revenues	<u>1,500</u>	<u>1,500</u>
Total revenues	<u>104,914</u>	<u>104,914</u>
Expenditures		
Current:		
Salary and benefits	14,601	14,601
Services and supplies	50,273	50,273
Capital outlay	<u>19,765</u>	<u>19,765</u>
Total expenditures	<u>84,639</u>	<u>84,639</u>
Net change in fund balances	<u>20,275</u>	<u>20,275</u>
Fund balances, beginning of fiscal year	<u>686,646</u>	<u>686,646</u>
Fund balances, end of fiscal year	\$ <u><u>706,921</u></u>	\$ <u><u>706,921</u></u>

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

**EBBETTS PASS VETERANS MEMORIAL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES –  
GOVERNMENTAL ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Net change in fund balances - total governmental funds	\$	20,275
Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of revenues, expenditures and changes in fund balances because:		
Cost of assets capitalized		19,765
Depreciation expense		<u>(3,520)</u>
Change in net position of governmental activities	\$	<u><u>36,520</u></u>

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

## **EBBETTS PASS VETERANS MEMORIAL DISTRICT**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2023**

#### Note 1: Summary of Significant Accounting Policies

Ebbetts Pass Veterans Memorial District was established in June 1958 and operates certain recreation facilities for the area. The District acts as the Military and Veterans Code, State of California, Chapter 1, Division 6, Veterans Buildings and Memorials.

The District receives revenues from taxes levied upon property located within the District by the County of Calaveras. The assessor of the County of Calaveras determines the assessed valuations of such property, and the taxes are collected by the tax collector of that County.

The accounting and reporting policies of the Ebbetts Pass Veterans Memorial District (District) conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled "Audits of State and Local Governmental Units" and by the Financial Accounting Standards Board (when applicable).

#### A. Reporting Entity

The District has defined its reporting entity in accordance with accounting principles generally accepted in the United States of America, which provide guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criterion for including a potential component unit within the reporting entity is the governing body's financial accountability. A primary governmental entity is financially accountable if it appoints a voting majority of a component unit's governing body and it is able to impose its will on the component unit, or if there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if a component unit is fiscally dependent on the primary governmental entity regardless of whether the component unit has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

Based on the aforementioned oversight criteria, there are no component units in accordance with Governmental Accounting Standards Board.

#### B. Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or as a reservation of fund balance. The District considers property taxes available if they are collected within sixty-days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as compensated absences and claims and judgments are recorded only when payment is due. General capital acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

**EBBETTS PASS VETERANS MEMORIAL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

Note 1: Summary of Significant Accounting Policies (Continued)

C. Non-Current Governmental Assets/Liabilities

GASB Statement 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide statement of net position.

D. Basis of Presentation

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The District's resources are accounted for in these individual funds based on the purposes for which they are to be spent and the means by which spending activity is controlled. For financial reporting, these funds have been grouped into the fund type discussed below.

Governmental Fund Type

Governmental funds are used to account for the District's expendable financial resources and related liabilities (except those accounted for in proprietary and similar trust funds). The measurement focus is based upon determination of changes in financial position. The following is the District's governmental fund:

General Fund - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists primarily of general government type activities.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

F. Restricted Assets

Restricted assets are financial resources generated for a specific purpose such as construction of improvements and financing of debt obligations. These amounts are restricted, as their use is limited by applicable bond covenants or other external requirements.

G. Fund Balance

GASB 54 establishes fund balance classifications that comprise a hierarchy based on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. While the classifications of fund balance in the District's various governmental funds were revised, the implementation of this standard had no effect on total fund balance.

**EBBETTS PASS VETERANS MEMORIAL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

Note 1: Summary of Significant Accounting Policies (Continued)

H. Property Taxes

The District receives property taxes from the County of Sacramento, which has been assigned the responsibility for assessment, collections, and apportionment of property taxes for all taxing jurisdictions within the County. Secured property taxes are levied on January 1 for the following fiscal year and on which date it becomes a lien on real property. Secured property taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively, for the secured roll. Based on a policy by the County called the Teeter Plan, 100% of the allocated taxes are transmitted by the County to the District, eliminating the need for an allowance for uncollectible. The County, in return, receives all penalties and interest. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year they are received.

I. Capital Assets

Capital assets, recorded at historical cost or estimated historical cost if actual historical cost is not available, are reported in governmental activities column of the government-wide financial statements. Contributed fixed assets are valued at their estimated fair market value. Capital assets include land, buildings and building improvements and equipment. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is recorded in the government-wide financial statements on the straight-line basis over the useful life of the assets as follows:

<u>Asset</u>	<u>Useful Life</u>
Building improvements	20-40 years

Note 2: Cash and Investments

Cash and investments at June 30, 2023, consisted of the following:

Cash with county	\$ 695,517
Cash with financial institution	11,404
Total cash and investments	<u>\$ 706,921</u>

**EBBETTS PASS VETERANS MEMORIAL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

Note 2: Cash and Investments (Continued)

The table below identifies the **investment types** that are authorized for the Ebbetts Pass Veterans Memorial District (District) by the California Government Code (or the District’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District’s investment policy, where more restrictive) that address **interest rate risk, credit risk and concentration of credit risk**.

This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local agency bonds	5 years	None	None
U.S. treasury obligations	5 years	None	None
State of California obligations	5 years	None	None
U.S. agency securities	5 years	None	None
Banker's acceptances	180 days	40%	30%
Commercial paper	270 days	40%	10%
Negotiable CDs	5 years	30%	None
Repurchase agreements	1 years	None	None
Reverse repurchase agreements	92 days	20%	None
Medium term notes	5 years	30%	None
Mutual/money market funds	5 years *	20%	10%
Collateralized bank deposits	5 years	None	None
Mortgage pass-through securities	5 years	20%	15%
Time deposits	5 Years	None	None
Local Agency Investment Fund (LAIF)	5 years *	None	None

\* The five year maximum maturity can be extended by the Board of Directors. Also, the maximum maturity can be extended if the funds are reserved for bond, COP or note payments to coincide with the required repayments.

B. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of and investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the District’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investment by maturity:

<u>Investment Type</u>	<u>Totals</u>	<u>Remaining Maturity (in Months)</u>	
		<u>12 Months or Less</u>	<u>13-48 Months</u>
Calaveras County Pooled Cash*	\$ 695,517	\$ 695,517	\$ -
Totals	\$ 695,517	\$ 695,517	\$ -

\*Not subject to categorization

**EBBETTS PASS VETERANS MEMORIAL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

Note 2: Cash and Investments (Continued)

C. Concentrations of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There are no investments to one issuer exceeding those limits.

D. 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 deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of 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 of collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits; The California Government Code requires that a financial institution secured 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 government unit). The fair 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 deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2023, the District's deposits balance was \$13,567 and the carrying amount was \$11,404. The difference between the bank balance and the carrying amount was due to normal outstanding checks and deposits in transit. Of the bank balance, all was covered by Federal Depository Insurance or by collateral held in the pledging bank's trust department in the District's name as required by California Law.

E. Investment in State Investment Pool

The District maintains certain cash and investments with the Calaveras County Treasurer in an investment pool. The District's funds are managed in accordance with the investment policy of the County Treasury. On a quarterly basis the Treasurer allocates interest to participants based upon their average daily balances. Required disclosure information regarding the categorization of investments and investment risk can be found in the County's financial statements. The Calaveras County's financial statements may be obtained by contacting the County of Calaveras County Auditor-Controller's office at 891 Mountain Ranch Road, San Andreas, CA 95249.

**EBBETTS PASS VETERANS MEMORIAL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

Note 3: Property Plant and Equipment

Activity for assets capitalized by the District is summarized below:

	Balance July 1, 2022	Additions	Retirements/ Adjustments	Balance June 30, 2023
Capital assets not depreciated				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Capital assets, being depreciated:				
Buildings and improvements	225,974	19,765		245,739
Total capital assets, being depreciated	225,974	19,765		245,739
Less accumulated depreciation	(94,081)	(3,520)		(97,601)
Governmental activities capital assets, net	\$ 151,893	\$ 16,245	\$ -	\$ 168,138

Note 4: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District joined together with other districts in the State to form Special District Risk Management Authority (SDRMA), a public entity risk pool currently operating as a common risk management and insurance program. The District pays an annual premium to SDRMA for its insurance coverage. The Agreement for Formation of the SDRMA provides that SDRMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims up to \$10,000,000 for general and automobile liability, \$10,000,000 for workers' compensation coverage, and replacement cost less deductible for all risk property insurance.

A Board of Directors governs the SDRMA, consisting of one member appointed by each member District. A management group employed by the SDRMA handles the day-to-day business. At the termination, of the joint power agreement and after all claims have been settled, any excess or deficit will be divided among the districts in accordance with its governing documents. Financial statements of SDRMA are available at the District.

Note 5: Stewardship, Compliance and Accountability

As of June 30, 2023 the budget for the general fund salaries was over expended by \$14,601, and the budget for the general fund services and supplies was over expended by \$20,224.

Note 6: Gann Limit

The District is not subject to the Gann Spending Limit.

Note 7: Revenue Limitations Imposed by California Proposition 218

Proposition 218, which was approved by the voters in November 1996, regulates the District's ability to impose, increase, and extend taxes and assessments. Any new increase or extended taxes and assessments subject to the provisions of Proposition 218, requires voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes and assessments are subject to voter initiative and may be rescinded in the future years by the voters.



**EBBETTS PASS VETERANS MEMORIAL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

Note 8: Commitments and Contingent Liabilities

In the normal course of business, the District is subject to various lawsuits. Defense of lawsuits would typically be handled by the District's insurance carrier and losses, if any, are expected to be covered by insurance. As of June 30, 2023 the District was not aware of any pending or threatened litigation.

**EBBETTS PASS VETERANS MEMORIAL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Property taxes	\$ 86,170	\$ 86,170	\$ 91,039	\$ 4,869
Intergovernmental revenues	696	696	658	(38)
Use of money and property	500	500	11,717	11,217
Other revenues	<u>10,000</u>	<u>10,000</u>	<u>1,500</u>	<u>(8,500)</u>
Total revenues	<u>97,366</u>	<u>97,366</u>	<u>104,914</u>	<u>7,548</u>
Expenditures				
Salaries and benefits			14,601	(14,601)
Services and supplies	<u>30,049</u>	<u>30,049</u>	<u>50,273</u>	<u>(20,224)</u>
Total expenditures	<u>30,049</u>	<u>30,049</u>	<u>64,874</u>	<u>(34,825)</u>
Net change in fund balance	<u><u>\$ 67,317</u></u>	<u><u>\$ 67,317</u></u>	<u>40,040</u>	<u><u>\$ (27,277)</u></u>
Fund balance, beginning of fiscal year			<u>686,646</u>	
Fund balance, end of fiscal year			\$ <u><u>726,686</u></u>	

**EBBETTS PASS VETERANS MEMORIAL DISTRICT**

**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

Note 1: Budgets and Budgetary Accounting

As required by State law the District prepares and legally adopts a final operating budget. Public hearings were conducted on the proposed and final budget to review all appropriations and the sources of financing. The District approved the 2022-23 budget on September 6, 2022.

The budget for the general fund is adopted on the modified accrual basis of accounting. The budget for the general fund and the School Fund are the only legally adopted budgets.

At the object level, actual expenditures cannot exceed budgeted appropriations. Management can transfer budgeted amounts between expenditure accounts within an object without the approval of the Board of Directors. Significant amendments and appropriation transfers between objects or funds must be approved by the Board of Directors. Appropriations lapse at fiscal year-end.

The budgetary data presented in the accompanying financial statements includes all revisions approved by the Board of Directors.