



Management Letter
For Fiscal Year Ended June 30, 2024
Orange County Cemetery District



To the Board of Trustees
Orange County Cemetery District
Lake Forest, California

In planning and performing our audit of the financial statements of Orange County Cemetery District (District), as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

During our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses that are opportunities for strengthening internal controls and operating efficiency. The observations and recommendations are summarized below. This letter does not affect our report dated January 27, 2025, on the financial statements of the District.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

CURRENT YEAR OBSERVATIONS AND RECOMMENDATIONS

Year-End Reporting and Reconciliation of Schedules

Observation:

In testing the capital assets, it was noted that the District does not have a formal policy and procedures regarding GASB 87 leases and GASB 96 SBITA's. Although this did not result in the need of revisions made to the trial balance, a formal policy is recommended to ensure leases and SBITA's are properly tracked and recorded within the District's financial system and for financial statement purposes.

Recommendation:

We recommend the District formalize policies for the ongoing maintenance of currently identified leases and SBITA's, as well as processes to identify agreements on a go forward basis.

Management's Response:

The District concurs with the audit recommendation. We will thoroughly review existing policies and prepare new policies for adoption, including the lease and SBITA policy, prior to the end of the fiscal year ended June 30, 2025.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore, may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the District gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This report is intended solely for the information and use of management of the District, and others within the District and is not intended to be and should not be used by anyone other than these specified parties.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed name and date.

Laguna Hills, California
January 27, 2025