KEYSTONE CEMETERY DISTRICT

Financial Statements
And
Independent Auditor's Report

For the Fiscal Year Ended

June 30, 2025

KEYSTONE CEMETERY DISTRICT

JUNE 30, 2025

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Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Governing Board of
Keystone Cemetery District
Dobbins, CA

Opinions

We have audited the accompanying financial statements of the and for the year ended June 30, 2025, and the notes to the financial statements, which collectively comprise the Keystone Cemetery District, 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 Keystone Cemetery District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Keystone 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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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:

- 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 Keystone Cemetery 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 Keystone Cemetery 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and the budget to actual expenditures on page 24 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it an essential part of financial reporting that places 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.

Blomberg & Griffin A.C.

Blomberg & Griffin A.C.
Stockton, CA

March 25, 2026

KEYSTONE CEMETERY DISTRICT
Management Discussion and Analysis
June 30, 2025

This section of the annual financial report of the Keystone Cemetery District (District) presents our discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2025. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements, including the notes and the supplementary information that immediately follows this section.

FINANCIAL HIGHLIGHTS

The following summarizes the District's financial highlights for the year ended June 30, 2025:

- In total, the government-wide net position was $223,196.
- General revenues accounted for $55,303, or 88.60 percent.
- Total government-wide assets were $223,196.
- Total expenses were $54,143.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, including notes to the financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

The remaining statements are the governmental funds that focus on individual parts of the District, reporting the District's operation in more detail than the government-wide statements.

The fund's financial statements are composed of:

- Government fund statements, which tell how basic services were financed in the short term, as well as what remained for future spending.

Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the District as a whole and its activities. These statements include all the assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are considered regardless of when cash is received or paid.

These two statements report on the District's net position and changes in it. Net position is the difference between assets and liabilities, which is one way to measure the District's financial health, or financial position. Overtime increases or decreases in the district's net position are one indicator of whether its financial health is improving or deteriorating. To assess the overall health of the District, you need to consider additional non-financial factors, including the condition of the District's capital assets and facilities.

REPORTING DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices the District uses to record specific sources of funding and spending on particular programs:

- Some funds are required by law and covenants.
- The District establishes other funds to control and manage money for specific purposes or to show that certain revenues have been properly used.

Governmental Funds

The District's basic services are reported in governmental funds, which generally focus on how money flows into and out of these funds and balances left at year's end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's program.

Because this information does not encompass the additional long-term focus of the government-wide statement, we provide additional information of the governmental fund statements that explain the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The following table presents a summary of the District's statement of net position.

TABLE 1: CONDENSED NET POSITION

	June 30, 2025	June 30, 2024	2025 vs. 2024 $	2025 vs. 2024 %
Assets				
Cash and Investment	$ 173,377	$ 157,535	$ 15,842	10.06%
Other Assets	1,908	1,205	703	58.34%
Capital Assets - Net	47,911	56,183	(8,272)	-14.72%
Total Assets	$ 223,196	$ 214,923	$ 8,273	3.85%
Net Position				
Invested in Capital Assets, net of related debt	47,911	56,183	(8,272)	-14.72%
Restricted	103,420	97,382	6,038	6.20%
Unrestricted	71,865	61,358	10,507	17.12%
Total Net Position	223,196	214,923	8,273	3.85%
Total Liabilities and Net Position	$ 223,196	$ 214,923	$ 8,273	3.85%

A summary of total District revenues, expenses, and changes in net position is present in the table below.

TABLE 2: CONDENSED STATEMENTS OF ACTIVITIES

	June 30, 2025	June 30, 2024	2025 vs. 2024 $	2025 vs. 2024 %
Revenues				
Program Revenues:				
Charges for Services	$ 7,113	$ 2,349	$ 4,764	202.81%
Homeowner Tax & Other Aid	289	294	(5)	-1.70%
General Revenues:				
Taxes	48,509	46,398	2,111	4.55%
Investment & Other Earnings	6,505	4,501	2,004	44.52%
Total Revenues	62,416	53,542	8,874	16.57%
Program Expenses				
Governmental Activities	45,871	70,268	(24,397)	-34.72%
Depreciation	8,272	8,269	3	0.04%
Total Expenses	54,143	78,537	(24,394)	-31.06%
Change in Net Position	8,273	(24,995)	33,268	-133.10%
Beginning Balance	214,923	336,287	(121,364)	
Prior Period Adjustment	-	(96,369)	96,369	-100.00%
Ending Net Position	$ 223,196	$ 214,923	$ 8,273	3.85%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of the close of the 2025 fiscal year, the District's net position ending balance is $223,196.

BUDGETARY HIGHLIGHTS

As finalized by the Board of Trustees, for the fiscal year ending June 30, 2025, budgeted revenues total $-0- (budgeted revenues were not available), expenditures totaled $55,050. Actual revenues were higher than the budget by $55,389. The actual expenditure was less than the budget by $9,766 due to the savings from the capital outlay and the utilities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2025, and 2024, the District owned the following capital assets:

TABLE 3: CAPITAL ASSETS

	June 30, 2025	June 30, 2024	2025 vs. 2024 $	2025 vs. 2024 %
Capital Assets				
Land	$ -	$ -	$ -	0.00%
Building and Improvements	69,314	69,314	-	0.00%
Equipment and Vehicles	36,483	36,483	-	0.00%
Accumulated Depreciation	(57,886)	(49,614)	(8,272)	16.67%
Total Capital Assets-Net of Depreciation	$ 47,911	$ 56,183	$ (8,272)	-14.72%

Long Term Debt

For the year ending June 30, 2025, the District had no long-term debt.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, contact Keystone Cemetery District, P.O. Box 172, Dobbins, CA 95935.

Keystone Cemetery District

Statement of Net Position

June 30, 2025

		Governmental Activities 2025
Assets		
Current Assets		
Cash & Investments	$	69,957
Cash & Investments - Endowment		103,420
Interest Receivable		1,908
Total Current Assets		175,285
Capital Assets		
Capital Assets, net of accumulated depreciation		47,911
Total Assets	$	223,196
Liabilities		
Current Liabilities		-
Total Liabilities		-
Net Position		
Investment in Fixed Assets, Net of Related Debt		47,911
Restricted:		
Endowment nonexpendable		103,420
Unrestricted		71,865
Total Net Position		223,196
Total Liabilities and Net Position	$	223,196

The accompanying notes are an integral part of the financial statements.

Keystone Cemetery District

Statement of Activities

For the Years Ended June 30, 2025

		Governmental Activities 2025
Program Expenses		
Governmental Activities-Cemetery Services:		
Personnel Services	$	27,141
Materials and Supplies		18,730
Depreciation		8,272
Total Program Expenses		54,143
Program Revenues		
Charges for Services		4,753
Endowment Fees		2,360
Total Program Revenues		7,113
Net Program Expenses		47,030
General Revenues		
Taxes:		
Property Taxes		48,509
Homeowner Tax & Other Aid		289
Interest Income		6,505
Total General Revenues		55,303
Change in Net Position		8,273
Net Position - July 01, 2024		214,923
Net Position - June 30, 2025	$	223,196

The accompanying notes are an integral part of the financial statements.

Keystone Cemetery District

Balance Sheet-Governmental Funds

June 30, 2025

	General Funds 2025	Endowment Funds 2025	Total 2025
Assets			
Cash & Investments	$ 69,957	$ 103,420	$ 173,377
Accounts/Interest Receivable	787	1,121	1,908
Total Assets	$ 70,744	$ 104,541	$ 175,285
Liabilities			
Accounts Payable	$ -	$ -	$ -
Total Liabilities	-	-	-
Fund Balances			
Nonspendable	-	103,420	103,420
Unassigned	70,744	1,121	71,865
Total Fund Balances	70,744	104,541	175,285
Total Liabilities and Fund Balances	$ 70,744	$ 104,541	$ 175,285

The accompanying notes are an integral part of the financial statements.

Keystone Cemetery District

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended June 30, 2025

	General Funds 2025	Endowment Funds 2025	Total 2025
Revenues			
Property Taxes	$ 48,509	$ -	$ 48,509
Intergovernmental Revenues	289	-	289
Charges for Current Services	4,753	2,360	7,113
Use of Money & Property	2,425	4,080	6,505
Total Revenues	55,976	6,440	62,416
Expenditures			
Cemetery Services:			
Salaries & Benefits	27,141	-	27,141
Services and Supplies	18,730	-	18,730
Total Expenditures	45,871	-	45,871
Excess of Revenues Over Expenditures	10,105	6,440	16,545
Net Change in Fund Balances	10,105	6,440	16,545
Fund Balances- July 1, 2024	60,639	98,101	158,740
Fund Balances- June 30, 2025	$ 70,744	$ 104,541	$ 175,285

The accompanying notes are an integral part of the financial statements.

Keystone Cemetery District

Reconciliation of the Balance Sheet-Governmental Funds
to the Statement of Net Position
June 30, 2025

	2025
Fund Balances of Governmental Funds	$ 175,285
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds	47,911
Net Position of Governmental Activities	$ 223,196

The accompanying notes are an integral part of the financial statements.

Keystone Cemetery District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2025

	2025
Excess of Revenues Over Expenditures of Governmental Funds	$ 16,545
Amounts reported for governmental activities in the statement of net position are different because:	
Capital outlays is reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation Expense	(8,272)
Change in Net Position of Governmental Funds	$ 8,273

The accompanying notes are an integral part of the financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Keystone Cemetery District is an appointed special district of California formed under Section 8900 of the Health & Safety Code. The District operates and maintains cemetery grounds in Yuba County. The financial transactions are recorded in the Yuba County accounting system and are reflected in the General Fund and one permanent fund.

The District is governed by a three-member Board of Trustees. The Trustees themselves administer the operations of the District in accordance with policies adopted by the Board of Trustees and in accordance with Health & Safety Code Section 8950. The District employs a salaried District Manager to oversee the daily operations of the District. These financial statements encompass all fiscal activities under the control of its Board of Trustees. Control was determined on the basis of budget adoption and continuing oversight responsibilities.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Component Units

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no component units of the District.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information on all the activities of the District. These statements include the financial activities of the overall District. These statements report on the governmental activities of the District, which are normally supported by taxes. The District had no business-type activities as of June 30, 2025.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

Direct expenses are those that are specifically associated with a program or function and, therefore, are identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

Financial Fund Statements

Fund financial statements of the District are organized into two funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures. The District's funds are organized into the governmental category. The emphasis is placed on major funds, each displayed in a separate column.

The District reports on the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District.
- The Endowment fund is a permanent fund used to account for endowment collections.

B. Basis of Accounting and Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property tax, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been met.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting and Measurement Focus (Continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available. Property tax, grants, use of money and property, and charges for services are considered susceptible to accrual and are accrued when received within 60 days after the end of the fiscal year. Expenditures are generally recorded when liability is incurred under accounting. However, debt service expenditures as well as expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of government long-term debt and acquisitions under capital leases are reported as other financing sources.

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activity's column in the government-wide statement of net position.

E. Investments

The District pools all cash and investments with the County of Yuba. The Yuba County Treasury is an external investment pool for the District, and the District is considered an involuntary participant. The District's share in this pool is displayed in the accompanying financial statements, such as cash and investments.

Participants' equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums, and realized capital gains and losses, net of administrative fees, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in the financial statements, as unrealized gains or losses are not apportioned to pool participants.

F. Receivables

Receivables consist mainly of interest. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Inventory

Inventories are recorded as expenditures at the time the inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

H. Capital Assets

Capital assets are to be recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are to be recorded at their acquisition value at the date of donation.

Capital assets used in operations would be depreciated or amortized using the straight-line method over the assets' estimated useful lives in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

Depreciable Asset	Estimated Lives
Equipment	5-20 years
Structures and improvements	10-20 years

The District has not maintained detailed historical cost records for capital assets, accumulated depreciation, or current year depreciation expense.

Maintenance and repairs are to be charged to operations when incurred. Betterments and major improvements that significantly increase values, change capacities, or extend useful lives are to be capitalized. Upon the sale or retirement of capital assets, the cost and related accumulated depreciation are to be removed from the respective accounts, and any resulting gain or loss is to be included in the results of operations.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. As of June 30, 2025, the District did not have any deferred outflows of resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. As of June 30, 2025, the District did not have any deferred inflows of resources.

J. Property Tax

Yuba County is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County of Yuba up to 1 percent of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas.

The valuation/lien date for all taxes is January 1. Secured property tax is due in two installments, the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Unsecured property taxes are due on March 1 and become delinquent if unpaid on August 31.

The County uses the alternative method of property tax apportionment known as the "Teeter Plan". Under this method of property tax apportionment, the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

K. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements, or transfers.

Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures, or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Interfund Transactions (Continued)

Reimbursements occur when the funds responsible for particular expenditure repay the funds that initially paid for them. Such reimbursements are reflected as expenditures in the reimbursing fund and reductions to expenditures in the reimbursed fund.

All other interfund transactions are treated as transfers.

L. Compensated Absences and Other Postemployment Benefits

The District does not provide compensated absences or other post-employment benefits.

M. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2. CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2025, the District's cash and investments consisted of the following:

	2025
Cash in Treasury - General Fund	$ 69,957
Cash in Treasury - Endowment Fund	103,420
Total	$ 173,377

NOTE 2. CASH AND INVESTMENTS (Continued)

B. Investments

The District does not have a formal investment policy. As of June 30, 2025, all investments of the District were in the County of Yuba investment pool. Under the provisions of the County's investment policy and the California Government Code, the County may invest or deposit in the following:

- Bankers' Acceptance
- Commercial Paper
- Local Agency Investment Fund (LAIF)
- Medium-Term Corporate Notes
- Money Market Funds
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Reverse Repurchase Agreements
- Securities of the Federal Government and its Agencies
- California State Registered Warrants, Treasury Notes, and Bonds
- Local Agency Obligations
- Certificates of Deposits
- Pass-Through Securities

Fair Value of Investments - The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets.
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

The District's position in external investment pools is in itself regarded as a type of investment, and looking through to the underlying investments of the pool is not appropriate. Therefore, the District's investment in external investment pools is not recognized in the three-tiered fair value hierarchy described above.

At June 30, 2025, the District had the following recurring fair value measurements:

Investment Measured at Net Asset Value	FY2025 Fair Value	Unfunded Commitment	Redemption Frequency (if currently eligible)	Redemption Notice Period
Pooled Investment				
Yuba County Investment Pool	$ 173,377		Daily	1 Day

NOTE 2. CASH AND INVESTMENTS (Continued)

B. Investments (Continued)

Interest Rate Risk - Interest rate risk is the risk of loss arising from a decline in the fair value of an investment due to rising interest rates. Generally, the longer an investment's maturity, the greater its fair value is sensitive to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the County's investment policy limits investment maturities to a term appropriate to the need for funds to permit the County to meet all projected obligations.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's investment policy sets specific parameters for the type of investment to be made at the time of purchase. As of June 30, 2025, the District's investments were all held with the County of Yuba investment pool, which is not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. With respect to investments, custodial credit risk generally applies to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of mutual funds or government investment pools.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law and the investment policy of the County contain limitations on the amount that can be invested in any one issuer. All investments in the District are in the Yuba County investment pool, which contains a diversification of investments.

C. Investments in External Pool

The Yuba County Pooled Investment Fund is a pooled investment fund program governed by the County, which monitors and reviews the management of public funds maintained in the investment pool in accordance with the County's investment policy and the California Government Code. The Board of Supervisors reviews and approves the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the Board of Supervisors every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost, and fair value. Investments in the Yuba County Pooled Investment Fund are regarded as highly liquid, as deposits and withdrawals can be made at any time without penalty. The Pool does not impose a maximum investment limit. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County of Yuba's financial statements may be obtained by contacting the County of Yuba Auditor-Controller's office at 915 8th Street, Suite 105, Marysville, CA 95901.

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025, was as follows:

	Balance July 01, 2024	Additions	Deletions	Balance June 30, 2025
Governmental Activities:				
Capital assets being depreciated:				
Buildings and improvements	69,314	-	-	69,314
Equipment	36,483	-	-	36,483
Total capital assets being depreciated	105,797	-	-	105,797
Less accumulated depreciation	(49,614)	(8,272)	-	(57,886)
Total capital assets being depreciated, net	56,183	(8,272)	-	47,911
Governmental activities, capital assets, net	$ 56,183	$ (8,272)	$ -	$ 47,911

Depreciation

The District recorded depreciation expense of $8,272 for the fiscal year 2025.

NOTE 4: NET POSITION

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- **Net investment in capital assets** - consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

- **Unrestricted net position** - all other net positions that do not meet the definition of "restricted" or "net investment in capital assets".

Net Position Flow Assumption

When the government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net positions are available, it is considered that restricted resources are used first, followed by unrestricted resources.

NOTE 5: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2025, fund balances for governmental funds are made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

- **Committed fund balance** - amounts that can only be used for specific purposes determined by formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the District that can, by Board action, commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

- **Assigned fund balance** - amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making or by a body or an official designated for that purpose.

- **Unassigned fund balance** - the residual classification for the District's General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amount restricted, committed, or assigned to those purposes.

NOTE 5: FUND BALANCES (Continued)

The fund balances for the governmental funds as of June 30, 2025, were distributed as follows:

	General	Endowment	Total
Restricted for:			
Endowment	$ -	$ 103,420	$ 103,420
Unassigned	70,744	1,121	71,865
Total	$ 70,744	$ 104,541	$ 175,285

Fund Balance Flow Assumption

When the government funds outlays for a particular purpose from both restricted and unrestricted resources (the total committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balances are available, it is considered that the restricted fund balance is depleted before using any of the components of the unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by unassigned fund balance.

Fund Balance Policy

The Board of Trustees has not adopted a formal fund balance or minimum fund balance policy by passage of an ordinance or resolution.

NOTE 6: 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 purchases coverage from a commercial carrier. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 7: SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 15, 2026, the date these financial statements were available for release. The management has determined that no subsequent events occurred that require recognition or additional disclosures in the financial statements.

Keystone Cemetery District
Budgetary Comparison Schedule
General fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
General Property Taxes	$ -	$ -	$ 48,509	$ 48,509
Homeowners Property Taxes	-	-	289	289
Fees and Services:				
Cemetery lots	-	-	4,753	4,753
Interest and Dividends	-	-	1,838	1,838
Total Revenue	-	-	55,389	55,389
Expenditures				
Salaries	26,700	26,700	27,141	(441)
Insurance	5,300	5,300	3,437	1,863
Equipment Maintenance	800	800	65	735
Structure Maintenance	500	500	-	500
Grounds Maintenance	2,500	2,500	1,704	796
Office Expense	1,000	1,000	530	470
Professional Expense	5,000	5,000	4,822	178
Small Tools	150	150	-	150
Special Expense	600	600	1,279	(679)
Travel	1,500	1,500	631	869
Utilities	7,000	7,000	5,675	1,325
Fixed Assets	3,500	3,500	-	3,500
Contingencies	500	500	-	500
Total Expenditures	55,050	55,050	45,284	9,766
Excess of Expenditures Over Revenues	(55,050)	(55,050)	10,105	65,155
Net Change in Fund Balances			10,105	65,155
Fund Balances- Beginning, July 01, 2024			60,639	
Fund Balances- Ending, June 30, 2025			$ 70,744	

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

The District prepares an expenditure budget annually, which is approved by the Board of Trustees, setting forth the contemplated fiscal requirements. The District's budget is maintained on the modified accrual basis of accounting. The results of operations are presented in the budget to the actual schedule in accordance with the budgetary basis.

Reported budget amounts reflect the annual as originally adopted and the final adopted amounts. There were no amendments to the budget during the year ending June 30, 2025. The budget amounts are based on estimates of the District's expenditure and the proposed means of financing them. Actual expenditures for certain line items may vary significantly from the budget due to the timing of such expenditures.