

**NEWCASTLE, ROCKLIN, GOLD HILL
CEMETERY DISTRICT**

Newcastle, California

**ANNUAL FINANCIAL REPORTS
with Independent Auditor's Report
Financial Report**

For the Fiscal Year Ended June 30, 2025

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Annual Financial Report
For the Year Ended June 30, 2025

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david farnsworth cpa
ACCOUNTING • ADVISORY • ASSURANCE

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Newcastle, Rocklin, Gold Hill Cemetery District
Newcastle, California

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Newcastle, Rocklin, Gold Hill Cemetery District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Newcastle, Rocklin, Gold Hill 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 and each major fund of the Newcastle, Rocklin, Gold Hill Cemetery District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Newcastle, Rocklin, Gold Hill 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 Newcastle, Rocklin, Gold Hill 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 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 Newcastle, Rocklin, Gold Hill 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 Newcastle, Rocklin, Gold Hill 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–9; budgetary comparison information, the schedule of the District's proportionate share of the net pension liability, schedule of the District's pension contributions, schedule of changes in the District total OPEB liability and related ratios, and the schedule of the District's OPEB contributions on pages 40–48 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.

David Farnsworth, CPA

Milpitas, California
March 5, 2026

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Management's Discussion & Analysis
June 30, 2025

As management of the Newcastle, Rocklin, Gold Hill Cemetery District, we offer the residents and other readers of the Newcastle, Rocklin, Gold Hill Cemetery District's financial statements this management discussion and analysis (MD&A). The MD&A provides a narrative overview and analysis of the financial statements of the Newcastle, Rocklin, Gold Hill Cemetery District for the fiscal year ended June 30, 2025, focusing on why amounts changed from the prior year.

Financial Highlights

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

- In total, government-wide net position was \$21,541,483
- General revenues accounted for \$2,920,864 or 87.63% of total revenues
- Program revenues accounted for \$367,637 or 11.03% of total revenues
- Contributions to permanent funds accounted for \$44,580 or 1.34% of total revenues
- Total government-wide assets were \$22,698,000
- Total government-wide deferred outflows were \$284,590
- Total government-wide liabilities were \$1,356,783
- Total government-wide deferred inflows were \$84,324
- Total program expenses were \$2,029,810

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Newcastle, Rocklin, Gold Hill Cemetery District's basic financial statements. The Newcastle, Rocklin, Gold Hill Cemetery District's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves. 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.

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

The *statement of net position* presents financial information on all of the Newcastle, Rocklin, Gold Hill Cemetery District's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 Newcastle, Rocklin, Gold Hill Cemetery District is improving or deteriorating.

The *statement of activities* presents information showing how the Newcastle, Rocklin, Gold Hill Cemetery 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, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 11–12 of this report.

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 Newcastle, Rocklin, Gold Hill Cemetery 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 Newcastle, Rocklin, Gold Hill Cemetery District can be divided into one category: governmental funds.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Management's Discussion & Analysis
June 30, 2025

Overview of the Financial Statements (Continued)

Fund Financial Statements (Continued)

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 assessing 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Newcastle, Rocklin, Gold Hill Cemetery District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital projects fund, and the permanent fund, which are considered to be major funds.

The Newcastle, Rocklin, Gold Hill Cemetery District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget in the required supplementary information section.

The basic governmental fund financial statements can be found on pages 13–16 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18–38 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Newcastle, Rocklin, Gold Hill Cemetery District's budgetary comparison schedule for the general fund and the progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 40–48.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Newcastle, Rocklin, Gold Hill Cemetery District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$21,541,483, at the close of the most recent fiscal year.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Management's Discussion & Analysis
June 30, 2025

Government-wide Overall Financial Analysis (Continued)

Condensed Statement of Net Position

	Governmental Activities		Dollar Change	Percentage Change
	2025	2024		
Assets				
Current and other assets	\$ 17,025,882	\$ 16,903,790	\$ 122,092	0.72%
Capital assets, net	5,672,118	4,433,642	1,238,476	27.93%
Total assets	<u>22,698,000</u>	<u>21,337,432</u>	<u>1,360,568</u>	<u>6.38%</u>
Total deferred outflows of resources	<u>284,590</u>	<u>313,664</u>	<u>(29,074)</u>	<u>-9.27%</u>
Liabilities				
Current liabilities	96,967	54,683	42,284	77.33%
Long-term liabilities	1,259,816	1,235,957	23,859	1.93%
Total liabilities	<u>1,356,783</u>	<u>1,290,640</u>	<u>66,143</u>	<u>5.12%</u>
Total deferred inflows of resources	<u>84,324</u>	<u>122,244</u>	<u>(37,920)</u>	<u>-31.02%</u>
Net position				
Net investment in capital assets	5,672,118	4,433,642	1,238,476	27.93%
Restricted	3,117,272	2,308,161	809,111	35.05%
Unrestricted	12,752,093	13,496,409	(744,316)	-5.51%
Total net position	<u>\$ 21,541,483</u>	<u>\$ 20,238,212</u>	<u>\$ 1,303,271</u>	<u>6.44%</u>

Current and other assets increased in governmental activity by \$122,092 from the prior year. The increase is due to a decrease of \$1,414,873 in cash and investments, an increase of \$2,194 in receivables, a decrease of \$23,038 in inventory and an increase of \$1,557,809 in restricted assets. Capital assets, net of accumulated depreciation increased by \$1,238,476. The increase is due to capital expenditures being greater than depreciation expense. Deferred outflows decreased by \$29,074. The decrease is due to a decrease in deferred outflows related to pension of \$29,225 and an increase in deferred outflows related to OPEB of \$151.

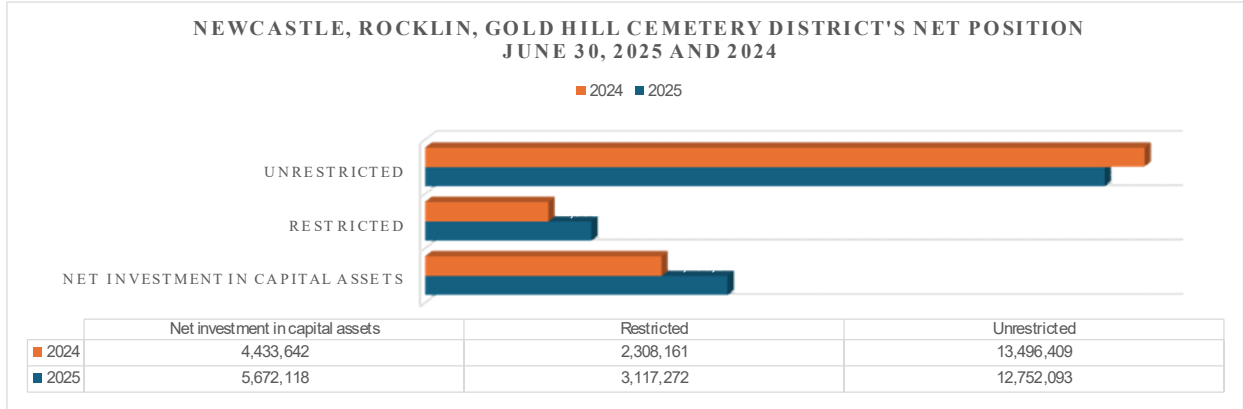
Current liabilities in governmental activities increased by \$42,284 from the previous year due to an increase of \$39,743 in accounts payable, an increase of \$3,361 in accrued liabilities, and a decrease of \$820 in unearned revenue. Long-term liabilities in governmental activities increased by \$23,859 due to a decrease of \$906 in net pension liability, an increase of \$22,447 in total OPEB liability, and an increase of \$2,318 in compensated absences. Deferred inflows of resources decreased by \$37,920. The decrease is due to a decrease in deferred inflows of resources related to pensions by \$42,790 and deferred inflows of resources related to OPEB increased by \$4,870.

By far, the largest portion of the District's net position, \$12,752,093 or 59.20%, reflects unrestricted net position. The second largest portion of the District's net position reflects net investment in capital assets of \$5,672,118 or 26.33% (e.g. land, buildings, machinery, and vehicles). The District uses these capital assets to provide interment services to its citizens. Accordingly, these assets are not available for future spending.

The last portion of the District's net position reflects restricted net position of \$3,117,272 or 14.47%. Restricted net position reflects expendable for pension obligations and repairs and cemetery maintenance, and nonexpendable restricted net position to report the endowment principal. The nonexpendable restricted net position cannot be spent, and the expendable portion can be spent with Board approval for repairs and maintenance of cemetery grounds or pension obligations.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Management's Discussion & Analysis
June 30, 2025

Government-wide Overall Financial Analysis (Continued)



The District's overall net position increased by \$1,303,271 from the prior year. The reason for this overall increase is discussed in the following section.

	Governmental Activities		Dollar Change	Percentage Change
	2025	2024		
Revenues:				
Program revenues:				
Charges for services	\$ 367,637	\$ 465,751	\$ (98,114)	-21.07%
General revenues:				
Property taxes	2,258,126	2,172,062	86,064	3.96%
Investment earnings	644,838	501,090	143,748	28.69%
Sale of capital assets	17,900	-	17,900	
Total revenues	<u>3,288,501</u>	<u>3,138,903</u>	<u>149,598</u>	<u>4.77%</u>
Expenses:				
Interment services	2,029,810	1,927,682	102,128	5.30%
Total expenses	<u>2,029,810</u>	<u>1,927,682</u>	<u>102,128</u>	<u>5.30%</u>
Increase in net position before contributions to permanent funds	1,258,691	1,211,221	47,470	3.92%
Contributions to permanent funds	<u>44,580</u>	<u>60,880</u>	<u>(16,300)</u>	<u>-26.77%</u>
Change in net position	1,303,271	1,272,101	31,170	2.45%
Net position - beginning as restated	<u>20,238,212</u>	<u>18,959,268</u>	<u>1,278,944</u>	<u>6.75%</u>
Net position - ending	<u>\$ 21,541,483</u>	<u>\$ 20,231,369</u>	<u>\$ 1,310,114</u>	<u>6.48%</u>

Governmental Activities. During the current fiscal year, net position for governmental activities increased by \$1,303,271 from the prior year for an ending balance of \$21,541,483. Revenues increased \$149,598 from the prior year due to a decrease in program revenues of \$98,114 and an increase in general revenues of \$247,712.

Expenses increased during the current year, increasing from \$1,927,682 in the prior year to \$2,029,810 in the current year.

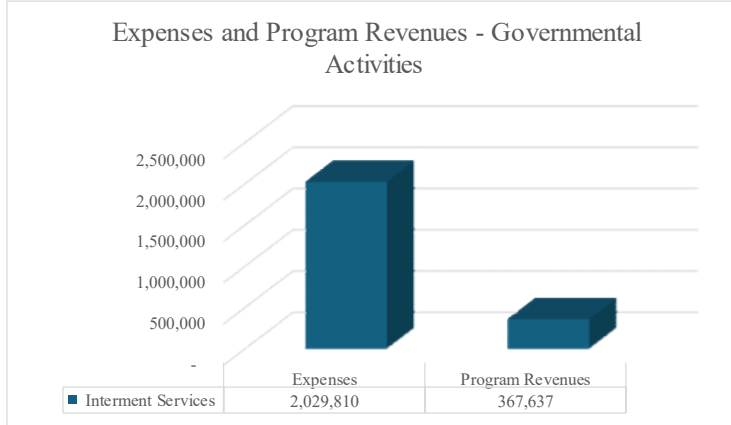
Contributions to permanent funds decreased by \$16,300. The decrease is due to a decrease in interment burials compared to the prior year.

As shown in the chart below, revenues generated by the Newcastle, Rocklin, Gold Hill Cemetery District's program revenues are not sufficient to cover the costs.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Management's Discussion & Analysis
June 30, 2025

Government-wide Overall Financial Analysis (Continued)

The Newcastle, Rocklin, Gold Hill Cemetery District relies on property taxes, investment income and other general revenues to cover the costs associated with the Newcastle, Rocklin, Gold Hill Cemetery District's program (interment services).



Financial Analysis of Governmental Funds

As noted earlier, Newcastle, Rocklin, Gold Hill Cemetery District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Newcastle, Rocklin, Gold Hill Cemetery District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Newcastle, Rocklin, Gold Hill Cemetery District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Newcastle, Rocklin, Gold Hill Cemetery District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Newcastle, Rocklin, Gold Hill Cemetery District's Board of Trustees.

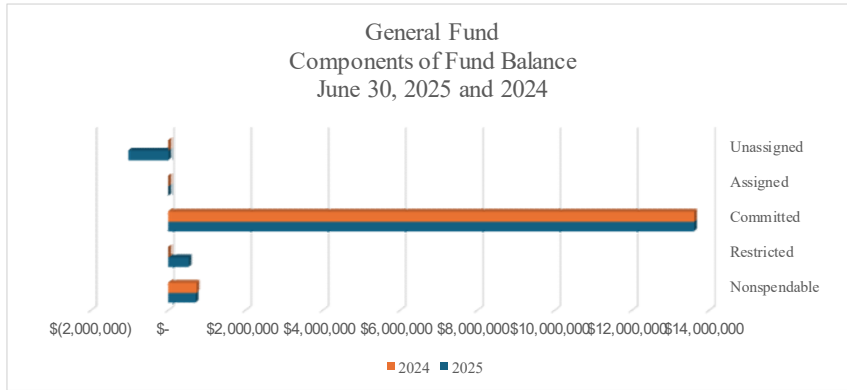
At June 30, 2025, the Newcastle, Rocklin, Gold Hill Cemetery District's governmental funds reported combined fund balances of \$16,928,915 an increase of \$79,808 in comparison with the prior year.

Of this amount, -\$1,034,423 or -7.22%, constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is (1) not in spendable form, \$701,366, (2) not spendable because it is legally required to be maintained intact, \$1,594,240; (3) restricted for pension obligations, \$520,776 and maintenance and repairs of the cemetery, \$1,002,256, (4) committed for future capital expenditures, \$10,100,000 and committed for contingencies, \$3,500,000, and (5) assigned for subsequent year's budget: appropriation of fund balance, \$544,700.

The general fund is the chief operating fund of the Newcastle, Rocklin, Gold Hill Cemetery District. At the end of the current fiscal year, unassigned fund balance of the general fund was -\$1,034,423, while total fund balance decreased to \$13,616,808. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents -31.80% of total general fund expenditure, while total fund balance represents 440.55% of that same amount.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Management’s Discussion & Analysis
June 30, 2025

Financial Analysis of Governmental Funds (Continued)



The fund balance of the Newcastle, Rocklin, Gold Hill Cemetery District’s general fund decreased by \$42,474 during the current fiscal year. As discussed earlier in connection with governmental activities, the decrease was due to a net change in fund balances of -\$62,498. Revenues increased by \$112,278. The increase of \$112,278 is due to an increase of \$86,064 in property tax revenue, a decrease of \$98,114 in charges for services, and an increase of \$124,328 in investment earnings, Total expenditures increased by \$1,351,221. The increase is due to an increase of \$99,972 in salaries and benefits, an increase of \$56,515 in services and supplies, and increase of \$1,194,734 in capital outlay.

The permanent fund, a major fund, had an increase of \$142,306 from \$2,454,190 to \$2,596,496. The increase is due to an increase in investment earnings of \$19,420 and a decrease of \$16,300 in contributions to endowment.

General Fund Budgetary Highlights

Original budget compared to final budget. As finalized by the Board of Trustees, original and final budgeted revenues totaled \$2,772,500 and original and final expenditures totaled \$3,663,200. Expenditures were budgeted to exceed revenues by \$890,700. The excess was budgeted to be spent by prior year fund balances.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues and estimated expenditures and actual expenditures were as follows:

	Final Budgeted	Actual	Difference
Revenue source	Revenues	Revenues	Difference
Property tax	\$ 2,110,000	\$ 2,258,126	\$ 148,126
Charges for services	302,500	367,637	65,137
Investment earnings	360,000	547,112	187,112
Total revenues	2,772,500	3,172,875	400,375
Expenditures source			
Salaries and benefits	1,262,200	1,238,697	23,503
Services and supplies	521,000	513,824	7,176
Capital outlay	1,880,000	1,500,752	379,248
Total expenditures	\$ 3,663,200	\$ 3,253,273	\$ 409,927

Management projected the same amount of property tax, a decrease in charges for services and an increase in investment earnings. Actual revenues exceeded projected revenues. Management projected an increase in salaries and benefits, services and supplies, and capital outlay. The actual expenditures did not exceed projected expenditures.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Management's Discussion & Analysis
June 30, 2025

Capital Assets and Debt Administration

Capital assets. The Newcastle, Rocklin, Gold Hill Cemetery District's investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$5,672,118 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, and vehicles. The total increase in capital assets for the current fiscal year was 27.93%.

	Capital Assets			
	Governmental Activities		Dollar Change	Percentage Change
	2025	2024		
Land and construction in progress	\$ 430,106	\$ 521,672	\$ (91,566)	-17.55%
Buildings, improvements, and infrastructure	7,385,565	5,968,843	1,416,722	23.74%
Machinery and equipment	926,836	789,028	137,808	17.47%
Accumulated depreciation	(3,070,389)	(2,845,901)	(224,488)	7.89%
Total capital assets, net	<u>\$ 5,672,118</u>	<u>\$ 4,433,642</u>	<u>\$ 1,238,476</u>	<u>27.93%</u>

Major capital assets events during the current fiscal year included the following:

- Rocklin pavilion and restroom
- F-350 Ford Truck
- Riding Lawn Mower
- Lowering Device
- Information Center/Kiosk
- Jack Hammer

Capital assets purchased or acquired with an original cost of \$3,000 or more are reported at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are reported at fair market value as of the date contributed. Depreciation is a systematic approach to allocate the cost of capital assets over their estimated useful lives. Additional details about capital assets are shown in notes 1 and 3 in the financial statements.

Long Term Debt. At the end of the current fiscal year, the District did not report any long-term debt or financing.

Economic Factors and Next Year's Budget

The following economic factors currently affect the Newcastle, Rocklin, Gold Hill Cemetery District and were considered in developing the 2025-2026 fiscal year budget.

- An increase in the rates of interment sales
- An increase in property tax revenues
- An increase in investment earnings
- On the expenditure side, increases are expected in salaries & benefits and services & supplies, and decreases are expected in capital outlay

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Newcastle, Rocklin, Gold Hill 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 requests for additional financial information should be addressed to the District Manager, Newcastle, Rocklin, Gold Hill Cemetery District, 850 Taylor Road, Newcastle, California 95658.

FINANCIAL STATEMENTS

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT

Statement of Net Position

June 30, 2025

	Governmental Activities
ASSETS	
Cash and investments	\$ 13,166,771
Interest receivable	50,276
Inventories	701,366
Restricted cash and investments	3,107,469
Capital assets:	
Nondepreciable	430,106
Depreciable, net	5,242,012
Total assets	<u>22,698,000</u>
 DEFERRED OUTFLOW OF RESOURCES	
Pension related	284,439
OPEB related	151
Total Deferred Outflows of Resources	<u>284,590</u>
 LIABILITIES	
Accounts payable	47,725
Accrued expenses	36,119
Unearned revenues	13,123
Noncurrent liabilities:	
Due within one year: compensated absences	25,134
Due in more than one year:	
Net pension liability	891,965
Total OPEB liability - non-funded plan	242,179
Compensated absences	100,538
Total liabilities	<u>1,356,783</u>
 DEFERRED INFLOWS OF RESOURCES	
Pension related	79,454
OPEB related	4,870
Total Deferred Inflows of Resources	<u>84,324</u>
 NET POSITION	
Net investment in capital assets	5,672,118
Restricted for:	
Expendable	1,523,032
Nonexpendable	1,594,240
Unrestricted	12,752,093
Total net position	<u>\$ 21,541,483</u>

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

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT

Statement of Activities

For the Year Ended June 30, 2025

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Net (Expense) Revenues and Changes in Net Position</u>
			<u>Primary Government Governmental Activities</u>
Governmental Activities:			
Interment services	\$2,029,810	\$ 367,637	\$ (1,662,173)
Total governmental activities	<u>\$2,029,810</u>	<u>\$ 367,637</u>	<u>(1,662,173)</u>
General revenues:			
Property taxes			2,258,126
Investment earnings			644,838
Sale of capital assets			17,900
Contributions to endowment			44,580
Total general revenues and contributions			<u>2,965,444</u>
Change in net position			1,303,271
Net position, beginning as restated			20,238,212
Net position, ending			<u>\$ 21,541,483</u>

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

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT

**Balance Sheet
Governmental Funds
June 30, 2025**

	General Fund	Permanent Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 63,288	\$ -	\$ 63,288
Investments	13,103,483	-	13,103,483
Restricted investments	520,776	2,586,693	3,107,469
Interest receivable	41,994	8,282	50,276
Inventories	701,366	-	701,366
Due from other funds	-	1,521	1,521
Total assets	<u>\$ 14,430,907</u>	<u>\$ 2,596,496</u>	<u>\$ 17,027,403</u>
LIABILITIES			
Accounts payable	\$ 47,725	\$ -	\$ 47,725
Accrued expenses	36,119	-	36,119
Unearned revenues	13,123	-	13,123
Due to other funds	1,521	-	1,521
Total liabilities	<u>98,488</u>	<u>-</u>	<u>98,488</u>
FUND BALANCES			
Nonspendable:			
Inventories	701,366	-	701,366
Endowment	-	1,594,240	1,594,240
Restricted:			
Pension obligations	520,776	-	520,776
Maintenance and repairs of cemetery	-	1,002,256	1,002,256
Committed:			
Future capital expenditures	10,100,000	-	10,100,000
Contingencies	3,500,000	-	3,500,000
Assigned:			
Subsequent year's budget: appropriation of fund balance	544,700	-	544,700
Unassigned	(1,034,423)	-	(1,034,423)
Total fund balances	<u>14,332,419</u>	<u>2,596,496</u>	<u>16,928,915</u>
Total liabilities and fund balances	<u>\$ 14,430,907</u>	<u>\$ 2,596,496</u>	<u>\$ 17,027,403</u>

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

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2025

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

Total fund balances - governmental funds		\$ 16,928,915
<p>Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Capital assets at cost		8,742,507
Accumulated depreciation		(3,070,389)
<p>Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.</p>		
Deferred outflows - pension related	284,439	
Deferred outflows - OPEB related	151	
Deferred inflows - pension related	(79,454)	
Deferred inflows - OPEB related	(4,870)	
Total deferred outflows and inflows related to postemployment benefits		200,266
<p>Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.</p>		
Compensated absences	(125,672)	
Total OPEB liability - non-funded plan	(242,179)	
Net pension liability	(891,965)	(1,259,816)
Net position of governmental activities		<u>\$ 21,541,483</u>

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

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Permanent Fund	Total Governmental Funds
REVENUES			
Property taxes	\$ 2,258,126	\$ -	\$ 2,258,126
Charges for services	367,637	-	367,637
Investment earnings	547,112	97,726	644,838
Contributions to endowment	-	44,580	44,580
Total revenues	<u>3,172,875</u>	<u>142,306</u>	<u>3,315,181</u>
EXPENDITURES			
Interment services:			
Salaries and benefits	1,238,697	-	1,238,697
Services and supplies	513,824	-	513,824
Capital outlay	1,500,752	-	1,500,752
Total expenditures	<u>3,253,273</u>	<u>-</u>	<u>3,253,273</u>
Excess of revenues over expenditures	(80,398)	142,306	61,908
OTHER FINANCING SOURCES			
Sale of general capital assets	17,900	-	17,900
Total other financing sources	<u>17,900</u>	<u>-</u>	<u>17,900</u>
Net change in fund balances	(62,498)	142,306	79,808
FUND BALANCES			
Fund balances - beginning as restated	13,679,306	2,454,190	16,133,496
Fund balances - ending	<u>\$ 13,616,808</u>	<u>\$ 2,596,496</u>	<u>\$ 16,213,304</u>

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

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balances - governmental funds	\$ 79,808
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.	1,238,476
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Changes in compensated absences	(2,318)
Changes in pension liabilities and related deferred outflows and inflows of resources	14,471
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>(27,166)</u>
Change in net position of governmental activities	<u>\$ 1,303,271</u>

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

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
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June 30, 2025

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NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

A. Description of the Financial Reporting Entity

Organization. The Newcastle, Rocklin, Gold Hill Cemetery District (the District) is located in Newcastle, California. The District was formed May 30, 1927, under the Health and Safety Code Sections 8890 et seq., to provide burial facilities for the residents of the area. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments and to general practice in California Special Districts. The District accounts for its financial transactions in accordance with the policies and procedures of the State Controller’s Office Division of Local Government Fiscal Affairs Minimum Audit Requirements and Reporting Guidelines for California Special Districts.

The financial statements of the District have been prepared in conformity with the accounting principles generally accepted in the United States of America (“GAAP”), as specified by the Governmental Accounting Standards Board (“GASB”). The more significant of the District’s accounting policies are described below.

Financial Statement Presentation

The District’s financial report is prepared in accordance with GAAP which prescribes that the following sections be presented:

- Management’s Discussion and Analysis – GAAP requires the financial statements be accompanied by a narrative introduction and analytical overview of the government’s financial activities in the form of management’s discussion and analysis (“MD&A”).
- Government-Wide and Fund Financial Statements – Government-Wide Financial Statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government’s activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Primary Government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the Primary Government is reported separately from certain legally separate component units for which the Primary Government is financially accountable.

Statement of Net Position - The Statement of Net Position is designed to display the financial position of the Primary Government (governmental activities). Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense - the cost of “using up” capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government’s functions.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Description of the Financial Reporting Entity (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items are not included among program revenues as they are not levied for a particular program.

Separate financial statements are provided for governmental funds and major individual governmental funds are reported as separate columns in the fund financial statements.

Fund Financial Statements – The fund financial statements provide information about the District’s governmental funds. Separate statements for each fund category – governmental – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Separate financial statements are provided for the major individual governmental funds reported as separate columns in the fund financial statements.

- Required Supplementary Information (“RSI”) – Demonstrating compliance with the adopted budget is an important component of a government’s accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the GAAP reporting model, governments provide budgetary comparison information in their annual reports including the original budget, final budget and actual results. In addition to budgetary information, the RSI section also presents trend information related to the District’s pension plan and OPEB plan.
- Financial Reporting Entity – The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a Primary Government’s reporting entity for the basic financial statements is financial accountability wherein the entity is both fiscally dependent on the Primary Government and provides either a benefit or creates a burden on the Primary Government. The District does not have any component units.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accompanying financial statements are prepared in accordance with GAAP as applicable to governmental units. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year when all eligibility requirements imposed by the provider have been satisfied.

The government-wide Statement of Activities reflects both the gross and net cost per functional category which are otherwise being supported by general government revenues, (property taxes, certain intergovernmental revenues, permits, and charges, etc.).

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting; however, debt service expenditures as well as expenditures related to compensated absences and claims, and judgments are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable revenues. Licenses, permits, are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state, and other grants for the purpose of funding specific expenditures, are recognized when all eligibility requirements have been satisfied. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

In the fund financial statements, financial transactions and accounts of the District are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

1. Governmental Funds – Governmental Funds are those through which most governmental functions typically are financed. The District reports the general fund, capital projects fund, and permanent fund as major governmental funds.

General Fund – The General Fund is the primary operating fund of the District. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income.

Permanent Fund – The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support maintenance and repairs of the cemetery.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Financial Reporting

Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

In June 2022, the GASB issued Statement No. 100 – Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

In June 2022, the GASB issued Statement No. 101 – Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Financial Reporting (Continued)

Future Governmental Accounting Standards Board Statements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2025 that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 103

In April 2024, the GASB issued Statement No. 103 – Financial Reporting Model Improvements. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government’s accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management’s discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity’s statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 104

In September 2024, the GASB issued Statement No. 104 – Disclosure of Certain Capital Assets. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

D. Cash and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments. State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposits, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Due From/Due To Other Funds

During the course of operations the District has activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “Due from/Due to other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

F. Inventories

Inventory consists of vaults, both uninstalled and preinstalled vaults. Inventory is stated at cost using the first-in, first-out method of accounting. The cost of vaults is removed from inventory at the time of sale.

G. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental columns in the government-wide financial statements for the District. Capital assets are defined by the District as land, buildings, infrastructure, and equipment with an initial individual cost of more than \$3,000 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. 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. Property, plant, and equipment of the Primary Government are depreciated using the straight-line method over the following estimated useful lives.

Assets	Years
Structures	50
Improvements and infrastructure	20 – 30
Equipment	3 – 10
Office furniture and equipment	3 - 10

H. Deferred Outflows and Inflows of Resources

In addition to assets, the Balance Sheet and the Statement of Net Position may report a separate section for deferred outflows of resources, which represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

The District reports deferred outflows and inflows of resources related to pensions and other postemployment benefits, in the government-wide. In addition to liabilities, the Balance Sheet and the Statement of Net Position may report a separate section for deferred inflows of resources represent an acquisition of net assets that applies to future periods, and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the Districts reports deferred inflows of resources related to pensions and other postemployment benefits.

I. Unearned Revenues

Unearned revenue arises when resources are received by the District before it has a legal claim to them, meaning the earnings process is not yet complete. Under both the accrual and modified accrual bases of accounting, revenue recognition is deferred until the District provides the associated services or delivers the applicable merchandise.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Unearned Revenues (Continued)

For the District, unearned revenue primarily consists of "pre-need" sales and advance payments. The District's specific policies for recognizing revenue related to cemetery operations are as follows:

- Pre-Need Services: Payments received in advance for future services, such as the opening and closing of graves, crypts, or niches, are recorded as unearned revenue as a liability on the Statement of Net Position. Revenue is recognized in the period when the specific service is actually performed (typically at the time of interment).

J. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Vacation time may be carried over and accumulated in subsequent calendar years to a maximum of 160 hours excess; accumulated hours, if any will be cashed out in January of each year.

K. Pensions

The District contributes to a defined benefit pension plan, California Public Employees Retirement System (CalPERS), a cost-sharing, multi-employer defined benefit pension plan administered by the California Public Employees Retirement System, which is a statutorily funded plan.

L. Other Postemployment Benefits

The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act (PEMHCA), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options.

M. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

N. Fund Balances

In the governmental fund financial statements, fund balance may be composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The governmental fund types classify fund balances as follows:

- Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form (e.g., inventory) or (b) legally or contractually required to be maintained intact (e.g., long-term amount of loans/note receivable). The nonspendable balance reports for inventories, and permanent endowment of the cemetery.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

N. Fund Balances (Continued)

- **Restricted Fund Balance** – This classification includes amounts that are restricted to specific purposes by external parties, constitutional provisions, or imposed by creditors (e.g., bond covenants). The restricted fund balance reports for interest earned in the permanent fund principal balance and on future pension obligations.
- **Committed Fund Balance** – This portion of fund balance can only be used for specific purposes determined by a formal action of the District’s highest level of decision-making authority which is the Board of Trustees. Any changes or removal of specific purpose requires majority action by the governing body. The committed balance is to report future capital expenditures and contingencies.
- **Assigned Fund Balance** – The portion of fund balance that the District intends to use for specific purposes as expressed by the governing body itself, the budget document, or delegated official, the District Manager. The assigned balance is to account the subsequent year’s budget: appropriations of fund balance.
- **Unassigned Fund Balance** – The portion of the fund balance available for any purpose. Includes all spendable amounts not classified as nonspendable, restricted, committed, or assigned. The General Fund is the only fund that would report a positive amount in the unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the District’s policy is to apply restricted fund balances first, then unrestricted fund balances as needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

O. Net Position

Net position is the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets less accumulated depreciation less any outstanding debt and deferred inflows and outflows related to the acquisition, construction, or improvement of those assets.

Investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and related debt.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of investment in capital assets or the restricted component of net position.

P. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

Q. Property Tax

Property taxes are assessed under various legislative provisions, contained in the Government Code and the Revenue and Taxation Code, by the County Assessor and State Board of Equalization. Taxes on real property are limited to one percent of assessed valuation, plus additional taxes for repayment of any existing voted indebtedness. The County of Placer in accordance with statutory formulas collects and distributes the taxes to the District. Tax increment revenues received by redevelopment agencies in the County of Placer are passed-through directly to the District by the cities receiving the taxes.

Secured property taxes are levied on or before the first business day of September of each year. They become a lien on real property on January 1 preceding the fiscal year for which taxes are levied and can be paid in two installments.

The first installment is due November 1 and delinquent December 10, and the second installment is due February 1 of the following year and is delinquent April 10. Unsecured personal property taxes are due January 1st and become delinquent if unpaid on August 13.

The District participates in an alternative method of distribution of property tax levies and assessments known as the "Teeter Plan."

The State Revenue and Taxation Code allows counties to distribute secured real property, assessment, and supplemental property taxes on an accrual basis resulting in full payment to taxing agencies each fiscal year. Any subsequent delinquent payments and penalties and interest during a fiscal year will revert to the County. The Teeter Plan payment, which includes 95% of the outstanding accumulated delinquency, is included in property tax revenue retained by the County under the revenue neutrality agreement.

Under the Teeter Plan Code, 5% of the delinquency must remain with the County as a reserve for Teeter plan funding. The Teeter Plan does not allow the District to earn interest in a meaningful way on its reserves and the District has an objective to develop reserves to allow it to earn interest and go off the teeter plan.

Note 2 – Deposits and Investments

Policies

The District does not have a formally adopted, investment policy. In the absence of a specific local policy, the District's deposit and investment activities are strictly governed by the statutes of the State of California, Government Code Section 53600 et seq.

The District utilizes a pooled cash and investment concept for the general fund and permanent fund to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

Cash deposits with financial institutions

Custodial credit risk – deposits. In the case of deposits, this is the risk that, in the event of a bank's failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 2 – Deposits and Investments (Continued)

Cash deposits with financial institutions (Continued)

As of June 30, 2025, the District’s bank balance was \$63,288 and \$250 of that amount was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging or financial institution’s trust department or agent, not in the District’s name. The carrying amount of the deposits as of June 30, 2025, was \$63,288, and is reported in the financial statements as follows:

Government-wide Statement of Net Position

Governmental activities:

Petty cash	\$ 250
Cash with financial institution	63,038
Total carrying amount of deposits	\$ 63,288

Investments

Investments Authorized by the California Government Code and the District’s Investment Policy – The table below identifies the investment types that are authorized for the District by the California Government Code or the County’s investment policy, whichever is more restrictive. The table also identifies certain provisions that address interest rate, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Required Rating
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Banker’s Acceptances	5 years	40%	None
Commercial Paper – Selected Agencies	270 Days	25%	Highest letter and number rating by an NRSRO
Commercial Paper – Other Agencies	270 Days	40%	Highest letter and number rating by an NRSRO
Commercial Paper - Non-Pooled Funds	270 Days	40%	Highest letter and number rating by an NRSRO
Negotiable Certificates of Deposit	5 years	30%	None
Non-negotiable Certificates of Deposit	5 years	None	None
Placement Service Deposits	5 years	50%	None
Placement Service Certificates of Deposit	5 years	50%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20%	None
Medium-Term Notes	5 years	30%	A
Money Market Mutual Funds & Mutual Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 years	None	None
Mortgage pass-Through Securities and Asset-Backed Securities	d 5 years	20%	AA
County pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years	None	AA
Public Bank Obligations	5 years	None	None

Interest rate risk – Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the maximum length of investments to five years. As of June 30, 2025, the District had the following investments:

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 2 – Deposits and Investments (Continued)

Investments (Continued)

	June 30, 2025	Investment Maturities (in Years)
		Less than 1 Year
District Investments		
Investments measured at amortized cost		
Placer County Investment Pool	\$ 15,690,176	\$ 15,690,176
Investments with Public Agency Retirement Services (PARS)	520,776	520,776
Total investments measured at amortized cost	<u>16,210,952</u>	<u>16,210,952</u>
Total investments	<u>\$ 16,210,952</u>	<u>\$ 16,210,952</u>

Credit Risk. – Generally, 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 District's investment policy does not contain specific requirements related to credit risk for external investment pools or trust arrangements. As of June 30, 2025, the District's investments in the Placer County Investment Pool and the Public Agency Retirement Services (PARS) trust are not rated.

Custodial Credit Risk – Investments – The custodial credit risk for investments is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the District's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

The California Government Code and the District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposit made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies.

Of the bank balance, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the District's investment in a single issuer. The District's investment policy does not allow no more than 5% of the total portfolio be deposited with or invested in securities issued by any single issuer with the exception of U.S. Treasury, Agency and Supranational Securities.

Certain investments are not subject to the fair value hierarchy. The District's investments in the Placer County Investment Pool and the Public Agency Retirement Services (PARS) trust are measured at amortized cost and, therefore, are not reported within the fair value hierarchy levels.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 3 – Capital Assets

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2025:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2025</u>
Governmental Activities:				
Capital assets not subject to depreciation:				
Land	\$ 430,106	\$ -	\$ -	\$ 430,106
Construction in progress	91,566	-	(91,566)	-
Total capital assets not subject to depreciation	<u>521,672</u>	<u>-</u>	<u>(91,566)</u>	<u>430,106</u>
Capital assets subject to depreciation:				
Buildings, improvements, and infrastructure	5,968,843	1,416,722	-	7,385,565
Machinery and equipment	789,028	175,596	(37,788)	926,836
Total capital assets being depreciated	<u>6,757,871</u>	<u>1,592,318</u>	<u>(37,788)</u>	<u>8,312,401</u>
Less accumulated depreciation for:				
Buildings, improvements, and infrastructure	(2,373,506)	(177,513)	-	(2,551,019)
Machinery and equipment	(472,395)	(84,763)	37,788	(519,370)
Total accumulated depreciation	<u>(2,845,901)</u>	<u>(262,276)</u>	<u>37,788</u>	<u>(3,070,389)</u>
Total capital assets being depreciated, net	<u>3,911,970</u>	<u>1,330,042</u>	<u>-</u>	<u>5,242,012</u>
Total capital assets, net	<u>\$ 4,433,642</u>	<u>\$ 1,330,042</u>	<u>\$ (91,566)</u>	<u>\$ 5,672,118</u>

Depreciation

Depreciation expense was charged to the District function as follows:

Interment services	\$ 262,276
Total depreciation	<u>\$ 262,276</u>

Note 4 – Land Lease Income

The District entered into a land lease agreement with a third party. The 10-year lease, entered into in 2003, allows the third party to place static billboards on the District property. As of June 30, 2025, the lessor was treating this as a month-to-month lease under the final terms of the lease agreement. Lease income for the fiscal year ended June 30, 2025, was \$19,824.

Note 5 – Long-term Obligations

The change in long-term obligations was as follows as of June 30, 2025:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Due Within</u> <u>One Year</u>
Primary Government:					
Governmental Activities:					
Compensated absences	\$ 123,354	\$ 86,108	\$ (83,790)	\$ 125,672	\$ 25,134
Net pension liability	892,871	-	(906)	891,965	-
Total OPEB liability - non-funded plan	<u>219,732</u>	<u>22,447</u>	<u>-</u>	<u>242,179</u>	<u>-</u>
Total	<u>\$ 1,235,957</u>	<u>\$ 108,555</u>	<u>\$ (84,696)</u>	<u>\$ 1,259,816</u>	<u>\$ 25,134</u>

The governmental funds general fund typically has been used in prior years to liquidate the liability for compensated absences. The governmental funds general fund typically has been used in prior years to liquidate pension/OPEB liabilities.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 6 – Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2025, is as follows:

<i>Due to/from other funds:</i>	<u>Payable Fund</u>	<u>Amount</u>
<u>Receivable Fund</u>	<u>Permanent Fund</u>	<u>\$ 1,521</u>
General Fund		<u>\$ 1,521</u>
Total		<u><u>\$ 1,521</u></u>

When a customer makes a purchase for interment services, the contribution to endowment fee is charged and the whole customer deposit is reported in a general fund account first and the endowment fee is subsequently deposited into a permanent fund account from a general fund account. The outstanding balances between funds result mainly from the time lag between the dates that payments between funds are made.

Note 7 – Litigation

At June 30, 2025, there were no matters of litigation involving the District or which would materially affect the District’s financial position.

Note 8 – Pension Plan

General Information about the Pension Plan

Plan Description. The District contributes to the California Public Employees' Retirement System (CalPERS), a cost sharing multiple-employer public employee retirement system. CalPERS provides retirement and disability benefits, annual cost-of living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and District resolution.

CalPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained from CalPERS, 400 Q Street, Sacramento, CA 95811.

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.

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 adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The District participates in the Plan’s miscellaneous risk pool. The Plan's provisions and benefits in effect at June 30, 2025 are summarized as follows:

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 8 – Pension Plan (Continued)

General Information about the Pension Plan (Continued)

	<u>Prior to January 1, 2013</u>	<u>On or After January 1, 2013</u>
Formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a percent of annual salary	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	6.93%	7.75%
Required employer contribution rates	12.52%	7.87%

Contributions. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2025, the contributions to the Plan were \$128,102.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2025, the District reported net pension liability for its proportionate share of collective net pension liability in the amount of \$891,965.

The District's net pension liability for the Plan is measured as the proportionate share of the collective plan's net pension liability. The net pension liability of the Plan is measured as of June 30, 2024, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard updated procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Proportionate share of the Net Pension Liability/(Asset) for the Miscellaneous Plan as of the measurement dates June 30, 2023 and June 30, 2024:

Proportion - June 30, 2023	0.01786%
Proportion - June 30, 2024	0.01844%
Change	<u>0.00058%</u>

For the year ended June 30, 2025, the District recognized pension expense of \$113,711. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 8 – Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	Outflows of Resources	Inflows of Resources
Pension contributions subsequent to measurement date	\$ 128,102	\$ -
Changes of assumptions	22,925	(3,009)
Differences between expected and actual experience	77,119	-
Differences between projected and actual investment earnings	51,349	-
Differences between employer's contributions and proportionate share of contributions	-	(42,130)
Change in employer's proportion	4,944	(34,315)
Total	\$ 284,439	\$ (79,454)

The \$128,102 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 ending 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 as follows:

Year Ending June 30,	Deferred Outflows/ (Inflows) of Resources
2026	\$ 109
2027	100,581
2028	(6,210)
2029	(17,597)
2030	-
Thereafter	-
Total	\$ 76,883

Actuarial Assumptions

The total pension liabilities in the June 30, 2023 actuarial valuation were determined using the following actuarial assumptions for the plan:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost
Discount Rate	6.9%
Inflation	2.3%
Projected Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post-retirement benefit increase	Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

¹ The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Discount Rate. The discount rate used to measure the total pension liability was 6.90 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plans, 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.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 8 – Pension Plan (Continued)

Discount Rate (Continue)

Therefore, the current 6.90 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90 percent will be applied to all plans in the Public Employees' Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 table below reflects the 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 rates of return are net of administrative expenses.

Asset Class	¹ Assumed 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%	0.270%	
Mortgage-backed securities	5.00%	0.50%	
Investment grade corporate	10.00%	1.56%	
High yield	5.00%	2.27%	
Emerging market debt	5.00%	2.48%	
Private debt	5.00%	3.57%	
Real asset	15.00%	3.21%	
Leverage	-5.00%	-0.59%	

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021-22 Asset Liability Management study.

The sensitivity of the district's net pension liability to changes in the discount rate is presented below. As of June 30, 2025, the District's net pension liability calculated using the discount rate of 6.90% is presented as well as the net pension liability using a discount rate that is 1.0% lower (5.90%) or 1.0% higher (7.90%) than the current rate.

Discount Rate	1% Decrease (5.9%)	Current Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 1,324,417	\$ 891,965	\$ 535,993

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 8 – Pension Plan (Continued)

Payable to the Pension Plan – At June 30, 2025, the District reported no payables for the outstanding amount of the contribution to the pension plan.

Note 9 – Other Postemployment Benefits Plan

Plan Description—The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA"), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. The District's defined benefit OPEB plan is a single employer OPEB plan. No separate audited GAAP basis postemployment benefit plan report is available for the single employer OPEB plan.

Benefits Provided—Retirees and their eligible dependents will receive District-paid medical benefits under following conditions:

The Plan provides lifetime retiree medical to employees who retire at age 50 (52 for Miscellaneous members entering on or after 1/1/2013) or later with at least 5 years of service. Service includes service across all CalPERS employers and with other retirement systems with which CalPERS has reciprocity agreements.

The District does not contribute dental, vision, or life insurance premiums to retirees.

Employees Covered by Benefit Terms—There are no retirees or beneficiaries receiving benefit payments as of July 1, 2024. There are ten active eligible employees as of June 30, 2024.

Contributions – The District's required contribution is based on projected pay-as-you-go financing requirements. No assets are accumulated in an irrevocable OPEB trust.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Inflation rate	2.30%
Salary increases	2.80%
Discount rate	3.97%
Healthcare cost trend rate	8.06% for 2025, 7.81% for 2026, 7.56% for 2027 7.11% for 2028, 6.66% for 2029, 6.22% for 2030 5.77% for 2031, 5.32% for 2032, 4.87% for 2033, 4.65% for 2034 to 2075, and 3.94% for 2076+

Mortality rates were based on the 2021 experience study for CalPERS members. The actuarial assumptions used in the June 30, 2024 valuation were based on the results of 2021 experience study for CalPERS members.

Discount Rate – GASB 75 requires the use of a discount rate that considers the availability of the OPEB plan's fiduciary net position associated with the OPEB of current active and inactive employees and the investment horizon of those resources.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 9 – Other Postemployment Benefits Plan (Continued)

Net OPEB Liability (Continued)

Discount Rate (Continued)

OPEB plans with irrevocable trust accounts can utilize a discount rate equal to the long-term expected rate of return to the extent that the OPEB plan’s fiduciary net position is projected to be sufficient to make projected benefit payments and the OPEB plan assets are expected to be invested using a strategy to achieve that return.

To determine if the OPEB plan assets are sufficient, a calculation of the projected fiduciary net position and the amount of projected benefit payments is compared in each period. When OPEB plan assets are determined to not be sufficient, a blended rate is calculated.

For OPEB plans that do not have irrevocable trust accounts, GASB 75 requires a discount rate equal to the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The District does not have an irrevocable trust account for prefunding OPEB liabilities. The discount rate used to measure the total OPEB liability was based on the Fidelity GO AA 20-year municipal index.

Changes in Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2024	\$ 219,732	\$ -	\$ 219,732
Changes for the year:			
Service cost	18,507	-	18,507
Interest	9,196	-	9,196
Changes of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes in assumptions or other inputs	(5,256)	-	(5,256)
Contributions - employer	-	-	-
Net investment income	-	-	-
Benefit payments	-	-	-
Administrative expenses	-	-	-
Net changes	22,447	-	22,447
Balances at June 30, 2025	<u>\$ 242,179</u>	<u>\$ -</u>	<u>\$ 242,179</u>

The following presents the Total OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percent-point lower or 1-percentage higher than the current discount rate:

	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB liability (asset)	\$ 295,662	\$ 242,179	\$ 200,275

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 9 – Other Postemployment Benefits Plan (Continued)

Sensitivity of the Net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease (7.06% Pre-65 3.90% Post-65,	Trend Rate (8.06% Pre-65, 4.90% Post-65,	1% Increase (9.06% Pre-65, 5.90% Post-65
Total OPEB liability (asset)	\$ 192,478	\$ 242,179	\$ 308,404

OPEB Plan Experience

Reporting period	July 1, 2024 to June 30, 2025
Measurement period	July 1, 2023 to June 30, 2024

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

Annual OPEB Expense

The annual OPEB expense is the sum of the change in Net OPEB liability, the change in deferred outflows, and the change in deferred inflows, reduced by the employer contributions.

Net OPEB liability at beginning of measurement period (a)	\$ 219,732
Net OPEB liability at end of measurement period (b)	242,179
Change in net OPEB liability (b) - (a)	22,447
Change in deferred outflows	-
Change in deferred inflows	-
Employer contributions	-
Net OPEB expense from June 30, 2024 to June 30, 2025	\$ 22,447

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the reporting year ending June 30, 2025, the District recognized deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions or other inputs	-	4,870
Differences between projected and actual return investments	-	-
Contribution to OPEB plan after measurement date	151	-
Total	\$ 151	\$ 4,870

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Reporting Fiscal	Deferred Outflows	Deferred Inflows
Year Ending	of Resources	of Resources
June 30:	of Resources	of Resources
2026	\$ -	\$ (386)
2027	-	(386)
2028	-	(386)
2029	-	(386)
2030	-	(386)
Thereafter	-	(2,940)
Total	\$ -	\$ (4,870)

Payable to the OPEB Plan – At June 30, 2025, the District reported no amounts outstanding as required contributions to CERBT.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 10 – Risk Management

The Newcastle, Rocklin, Gold Hill Cemetery District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The insurance policies are purchased for the following exposures with the deductible in parenthesis: public officials and employment practices liability, boiler and machinery, employee faithful performance, Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the year ended June 30, 2025. Liabilities are recorded when they are probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payables as of June 30, 2025. Contributions to SDRMA were approximately \$80,571 for the year ended June 30, 2025, for coverage for statutory workers' compensation employer liability.

The District participates in the Special District Risk Management Authority (SDRMA) Workers Compensation Program, which provides workers' compensation coverage for its members. The District became a member of SDRMA under a joint powers agreement. The relationship between SDRMA and the District is such that SDRMA is not a component unit of the District for financial reporting purposes. A Board comprised of representatives of member agencies governs the SDRMA. The Board controls operations, including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the Board.

Each member agency pays a contribution commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation; however, the District does not have any residual equity in SDRMA. Financial statement information for the SDRMA can be obtained at 1112 Street #300, Sacramento, CA 95814 or (800) 537-7790, www.sdrma.org.

Note 11 – Adjustments and Restatements of Beginning Balances

During the current fiscal year, the District recorded prior period adjustments to restate beginning net position and fund balances. These restatements were the result of a change in accounting principle and the correction of prior period errors, as detailed below:

Government-Wide Financial Statements

- **Change in Accounting Principle (GASB 101):** For the year ended June 30, 2025, the District implemented GASB Statement No. 101, Compensated Absences. Under this new standard, the District is now required to recognize a liability for certain types of leave that have not been used. In addition to the value of unused vacation time owed to employees upon separation, the District's compensated absences liability now includes an estimated amount of accumulated sick leave expected to be used by employees as paid time off in future years.
- **Correction of an Error (OPEB, unrestricted investments, and restricted investments):** A prior period adjustment was required to correct an error in the government-wide financial statements. The adjustment recognizes the previously unrecorded Other Postemployment Benefits (OPEB) liability and its related deferred outflows and inflows of resources. Additionally, an adjustment was made to correct the beginning balances of unrestricted investments and restricted investments.

The combined effects of the GASB 101 implementation and the OPEB correction on the beginning net position of the government-wide financial statements are summarized in the first table below.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to the Financial Statements
June 30, 2025

Note 11 – Adjustments and Restatements of Beginning Balances (Continued)

	Net position balance 6/30/2024 as previously reported	Restatement - GASB 101 Implementation	Restatement - GASB 75 OPEB	Restatement - Unrestricted Investments	Restatement - Restricted Investments	Net position balance 6/30/2024 as restated/adjusted
Government-wide						
Governmental activities	\$ 20,495,856	\$ (83,606)	\$ (219,732)	\$ 38,851	\$ 6,843	\$ 20,238,212
Total government-wide	<u>\$ 20,495,856</u>	<u>\$ (83,606)</u>	<u>\$ (219,732)</u>	<u>\$ 38,851</u>	<u>\$ 6,843</u>	<u>\$ 20,238,212</u>

Governmental Fund Financial Statements

- **Correction of an Error (Compensated Absences, unrestricted investments, inventory, and restricted investments):** A prior period adjustment was required to correct errors in the governmental fund financial statements. Previously, the District improperly recorded the long-term liability for compensated absences directly within its governmental funds. Under the modified accrual basis of accounting, these liabilities should only be reported in governmental funds when they are currently due and payable. Furthermore, an adjustment was made to correct the beginning balance of unrestricted investments in the General Fund, the restricted investments in the Permanent Fund, and inventory in the General Fund.

The effects of removing the improperly recorded compensated absences to restate the beginning fund balance of the governmental funds are summarized in the second table below.

	Fund balance 6/30/2024 as previously reported	Restatement- Compensated Absences	Restatement - Unrestricted Investments	Restatement - Inventory	Fund Balance 6/30/2024 as restated/adjusted
Governmental Funds					
General fund	\$ 13,600,706	\$ 39,749	\$ 38,851	\$ 715,611	\$ 13,679,306
Permanent fund	2,447,347	-	6,843	-	2,454,190
Total governmental funds	<u>\$ 16,048,053</u>	<u>\$ 39,749</u>	<u>\$ 45,694</u>	<u>\$ 715,611</u>	<u>\$ 16,133,496</u>

Note 12 – Stewardship, Compliance, and Accountability

A. Deficit Fund Balances

As of June 30, 2025, the general fund reported a deficit unassigned fund balance of \$1,034,423. This deficit is the result of the nonspendable for inventories of \$701,366, restricted fund balances for pension obligations of \$520,776, committed fund balance for future capital expenditures and contingencies of \$13,600,000, and assigned fund balance for subsequent year's budget: appropriation of fund balance of \$544,700.

REQUIRED SUPPLEMENTARY INFORMATION

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2025

REVENUES	Original Budget	Final Budget	Actual	Variance with Final Budget
Property taxes	\$ 2,110,000	\$ 2,110,000	\$ 2,258,126	\$ 148,126
Charges for services	302,500	302,500	367,637	65,137
Investment earnings	360,000	360,000	547,112	187,112
Total revenues	<u>2,772,500</u>	<u>2,772,500</u>	<u>3,172,875</u>	<u>400,375</u>
EXPENDITURES				
Interment services:				
Salaries and benefits	1,262,200	1,262,200	1,238,697	23,503
Services and supplies	521,000	521,000	513,824	7,176
Capital outlay	<u>1,880,000</u>	<u>1,880,000</u>	<u>1,500,752</u>	<u>379,248</u>
Total expenditures	<u>3,663,200</u>	<u>3,663,200</u>	<u>3,253,273</u>	<u>409,927</u>
Excess of revenues over expenditures	(890,700)	(890,700)	(80,398)	810,302
OTHER FINANCING SOURCES				
Sale of general capital assets	-	-	17,900	17,900
Total other financing sources	<u>-</u>	<u>-</u>	<u>17,900</u>	<u>17,900</u>
Net change in fund balances	<u>\$ (890,700)</u>	<u>\$ (890,700)</u>	<u>\$ (62,498)</u>	<u>\$ 828,202</u>

See Notes to Required Supplementary Information.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison Schedule – General Fund
June 30, 2025

Budgetary Basis of Accounting

The budget for the general fund is prepared on generally accepted accounting principles basis. Revenues are budgeted in the year revenue is expected; expenditures are budgeted in the year that the applicable warrant requisitions are expected to be issued. The budget and actual financial statements are reported on the above basis. The District presents a comparison of the annual budget to actual results for the General Fund at the functional expenditure-type major object level for financial reporting purposes. The excess was budgeted to be spent by prior year fund balances.

Annual budget requests are submitted by the District's staff to the District Board of Trustees for preliminary review and approval. After public hearing, the budget is approved by the District Board of Trustees. Copies of the approved budget are sent to all required agencies.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Required Supplementary Information
Schedule of District's Proportionate Share of the Net Pension Liability
Last Ten Years
June 30, 2025

Description	Measurement Dates									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.013310%	0.013150%	0.012860%	0.011700%	0.011540%	0.011300%	0.008480%	0.008260%	0.008300%	0.008300%
Proportionate share of the net pension liability	891,965	965,608	924,338	426,254	769,953	693,949	621,197	641,759	537,247	398,784
Covered payroll	687,537	738,276	671,903	441,430	395,141	309,048	335,260	345,540	348,984	319,800
Proportionate share of the net pension liability as a percentage of covered payroll	77.08%	76.46%	72.69%	103.56%	51.32%	44.53%	53.97%	53.84%	64.96%	80.19%
Plan fiduciary net position as a percentage of the total pension liability	69.99%	70.49%	73.35%	87.25%	75.66%	79.66%	80.63%	75.26%	80.33%	82.39%

See Notes to Required Supplementary Information.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Required Supplementary Information
Schedule of Pension Plan Contributions
Last Ten Years
June 30, 2025

Description	Fiscal Years Ended								
	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily Determined Contribution	\$ 128,102	\$ 57,544	\$ 60,166	\$ 54,144	\$ 94,880	\$ 71,949	\$ 31,471	\$ 28,139	\$ 23,988
Contributions in Relation to the Statutorily Determined Contribution	<u>128,102</u>	<u>57,544</u>	<u>60,166</u>	<u>54,144</u>	<u>94,880</u>	<u>71,949</u>	<u>31,471</u>	<u>28,139</u>	<u>28,139</u>
Contribution Excess (Deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,151)</u>
Covered Payroll	\$ 756,433	687,537	684,114	646,233	571,243	508,399	508,399	332,056	333,317
Contributions as a percentage of District's covered payroll	16.94%	8.37%	8.79%	8.38%	16.61%	14.15%	6.19%	8.47%	8.44%

See Notes to Required Supplementary Information.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to Required Supplementary Information
Pension Plan
June 30, 2025

1. The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost
Discount Rate	6.9%
Inflation	2.3%
Projected Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post-retirement benefit increase	Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

1 The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

2. There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension plan.
3. *Changes in Benefits Terms* – Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in the plan’s annual valuation report.
4. *Changes of Assumptions and Methods* – In fiscal year 2022, the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

In fiscal year 2021, there were no changes to actuarial assumptions or methods.

The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses.

These changes will apply only to new UAL bases established on or after June 30, 2019. In fiscal year 2020, no changes have occurred to the actuarial assumptions in relation to financial reporting.

In fiscal year 2020, CalPERS implemented a new actuarial valuation software system for the June 30, 2018 valuation. This new system has refined and improved calculation methodology.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to Required Supplementary Information
Pension Plan
June 30, 2025

4. *Changes of Assumptions and Methods (Continued)* – In December 2017, the CalPERS Board adopted new mortality assumptions for plans participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90% of scale MP 2016 published by the Society of Actuaries. The inflation assumption is reduced from 2.75% to 2.50%.

The assumptions for individual salary increases and overall payroll growth are reduced from 3.00% to 2.75%. These changes will be implemented in two steps commencing in the June 30, 2017 funding valuation.

However, for financial reporting purposes, these assumption changes are fully reflected in the results for fiscal year 2018.

In fiscal year 2017, the financial reporting discount rate for the PERF C was lowered from 7.65% to 7.15%. In December 2016, the CalPERS Board approved lowering the funding discount rate used in the PERF C from 7.50% to 7.00%, which is to be phased in over a three-year period (7.50% to 7.375%, 7.375% to 7.25%, and 7.25% to 7.00%) beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

In fiscal year 2015, the financial reporting discount rate was increased from 7.50% to 7.65% resulting from eliminating the 15 basis-point reduction for administrative expenses. The funding discount rate remained at 7.50% during this period and remained adjusted for administrative expenses.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
June 30, 2025
Last Ten Years

Fiscal Year	<u>2025</u>
Total OPEB Liability	
Service cost	\$ 18,507
Interest	9,196
Assumption changes	<u>(5,256)</u>
Net change in total pension liability	22,447
Total OPEB liability - Beginning	<u>219,732</u>
Total OPEB Liability - ending	<u><u>\$ 242,179</u></u>
Fiduciary Net Position	
Contributions - Employer	
Contributions - Members	-
Net Investment Income	-
Benefits payments	-
Administrative expenses	<u>-</u>
Net change in plan fiduciary net position	-
Net change in plan fiduciary net position - beginning	<u>-</u>
Plan fiduciary net position - ending	<u><u>\$ -</u></u>
 Net OPEB Liability	 <u><u>\$ 242,179</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 -
 Covered-employee payroll	 \$ 687,429
 District's net OPEB liability as a percentage of covered-employee payroll	 35%

See Notes to Required Supplementary Information.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Required Supplementary Information
Schedule of Contributions
Other Postemployment Benefit Plan
Last Ten Years
June 30, 2025

Description	Fiscal Year Ended 2025
Plan actuarially determined contributions	\$ -
Plan contributions in relation to the actuarially determined contribution	-
Contribution Excess (Deficiency)	\$ -
Covered Payroll	\$ 687,429
Contributions as a percentage of District's covered payroll	0.00%

See Notes to Required Supplementary Information.

NEWCASTLE, ROCKLIN, GOLD HILL CEMETERY DISTRICT
Notes to Required Supplementary Information
Other Postemployment Benefit Plan
June 30, 2025

1. The schedules are intended to show information for ten years. Additional years will be displayed as they become available.
2. There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.