

Reports of Independent Auditors and Financial Statements with
Required Supplementary Information

Lompoc Cemetery District

June 30, 2025

Table of Contents

Report of Independent Auditors	1
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	4
Statement of Activities.....	5
Fund Financial Statements	
Balance Sheet – Governmental Funds	6
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	8
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in the Fund Balance to the Statement of Activities.....	9
Statement of Fiduciary Net Position.....	10
Statement of Changes in Fiduciary Net Position	11
Notes to Basic Financial Statements	12
Required Supplementary Information	
General Fund – Budgetary Comparison Schedule	22
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23

Report of Independent Auditors

The Board of Trustees
Lompoc Cemetery District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Lompoc Cemetery District (the “District”) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 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 and *Government 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the budgetary information 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2026, on our consideration of the Lompoc Cemetery District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over

financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim LLP

Santa Maria, California
February 6, 2026

Basic Financial Statements

Lompoc Cemetery District
Statement of Net Position
June 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 1,364,740
Prepaid expenditures	42,053
Restricted assets	
Cash and investments	1,392,123
Capital assets, net	<u>1,260,227</u>
Total assets	<u>4,059,143</u>
LIABILITIES	
Accounts payable	7,693
Sales tax payable	894
Current portion of compensated absences	16,589
Noncurrent liabilities	
Compensated absences	<u>71,507</u>
Total liabilities	<u>96,683</u>
NET POSITION	
Net investment in capital assets	1,260,227
Restricted	
Perpetual care	974,094
Maintenance	418,029
Unrestricted	<u>1,310,110</u>
Total net position	<u>3,962,460</u>
Total liabilities and net position	<u>\$ 4,059,143</u>

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

Lompoc Cemetery District
Statement of Activities
Year Ended June 30, 2025

		<u>Program Revenues</u>		Net (Expense)
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	Revenue and
		<u>Services</u>	<u>Contributions</u>	Changes in
			<u>and Grants</u>	Net Position
Governmental activities				
Cemetery	\$ 898,269	\$ 464,922	\$ —	\$ (433,347)
Total governmental activities	<u>\$ 898,269</u>	<u>\$ 464,922</u>	<u>\$ —</u>	<u>(433,347)</u>
General revenues				
Taxes:				
Secured and unsecured property taxes				577,133
Investment income				117,467
Rental income				<u>8,400</u>
Total general revenues				<u>703,000</u>
Change in net position				269,653
Net position, beginning of year				<u>3,692,807</u>
Net position, end of year				<u>\$ 3,962,460</u>

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

Lompoc Cemetery District
Balance Sheet – Governmental Funds
June 30, 2025

	<u>General Fund</u>	<u>Permanent Fund</u>	<u>Total</u>
ASSETS			
ASSETS			
Cash and investments	\$ 1,364,740	\$ 1,392,123	\$ 2,756,863
Prepaid expenditures	<u>42,053</u>	<u>–</u>	<u>42,053</u>
Total assets	<u>\$ 1,406,793</u>	<u>\$ 1,392,123</u>	<u>\$ 2,798,916</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 7,693	\$ –	\$ 7,693
Sales tax payable	<u>894</u>	<u>–</u>	<u>894</u>
Total liabilities	<u>8,587</u>	<u>–</u>	<u>8,587</u>
FUND BALANCES			
Nonspendable			
Prepaid expenditures	42,053	–	42,053
Perpetual care	–	974,094	974,094
Restricted			
Maintenance	–	418,029	418,029
Unassigned	<u>1,356,153</u>	<u>–</u>	<u>1,356,153</u>
Total fund balances	<u>1,398,206</u>	<u>1,392,123</u>	<u>2,790,329</u>
Total liabilities and fund balances	<u>\$ 1,406,793</u>	<u>\$ 1,392,123</u>	<u>\$ 2,798,916</u>

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

Lompoc Cemetery District
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 June 30, 2025

Total fund balances \$ 2,790,329

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

In governmental funds, only current assets are reported. In the statement
 of net position, all assets are reported, including capital assets and
 accumulated depreciation.

Capital assets at historical cost	\$	2,188,569
Accumulated depreciation		<u>(928,342)</u>
Net		1,260,227

Long-Term Liabilities: In governmental funds, only current liabilities
 are reported. In the statement of net position, all liabilities, including
 long-term liabilities, are reported. Long-term liabilities relating to
 governmental activities consist of:

Compensated absences		<u>(88,096)</u>
----------------------	--	-----------------

Total net position \$ 3,962,460

Lompoc Cemetery District**Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds
Year Ended June 30, 2025**

	General Fund	Permanent Fund	Total
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Property taxes	\$ 577,133	\$ –	\$ 577,133
Sale of burial rights	165,464	–	165,464
Charges for services	245,628	53,830	299,458
Investment income	41,576	75,891	117,467
Rental income	8,400	–	8,400
	<u>1,038,201</u>	<u>129,721</u>	<u>1,167,922</u>
EXPENDITURES			
Salaries and employee benefits	572,817	–	572,817
Services and supplies	247,005	–	247,005
Capital outlay	224,008	–	224,008
	<u>1,043,830</u>	<u>–</u>	<u>1,043,830</u>
Net change in fund balances	<u>(5,629)</u>	<u>129,721</u>	<u>124,092</u>
FUND BALANCES, beginning of year	<u>1,403,835</u>	<u>1,262,402</u>	<u>2,666,237</u>
FUND BALANCES, end of year	<u>\$ 1,398,206</u>	<u>\$ 1,392,123</u>	<u>\$ 2,790,329</u>

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

Lompoc Cemetery District

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
Year Ended June 30, 2025**

Net change in fund balances \$ 124,092

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

Capital assets are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which additions to capital assets of \$224,008 is greater than depreciation expense of (\$73,320) in the period.

150,688

In the statement of activities, compensated absences are measured by the amounts earned during each year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). This year, vacation earned was more than the amounts used by \$5,127

(5,127)

Change in net position

\$ 269,653

Lompoc Cemetery District
Statement of Fiduciary Net Position
Year Ended June 30, 2025

	<u>Private Purpose Trust Funds</u>		
	<u>Ryon Trust Fund</u>	<u>Copper Trust Fund</u>	<u>Total</u>
ASSETS			
Cash and investments	<u>\$ 5,239</u>	<u>\$ 7,983</u>	<u>\$ 13,222</u>
Total assets	<u>5,239</u>	<u>7,983</u>	<u>13,222</u>
NET POSITION			
Held in trust for perpetual care of plots	<u>5,239</u>	<u>7,983</u>	<u>13,222</u>
Total net position	<u><u>\$ 5,239</u></u>	<u><u>\$ 7,983</u></u>	<u><u>\$ 13,222</u></u>

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

Lompoc Cemetery District
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2025

	<u>Private Purpose Trust Funds</u>		
	<u>Ryon Trust Fund</u>	<u>Copper Trust Fund</u>	<u>Total</u>
ADDITIONS			
Investment income	<u>\$ 298</u>	<u>\$ 429</u>	<u>\$ 727</u>
Total additions	<u>298</u>	<u>429</u>	<u>727</u>
Change in net position	298	429	727
NET POSITION, beginning of year	<u>4,941</u>	<u>7,555</u>	<u>12,496</u>
NET POSITION, end of year	<u><u>\$ 5,239</u></u>	<u><u>\$ 7,984</u></u>	<u><u>\$ 13,223</u></u>

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

Note 1 – Reporting Entity

The reporting entity is the Lompoc Cemetery District. The District began operating in 1915, under the authorization of the State of California, for the purpose of providing cemetery services. The District is administered and governed by a board of three trustees. There are no component units included in this report which meet the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended by GASB Statements No. 39, No. 61, No. 80, and No. 90.

Note 2 – Summary of Significant Accounting Policies

A. Basis of Presentation

Government-wide financial statements – The government-wide financial statements consist of the statement of net position and the statement of activities and display information about the primary government (the District). These statements report all activities of the primary government and distinguish between governmental and business-type activities. The District reports only governmental activities, which are primarily supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly associated with a specific function and are therefore allocable to that function. Program revenues include (1) charges for services provided to customers, applicants, or other users who directly benefit from the services, goods, or privileges offered by the function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including all taxes and other unrestricted resources, are reported as general revenues.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, followed by unrestricted resources as they are needed.

Fund financial statements – The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. The District's resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The District reports its financial activity in two major governmental funds and a fiduciary fund:

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

The Permanent Fund was created to account for funds received for future maintenance and care of the cemetery. The interest earned on the principal in the fund may be used for the general care of the District. The fund principal may never be spent.

Fiduciary Funds – The Private-Purpose Trust Funds are used to report resources held and administered by the District, when it is acting in a fiduciary capacity, to provide maintenance and care for two individual family plots. The funds are not available to support the District's own activities.

B. Measurement Focus and Basis of Accounting

Measurement focus – The government-wide financial statements are presented using the economic resources measurement focus. Under this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both current and noncurrent, are reported. In the fund financial statements, governmental funds are reported using the current financial resources measurement

focus. Under this measurement focus, only current assets, current liabilities, and deferred inflows and outflows of resources that arise from short-term transactions are recognized. The resulting fund balances represent a measure of available spendable financial resources.

Basis of accounting – In the government-wide financial statements, governmental activities are reported using the accrual basis of accounting. Under this basis, revenues are recognized when earned and expenses are recognized when liabilities are incurred or resources are consumed, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources arising from exchange or exchange-like transactions are recognized in the period in which the exchange occurs.

In the fund financial statements, governmental funds are reported using the modified accrual basis of accounting. Under this basis, revenues are recognized when they are both measurable and available. Revenues are considered measurable when the amount can be reasonably estimated, and available when they are collectible within the current period or soon enough thereafter to finance current period obligations. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the year. Major revenue sources subject to this availability criterion include, but are not limited to, property taxes and charges for services.

C. Budgetary Accounting

The District adopts an annual budget for the General Fund on or before August 30 each year. Upon adoption, the proposed expenditure amounts become legally authorized appropriations. The Board of Trustees may amend the budget by formal action during the year. Both the original and final amended budgets are presented in the financial statements for the General Fund.

All appropriations lapse at fiscal year-end to the extent they are unexpended. Lease agreements entered into by the District are subject to annual review and approval by the Board of Trustees and are therefore considered to be one-year contracts with the option to renew annually.

D. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board, requires the use of estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

E. Program Revenues

Program revenues are those that are specifically attributable to a particular function or program of the District and serve to reduce the net cost of that function to be financed through general revenues. These revenues result from exchange or exchange-like transactions in which individuals or entities receive direct benefits in exchange for the payment of a fee or charge. As such, they are considered incremental and would generally be eliminated if the corresponding function were discontinued.

The District's program revenue base consists entirely of charges for services. These include revenues from interment-related activities such as the sale of interment rights, the provision of interment and inurnment services, and the sale of related products; and statutory endowment care fees collected pursuant to California Health and Safety Code requirements for the perpetual maintenance of cemetery grounds.

F. Cash and Investments

Cash and investments are reported in the accompanying statement of net position at fair value. Changes in fair value that occur during a year are recognized as investment income to that year. Cash receipts and cash disbursements for general operations of the District are held in cash accounts and are available immediately.

G. Fair Value Measurement of Investments

The District applies GASB Statement No. 72 for determining a fair value measurement for investments for reporting purposes, applying fair value to investments, and disclosures related to all hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

H. Capital Assets

Capital assets, which include land, structures and improvements, and furniture and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets, with an initial cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical if purchased or constructed. Donated capital assets are recorded at 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 asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Furniture and Equipment	3 to 10 years
Structures and Improvements	10 to 50 Years

Right to use lease assets are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service.

I. Compensated Absences

The District's policy permits employees to accumulate earned but unused vacation on a calendar year basis. Any unused vacation is forfeited on December 31st of each year. The District's policy permits employees to accumulate earned but unused sick leave benefits and overtime compensation benefits that carry forward to future years. All vacation, sick, and overtime compensation pay is accrued when incurred in the government-wide financial statements. A liability for those amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Fund Balance Classification

Fund balance in the governmental fund is reported in accordance with the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and is classified based on the relative strength of the constraints that control how specific amounts can be spent. The classifications are defined as follows:

Nonspendable – Includes amounts that cannot be spent because they are either not in spendable form, such as prepaid items, or are legally or contractually required to remain intact.

Restricted – Includes amounts that are constrained for specific purposes by external parties, such as creditors, grantors, or laws and regulations of other governments, or through constitutional provisions or enabling legislation.

Committed – Includes amounts that can only be used for specific purposes pursuant to formal action of the District's governing board. Such constraints can only be changed or removed by the same type of formal action.

Assigned – Includes amounts that are intended to be used for a specific purpose but do not meet the criteria to be classified as restricted or committed. Assignments may be made by the governing board or by an official to whom the board delegates authority.

Unassigned – Is the residual classification for the General Fund. It includes all amounts not classified in the categories described above. Unassigned amounts are available for any purpose.

When expenditures are incurred for purposes for which both restricted and unrestricted resources are available, the District applies restricted resources first. For unrestricted fund balance amounts, the District's policy is to apply committed funds first, followed by assigned funds, and then unassigned funds as necessary.

K. Net Position

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Commission reports net position as the residual of all other elements presented in the Statement of Net Position. Net position is classified into the following three components:

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt used to acquire or construct those assets. If no related debt exists, this component reflects the net book value of the capital assets.

Restricted – Represents amounts that are subject to externally imposed restrictions, such as those imposed by creditors, grantors, contributors, laws or regulations of other governments, or through constitutional provisions or enabling legislation.

Unrestricted – Includes all remaining net position not classified as either net investment in capital assets or restricted. This amount is available to be used for general operations of the District.

L. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

GASB Statement No. 103 – In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvement*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The Statement is effective for years beginning after June 15, 2025, and all reporting periods thereafter. The District has not determined its effect on the financial statements.

GASB Statement No. 104 – In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The Statement is effective for years beginning after June 15, 2025, and all reporting periods thereafter. The District has not determined its effect on the financial statements.

Lompoc Cemetery District
Notes to Basic Financial Statements
June 30, 2025

Note 3 – Cash and Investments

Cash and investments as of June 30, 2025 consisted of the following:

Cash and Investments	
Cash in bank	\$ 648,562
Investments held with custodian	716,178
Restricted cash and investments	
Cash in bank	26,522
Investments held with custodian	1,365,601
Investment held with trustee	<u>13,222</u>
Total cash and investments	<u><u>\$ 2,770,085</u></u>

Cash and investments are presented on the accompanying basic financial statements as follows:

Cash and investments, statement of net position	\$ 2,756,863
Cash and investments, statement of fiduciary net position	<u>13,222</u>
	<u><u>\$ 2,770,085</u></u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2025:

Investment Type	Fair Value	Fair Value Measurement		
		Level 1	Level 2	Level 3
Medium term corporate notes	\$ 637,924	\$ –	\$ 637,924	\$ –
Local agency bonds	411,496	–	411,496	–
Mutual funds	561,151	561,151	–	–
U.S. Government Guaranteed MBS/CMO				
Government National Mortgage Association	242,522	–	242,522	–
U.S. Agency Obligations				
Federal Home Loan Mortgage Corporation	198,713	–	198,713	–
Federal National Mortgage Association	<u>43,195</u>	<u>–</u>	<u>43,195</u>	<u>–</u>
Total investments measured at fair value	<u><u>\$ 2,095,001</u></u>	<u><u>\$ 561,151</u></u>	<u><u>\$ 1,533,850</u></u>	<u><u>\$ –</u></u>

Cash on hand and in banks – Cash balances on hand and in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation.

Investments authorized by the California Government Code – The table below identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain

Lompoc Cemetery District
Notes to Basic Financial Statements
June 30, 2025

provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
State Obligations – CA and Others	5 Years	None	None
U.S. Agency Securities	5 Years	None	None
Bankers' Acceptances	180 Days	40%	None
Commercial Paper	270 Days	25%	\$0
Negotiable Certificates of Deposit	5 Years	30%	None
Non-negotiable Certificates of Deposit	5 Years	50%	None
Placement Services Deposits	5 Years	50%	None
Repurchase and Reserve Repurchase Agreements	92 Days	20%	None
Medium-Term Notes	5 Years	30%	None
Mutual Funds	N/A	20%	\$0
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	N/A	20%	None
County Pooled Investment Fund	N/A	None	None
State Registered Warrants, Notes or Bonds	N/A	None	None
Notes and Bonds for other Local California Agencies	5 Years	None	None
California Cooperative Liquid Asset Securities Systems	5 Years	None	None
Local Agency Investment Fund	5 Years	None	\$75,000,000

Disclosures relating to interest rate risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways

that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by fiscal agents) to market interest rate fluctuations is provided by the following table, that shows the distribution of the District's investments by maturity:

Investment Type	Total Fair Value	Term to Maturity			
		12 Months or Less	13 to 24 Months	25 to 60 Months	Greater than 60 Months
Medium term corporate notes	\$ 637,924	\$ 396,515	\$ 80,443	\$ 160,966	\$ –
Local agency bonds	411,496	411,496	–	–	–
Mutual funds	561,151	561,151	–	–	–
U.S. Government Guaranteed MBS/CMO					
Government National Mortgage Association	242,522	–	–	–	242,522
U.S. Agency Obligations					
Federal Home Loan Mortgage Corporation	198,713	–	–	198,713	–
Federal National Mortgage Association	43,195	–	–	–	43,195
	\$ 2,095,001	\$ 1,369,162	\$ 80,443	\$ 359,679	\$ 285,717

Lompoc Cemetery District
Notes to Basic Financial Statements
June 30, 2025

Disclosures relating to 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 rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District’s investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Total Fair Value	Minimum Rating	Actual Ratings at Year-end				
			AA+	AA	A+	A	Not Rated
Medium term corporate notes	\$ 637,924	A	\$ –	\$ –	\$ 54,994	\$ 582,930	\$ –
Local agency bonds	411,496	N/A	–	253,299	24,849	133,348	–
Mutual funds	561,151	N/A	–	–	–	–	561,151
U.S. Government Guaranteed MBS/CMO							
Government National Mortgage Association	242,522	N/A	242,522	–	–	–	–
U.S. Agency Obligations							
Federal Home Loan Mortgage Corporation	198,713	N/A	198,713	–	–	–	–
Federal National Mortgage Association	43,195	N/A	43,195	–	–	–	–
	<u>\$ 2,095,001</u>		<u>\$ 484,430</u>	<u>\$ 253,299</u>	<u>\$ 79,843</u>	<u>\$ 716,278</u>	<u>\$ 561,151</u>

Concentration of credit risk – The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments.

Custodial credit risk – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District’s deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2025, none of the District’s deposits with financial institutions in excess of federal insurance limits were held in uncollateralized accounts.

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 (such as U.S Treasury securities, mutual funds, and external investment pools).

Note 4 – Property Taxes

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property valuations – are established by the Assessor of the County of Santa Barbara for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provision of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From the base assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property

Lompoc Cemetery District
Notes to Basic Financial Statements
June 30, 2025

improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax levy and rate limitations – are limited to 1% of full value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Lien and levy dates – are attached annually on January 1, preceding the fiscal year for which the taxes are levied. The year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at the time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Collection and due dates – are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments: the first is due on November 1 of the year and is delinquent if not paid by December 10; and the second is due on March 1 of the year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the year. Significant penalties are imposed by the county for late payments.

Apportionment of property taxes – Due to the nature of the District-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the County Auditor Controller based primarily on the ratio that each agency represented of the total District wide levy for the three years prior to year 1979.

Property tax administration fees – Pursuant to the State of California's FY 1990–91 Budget Act, counties are authorized to charge local agencies a property tax administration fee to recover costs associated with the collection and distribution of property taxes.

Lompoc Cemetery District
Notes to Basic Financial Statements
June 30, 2025

Note 5 – Capital Assets

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

	Beginning July 1, 2024	Additions	Deletions	Ending June 30, 2025
Capital assets not subject to depreciation				
Land	\$ 277,973	\$ –	\$ –	\$ 277,973
Construction in progress	–	64,100	–	64,100
	<u>277,973</u>	<u>64,100</u>	<u>–</u>	<u>342,073</u>
Total capital assets not subject to depreciation				
Capital assets subject to depreciation				
Structures and improvements	783,367	–	–	783,367
Infrastructure	293,647	146,530	–	440,177
Site improvements	427,434	–	–	427,434
Machinery and equipment	178,246	13,378	–	191,624
Furniture and fixtures	3,894	–	–	3,894
	<u>1,686,588</u>	<u>159,908</u>	<u>–</u>	<u>1,846,496</u>
Total capital assets subject to depreciation				
Less accumulated depreciation for				
Structures and improvements	610,342	17,475	–	627,817
Infrastructure	54,941	9,026	–	63,967
Site improvements	107,485	35,011	–	142,496
Machinery and equipment	78,360	11,808	–	90,168
Furniture and fixtures	3,894	–	–	3,894
	<u>855,022</u>	<u>73,320</u>	<u>–</u>	<u>928,342</u>
Total accumulated depreciation				
Total capital assets subject to depreciation, net	<u>831,566</u>	<u>86,588</u>	<u>–</u>	<u>918,154</u>
Total capital assets, net	<u>\$ 1,109,539</u>	<u>\$ 150,688</u>	<u>\$ –</u>	<u>\$ 1,260,227</u>

Note 6 – Long-Term Liabilities

The following is a summary of long-term liabilities activity for the year ended June 30, 2025:

	Beginning July 1, 2024	Additions	Deletions	Ending June 30, 2025	Due Within One Year
Governmental Activities					
Compensated absences	\$ 82,969	\$ 5,127	\$ –	\$ 88,096	\$ 16,589
	<u>\$ 82,969</u>	<u>\$ 5,127</u>	<u>\$ –</u>	<u>\$ 88,096</u>	<u>\$ 16,589</u>

Note 7 – Pension Plan

All employees of Lompoc Cemetery District are eligible to participate in the District's sponsored individual retirement account (IRA). The account is administered through the American Funds. The plan commenced on January 1, 2007, by resolution of the governing board and provided for employer contributions of 10% for the year June 30, 2025.

The Board of Trustees holds exclusive authority for amending contribution requirements. Total District's contributions to the plan amounted to \$34,483 during the year ended June 30, 2025.

Note 8 – Commitments and Contingencies

State and federal allowances, awards, and grants – The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under the terms of the grants, it is believed that any required reimbursements will not be material.

Litigation – According to the District's staff, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.

Note 9 – Subsequent Events

The District has evaluated events and transactions occurring subsequent to June 30, 2025 through February 6, 2026, which is the date the financial statements were available to be issued. Based on this evaluation, there were no events identified that require adjustment to or disclosure in the accompanying financial statements.

Required Supplementary Information

Lompoc Cemetery District
Budgetary Comparison Schedule – General Fund
June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 561,235	\$ 561,235	\$ 577,133	\$ 15,898
Sale of burial rights	155,000	155,000	165,464	10,464
Charges for services	293,200	293,200	245,628	(47,572)
Investment income	83,200	83,200	41,576	(41,624)
Rental income	8,400	8,400	8,400	–
Intergovernmental	1,915	1,915	–	(1,915)
Total revenues	<u>1,102,950</u>	<u>1,102,950</u>	<u>1,038,201</u>	<u>(64,749)</u>
EXPENDITURES				
Salaries and benefits	625,450	625,450	572,817	52,633
Services and supplies	278,500	278,500	247,005	31,495
Capital outlay	141,000	141,000	224,008	(83,008)
Other Expense	58,000	58,000	–	58,000
Total expenditures	<u>1,102,950</u>	<u>1,102,950</u>	<u>1,043,830</u>	<u>59,120</u>
Net change in fund balance	–	–	(5,629)	(5,629)
FUND BALANCE, beginning of year	<u>1,403,835</u>	<u>1,403,835</u>	<u>1,403,835</u>	<u>–</u>
FUND BALANCE, end of year	<u>\$ 1,403,835</u>	<u>\$ 1,403,835</u>	<u>\$ 1,398,206</u>	<u>\$ (5,629)</u>

**Report of Independent Auditors on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Trustees
Lompoc Cemetery District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and the major funds of Lompoc Cemetery District (the “District”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Lompoc Cemetery District’s basic financial statements, and have issued our report thereon dated February 13, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lompoc Cemetery District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lompoc Cemetery District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Lompoc Cemetery District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

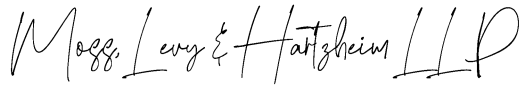
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lompoc Cemetery District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Moss, Levy & Hartzheim LLP". The signature is written in a cursive, flowing style.

Santa Maria, California
February 6, 2026