



SMARTSVILLE CEMETERY DISTRICT
Yuba County Government Center, Board Chambers
915 Eighth Street, Suite 109A
Marysville, California

AGENDA

SPECIAL MEETING
MARCH 26, 2019 – 8:30 A.M.

CALL TO ORDER: Welcome. As a courtesy to others, please turn off cell phones or other electronic devices which might disrupt the meeting. Thank you.

I **ROLL CALL** – Directors Vasquez, Leahy, Lofton, Bradford, Fletcher

II **PUBLIC COMMUNICATIONS:** Any person may speak about any subject of concern within the jurisdiction of the District which is not on today's agenda. The total amount of time allotted shall be limited to a total of 15 minutes and each individual or group will be limited to no more than 3 minutes. Prior to this time, speakers are requested to fill out a "Request to Speak" card and submit it to the secretary.

III **ACTION ITEMS**

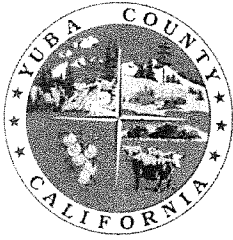
A. Approve meeting minutes of October 9, 2018.

B. Receive independent financial audit for year ended June 30, 2018 including corrective actions; authorize the Auditor- Controller to close Fund 612 (SCD Savings) and transfer balance of \$339.71 into Fund 610 (SCD Operating); and adopt Policies and Procedure for the District.

IV **BOARD AND STAFF MEMBER REPORTS**

V **ADJOURN**

The complete agenda, including backup material, is available at the Yuba County Government Center, 915 8th Street, Suite 109 and www.yuba.org. Any disclosable public record related to an open session item on the agenda and distributed to all or a majority of the Board of Directors less than 72 hours prior to the meeting are available for public inspection at Suite 109 during normal business hours. In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you have a disability and need disability-related modifications or accommodations to participate in this meeting, please contact the Clerk of the Board's office at (530) 749-7510 or fax (530) 749-7353. Requests must be made two full business day before the start of the meeting.



SMARTSVILLE CEMETERY DISTRICT

MINUTES

OCTOBER 9, 2018 – 8:50 A.M.

Call to order 8:50 a.m. with a quorum being present as follows: Directors Andy Vasquez, Mike Leahy, Doug Lofton, Gary Bradford, and Randy Fletcher. Also present were County Counsel Courtney Abril and Clerk of the Board of Supervisors Rachel Ferris. Chair Fletcher presided.

I ROLL CALL – Directors Vasquez, Leahy, Lofton, Bradford, Fletcher – All present

II PUBLIC COMMUNICATIONS: None

III ACTION ITEMS

A. Approve meeting minutes of August 28, 2018.

MOTION: Move to approve

MOVED: Andy Vasquez SECOND: Mike Leahy

AYES: Andy Vasquez, Mike Leahy, Doug Lofton, Gary Bradford, Randy Fletcher

NOES/ABSENT/ABSTAIN: None

B. Adopt resolution ratifying the disposal of surplus property due to it being inoperable and/or in a state of disrepair. County Counsel Courtney Abril provided a brief recap, and responded to Board inquiries.

MOTION: Move to adopt

MOVED: Andy Vasquez SECOND: Mike Leahy

AYES: Andy Vasquez, Mike Leahy, Doug Lofton, Gary Bradford, Randy Fletcher

NOES/ABSENT/ABSTAIN: None

Adopted Resolution No. 2018-01

C. Authorize Budget Transfer in the amount of \$1,000 from 610-000-252-20-00 (Fund Balance) to 610-000-491-20-00 (Services and Supplies) to cover audit costs of District financials for Fiscal Year 17/18. Auditor Richard Eberle recapped costs, funds available, and responded to Board inquiries.

County Counsel Courtney Abril advised they continue to search for an affordable auditing firm.

MOTION: Move to approve

MOVED: Andy Vasquez SECOND: Mike Leahy

AYES: Andy Vasquez, Mike Leahy, Doug Lofton, Gary Bradford, Randy Fletcher

NOES/ABSENT/ABSTAIN: None

IV BOARD AND STAFF MEMBER REPORTS: None

V ADJOURN: at 8:57 a.m.

Chair

ATTEST: RACHEL FERRIS
Secretary, Clerk of the Board of Supervisors

Approved: _____

SMARTSVILLE CEMETERY BOARD OF TRUSTEES

TO: Board of Trustees

FROM: Yuba County Administrative Office, Leanne Link, Deputy County Administrative Officer (Extra Help)

SUBJECT: **Accept the FY 2017-18 Audit, Close Unneeded Fund and Adopt Policies and Procedures for the District**

DATE: **March 26, 2019**

NUMBER: **133-2019**

Recommendation

It is recommended that the Board of Trustees take the following actions:

1. Accept the results of the financial audit for the period ended June 30, 2018, including corrective actions to address findings in the audit;
2. Authorize the Auditor-Controller to close fund 612 (Smartsville Cemetery District Savings) and transfer the balance of funds in that account (approximately \$339.71) into Fund 610 (Smartsville Cemetery District Operating); and
3. Adopt Policies and Procedures for the District; and

Background

The Smartsville Cemetery District is a special district within Yuba County established by an act of the Yuba County Board of Supervisors in 1968. Since that time, the district was governed by a three-person board of trustees. Over time, trustees resigned and replacing members of the board was difficult. By 2017, only one trustee remained, and that person operated the district. The last Trustee died in May 2017. With no one to operate the district, the Board of Supervisors voted in September 2017 to become the new Board of Trustees for the district. Since that time, county staff has worked to clean up records and minimally operate the district. One of the necessary tasks was to bring financial records up to date and have an audit performed as well as establish policies and procedures necessary for the efficient operation of the district. Once these are completed, the district can reasonably be returned to governance by qualified citizens residing in the community of Smartsville.

Discussion

Audit:

The district contracted with the accounting firm of Smith and Newell to perform an audit of financial records for fiscal year 2017-18. The last audit performed for the district was FY 2000-01. All funds have been held in the county treasury, but the district did not maintain sufficient financial records to allow for an audit of the intervening years. Beginning in FY 2017-18, all transactions have occurred through normal county processes. The audit noted four findings, which must be addressed. Audit responses and corrective actions were prepared by the Yuba County Auditor-Controller and are included in the attached audit document.

Close Fund 612

Smartsville Cemetery District currently has three funds within the County Treasury: Fund 610 – General (Operations) Fund; Fund 611 – Endowment Fund; and Fund 612 – Smartsville Cemetery Savings. The “savings” fund represents a special fund outside the general fund, which is inconsistent with current county practices. The current fund balance in that fund is \$339.71. It is recommended that the fund be closed and the balance transferred to fund 610, the district’s general fund. Since there is no known purpose for the funds, the funds transferred would be considered “unassigned” for purposes of fund balance classification.

Policies and Procedures:

Working with the Smartsville Cemetery District Citizens Advisory Committee, staff has produced a set of policies and procedures to ensure efficient operation of the district. The Citizens Advisory Committee, the County Auditor-Controller and County Counsel have reviewed these policies and procedures. The proposed Policies and Procedures document is included as an attachment to this report.

Fiscal Impact:

None.

Attachments:

Financial Audit dated June 30, 2018

Smartsville Cemetery District Proposed Policies and Procedures

**SMARTSVILLE CEMETERY DISTRICT,
CALIFORNIA**

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2018**

SMARTSVILLE CEMETERY DISTRICT
Annual Financial Report
For the Year Ended June 30, 2018

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INTRODUCTORY SECTION

- **List of Officials**

SMARTSVILLE CEMETERY DISTRICT
List of Officials
For the Year Ended June 30, 2018

Board of Trustees

Andy Vasquez	Director
Mike Leahy	Director
Doug Lofton	Director
Gary Bradford	Director
Randy Fletcher	Director

FINANCIAL SECTION

- **Independent Auditor's Report**
- **Basic Financial Statements**
- **Required Supplementary Information**

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Smartsville Cemetery District
Smartsville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Smartsville Cemetery District, California (District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Board of Trustees
Smartsville Cemetery District
Smartsville, California

Basis for Qualified Opinion

As discussed in Note 1H to the financial statements, management has not maintained detailed records of capital assets, accumulated depreciation or current year depreciation. Accounting principles generally accepted in the United States of America require that capital assets be capitalized and depreciated. The amount by which this departure would affect the assets, net position and expenses of the government-wide financial statements of the District is not reasonably determinable.

Qualified Opinion

In our opinion, except for the effects of the matters discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the District as of June 30, 2018, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund of the District as of June 30, 2018, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

To the Board of Trustees
Smartsville Cemetery District
Smartsville, California


Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 11, 2019, on our consideration of the 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 solely 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 the effectiveness of the District's 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 District's internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read "Smith & Newell", is written in black ink.

Smith & Newell CPAs
Yuba City, California
February 11, 2019

Basic Financial Statements

- **Government-Wide Financial Statements**

SMARTSVILLE CEMETERY DISTRICT
Statement of Net Position
June 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 11,262
Total Assets	<u>11,262</u>
LIABILITIES	
Accounts payable	<u>-</u>
Total Liabilities	<u>-</u>
NET POSITION	
Restricted for:	
Endowment:	
Nonexpendable	3,633
Unrestricted	<u>7,629</u>
Total Net Position	<u><u>\$ 11,262</u></u>

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

SMARTSVILLE CEMETERY DISTRICT
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Position
					Total
					Governmental
					Activities
Governmental activities:					
General government	\$ 4	\$ 1,600	\$ 12	\$ -	\$ 1,608
Total Governmental Activities	<u>4</u>	<u>1,600</u>	<u>12</u>	<u>-</u>	<u>1,608</u>
Total	<u>\$ 4</u>	<u>\$ 1,600</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>1,608</u>
General revenues:					
Taxes:					
Property taxes					906
Interest and investment earnings					<u>86</u>
Total General Revenues					<u>992</u>
Change in Net Position					2,600
Net Position - Beginning					<u>8,662</u>
Net Position - Ending					<u>\$ 11,262</u>

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

Basic Financial Statements

- **Fund Financial Statements**

SMARTSVILLE CEMETERY DISTRICT
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Endowment	Totals
ASSETS			
Cash and investments	\$ 7,594	\$ 3,668	\$ 11,262
Total Assets	<u>\$ 7,594</u>	<u>\$ 3,668</u>	<u>\$ 11,262</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	3,668	3,668
Unassigned	<u>7,594</u>	<u>-</u>	<u>7,594</u>
Total Fund Balances	<u>7,594</u>	<u>3,668</u>	<u>11,262</u>
Total Liabilities and Fund Balances	<u>\$ 7,594</u>	<u>\$ 3,668</u>	<u>\$ 11,262</u>

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

SMARTSVILLE CEMETERY DISTRICT
Reconciliation of Governmental Funds Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2018

Total Fund Balances - Total Governmental Funds	\$ 11,262
Amounts reported for governmental activities in the statement of net position are different because:	
No adjustments were needed to reconcile the governmental funds balance sheet to the government-wide statement of net position.	-
Net Position of Governmental Activities	<u><u>\$ 11,262</u></u>

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

SMARTSVILLE CEMETERY DISTRICT
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	<u>General Fund</u>	<u>Endowment</u>	<u>Totals</u>
REVENUES			
Taxes	\$ 906	\$ -	\$ 906
Intergovernmental revenues	12	-	12
Use of money and property	51	35	86
Charges for service	<u>1,600</u>	<u>-</u>	<u>1,600</u>
Total Revenues	<u>2,569</u>	<u>35</u>	<u>2,604</u>
EXPENDITURES			
Current general government:			
Services and supplies	<u>4</u>	<u>-</u>	<u>4</u>
Total Expenditures	<u>4</u>	<u>-</u>	<u>4</u>
Net Change in Fund Balances	2,565	35	2,600
Fund Balances - Beginning	<u>5,029</u>	<u>3,633</u>	<u>8,662</u>
Fund Balances - Ending	<u><u>\$ 7,594</u></u>	<u><u>\$ 3,668</u></u>	<u><u>\$ 11,262</u></u>

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

SUTTER CEMETERY DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2018

Net Change in Fund Balances - Total Governmental Funds	\$ 2,600
Amounts reported for governmental activities in the statement of activities are different because:	
No adjustments were needed to reconcile the net change in fund balance to the change in net position.	<u>-</u>
Change in Net Position of Governmental Activities	<u><u>\$ 2,600</u></u>

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

Basic Financial Statements

- **Notes to Basic Financial Statements**

SMARTSVILLE CEMETERY DISTRICT

Notes to Basic Financial Statements

For the Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Smartsville Cemetery District is a special district within the County of Yuba governed by an independent five member Board of Trustees. The District is located in the town of Smartsville. The financial transactions are recorded in the Yuba County accounting system and are reflected in a General fund and one permanent fund. The District oversees the operations at one cemetery within Yuba County.

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

Component Units

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

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information on all the activities of the District. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. These statements report the governmental activities of the District, which are normally supported by taxes and intergovernmental revenues. The District had no business-type activities at June 30, 2018.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

Fund Financial Statements

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

SMARTSVILLE CEMETERY DISTRICT

Notes to Basic Financial Statements

For the Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The District reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds.
- The Endowment fund is a permanent fund used to account for endowment collections.

C. Basis of Accounting and Measurement Focus

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

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

D. Non-Current Governmental Assets/Liabilities

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

E. Cash and Investments

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

SMARTSVILLE CEMETERY DISTRICT

Notes to Basic Financial Statements

For the Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments (Continued)

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

F. Receivables

Receivables would include revenue accruals such as charges for services, interest and tax revenues since they are usually measurable and available. At June 30, 2018, the District had no receivables.

G. Inventory

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

H. Capital Assets

Capital assets would be recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Donated capital assets would be valued at their estimated fair market value at the date of donation. Major outlays for capital assets and improvements would be capitalized as projects are constructed.

Capital assets used in operations would be depreciated or amortized using the straight-line method over the assets' estimated useful lives in the government-wide financial statements.

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

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

I. Property Tax

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

SMARTSVILLE CEMETERY DISTRICT

Notes to Basic Financial Statements

For the Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Property Tax (Continued)

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

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

J. Compensated Absences and Other Postemployment Benefits

The District has no employees. Services are provided by contract or volunteers. Therefore, there is no liability for compensated absences or other postemployment benefits.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. As of June 30, 2018, the District did not have any deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. As of June 30, 2018, the District did not have any deferred inflows of resources.

L. Interfund Transactions

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

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

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

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

SMARTSVILLE CEMETERY DISTRICT

Notes to Basic Financial Statements

For the Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Interfund Transactions (Continued)

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

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

M. Estimates

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

N. Implementation of Governmental Accounting Standards Board Statements (GASB)

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

Statement No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This statement improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). This statement also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

Statement No. 81, Irrevocable Split-Interest Agreements. This statement improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

Statement No. 85, Omnibus 2017. This statement addresses practice issues that have been identified during implementation and application of certain GASB Statements including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits.

Statement No. 86, Certain Debt Extinguishment Issues. This statement improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt.

SMARTSVILLE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 2: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2018, the District's cash and investments consisted of the following:

Investments:	
Yuba County Treasurer's pool	\$ 11,262
Total Investments	<u>\$ 11,262</u>

B. Investments

The District does not have a formal investment policy. At June 30, 2018, all investments of the District were in the County of Yuba investment pool. Under the provisions of the County's investment policy and the California Government Code, the County may invest or deposit in the following:

Banker's Acceptances
Commercial Paper
Local Agency Investment Fund (LAIF)
Mutual Funds
Medium Term Corporate Notes
Money Market Funds
Negotiable Certificates of Deposit
Repurchase Agreements
Securities of the Federal Government or its Agencies

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

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

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

At June 30, 2018, the District had the following recurring fair value measurements:

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level				
None	\$ -	\$ -	\$ -	\$ -
Total Investments Measured at Fair Value	-	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Investments in External Investment Pool				
Yuba County Treasurer's Pool	11,262			
Total Investments	<u>\$ 11,262</u>			

SMARTSVILLE CEMETERY DISTRICT

Notes to Basic Financial Statements

For the Year Ended June 30, 2018

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

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

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's investment policy sets specific parameters by type of investment to be met at the time of purchase. As of June 30, 2018, the District's investments were all held in the County investment pool which is not rated by a nationally recognized statistical rating organization.

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

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law and the investment policy of the County contain limitations on the amount that can be invested in any one issuer. As of June 30, 2018, all investments of the District were in the County investment pool which contains a diversification of investments.

C. Investments in External Pools

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

NOTE 3: CAPITAL ASSETS

The District has not maintained a detailed capital asset listing or depreciation schedule.

SMARTSVILLE CEMETERY DISTRICT

Notes to Basic Financial Statements

For the Year Ended June 30, 2018

NOTE 4: NET POSITION

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

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Net Position Flow Assumption

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

NOTE 5: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2018, fund balance for governmental funds is made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the District’s highest level of decision-making authority. The Board of Trustees is the highest level of decision making authority for the District that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

SMARTSVILLE CEMETERY DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 5: FUND BALANCES (CONTINUED)

- **Assigned fund balance** - amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the District's General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The fund balances for all governmental funds as of June 30, 2018, were distributed as follows:

	<u>General</u>	<u>Endowment</u>	<u>Total</u>
Nonspendable:			
Endowment - nonspendable	\$ -	\$ 3,668	\$ 3,668
Unassigned	<u>7,594</u>	<u>-</u>	<u>7,594</u>
Total	<u><u>\$ 7,256</u></u>	<u><u>\$ 3,668</u></u>	<u><u>\$ 11,262</u></u>

Fund Balance Flow Assumption

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

Fund Balance Policy

The Board of Trustees adopted a fund balance policy for financial statement reporting in October 2011. The policy establishes procedures for reporting fund balance classifications, establishes prudent reserve requirements and establishes a hierarchy of fund balance expenditures.

NOTE 6: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases coverage from a risk management authority. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 7: OTHER INFORMATION

A. Subsequent Events

Management has evaluated events subsequent to June 30, 2018 through February 11, 2019, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

**Required Supplementary Information
(Unaudited)**

SMARTSVILLE CEMETERY DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 912	\$ 912	\$ 906	\$ (6)
Intergovernmental revenues	11	11	12	1
Use of money and property	50	50	51	1
Charges for services	1,400	1,400	1,600	200
Total Revenues	<u>2,373</u>	<u>2,373</u>	<u>2,569</u>	<u>196</u>
EXPENDITURES				
Current general government:				
Services and supplies	<u>5,100</u>	<u>5,100</u>	<u>4</u>	<u>5,096</u>
Total Expenditures	<u>5,100</u>	<u>5,100</u>	<u>4</u>	<u>5,096</u>
Net Change in Fund Balances	(2,727)	(2,727)	2,565	5,292
Fund Balances - Beginning	<u>5,029</u>	<u>5,029</u>	<u>5,029</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 2,302</u></u>	<u><u>\$ 2,302</u></u>	<u><u>\$ 7,594</u></u>	<u><u>\$ 5,292</u></u>

SMARTSVILLE CEMETERY DISTRICT
Required Supplementary Information
Note to Budgetary Comparison Schedules
For the Year Ended June 30, 2018

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year. The District presents a comparison of annual budgets to actual results for the General fund. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

The following procedures are performed by the District in establishing the budgetary data reflected in the financial statements:

- (1) The Board of Trustees reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (2) Prior to July 1, the budget is adopted through the passage of a resolution.
- (3) From the effective date of the budget, the amounts stated therein, as proposed expenditures become appropriations. The Board of Trustees may amend the budget by motion during the fiscal year.

The District does not use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

OTHER REPORT AND SCHEDULES

- **Other Report**
- **Schedule of Findings and Recommendations**
- **Management's Corrective Action Plan**

**INDEPENDENT AUDITOR'S REPORT 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
Smartsville Cemetery District
Smartsville, California

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 each major fund of Smartsville Cemetery District, California (District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 11, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and recommendations, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and recommendations to be a material weakness. (2018-001)

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. We consider the deficiencies described in the accompanying schedule of findings and recommendations to be significant deficiencies. (2018-002, 2018-003 and 2018-004)

To the Board of Trustees
Smartsville Cemetery District
Smartsville, California

Compliance and Other Matters

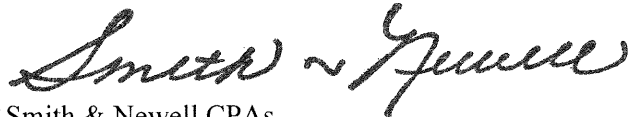
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

District's Responses to Findings

The District's responses to the findings identified in our audit are described in the accompanying management's corrective action plan. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 cursive script, appearing to read "Smith & Newell", is written in black ink.

Smith & Newell CPAs
Yuba City, California
February 11, 2019

SMARTSVILLE CEMETERY DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2018

2018-001 Capital Assets (Material Weakness)

Condition

We noted that the District did not maintain a schedule of capital assets, accumulated depreciation, or current year depreciation at June 30, 2018.

Cause

The District did not prepare a capital asset schedule or a depreciation schedule.

Criteria

Good internal control over capital assets requires that a current detail listing of capital assets with complete historical costs and accumulated depreciation be maintained and that assets be capitalized in accordance with an approved capitalization policy.

Effect of Condition

The District receives a qualified opinion on the annual financial report. In addition, the risk of errors or irregularities occurring and not being detected in a timely manner is increased when a detail listing of capital assets is not maintained.

Recommendation

We recommend that the District adopt a capitalization policy and that a detail listing of capital assets including depreciation be developed and maintained for all capital assets owned by the District.

2018-002 Deposits (Significant Deficiency)

Condition

During our audit we noted that the District is pursuing the collection of stale dated checks that were received totaling approximately \$870, dating back to 2005.

Cause

In previous years, the District did not deposit checks for collections received, therefore the checks became invalid.

Criteria

Good internal controls require that all payments received be deposited in a timely manner.

Effect of Condition

There is approximately \$870 in stale dated checks received that are still in the process of collection by the District.

SMARTSVILLE CEMETERY DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2018

2018-002 Deposits (Significant Deficiency) (Continued)

Recommendation

We recommend that the District continue their process of obtaining new payments for the invalid checks on hand and that all checks be deposited in a timely manner.

2018-003 Policies and Procedures (Significant Deficiency)

Condition

We noted that the District does not have written procedures regarding District policy for performing many of the current financial processes.

Cause

Due to limited staff, the District has not developed and implemented written policies and procedures.

Criteria

Good internal control requires that procedures be documented and performed in a consistent manner in accordance with approved District policy.

Effect of Condition

Without written procedures, tasks may not be performed in a consistent manner. Written procedures are helpful if someone else has to perform duties that he/she normally would not perform.

Recommendation

We recommend that the District develop written policies and procedures for all current financial processes.

2018-004 Accountability of Endowment Funds (Significant Deficiency)

Condition

At the time of our fieldwork we noted that the fund balance of the Endowment fund had not been separated between the portion that was expendable for operations and the portion that was nonexpendable. We also noted that in prior years expenditures from the fund exceeded expendable revenues.

Cause

The District was not tracking the nonexpendable endowment revenues that had been received.

SMARTSVILLE CEMETERY DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2018

2018-004 Accountability of Endowment Funds (Significant Deficiency) (Continued)

Criteria

Cemetery districts that have established and collect endowment funds are to track the nonexpendable portion of the fund.

Effect of Condition

During the prior years the District may have expended funds that are nonexpendable.

Recommendation

We recommend that the District analyze the collections in prior years for the Endowment fund and separate the fund balance into the nonexpendable and expendable balances.

SMARTSVILLE CEMETERY DISTRICT
Management's Corrective Action Plan
For the Year Ended June 30, 2018

Finding 2018-001 Capital Assets (Material Weakness)

We recommend that the District adopt a capitalization policy and that a detail listing of capital assets including depreciation be developed and maintained for all capital assets owned by the District.

Responsible Individual: Richard Eberle

Corrective Action Plan: Develop capitalization policy. Create listing of capitalizable assets and assign a value.

Anticipated Completion Date: June 30, 2019

Finding 2018-002 Deposits (Significant Deficiency)

We recommend that the District continue their process of obtaining new payments for the invalid checks on hand and that all checks be deposited in a timely manner.

Responsible Individual: Richard Eberle

Corrective Action Plan: Continue to deposit all valid collections.

Anticipated Completion Date: June 30, 2019

Finding 2018-003 Policies and Procedures (Significant Deficiency)

We recommend that the District develop written policies and procedures for all current financial processes.

Responsible Individual: Leanne Link

Corrective Action Plan: Develop written policies and procedures and have them adopted by the Board.

Anticipated Completion Date: June 30, 2019

Finding 2018-004 Accountability of Endowment Funds (Significant Deficiency)

We recommend that the District analyze the collections in prior years for the Endowment fund and separate the fund balance into the nonexpendable and expendable balances.

Responsible Individual: Richard Eberle

Corrective Action Plan: Have the Board adopt a policy to handle the endowment funds from this point forward and ensure funds are classified and used in accordance with the policy.

Anticipated Completion Date: June 30, 2019

SMARTSVILLE CEMETERY DISTRICT POLICIES AND PROCEDURES

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**SMARTSVILLE CEMETERY DISTRICT
POLICIES AND PROCEDURES
Adopted (Date)**

DEFINITIONS

As used throughout this document, terms are defined as follows:

Board shall mean the Board of Trustees of the Smartsville Cemetery District.

CAH&S shall mean the California Health and Safety Code. This is accompanied by the code number.

“Cemetery” shall mean the Smartsville Cemetery owned and operated by the District.

District shall mean the Smartsville Cemetery District.

Interment shall mean the burial of the body or human remains of a human being in a lot or plot.

Interment right or rights shall mean the right purchased from the District to use or control the use of any plot, lot, niche, or other space for the interment of human remains. *Interment rights* are not actual property subject to the laws of intestacy.

Interment Rights Holders or Burial Rights Holder shall mean “any person in whose name an interment plot stands of record as burial right holder in the office of the cemetery authority” (CAH&S 7023).

Lot, plot or interment lot or interment plot shall mean space in a cemetery, used, or intended to be used for the interment of human remains. Such terms include and apply to one or more than one adjoining graves.

Manager shall mean the Manager of the Smartsville Cemetery District. If no Manager is employed, the Board will be assigned the responsibilities of the Manager.

Markers shall mean any plaque, stone or other item used to mark the location of an interment or memorialize a person interred in the Cemetery, and shall include flat, pillow, upright and monument grave markers, as well as any plaque affixed to any post, niche, plate or elsewhere.

Marker Foundation shall mean a permanent cement foundation pad for the marker/headstone, where required.

Non-resident shall mean a person who does not reside within the Smartsville Cemetery District or does not pay property taxes on property located in the Smartsville Cemetery District at the time of the person's death.

Owner shall mean the person who has purchased Interment Rights in the District and in whose name an interment lot stands of record as owner in the District (CAH&S 7023).

Resident shall mean a person who resides or owns real property within the Smartsville Cemetery District.

Use or Control shall mean the right to use the lot for the interment of the owner of the interment right or any qualified person the owner shall designate.

Vested Non-resident shall mean a deceased Non-resident who purchased Interment Rights while a Resident of the District.

SMARTSVILLE CEMETERY DISTRICT POLICIES AND PROCEDURES

GENERAL PROVISIONS AND GOVERNMENT

A. GENERAL

1. Formation. The Smartsville Cemetery District is an independent special district formed on July 23, 1968 by resolution of the Yuba County Board of Supervisors and existing under the provision of the laws of the State of California. The District is located within the Fourth and Fifth Supervisorial Districts of Yuba County.

2. Purpose. The District maintains cemeteries for the use of the residents and taxpayers of the Supervisorial Districts, within the limits set by the California Health & Safety Code. The provisions of these Policies and Procedures (“Policies”) and Rules and Regulations “Rules” enacted by the Board of Trustees of the Smartsville Cemetery District (“District”) are to assist the Board of Trustees of the District as it sets policy and conducts the business and affairs of the District. It is the intent and purpose of these Policies to help clarify and define the responsibilities of the officials of the District. The purpose of these Policies is to supplement state law and to provide more specific guidelines for the actions of the Board of Trustees of the District by means which are fair, fiscally responsible, and protective of the interests of the people of the District. These Policies express the consensus of the Board as to policy matters covered but are not intended to be exhaustive nor are they intended to restrict the otherwise lawful authority of the Board. Notwithstanding any other term, provision or condition of these Policies, no otherwise lawful act of the Board or the officers of the District shall be invalidated by reason of any term, provision or condition of these Policies.

3. Roster of Public Agencies. Pursuant to Government Code 53051, each time a change is made in the name of the District, the address of the District, or a change in the members of the governing board, a statement of facts will be filed with the Secretary of State and the Yuba County Clerk within ten (10) days of the change.

4. Applicable Law. That which is contained in the applicable provisions of the California Health and Safety Code and applicable provisions of the California Government Code govern the actions of the District and its Board of Trustees.

B. ORGANIZATION

1. Board of Trustees. The District is governed by a Board of Trustees consisting of three (3) members appointed by the Yuba County Board of Supervisors (“Board of Trustees” or “Board”) (CAH&S § 9020). The Trustees appointed by the Board of Supervisors must be registered voters in the District (CAH&S § 9022). The Trustees

shall hold office for four (4) years and until appointment of their successor. Trustees may be reappointed to subsequent terms by the Board of Supervisors.

As of September 12, 2017, in the absence of a viable Board of Trustees, the Yuba County Board of Supervisors appointed itself as the District's Board of Trustees until such time that a new Board of Trustees could be seated. On March 26, 2019, the Board of Supervisors divested itself of responsibility of the District and appointed a new Board of Trustees.

2. Oath. Each Trustee shall accomplish an "Oath or Affirmation of Allegiance and Affidavit of Citizenship." Two copies of the form will be mailed to the Trustees by the Yuba County Board of Supervisors upon their appointment. One copy of the executed Oath will be forwarded to the County Clerk and one copy kept on file in the District Office.

3. Officers. The officers of the Board of Trustees shall consist of a Chairperson, Vice Chairperson, and Secretary. The Chairperson and Vice Chairperson shall be elected from the membership of the Board of Trustees. The Secretary may either be a Trustee or a District employee. (CAH&S § 9028(a)).

4. Election of Officers. At the first meeting of the calendar year, the Board shall elect a Chairperson, Vice Chairperson, and Secretary to serve terms of one (1) year or until a successor is elected. All officer positions may succeed themselves. The Chairperson may designate a member of the Board of Trustees to be Chairperson for a special job for a period of time when approved by the majority vote of Trustees.

The office of Trustee shall be considered vacant if a member of the Board of Trustees ceases to discharge the duties of the office for any of the reasons listed in California Government Code Section 1770.

5. Duties of Trustees – General. The Trustee's duties shall be legislative in nature. They shall establish policies, rules and regulations for the operation and management of the District. (CAH&S §§ 9001-9093). The Board shall provide for the faithful implementation of those policies, which is the responsibility of the employees of the District. (CAH&S § 9020). The Board will, but is not restricted to, perform the following:

- a) Open Meetings. The Trustees shall conduct their business for the public benefit, abiding by the California "Open Meeting Law" (Govt. Code §§ 54950 *et seq.*).
- b) Sound Judgment. The Trustees shall exercise sound, prudent, and independent judgment in conducting the business of the District and shall deal always in an ethical, honest, straight-forward, open and above-broad manner with the community, the District Manager and employees of the District.

- c) Endowment Care Fund. The Board shall establish and maintain an endowment care fund for the District in accordance with CAH&S Sections 9065 and 8738.
- d) Finances and Budget. The Board shall in all ways prudently manage, preserve and account for the District's financial resources. The Board shall review and approve an annual budget for the District by June 30 of each year and approve all expenditure of District funds. The Board shall establish rates for sale of interment rights (CAH&S § 9049), endowment care fund deposits, and all other services performed by the District.
- e) Rules and Regulations. The Board shall make, adopt, amend, and enforce rules and regulations for the administration, maintenance, operation, and use of the Cemetery. (CAH&S § 8300).
- f) Personnel. The Board shall employ staff or procure services necessary for the proper operation and maintenance of the District.
- g) District Manager. The Board shall employ a qualified, competent person as District Manager who will manage, administer and supervise the District under the direction of the Board. The Manager shall serve at the will and pleasure of the Board.
- h) Necessary Acts. The Board may do all acts necessary or proper for the carrying out of its purpose, including enclosing the Cemetery and laying out plots, and preparing and maintaining an up-to-date map of the Cemetery, showing by section and lot number which plots have been sold for burial purposes and which lots are still owned by the District and available for sale.
- i) Audits. The Board shall provide for regular audits of the District's accounts, records, and the District's endowment care fund pursuant to California Government Code Section 26909 and CAH&S Section 9079. The Board shall employ a licensed auditor who is familiar with Special District audit procedures to perform annual audits. Copies will be presented to the Yuba County Auditor's office and the Yuba County Board of Supervisors.
- j) Inventory. Complete an inventory of all capital assets annually by the last day of June. The secretary/bookkeeper will provide the Board with the new Inventory List at the July meeting and will be included in the annual audit.

- k) Records. The Board shall maintain all records and reports as required by the County of Yuba, and the State of California, including maintaining a written contract for sales as required by the CAH&S Section 8277.
- l) Board Studies. The Board shall study ways of improving the District and the services the District provides.
- m) Collective Action. Unless the Board employs no District Manager, the Board shall act collectively, and they will not individually involve themselves in the day-to-day operations of the District. The Board shall function as a Board rather than as individuals to adopt public policies and Board procedures for guidance of the Board and District's staff.
- n) Community Relations. The Board shall keep the District Manager informed of community reaction to the District's services and assist in building positive community relations.
- o) Official Functions. The Board shall represent the District at official functions that pertain to the District as required.
- p) Litigation. The Board shall initiate legal action when appropriate and defend the District against unwarranted claims or demands.
- q) The Board may pursue the procedure of reclaiming the abandonment of 50-year-old interment plots in superior court by following the procedure outlined in CAH&S Section 9069(b).

6. Board Compensation. The Trustees may receive compensation and shall be reimbursed their reasonable and necessary travel expenses. (CAH&S § 9031.).

7. Notification of Impending Absence. If any member of the Board is unable to attend a meeting, the Board member shall, if possible, notify the Board Chairperson or designated representative prior that meeting.

C. MEETINGS

1. Regular Meetings. Time, date, and agenda of regular meetings of the Board of Trustees, will be posted in a spot freely accessible to the members of the public at least 72 hours before the regular meeting. No action shall be taken on any item not appearing on the posted agenda without first meeting the conditions of Section 54954.2 of the California Government Code. The Board will meet a minimum of once every three months and the meetings are subject to the provisions of the Ralph M. Brown Act, Chapter 9 (commencing with § 54950) of Division 2 of Title 5 of the California Government Code. (CAH&S § 9029). Although the minimum requirement for meetings is every three months, the District may choose to meet more frequently, as necessary.

2. Special Meetings. Special meetings may be called at any time by the Chairperson, or by a majority vote of the Trustees, by delivering personally or by mail, written notice to each Trustee and by posting notice and agenda of the meeting at least 24 hours before the time of such meeting. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered.

3. Emergency Meetings. Emergency meetings may be called without compliance with the 24-hour notice requirement in the case of any emergency situation involving matters upon which prompt action is necessary as set forth in Government Code 54956.5.

4. Closed Sessions. Closed sessions may be called during a regular or special meeting. The general reason for a closed meeting must be made public before the closed session of a regular or special meeting. Closed sessions not expressly authorized by the Brown Act (California Government Code §§ 54954.5) are prohibited.

5. Public. Opportunity for the public to address the Board shall be listed in the agenda and is limited to five (5) minutes.

6. Quorums. A quorum is established as a majority of the total membership of the District Board. The District Board, which has a total membership of three (3) members, requires two (2) members to conduct a meeting and requires two (2) votes in agreement to pass a motion, resolution or ordinance. (CAH&S § 9030(a)).

D. FINANCIAL MANAGEMENT

1. Revenue. All payments to the District for services must be accompanied by a receipt for payment showing the person making the payment, the decedent (if applicable), the plot number, the date that the payment was received, the amount of payment, a general description of the service, and the method of payment (e.g. check, money order). If payment is made by check, the check number should also be noted on the receipt for payment. Payments made by check or money order must be deposited in the Yuba County treasury within five (5) days of receipt. Payments made by cash must be deposited on the same day received or on the next banking day if the payment is received too late to be deposited on the same day.

2. Expenditures. All requests for payment of District funds by the Yuba County Auditor-Controller must be accompanied by an original invoice, cash register receipt or other appropriate document to verify the validity of the charge to the District. Any request for payment of District funds must be signed by two members of the Board of Trustees. To ensure efficient operation of District business, the Board of Trustees may, by resolution adopted annually, designate a representative of the district to authorize payment of routine expenditures as specifically detailed in the resolution, provided that a listing of all such payments is approved by the majority of the members at the subsequent meeting of the Board of Trustees.

3. Capital Assets. A capital asset for purpose of this policy is tangible property not intended for resale, which has a useful life of more than one year and a cost to purchase and put into service of \$5,000 or more. All capital assets shall be included on the district's financial statements and shall be accounted for in a separate schedule showing the item, date of purchase, cost, and assumed useful life. The schedule shall be reviewed by the Board of Trustees each year to make sure that all capital assets are still within the control of the district and that all are still serving in their intended capacity.

4. Records. Records of all financial transactions, including, but not limited to, receipts for payment, deposit permits, and requests for payment of district funds will be retained for a period of not less than seven (7) years from either the date of issuance or when an audit of the records is completed, whichever is later. Maintenance and housing of district records shall be the responsibility of a member of the Board of Trustees as designated by the Board of Trustees at a regular meeting.

SMARTSVILLE CEMETERY DISTRICT
RULES & REGULATIONS
Adopted (date)

A. INTERMENT IN SMARTSVILLE CEMETERY. In addition to the provisions established by CAH&S for the operation of the District's cemeteries, the following Rules and Regulations shall apply:

1. Qualified Persons. Interment in the District's cemeteries shall be limited to (i) residents of the District, (ii) property taxpayers of the District; (iii) former residents of the Districts who acquired interment rights while residents of the Districts; (iv) former property taxpayers of the District who acquired interment rights while they paid those property taxes; (v) Eligible Non-Residents, as defined under CAH&S Section 9061(b)-(e), and (vi) the family members of any person listed in (i)-(v), in accordance with CAH&S Section 9060, or as may be amended hereafter.
 - a. "Family member" of a resident or taxpayer of the District is defined as any spouse, by marriage or otherwise, child or stepchild, by natural birth or adoption, parent, brother, sister, half-brother, half-sister, parent-in-law, sister-in-law, nephew, niece, aunt, uncle, first cousin or any person denoted by the prefix "grand or great" or the spouse of any of these person. (CAH&S 9002).
2. Non-Resident Fee. Pursuant to CAH&S Section 9061, a Non-Resident Fee must be paid for the interment of any person otherwise qualifying for interment in the District but who is not a resident or taxpayer of the District at the time of death.
3. Certificate of Ownership of Burial Rights. Each purchaser of an Interment Right shall be issued a *Certificate of Ownership of Burial Rights* by an authorized representative of the Board. The interest acquired by such purchaser shall not be an interest in real property, but shall be simply the revocable right granted to the purchaser/Certificate Holder to use said plot in accordance with these Rules and Regulations.
4. Restrictions. The Board of Trustees has authorized a maximum of five (5) lots to be sold to any Qualified Person, as defined in Section A(1) above. If more lots are desired for a family plot, further purchases will have to be approved by the Board of Trustees.
5. Records. The District shall keep a record of the ownership of all interment rights in the Cemetery which have been conveyed by the Cemetery authority and of all transfers of such rights in the Cemetery. (CAH&S § 9064).

6. Owner Interment Rights. Owner interment rights are determined by the *Public Cemetery List of Rights to Succession of Ownership*, which shall be made available at the request of a member of the public.
- a. All interment rights conveyed to individuals are presumed to be the sole and separate property of the owner named in the instrument of conveyance.
 - b. Where there is more than one owner of interment rights, the owners may designate one or more persons to represent the plot and shall file written notice of designation with the District. In the absence of such notice or of a written objection to its so doing, the District is not liable to any Owner for interring or permitting an interment in the lot upon request of any co-owner of the lot.
 - c. The owner-purchaser may designate, in a signed affidavit filed with the District, any other person to become the owner of those rights. In the absence of any written direction to the contrary, signed by the purchaser and filed with the District, Interment Rights shall belong to the owner.
 - d. If the owner of Interment Rights to a plot dies without designating a successor owner, the Interment Rights shall transfer in the following order of priority:
 - i. The Right to Control Disposition or the Degree of Kinship on file with the district will be used to help determine the ownership of lots.
 - ii. To the spouse of the owner, if any, at the time of death.
 - iii. To the sole surviving competent adult child of the owner, or if there is more than one competent adult child of the owner, the majority of the surviving competent adult children. However, less than the majority of the surviving competent adult children shall be vested with the rights and duties of this section if they have used reasonable efforts to notify all other surviving competent adult children of their instructions and are not aware of any opposition to those instructions by the majority of all surviving competent adult children.
 - iv. To the surviving competent parent or parents of the owner. If one of the surviving competent parents is absent, the remaining competent parent shall be vested with the rights and duties of this section after reasonable efforts have been unsuccessful in locating the absent surviving competent parent.
 - v. To the sole surviving competent adult sibling of the owner, or if there is more than one surviving competent adult sibling of the owner, the majority of the surviving competent adult siblings. However, less than the majority of the surviving competent adult siblings shall be vested with the rights and duties of this section if

they have used reasonable efforts to notify all other surviving competent adult siblings of their instructions and are not aware of any opposition to those instructions by the majority of all surviving competent adult siblings.

- vi. To the surviving competent adult person or persons respectively in the next degrees of kinship to the owner, or if there is more than one surviving competent adult person of the same degree of kinship, the majority of those persons. Less than the majority of surviving competent adult persons of the same degree of kinship shall be vested with the rights and duties of this section if those persons have used reasonable efforts to notify all other surviving competent adult persons of the same degree of kinship of their instructions and are not aware of any opposition to those instructions by the majority of all surviving competent adult persons of the same degree of kinship.
7. Transfers. An interment right is a transferable property interest. (CAH&S 9069.20). As such, the person listed as the owner in the records of the District may transfer the interment right to a Qualified Person, as defined in Section A(1) above, by signing a *Release of Interest*. No interment right in the Cemetery shall be transferred or legal unless made in the office of, and signed by, the Trustees of the District. Transfer of any interment right shall be complete and effective when recorded on the books of the Cemetery authority.

B. FEES AND CHARGES.

1. General. In accordance with CAH&S Section 9068, the Board shall establish the prices at which Interment Rights shall be sold, the fees for the Cremains Burials, Endowment Care, Out of District, exhumation, benches and memorials, temporary grave markers, and any other fees that occur in providing services at the Cemetery. A schedule of the current fees shall be available for inspection by contacting one of the Trustees.
2. Endowment Care Fund. In accordance with CAH&S Section 9065, the District has established an Endowment Care Fund in the Yuba County Treasury. Section 9065 also requires the payment of a contribution to the Endowment Care Fund for each Interment Right sold. In accordance with CAH&S Section 8738, the Board shall establish the amount to be paid by purchasers for deposit into the Endowment Care Fund. Such amount paid into the Endowment Care Fund is not refundable. The principle amount is to remain in the fund and the interest can be solely spent for the care of the cemeteries owned by the District.

Interment rights purchased prior to the adopting date will not require that any endowment care money be deposited into the Endowment Care Fund. Nevertheless, if a request is made to perform any duties on the grave such as an interment, selling of the interment rights, and placing or replacing a marker, the Endowment Care Fee will be required at that time.

3. Non-Resident Fees. In accordance with CAH&S Section 9068(b), Non-Resident fees shall be charged for the interment of a person who is not a resident of or paying taxes in the District at the time of death, but who is otherwise eligible for interment in a Cemetery of the District, as specified under Section CAH&S Section 9060(b). The Non-Resident fee shall include a surcharge of at least 15% of the amount charged to residents or taxpayers, and will be set by the Board on an annual basis.
4. Waiver of Non-Resident Fees (Eligible Non-Resident). In accordance with CAH&S Section 9061(a)(2), the Board of Trustees may, at its discretion, adopt a Resolution authorizing the waiver of the Non-Resident fee for a Non-Resident who had purchased an interment right while a resident or taxpayer by adopting a Resolution.
5. Non-Taxed Resident Fee. The Yuba County Local Agency Formation Commission ("LAFCO") has established a Sphere of Influence for the District. Residents of this area do not pay any property tax to the District. In an effort to equalize this issue, the Board may, at its discretion, require that residents who live within the District's Sphere of Influence be charged a Non-Taxed Resident Fee. This Non-Taxed Resident fee is to be equal to the Non-Resident Fee set by the Board of Trustees. The residents who live in the Sphere of Influence will have all the rights and privileges that are allowed by law regarding burial in the cemetery.
6. Transfer Fee. A \$50.00 transfer fee will be charged for all lot transfers.
7. Advance Payment. All fees must be paid in full prior to any interment, including the Endowment Care Fund fee. When the plot fee and endowment care are paid in full, an Interment Rights Certificate, signed by the Board of Trustees, will be issued for every interment right sold.
8. Reservations. The Board has authorized the reservation of a lot or lots to be held for a period of ninety (90) days. These reservations are free of charge to the public for the 90-day period and are not to be extended for any length of time. If the lot or lots have not been purchased within that 90-day time period, they will be made available to the taxpayers and residents of the Supervisorial Districts.
9. Return Policy. Individuals wishing not to use the burial rights they either purchased or inherited according to CAH&S Section 7100 (a)(1) to (6), have the right return the burial rights to the District for the original purchase price. Should the original purchase price be less than \$50.00, the District will pay the individual a minimum of \$50 per burial right. The original *Certificate of Ownership Burial Rights* or receipt shall be returned to the District, and a Transfer of Burial Rights Form shall be signed. The Endowment Care Fund fee is not refundable.

10. Special Circumstances. In special circumstances where a fee is to be assessed but is not identified in the Board's fee schedule, the Board will determine the fee that shall recover the full cost of the service or product provided.

C. BURIALS.

Plot owners, funeral directors and other authorized persons shall comply with the following regulations in the use of plots for burial purposes.

1. Eligibility to purchase burial rights in the Cemetery shall be in compliance with CAH&S Sections 9060, 9061, 9062, and any amendments thereto.
2. Burial rights in Cemetery lots must be purchased from an authorized representative of the District.
3. By law, no interment may be made, or other services rendered, until all charges for lots and services and the Endowment Care Fund deposit have been paid at least one full business day preceding the burial.
4. An approved vault or concrete box must be used for every interment.
5. The remains or cremains of the deceased shall be brought to the cemetery in a closed casket, urn, or other approved container.
6. Only one full burial interment may be made in any plot at the Cemetery. Each plot may contain the following:
 - a. One full burial
 - b. One full burial and two cremains
 - c. One full burial, one Memorial and one cremains.
 - d. Two cremains.
7. All final committal services will be planned and executed by a licensed funeral home.
8. Interment orders to open graves must be signed by a family member or authorized agent of the deceased at least three full business day preceding the burial and planned through the funeral home.
9. The opening or closing of a grave, or the placement of any marker, plant, tree, or any other ornament or device, shall be approved by the Board.
10. By law, the District reserves the right, when necessity or the best interests of the District demand, to remove and reinter bodies that may have been interred, keeping accurate record of such a relocation and, whenever possible, notifying the purchaser before the relocation is made.

11. Minimum notice of two business days must be given for an interment or disinterment or for the cancellation of a previously scheduled service. Scheduling of a service must include the day, time and place of the service, as well as the type of burial vault to be used and completion of an Interment Order. All fees must be paid prior to interment/disinterment.
12. No casket shall be opened before, during or following a service without the written permission of the deceased's family and then only under the direct supervision of the funeral director in charge.
13. A Permit for Disposition of Human Remains (Burial Permit), must, in all cases, accompany the body to the cemetery. An email of the permit shall be accepted, provided that the original is received within five (5) working days.
14. A container is required for all interments. Plastic or fiberglass vaults are acceptable.
15. Cremains urns may be ceramic, plastic, wood, cement or other materials approved by the Board.
16. A licensed and insured gravedigger will perform all excavations. All assistants must be covered by Workman's Compensation Insurance paid for by the contracted gravedigger. Proof of insurance must be provided prior to any work being done. The family will contract with the gravedigger.
17. Interments will be scheduled with the District and there is no regulation to what day can be chosen. Burials must be scheduled with the funeral home and gravedigger and then approved by the District. Burials will normally be made after 9 a.m. and prior to 3 p.m.
18. Burials may take place any day of the week as planned by the local funeral home in charge of the burial. Inasmuch as the District does not perform the burials, it is up to the family and the funeral home as to time allotted for the ceremony.
19. All graves shall be level with the surrounding lot when fully settled.
20. No services in connection with burial will be made until charges for such services as fixed by the Board have been paid in advance to the District.
21. No Burial Right holder shall allow any interment to be made in his/her plot for remuneration. Burial Right holders have the right to sell their plot back to the District for the original cost.
22. Except when ordered by a Court, scheduled time for disinterment will be at the discretion of the Board.

23. The District shall not be responsible for removal of the casket or for any damages to vault, casket or remains.
24. All persons acting as casket bearers (pallbearers) during funeral services who transport the casket distances further than from the hearse to the grave, shall sign a waiver releasing the District harmless from any potential incidents that might occur. The next of kin of the deceased shall also be required to sign this waiver.
25. All Mortuary personnel conducting a service are requested to remain at the gravesite until the lowering of the casket has been completed.

D. MEMORIAL SERVICE FOR NON-BURIAL

The District will allow a request for a Memorial Service without a burial. The family must schedule this service with the Board and use outside source for chairs and a tent. In the case of a request to allow a memorialization of a person who is not buried at the cemetery, the District may allow such a memorialization if all the following is done:

- a. The request has or is being authorized by the owner of the plot. The memorial may be placed on an existing grave site or a new site must be purchased to accommodate it.
- b. The Memorialization Fee and Endowment Care Fund fees are paid.
- c. The family must give vital facts to be kept on record with the District. These records must include information that the burial was not made in the Cemetery and the District shall record where the interment had been made or the urn resides.

E. CARE OF GRAVES AND CEMETERY GROUNDS.

The absolute control of Cemetery grounds is vested with the Board; burial right holders, visitors and others are entitled only to such privileges within the grounds as are provided by these Rules and Regulations as determined by the Board. Subject to the control of the Board, the following are the rules regulating general care of the graves and Cemetery ground.

1. The Cemetery gates shall be opened at hours to be determined by the Board of Trustees. There is no admission to the grounds when the gates are closed.
2. The Cemetery is an old, historic cemetery, which may contain hazards such as tree roots, sunken areas, rodent holes, raised and lowered areas, coping surrounding plots, numerous grave Markers of many types and some well over 100 years old, and other potentially hazardous conditions. Possible hazardous conditions signage shall be posted. Every person entering onto the Cemetery shall be responsible for his or her own safety and shall exercise due caution and care.

3. Each year the Cemetery will be examined by staff for possible dangerous conditions. The results will be noted in a written inspection log. The log will include: (1) the date the inspection was performed; (2) the person(s) who performed the inspection (verified with their initials or signature); (3) the findings (if any) of the inspections; and (4) any action taken to remedy any conditions found and the date such action was completed.
4. No animals, with the exception of guide or service dogs, which must accompany their owners, are allowed in the Cemetery without permission from the Manager.
5. No person not employed by the District shall trespass on any plot of which he/she is not the Owner. All persons shall confine themselves to the roadways, paths and other public places provided for public use within the Cemetery grounds, except when accessing a particular plot. All children must be under the control of an adult.
6. No person shall plant, maintain, or adorn any tree, shrub or flower on the Cemetery grounds without Board permission. Donations for trees or shrubs are acceptable, but trees or shrubs will be selected and planted under the direction of the Board.
7. If any tree, shrub, plant or vine situated on any plot shall by reason of roots, branches, height, shade or otherwise become detrimental or unsightly to adjacent plots, paths, or streets on the Cemetery grounds, the Board, or any other person authorized by the Board, may remove or trim such tree, shrub, plant or vine as deemed necessary.
8. Flower Regulations. Flowers may be placed on graves in a provided receptacle in the Marker Foundation or a non-breakable vase, subject to the following rules:
 - a. Not more than two (2) vases/containers shall be permitted on any one (1) in-ground plot.
 - b. All artificial flowers shall be treated the same as fresh flowers. Flowers that discolor, fade, or deteriorate will be removed and disposed by District personnel.
 - c. Flowers and decorations may be removed if they interfere with maintenance.
 - d. Placement of any glass, metal, sand, gravel, rocks, cement, casting plaster or wax objects of any type around the grave, the marker or in vases, jars, cans or flower containers is not allowed. Unauthorized containers will be removed and disposed of.
 - e. No person shall gather flowers or disturb growing plants in the District. No plants will be cut, trimmed, or removed by anyone other than District personnel.
 - f. Regulations established by the Sutter-Yuba Mosquito and Vector Control District requires that water-absorbing polymer material, which turns

standing water into gel, be used in all vases. This eliminates the chance of mosquito development, yet allow cut flowers to remain fresh.

9. Only unbreakable objects of any description are allowed but will be removed if they cause a safety problem or become discolored, unsightly, or broken. The District is not responsible for any decorations placed on the graves. Holiday decorations must be removed one month after the holiday.
10. The District is not responsible for anything of a movable nature that may be lost, stolen, or misplaced.
11. Except in the excavation for the completion of a burial, no person shall remove any earth or in any way damage the cemetery grounds or leave any grass, earth or rubbish of any kind thereon. Dead flowers and other rubbish must be placed in containers provided for that purpose.
12. No person shall burn any material within the Cemetery grounds without permission from the Board.
13. The Board reserves the right to remove from any plot, marker, headstone, monument or other structure, trees, flowers or plants (plastic or real), or other objects which may conflict with the Rules and Regulations, or which may be considered a safety hazard or maintenance obstruction to the grounds, laws, plots, or person.
14. The Board reserves the right to make improvements to any grave and/or lot or to any public portion of the Cemetery grounds at any time at the cost of the District.

D. MARKERS.

Subject to the Rules and Regulations set forth herein, and as they may be amended from time to time, all graves in the Cemetery must have Markers, temporary or permanent. Although such Markers, as well as their placement and installation, must confirm to the Rules and Regulations of the District, the District does not own or control any such Marker is not placed during the first year. Accordingly, the District, its Trustees, Officers, Managers and Employees are not responsible for the loss or damage to any Marker, unless such loss or damage is the result of the negligence or misconduct of a Trustee, Officer, Manager or Employee of the District.

If a damaged Marker has been in place in the Cemetery for 25 years, and if the District is unable to locate a family member responsible for the care and upkeep of the Marker, the District may, at its sole discretion, elect to either repair or replace a damaged Marker.

The District reserves the right to repair, replace or remove any Marker that, in the sole discretion of the District, constitutes a potential threat to public safety.

The following regulations govern Markers in the Cemetery:

1. Temporary Markers. A temporary marker will be issued by the Board for every burial for a fee of \$50.00. This fee will be refundable when the permanent marker is installed. No homemade markers are allowed.
2. Permanent Markers. Rules for Permanent Markers are as follows:
 - a. The Board must review and approve all Markers, headstones, monuments, and bench designs before placement in the District.
 - b. ***Recommendation: After burial, the ground may settle for up to a year. It is recommended that the Permanent Marker is not placed during the first year. If it is placed during the first year and it repositions, the Cemetery is not responsible for any damage as a result of placing the Permanent Marker too soon after the interment.***
 - c. The District is not liable for damage after setting, removal, and placement of the Permanent Marker. The District is not liable for damage, theft, vandalism, or deterioration of Permanent Markers.
 - d. The Permanent marker is the property of the family who purchased it and the family is responsible for upkeep and ensuring that the marker is level with the ground. Families will be notified if the Permanent Marker sinks and they will be responsible for hiring a company that is insured to level it. The District will do the customary care of mowing, trimming, sweeping, and will do so in a uniform manner.
 - e. Both elevated (i.e. monuments) and flat-type markers shall be used in the District.
 - f. Permanent Markers will not be set until all Cemetery charges have been paid in full.
 - g. Interments and routine maintenance take priority over marker setting.
 - h. Only professionally manufactured markers and monuments will be acceptable for setting in the District. All monuments must be a minimum of 3" thick.
 - i. All Permanent Markers will be installed by a bonded, licensed monument company.
 - j. All Permanent Markers are recommended to be made of granite or bronze with square, smooth edges.

- k. All Permanent Markers shall be set in concrete, with a concrete border around all four sides, to help keep them from being damaged by equipment.
- l. Single or companion grave burial markers shall be no larger than 12x24x3 inches. Side-by-side grave markers shall be no larger than 14x36x3 inches.
- m. Any non-standard wording, symbols, and pictures must be approved by the Board. Inappropriate Permanent Markers will be removed and the cost of removal will be charged to person(s) responsible for the estate of the deceased. It is to the family's best interest that this authorization is done prior to their purchase of the marker.
- n. Lettering, emblems, borders, or other designs raised more than 1/8th inch can be damaged.
- o. Maximum Marker Sizes:
 - i. Single interment or double-interment in single grave – 12" x 24"
 - ii. Double marker for two single graves side by side – 12" x 36"
 - iii. Cremation or Infant graves – 12" x 24"
 - iv. Cemetery provided "Unknown" markers – 8" x 16".
 - v. Monument Height (Board approval of monument may be necessary)
4
 - vi. Maximum height from ground level – 40"
 - vii. Maximum size base for single monument with vases in ends of apron – 16" x 24"
 - viii. Maximum size for single monument with vase on end of base – 16" x 34"
 - ix. Maximum size base for double monument with vases in ends of apron – 16" x 48"
 - x. Maximum size base for double monument with vases on ends of base – 16" x 68"
 - xi. Flat markers will be treated the same as monuments.
- p. Only flower containers manufactured for cemetery use will be acceptable in the monuments and aprons. Flower containers will be placed in front of markers in flat marker sections and on the sides of monuments in monument sections. Vases are only allowed on the markers and aprons placed at the head of all graves.
- q. Cremains markers shall be placed directly over the cremains burial.

- r. If a Burial Rights holder wishes to apply for permission to install a Permanent Marker other than those allowed in these Rules and Regulations, he/she shall apply to the Board in writing, describing in detail the proposed Permanent Marker, and shall not install any such non-conforming marker without prior written approval of the Board.
 - s. Unless removed by the Cemetery, Permanent Markers shall not be removed, replaced, or altered without the express written consent and a signed release from the family member of the deceased who authorized the interment or by court order.
3. Removal of Marker for Engraving. Markers may be removed or engraved by a monument company that is covered by insurance. The District is not responsible for any damage to the Marker while it is away from the District.
4. Bench Regulations. The District must approve the benches and will only them to be placed in areas that have been designated for bench placement by the Board, subject to the following rules:
- a. The bench must be of granite or cement construction and it must be a flat style with no vases or raised ornaments or planters of any type. No cremation style bench is allowed and the legs must be flat style in an approved shape. All benches must be placed in concrete in an area designated and approved by the Board.
 - b. The bench sizes will be limited to a straight 3 or 4 feet in length and the width must be in standard proportion to the length. The height of the bench can be no higher than 14 inches. No back is allowed on the bench.
 - c. All words, symbols and pictures must be approved by the Board prior to the placement of the bench. It would be the family's best interest that this authorization is done prior to their purchase of the bench.
 - d. No bench placement will be allowed on a grave until all fees have been paid. (Purchase of lot, Endowment Fee, and Bench Fee)
 - e. The District will in no way assume liability for damage after setting, removal, and placement of the bench. The District will do the customary care of mowing, trimming, sweeping, and will do so in a uniform manner.
 - f. Owners of the bench are responsible for repairs or stabilizing the bench due to sinking.
 - g. The District will in no way assume liability for damage or vandalism done to pictures in benches or headstones.

E. LIABILITY. Please use caution when entering and using the Cemetery. The Smartsville Cemetery District, its Trustees and employees, are not responsible for any injury or damage suffered by any persons, including children, while on Cemetery grounds. Every person entering the Cemetery does so at his or her own risk. The District or any of its employees shall not be responsible for anything moveable that may be lost, stolen, or misplaced on Cemetery property.

F. ALL RULES AND REGULATIONS. Any previously adopted Rules and Regulations that are inconsistent with the foregoing are hereby repealed. The Board reserves the right of passing other Rules and Regulations, or amending these Rules and Regulations, at any time the occasions arises.

PASSED, APPROVED AND ADOPTED by the Board of Trustees of the Smartsville Cemetery District in a regular meeting held at its regular place of meeting the 26th day of March, 2019.

AYES:

NOES:

ABSENT:

ABSTAIN:

CHAIRPERSON

ATTEST:
CLERK OF THE BOARD OF TRUSTEES
