

# Orange County Cemetery District, California

Annual Comprehensive Financial Report

For the Year Ended June 30, 2023



# **Orange County Cemetery District, California**

Annual Comprehensive Financial Report

For the Year Ended June 30, 2023

Prepared by:

Brenda Manriquez, CPA  
Finance and Accounting Manager

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*Board of Trustees*

Vladimir A. Anderson  
Noel Hatch  
Maribel Marroquin-Waldram  
Kelly Rivers  
Cynthia Ward



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Phone: (949) 951-9102  
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[www.occemeterydistrict.com](http://www.occemeterydistrict.com)

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Tim Deutsch  
General Manager

March 28, 2024

Board of Trustees  
Orange County Cemetery District

Dear Trustees:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Orange County Cemetery District (District) for the year ended June 30, 2023. This report was prepared by the Finance staff to provide financial information with all the disclosures necessary to enable the District's customers, investment community and general public to assess the District's financial condition. This report has been prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB).

To the best of our knowledge, the enclosed information is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the District. The accuracy of the District's financial statements and completeness and fairness of their presentation is the responsibility of District management. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The District's financial statements have been independently audited by Eide Bailly, LLP, a firm of licensed certified public accountants with which the District contracts for these services. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2023, are free from material misstatement. The independent audit is conducted in accordance with generally accepted auditing standards and provides an independent assessment that helps assure fair presentation of the District's financial position and results of operations. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

### **PROFILE OF THE DISTRICT**

The Orange County Cemetery District is an independent special district governed by an appointed five-member Board of Trustees serving four-year staggered terms. Our boundaries encompass the entire County of Orange and include cemetery locations in Anaheim, Lake Forest, Santa Ana and Anaheim Hills (site of future cemetery) as well as District headquarters at the Lake Forest location.

The District receives property tax revenue, which helps keep the cost of interment spaces more affordable to Orange County residents and taxpayers as compared to private cemeteries around the County. The District cemeteries are "endowment care" cemeteries which means that each location collects an endowment fee for each interment space sold, which is placed into an investment fund strictly for the perpetual care and maintenance of the grounds.

For over a century our cemeteries have been chosen as the final resting place for County residents and their loved ones. The three active cemeteries, Anaheim Cemetery, El Toro Memorial Park and Santa Ana Cemetery, are owned and operated by the District, and are among the County's oldest and most established, with each having recorded burials prior to 1900. Although privately owned in the beginning, the cemeteries were formed into separate independent districts in 1926. In 1985 the districts were consolidated under one governing board to create the Orange County Cemetery District. The District provides residents with a selection of interment services including traditional ground burials, niches, rose garden cremation burials and specially designed urn gardens, in a manner which reflects our mission statement.

*Mission Statement: To manage and maintain Orange County's public cemeteries in a manner that preserves their beauty, dignity, historical and cultural values, and offers affordable interment service for county residents.*

The District follows California Health & Safety Code Section 9070(a) in creating the annual budget document. The budget serves as a foundation for the District's financial operations and is adopted no later than August 30<sup>th</sup>. An annual budget was adopted for all funds on a modified accrual basis of accounting. The legal level of budgetary control is at the fund level with an emphasis placed on the General Fund budget since all operations expenditures are financed through the General Fund.

## **ECONOMIC CONDITION**

### **Financial Stability**

The current and future stability of the District is improved with the existing revenue sources performing better than anticipated. The majority of revenues are received through charges for services and property taxes.

Charges for services revenue continue to be the District's largest combined revenue source (\$6,255,848 or 61.7% of total revenues). Charges for services include endowment fees, interment space fees, interment service fees and other sales (re-sale items – vaults/liners). Interment space sales represent the largest portion of the revenue source at approximately \$4,440,000; interment service fees and endowment fees represent approximately \$661,000 and \$789,000, respectively; and other sales represent approximately \$327,000. These fees are reviewed annually by the Board of Trustees and are adjusted based on comparisons to other local cemeteries, endowment fee study results and the calculation of the District's cost of services. Pre-need sales have driven record high interment space sales over the last three years, but the inventory at all three cemeteries is quickly being depleted. As a result, the FY 2023-24 interment space sales are projected to decrease substantially with the elimination of pre-need purchases of in-ground casket interment space sales. However, the level of interment services at El Toro Memorial Park and the associated fee structure is expected to increase for FY 2023-24.

Property tax revenue is the District's second largest revenue source (\$2,855,799 or 28.2% of total revenues) and is analyzed critically when planning for operations and capital projects. Assessed value of residential and nonresidential property is a key component to determining the amount of funding the District will receive both in the short-term budgeting and long-range planning processes. The Orange County Treasurer-Tax Collector's office levied property taxes in FY 2022-2023 based on January 2022 property values. Based on the Treasurer-Tax Collector's and the District's financial analysis, property tax revenue is projected to increase 3% in FY 2023-2024.

Since the District operates "endowment care" cemeteries, the existing endowment fees are deposited into the Endowment Principal fund, are invested in a five-year ladder investment strategy, and earnings are then transferred to the Endowment Income fund. The funds in the Endowment Income fund are designed to be used for future and perpetual maintenance of all of the District's cemeteries, regardless of any active funding source.

With each fiscal year's annual budget process, the District's Board of Trustees adopts a new five-year Capital Improvement Program (CIP) designed to build, replace, and maintain the necessary infrastructure for the operation of the District. The CIP and Annual Operating Budget are available on the District's website – [www.occemeterydistrict.com](http://www.occemeterydistrict.com).

### **Long-Range Financial Planning**

Long range financial planning is useful in prioritizing implementation of strategic plan initiatives as well as capital needs of the District. The District utilizes a number of planning strategies when considering long-term financial forecasts.

- Strategic Plan – Strategic planning involves establishing a vision for the future and a clear mission statement to provide direction and define what the organization stands for and what it has pledged to accomplish. The Board of Trustees last completed a full review of the District's Strategic Plan in 2014 which produced a Strategic Plan document effective through 2019. During FY 2019-20 the Board reviewed proposals that would facilitate a Strategic Plan update, but a final decision was delayed by the Board of Trustees until the Board and staff can meet in person to discuss the scope of the strategic plan update. The update is scheduled to take place in FY 2023-24 for implementation with the FY 2024-25 Annual Operating Budget.
- Endowment Study – the District approved an update to the “Actuarial Analysis of the Financial Obligations of the Orange County Cemetery District” in June 2021, as it pertains to the Cemetery Endowment Fund, to determine the impact of long-term borrowing and development of the fourth cemetery. The purpose of the original study and update was to analyze the District's ability to fulfill its perpetual care obligation for the three District cemeteries. The previous update completed in 2016 determined that the District will be able to pay all of its obligations including perpetual care, for the 100-year time horizon in the study.
- Capital Improvement Plan – The District develops a rolling 5-year plan for facility and equipment repair, replacement and additions. The repairs and replacements are based on estimated useful lives of District buildings/structures and equipment. This plan is a work in progress that is updated and reviewed by the Board of Trustees as part of the annual budget process.
- 5-Year Operations Plan – The District develops a 5-year plan for general fund cemetery operations annually based on multiple assumptions and estimates as documented in the District's Annual Operating Budget.
- Annual Operating Budget – A key component of financial planning is the District's budget, which is prepared, reviewed and adopted annually. Each Spring, District staff prepare a draft budget which is presented to the Board of Trustees for approval at the beginning of the fiscal year. The annual budget includes forecast for revenues, operating expenditures and capital expenditures.

### **Financial Policies**

The District has a number of policies and procedures which govern its operations to ensure effective cash management, compliance with governmental accounting regulations, and good business practice. The objectives of these policies and procedures are commensurate with our district-wide goals to effectively manage the assets and resources of the District. The District maintains a system of internal accounting controls to ensure that assets are safeguarded against loss, and that financial records are properly maintained and can be relied upon to produce accurate financial statements. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Segregation of duties is a guiding principle and provides another level of review for compliance with policies.

The oversight responsibilities for the financial operations of the District rest with the Board of Trustees (Board). Each month the Board is provided detailed financial information from the Finance Department, including a statement of revenues and expenditures and balance sheet. These items are noted on the General Manager's Report of the agenda.

## **Major Initiatives**

As a result of depleting inventory at all of our cemeteries, the District is eliminating pre-need sales of casket interment spaces and identifying options for increasing inventory. In order to maintain a viable inventory for customers, the District is currently working on the following:

- Continuing to identify new areas at each cemetery that can be re-purposed for additional niche or in-ground interment sales. This includes closing access roads, moving utility lines that are currently positioned within available areas, adding niche walls to existing above-ground interment locations throughout the parks. In-ground casket interment space inventory is projected to be sold out by the end of 2026.
- As indicated in previous years' financial audits, the District received 283.3 acres of open land from the County of Orange in a December 2018 land transfer. The land donation will allow the District to develop a fourth public cemetery and reserve land for a potential State Veteran's Cemetery. In accordance with the original land transfer documentation, the Board of Trustees adopted Resolution 2020-02 on February 4, 2020 that designates at least fifty percent of the developable acreage for the development and operation of a State Veterans Cemetery. Environmental studies, site planning and discussions with the City of Anaheim and the County of Orange continued throughout FY 2022-23 to proceed with the planning commission approval process for the fourth public cemetery. Additional zoning, engineering and site development will continue through FY 2023-24.
- A long-term borrowing option was executed in October 2022 to secure a \$20,000,000 loan with Holman Capital Corporation to assist with design and construction costs of the fourth public cemetery. The loan was funded and is being held in escrow at American Riviera Bank until the requirements are met to begin drawing down the funds. In the meantime, the debt service payment schedule commenced with the first payment on March 14, 2023 and will continue semiannually on September 14 and March 14 of each year.

Additionally, projects to enhance the existing cemeteries are scheduled for FY 2023-24. These improvements are meant to enhance the visitor's experience and/or staff conditions and include:

- El Toro Memorial Park Improvements – Completion of office drainage improvement project, creation of new interment space areas, and enhancing the front slope of the park with new irrigation and landscaping.
- Santa Ana Cemetery Improvements – Niche resurfacing project and creation of new interment space areas.

## **AWARDS AND ACKNOWLEDGEMENTS**

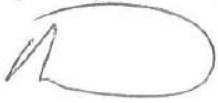
Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Orange County Cemetery District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the District's Annual Comprehensive Financial Report was made possible by the dedicated services of the Finance staff who consistently and accurately contribute to the efficient operation of the District.

We would like to thank the Finance and Investment Committee for their leadership and stewardship of the District's finances and the Board of Trustees for their leadership and support of the highest level of prudent fiscal management, and for providing the vision, policies, and resources to develop and implement this Annual Comprehensive Financial Report.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'TD', enclosed within a hand-drawn oval shape.

Tim Deutsch  
General Manager



# ORANGE COUNTY CEMETERY DISTRICT ORGANIZATIONAL CHART



# District Officials

## Board of Trustees



Maribel Marroquin  
Trustee – District 1



Kelly Rivers - Chair  
Trustee – District 2



Vladimir Anderson  
Trustee – District 3



Cynthia Ward – Vice Chair  
Trustee – District 4



Noel Hatch  
Trustee – District 5

## District Management



Brenda Manriquez  
Finance Manager



Tim Deusch  
General Manager



Mary Funk  
Administrative Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Orange County Cemetery District  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

## **Independent Auditor's Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Orange County Cemetery District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of and for the year ended June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

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

inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, schedule of general fund expenditures, and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, 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 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 black ink that reads "Eric Sully LLP". The signature is written in a cursive, flowing style.

Laguna Hills, California  
March 28, 2024

As management of the Orange County Cemetery District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. Since the Management's Discussion and Analysis (MD&A) is designed to be condensed, we encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal and the basic financial statements, including the accompanying notes to the basic financial statements.

### **Financial Highlights**

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows, at June 30, 2023, by \$60,225,048 (*net position*). Total net position consists of the following:
  - \$20,398,506 (*unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors
  - \$9,060,969 (*restricted for maintenance*) is income generated from the endowment principal and may only be used to fund the operations/perpetual care of the District's cemeteries
  - \$10,616,337 (*restricted – endowment principal*) is income generated from one-time endowment fee collected when an interment space is sold and must remain intact.
  
- As of June 30, 2023, the District's governmental funds reported combined ending fund balances of \$60,566,728, an increase of \$23,548,015.

### **Overview of the Financial Statements**

The financial statements presented herein include all of the activities of the District as prescribed by GASB Statement No. 34. The MD&A is intended to serve as an introduction to the District's financial statements. The District's basic financial statements are comprised of the following three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the Orange County Cemetery District's finances, in a manner similar to a private-sector business. Government-wide financial statements include a statement of net position and a statement of activities.

The *statement of net position* presents information on all of the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. These changes are reported using the full accrual basis of accounting, that is, when the underlying economic events occur, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash inflows or outflows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the District include the operation and maintenance of the cemetery grounds in its service area which includes the entire County of Orange. The District does not have any business-type activities.

The government-wide financial statements can be found in the Table of Contents under the heading Financial Statements.

### **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District only has governmental funds.

***Governmental funds.*** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances on spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.



The District maintains three (3) individual governmental funds, all of which are considered to be major funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Endowment Care Income Special Revenue Fund and the Endowment Care Principal Permanent Fund.

The governmental fund financial statements can be found in the Table of Contents under the heading Financial Statements.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found in the Table of Contents under the heading Notes to the Financial Statements.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information (RSI)*. The District adopts by resolution an annual appropriated budget for its General Fund and Endowment Care Income Special Revenue Fund. Budgetary comparison schedules have been provided for the General Fund and Endowment Care Income Special Revenue Fund to demonstrate compliance with this budget. Other RSI includes the schedules of the District's proportionate share of the net liability (asset) and schedule of contributions for both pension and other post-employment benefits (OPEB). The Required Supplementary Information can be found following the Notes to the Financial Statements.

### **Government-Wide Financial Analysis**

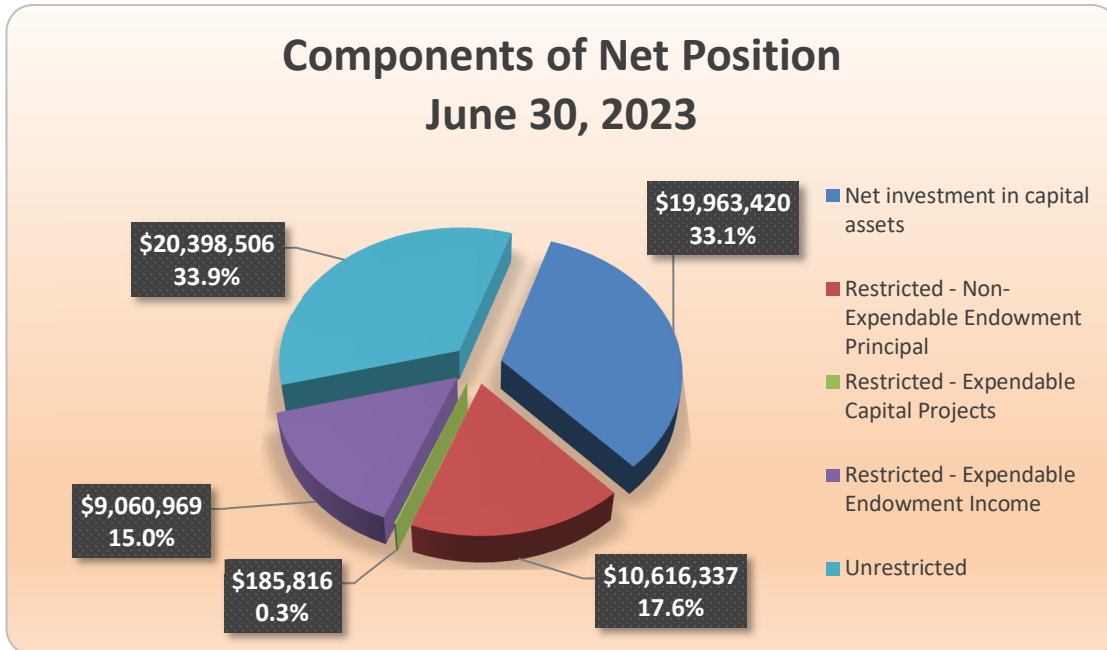
The government-wide financial statements provide long-term and short-term information about the District's overall financial condition. This analysis addresses the financial statements of the District as a whole.

ORANGE COUNTY CEMETERY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

For the fiscal year ended June 30, 2023, the District reported the following summarized balances:

| Condensed Statement of Net Position  |                      |                      |                         |
|--------------------------------------|----------------------|----------------------|-------------------------|
| As of June 30:                       |                      |                      |                         |
|                                      | 2022                 | 2023                 | Increase/<br>(Decrease) |
| <b>Assets:</b>                       |                      |                      |                         |
| Current and other assets             | \$ 44,229,792        | \$ 67,790,112        | \$ 23,560,320           |
| Capital assets                       | 19,308,564           | 19,963,420           | 654,856                 |
| <b>Total Assets</b>                  | <b>63,538,356</b>    | <b>87,753,532</b>    | <b>24,215,176</b>       |
| <br>Deferred Outflows of Resources   | <br>761,105          | <br>1,392,804        | <br>631,699             |
| <b>Liabilities:</b>                  |                      |                      |                         |
| Current liabilities                  | 5,147,503            | 7,138,005            | 1,990,502               |
| Noncurrent liabilities               | 599,420              | 21,476,929           | 20,877,509              |
| <b>Total Liabilities</b>             | <b>5,746,923</b>     | <b>28,614,934</b>    | <b>22,868,011</b>       |
| <br>Deferred Inflows of Resources    | <br>2,095,460        | <br>306,354          | <br>(1,789,106)         |
| <b>Net Position:</b>                 |                      |                      |                         |
| Investment in capital assets         | 19,308,564           | 19,963,420           | 654,856                 |
| Restricted for:                      |                      |                      |                         |
| Non-Expendable - Endowment Principal | 10,074,126           | 10,616,337           | 542,211                 |
| Expendable - Capital Projects        | -                    | 185,816              | 185,816                 |
| Expendable - Maintenance             | 8,600,193            | 9,060,969            | 460,776                 |
| Unrestricted                         | 18,474,195           | 20,398,506           | 1,924,311               |
| <b>Total Net Position</b>            | <b>\$ 56,457,078</b> | <b>\$ 60,225,048</b> | <b>\$ 3,767,970</b>     |

- The District reported a total net position of \$60,225,048 at June 30, 2023.
  - The District had 33.1% of the net position funds in capital assets (e.g., land, buildings, machinery and equipment). The District used these capital assets to provide services to citizens; consequently, these assets were not available for future spending.
  - The District had 33.0% of the net position funds restricted for the perpetual care of the cemetery grounds (both non-expendable and expendable). These funds were invested and will continue to earn interest income which will be used for the maintenance and operation of the District's cemeteries in the future.
  - The remaining balance of *unrestricted net position* \$20,398,506 (33.9% of net position funds) was used to meet the government's ongoing obligations to citizens and creditors.



- The current and other assets increased by \$23,560,320 primarily due to recognition of proceeds from the issuance of \$20,000,000 loan through a lease-purchase agreement secured by a ground lease. Other contributing factors to this increase were recognition of FY 2022-23 interment space sales, interment services, endowment fee revenue, investment income (investments with third-party investors: OCTP, Cal Trust, UBS and Stifel).
- Capital assets increased by \$654,856 due to the completion of various smaller cemetery improvement projects at existing cemeteries, completion and installation of a flagpole at the Gypsum Canyon cemetery development site totaling \$403,726, purchase of several pieces of equipment totaling \$53,100 and a net increase in construction in progress related to the new cemetery development (\$613,018), offset by recognition of depreciation expense (\$468,805). Capital projects across existing cemeteries included El Toro Memorial Park water main replacement (total of \$78,799) and the last component of street/curb improvements for Santa Ana Cemetery (phase total of \$4,500). See Note 5 of the Financial Statements for additional information.
- Deferred outflows and inflows of resources were directly related to GASB Statements No. 68 and 75 calculations. The entries were for the recognition of changes in the net pension asset and net OPEB liability cash flows of periods before and after the measurement date of 12/31/2022. See Notes 7 and 8 of the Financial Statements for additional information on GASB 68 and 75 reporting requirements, respectively.

ORANGE COUNTY CEMETERY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

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- Current liabilities increased by \$1,990,502 which was primarily due to FY 2022-23 purchases of pre-need services of \$2,149,780 that were recorded as General Fund pre-need deposit additions; those additions were offset by \$192,961 in pre-need deposits used. Deposit liability was reduced and revenue was recognized in the General Fund. This was offset by a decrease of \$102,200 for year-end invoice accruals related to new cemetery development due to the completion of the flagpole project during FY 2022-23.
- Noncurrent liabilities increased by \$20,877,509 due to the issuance of a \$20,000,000 loan to be used towards construction of the new Gypsum Canyon cemetery development, recognition of a net pension liability of \$1,031,416, an increase in net OPEB liability of \$55,000, and net increase in compensated absences of \$21,866. The increases were offset by loan issuance costs of \$44,958 and the first debt service principal payment of \$185,815 made in March 2023. See Notes 6, 7, and 8 of the financial statements for additional information regarding the long-term liabilities, GASB 68 calculation of net pension liability and GASB 75 calculation of net OPEB liability.

**Governmental Activities**

During FY 2022-23, the District's total revenues increased by \$1,680,850 and total expenses increased by \$1,604,867.

ORANGE COUNTY CEMETERY DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

Summary of Changes in Net Position  
For the year ended June 30:

|  | 2022                 | 2023                 | Variance Positive<br>(Negative) |
|--|----------------------|----------------------|---------------------------------|
| Revenues:                              |                      |                      |                                 |
| Program Revenues:                      |                      |                      |                                 |
| Charges for services                   | \$ 5,902,057         | \$ 5,426,753         | \$ (475,304)                    |
| Endowment fees                         | 806,300              | 789,350              | (16,950)                        |
| Lease revenues                         | 32,281               | 39,745               | 7,464                           |
| General Revenues:                      |                      |                      |                                 |
| Property taxes                         | 2,640,371            | 2,855,799            | 215,428                         |
| Investment income, net                 | (1,037,081)          | 626,038              | 1,663,119                       |
| Other revenues                         | 116,337              | 403,430              | 287,093                         |
| Total Revenues                         | <u>8,460,265</u>     | <u>10,141,115</u>    | <u>1,680,850</u>                |
| Expenses:                              |                      |                      |                                 |
| Cemetery Operations:                   |                      |                      |                                 |
| Salaries and employee benefits         | 2,607,197            | 3,340,532            | (733,335)                       |
| Services and supplies                  | 1,686,132            | 1,866,250            | (180,118)                       |
| Depreciation expense                   | 474,949              | 498,212              | (23,263)                        |
| Interest on long-term debt             | -                    | 623,193              | (623,193)                       |
| Cost of issuance                       | -                    | 44,958               | (44,958)                        |
| Total Expenses                         | <u>4,768,278</u>     | <u>6,373,145</u>     | <u>(1,604,867)</u>              |
| Change in Net Position                 | 3,691,987            | 3,767,970            | <u>\$ 75,983</u>                |
| Net Position - Beginning (as restated) | <u>52,765,090</u>    | <u>56,457,078</u>    |                                 |
| Net Position - Ending                  | <u>\$ 56,457,078</u> | <u>\$ 60,225,048</u> |                                 |

- Total FY 2022-23 program revenues decreased by \$484,790 from the prior year and consisted of decreases in charges for services of \$475,304 and endowment fee revenue of \$16,950, offset by an increase in lease revenues of \$7,464. Low inventory of full casket interment spaces at El Toro Memorial Park required the suspension of all pre-need casket space purchases during FY 2022-23 in order to provide inventory for at-need families; cremation-based interment spaces were still available for pre-need purchase throughout the year; Anaheim and Santa Ana Cemeteries continued to only provide cremation-based interment space sales. Because of the pricing difference between full casket and cremation-based interment spaces, the charges for services were impacted more heavily than the minimal endowment fee difference.
- Total FY 2022-23 general revenues increased by \$2,165,640 from the prior year and consisted of an increase in property tax revenue of \$215,428, investment income (net) of \$1,663,119 and other revenues of \$287,093.
  - Property tax revenue increased by 8.2% due to increases in the amount of tax collections, property values and the number of property sales. The increase was greater than the County of Orange projection of a 3% increase in FY 2022-23 property tax revenue.

- Investment income increased by 100+% due to lesser unrealized losses on investments with third party investors and continued rising return rates. Actual FY 2022-23 investment earnings were \$547,450 more than prior year, and the net decrease in fair value of investments went from an unrealized loss of \$1,716,566 in FY 2021-22 to an unrealized loss of \$605,840 in FY 2022-23 (net increase of \$1,110,726) due to market conditions at June 30, 2023 for the specific investments held by the District.
- Other revenues increased by 100+% primarily due to the recognition of revenue for flagpole expense reimbursement from the County of Orange (total \$295,000 reimbursement paid in May 2023; additionally, there were annual contracted increases in cell tower revenue (non-GASB 68 lease contract) and credit card rebates.
- FY 2022-23 salaries and employee benefit expenses increased by \$733,335 from the prior year. Operating costs increased by approximately \$170,000 due to annual salary merit increases, one-time COVID essential worker retroactive pay for all employees in July 2022, increase in overtime use and higher worker's compensation premiums. Additionally, pension and OPEB expenses increased by approximately \$563,000 from the prior year due to GASB 68 and 75 external valuations and reporting adjustments.
- FY 2022-23 services and supplies expenses increased by \$180,118 from the prior year due to increases in insurance, building maintenance services, and special department expenses, offset by decreases in professional services, and utilities expenses.
  - Insurance expenses increased by approximately \$16,000 due to a cost and coverage increase in the District's property/general liability insurance.
  - Building maintenance service expenses increased by approximately \$227,000 due to overall increases in landscaping and security costs, as well as expanded contract services for Gypsum Canyon cemetery development (community outreach, flagpole and fence maintenance, property security cameras).
  - Special department expense increased by approximately \$21,000 as a result of both an increase in the quantity and cost of re-sale items (i.e., vaults, liners) purchased by the district and subsequently sold to customers. These sales are recorded as other taxable sales and they offset the expense.
  - Professional services expenses decreased by approximately \$60,000 due to one-time endowment study completed in prior year, as well as a decrease in legal costs for new cemetery development/contracts from the prior year.
  - Utilities expense decreased by approximately \$35,000 due to more rainfall leading to a decrease in water purchase for El Toro Memorial Park and a decrease in well usage at Santa Ana Cemetery. Well usage decrease includes a decrease in both electricity costs and groundwater replenishment costs with Orange County Water District.

- Depreciation expense increased by \$23,263, or 4.9%, due to the acquisition of multiple pieces of equipment (total cost of \$53,100) and the addition of completed projects including installation of a flagpole at the Gypsum Canyon cemetery development, El Toro Memorial Park water line replacement, and final phase of streets/curbs improvements at Santa Ana Cemetery. The project totals by location are: Gypsum Canyon – new cemetery flagpole (\$403,726), El Toro Memorial Park (\$78,799) and Santa Ana Cemetery (\$4,500) during FY 2022-23.

### **Financial Analysis of the Governmental Funds' Fund Balances**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the District's *governmental* funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

#### General Fund

Fund balance in the General Fund increased by \$22,545,028, primarily as a result of recognition of proceeds from the issuance of \$20,000,000 loan through a lease-purchase agreement (secured by a ground lease), as well as recognition of current year revenues and expenditures.

- FY 2022-23 revenues totaled \$9,438,533 and represented an increase of \$1,477,916 attributable to the following:
  - Property tax revenue totaled \$2,855,799 and represented an increase of \$215,428 attributable to higher assessments and property tax collections.
  - FY 2022-23 interment space and services revenues totaled \$5,727,290 and represented an increase over the prior year of \$19,453. The increase was attributable to service fee increases offset by the elimination of pre-need sales of casket interment space sales. Interment space and services fees are determined during the annual operating budget process (which include annual fee adjustments) and include a component for funding future operating costs, as well as land acquisition and capital projects.
  - Investment income, net of decrease in value of investments totaled \$412,311 and represented an increase of \$948,459 attributable to lesser unrealized losses on investments with local and state-wide investment pools and continued rising return rates.
  - Other income totaled \$403,388 and represented an increase of \$287,112 attributable to the recognition of revenue for flagpole expense reimbursement from the County of Orange (total \$295,000 reimbursement paid in May 2023).

ORANGE COUNTY CEMETERY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

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- FY 2022-23 total expenditures totaled \$6,848,547 and represented an increase of \$1,019,881 attributable to increases of \$170,014 in salaries and benefits, \$180,746 in services and supplies, \$610,706 in debt service, and \$58,415 in capital outlay.
  - Salaries and benefits increased due to the annual step increases, one-time COVID essential worker retroactive pay for all employees in July 2022, increase in overtime use and higher worker's compensation premiums.
  - Services and supplies included increases in insurance, building maintenance services, and special department expenditures, offset by decreases in professional services and utilities expenditures. Primary drivers were increased security costs, periodic tree trimming/removal, higher cost and quantity of re-sale items purchased, higher general property/liability insurance costs.
  - Debt service expenditures were new in FY 2022-23 due to the issuance of the \$20,000,000 loan for Gypsum Canyon cemetery development. The loan was issued in October 2022 and the first debt service payment was made in March 2023. Future debt service payments are due on September 14 and March 14 of each of the next ten years.
  - Capital outlay expenditures increased due to new capital projects started and finished in FY 2022-23 and the continuing Gypsum Canyon new cemetery development costs classified as Construction in Progress at June 30, 2023.
- FY 2022-23 other financing sources (uses) totaled \$19,955,042 and was a new presentation due to recognition of the proceeds and related costs of the \$20,000,000 loan issuance for Gypsum Canyon cemetery development. See Note 6 of the financial statements for additional information on long-term liabilities.

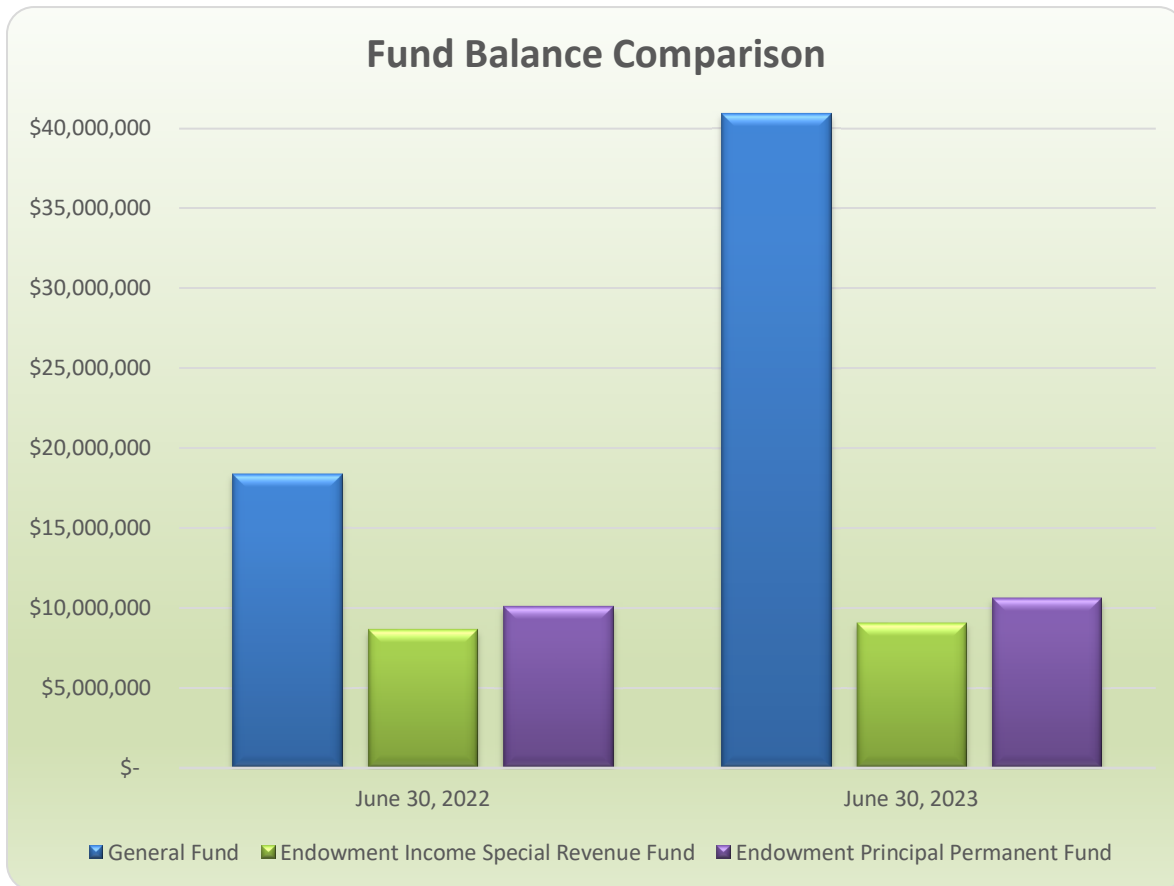
#### Endowment Care Income Fund

Fund balance in the Endowment Care Income Fund increased by \$460,776 due to recognition of FY 2022-23 investment income of \$577,919, offset by a net decrease in fair value of (\$117,053), and minor investment administration expenses. Investment income is generated from both the Endowment Care Principal and Income Funds and recognized solely in the Endowment Care Income Fund.

#### Endowment Care Principal Fund

Fund balance in the Endowment Care Principal Fund increased by \$542,211 due to recognition of FY 2022-23 endowment fees collected from interment space sales that totaled \$789,350 and a net decrease in fair value of (\$247,139). These investments are held in the permanent fund to maturity and reinvested in compliance with the District's investment policy. Interest earned on these funds is recognized in the Endowment Care Income Fund.





**General Fund Budget Highlights**

Variances between the FY 2022-23 final (and original) adopted budget and the actual amounts are summarized as follows:

- Property tax revenues were \$220,275 (8.4%) more than estimated revenue due to increases in property assessment values and property tax collections by the County of Orange.
- Operating revenues (Interment space sales and services) were \$1,831,884 (47.0%) more than estimated revenue due to unexpected quantities of pre-need casket interment spaces sales at El Toro Memorial Park and elimination of the one-year contract payment option. All pre-need space purchases were required to be paid in full rather than spread over a 12-month contract period; this changed the timing of revenue recognition from over 12 months to full revenue recognition at time of purchase. Also, the operating budget included a 10% reduction in space and service fees which did not materialize due to the increased pre-need purchases. A 2% increase in interment space fees, effective July 2022 and an increase in interment service fees to match cost also contributed to the general increase in operating revenues.

ORANGE COUNTY CEMETERY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

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- Investment income was \$436,959 (100+%) more than estimated revenue due to rising investment rates of return as a result of inflation reduction strategies at the federal level. Cal Trust and Orange County Treasury Pool (OCTP) investment returns went from a 0.7% net return in June 2022 to over 3.5% net returns in June 2023. Investment income is offset by the net decrease in fair value of the pooled investment at June 30, 2023 of \$241,648.
- Other income was \$302,008 (100+%) more than estimated revenue due to the recognition of revenue for flagpole expense reimbursement from the County of Orange (total \$295,000 reimbursement paid in May 2023) that was not included in the budget.
- Salary and benefits expenditures were more than budgeted expenditures by \$170,178 (5.6%) due to known, but non-budgeted increases in salaries and benefits. The variance includes merit increases for all staff, increases in overtime use and workers compensation insurance costs.
- Services & Supplies expenditures were more than budgeted expenditures by \$38,900 (2.1%) due to cost overages and unbudgeted expenditures for equipment maintenance, building/grounds maintenance, offset by savings in professional services and utilities. Increases in costs for services and supplies categories are attributed to the following:
  - Equipment maintenance – unplanned higher fuel costs
  - Building/grounds maintenance – Security cost increases, unplanned community outreach contract for new cemetery development
  - Professional Services – budget included a \$16,000 reduction from the prior year, but actual usage was less than expected
  - Utilities – unexpected levels of rain leading to lower water usage
- Capital Outlay expenditures were more than the adopted capital budget by \$313,068 (37.3%) due to the manufacture and installation of the flagpole at Gypsum Canyon cemetery development site. The total costs for the manufacture of the veteran's flagpole, cement footings, lighting and flag were incurred by the District, but not budgeted since the County of Orange approved a reimbursement request for \$295,000 in FY 2021-22. The capital outlay expenditures budget for FY 2022-23 included capital projects of New Cemetery Development – Gypsum Canyon (\$600,000 for ongoing site assessment, design and permitting process), El Toro Improvements (miscellaneous projects \$80,000), and Santa Ana Improvements (miscellaneous projects \$20,000). The capital outlay expenditures budget also included equipment purchases totaling \$140,000 for the existing cemeteries (utility vehicle, tractor, truck and trailer).

### **Capital Asset and Debt Administration**

**Capital Assets** - The District's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$19,963,420 (net of accumulated depreciation).

The flagpole installation at Gypsum Canyon cemetery development site totaling \$403,726 and various smaller cemetery improvement projects at the existing cemeteries totaling \$83,224 were completed, and equipment purchases totaling \$53,100 were put into service during FY2022-23; these are all represented as additions to capital assets and deletions to construction in progress and they are included in the depreciation expense of \$498,212. Capital projects included the manufacture and installation of the veteran's flagpole at the Gypsum Canyon development site (total of \$403,726), El Toro Memorial Park water line replacement (total of \$78,799) and the final phase of Santa Ana Cemetery streets/curbs improvement (phase total of \$4,425). Additional expenses related to the development of the fourth public cemetery (Gypsum Canyon cemetery development), totaling \$1,099,968, were incurred during FY 2022-23 and are included as additions to construction in progress; this project balance will remain in construction in progress until the completion of the new cemetery development. See Note 5 to the Financial Statements for additional capital assets detail.

On December 4, 2018, the Orange County Board of Supervisors approved a transfer of 283.3 acres located near the junction of CA State Route 91 and the 241 Toll Road to the District for the development of a new fourth public cemetery as well as a new veterans cemetery. At the time of the actual deed transfer, the County Assessor's office valued the land at \$30,000 per acre which totaled \$8,497,530. A one-time capital contribution was recognized by the District in FY 2018-19 for the value of the donated land.

**Debt Administration** – As of June 30, 2023, the District recognized the following debt and long-term liabilities:

- ***Lease-Purchase Agreement*** – In FY 2022-23, the District authorized the execution of an agreement with Holman Capital Corporation for the issuance of a \$20,000,000 loan to assist in financing the project costs for the design and construction of a new public cemetery (Gypsum Canyon). The financing structure is a lease-purchase agreement secured by a ground lease; repayment terms are a 30-year term with a 10-year rate reset (first ten years fixed at 4.17%). Upon final execution of the documents, the funds were deposited into an escrow account with American Riviera Bank; debt service payments are due semiannually on September 14 and March 14 of each year, commencing on March 14, 2023. As of June 30, 2023, the outstanding loan payable was \$19,769,227.
- ***Compensated Absences*** – The District recognized other long-term liabilities of employee compensated absences of \$288,286 (net increase of \$21,866).
- ***Pension and OPEB*** – The District recognized a net pension liability of \$1,031,416 with the Orange County Employees' Retirement System (OCERS) as of June 30, 2023 and an OPEB liability of \$388,000 with the County of Orange as of June 30, 2023. Both values were calculated in compliance with GASB and audited reports were received by the District for each separate plan (Pension – Orange County Employees Retirement System and OPEB – County of Orange).

### **Economic Assumptions and FY 2023-24 Budget**

The key General Fund assumptions considered in preparation of the District's FY 2023-24 Budget were:

- 12.0% increase in the specific Interment Service Fees to match internal cost of services (effective July 2023).
- 3.5% increase in property tax revenue based on County of Orange projections.
- 17% decrease in Interment Space Sales due to diminishing inventory at all existing cemeteries.
- 3% increase in other revenue for Telecommunications Site Lease Agreement projected CPI adjustments.
- Retirement Employer Contribution rate of 13.73% (legacy employees) and 12.99% (new employees - PEPR), including a UAAL component of 1.02% on both.
- Range of increase of 2.5% to 5.0% for each employee's merit step increase.
- Increase in health insurance expense due to adjustments in insurance rate coverage and premiums.
- Allocation of \$120,000 for maintenance of new cemetery property and associated contracts
- Increase in Maintenance – Buildings & Grounds due to approved increases in security coverage and costs at all three cemeteries.
- Increase in Utilities account due to approved increases in water and electrical rates.
- Ongoing provision of \$10,000 for District wide community events
- Include a 5% Economic Uncertainty Fund
- Equipment expenditures are based on equipment replacement schedule. FY 2023-24 total budget of \$80,000 with the following scheduled for purchase by the indicated location: tractor (\$45,000 El Toro) and utility vehicle (\$35,000 El Toro)
- Capital improvement projects scheduled: El Toro Memorial Park Improvements \$50,000; Santa Ana Cemetery Improvements \$50,000; New Cemetery Development (Gypsum Canyon) \$700,000.

### **Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to one of the following contact methods:

Email: Brenda Manriquez, Finance & Accounting Manager  
[b.manriquez@orccd.com](mailto:b.manriquez@orccd.com)

Mailing Address: Orange County Cemetery District  
25751 Trabuco Road, Lake Forest, California 92630-4348

District Phone: (949) 951-9102

Website Contact: [www.occemeterydistrict.com](http://www.occemeterydistrict.com)

Orange County Cemetery District  
Statement of Net Position  
June 30, 2023

|   | Governmental<br>Activities |
|---|----------------------------|
| <b>Assets</b>   |                            |
| Cash and investments                                      | \$ 36,081,585              |
| Cash in bank  | 775,743                    |
| Imprest cash  | 800                        |
| Accounts receivable                                       | 318,607                    |
| Taxes receivable, including interest, penalties and liens | 58,938                     |
| Interest receivable                                       | 131,409                    |
| Lease receivable  | 63,964                     |
| Due from other governmental agencies                      | 11,786                     |
| Restricted assets   |                            |
| Cash and investments                                      | 30,347,280                 |
| Capital assets not being depreciated                      | 10,768,420                 |
| Capital assets being depreciated, net                     | 9,195,000                  |
| Total assets  | 87,753,532                 |
| <b>Deferred Outflows of Resources</b>                     |                            |
| Deferred amount related to pensions                       | 1,247,804                  |
| Deferred amount related to OPEB                           | 145,000                    |
| Total deferred outflows of resources                      | 1,392,804                  |
| <b>Liabilities</b>  |                            |
| Accounts payable  | 251,823                    |
| Accrued payroll   | 124,892                    |
| Due to other governmental agencies                        | 33,992                     |
| Interest payable  | 243,259                    |
| Pre-need deposits   | 6,484,039                  |
| Compensated absences payable - due within one year        | 203,400                    |
| Other long-term liabilities - due within one year         | 401,175                    |
| Noncurrent liabilities                                    |                            |
| Compensated absences payable - due in more than one year  | 84,886                     |
| Net pension liability                                     | 1,031,416                  |
| Net OPEB liability - due in more than one year            | 388,000                    |
| Other long-term liabilities - due in more than one year   | 19,368,052                 |
| Total liabilities   | 28,614,934                 |
| <b>Deferred Inflows of Resources</b>                      |                            |
| Deferred amount related to pensions                       | 155,323                    |
| Deferred amount related to OPEB                           | 90,000                     |
| Deferred amount related to leases                         | 61,031                     |
| Total deferred inflows of resources                       | 306,354                    |
| <b>Net Position</b>                                       |                            |
| Investment in capital assets                              | 19,963,420                 |
| Restricted for  |                            |
| Nonexpendable - Endowment principal                       | 10,616,337                 |
| Expendable - Capital Projects                             | 185,816                    |
| Expendable - Maintenance                                  | 9,060,969                  |
| Unrestricted  | 20,398,506                 |
|   | \$ 60,225,048              |

Orange County Cemetery District  
Statement of Activities  
For the Year Ended June 30, 2023

|   | Governmental<br>Activities |
|---|----------------------------|
| Expenses  |                            |
| Cemetery operations                                       |                            |
| Salaries and employee benefits                            | \$ 3,340,532               |
| Services and supplies                                     | 1,866,250                  |
| Depreciation expense                                      | 498,212                    |
| Interest on long-term debt                                | 623,193                    |
| Cost of issuance  | 44,958                     |
|   | 6,373,145                  |
| Total expenses  | 6,373,145                  |
| Program Revenues  |                            |
| Charges for services                                      |                            |
| Interment space sales, interment services and other sales | 5,426,753                  |
| Endowment fees  | 789,350                    |
| Lease revenues  | 39,745                     |
|   | 6,255,848                  |
| Total program revenues                                    | 6,255,848                  |
| Net (Expenses)/ Revenues                                  | (117,297)                  |
| General Revenues  |                            |
| Property taxes  | 2,855,799                  |
| Investment income, net                                    | 626,038                    |
| Other revenues  | 403,430                    |
|   | 3,885,267                  |
| Total general revenues                                    | 3,885,267                  |
| Change in Net Position                                    | 3,767,970                  |
| Net Position, Beginning                                   | 56,457,078                 |
| Net Position, Ending                                      | \$ 60,225,048              |

# Orange County Cemetery District

## Balance Sheet – Governmental Funds

June 30, 2023

|  | General Fund         | Special<br>Revenue Fund<br>Endowment<br>Care<br>Income | Permanent<br>Fund<br>Endowment<br>Care<br>Principal | Total<br>Governmental<br>Funds |
|--|----------------------|--|---|--------------------------------|
| <b>Assets</b>  |                      |  |   |                                |
| Cash and investments   | \$ 27,076,295        | \$ 9,005,290   | \$ -  | \$ 36,081,585                  |
| Cash in bank   | 775,743              | -  | -   | 775,743                        |
| Imprest cash   | 800                  | -  | -   | 800                            |
| Restricted cash and investments                                      | 19,955,043           | -  | 10,392,237  | 30,347,280                     |
| Accounts receivable  | 318,607              | -  | -   | 318,607                        |
| Taxes receivable   | 58,938               | -  | -   | 58,938                         |
| Interest receivable  | 75,730               | 55,679   | -   | 131,409                        |
| Lease receivable   | 63,964               | -  | -   | 63,964                         |
| Due from other funds   | 4,899                | -  | 226,300   | 231,199                        |
| Due from other governmental agencies                                 | 11,786               | -  | -   | 11,786                         |
| Total assets   | <u>\$ 48,341,805</u> | <u>\$ 9,060,969</u>                                    | <u>\$ 10,618,537</u>                                | <u>\$ 68,021,311</u>           |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b> |                      |  |   |                                |
| <b>Liabilities</b>   |                      |  |   |                                |
| Accounts payable   | \$ 251,823           | \$ -   | \$ -  | \$ 251,823                     |
| Accrued payroll  | 124,892              | -  | -   | 124,892                        |
| Due to other funds   | 228,999              | -  | 2,200   | 231,199                        |
| Due to county  | 268                  | -  | -   | 268                            |
| Due to other governmental agencies                                   | 33,724               | -  | -   | 33,724                         |
| Pre-need deposits  | 6,484,039            | -  | -   | 6,484,039                      |
| Total liabilities  | <u>7,123,745</u>     | <u>-</u>   | <u>2,200</u>  | <u>7,125,945</u>               |
| <b>Deferred inflows of resources</b>                                 |                      |  |   |                                |
| Unavailable revenue  | 267,607              | -  | -   | 267,607                        |
| Lease related  | 61,031               | -  | -   | 61,031                         |
| Total deferred inflows of resources                                  | <u>328,638</u>       | <u>-</u>   | <u>-</u>  | <u>328,638</u>                 |
| <b>Fund Balances</b>   |                      |  |   |                                |
| Nonspendable   | -                    | -  | 10,616,337  | 10,616,337                     |
| Restricted   | 19,955,043           | 9,060,969  | -   | 29,016,012                     |
| Committed  | 15,155,000           | -  | -   | 15,155,000                     |
| Assigned   | 2,180,745            | -  | -   | 2,180,745                      |
| Unassigned   | 3,598,634            | -  | -   | 3,598,634                      |
| Total fund balances  | <u>40,889,422</u>    | <u>9,060,969</u>                                       | <u>10,616,337</u>                                   | <u>60,566,728</u>              |
| Total liabilities, deferred inflows of resources, and fund balances  | <u>\$ 48,341,805</u> | <u>\$ 9,060,969</u>                                    | <u>\$ 10,618,537</u>                                | <u>\$ 68,021,311</u>           |



Orange County Cemetery District  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 June 30, 2023

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|   |                      |
|---|----------------------|
| Fund balances for governmental fund   | \$ 60,566,728        |
| Amounts reported for governmental activities in the statement of net position are different because:  |                      |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds                                      | 19,963,420           |
| Certain receivables are not available to pay for current period expenditures and therefore are reflected as deferred inflows of resources in the governmental funds | 267,607              |
| Net pension liability is not reported in the funds  | (1,031,416)          |
| Deferred outflows of resources related to pensions is not reported in the funds   | 1,247,804            |
| Net OPEB liability is not reported in the funds   | (388,000)            |
| Deferred outflows of resources related to OPEB is not reported in the funds   | 145,000              |
| Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities:   |                      |
| Compensated absences  | (288,286)            |
| Other long-term liabilities   | (19,769,227)         |
| Accrued interest payable for the current portion of interest due on the   |                      |
| Interest Payable  | (243,259)            |
| Deferred inflows of resources related to pensions is not reported in the funds  | (155,323)            |
| Deferred inflows of resources related to OPEB is not reported in the funds  | <u>(90,000)</u>      |
| Net position of governmental activities   | <u>\$ 60,225,048</u> |

Orange County Cemetery District  
 Statements of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds  
 For the Year Ended June 30, 2023

|   | General Fund         | Special Revenue<br>Fund<br>Endowment<br>Care<br>Income | Permanent<br>Fund<br>Endowment<br>Care<br>Principal | Total<br>Governmental<br>Funds |
|---|----------------------|--|---|--------------------------------|
| <b>Revenues</b>   |                      |  |   |                                |
| Property taxes  | \$ 2,855,799         | \$ -   | \$ -  | \$ 2,855,799                   |
| Interment space sales,<br>interment services<br>and other sales | 5,727,290            | -  | -   | 5,727,290                      |
| Endowment fees  | -                    | -  | 789,350   | 789,350                        |
| Investment income   | 653,959              | 577,919  | -   | 1,231,878                      |
| Net increase (decrease) in fair<br>value of investments         | (241,648)            | (117,053)  | (247,139)   | (605,840)                      |
| Lease revenues  | 39,745               | -  | -   | 39,745                         |
| Other revenues  | 403,388              | 42   | -   | 403,430                        |
| <b>Total revenues</b>   | <b>9,438,533</b>     | <b>460,908</b>   | <b>542,211</b>                                      | <b>10,441,652</b>              |
| <b>Expenditures</b>   |                      |  |   |                                |
| <b>Current</b>  |                      |  |   |                                |
| Salaries and employee benefits                                  | 3,218,655            | -  | -   | 3,218,655                      |
| Services and supplies   | 1,866,118            | 132  | -   | 1,866,250                      |
| <b>Debt Service</b>   |                      |  |   |                                |
| Principal   | 230,773              | -  | -   | 230,773                        |
| Interest  | 379,933              | -  | -   | 379,933                        |
| Capital outlay  | 1,153,068            | -  | -   | 1,153,068                      |
| <b>Total expenditures</b>                                       | <b>6,848,547</b>     | <b>132</b>   | <b>-</b>  | <b>6,848,679</b>               |
| <b>Other Financing Sources (Uses)</b>                           |                      |  |   |                                |
| Proceeds from long-term liabilities                             | 20,000,000           | -  | -   | 20,000,000                     |
| Cost of issuance  | (44,958)             | -  | -   | (44,958)                       |
| <b>Other Financing Sources (Uses)</b>                           | <b>19,955,042</b>    | <b>-</b>   | <b>-</b>  | <b>19,955,042</b>              |
| <b>Net Change in Fund Balances</b>                              | <b>22,545,028</b>    | <b>460,776</b>   | <b>542,211</b>                                      | <b>23,548,015</b>              |
| <b>Fund Balances, Beginning</b>                                 | <b>18,344,394</b>    | <b>8,600,193</b>                                       | <b>10,074,126</b>                                   | <b>37,018,713</b>              |
| <b>Fund Balances, Ending</b>                                    | <b>\$ 40,889,422</b> | <b>\$ 9,060,969</b>                                    | <b>\$ 10,616,337</b>                                | <b>\$ 60,566,728</b>           |

Orange County Cemetery District  
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of  
 Governmental Funds to the Statement of Activities  
 For the Year Ended June 30, 2023

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Net change in fund balances - total governmental funds: \$ 23,548,015

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

General fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense. This is the amount that capital outlay exceeded depreciation and deletions in the current period.

|                      |           |           |
|----------------------|-----------|-----------|
| Capital outlay       |           | 1,153,068 |
| Additions            | 1,640,018 |           |
| Deletions            | (486,950) |           |
| Depreciation expense |           | (498,212) |

Change in unavailable revenue due to installment contract activity (300,537)

The issuance of long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of loan principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position

|                            |              |              |
|----------------------------|--------------|--------------|
| Issuance of long-term debt | (20,000,000) |              |
| Principal repayment        | 230,773      | (19,769,227) |

Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

|  |  |           |
|--|--|-----------|
| Net change in accrued interest for long-term liabilities |  | (243,260) |
| Net change in compensated absences                       |  | (21,866)  |

|   |  |           |
|---|--|-----------|
| Adjustment to pension expense reported on government wide statement of activities |  | (142,011) |
|---|--|-----------|

|  |  |        |
|--|--|--------|
| Adjustment to OPEB expense reported on government wide statement of activities |  | 42,000 |
|--|--|--------|

|   |  |              |
|---|--|--------------|
| Change in net position of governmental activities |  | \$ 3,767,970 |
|---|--|--------------|

## **Note 1 - Organization and History**

The Orange County Cemetery District (District) was created July 1, 1985, through a reorganization of three special districts located in the County of Orange (County). The District is governed by a board of trustees appointed by the County Board of Supervisors. The County does not consider the District a component unit of the County. The District provides for burial services and for the operation and maintenance of the cemetery grounds and its service area includes the entire County of Orange. Cemeteries are located in the Cities of Anaheim, Lake Forest, and Santa Ana.

## **Note 2 - Summary of Significant Accounting Policies**

### **A. Basis of Presentation**

#### **Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. The District reports governmental activities, which are activities that normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. District expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. When both restricted and unrestricted resources are available for use, it is the Districts policy to use restricted resources first, and then use unrestricted resources as they are needed.

#### **Fund Financial Statements**

The accounting system of the District is organized and operated on the basis of separate 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, liabilities, deferred inflows (outflows) of resources, fund equity, revenues, and expenditures. An emphasis is placed on major funds within the governmental category.

The major funds of the District are as follows:

The General Fund is used to account for all activity not required to be accounted for in other funds.

The Endowment Care Income Special Revenue Fund is established to account for the earnings of the Endowment Care Principal Permanent Fund. These resources are restricted for the maintenance and care of cemeteries in accordance with the provisions of the Health and Safety Code.

The Endowment Care Principal Permanent Fund is established to account for endowment care fees collected with the sale of interment spaces and are legally restricted per the Health and Safety Code. Resources are restricted to the extent that only earnings, not principal, may be used for purposes that support the District's programs.

## **B. Measurement Focus and Basis of Accounting**

### **Measurement Focus**

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

On the government-wide statement of net position and the statement of activities, activities are presented using the economic resources measurement focus. Under the economic resources' measurement focus, all (both current and long-term) economic resources and obligations of the government are reported.

In the fund financial statements, all governmental funds are accounted for on the current financial resources' measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balances are considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

### **Basis of Accounting**

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. For this purpose, the government considers all major revenue sources (charges for services, property tax) to be available if they are collected within a 60-day period to pay current liabilities at the end of the current fiscal year.

**C. Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on November 1 and February 1 and become delinquent December 11 and April 11. The County bills and collects the property taxes and remits them to the District in installments during the year. District property tax revenues are recognized when levied to the extent that they result in current receivables.

The County is permitted by State law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the assessed values no more than 2% per year.

**D. Program Revenues**

Program revenues are funding sources that are specifically tied to a function of the government, rather than from taxes or other general revenue. Since program revenues are tied to a direct function, the associated revenues are considered incremental and would cease if the function was eliminated. The District’s program revenue base consists of Charges for Services, which includes the following: a) interment space sales, interment services and other sales b) endowment fees, and c) cell tower lease revenues.

**E. Cash and Investments**

Cash and investments are reported in the accompanying statement of net position at fair value. Changes in fair value that occur during a fiscal year are recognized as investment income to that fiscal year. Cash receipts and cash disbursements for general operations of the District are held in the Orange County Investment Pool (OCIP) and are available immediately. In addition, the District has cash and investment accounts related to each of the identified funds:

**Types of Cash and Investments**

|                       |  |
|-----------------------|--|
| General Fund          | <ul style="list-style-type: none"> <li>• Pooled cash with CalTRUST Medium Term fund for future capital expenditures</li> <li>• Wells Fargo revolving fund for operating needs</li> <li>• Third party investors and custodians that purchase specific investments (Stifel Investments)</li> <li>• Imprest cash</li> </ul> |
| Endowment Income Fund | Third party investors that purchase specific investments (UBS and Stifel Investments); endowment income is available to specifically support the District’s programs, when needed.   |

**Restricted Assets**

|                          |  |
|--------------------------|--|
| Endowment Principal Fund | Third party investors that purchase specific investments (UBS and Stifel Investments); endowment principal is legally restricted per the Health and Safety Code and must remain intact in perpetuity. Income earned on the endowment principal is recorded in the endowment income fund and can be used accordingly. |
| Unspent Proceeds         | Escrow account for the District with American Riviera Bank to finance project costs for the design and construction of a new public cemetery.  |

**F. Investment Valuations**

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

**G. Capital Assets**

Capital assets, which include land, structures and improvements, and furniture and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets, with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

|                             |              |
|-----------------------------|--------------|
| Structures and Improvements | 10-100 years |
| Furniture and Equipment     | 7-20 years   |

Right to use leased assets are recognized at the lease commencement date and represent the District’s right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. The District has a capitalization threshold of \$10,000 for leases.

**H. Lease Receivables**

Lease receivables are recorded by the District as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the District charges the lessee.

**I. Deferred Outflows and Deferred Inflows of Resources**

The District reports deferred outflows and inflows of resources. A deferred outflow of resources represent a consumption of net assets or fund balance that applies to a future reporting period. A deferred inflow of resources represents an acquisition of net assets or fund balance by the government that applies to a future period. Deferred inflows related to leases where the District is the lessor and is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on the straight-line basis over the term of the lease.

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue in of the current period. Revenue must also be susceptible to accrual; it must be both measurable and available to finance expenditures of the current fiscal year. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal year, then the assets must be offset by a corresponding deferred inflow of resources. This type of deferred inflow is unique to governmental funds, since it is tied to the modified accrual basis of accounting, which is only used in connection with governmental funds.

The District reports deferred outflows and inflows of resources related to pensions and OPEB on the government-wide statement of net position. Deferred outflows and inflows of resources related to pensions and OPEB will be recognized as a part of pension expense in future reporting periods.

#### J. Fund Balance

The District classifies fund balance into the following five different components:

**Nonspendable** – resources that are not in spendable form or required to be maintained.

**Restricted** – resources are subject to externally enforceable legal restrictions; these restrictions are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

**Committed** – resources are constrained to specific purposes by a formal action of the Board of Trustees such as an ordinance or resolution, which are considered equally binding. The constraint remains binding unless removed in the same formal manner by the Board. Board action to commit fund balance must occur within the fiscal reporting period while the amount committed may be determined subsequently.

**Assigned** – amounts that are constrained by the District’s intent to be used for specific purposes but are neither restricted nor committed. Upon action by the Board, the General Manager is authorized to assign amounts to be used for specific purposes.

**Unassigned** – any residual positive net resources of the General Fund in excess of those portions of fund balance classified in one of the other four categories of fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balance are available, the District’s policy is to first apply restricted fund balance. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, the District’s policy is to first apply committed fund balance, then assigned fund balance, and finally unassigned fund balance.



**K. Compensated Absences**

The District provides its employees with an annual leave provision that is referenced in the Union Memorandum of Understanding and District Personnel Manual. This provision provides for annual leave amounts based on the employees' years of service. For all employees, the amount of annual leave an employee may accrue shall not exceed 52 times their bi-weekly accrual rate. An employee separating or retiring from the District shall be paid in a lump sum payment for all unused annual leave balances. Employees have an opportunity each year to request a leave payoff amount of up to 80 hours, assuming they meet the use and balance criteria.

**L. Risk Management**

The District is insured by the Special District Risk Management Authority. The District holds policies for workers compensation and property/liability insurance. When it is probable that a claim liability has been incurred at year-end, and the amount of the loss can be reasonably estimated, the District records the estimated loss, net of any insurance coverage provided by commercial insurance policies held. At June 30, 2023, in the opinion of the District's management, the District had no material claims which would require a loss provision in the financial statements.

**M. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's Orange County Employees Retirement System (OCERS) Plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by OCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**N. Other Post-Employment Benefits (OPEB)**

The net OPEB liability, deferred outflows/inflows of resources related to OPEB, information about fiduciary net position of the County of Orange Retiree Benefit Plan (OPEB Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported to the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## O. New Accounting Pronouncements

### Effective in Future Fiscal Years

**GASB Statement No. 91** – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for reporting periods beginning after December 31, 2022. The District has not determined the effect of this Statement.

**GASB Statement No. 99** – In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The District has not determined the effect of this Statement.

**GASB Statement No. 100** – In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The District has not determined the effect of this Statement.

**GASB Statement No. 101** – In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The District has not determined the effect of this Statement.

## P. Due to/Due from Other Funds

Due to/from are used for interfund transactions that are captured in the General Fund's Cash in Bank account but are recorded as revenue and expenses in the other funds.

**Q. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

**Note 3 - Cash and Investments**

Cash and investments as of June 30, 2023 consisted of the following:

|                                |    |                          |
|--------------------------------|----|--------------------------|
| Cash and Investments           |    |                          |
| Investment in County Pool      | \$ | 8,829,706                |
| Investment Trust of California |    | 14,518,780               |
| Cash in Bank                   |    | 775,743                  |
| Imprest Cash                   |    | 800                      |
| With Trustees                  |    |                          |
| Cash                           |    | 423,168                  |
| Investments                    |    | 12,309,931               |
| Restricted Assets              |    |                          |
| Investment in County Pool      |    | 266,668                  |
| With Trustees                  |    |                          |
| Cash                           |    | 18,342                   |
| Cash with Fiscal Agent         |    | 19,955,043               |
| Investments                    |    | <u>10,107,227</u>        |
| Total cash and investments     | \$ | <u><u>67,205,408</u></u> |

## Authorized Investments

Per the District's Investment Policy, the District may invest in the following types of investments:

| Authorized Investment Type  | Maximum Maturity**     | Authorized Limit (%) | Authorized Limit In One Issuer (%) | Required Rating |
|---|------------------------|----------------------|------------------------------------|-----------------|
| Local agency bonds  | 20 years**             | None                 | None                               | None            |
| U.S. Treasury bills, note or bonds  | In excess of 5 years** | None                 | 30% of single issue                | None            |
| State registered warrants, notes or bonds   | 10 years**             | None                 | 40% / 10% of single issue          | None            |
| Notes and bonds of other local California agencies  | 20 years**             | None                 | 40% / 10% of single issue          | None            |
| U.S. agencies   | In excess of 5 years** | None                 | 40% / 10% of single issue          | None            |
| Bankers acceptances   | 180 days               | 40%                  | 5% of single issuer                | None            |
| Prime commercial paper  | 270 days               | 25%                  | 5% of single issuer                | A/A-1           |
| Negotiable certificates of deposit  | 10 years               | 30%                  | 5% of single issuer                | None            |
| Repurchase agreements   | 1 year                 | 20%                  | None                               | None            |
| Reverse repurchase agreements   | 92 days                | 20% *                | None                               | None            |
| Securities lending  | 92 days                | 20% *                | None                               | None            |
| Medium term corporate notes   | 10 years**             | 30%                  | 5% of single issuer                | A               |
| Shares of beneficial interest, mutual funds   | N/A                    | 20%                  | 10% of single fund                 | A               |
| Mortgage pass-through securities, collateralized mortgages (CMO), and asset backed securities | In excess of 5 years** | 20%                  | None                               | None            |
| Local agency investment fund (LAIF)   | N/A                    | None                 | None                               | None            |
| County pooled investment funds  | N/A                    | None                 | None                               | None            |
| Investment trust of California (CalTRUST)   | N/A                    | None                 | None                               | None            |
| California CLASS  | N/A                    | None                 | None                               | None            |

\* Reverse Repurchase Agreements and Securities Lending Programs are limited to a maximum cumulative amount of 20% of portfolio funds.

\*\*Government Code restricts investment maturities to 5 years unless authorized by the Board. The Board has authorized maturities in excess of 5 years, as noted in the Investment Policy above.

## Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The restricted cash holds \$19,955,043, of which \$19,705,043 is above the FDIC limit of \$250,000.

### Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the District's investments (including investments held by trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

| Investment Type                                | Total<br>Fair Value  | Term to Maturity     |                     |                     |                           |
|--|----------------------|----------------------|---------------------|---------------------|---------------------------|
|  |                      | 12 Months<br>or less | 13 to 24<br>Months  | 25 to 60<br>Months  | Greater than 60<br>Months |
| County Pooled Investment Funds (Orange County) | \$ 9,096,374         | \$ 9,096,374         | \$ -                | \$ -                | \$ -                      |
| Investment Trust of California                 | 14,518,780           | 14,518,780           | -                   | -                   | -                         |
| Medium Term Corporate Notes                    | 9,433,834            | 2,118,535            | 3,115,594           | 4,199,705           | -                         |
| Certificates of Deposit                        | 2,754,385            | 1,633,762            | 751,732             | 368,891             | -                         |
| Local Agency Bonds                             | 5,276,219            | 1,917,508            | 1,573,524           | 1,785,187           | -                         |
| Gov't Asset Backed/CMO Securities              |                      |                      |                     |                     |                           |
| Federal National Mortgage Association          | 9,863                | -                    | -                   | -                   | 9,863                     |
| U.S. Agencies:                                 |                      |                      |                     |                     |                           |
| Federal National Mortgage Association          | 4,942,857            | 1,644,402            | 1,318,729           | 1,979,726           | -                         |
|  | <u>\$ 46,032,312</u> | <u>\$ 30,929,361</u> | <u>\$ 6,759,579</u> | <u>\$ 8,333,509</u> | <u>\$ 9,863</u>           |

As of June 30, 2023, the District held \$9,863 in U.S. government agency securities which are backed by mortgage pass-throughs. Therefore, if interest rates decline, the mortgages are subject to prepayment by borrowers. However, the District's intent is to hold all fixed maturity investments until maturity, and accordingly, fixed maturity investments are classified in the tables above as if they were held to maturity.

### Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following presentation is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, and the actual Moody's rating as of year-end for each investment type:

| Investment Type                         | Total<br>Fair Value  | Minimum<br>Rating | Actual Ratings at Year-end |                   |                   |                     |                     |                     |                     |                   |             |                      |
|---|----------------------|-------------------|----------------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------|----------------------|
|   |                      |                   | Aaa                        | Aa1               | Aa2               | Aa3                 | A1                  | A2                  | A3*                 | Baa1*             | Not Rated   |                      |
| County Pooled Investment Funds          | \$ 9,096,374         | N/A               | \$ 9,096,374               | \$ -              | \$ -              | \$ -                | \$ -                | \$ -                | \$ -                | \$ -              | \$ -        | \$ -                 |
| Investment Trust of California          | 14,518,780           | N/A               | -                          | -                 | -                 | -                   | -                   | -                   | -                   | -                 | -           | 14,518,780           |
| Medium Term Corporate Notes             | 9,433,834            | A                 | -                          | -                 | -                 | 843,082             | 2,663,757           | 2,682,832           | 2,793,516           | 358,281           | -           | 92,366               |
| Certificates of Deposit                 | 2,754,385            | N/A               | -                          | -                 | -                 | -                   | -                   | -                   | -                   | -                 | -           | 2,754,384            |
| Local Agency Bonds                      | 5,276,219            | N/A               | 45,056                     | 540,449           | 100,346           | 425,143             | 1,554,129           | 421,979             | -                   | -                 | -           | 2,189,118            |
| Gov't Asset Backed/CMO Securities:      |                      |                   |                            |                   |                   |                     |                     |                     |                     |                   |             |                      |
| Federal National Mortgage Association * | 9,863                | N/A               | -                          | -                 | -                 | -                   | -                   | -                   | -                   | -                 | -           | 9,863                |
| U.S. Agencies:                          |                      |                   |                            |                   |                   |                     |                     |                     |                     |                   |             |                      |
| Federal National Mortgage Association   | 4,942,857            | N/A               | 4,643,478                  | -                 | -                 | -                   | -                   | -                   | -                   | -                 | -           | 299,379              |
|   | <u>\$ 46,032,312</u> |                   | <u>\$ 13,784,908</u>       | <u>\$ 540,449</u> | <u>\$ 100,346</u> | <u>\$ 1,268,225</u> | <u>\$ 4,217,886</u> | <u>\$ 3,104,811</u> | <u>\$ 2,793,516</u> | <u>\$ 358,281</u> | <u>\$ -</u> | <u>\$ 19,863,890</u> |

\* Investments conformed to Government Code at the time of acquisition.

The District holds investments in Lehman Brothers medium term notes, who declared Chapter 11 Bankruptcy on September 15, 2008. The notes are valued at \$0 as of June 30, 2023, and are not rated by any of the nationally recognized credit rating organizations. The District holds investments downgraded to Baa1/BBB+, and Baa1/BBB-, by Moody's Investor Services based on current credit standards. Although the credit ratings were downgraded, the District intends to hold these investments until maturity, presuming that they will either increase in value or hold their current value.

### **Orange County Investment Pool**

The District's deposit in the Orange County Treasurer's Money Market Fund of the Investment Pool (Pool) is similar to a demand deposit and amounts can be withdrawn at any time without prior written notice. The County's Investment Policy Statement establishes policies governing the Pool. Interest is apportioned to the District monthly based on the average daily balances on deposit with the County Treasurer. The County Treasury Oversight Committee, established in December 1995, conducts Pool oversight. A total of \$9,096,374 of the District's cash and investments at June 30, 2023 are part of the Pool. The government code requires the District to use the County Treasury as a depository for its funds, except for certain revolving funds and other approved or allowable investments approved by the Board of Trustees. For risks related to the County Pool, refer to the County of Orange Annual Comprehensive Financial Report. Deposits and withdrawals to and from the Pool are made on the basis of \$1 and not at fair value. Accordingly, the District's proportionate share of investments in the Pool at June 30, 2023 is measured using uncategorized inputs not defined as Level 1, Level 2, or Level 3 inputs.

### **Investment Trust of California (CalTRUST)**

The District is a voluntary participant in CalTRUST, a Joint Powers Authority established by public agencies in California for the purpose of pooling and investing local agency funds. A Board of Trustees supervises and administers the investment program of the Trust. CalTRUST invests in fixed income securities eligible for investment pursuant to California Government Code Sections 53601, et seq. and 53635, et seq. Investment guidelines adopted by the Board of Trustees may further restrict the types of investments held by the Trust. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by CalTRUST for the entire CalTRUST portfolio. The balance available for withdrawal is based on the accounting records maintained by CalTRUST. For purposes of determining fair value, securities are normally priced on a daily basis on specified days if banks are open for business and the New York Stock Exchange is open for trading. The value of securities is determined on the basis of the fair value of such securities or, if market quotations are not readily available, at fair value, under guidelines established by the Trustees. Accordingly, under the fair value hierarchy, the investment with CalTRUST is measured using uncategorized inputs not defined as Level 1, Level 2, or Level 3 inputs.

### **Demand Deposits**

In accordance with the California Government Code, the District established a revolving fund with a bank in order to meet its operating needs during and subsequent to the County bankruptcy. The District is permitted to establish a revolving fund that may not exceed 110% of 1/12 of the District's budgeted expenditures. At June 30, 2023 cash deposited in the District's revolving fund totaled \$775,743.

**Fair Value Measurements**

Fair value measurements are categorized based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, including matrix pricing models; Level 3 inputs are significant unobservable inputs.

Investments' fair value measurements as of June 30, 2023 were as follows:

| Investment Type                                   | Fair Value    | Level 2       | Level 3  |
|---|---------------|---------------|----------|
| Medium Term Corporate Notes                       | \$ 9,433,834  | \$ 9,433,834  | \$ -     |
| Certificates of Deposit                           | 2,754,385     | 2,754,385     | -        |
| Local Agency Bonds                                | 5,276,219     | 5,276,219     | -        |
| Gov't Asset Backed/CMO Securities                 |               |               |          |
| Federal National Mortgage Association             | 9,863         | -             | 9,863    |
| U.S. Agencies:                                    |               |               |          |
| Federal National Mortgage Association             | 4,942,857     | 4,942,857     | -        |
| Total leveled investments                         | \$ 22,417,158 | \$ 22,407,295 | \$ 9,863 |
| Uncategorized                                     |               |               |          |
| County Pooled Investment Funds<br>(Orange County) | \$ 9,096,374  |               |          |
| Investment Trust of California                    | 14,518,780    |               |          |
| Total investment portfolio                        | \$ 46,032,312 |               |          |

Deposits and withdrawals to and from the Orange County Investment Pool and Investments Trust of California are made on the basis of \$1 and not fair value. Accordingly, under the fair value hierarchy, these investments are uncategorized.

**Note 4 - Lease Receivables**

The District has accrued a receivable for one ground site lease for a cell tower. The remaining receivable for this lease was \$63,964 for the year ended June 30, 2023. Deferred inflows related to this lease were \$61,031 as of June 30, 2023. Interest revenue recognized on these leases was \$2,031 for the year ended June 30, 2023. Principal receipts of \$39,745 were recognized during the fiscal year. The interest rate on the lease is 2.46%. Final receipt is expected in fiscal year 2025.

Future payments for this agreement are as follows:

| Fiscal Year Ending June 30, | Principal | Interest |
|-----------------------------|-----------|----------|
| 2024                        | \$ 42,213 | \$ 1,018 |
| 2025                        | 21,751    | 114      |
|                             | \$ 63,964 | \$ 1,132 |

**Note 5 - Capital Assets**

Change in capital assets for the year ended June 30, 2023, were as follows:

|   | Balance<br>July 1, 2022 | Additions           | Deletions           | Balance<br>June 30, 2023 |
|---|-------------------------|---------------------|---------------------|--------------------------|
| Capital assets, not being depreciated             |                         |                     |                     |                          |
| Land  | \$ 8,748,396            | \$ -                | \$ -                | \$ 8,748,396             |
| Construction in progress                          | 1,407,006               | 1,099,968           | (486,950)           | 2,020,024                |
| Total capital assets,<br>not being depreciated    | <u>10,155,402</u>       | <u>1,099,968</u>    | <u>(486,950)</u>    | <u>10,768,420</u>        |
| Capital assets, being depreciated                 |                         |                     |                     |                          |
| Structures and improvements                       | 14,744,781              | 486,950             | -                   | 15,231,731               |
| Furniture and equipment                           | 1,573,359               | 53,100              | (29,407)            | 1,597,052                |
| Total capital assets,<br>being depreciated        | <u>16,318,140</u>       | <u>540,050</u>      | <u>(29,407)</u>     | <u>16,828,783</u>        |
| Less accumulated depreciation for                 |                         |                     |                     |                          |
| Structures and improvements                       | (6,267,831)             | (407,141)           | -                   | (6,674,972)              |
| Furniture and equipment                           | (897,147)               | (91,071)            | 29,407              | (958,811)                |
| Total accumulated depreciation                    | <u>(7,164,978)</u>      | <u>(498,212)</u>    | <u>29,407</u>       | <u>(7,633,783)</u>       |
| Total capital assets,<br>being depreciated, net   | <u>9,153,162</u>        | <u>41,838</u>       | <u>-</u>            | <u>9,195,000</u>         |
| Capital assets, net of accumulated<br>depreciated | <u>\$ 19,308,564</u>    | <u>\$ 1,141,806</u> | <u>\$ (486,950)</u> | <u>\$ 19,963,420</u>     |

**Anaheim Cemetery** — The original land, received by grant deed on April 22, 1927, is recorded at \$10.

**El Toro Memorial Park** — The original land, received by grant deed on June 27, 1927, is recorded at \$10. The 1966-67 and subsequent additions are recorded at cost.

**Santa Ana Cemetery** — The International Order of Odd Fellows Section was received by grant deed on December 8, 1927. The Daughters of Union Veterans Section was received by grant deed on November 6, 1959. On March 2, 1978, a deed was received, without cost, from the Santora Company for its equity in land maintained by the District. The Masonic Section was received by grant deed on July 1, 1987. Also received from Santa Ana Masonic Lodge #241 was an amount for the Endowment Care Principal Permanent Fund.

**Gypsum Canyon Cemetery Development** — The District received Parcel No. PR16C-302.1 by transfer of deed from the County of Orange on April 2, 2019, and is recorded at \$8,497,530.



**Note 6 - Long Term Liabilities**

The following is a summary of changes in the District’s long-term liabilities for the year ended June 30, 2023:

|                          | <u>July 1, 2022</u> | <u>Additions</u>     | <u>Reductions</u>   | <u>June 30, 2023</u> | <u>Due within one year</u> |
|--------------------------|---------------------|----------------------|---------------------|----------------------|----------------------------|
| Governmental Activities  |                     |                      |                     |                      |                            |
| Compensated absences     | \$ 266,420          | \$ 242,245           | \$ (220,379)        | \$ 288,286           | \$ 203,400                 |
| Lease-Purchase Agreement | -                   | 20,000,000           | (230,773)           | 19,769,227           | 401,175                    |
|                          | <u>\$ 266,420</u>   | <u>\$ 20,242,245</u> | <u>\$ (451,152)</u> | <u>\$ 20,057,513</u> | <u>\$ 604,575</u>          |

For compensated absences in the governmental activities shown above, the General Fund has been used in prior years to liquidate balances.

Governmental long-term liabilities at June 30, 2023, consisted of the following:

Compensated absences

Estimated liability for compensated employee absences relates to the accumulated time allowed for vacation pay and compensatory pay. Amounts are payable upon termination of employment. The balance of compensated absences at June 30, 2023 was \$288,286, with \$203,400 being due within one year.

Holman Capital Corporation Lease-Purchase Agreement

On July 5, 2022, the Board of Trustees approved and authorized the finalization, execution, and delivery of an agreement between the Orange County Cemetery District and Holman Capital Corporation for \$20,000,000 to assist the District in financing the project costs for the design and construction of a new public cemetery (Gypsum Canyon site). The District financing structure is a lease-purchase agreement secured by a ground lease; repayment terms are a 30-year term with a 10-year rate reset. Upon final execution of the financing documents, the funds were deposited into an escrow account for the District with American Riviera Bank. Interest on the lease-purchase agreement is held at 4.17% until September 14, 2032, and is payable semiannually on September 14 and March 14 of each year, commencing on March 14, 2023. As of June 30, 2023, there is an outstanding payable balance of \$19,769,227.

Long-Term Debt Service to Maturity Requirements

The annual requirements for repayment of principal and interest on long-term liabilities outstanding as of June 30, 2023, are as follows:

| <u>Fiscal Year Ending June 30,</u> | <u>Holman Capital Corporation Lease - Purchase Agreement</u> |                     |                      |
|------------------------------------|--|---------------------|----------------------|
|                                    | <u>Principal</u>   | <u>Interest</u>     | <u>Total</u>         |
| 2024                               | \$ 401,175   | \$ 820,238          | \$ 1,221,413         |
| 2025                               | 418,079  | 803,334             | 1,221,413            |
| 2026                               | 435,695  | 785,719             | 1,221,414            |
| 2027                               | 454,052  | 767,361             | 1,221,413            |
| 2028                               | 473,184  | 748,229             | 1,221,413            |
| 2029-2033                          | <u>17,587,042</u>  | <u>3,107,854</u>    | <u>20,694,896</u>    |
|                                    | <u>\$ 19,769,227</u>   | <u>\$ 7,032,735</u> | <u>\$ 26,801,962</u> |

**Note 7 - Pension Plan**

**Plan Descriptions** – All qualified regular full time and part-time employees participate in the Orange County Employees Retirement System (OCERS), a cost-sharing multiple-employer defined benefit pension plan. OCERS was established in 1945. OCERS is administered by the Board of Retirement and governed by the County Employees’ Retirement Law of 1937 (California Government Code Section 31450 et. seq.). OCERS main function is to provide service retirement, disability, death and survivor benefits to the plan participants, who include the County of Orange, Orange County Courts, the Orange County Retirement System, two Cities, and thirteen special districts, including the District.

Management of OCERS is vested with the Orange County Board of Retirement. The Board consists of nine members and one alternate. The County Treasurer is a member of the Board of Retirement by law. Four members are appointed by the Board of Supervisors, one of whom may be a County supervisor. Two members are elected by the General membership; one member and one alternate are elected by the Safety membership; one member is elected by the retired members of the System. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with the term as County Treasurer. OCERS issues a stand-alone annual financial report, which can be obtained at OCERS website ([www.ocers.org](http://www.ocers.org)).

**Benefits Provided** – OCERS provides service retirement, disability, death and survivor benefits to eligible employees. All regular full-time employees of the County of Orange or contracting agencies who work a minimum of 20 hours per week become members of OCERS effective on the first day of employment in an eligible position. There are separate retirement plans for General and Safety member employees. New General Members employed after January 1, 2013, are designated as PEPRAs General subject to the provisions of California Government Code 7522 et seq. and AB 197. The District’s employees participate as General members.

General members hired prior to January 1, 2013, are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 52 and have acquired five years of retirement service credit. All General members can also retire at the age of 70 regardless of service. The District participates in Plan M and N, which are 2.0% at 55 benefits. Plan M is for General Members hired before September 21, 1979, while Plan N is for members hired on or after September 21, 1979. The District also participates in Plan U, which is a 2.5% at 67 benefits for General Members hired on or after January 1, 2013.

The retirement benefits the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

General member benefits are calculated pursuant to the provisions of California Government Code Sections 31676.01, 31676.1, 31676.12, 31676.16, 31676.18 or 31676.19. For section 31676.01, the monthly allowance is equal to 1/90th of final compensation times years of accrued retirement service credit times age factor from that Section. For Section 31676.1, the monthly allowance is equal to 1/60th of final compensation times years of accrued retirement service credit times age factor from the Section. For Sections 31676.12, 31676.16, 31676.18 or 31676.19, the monthly allowance is equal to 1/50th of final compensation times years of accrued retirement service credit times age factor from the corresponding Section. General member benefits for those who are first hired on or after January 1, 2013, are calculated pursuant to the provision California Government Code Section 7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

For members with membership dates before January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation. There is no maximum with membership dates on or after January 1, 2013.

Final average compensation consists of the highest 12 consecutive months for Plan M, and the highest 36 consecutive months for Plans N and U.

The member may elect an unmodified retirement allowance or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. Certain surviving spouses or domestic partners may also be eligible if marriage or domestic partnership was at least two years prior to the date of death and the surviving spouse or domestic partner has attained age 55. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

OCERS provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustments, based upon the Consumer Price Index for All Urban Consumers for the Los Angeles-Riverside-Orange County Area, is capped at 3.0%.

**Contributions** – The District contributes to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from OCERS’ actuary after the completion of the annual actuarial valuation. The contribution rates for FY 2022-2023 (based on the December 31, 2020, valuation) were 14.65% of compensation for plan N members and 15.68% of compensation for plan U members. Contributions to the plan for FY 2022-2023 were \$285,000, which were paid to the Plan in November 2021, and immediately recognized as part of fiduciary net position by the Plan.

All members are required to make contributions to OCERS regardless of the retirement plan or tier in which they are included. The member contribution rates for FY 2022-2023 vary by member based on age of entry. The range of contribution rates is as follows: plan N (2.0% @ 55) – 7.43% to 14.05%, and Plan U (2.5% @ 67) – 8.56% to 16.54%.

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2023, the District reported a net pension liability of \$1,031,416 for its proportionate share of the collective net pension liability. The collective net pension liability for the Plan was measured as of December 31, 2022. Plan fiduciary net position was valued as of the measurement date, while the total pension liability (TPL) was determined based upon rolling forward the TPL from an actuarial valuation as of December 31, 2021. The plan provisions used in the measurement of the net pension liability are the same as those used in the OCERS actuarial valuations as of December 31, 2021. The General Fund, in the governmental activities, are the primary funds used to liquidate the pension liabilities. At December 31, 2021 and 2022, the District’s proportion of the collective net pension liability was as follows:

|                                |                      |
|--------------------------------|----------------------|
| Proportion - December 31, 2022 | 0.019%               |
| Proportion - December 31, 2021 | <u>-0.068%</u>       |
| Change - Increase (Decrease)   | <u><u>0.087%</u></u> |

At the year ended June 30, 2023, the District recognized pension expense of \$411,011. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Net differences between projected and actual earnings on plan investments | \$ 763,864                                | \$ -                                     |
| Differences between actual and expected experience                        | 401,601                                   | (155,323)                                |
| Changes in assumptions  | <u>82,339</u>                             | <u>-</u>                                 |
| Total   | <u><u>\$ 1,247,804</u></u>                | <u><u>\$ (155,323)</u></u>               |

Orange County Cemetery District

Notes to Financial Statements

June 30, 2023

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

| <u>Year ended June 30,</u> |                     |
|----------------------------|---------------------|
| 2024                       | \$ 34,327           |
| 2025                       | 177,985             |
| 2026                       | 359,849             |
| 2027                       | 512,373             |
| 2028                       | <u>7,947</u>        |
|                            | <u>\$ 1,092,481</u> |

**Actuarial Assumptions** – The collective total pension liability as of December 31, 2021 was determined by rolling forward the total pension liability from the actuarial valuation as of December 31, 2020. The actuarial assumptions used were based on the results of an experience study for the period from January 1, 2017 through December 31, 2019. Following are the key methods and assumptions used for the valuation as of December 31, 2021.

Actuarial Assumptions

|                            |   |
|----------------------------|---|
| Actuarial Cost Method      | Entry age normal  |
| Actuarial Experience Study | Three-Year Period Ending December 31, 2019                            |
| Inflation rate             | 2.50%   |
| Salary increases           | General: 4.00% to 11.00%,<br>varying by service, including inflation  |
| Investment Rate of Return  | 7.00%, net of pension plan investment<br>expense, including inflation |
| Discount Rate              | 7.00%   |
| Cost of Living Adjustment  | 2.75% of retirement income  |

Post – Retirement Mortality Rates:

- Healthy:** For General Members: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019
- Disabled:** For General Members: Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates decreased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019
- Beneficiaries:** Pub-2010 General Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019

**Discount Rate** – The discount rate used to measure the total pension liability was 7.00% as of December 31, 2022. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the District’s contributions will be made at rates equal to the actuarially determined contributions rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2022.

The long-term expected rate of return of 7.00% on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation (approved by the Board of Retirement) and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

| Asset Class                       | Target Allocation | Long-Term Expected Real Rate of Return |
|-----------------------------------|-------------------|--|
| Large Cap Equity                  | 23.10%            | 5.43%                                  |
| Small Cap Equity                  | 1.90%             | 6.21%                                  |
| International Developed Equity    | 13.00%            | 6.67%                                  |
| Emerging Markets Equity           | 9.00%             | 8.58%                                  |
| Core Bonds                        | 9.00%             | 1.10%                                  |
| High Yield Bonds                  | 1.50%             | 2.91%                                  |
| TIPS                              | 2.00%             | 0.65%                                  |
| Emerging Market Debt              | 2.00%             | 3.25%                                  |
| Corporate Credit                  | 1.00%             | 0.53%                                  |
| Long Duration Fixed Income        | 2.50%             | 1.44%                                  |
| Real Estate                       | 3.01%             | 4.42%                                  |
| Private Equity                    | 13.00%            | 9.41%                                  |
| Value Added Real Estate           | 3.01%             | 7.42%                                  |
| Opportunistic Real Estate         | 0.98%             | 10.18%                                 |
| Energy                            | 2.00%             | 9.68%                                  |
| Infrastructure (Core Private)     | 1.50%             | 5.08%                                  |
| Infrastructure (Non-Core Private) | 1.50%             | 8.92%                                  |
| CTA - Trend Following             | 2.50%             | 2.38%                                  |
| Global Macro                      | 2.50%             | 2.13%                                  |
| Private Credit                    | 2.50%             | 5.47%                                  |
| Alternative Risk Premia           | 2.50%             | 2.50%                                  |
| Total                             | 100%              |  |

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability (asset) of the District for the Plan, calculated using the discount rate of 7.00%, as well as what the District’s net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

|   | <u>1% Decrease</u> | <u>Discount Rate</u> | <u>1% Increase</u> |
|---|--------------------|----------------------|--------------------|
|   | 6.00%              | 7.00%                | 8.00%              |
| District's proportionate share of the net pension liability (asset) | \$ 3,021,923       | \$ 1,031,416         | \$ (592,179)       |

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

**Note 8 - Other Postemployment Benefits**

At June 30, 2023, net OPEB liability, related deferred outflows of resources and deferred inflows of resources, and OPEB expense are as follows:

|                                   | <u>Retiree Medical Plan</u> |
|-----------------------------------|-----------------------------|
| Net OPEB liability                | \$ 388,000                  |
| Deferred outflows related to OPEB | 145,000                     |
| Deferred inflows related to OPEB  | 90,000                      |
| OPEB Expense                      | 21,000                      |

**Plan Description**

The District's regular full-time and part-time employees participate in a Retiree Medical Plan (Plan), a cost-sharing multiple-employer defined benefit postemployment healthcare plan. The plan is offered and administered by the County of Orange, which assists retirees with the cost of retiree health insurance premiums and/or Medicare premiums. The County has the authority to establish and amend benefit provisions to the Plan. The County issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing the Auditor-Controller's Office; County of Orange, 12 Civic Center Plaza, Santa Ana, California 92702 or via website at <http://www.ac.ocgov.com>.

**Funding Policy.** The District contributes an amount equal to a contractually required contribution as established by the County. In order to more adequately fund the benefits under the Plan, on June 19, 2007, the County's Board adopted the County of Orange Retiree Medical Trust (Trust) effective July 2, 2007. The Trust is an Internal Revenue Code section 115 trust. In addition, the County and OCERS have entered into agreements for OCERS to establish an Internal Revenue code section 401(h) account, invest monies of the 401(h) account and the Trust and to act as paying agent for benefits under the Retiree Medical Plan (except for the lump sum payment).

**Eligibility.** An employee who is credited with at least ten years of service at the time the employee becomes a retiree shall be eligible to receive a grant in accordance with the County of Orange Retiree Medical Plan. An employee who becomes a retiree eligible for the grant and does not immediately begin to receive a retirement allowance from OCERS is not eligible to participate in the plan until the employee's retirement allowance commences. In order to be eligible to receive the grant, a participant must be covered under a Qualified Health Plan and/or Medicare. Coverage in a Qualified Health Plan must be elected within 30 days of the commencement of retirement allowance from OCERS. A covered retiree or surviving dependent who is age 65 or older must be enrolled in Medicare Part A (if eligible for coverage without a premium) and Part B in order to be eligible for the grant. A Qualified Health Plan is defined as a health insurance plan made available to employees and/or retirees, including a County Health Plan or a plan administered by an Employee Organization that the County of Orange has agreed shall be a Qualified Health Plan. A lump sum payment is available under limited circumstances as defined in the plan for an employee whose employment terminates prior to becoming eligible for a grant.

### **Benefits Provided**

OCERS provides service retirement, disability, death and survivor benefits to eligible employees. All regular full-time employees of the County of Orange or contracting agencies who work a minimum of 20 hours per week become members of OCERS effective on the first day of employment in an eligible position. There are separate retirement plans for General and Safety member employees. Safety membership is extended to those involved in active law enforcement, fire suppression, and certain probation officers. Any new Safety Member who becomes a member on or after January 1, 2013, is designated PEPRSA Safety and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code 7522 et seq. and Assembly Bill (AB) 197. All other employees are classified as General members. New General Members employed after January 1, 2013, are designated as PEPRSA General subject to the provisions of California Government Code 7522 et seq. and AB 197.

### **Contribution**

The District makes contributions to the plan equal to the actuarially determined contribution. The percentage contributions are established by a Participation Agreement with the County of Orange. All contributions are employer contributions and are made through the County of Orange payroll system. For the fiscal year ended June 30, 2023, the District's contributions were \$63,000, \$31,000 of which was paid to the Plan during the fiscal year and was immediately recognized as part of fiduciary net position. The remaining \$32,000 will reduce net OPEB liability during the year ended June 30, 2024.

### **OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2023, the District reported a liability of \$388,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2021. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating member agencies, actuarially determined. At June 30, 2023, the District's proportion was 0.130 percent, with no change from the prior measurement date.



Orange County Cemetery District

Notes to Financial Statements

June 30, 2023

For the year ended June 30, 2023, the District recognized OPEB expense of \$21,000. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows of<br>Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                       | \$ -                              | \$ (46,000)                      |
| Changes in assumptions   | 7,000                             | (12,000)                         |
| Changes in proportion  | 74,000                            | (32,000)                         |
| Net difference between projected and actual earnings on plan investments | 32,000                            | -                                |
| OPEB contributions subsequent to measurement date                        | 32,000                            | -                                |
| Total  | \$ 145,000                        | \$ (90,000)                      |

\$32,000 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended June 30, | Amortization |
|---------------------|--------------|
| 2024                | \$ (7,000)   |
| 2025                | (1,000)      |
| 2026                | 4,000        |
| 2027                | 18,000       |
| 2028                | 5,000        |
| 2029                | 4,000        |
| Total               | \$ 23,000    |

**Actuarial Assumptions** – The total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|  |  |
|--|--|
| Funding Policy   | Employer contributes full ADC  |
| Actuarial Valuation Date   | June 30, 2022  |
| Discount Rate and Long-Term Expected Rate of Return on Investments | 7.00% at December 31, 2022<br>7.00% at December 31, 2021<br>Expected County contributions projected to keep sufficient plan assets to pay all benefits from trust  |
| Crossover Test Assumptions   | Assumes County contributes the ADC to the trust for cash benefits only (Grant and Lump Sum) and pays the blended rate benefit outside the trust<br>Administrative expenses equal 0.01% of assets<br>No crossover |
| General Inflation  | 2.50% per annually   |
| Payroll Increases <sup>(1)</sup>                                   | Aggregate Increases – 3.00% annually<br>Merit – OCERS 2017-2019 Experience Study   |
| Grant Increase Rate  | AFSCME – lesser of 5% and Medical Trend  |
|  | Non-AFSCME – lesser of 3% and Medical Trend  |
| Mortality, Retirement, Disability, Termination                     | OCERS 2017-2019 Experience Study   |
| Mortality Improvement  | Mortality projected fully generational with Society of Actuaries mortality improvement Scale MP-19   |
| Health Care Cost Trend   | Non-Medicare – 6.50% for 2023, decreasing to 3.75% for 2076 and later  |
|  | Medicare – 5.65% for 2023, decreasing to 3.75% for 2076 and later  |
| Grant Participation for Future Retirees                            | 50% to 100%<br>Based on employee group and Grant service at retirement   |
| Spouse Participation at Retirement                                 | New retirees in County medical plans – 35%<br>New retirees in AOCDS medical plans – 65%  |

<sup>(1)</sup> Merit Increases – OCERS 2017-2019 Experience Study

Mortality rates were based on the assumed future mortality improvements using Society of Actuaries (SOA) Scale MP-19.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.00 percent as of December 31, 2022. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The target asset allocation and long-term rates of return for each asset class are summarized in the following table.

| Asset Class                       | Target Allocation | Long-Term Expected Real Rate of Return |
|-----------------------------------|-------------------|--|
| Large Cap Equity                  | 23.10%            | 5.43%                                  |
| Small Cap Equity                  | 1.90%             | 6.21%                                  |
| International Developed           | 13.00%            | 6.67%                                  |
| Emerging Markets Equity           | 9.00%             | 8.58%                                  |
| Core Bonds                        | 9.00%             | 1.10%                                  |
| High Yield Bonds                  | 1.50%             | 2.91%                                  |
| TIPS                              | 2.00%             | 0.65%                                  |
| Emerging Market Debt              | 2.00%             | 3.25%                                  |
| Corporate Equity                  | 1.00%             | 0.53%                                  |
| Long Duration Fixed               | 2.50%             | 1.44%                                  |
| Real Estate                       | 3.01%             | 4.42%                                  |
| Private Equity                    | 13.00%            | 9.41%                                  |
| Value Added Real Estate           | 3.01%             | 7.42%                                  |
| Opportunistic Real Estate         | 0.98%             | 10.18%                                 |
| Energy                            | 2.00%             | 9.68%                                  |
| Infrastructure (Core Private)     | 1.50%             | 5.08%                                  |
| Infrastructure (Non-Core Private) | 1.50%             | 8.92%                                  |
| CTA – Trend Following             | 2.50%             | 2.38%                                  |
| Global Macro                      | 2.50%             | 2.13%                                  |
| Private Credit                    | 2.50%             | 5.47%                                  |
| Alternative Risk Premia           | 2.50%             | 2.50%                                  |
|                                   | 100%              |  |
| Total                             |                   |  |

-Assumed Long-Term Rate of Inflation – 2.50%

-Long-Term Expected Rate of Return Net of Investment Expense – 7.00%

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.**

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

|                    | <u>1% Decrease<br/>(6.0%)</u> | <u>Current<br/>Discount Rate<br/>(7.0%)</u> | <u>1% Increase<br/>(8.0%)</u> |
|--------------------|-------------------------------|---|-------------------------------|
| Net OPEB Liability | \$ 469,000                    | \$ 388,000                                  | \$ 317,000                    |

**Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates.**

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

|                    | <u>1% Decrease</u> | <u>Current<br/>Healthcare Cost<br/>Trend Rate</u> | <u>1% Increase</u> |
|--------------------|--------------------|---|--------------------|
| Net OPEB Liability | \$ 365,000         | \$ 388,000  | \$ 414,000         |

**OPEB Plan Fiduciary Net Position**

OCERS has established an Internal Revenue Code section 401(h) account to invest monies and acts as Trustee for the 401(h) account which is used to pay the Grant. OCERS issues an Annual Comprehensive Financial Report for each fiscal year ending on December 31, which includes the Retiree Medical Trust. The ACFR can be obtained online at [www.ocers.org](http://www.ocers.org) by request, or in writing, to the Orange County Employees Retirement System, 2223 Wellington Avenue, Santa Ana, California 92701, or by calling (714) 558-6200.

**Note 9 - Net Position and Fund Balance Classifications**

The District’s Statement of Net Position reports a total of \$60,225,048, including \$20,398,506 of unrestricted net position. On the Governmental Funds Balance Sheet, the District’s fund balance is classified in accordance with GASB Statement No. 54, which classifies fund balance into five different components.

|                        | General Fund  | Special Revenue<br>Fund<br>Endowment<br>Care<br>Income | Permanent<br>Fund<br>Endowment<br>Care<br>Principal | Total<br>Governmental<br>Funds |
|------------------------|---------------|--|---|--------------------------------|
| Fund Balance           |               |  |   |                                |
| Nonspendable           |               |  |   |                                |
| Endowment principal    | \$ -          | \$ -   | \$ 10,616,337                                       | \$ 10,616,337                  |
| Restricted             |               |  |   |                                |
| Cemetery development   | 19,955,043    | -  | -   | 19,955,043                     |
| Operations/Maintenance | -             | 9,060,969  | -   | 9,060,969                      |
| Committed              |               |  |   |                                |
| Cemetery development   | 15,155,000    | -  | -   | 15,155,000                     |
| Assigned               |               |  |   |                                |
| Cemetery development   | 2,180,745     | -  | -   | 2,180,745                      |
| Unassigned             | 3,598,634     | -  | -   | 3,598,634                      |
|                        |               |  |   |                                |
| Total fund balance     | \$ 40,889,422 | \$ 9,060,969   | \$ 10,616,337                                       | \$ 60,566,728                  |

**Note 10 - Insurance Program**

The District is exposed to various risks or loss related to torts; thefts of damage to and destruction of assets; error and omissions; and natural disasters. To mitigate these risks, the District is a member of the Special Districts Risk Management Authority (Authority). The Authority is composed of over 900-member public agencies and is organized under a joint powers’ agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to provide services and other functions necessary and appropriate for the creation, operation, and maintenance of liability, workers' compensation, property and other risk pooling and coverage plans for the member agencies. The Authority began covering the claims of its members in 1986. The governing board is composed of seven members that are elected or appointed representatives of member agencies' governing boards.

Member agencies pay an annual premium to the Authority and are determined annually by the governing board. The District's policy limits for workers' compensation insurance is \$5,000,000 per occurrence, with no deductible. The District's policy limits for property and liability insurance are \$1,000,000,000 per covered loss for property damage, which includes automobile, mobile equipment, boiler and machinery, and \$2,500,000 per occurrence for general liability, which includes automobile, errors and omissions of officers and the board of trustees. The District has deductibles of \$1,000 for direct property loss, \$250 comprehensive/\$500 collision for automobile physical damage loss, and \$2,500 for crime loss.

If aggregate losses under the Authority's workers' compensation and general liability programs exceed total contributions collected from member agencies, the Authority may assess additional contributions in accordance with the provisions of the Joint Exercise of Powers Agreement and the Authority's Bylaws.

There were no reductions in insurance coverage from the previous year and the amount of settled claims has not exceeded insurance coverage for each of the past three fiscal years.

#### **Note 11 - Contingencies**

Gypsum Canyon Cemetery Development – The District received Parcel No. PR16C-302.1 by transfer of deed from the County of Orange on April 2, 2019, and is recorded at \$8,497,530. The property must be put into use as a cemetery within 10 years from the agreement. Additionally, half of the property must be provided or reserved for the development and operation of a State Veterans Cemetery. The property and easement area shall immediately revert to the County without further action in the event the covenants and restrictions are not met.

#### **Note 12 - Deferred Compensation Plan**

In November 2019, the District established a Deferred Compensation Plan pursuant to Section 457 of the Internal Revenue Code. The National Association of Counties (NACo) established a master deferred compensation program for its member Counties and Special Districts, permitting its member Counties and Districts and their employees to join as members. As the Plan Administrator, all regulatory, operational, administrative, and fiduciary responsibilities are assumed by NACo on behalf of the District. Contributions are made on a bi-weekly basis, the District's deferred compensation plan contributions totaled \$44,258 for the year ended June 30, 2023.

#### **Note 13 - Excess Appropriations**

The General Fund exceeded appropriations by \$1,132,852 due to unbudgeted salaries and employee benefits, services and supplies, debt service and capital outlay expenditures. The District utilized the Economic Uncertainty Fund for unanticipated expenditures in the General Fund, including \$134,400 for salaries and benefits expenditures and \$97,776 for services and supplies, against the \$1,132,852.

Required Supplementary Information  
June 30, 2023

## Orange County Cemetery District

Orange County Cemetery District  
Schedule of District's Proportionate Share of the Net Pension Liability (Asset) - Last Ten Years  
Year Ended June 30, 2023

|   | 2023         | 2022           | 2021         | 2020         | 2019         | 2018         | 2017       | 2016         | 2015         |
|---|--------------|----------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|
| Proportion of the net pension liability (asset)   | 0.019%       | -0.068%        | -0.003%      | -0.004%      | 0.016%       | -0.004%      | 0.004%     | 0.009%       | -0.002%      |
| Proportionate share of the net pension liability (asset)                                    | \$ 1,031,416 | \$ (1,394,665) | \$ (145,195) | \$ (228,119) | \$ 962,119   | \$ (173,677) | 222,409    | \$ 533,906   | \$ (95,350)  |
| Covered payroll   | \$ 1,883,493 | \$ 1,787,176   | \$ 1,730,433 | \$ 1,595,506 | \$ 1,535,865 | \$ 1,419,045 | 1,288,388  | \$ 1,247,006 | \$ 1,202,916 |
| Proportionate Share of the net pension liability (asset) as a percentage of covered payroll | -54.76%      | 78.04%         | -8.39%       | -14.30%      | 62.64%       | -12.24%      | 17.26%     | 42.82%       | -7.93%       |
| Plan fiduciary net position as a percentage of the total pension liability                  | 78.51%       | 91.45%         | 81.69%       | 76.67%       | 70.03%       | 74.93%       | 71.16%     | 67.10%       | 69.42%       |
| Measurement Date  | 12/31/2022   | 12/31/2021     | 12/31/2020   | 12/31/2019   | 12/31/2018   | 12/31/2017   | 12/31/2016 | 12/31/2015   | 12/31/2014   |

\* Fiscal year 2015 was the first year of implementation; therefore, only nine years are shown.



**Orange County Cemetery District**  
**Schedule of Pension Contributions – Last Ten Years**  
**Year Ended June 30, 2023**

|  | <u>2023</u>      | <u>2022</u>      | <u>2021</u>      | <u>2020</u>      | <u>2019</u>      | <u>2018</u>      | <u>2017</u>      | <u>2016</u>      | <u>2015</u>           |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------------|
| Actuarially determined contributions                                 | \$ 269,000       | \$ 230,000       | \$ 187,000       | \$ 962,119       | \$ 171,000       | \$ 162,000       | \$ 151,000       | \$ 144,000       | \$ 173,708            |
| Contributions in relation to the actuarially determined contribution | <u>(269,000)</u> | <u>(230,000)</u> | <u>(187,000)</u> | <u>(962,119)</u> | <u>(171,000)</u> | <u>(162,000)</u> | <u>(151,000)</u> | <u>(144,000)</u> | <u>(1,837,000)</u>    |
| Contribution deficiency (excess)                                     | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ (1,663,292)</u> |
| Covered payroll  | \$ 1,883,493     | \$ 1,787,176     | \$ 1,730,433     | \$ 1,679,035     | \$ 1,605,252     | \$ 1,489,052     | \$ 1,370,975     | \$ 1,201,900     | \$ 1,254,660          |
| Contributions as a percentage of covered payroll                     | 14.28%           | 12.87%           | 10.81%           | 57.30%           | 10.65%           | 10.88%           | 11.01%           | 11.98%           | 146.41%               |

\* Fiscal year 2015 was the first year of implementation; therefore, only nine years are shown.

Orange County Cemetery District  
Schedule of Proportionate Share of the Net OPEB Liability – Last Ten Years  
Year Ended June 30, 2023

|   | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| District's proportion of the net OPEB liability   | \$ 388,000   | \$ 333,000   | \$ 371,000   | \$ 364,000   | \$ 460,000   | \$ 482,000   |
| District's proportionate share of the net OPEB liability  | 0.1300%      | 0.1300%      | 0.1110%      | 0.1025%      | 0.1110%      | 0.1203%      |
| District's covered payroll  | \$ 1,677,000 | \$ 1,641,000 | \$ 1,574,000 | \$ 1,521,000 | \$ 1,726,434 | \$ 1,669,307 |
| District's proportionate share of the net OPEB liability as a percentage of its covered payroll | 23.14%       | 20.29%       | 23.57%       | 23.93%       | 26.64%       | 28.87%       |
| Plan fiduciary net position as a percentage of the total OPEB liability                         | 56.74%       | 65.43%       | 55.38%       | 51.02%       | 42.60%       | 42.30%       |

\* Fiscal year 2018 was the first year of implementation; therefore, only six years are shown.

Orange County Cemetery District  
Schedule of OPEB Contributions – Last Ten Years  
Year Ended June 30, 2023

|   | <u>2023</u>     | <u>2022</u>     | <u>2021</u>     | <u>2020</u>     | <u>2019</u>     | <u>2018</u>     |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Contractually determined contribution                                   | \$ 63,000       | \$ 59,000       | \$ 53,000       | \$ 56,000       | \$ 60,000       | \$ 59,000       |
| Contributions in relation to the contractually determined contributions | <u>(63,000)</u> | <u>(59,000)</u> | <u>(53,000)</u> | <u>(56,000)</u> | <u>(60,000)</u> | <u>(59,000)</u> |
| Contribution deficiency (excess)  | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     |
| Covered payroll   | \$ 1,752,000    | \$ 1,706,000    | \$ 1,635,000    | \$ 1,537,000    | \$ 1,796,640    | \$ 1,714,876    |
| Contributions as a percentage of covered payroll                        | 3.60%           | 3.46%           | 3.24%           | 3.64%           | 3.34%           | 3.44%           |

\* Fiscal year 2018 was the first year of implementation, therefore, only six years are shown.

Orange County Cemetery District  
General Fund – Budgetary Comparison Schedule  
For the Year Ended June 30, 2023

|  | Original<br>Budget   | Final<br>Budget      | Actual               | Variance<br>Positive<br>(Negative) |
|--|----------------------|----------------------|----------------------|------------------------------------|
| Revenues   |                      |                      |                      |                                    |
| Property taxes   | \$ 2,635,524         | \$ 2,635,524         | \$ 2,855,799         | \$ 220,275                         |
| Interment space sales, interment services<br>and other sales | 3,895,406            | 3,895,406            | 5,727,290            | 1,831,884                          |
| Investment income  | 217,000              | 217,000              | 653,959              | 436,959                            |
| Net increase (decrease) in fair value of investments         | -                    | -                    | (241,648)            | (241,648)                          |
| Lease revenues   | -                    | -                    | 39,745               | 39,745                             |
| Other revenues   | 101,380              | 101,380              | 403,388              | 302,008                            |
| Total revenues   | <u>6,849,310</u>     | <u>6,849,310</u>     | <u>9,438,533</u>     | <u>2,589,223</u>                   |
| Expenditures   |                      |                      |                      |                                    |
| Current  |                      |                      |                      |                                    |
| Salaries and employee benefits                               | 3,048,477            | 3,048,477            | 3,218,655            | (170,178)                          |
| Services and supplies  | 1,827,218            | 1,827,218            | 1,866,118            | (38,900)                           |
| Debt Service   |                      |                      |                      |                                    |
| Principal  | -                    | -                    | 230,773              | (230,773)                          |
| Interest   | -                    | -                    | 379,933              | (379,933)                          |
| Capital expenditures   | 840,000              | 840,000              | 1,153,068            | (313,068)                          |
| Total expenditures   | <u>5,715,695</u>     | <u>5,715,695</u>     | <u>6,848,547</u>     | <u>(1,132,852)</u>                 |
| Excess of Revenues over Expenditures                         | <u>1,133,615</u>     | <u>1,133,615</u>     | <u>2,589,986</u>     | <u>1,456,371</u>                   |
| Other Financing Sources (Uses)                               |                      |                      |                      |                                    |
| Proceeds from long-term liabilities                          | -                    | -                    | 20,000,000           | 20,000,000                         |
| Cost of Issuance   | -                    | -                    | (44,958)             | (44,958)                           |
| Net Financing Sources (Uses)                                 | <u>-</u>             | <u>-</u>             | <u>19,955,042</u>    | <u>19,955,042</u>                  |
| Net Change in Fund Balance                                   | 1,133,615            | 1,133,615            | 22,545,028           | <u>\$ 21,411,413</u>               |
| Fund Balance, Beginning                                      | <u>18,344,394</u>    | <u>18,344,394</u>    | <u>18,344,394</u>    |                                    |
| Fund Balance, Ending   | <u>\$ 19,478,009</u> | <u>\$ 19,478,009</u> | <u>\$ 40,889,422</u> |                                    |

Orange County Cemetery District  
 Endowment Care Income Special Revenue Fund Budgetary Comparison Schedule  
 For the Year Ended June 30, 2023

|   | Original<br>Budget  | Final<br>Budget     | Actual              | Variance<br>Positive<br>(Negative) |
|---|---------------------|---------------------|---------------------|------------------------------------|
| Revenues  |                     |                     |                     |                                    |
| Investment income                                       | \$ 225,000          | \$ 225,000          | \$ 577,919          | \$ 352,919                         |
| Net increase (decrease) in fair<br>value of investments | -                   | -                   | (117,053)           | (117,053)                          |
| Other revenues  | -                   | -                   | 42                  | 42                                 |
| Total revenues  | <u>225,000</u>      | <u>225,000</u>      | <u>460,908</u>      | <u>235,908</u>                     |
| Expenditures  |                     |                     |                     |                                    |
| Current   |                     |                     |                     |                                    |
| Services and supplies                                   | <u>215</u>          | <u>215</u>          | <u>132</u>          | <u>83</u>                          |
| Net Change in Fund Balance                              | 224,785             | 224,785             | 460,776             | <u>\$ 235,991</u>                  |
| Fund Balance, Beginning                                 | <u>8,600,193</u>    | <u>8,600,193</u>    | <u>8,600,193</u>    |                                    |
| Fund Balance, Ending                                    | <u>\$ 8,824,978</u> | <u>\$ 8,824,978</u> | <u>\$ 9,060,969</u> |                                    |

**Note 1 - Budgets**

Annual budgets are adopted by resolution of the District's Board of Trustees. They are then submitted to the County of Orange Auditor-Controller prior to September 1. Formal budgetary integration is employed as a management control during the year for all fund types. Management is authorized to approve appropriation transfers between accounts; however, appropriations between funds must be approved by the Board of Trustees. Accordingly, the lowest level of budgetary control exercised by the District's governing body is the fund level. The General Fund exceeded appropriations due to unbudgeted salaries and employee benefits, services and supplies, debt service and capital outlay expenditures. The District utilized the Economic Uncertainty Fund for unanticipated expenditures in the General Fund, including \$134,400 for salaries and benefits expenditures and \$97,776 for services and supplies.

The District prepares its budgets on the modified accrual basis of accounting. A budget and actual comparison for the Endowment Care Principal Permanent Fund is not presented as no expenditures are made from this fund.

Other Information

June 30, 2023

**Orange County Cemetery District**

Orange County Cemetery District

Schedule of General Fund Expenditures

For the Year Ended June 30, 2023

|  |                     |
|--|---------------------|
| Salaries and Employee Benefits                                 |                     |
| Salaries and wages   | \$ 2,384,800        |
| Retirement contributions and retiree medical insurance         | 351,854             |
| Medical, unemployment and compensation insurance contributions | <u>482,001</u>      |
| Total salaries and employee benefits                           | <u>3,218,655</u>    |
| Services and Supplies  |                     |
| Communications   | 29,553              |
| Insurance  | 68,057              |
| Maintenance of equipment                                       | 129,976             |
| Maintenance of structures, improvements and grounds            | 855,478             |
| Clothing and allowance   | 19,154              |
| Office   | 63,848              |
| Professional and specialized services                          | 217,360             |
| Publications, legal notices and memberships                    | 15,974              |
| Small tools  | 7,277               |
| Transportation and travel                                      | 20,756              |
| Utilities  | 155,158             |
| Special department   | <u>283,527</u>      |
| Total services and supplies                                    | <u>1,866,118</u>    |
| Capital Outlay   |                     |
| Equipment  | 53,100              |
| Structures and improvements                                    | <u>1,099,968</u>    |
| Total capital outlay   | <u>1,153,068</u>    |
| Debt Service   |                     |
| Principal  | 230,773             |
| Interest   | 379,933             |
| Cost of Issuance   | <u>44,958</u>       |
| Total debt service   | <u>655,664</u>      |
| Total expenditures   | <u>\$ 6,893,505</u> |



Statistical Section

June 30, 2023

**Orange County Cemetery District**

## Statistical Section (Unaudited)

The Statistical Section provides a context for understanding information in the financial statements, note disclosures and required supplementary information and how that information relates to the District's overall financial health. The detailed schedules presented in the Statistical Section are grouped into four sections pertaining to financial trends, revenue capacity demographic and economic information, and operating information.

**Financial Trends Information** – These schedules contain trend information to assist the reader in understanding how the District's financial performance and well-being have changed over time.

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in fund Balances of Governmental Funds

**Revenue Capacity Information** – These schedules contain information to assist the reader in assessing property taxes and charges for services, the District's two most significant local revenue sources.

- Assessed Value of Taxable Property: Presents information on the assessed property values within
- Direct and Overlapping Property Tax Rates
- Principal Property Taxpayers
- Property Tax Levies and Collections
- Endowment Fees by Location
- Interment Revenues by Location

**Demographic and Economic Information** – These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the District's financial activities take place.

- Demographic and Economic Status
- Principal Employers

**Operating Information** – These schedules contain data to assist the reader in understanding how the information in the financial report relates to the services provided by and the activities performed by the District.

- District Employees by Function
- Interment Transactions by Location
- Capital Assets by Type and Location

**Orange County Cemetery District**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Amounts in Thousands)**  
**For the Year Ended June 30, 2023**

|  | June 30<br>2014 | June 30<br>2015 | June 30<br>2016 | June 30<br>2017 | June 30<br>2018 | June 30<br>2019 | June 30<br>2020 | June 30<br>2021 | June 30<br>2022 | June 30<br>2023 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Governmental activities                    |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Net investment in capital assets           | \$ 6,625        | \$ 6,654        | \$ 6,771        | \$ 6,785        | \$ 7,361        | \$ 16,812       | \$ 17,663       | \$ 18,689       | \$ 19,309       | \$ 19,963       |
| Restricted                                 | 12,589          | 13,217          | 14,126          | 14,665          | 15,133          | 16,245          | 17,418          | 18,370          | 18,674          | 19,763          |
| Unrestricted                               | 7,853           | 7,370           | 8,990           | 10,647          | 11,158          | 12,269          | 13,607          | 15,707          | 18,741          | 20,499          |
| Total governmental activities net position | \$ 27,066       | \$ 27,241       | \$ 29,887       | \$ 32,098       | \$ 33,652       | \$ 45,326       | \$ 48,689       | \$ 52,765       | \$ 56,724       | \$ 60,225       |

Source: OC Cemetery District Finance Department

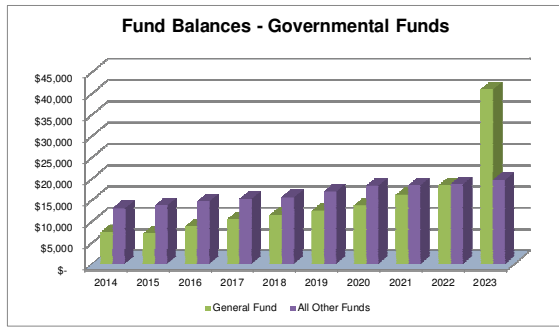
Orange County Cemetery District  
Changes in Net Position  
Last Ten Fiscal Years  
(Amounts in Thousands)  
For the Year Ended June 30, 2023

|   | Fiscal Year<br>2014 | Fiscal Year<br>2015 | Fiscal Year<br>2016 | Fiscal Year<br>2017 | Fiscal Year<br>2018 | Fiscal Year<br>2019 | Fiscal Year<br>2020 | Fiscal Year<br>2021 | Fiscal Year<br>2022 | Fiscal Year<br>2023 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Expenses</b>   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Cemetery Operations                                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Salaries and employee benefits                            | \$ 2,027            | \$ 2,214            | \$ 2,025            | \$ 2,260            | \$ 2,417            | \$ 2,664            | \$ 2,637            | \$ 2,776            | \$ 2,607            | \$ 3,341            |
| Services and supplies                                     | 979                 | 940                 | 1,039               | 1,159               | 1,201               | 1,689               | 1,504               | 1,498               | 1,686               | 1,866               |
| Depreciation expense                                      | 346                 | 326                 | 327                 | 341                 | 353                 | 381                 | 409                 | 453                 | 475                 | 498                 |
| Interest on long-term debt                                | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 623                 |
| Cost of issuance  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 45                  |
| Total expenses  | <u>3,352</u>        | <u>3,480</u>        | <u>3,391</u>        | <u>3,760</u>        | <u>3,971</u>        | <u>4,734</u>        | <u>4,550</u>        | <u>4,727</u>        | <u>4,768</u>        | <u>6,373</u>        |
| <b>Program Revenues</b>                                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Charges for services                                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Interment space sales and service fees                    | 2,591               | 2,942               | 2,958               | 3,279               | 3,259               | 3,770               | 3,642               | 5,102               | 6,169               | 5,427               |
| Endowment fees  | 363                 | 361                 | 388                 | 436                 | 411                 | 448                 | 412                 | 777                 | 806                 | 789                 |
| Lease revenues  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 32                  | 40                  |
| Capital contributions                                     | -                   | -                   | -                   | -                   | -                   | 8,498               | -                   | -                   | -                   | -                   |
| Total program revenues                                    | <u>2,954</u>        | <u>3,303</u>        | <u>3,346</u>        | <u>3,715</u>        | <u>3,669</u>        | <u>12,716</u>       | <u>4,054</u>        | <u>5,879</u>        | <u>7,008</u>        | <u>6,256</u>        |
| Net program (expenses)/revenues                           | \$ (398)            | \$ (176)            | \$ (46)             | \$ (45)             | \$ (302)            | \$ 7,982            | \$ (496)            | \$ 1,152            | \$ 2,239            | \$ (117)            |
| <b>General Revenues and Other Changes in Net Position</b> |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Property taxes  | \$ 1,678            | \$ 1,800            | \$ 1,904            | \$ 2,017            | \$ 2,170            | \$ 2,301            | \$ 2,416            | \$ 2,526            | \$ 2,640            | \$ 2,856            |
| Investment income   | 463                 | 322                 | 702                 | 147                 | 68                  | 1,303               | 1,357               | 262                 | (1,038)             | 626                 |
| Other revenues  | 72                  | 72                  | 86                  | 92                  | 69                  | 89                  | 86                  | 97                  | 116                 | 403                 |
| Total general revenues                                    | <u>2,213</u>        | <u>2,195</u>        | <u>2,692</u>        | <u>2,256</u>        | <u>2,307</u>        | <u>3,693</u>        | <u>3,858</u>        | <u>2,886</u>        | <u>1,719</u>        | <u>3,885</u>        |
| Total Change in Net Position                              | <u>\$ 1,814</u>     | <u>\$ 2,018</u>     | <u>\$ 2,646</u>     | <u>\$ 2,211</u>     | <u>\$ 2,005</u>     | <u>\$ 11,675</u>    | <u>\$ 3,363</u>     | <u>\$ 4,038</u>     | <u>\$ 3,958</u>     | <u>\$ 3,768</u>     |

Source: OC Cemetery District Finance Department

**Orange County Cemetery District**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Amounts in Thousands)**  
**For the Year Ended June 30, 2023**

|  | Fiscal Year<br>2014 | Fiscal Year<br>2015 | Fiscal Year<br>2016 | Fiscal Year<br>2017 | Fiscal Year<br>2018 | Fiscal Year<br>2019 | Fiscal Year<br>2020 | Fiscal Year<br>2021 | Fiscal Year<br>2022 | Fiscal Year<br>2023 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>General Fund</b>                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Nondisposable                                    | \$ 199              | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Restricted                                       | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 19,955              |
| Committed  | 4,050               | 6,050               | 7,050               | 8,805               | 8,805               | 9,555               | 11,355              | 12,655              | 15,155              | 15,155              |
| Assigned   | 1,663               | -                   | -                   | -                   | 1,321               | 966                 | 470                 | -                   | -                   | 2,181               |
| Unassigned                                       | 1,580               | 1,063               | 1,720               | 1,694               | 1,327               | 1,947               | 1,851               | 3,557               | 3,189               | 3,599               |
| <b>Total general fund</b>                        | <b>\$ 7,492</b>     | <b>\$ 7,113</b>     | <b>\$ 8,770</b>     | <b>\$ 10,499</b>    | <b>\$ 11,453</b>    | <b>\$ 12,468</b>    | <b>\$ 13,676</b>    | <b>\$ 16,212</b>    | <b>\$ 18,344</b>    | <b>\$ 40,889</b>    |
| <b>All other governmental funds</b>              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Nondisposable                                    | 6,648               | 6,951               | 7,374               | 7,716               | 7,976               | 8,600               | 9,193               | 9,831               | 10,074              | 10,616              |
| Restricted                                       | 5,941               | 6,265               | 6,752               | 6,950               | 7,107               | 7,645               | 8,225               | 8,538               | 8,600               | 9,061               |
| Committed  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Assigned   | 484                 | 489                 | 551                 | 556                 | 565                 | 725                 | 856                 | -                   | -                   | -                   |
| Unassigned                                       | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total all other governmental funds</b>        | <b>\$ 13,073</b>    | <b>\$ 13,706</b>    | <b>\$ 14,677</b>    | <b>\$ 15,222</b>    | <b>\$ 15,647</b>    | <b>\$ 16,970</b>    | <b>\$ 18,274</b>    | <b>\$ 18,370</b>    | <b>\$ 18,674</b>    | <b>\$ 19,677</b>    |
| <b>Total fund balances of governmental funds</b> | <b>\$ 20,565</b>    | <b>\$ 20,818</b>    | <b>\$ 23,447</b>    | <b>\$ 25,720</b>    | <b>\$ 27,100</b>    | <b>\$ 29,438</b>    | <b>\$ 31,950</b>    | <b>\$ 34,582</b>    | <b>\$ 37,018</b>    | <b>\$ 60,567</b>    |



Source: OC Cemetery District Finance Department

Orange County Cemetery District  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Amounts in Thousands)  
For the Year Ended June 30, 2023

|   | Fiscal Year<br>2014 | Fiscal Year<br>2015 | Fiscal Year<br>2016 | Fiscal Year<br>2017 | Fiscal Year<br>2018 | Fiscal Year<br>2019 | Fiscal Year<br>2020 | Fiscal Year<br>2021 | Fiscal Year<br>2022 | Fiscal Year<br>2023 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Property taxes  | \$ 1,678            | \$ 1,800            | \$ 1,904            | \$ 2,017            | \$ 2,170            | \$ 2,301            | \$ 2,416            | \$ 2,526            | \$ 2,640            | \$ 2,856            |
| Charges for services                                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Interment space sales, service fees and other sales     | 2,559               | 2,888               | 2,964               | 3,308               | 3,198               | 3,749               | 3,673               | 4,855               | 5,708               | 5,727               |
| Endowment fees  | 363                 | 361                 | 388                 | 436                 | 411                 | 448                 | 412                 | 777                 | 806                 | 789                 |
| Investment income                                       | 393                 | 445                 | 502                 | 488                 | 576                 | 749                 | 778                 | 656                 | 679                 | 1,232               |
| Net increase/(decrease) in fair value of investments    | 70                  | (123)               | 200                 | (342)               | (508)               | 553                 | 578                 | (394)               | (1,717)             | (606)               |
| Lease revenues  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 32                  | 40                  |
| Other revenues  | 72                  | 72                  | 86                  | 92                  | 69                  | 89                  | 86                  | 97                  | 116                 | 403                 |
| <b>Total revenues</b>                                   | <b>5,134</b>        | <b>5,444</b>        | <b>6,044</b>        | <b>6,000</b>        | <b>5,916</b>        | <b>7,889</b>        | <b>7,943</b>        | <b>8,518</b>        | <b>8,265</b>        | <b>10,442</b>       |
| <b>Expenditures</b>                                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Current:  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Salaries and employee benefits                          | 2,068               | 3,872               | 1,932               | 2,213               | 2,406               | 2,528               | 2,666               | 2,948               | 3,049               | 3,219               |
| Services and supplies                                   | 971                 | 925                 | 1,023               | 1,164               | 1,201               | 1,689               | 1,504               | 1,498               | 1,686               | 1,866               |
| Debt service  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Principal   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 231                 |
| Interest  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 380                 |
| Capital outlay  | 166                 | 370                 | 460                 | 350                 | 930                 | 1,334               | 1,260               | 1,478               | 1,095               | 1,153               |
| <b>Total expenditures</b>                               | <b>3,205</b>        | <b>5,167</b>        | <b>3,415</b>        | <b>3,727</b>        | <b>4,537</b>        | <b>5,551</b>        | <b>5,430</b>        | <b>5,924</b>        | <b>5,829</b>        | <b>6,849</b>        |
| Excess (deficit) of revenues over expenditures          | 1,929               | 277                 | 2,629               | 2,273               | 1,380               | 2,338               | 2,513               | 2,594               | 2,436               | 3,593               |
| <b>Other financing sources/(uses)</b>                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Proceeds from long-term liabilities                     | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 20,000              |
| Cost of issuance  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | (45)                |
| Transfers in  | 281                 | 297                 | 339                 | 369                 | 292                 | 93                  | 129                 | -                   | -                   | -                   |
| Transfers out   | (281)               | (297)               | (339)               | (369)               | (292)               | (93)                | (129)               | -                   | -                   | -                   |
| <b>Total other financing sources/(uses)</b>             | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>19,955</b>       |
| <b>Net change in fund balance</b>                       | <b>\$ 1,929</b>     | <b>\$ 277</b>       | <b>\$ 2,629</b>     | <b>\$ 2,273</b>     | <b>\$ 1,380</b>     | <b>\$ 2,338</b>     | <b>\$ 2,513</b>     | <b>\$ 2,594</b>     | <b>\$ 2,436</b>     | <b>\$ 23,548</b>    |
| Debt service as a percentage of noncapital expenditures | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 10.7%               |

Source: OC Cemetery District Finance Department

**Orange County Cemetery District**  
 County of Orange Assessed Value of Taxable Property<sup>(1)</sup>  
 Last Ten Fiscal Years  
 (Amounts in Thousands)  
 For the Year Ended June 30, 2023

| Fiscal<br>Year | Residential<br>Property | Industrial/<br>Commercial<br>Property | Other<br>Property <sup>(2)</sup> | Unsecured Roll<br>Gross Total <sup>(3)</sup> | Total Taxable<br>Assessed Value | Less: Exempt &<br>Non-Reimbursed<br>Exemptions | Net Taxable<br>Assessed Value | Total Direct<br>Tax Rate<br>Percent <sup>(1)</sup> |
|----------------|-------------------------|---------------------------------------|----------------------------------|--|---------------------------------|--|-------------------------------|--|
| 2013           | \$ 315,635,908          | \$ 100,074,695                        | \$ 3,489,057                     | \$ 19,905,480                                | \$ 439,105,140                  | \$ (10,634,193)                                | \$ 428,470,947                | 1.00   |
| 2014           | 328,138,473             | 102,580,010                           | 3,792,261                        | 19,281,087                                   | 453,791,831                     | (10,943,554)                                   | 442,848,277                   | 1.00   |
| 2015           | 352,800,864             | 105,523,254                           | 3,694,094                        | 20,902,660                                   | 482,920,872                     | (11,661,965)                                   | 471,258,907                   | 1.00   |
| 2016           | 377,592,570             | 110,440,476                           | 3,294,159                        | 20,394,462                                   | 511,721,667                     | (12,722,344)                                   | 498,999,323                   | 1.00   |
| 2017           | 400,931,553             | 114,636,194                           | 2,787,769                        | 20,582,609                                   | 538,938,125                     | (12,807,570)                                   | 526,130,555                   | 1.00   |
| 2018           | 427,214,695             | 119,884,555                           | 2,827,145                        | 20,772,113                                   | 570,698,508                     | (12,895,747)                                   | 557,802,761                   | 1.00   |
| 2019           | 454,536,503             | 127,625,128                           | 2,489,493                        | 21,677,257                                   | 606,328,381                     | (13,748,645)                                   | 592,579,736                   | 1.00   |
| 2020           | 480,900,743             | 134,341,781                           | 2,582,299                        | 22,599,621                                   | 640,424,444                     | (14,679,567)                                   | 625,744,877                   | 1.00   |
| 2021           | 504,644,318             | 140,164,352                           | 2,403,862                        | 22,897,695                                   | 670,110,227                     | (14,813,332)                                   | 655,296,895                   | 1.00   |
| 2022           | 525,246,642             | 144,813,561                           | 2,421,503                        | 24,015,723                                   | 696,497,429                     | (18,432,565)                                   | 678,064,864                   | 1.00   |

- Notes:
- (1) Article XIII A, added to the California Constitution by Proposition 13 in 1978, fixed the base valuation of property subject to taxes at the full cash value appeared on the Assessor's 1975-76 assessment roll. The full cash value can be increased to reflect the annual inflation up to 2 percent, the current market value at time of ownership change and the market value for new construction. Estimated actual value of taxable property cannot easily be determined as the property in the County is not reassessed annually. Reassessment normally occurs when ownership changes.
  - (2) Other property includes: timeshares, rural/agricultural land, unique miscellaneous, mineral rights, water rights and personal property and fixtures.
  - (3) Unsecured roll includes properties for which taxes assessed are not a lien on real property and are not sufficient, in the opinion of the Assessor, to secure payment of taxes. It consists of improvements, business personal property, boats and aircrafts, and it can also include land and improvements that are identified as real estate of others, as defined by the Assessor (reference Revenue and Taxation Code Section 134).

Source: County of Orange, Annual Comprehensive Finance Report June 30, 2022, Statistical Section (most recent report available)

**Orange County Cemetery District**  
**County of Orange Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years <sup>(4)</sup>**  
**For the Year Ended June 30, 2023**

| Fiscal Year | Direct Rate <sup>(1)</sup> | Overlapping Rates <sup>(2)</sup> |                         |         |                                | Total Direct & Overlapping Rates |
|-------------|----------------------------|----------------------------------|-------------------------|---------|--------------------------------|----------------------------------|
|             | County General             | School Districts                 | Local Special Districts | Cities  | Public Utility School District |                                  |
| 2015        | 1.00000                    | 0.04579                          | 0.04438                 | 0.00681 | - <sup>(3)</sup>               | 1.09698                          |
| 2016        | 1.00000                    | 0.05101                          | 0.01455                 | 0.00670 | 0.00227                        | 1.07453                          |
| 2017        | 1.00000                    | 0.04840                          | 0.01316                 | 0.00659 | 0.00270                        | 1.07085                          |
| 2018        | 1.00000                    | 0.05366                          | 0.01289                 | 0.00713 | 0.00259                        | 1.07627                          |
| 2019        | 1.00000                    | 0.05515                          | 0.01216                 | 0.00687 | 0.00317                        | 1.07735                          |
| 2020        | 1.00000                    | 0.05358                          | 0.01202                 | 0.00678 | 0.00326                        | 1.07564                          |
| 2021        | 1.00000                    | 0.05622                          | 0.00847                 | 0.00676 | 0.00363                        | 1.07508                          |
| 2022        | 1.00000                    | 0.05285                          | 0.00828                 | 0.00674 | 0.00359                        | 1.07146                          |

Notes:

- (1) Article XIII A, added to the California Constitution by Proposition 13 in 1978, fixed the base valuation of property subject to taxes at the full cash value appeared on the Assessor's 1975-76 assessment roll. The full cash value can be increased to reflect the annual inflation up to 2 percent, the current market value at time of ownership change and the market value for new construction. Estimated actual value of taxable property cannot easily be determined as the property in the County is not reassessed annually. Reassessment normally occurs when ownership changes.
- (2) These overlapping rates are in addition to the County General rate, but only apply to taxpayers within the borders of the school districts, local special districts, cities, and public utilities that lie within the County.
- (3) No rate was available for Public Utility in FY 2014-15.
- (4) The schedule is presented to show information for 10 years. However, a full 10-year trend is not currently available; the County will be adding years in the future.

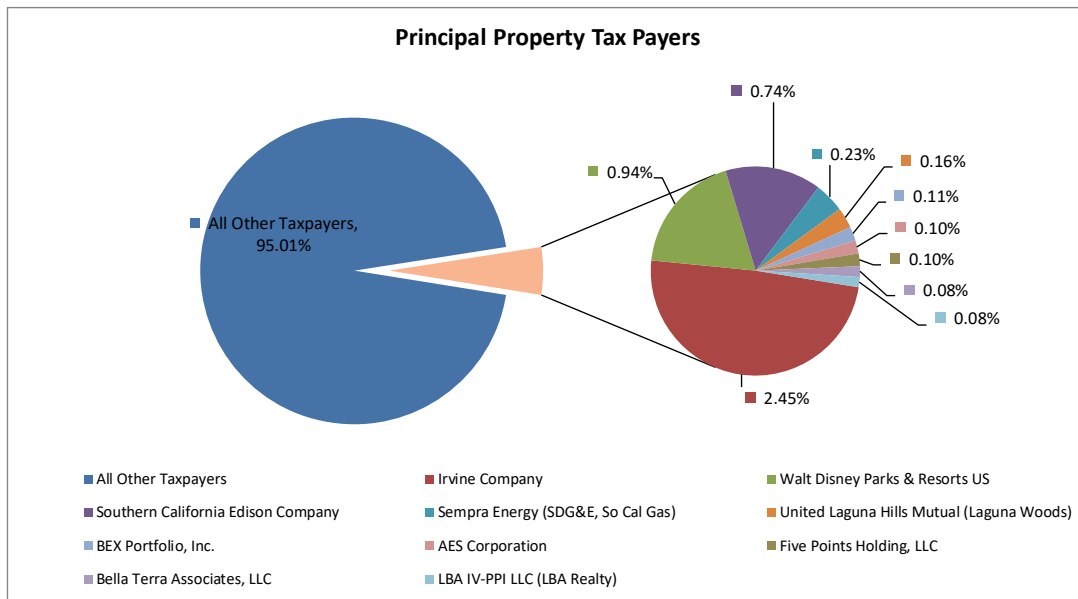
Source:

County of Orange, Annual Comprehensive Finance Report June 30, 2022, Statistical Section (most recent report available)



**Orange County Cemetery District**  
**County of Orange Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**(Amounts in Thousands)**  
**For the Year Ended June 30, 2023**

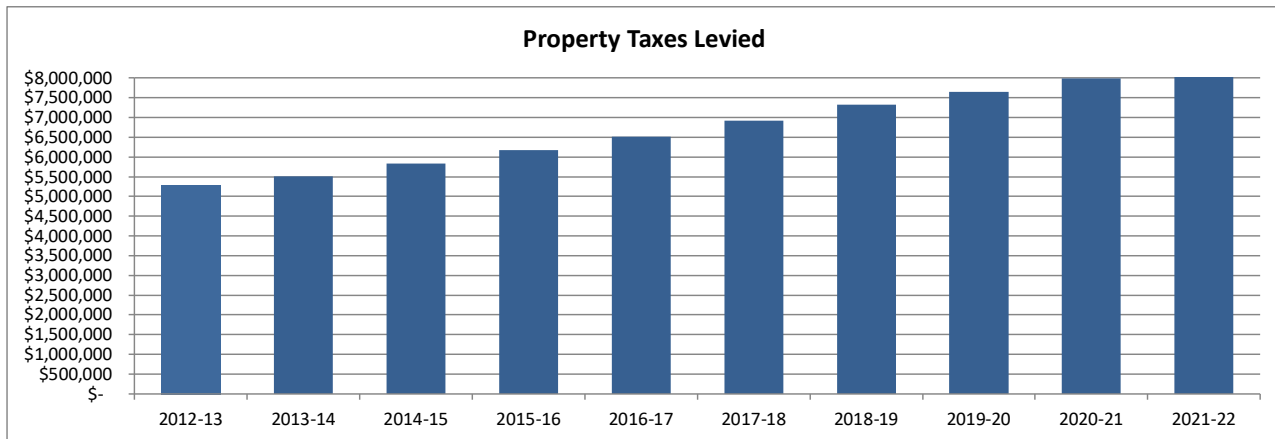
| Taxpayer                                  | 2022                |      |                                  | 2013                |      |                                  |
|---|---------------------|------|----------------------------------|---------------------|------|----------------------------------|
|   | Actual Taxes Levied | Rank | Percentage of Total Taxes Levied | Actual Taxes Levied | Rank | Percentage of Total Taxes Levied |
| Irvine Company                            | \$ 191,000          | 1    | 2.45%                            | \$ 116,988          | 1    | 2.36%                            |
| Walt Disney Parks & Resorts US            | 73,265              | 2    | 0.94%                            | 50,122              | 2    | 1.01%                            |
| Southern California Edison Company        | 58,007              | 3    | 0.74%                            | 29,544              | 3    | 0.60%                            |
| Sempra Energy (SDG&E, So Cal Gas)         | 17,884              | 4    | 0.23%                            |                     |      |                                  |
| United Laguna Hills Mutual (Laguna Woods) | 12,231              | 5    | 0.16%                            | 7,177               | 6    | 0.14%                            |
| BEX Portfolio, Inc.                       | 8,846               | 6    | 0.11%                            |                     |      |                                  |
| AES Corporation                           | 7,930               | 7    | 0.10%                            |                     |      |                                  |
| Five Points Holding, LLC                  | 7,549               | 8    | 0.10%                            |                     |      |                                  |
| Bella Terra Associates, LLC               | 6,480               | 9    | 0.08%                            |                     |      |                                  |
| LBA IV-PPI LLC (LBA Realty)               | 6,312               | 10   | 0.08%                            |                     |      |                                  |
| Pacific Bell Telephone Company            |                     |      |                                  | 8,013               | 4    | 0.16%                            |
| Kaiser Foundation Hospitals               |                     |      |                                  | 7,510               | 5    | 0.15%                            |
| Heritage Fields El Toro LLC               |                     |      |                                  | 6,624               | 7    | 0.13%                            |
| Oxy USA Inc.                              |                     |      |                                  | 6,003               | 8    | 0.12%                            |
| Southern California Gas Company           |                     |      |                                  | 4,565               | 9    | 0.09%                            |
| Linn Western Operating Inc.               |                     |      |                                  | 4,441               | 10   | 0.09%                            |
| <b>Total</b>                              | <b>\$ 389,504</b>   |      | <b>4.99%</b>                     | <b>\$ 240,987</b>   |      | <b>4.85%</b>                     |



Source: County of Orange, Annual Comprehensive Finance Report June 30, 2022, Statistical Section

**Orange County Cemetery District**  
**County of Orange Property Tax Levies and Collection**  
**Last Ten Fiscal Years**  
**(Amounts in Thousands)**  
**For the Year Ended June 30, 2023**

| Fiscal Year | Taxes Levied For the Fiscal Year <sup>(1)</sup> | Collections within the Fiscal Year of the Levy <sup>(2)</sup> |                    | Collections of Delinquent Taxes from Prior Years | Total Collections for the Fiscal Year <sup>(3)</sup> |                    |
|-------------|---|---|--------------------|--|--|--------------------|
|             |   | Amount  | Percentage of Levy |  | Amount   | Percentage of Levy |
| 2012-13     | \$ 5,265,844                                    | \$ 5,194,193  | 98.64%             | \$ 59,586  | \$ 5,253,779   | 99.77%             |
| 2013-14     | 5,509,379                                       | 5,444,912   | 98.83%             | 54,979   | 5,499,891  | 99.83%             |
| 2014-15     | 5,828,106                                       | 5,759,699   | 98.83%             | 61,661   | 5,821,360  | 99.88%             |
| 2015-16     | 6,183,862                                       | 6,119,771   | 98.96%             | 55,549   | 6,175,320  | 99.86%             |
| 2016-17     | 6,511,944                                       | 6,446,780   | 99.00%             | 54,911   | 6,501,691  | 99.84%             |
| 2017-18     | 6,925,546                                       | 6,855,493   | 98.99%             | 57,551   | 6,913,044  | 99.82%             |
| 2018-19     | 7,333,137                                       | 7,252,952   | 98.91%             | 64,997   | 7,317,949  | 99.79%             |
| 2019-20     | 7,664,009                                       | 7,567,252   | 98.74%             | 78,762   | 7,646,014  | 99.77%             |
| 2020-21     | 7,989,930                                       | 7,896,700   | 98.83%             | 63,686   | 7,960,386  | 99.63%             |
| 2021-22     | 8,265,313                                       | 8,179,665   | 98.96%             | - <sup>(4)</sup>                                 | 8,179,665  | 98.96%             |

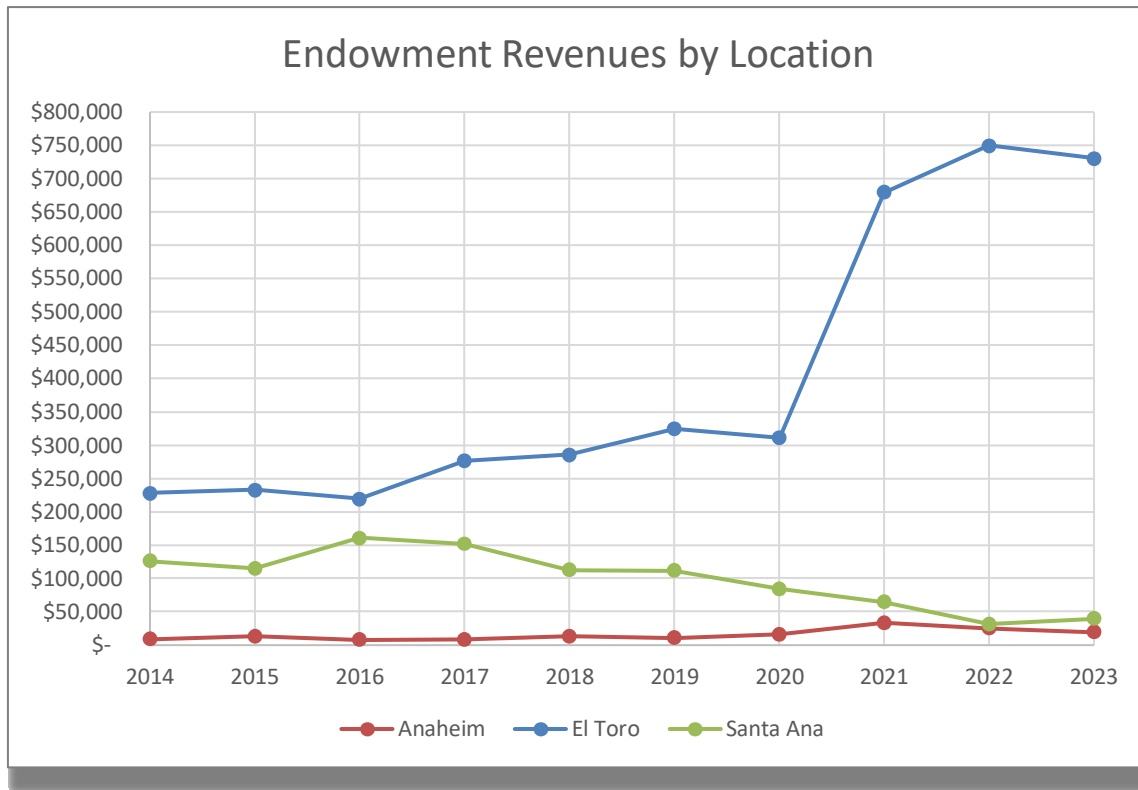


- Notes:
- (1) Total tax levy includes secured, supplemental, unsecured and former redevelopment agency increment, including penalties.
  - (2) Total tax collections include penalties.
  - (3) Total collections include collections of current year taxes and collections related to prior year levies. The percentage of levy represents the ratio of total collections to the taxes levied for that fiscal year.
  - (4) No amount is shown because the property taxes levied will be collected in the following year.

Source: County of Orange, Annual Comprehensive Finance Report June 30, 2022, Statistical Section (most recent report available)

Orange County Cemetery District  
 Endowment Fees by Location  
 Last Ten Fiscal Years  
 For the Year Ended June 30, 2023

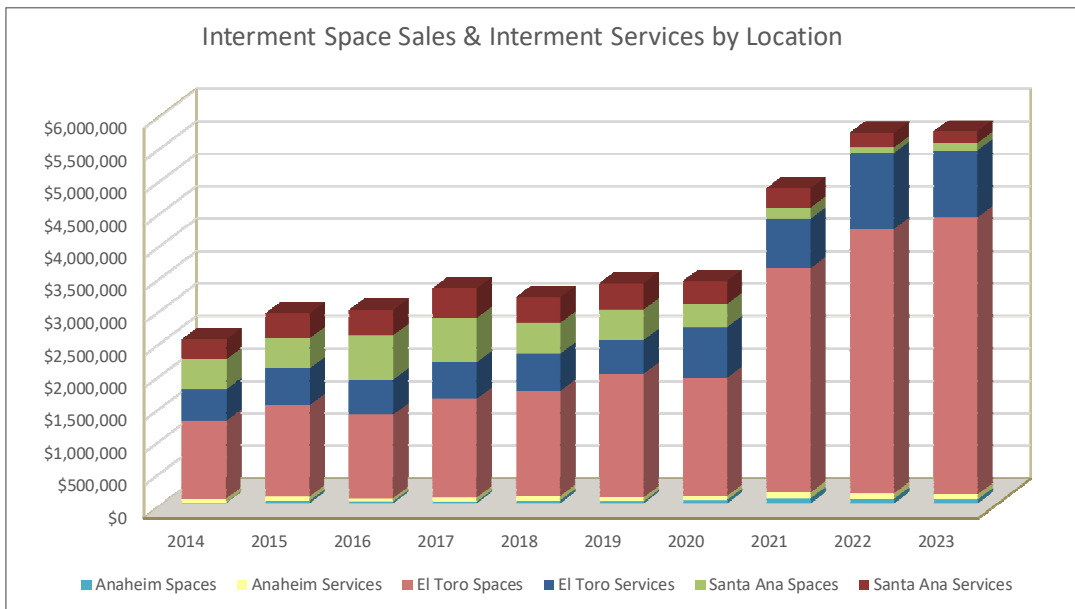
| Fiscal Year | Anaheim  | El Toro    | Santa Ana  | Total      |
|-------------|----------|------------|------------|------------|
| 2014        | \$ 9,100 | \$ 227,800 | \$ 125,950 | \$ 362,850 |
| 2015        | 13,300   | 232,850    | 115,000    | 361,150    |
| 2016        | 7,800    | 219,500    | 161,000    | 388,300    |
| 2017        | 8,550    | 276,250    | 151,622    | 436,422    |
| 2018        | 13,050   | 285,340    | 112,475    | 410,865    |
| 2019        | 11,050   | 324,450    | 111,595    | 447,095    |
| 2020        | 16,100   | 311,157    | 84,375     | 411,632    |
| 2021        | 33,325   | 679,290    | 64,475     | 777,090    |
| 2022        | 25,025   | 749,850    | 31,425     | 806,300    |
| 2023        | 19,425   | 730,325    | 39,600     | 789,350    |



Source: OC Cemetery District Finance Department, Endowment Fee Revenue Reports

Orange County Cemetery District  
 Interment Revenues by Location  
 Last Ten Fiscal Years  
 For the Year Ended June 30, 2023

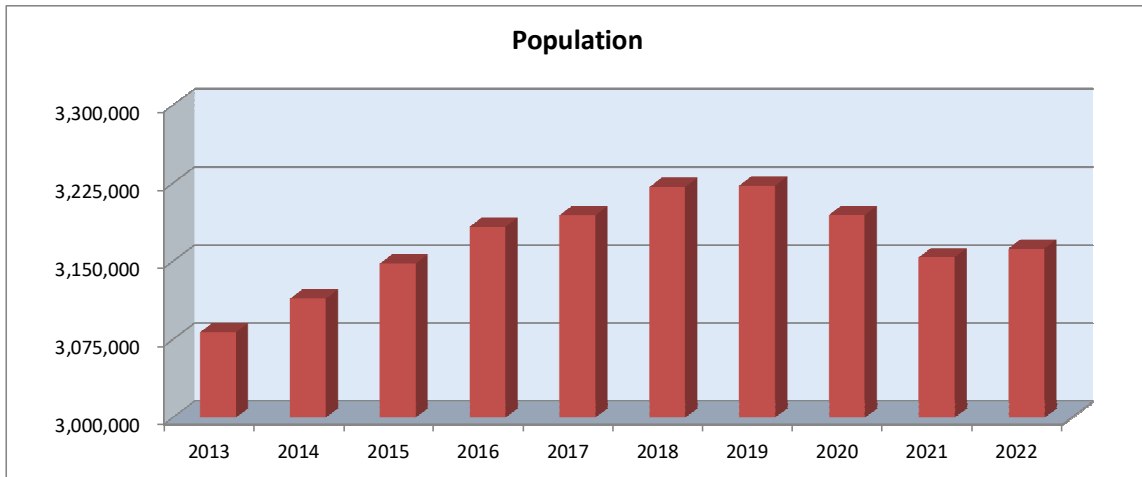
| Fiscal Year | Anaheim               |                                  | El Toro               |                                  | Santa Ana             |                                  | Total        |
|-------------|-----------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|--------------|
|             | Interment Space Sales | Interment Services & Other Sales | Interment Space Sales | Interment Services & Other Sales | Interment Space Sales | Interment Services & Other Sales |              |
| 2014        | \$ 8,400              | \$ 63,700                        | \$ 1,202,443          | \$ 483,105                       | \$ 465,033            | \$ 310,476                       | \$ 2,533,157 |
| 2015        | 39,932                | 65,309                           | 1,410,357             | 566,738                          | 465,440               | 383,724                          | 2,931,500    |
| 2016        | 28,113                | 52,614                           | 1,287,923             | 540,324                          | 684,877               | 388,249                          | 2,982,100    |
| 2017        | 25,935                | 64,742                           | 1,521,394             | 562,226                          | 682,703               | 458,153                          | 3,315,153    |
| 2018        | 46,640                | 67,170                           | 1,620,596             | 573,338                          | 475,776               | 393,748                          | 3,177,268    |
| 2019        | 31,810                | 61,485                           | 1,903,950             | 519,670                          | 469,465               | 405,352                          | 3,391,732    |
| 2020        | 53,379                | 63,525                           | 1,817,258             | 779,336                          | 358,812               | 351,708                          | 3,424,018    |
| 2021        | 81,706                | 89,448                           | 3,450,719             | 761,619                          | 171,088               | 300,552                          | 4,855,132    |
| 2022        | 74,606                | 84,257                           | 4,066,505             | 1,167,252                        | 87,368                | 227,849                          | 5,707,837    |
| 2023        | 61,746                | 79,761                           | 4,261,368             | 1,032,066                        | 115,100               | 177,249                          | 5,727,290    |



Source: OC Cemetery District Finance Department, Interment Space and Services Revenue Reports

**Orange County Cemetery District**  
 County of Orange Demographic and Economic Status  
 Last Ten Calendar Years  
 For the Year Ended June 30, 2023

| Calendar Year | Population (1) | Personal Income (2) | Per Capita Personal Income (2) | Median Age (3) | Public School Enrollment in thousands (4) | Unemployment Rate (5) |
|---------------|----------------|---------------------|--------------------------------|----------------|---|-----------------------|
| 2013          | 3,081,804      | \$ 168,966,400      | \$ 54,827                      | 36.2           | 501,801                                   | 6.7%                  |
| 2014          | 3,113,991      | 177,412,900         | 56,973                         | 36.4           | 500,487                                   | 5.4%                  |
| 2015          | 3,147,655      | 185,500,000         | 58,933                         | 36.7           | 497,116                                   | 4.0%                  |
| 2016          | 3,183,011      | 190,978,000         | 59,999                         | 37.1           | 493,030                                   | 4.4%                  |
| 2017          | 3,194,024      | 199,492,000         | 62,458                         | 37.3           | 490,430                                   | 4.2%                  |
| 2018          | 3,221,103      | 215,479,000         | 66,896                         | 37.5           | 485,835                                   | 3.1%                  |
| 2019          | 3,222,498      | 230,180,000         | 71,429                         | 37.8           | 478,823                                   | 3.0%                  |
| 2020          | 3,194,332      | 226,531,000         | 70,917                         | 38.6           | 473,612                                   | 12.3%                 |
| 2021          | 3,153,764      | 258,933,000         | 82,103                         | 38.6           | 456,571                                   | 6.3%                  |
| 2022          | 3,162,245      | 267,143,000         | 84,479                         | 39.2           | 448,728                                   | 2.8%                  |



- Notes:
- (1) California Department of Finance, Demographic Research Unit, <http://www.dof.ca.gov>
  - (2) Chapman University Economic & Business Review
  - (3) U.S. Census Bureau, American Community Survey. <http://www.census.gov>, 2019 N/A
  - (4) California Department of Education, <http://www.cde.ca.gov>
  - (5) State of California, Employment Development Department, <http://www.edd.ca.gov/>.

Source: County of Orange, Annual Comprehensive Finance Report June 30, 2022, Statistical Section (most recent report available)

Orange County Cemetery District  
 County of Orange Principal Employers  
 Current Year and Nine Years Ago  
 For the Year Ended June 30, 2023

2022

| Employer                         | Number of<br>Employees | Rank | Percent of<br>Total County<br>Employment |
|----------------------------------|------------------------|------|--|
| University of California, Irvine | 26,182                 | 1    | 1.63%                                    |
| The Walt Disney Co.              | 25,000                 | 2    | 1.56%                                    |
| County of Orange                 | 18,388                 | 3    | 1.15%                                    |
| Providence                       | 13,079                 | 4    | 0.82%                                    |
| Kaiser Permanente                | 8,800                  | 5    | 0.55%                                    |
| Albertsons                       | 7,853                  | 6    | 0.49%                                    |
| Hoag Memorial Hospital           | 7,051                  | 7    | 0.44%                                    |
| Walmart Inc.                     | 6,300                  | 8    | 0.39%                                    |
| Target Corporation               | 6,000                  | 9    | 0.37%                                    |
| MemorialCare                     | 5,490                  | 10   | 0.34%                                    |

2013

| Employer                         | Number of<br>Employees | Rank | Percent of<br>Total County<br>Employment |
|----------------------------------|------------------------|------|--|
| Walt Disney Co.                  | 25,000                 | 1    | 1.63%                                    |
| University of California, Irvine | 21,800                 | 2    | 1.42%                                    |
| County of Orange                 | 17,257                 | 3    | 1.13%                                    |
| St. Joseph Health System         | 11,679                 | 4    | 0.76%                                    |
| Boeing Co.                       | 6,873                  | 5    | 0.45%                                    |
| Kaiser Permanente                | 6,300                  | 6    | 0.41%                                    |
| Bank of America Corporation      | 6,000                  | 7    | 0.39%                                    |
| Memorial Care Health System      | 5,545                  | 8    | 0.36%                                    |
| Target Corporation               | 5,400                  | 9    | 0.35%                                    |
| Cedar Fair LP                    | 5,200                  | 10   | 0.34%                                    |

Statistical Source: Orange County Business Journal Book of Lists - County of Orange, <http://www.labormarketinfo.edd.ca.gov>

Source: County of Orange, Annual Comprehensive Finance Report June 30, 2022, Statistical Section (most recent report available)

**Orange County Cemetery District**  
 District Employees by Function  
 Last Ten Fiscal Years  
 For the Year Ended June 30, 2023

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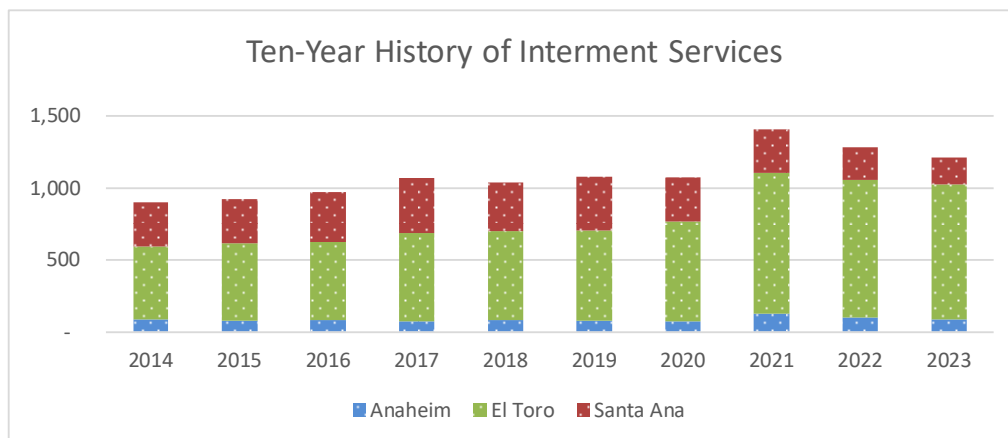
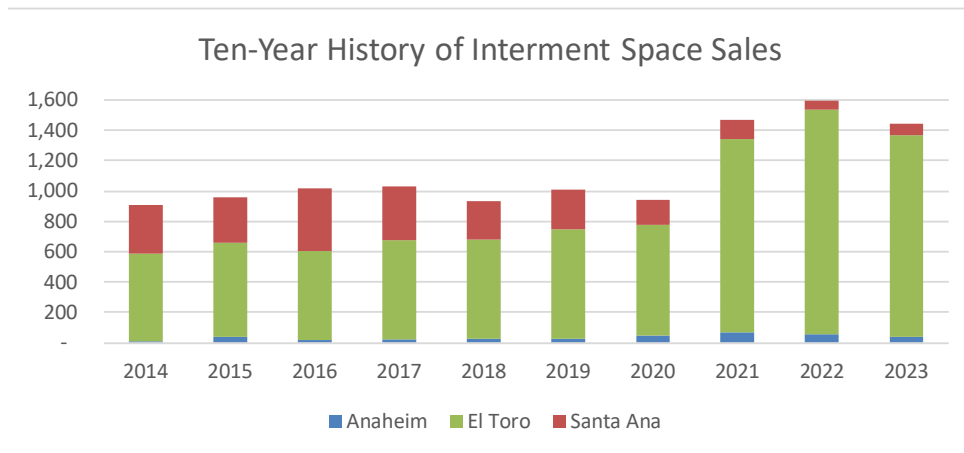
| Fiscal Year | District       |            |            | Cemetery       |            | Total |
|-------------|----------------|------------|------------|----------------|------------|-------|
|             | Administration | Operations | Finance/HR | Administration | Operations |       |
| 2014        | 2.00           | 1.00       | 1.50       | 3.00           | 14.00      | 21.50 |
| 2015        | 2.00           | 1.00       | 1.50       | 3.00           | 14.00      | 21.50 |
| 2016        | 2.00           | 1.00       | 1.50       | 3.00           | 14.00      | 21.50 |
| 2017        | 2.00           | 2.00       | 1.50       | 3.50           | 15.00      | 24.00 |
| 2018        | 3.00           | 2.00       | 1.50       | 4.50           | 15.00      | 26.00 |
| 2019        | 3.00           | 2.00       | 1.50       | 4.50           | 15.00      | 26.00 |
| 2020        | 3.00           | 2.00       | 1.50       | 4.50           | 15.00      | 26.00 |
| 2021        | 3.00           | 2.00       | 1.50       | 5.50           | 15.00      | 27.00 |
| 2022        | 3.00           | 2.00       | 1.50       | 5.50           | 15.00      | 27.00 |
| 2023        | 3.00           | 2.00       | 2.00       | 5.50           | 14.00      | 26.50 |

Source: OC Cemetery District Finance Department; Salary & Benefit Summary Report by FY

Orange County Cemetery District  
 Interment Transactions by Location  
 Last Ten Fiscal Years  
 For the Year Ended June 30, 2023

| Fiscal Year | Interment Space Sales |         |           |       | Interment Services |         |           |       |
|-------------|-----------------------|---------|-----------|-------|--------------------|---------|-----------|-------|
|             | Anaheim               | El Toro | Santa Ana | Total | Anaheim            | El Toro | Santa Ana | Total |
| 2014        | 7                     | 580     | 320       | 907   | 86                 | 507     | 304       | 897   |
| 2015        | 38                    | 622     | 296       | 956   | 79                 | 533     | 309       | 921   |
| 2016        | 21                    | 586     | 410       | 1,017 | 83                 | 542     | 349       | 974   |
| 2017        | 24                    | 651     | 356       | 1,031 | 75                 | 612     | 383       | 1,070 |
| 2018        | 29                    | 651     | 253       | 933   | 82                 | 620     | 334       | 1,036 |
| 2019        | 28                    | 720     | 261       | 1,009 | 79                 | 626     | 375       | 1,080 |
| 2020        | 47                    | 730     | 164       | 941   | 76                 | 691     | 309       | 1,076 |
| 2021        | 67                    | 1,276   | 125       | 1,468 | 129                | 973     | 305       | 1,407 |
| 2022        | 56                    | 1,479   | 61        | 1,596 | 98                 | 957     | 227       | 1,282 |
| 2023        | 40                    | 1,326   | 76        | 1,442 | 87                 | 938     | 188       | 1,213 |

Source: OC Cemetery District Finance Department, Historical Interment Records





Orange County Cemetery District  
 Capital Assets by Type and Location  
 Last Ten Fiscal Years  
 For the Year Ended June 30, 2023

|  | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|------|------|------|------|------|------|------|------|------|------|
| <b>Equipment <sup>(1)</sup></b>              |      |      |      |      |      |      |      |      |      |      |
| Grounds Maintenance:                         |      |      |      |      |      |      |      |      |      |      |
| Anaheim                                      | 8.0  | 8.0  | 8.0  | 8.0  | 10.0 | 10.0 | 10.0 | 8.0  | 8.0  | 8.0  |
| El Toro                                      | 17.0 | 16.0 | 16.0 | 15.0 | 16.0 | 20.0 | 20.0 | 21.0 | 23.0 | 25.0 |
| Santa Ana                                    | 11.0 | 9.0  | 9.0  | 8.0  | 8.0  | 8.0  | 8.0  | 11.0 | 13.0 | 13.0 |
| Vehicles:                                    |      |      |      |      |      |      |      |      |      |      |
| Anaheim                                      | -    | -    | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  |
| El Toro                                      | 2.0  | 3.0  | 4.0  | 4.0  | 5.0  | 5.0  | 7.0  | 7.0  | 7.0  | 6.0  |
| Santa Ana                                    | 3.0  | 3.0  | 3.0  | 3.0  | 3.0  | 3.0  | 3.0  | 3.0  | 3.0  | 4.0  |
| Office:                                      |      |      |      |      |      |      |      |      |      |      |
| Anaheim                                      | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  |
| El Toro                                      | -    | -    | -    | -    | -    | -    | -    | -    | -    | -    |
| Santa Ana                                    | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  |
| District                                     | 3.0  | 3.0  | 2.0  | 2.0  | 2.0  | 2.0  | 2.0  | 2.0  | 2.0  | 2.0  |
| <b>Buildings &amp; Structures</b>            |      |      |      |      |      |      |      |      |      |      |
| Buildings & Improvements                     |      |      |      |      |      |      |      |      |      |      |
| Anaheim                                      | 5.0  | 5.0  | 5.0  | 5.0  | 5.0  | 7.0  | 7.0  | 7.0  | 11.0 | 11.0 |
| El Toro                                      | 2.0  | 2.0  | 2.0  | 2.0  | 2.0  | 2.0  | 3.0  | 3.0  | 7.0  | 7.0  |
| Santa Ana                                    | 2.0  | 2.0  | 2.0  | 2.0  | 2.0  | 3.0  | 3.0  | 4.0  | 6.0  | 6.0  |
| District                                     | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  |
| Gypsum Canyon                                | -    | -    | -    | -    | -    | -    | -    | -    | -    | 1.0  |
| Niche structures                             |      |      |      |      |      |      |      |      |      |      |
| Anaheim                                      | 1.0  | 1.0  | 1.0  | 1.0  | 2.0  | 2.0  | 2.0  | 2.0  | 2.0  | 2.0  |
| El Toro                                      | 3.0  | 3.0  | 3.0  | 3.0  | 3.0  | 3.0  | 4.0  | 4.0  | 4.0  | 4.0  |
| Santa Ana                                    | 4.0  | 4.0  | 4.0  | 4.0  | 5.0  | 5.0  | 5.0  | 5.0  | 5.0  | 5.0  |
| Infrastructure & Improvements <sup>(2)</sup> |      |      |      |      |      |      |      |      |      |      |
| Anaheim                                      | 5.0  | 5.0  | 5.0  | 5.0  | 5.0  | 6.0  | 6.0  | 7.0  | 7.0  | 7.0  |
| El Toro                                      | 11.0 | 11.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 13.0 | 13.0 | 14.0 |
| Santa Ana                                    | 3.0  | 4.0  | 4.0  | 4.0  | 4.0  | 4.0  | 6.0  | 7.0  | 7.0  | 8.0  |

Notes: <sup>(1)</sup> Classifications include the following types of equipment:  
 - Grounds maintenance: Mowers, backhoe, trailers, utility vehicles,  
 - Vehicles: Trucks and passenger shuttles  
 - Office: Copiers and Kiosks

<sup>(2)</sup> Infrastructure and improvements includes irrigation, fences, gates, roads, and groundwater well.

Source: OC Cemetery District Finance Department, Capital Asset Historical Records