



Orange County Cemetery District Operating Budget

July 1, 2024 – June 30, 2025

BUDGET ADOPTION DATE – JUNE 4, 2024

25751 Trabuco Road
Lake Forest, CA 92630



*Wreaths Across America Program
Santa Ana Cemetery*



*Memorial Day Program
Anaheim Cemetery*



*Memorial Day Program
El Toro Memorial Park*

Orange County Cemetery District Operating Budget Fiscal Year 2024-2025

Prepared by District Management
occemetrydistrict.com



Orange County Cemetery District

Introduction

DISTRICT VISION, MISSION & VALUES

Vision Statement: The Orange County Cemetery District maintains four cemetery properties that can accommodate the future needs of County residents and taxpayers. All facilities and operations consistently meet a prescribed set of requirements known as the District Standard. Sound financial management assures that the Endowment Fund, capital expansion priorities, and all ongoing operating expenses are adequately funded. We attract and retain a highly qualified and stable workforce. Trustees are skilled in policymaking, oversight, and the evaluation of emerging opportunities and challenges. The public, local governments, other special districts and stakeholders enjoy positive relationships with staff and Trustees. The Orange County Cemetery District has earned and upholds its reputation for caring commitment to the families we serve.

Mission Statement: The Orange County Cemetery District provides affordable interment services for County residents and taxpayers. We strive to maintain the beauty and dignity of the grounds while preserving their historical and cultural value for the benefit of all.

Values: The trustees and employees of the Orange County Cemetery District are committed to living these values every day as we serve the families of Orange County:

Integrity Respect Responsiveness
Empathy Transparency



DISTRICT PROFILE

For over a century our cemeteries have been chosen as the final resting place for County residents and their loved ones. The early settlers and pioneers of Orange County are memorialized by the many monuments located throughout the grounds.

The four cemeteries, Anaheim Cemetery, El Toro Memorial Park, Santa Ana Cemetery and the new Anaheim Hills property, 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 Orange County Cemetery District is an independent special district governed by an appointed Board of Trustees who serve four-year terms. Our boundaries encompass the entire County of Orange and include cemetery locations in Anaheim, Lake Forest and Santa Ana.

Orange County residents may purchase interment rights from an authorized representative of the District at the business office located on the cemetery grounds. In the past year, the District saw a decline in sales and services; 1,218 interment spaces were sold and 963 interment services were performed. The District provides residents with a selection of services including traditional ground burials, niches, rose garden cremation burials and specially designed urn gardens.

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. This means that the District collects an endowment fee for each interment space or niche which is placed into an investment fund strictly for the perpetual care and maintenance of the grounds.

DISTRICT OFFICIALS

Board of Trustees



Maribel Marroquin – Vice Chair
Trustee – District 1



Kelly Rivers
Trustee – District 2



Vladimir Anderson
Trustee – District 3



Cynthia Ward - Chair
Trustee – District 4



Noel Hatch
Trustee – District 5

District Management



Brenda Manriquez
Finance Manager



Tim Deutsch
General Manager

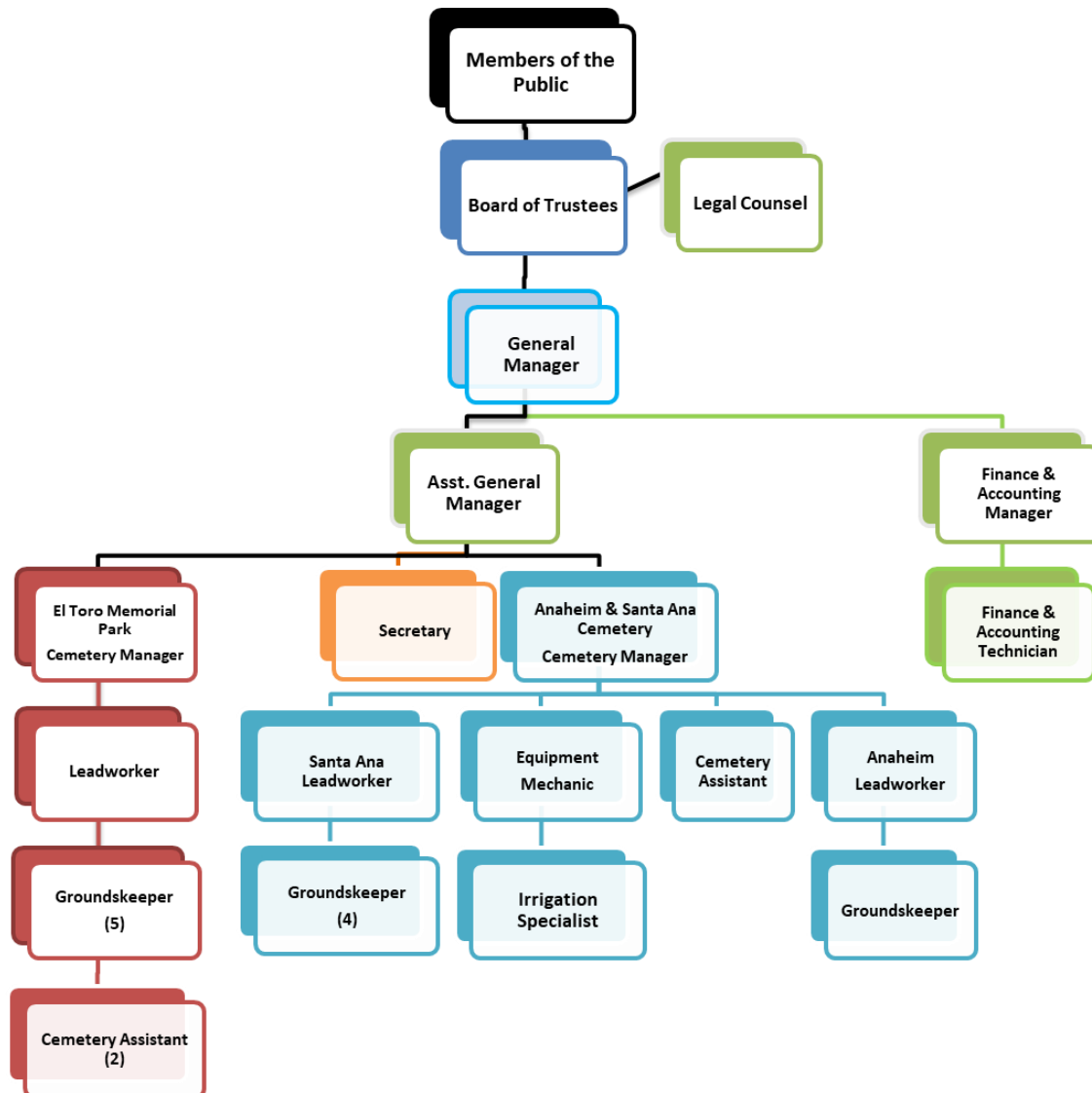


Mary Funk
Administrative Manager

DISTRICT OPERATIONS

The Orange County Cemetery District has four cemeteries which operate independently, under the overall District budget. There is a manager, lead worker and groundskeepers at each location who are responsible for the day-to-day activities.

ORGANIZATIONAL CHART



DISTRICT FACILITIES



Anaheim Cemetery

The Anaheim Cemetery is located at 1400 E. Sycamore Street. This 15-acre park-like cemetery was founded in 1866. The Cemetery provides visitors with historical ties to the early development of Anaheim and Orange County. This historical landmark is home to the oldest community mausoleum on the west coast (built in 1914) and four private family mausoleums of prominent local families. Taking a stroll through the cemetery under the majestic camphor trees, you will see interments dating back to the late 1800's as indicated by the fantastic upright monuments, stones and markers.

El Toro Memorial Park

The El Toro Memorial Park is located at 25751 Trabuco Road in the City of Lake Forest. With gentle rolling hills and a serene park like setting, this beautiful 25-acre cemetery offers some beautiful scenery and majestic California Oaks, which pre-date the original development of the cemetery in 1896. This cemetery also serves as the home to the District Office.



Santa Ana Cemetery

The Santa Ana Cemetery is located at 1919 E. Santa Clara Avenue. Founded in 1870, the 29 acres that make up Santa Ana Cemetery is a silent testimonial to the history of this community. The grounds hold the interments of hundreds of early settlers, pioneers, and veterans; several historic Orange County families are interred at the cemetery. The monuments, lawns and majestic trees provide a beautiful setting that combines the old with the new at this historic site. The cemetery shares its border with two other private cemeteries.

Fourth Cemetery – Anaheim Hills

As of April 2, 2019, the District took possession of an Anaheim Hills property that was transferred from the County of Orange. The 283.3-acre property is in the planning review phase with the City of Anaheim and ongoing meetings are taking place with the site development team. The cemetery is tentatively expected to be opened within the next two to three years.

STRATEGIC & LONG-RANGE FINANCIAL PLANS

STRATEGIC PLAN

The District conducted a full-scale strategic planning process in 2014 that resulted in a guiding principles document for the next five years. This strategic plan included detailed plans and goals through 2019, at which time, a follow-up assessment was scheduled to begin immediately preceding the COVID-19 pandemic. At that time, the Board of Trustees and District management opted to postpone the strategic plan update until in-person meetings recommenced. Regardless, the original 2014 strategic plan has continued to serve as the vision, mission, values and goals for the District.

The Strategic Plan consists of the [Vision, Mission and Values](#) and specific goals in order to fulfill them. Detailed information of the eight strategic vision statements, associated core strategies and status of the District's progress are included as [Appendix A](#).

LONG-RANGE FINANCIAL PLANS

The District's strategic planning and budgeting decisions are based on a number of statistical, economic and financial models. The specific tools used include but are not limited to:

- ***General Fund Operating Projections***

The District has developed a 5-year plan for general fund cemetery operations based on multiple assumptions and estimates as documented in the [Five-Year General Fund Projections](#) schedules.

In addition, the District developed a 30-year revenue and expenditure forecast to determine the feasibility of borrowing for the development of the fourth cemetery. This analysis was presented to the Board of Trustees as part of the [New Cemetery Development Financing](#) July 2022 agenda packet.

Risks: While these plans use the most current estimates and data available, there are inherent risks to long-term projections. Some of the significant risks include:

- Decline in available interment space inventory
- Unforeseen capital needs
- Compensation and benefit package increases
- Increases in pension and OPEB costs (including unfunded liabilities)
- Decrease in interest rates causing reduced interest income

Mitigating Factors: The District has developed these strategies to mitigate the risks:

- Add niche spaces to existing cemeteries
- Development of fourth cemetery
- Annual analysis of Pension UAAL for potential pre-payment
- Lump sum pre-payment of current year pension contributions at discounted rate
- Invest available endowment principal and interest funds in 5-year ladder to take advantage of increasing returns

- ***Endowment Study***

In 2016, the District approved an update to the “Actuarial Analysis of the Financial Obligations of the Orange County Cemetery District” as it pertains to the Cemetery Endowment Fund. 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. After analyzing all of the operational revenue and expense, consideration of the use of the Endowment Income Fund and ongoing recommended inflationary adjustments, it was 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. An update to the endowment study was completed in May 2022 and included the fourth cemetery revenue and expenditure forecast and loan repayment requirements.

- ***Capital Expenditures***

The District has developed 5-year plans for [Capital Expenditures](#) and [Equipment Replacement](#). 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.

FINANCIAL POLICIES

Orange County Cemetery District financial policies include many of the District's financial management practices that are used by District staff as guidelines for operational and strategic decision making related to current and future financial matters. The purpose of establishing these policies is to set parameters in which the District can operate to best serve its community. Some policies are flexible when they are utilized by District staff as management tools to monitor the District's finances, while others are restrictive to emphasize accountability.

These policies are drafted as living documents to maintain their effectiveness in order to accommodate changes. District staff and Board Trustees review these policies periodically to accommodate minor changes to the existing policy or major changes in financial priorities as approved by the Board of Trustees at its sole discretion. The District's FY 2023-24 Annual Operating Budget is in compliance with the relevant financial policies, as identified below.

The District's primary financial policies encompass the following areas:

- Purchasing and Public Works Contracts
- Budgeting and Capital Asset Management
- Investments
- Reserves and Fund Balance
- Setting and Reviewing of Fees (Revenue)
- Debt Management

Several of the Financial Policies have direct impact on the construction of the budget:

- Reserves – District maintains an operating reserve at least equal to 50% of budgeted annual operating expenses, excluding capital expenditures and debt service.
- Fund Balance – District reviews unassigned fund balance for funds that are not immediately needed of operations and commits them toward Cemetery Development (for development of future 4th cemetery). These commitments can be eliminated or re-distributed by resolution at any point by the Board of Trustees for current operations.
- Liquidity – District maintains a liquidity reserve to ensure adequate cash is on hand to cover expenses in those months where expenses outpace revenues. Property tax payments (accounting for 40% of total revenue) are received in December and in April through property tax assessment allocations from the County of Orange.
- Capital Asset Management – District protects its investment in its capital assets by budgeting for their adequate maintenance and replacement as a priority (as detailed in the “Five-Year Capital Improvement Schedule”)
- Budget Monitoring/Management – District maintains an economic uncertainty fund in each year's operating budget that equals 5% of the total operating expenditures budget to fund any unforeseen, unbudgeted operational needs.
- Revenues – District sets fees annually to cover current and perpetual care costs and to comply with the California Health & Safety Code Section 9068(a).

Policies for Future Consideration

Due to the District's expansion to a fourth cemetery, the nature and complexity of the financial oversight will be changing and additional formal financial policies are being considered for adoption and implementation.

The new policies for consideration during Fiscal Year 2024-25 encompass the following areas:

- Structurally Balanced Budget
- Revenue
- Expenditures
- Long-term Financial Planning
- Accounting and Financial Reporting
- Risk Management and Internal Controls
- Pension and OPEB Funding



The complete current Board Policy Manual can be found on our website at:
<https://occemeterydistrict.com/BoardPolicy>

BUDGET PROCESS & SCHEDULE

During the budget process, the General Manager, Finance & Accounting Manager and Administrative Manager work with staff and the Finance & Investment Committee to develop and review the current and proposed budgets. Board and staff work together to establish budget goals. The General Manager, Finance & Accounting Manager and Administrative Manager begin to assemble the budget documents in March.

FY 2024-25 Budget Calendar

- January 9 - General Manager met with Cemetery Managers to discuss upcoming budget, projects and staffing. It was also requested that they inquire with staff if there are any operational needs to include in the FY 2024-25 budget.
- March 8 - General Manager met with Cemetery Managers to review proposed projects, staffing levels, maintenance needs and equipment purchases
- April - General Manager and Finance & Accounting Manager worked to gather information to prepare for the Gann Limit, preliminary budget, fee review summary, reserves and fund balances
- May 15 - Review preliminary operations budget, capital improvement budget and fees analysis with Cemetery Managers and Finance & Accounting Manager.
- May 29 - Finance & Investment Committee met and reviewed the GANN limit, proposed budget, proposed fee adjustments, reserve and fund balances.
- June 4 - Board reviewed and approved the GANN Appropriations Limit, Fee Adjustments and the 2024-25 Fiscal Year Budget.

Note: Finance & Investment Committee meeting on May 29, 2024 and Board of Trustees Regular meeting on June 4, 2024 were both publicly noticed meetings in compliance with the Brown Act. Both meetings allowed for public comments, but no public comment was offered regarding the budget for or at either meeting.

Budget Adoption Date

The budget is required by law to be adopted prior to August 30th (H&S Code Section 9070(a)). For FY 2024-25, a budget with operating expenditures less than operating revenues was adopted on June 4, 2024.

Budget Amendments

The budget is reviewed mid-year by the Finance and Investment Committee to identify any potentials overages in the total appropriations that would require a budget amendment. If amendments are recommended, the action is taken to the Board of Trustees at the following regular monthly meeting.

Balanced Budget

The budget shall be balanced for each budgeted fund. The District considers the budget balanced when total expenditures are equal to total revenues. However, the budget is also balanced in situations where total expenditures are less than total revenues, which is technically a surplus. There are also instances when the District might plan to spend fund balances from previous years on one-time or non-routine expenditures. The District considers the budget to be balanced in this case also, provided the funding from previous years is available, and a plan is in place to not build ongoing expenditures into this type of funding. This type of balanced budget is especially prevalent when capital projects are budgeted using proceeds from the issuance of debt.

Scenario One: revenues = expenditures
Scenario Two: revenues > expenditures
Scenario Three: revenues + appropriated fund balance = expenditures
Scenario Four: revenues + appropriated fund balance > expenditures

For FY 2024-25, the District’s budget is balanced under scenario two.

Budgetary Level of Control

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.

For overages in General Fund budget expenditure line items, the General Manager has the discretion to use the Economic Uncertainty Fund; a status report is presented to the Board of Trustees following the end of the fiscal year, if this action is taken.

Five-Year General Fund Projections

The [Five-Year General Fund Projections](#) shall be prepared in conjunction with the annual budget process for the General Fund.

The forecast assesses long-term financial implications of current and proposed policies, programs, and assumptions that develop appropriate strategies to achieve the District’s goals.

The forecast will:

- a. Provide an understanding of available funding
- b. Evaluate financial risk
- c. Assess the likelihood that services can be sustained
- d. Assess the level at which capital investment can be made
- e. Identify future commitments and resource demands
- f. Identify the key variables that may cause change in the level of revenue.

The forecast will be used to identify anticipated financial issues so that a plan can be developed to address those issues. The assumptions used to prepare the five-year projection shall be consistent with those used to prepare the annual operating budget.

BUDGET RESOLUTION

RESOLUTION NO. 2024-04

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE ORANGE COUNTY CEMETERY DISTRICT, CALIFORNIA, ADOPTING THE BUDGET FOR THE FISCAL YEAR 2024-2025

WHEREAS, the Orange County Cemetery District (the "District") is a special district duly organized and existing under and by virtue of the California Public Cemetery District Law, codified in Health and Safety Code Sections 9000 *et seq.*; and

WHEREAS, the District's General Manager prepared and submitted to the Board of Trustees ("Board") at the Board's June 4, 2024, regular meeting in the context of a noticed and open public meeting a preliminary budget for Fiscal Year 2024-2025 for its review and consideration; and

WHEREAS, section 9070(a) of the Health and Safety Code provides that on or before August 30 of each year, the Board must adopt a final budget which conforms to the accounting and budgeting procedures for special districts; and

WHEREAS, the annual budget was divided into the following categories: (1) General Fund; (2) Endowment Care Principal Fund; (3) Endowment Care Income Fund; as permitted pursuant to the provisions of section 9070(b) of the Health and Safety Code; and

WHEREAS, the June 4, 2024, regular Board meeting agenda in which the proposed budget for Fiscal Year 2024-2025 was noticed pursuant to the notice provisions of the Ralph M. Brown Act, as codified in section 54950 *et seq.* of the California Government Code; and

WHEREAS, at the June 4, 2024, regular Board meeting, the public was offered an opportunity to comment on the proposed budget for Fiscal Year 2024-2025 prior to the Board taking action on the matter.

NOW, THEREFORE, be it resolved by the Board of Trustees of the Orange County Cemetery District as follows:

Section 1. Recitals.

That the Recitals set forth above are true and correct.

Section 2. Approval of Budget for Fiscal Year 2024-2025.

That the budget of the Orange County Cemetery District for the Fiscal Year 2024-2025 is hereby adopted, with a total appropriations limit of \$7,850,259.

Section 3. Categories.

That the budget appropriations for Fiscal Year 2024-2025 is hereby divided into the following categories:

(1)	General Fund	\$7,850,044
(2)	Endowment Care Income Fund	\$215

Section 4. Approved Positions

The following positions are hereby authorized as a part of the Fiscal Year 2024-25 budget:

- General Manager 1 position
- Assistant General Manager 1 position
- Finance & Accounting Manager 1 position
- Account Clerk (p/t) 1 position
- Cemetery Manager 2 positions
- Cemetery Assistant 3 position
- Secretary 1 position
- Equipment Mechanic 1 position
- Irrigation Specialist 1 position
- Lead Worker 3 positions
- Groundskeeper 11 positions

Section 5. Severability.

That the Board of Trustees declares that, should any provision, section, paragraph, sentence or word of this policy be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this policy as hereby adopted shall remain in full force and effect.

Section 6. Repeal of Conflicting Provisions.

That all the provisions heretofore adopted by the Board of Trustees that are in conflict with the provisions of this Resolution are hereby repealed.

Section 7. Effective Date.

That this Resolution shall take effect immediately upon its adoption.

Section 8. Certification.

That the Secretary of the Board of Trustees shall certify to the passage and adoption of this resolution, enter the same in the book for original resolutions of the District, and make a minute

of passage and adoption thereof in the records of the proceedings of the Board of Trustees, in the minutes of the meeting at which this resolution is passed and adopted.

Section 9. Transmittal to County Auditor.

That the General Manager or his designee shall transmit a certified copy of this resolution and a copy of the approved final budget for Fiscal Year 2024-2025 to the Office of the Orange County Auditor as required pursuant to section 9070(c) of the Health and Safety Code.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Board of Trustees of the Orange County Cemetery District held this 4th day of June, 2024.



CYNTHIA WARD, CHAIR
BOARD OF TRUSTEES

ATTEST:



MARY FUNK,
BOARD SECRETARY

STATE OF CALIFORNIA }
COUNTY OF ORANGE } ss.

I, MARY FUNK, Secretary of the Orange County Cemetery District, do hereby certify that the foregoing is a true and correct copy of Resolution No. 2024- 04 adopted by the Board of Trustees of the Orange County Cemetery District, at a regular meeting thereof, held on the 4th day of June 2024, by the following vote:

AYES: 3

NOES: 0

ABSTAIN: 0

ABSENT: 2 (Vice Chair Marroquin-Waldram and Trustee Anderson absent)

(SEAL)



MARY FUNK
BOARD SECRETARY



Orange County Cemetery District

Budget Financial Reports

BUDGET SUMMARY

The District's Administrative staff is pleased to present to the Board of Trustees the Fiscal Year 2024-25 Proposed Budget. This budget proposes general fund revenue which will fund 2024-25 maintenance and improvements. This budget includes to provide the same quality service to the residents of Orange County.

This budget serves many purposes. It is the District's annual financing and spending plan, providing a means for allocating resources to meet the needs and desires of the citizens of Orange County. The annual budget serves as a communication device, a policy document, a resource allocation tool, an accountability tool, and a management tool. The budget document grants spending authority to District staff, as well as providing the spending plan for the Orange County Cemetery District.

The District is in the process of resuming its search for a consultant that help guide the district in the development of a new multi-year strategic plan which will include goals and objectives which will be implemented in this proposed budget and incorporated into future budgets. Some of the key ongoing objectives include:

- Provide interment services and maintain cemetery grounds for the community's benefit
- Maintain a staffing level which provides quality service to the community
- Increase the District's Financial Stability through reducing liabilities and increasing investment earnings
- Review and adjust District fees based on market changes and inflation
- Review and designate available fund balance for capital improvements or for endowment stability
- Capital Improvement Projects include beautification and notification improvements at all three of the cemeteries along with continued planning and development efforts for a new cemetery

In the development of the attached budget documents, staff used key assumptions to compile and complete the proposed revenue and projected expenditures. A detailed list of assumptions is provided in each budget summary following, which includes lot sales and service data, industry data, references to the State and County financial information, salary and benefit costs, as well as operational and capital project funding changes.

The total proposed 2024-25 General Fund Expenditure Budget (which includes salaries, benefits, service, supplies, equipment and a provision for economic uncertainty) is **\$5,428,532** and it includes 25 authorized full-time and 1 part-time position. When compared to the 2023-24 projected expenditures for salaries, benefits, services and supplies, the proposed budget reflects an increase of **\$176,208**. This total includes decreases in salaries & benefits and services & supplies, due to a decrease in the New Cemetery Development Maintenance Account. The increase is accounted for due to the inclusion of the economic uncertainty provision in the amount of **\$249,106**. A detailed description of all of the changes to these accounts is explained in the General Fund Expenditure Section of this document.

Cemetery Operation & District Information Detail

The cemetery and district detail present the following information:

- Description of the cemetery property and services offered
- Expenditure summary
- Staffing
- 10-year expenditures summary

Capital Improvement Reserve Fund

This section provides a summary of the proposed capital improvement projects for the fiscal year, with detailed information of each project. Staff reviews a five-year capital improvement plan that is updated each year.

Fixed Asset Equipment Purchases

Staff created a five-year equipment purchase plan, which is updated annually based on the replacement guidelines, maintenance costs and equipment needs.

Gann Appropriations Limit

The Gann Appropriations Limit is established and adopted by resolution prior to the adoption of the District's budget. This section will provide the reader a detail on how this is determined.

Summary of Changes Between Proposed and Adopted Budget

The initial budget proposed to the Finance & Investment Committee did not include the following changes; however, the final adopted budget did incorporate these changes.

- Increase endowment fee by \$25 per interment space sale.
- Increase interment space fees by 4.0% to cover the Consumer Price Index (CPI) increase.
- Increase service fees by 10% to 125.0% based on specific service-related costs (largest increases due to disinterment costs). Price lists for the cemeteries are located here:

[OC Cemetery District Fees](#)

GENERAL FUND REVENUE

The revenue accounts are broken down into three categories: property tax, operating revenue and other revenue. Overall, the 2024-25 projected total revenue of **\$8,091,592** is **\$123,677** less than the 2023-24 projected actual, due to a decrease in investment income, in anticipation of a drop in interest rates. The overall 2024-25 Operating revenue is almost exactly the same amount 2023-24 projected actual.

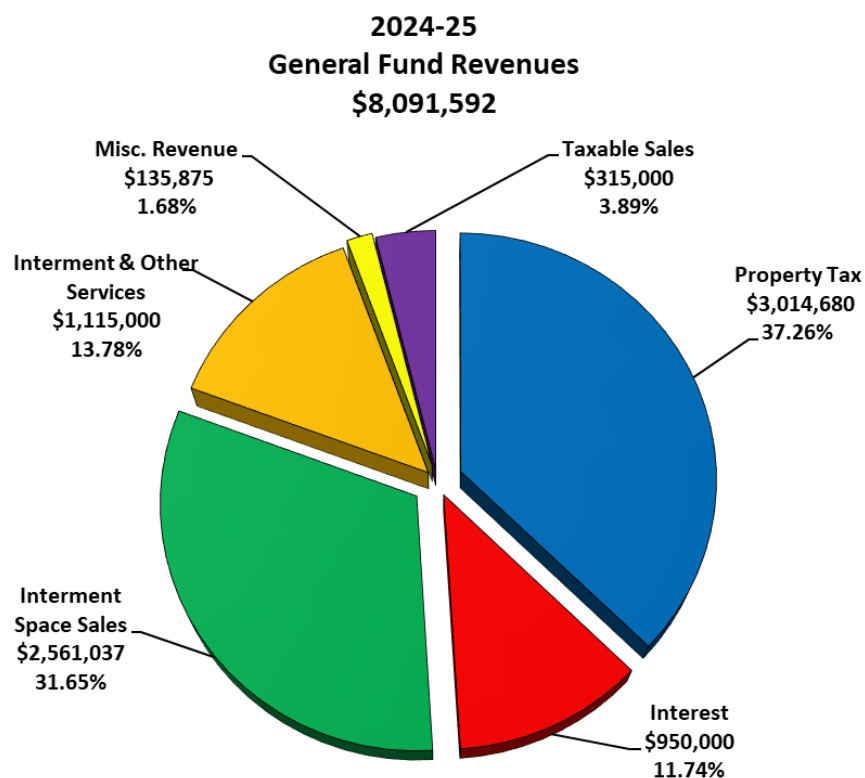
The following assumptions were used to determine the proposed revenues for 2024-25:

- Property tax revenue increase of 3.5%
- Factored in a slight decrease in the amount of Interment Space Sales
- Factored in a slight increase in the Interment Services revenue
- Factored in a 4% space fee increase
- Factored a 3% increase in Other Revenue which is due to projected adjustments as included in the Telecommunication Site Lease Agreements with Crown Castle and AT&T

Property Tax - Property tax includes all current and prior secured and unsecured property taxes, as well as funds received from the County for the former redevelopment agencies. There is also State Homeowners revenue of **\$11,000**. The projected total property tax revenue will be **\$3,104,680**.

Operating Revenue - Fees for Services, Interment Space Sales & Taxable Sales - These three revenue accounts make up the District's operating revenue. Interment space sales and services are projected to be **\$3,676,037**. In addition, the District estimates taxable sales of liners, vaults and vases in the amount of **\$315,000**. Total projected operating revenue for 2024-25 is **\$3,991,037**.

Other Revenue - The remaining revenue is interest earned from the County for the General Fund and Pre-Need Fund cash and also miscellaneous revenue from cell site monthly lease payments. Staff is projecting **\$950,000** in interest earnings for investments in Cal TRUST, California CLASS and in the Orange County Investment Pool (OCIP). Staff is also projecting **\$134,875** in miscellaneous revenue and **\$1,000** in non-taxable sales. A detailed spreadsheet of the revenue section is included in this report.



GENERAL FUND EXPENDITURES

Operating expenditures are broken down into five sections; Salaries, Benefits, Services & Supplies, Equipment and Economic Uncertainty. The total General Fund operating expenditure budget is projected to be **\$5,428,532**. As compared to the 2023-24 projected actual expenditures for salaries, benefits, services and supplies, the proposed 2024-25 budget will be **\$176,208** more. There are several decreases in certain budget accounts (explained below), however it does amount to the overall increase. A detailed spreadsheet of the expenditure section of the budget is included in this report.

The following assumptions were used to determine the projected expenditures for 2024-25:

- OCERS employer retirement contribution rate will be 15.12% (Legacy employees) & 14.49% (PEPRA employees) – The UAAL component of 2.45% included on both. Both of these have increased compared to the rates for FY 2023-24.
- Purchase of equipment in the amount of \$197,300 to cover a mower, two utility vehicles and miscellaneous small equipment.
- Economic Uncertainty Account, based on 5% of total Salaries & Benefits and Service & Supplies Account (Includes \$249,106 in 2024-25, but \$239,695 not shown as budgeted in 2023-24)

The following is a breakdown of some of the increases and decreases which are attributed to the proposed General Fund expenditure accounts:

- Increase in salaries is due to estimated merit increases for all employees, a minimum of 2.5%.
- Decrease of \$60,409 in overtime as compared to 2023-24 projected, which was much higher due to more weekend services and more maintenance performed after hours and on weekends.
- Decrease in Annual Leave Payoffs which was elevated in 2023-24 due to a retirement payoff.
- Increase of \$16,169 in Retirement expenses due to an increase in the OCERS Employer Contribution rate. A retirement in staff had a decreasing affect.
- Increase of \$25,555 in Health Insurance expense due to adjustments in insurance rate coverage and premiums.
- Increase in Workers Compensation expense due to employee injuries over the past 2 years.
- Decrease of \$57,902 in Maintenance of Buildings/Grounds, as compared to 2023-24 Projected
- Decrease of \$31,209 in Special District Expense due to a reduction in purchase of resale items
- Increase of \$117,300 in Equipment budget. This year's allocation will include a few more pieces of equipment as compared to last fiscal year's budget.

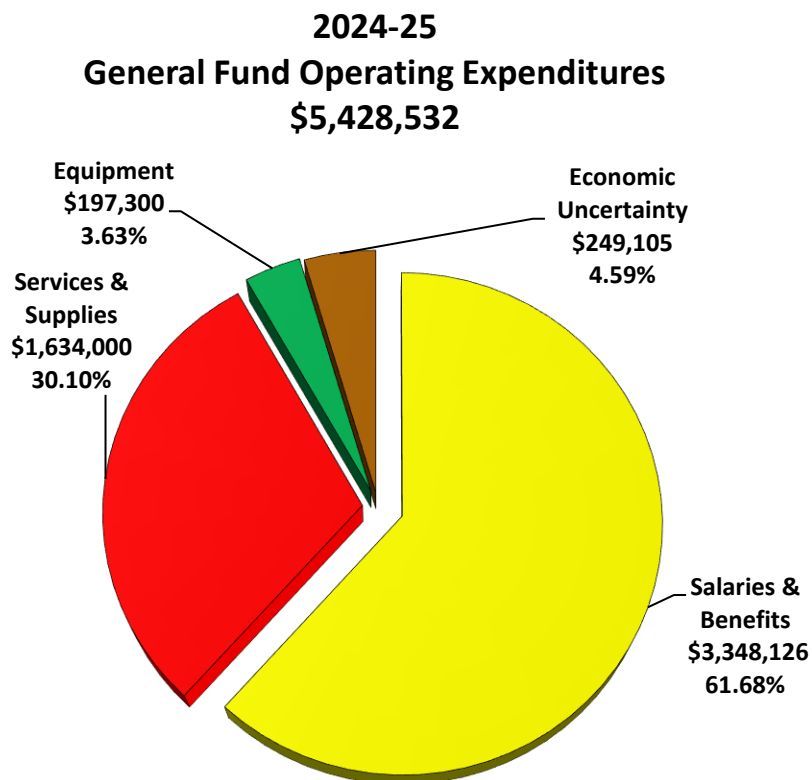
Salaries – In addition to the changes described on the previous page, there are some merit increases factored in the budget for employees. There is a reduction of one full-time position and the increase of one part-time position to full-time. The Salaries budget also includes allocations for overtime, Board of Trustees meeting expense pay and annual leave payouts, for a total of **\$2,384,749**.

A summary of the salaries and benefits individually by position as well as the District’s Organizational Chart are included in this report. There is a total of 25 Full-Time and 1 Part-Time District employee that are accounted for in the salaries budget. This is a reduction of one cemetery manager position at the Anaheim Cemetery and the conversion of an administrative part-time position to full-time. The total allocated amount for Salaries is **\$2,039,585**. This is approximately **\$39,700** more than the projected 2023-24 salaries total.

Benefits (includes Retirement, Employee Insurance, & Medicare) – The allocated amount for Benefits is **\$963,377** which is a decrease of **\$33,539** based on the projected 2023-24 total benefits.

Services & Supplies – The overall services and supplies budget has decreased considerably by **\$221,873** as compared to the 2023-24 projected actual. Some of the noted changes are a decrease in the Maintenance – Buildings/Grounds of **\$57,902** for existing cemeteries and a decrease of **\$114,056** in New Cemetery Maintenance account. There is also a slight increase of **\$15,654** in the Utilities fund due to rate increases and prior year conservation due to rain. The total budget for this section is proposed to be **\$1,634,000**.

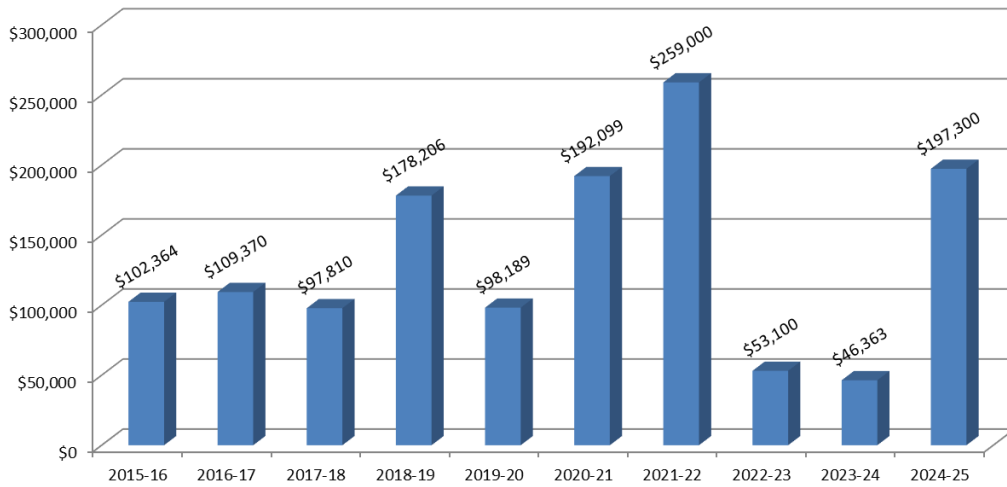
Economic Uncertainty Fund – This fund allows the ability to set aside funds to help offset any unanticipated cost increases during the fiscal year, rather than transferring funds from the reserve account. The Board approved Reserve Balance and Fund Designation Policy recommends placing an amount of 5% of the total of the Salaries & Benefits plus the Services & Supplies Budgets. Should there be a need for staff to utilize these funds, due to unknown cost increases or emergency services, the Board will need to take action to authorize the use of these funds. Funds in this account that are not used will be placed in the fund balance for next year’s budget preparation. An amount of **\$249,106** has been placed into this fund.



Equipment Expenditures – Each year staff reviews the equipment list to determine if any vehicles or equipment need to be replaced. Factors that determine replacement are its age, mileage and maintenance issues. Any equipment costing \$5,000 or greater are considered capital expenditures.

A review of the current equipment was made and **\$197,300** will be allocated for the purchase of a mower, two utility vehicles and miscellaneous small equipment. This account varies each year based on need.

10-Year Equipment Expenditures Summary



CAPITAL IMPROVEMENT RESERVE FUND – General Fund

The newly formed Cemetery Development Reserve Fund will be approximately **\$16,755,000** on June 30, 2024. This provides for the funding of the fourth cemetery development, as well as for any of the capital improvement projects over the next four years (not funded by current year operating revenues), if needed. Capital improvement projects are defined as any major construction, acquisition or renovations which increases the useful life of the District’s assets or adds to the value of physical assets; any asset costing \$5,000 or greater are considered capital expenditures. To date, no debt has been issued to finance any scheduled capital improvement projects for the three existing cemeteries.

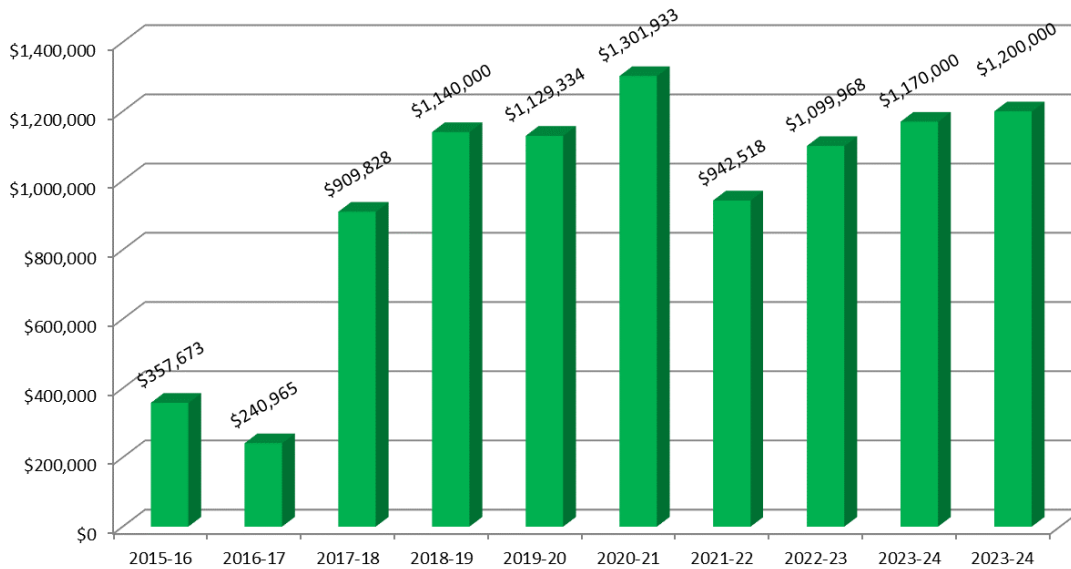
The proposed 2024-25 capital improvements which totals **\$1,200,000**, includes **\$400,000** for Cemetery Improvements and **\$800,000** for New Cemetery Development.

New Cemetery Development Project	\$ 800,000
Cemetery Improvements	<u>\$ 400,000</u>
Total	\$1,200,000

A more detailed description of each of the proposed improvement projects is included later in the report behind the Capital Improvement section. The proposed capital improvement expenditures are funded with current budgeted resources in FY 2024-25.

Below is a 10-year chart of the capital improvement program expenditures totaling **\$9,492,219**.

10-year Capital Improvement Expenditures Summary



OTHER FUNDS

ENDOWMENT PRINCIPAL FUND

The District collects an endowment fee for each interment right that is sold to its customers. The endowment fee is placed into the Endowment Principal Fund. Per the Health & Safety Code Section 9065 (e), the Board of Trustees shall not spend the principal of the endowment care fund. The funds are invested by financial advisors based on oversight by the General Manager and the Finance & Investment Committee. Interest earned from the Endowment Principal Fund is transferred into the Endowment Income Fund. The District has established an endowment fee for each type of interment. The Endowment Principal Fund is projected to receive approximately **\$560,150** in new principal for Fiscal Year 2024-25. This revenue amount is based on the projected full casket and cremation interment space and niche sales for all three cemeteries, based on historical sales and available inventory. Projected fund balance at June 30, 2025, will be approximately **\$11,664,487**.

ENDOWMENT INCOME FUND

The District earns interest from both the Endowment Principal and Income Funds, which is placed directly into the Endowment Income Fund. Per the Health & Safety Code Section 9065 (e), Endowment Income Fund can be spent solely for the care of the cemeteries owned by the District. The funds are invested by financial advisors based on oversight by the General Manager and the Investment Committee. The Endowment Income Fund is projected to receive approximately **\$650,000** in interest income from both Endowment Funds for FY 2024-25. Projected fund balance at June 30, 2024, will be approximately **\$10,477,539**.



Are you comparing our current budget to previous years' operating budgets? Where did the Pre-Need Fund go?

The District offers families the opportunity to plan ahead and pre-purchase their interment-related services with the cemetery. Historically, funds collected from the families have been placed into the Pre-Need Special Revenue Fund until the future use is necessary, then transferred into the General Fund.

When the District implemented GASB Statement No. 84, *Fiduciary Activities* for the fiscal year ended June 30, 2021, the Pre-Need Special Revenue Fund was no longer presented. All of the existing cash, deposit and fund balance accounts were combined with the General Fund balances at June 30, 2021. Beginning with the FY 2022-23 operating budget, the Pre-Need Investment Income and Investment Administrative Expenses were included within the General Fund's budget.

FUND BALANCE

What is fund balance?

In governmental funds, equity is reported as fund balance. Fund balance is calculated as follows:

$$\text{Fund balance} = (\text{Assets} + \text{deferred inflows of resources}) - (\text{Liabilities} + \text{deferred inflows of resources})$$

What do the fund balance classifications mean?

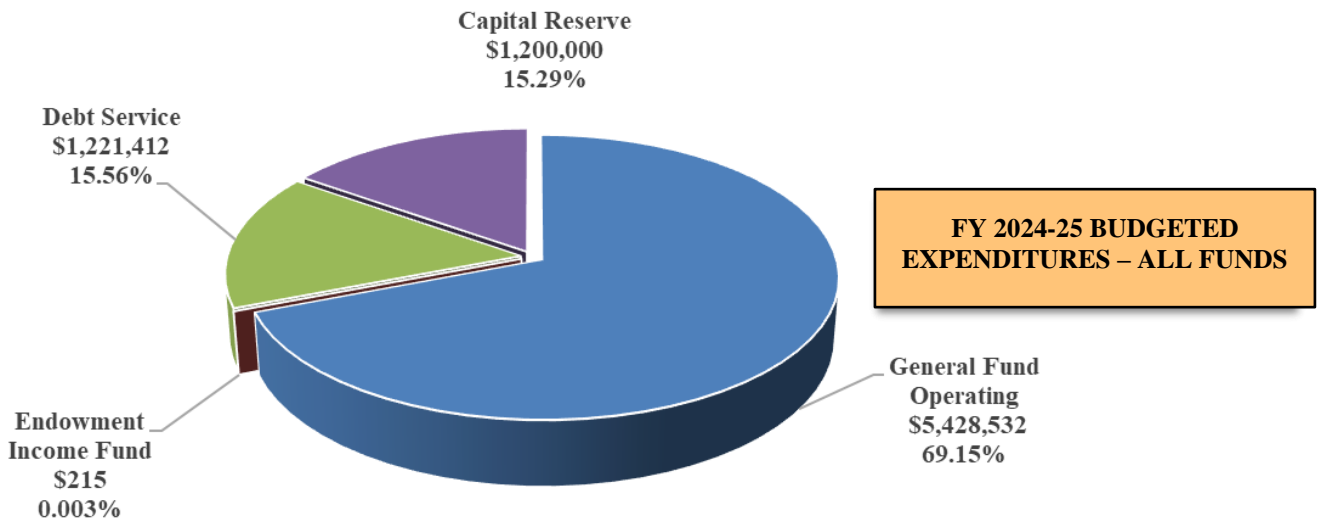
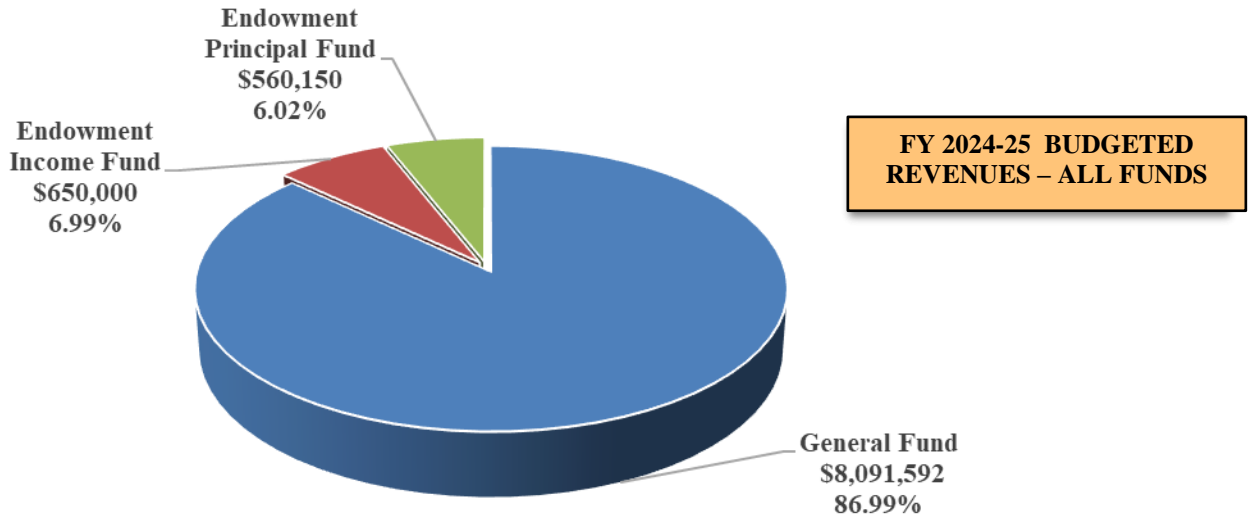
The District's Fund Balances are classified in accordance with GASB issued Statement No. 54, which classifies net position into five different components:

- Nonspendable: Resources that are not in spendable form or required to be maintained.
- Restricted: Resources that 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 that are constrained to specific purposes by a formal action of the Board of Trustees, such as an ordinance or resolution. The constraint remains binding unless removed in the same formal manner by the Board. Board action to commit net position 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.
- Unassigned: Any residual positive net resources of the General Fund in excess of those portions of net position classified in one of the other four categories of net position.

Why does the District have annual surpluses?

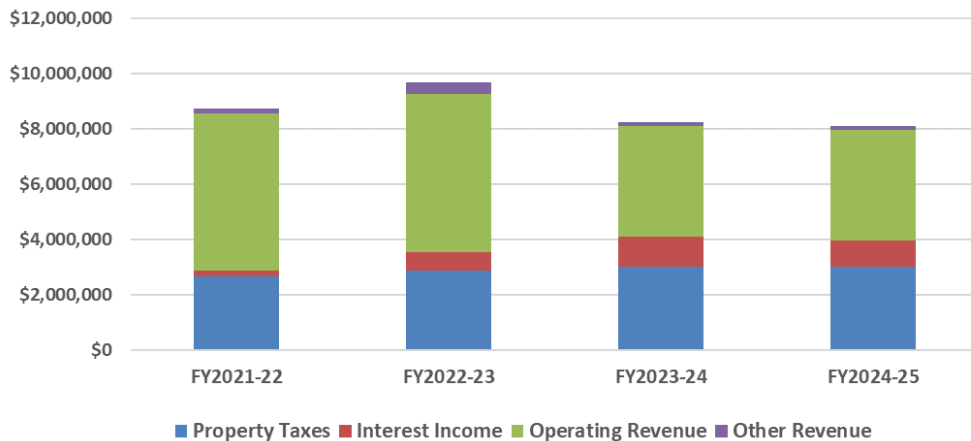
An endowment study, initially conducted in 2009 and subsequently updated in 2016 and 2022, identified the need for periodic increases in endowment, interment space and interment service fees to meet increasing cost of services for future perpetual care. Additionally, the District was aware that our existing three cemeteries would sell out and a fourth cemetery would be required to continue providing lower cost interment services to the citizens of Orange County. Surpluses began in 2012 and were committed by the Board of Trustees to finance the development of the fourth cemetery.

SUMMARY OF ALL FUNDS – ILLUSTRATIONS

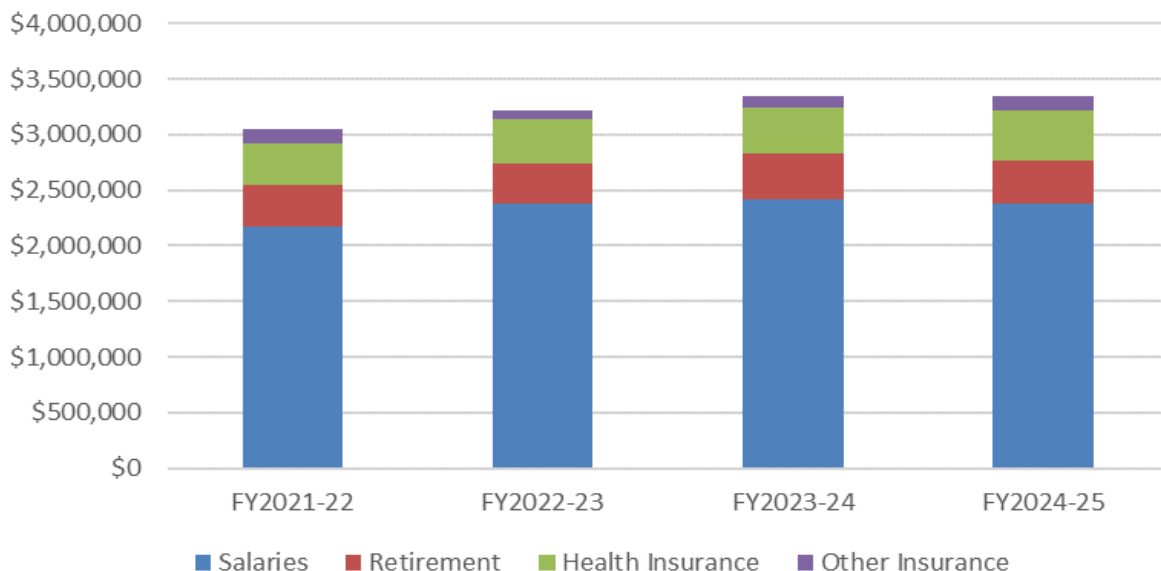


BUDGET DETAIL SCHEDULES – GENERAL FUND

General Fund 754 Revenue		Final FY2021-22 (Audited)	Final FY2022-23 (Audited)	Budget FY2023-24	Projected FY2023-24	Budget FY2024-25
Property Taxes						
6210	Current secured	\$2,335,752	\$2,485,876	\$2,570,219	\$2,703,569	\$2,737,740
6220	Current unsecured	71,028	71,311	\$75,354	85,546	\$96,900
6230	Prior year secured	0	0	0	0	0
6240	Prior year unsecured	1,577	1,487	785	0	785
6280	Current supplemental	51,680	103,708	58,905	76,347	49,905
6300	Prior year supplemental	1,498	1,259	1,560	2,748	2,350
6540	Prior year penalties	406	311	650	505	650
6690	State Homeowner's	10,582	10,785	11,000	10,784	12,000
7120	Other - Redevelopment	<u>167,848</u>	<u>181,061</u>	<u>110,565</u>	<u>135,678</u>	<u>114,350</u>
		\$2,640,371	\$2,855,798	\$2,829,038	\$3,015,177	\$3,014,680
Interest Income						
6610	Investment income	\$93,015	\$475,845	\$275,000	\$770,000	\$700,000
6610	Investment income-Preneed	<u>117,828</u>	<u>178,114</u>	<u>125,000</u>	<u>310,000</u>	<u>250,000</u>
		\$210,843	\$653,959	\$400,000	\$1,080,000	\$950,000
Operating Revenue						
7590	Interment Space Sales	\$4,228,479	\$4,438,214	\$3,413,581	\$2,563,367	\$2,561,037
	Interment & Other Services	1,137,009	961,589	1,112,206	1,135,215	1,115,000
7661	Taxable sales	<u>342,349</u>	<u>327,485</u>	<u>255,000</u>	<u>282,565</u>	<u>315,000</u>
		\$5,707,837	\$5,727,288	\$4,780,787	\$3,981,147	\$3,991,037
Other Revenue						
7662	Other Sales Non-Taxable	\$0	\$0	\$1,000	\$0	\$1,000
7670	Other revenues	<u>148,557</u>	<u>443,135</u>	<u>125,500</u>	<u>138,945</u>	<u>134,875</u>
		\$148,557	\$443,135	\$126,500	\$138,945	\$135,875
Total General Fund Revenues		\$8,707,608	\$9,680,180	\$8,136,325	\$8,215,269	\$8,091,592



General Fund 754 Expense		Final FY2021-22 (Audited)	Final FY2022-23 (Audited)	Budget FY2023-24	Projected FY2023-24	Budget FY2024-25
Salaries						
0100	Trustees	\$13,000	\$9,000	\$18,000	\$14,000	\$18,000
0101	Regular salaries	1,860,133	1,924,868	2,011,742	1,999,885	2,039,585
0103	Overtime	254,317	269,093	172,000	309,865	264,000
0104	Annual Leave Payoffs	37,908	39,234	35,070	79,500	45,064
0111	Other Pay	0	137,205	6,000	9,000	10,000
0402	Auto/Phone Allowance	<u>5,400</u>	<u>5,400</u>	<u>8,700</u>	<u>8,000</u>	<u>8,100</u>
	Total	\$2,170,757	\$2,384,800	\$2,251,512	\$2,420,250	\$2,384,749
Retirement						
0200	OCERS Contribution	\$285,242	\$246,380	\$267,097	\$288,564	\$304,733
0201	Retiree Medical Trust	58,647	61,215	40,560	\$76,056	39,660
0202	Deferred Compensation	<u>30,285</u>	<u>44,258</u>	<u>43,000</u>	<u>48,075</u>	<u>42,800</u>
	Total	\$374,174	\$351,853	\$350,657	\$412,695	\$387,193
Health Insurance						
0301	Unemployment insurance	\$3,230	\$3,227	\$4,000	\$3,865	\$6,000
0305	Salary continuance insurance	15,411	16,642	15,469	13,589	14,379
0306	Health insurance	332,845	352,501	346,419	367,565	393,120
0308	Dental insurance	8,691	10,983	7,628	8,156	9,067
0309	Life insurance	92	92	184	171	168
0310	Accidental D&D insurance	23	23	27	25	27
0319	Other insurance	<u>12,589</u>	<u>16,056</u>	<u>17,495</u>	<u>16,243</u>	<u>17,423</u>
	Total	\$372,881	\$399,526	\$391,222	\$409,614	\$440,184
Workers Compensation Insurance						
0352	Workers Compensation	100,654	49,113	\$73,000	\$73,076	\$104,000
0401	Medicare	<u>30,175</u>	<u>33,362</u>	<u>28,000</u>	<u>34,453</u>	<u>32,000</u>
	Total	\$130,829	\$82,475	\$101,000	\$107,529	\$136,000
Total Salaries and Benefits		\$3,048,641	\$3,218,654	\$3,094,391	\$3,350,088	\$3,348,126



General Fund 754 Expense		Final FY2021-22 (Audited)	Final FY2022-23 (Audited)	Budget FY2023-24	Projected FY2023-24	Budget FY2024-25
Services and Supplies						
0600	Clothing	\$25,436	\$19,154	\$25,000	\$22,123	\$23,000
0701	Communications	28,142	29,552	27,000	22,456	23,000
1100	Insurance	52,238	68,057	80,000	80,217	75,000
1300	Maintenance of equipment	124,792	129,975	121,000	190,562	115,000
1400	Maintenance - build/grounds	616,906	694,819	600,000	607,902	550,000
1410	Maintenance - New Cemetery	11,176	160,660	120,000	189,056	75,000
1600	Memberships	14,148	15,256	16,000	15,283	16,000
1800	Office	59,014	63,849	58,000	59,576	60,000
1900	Prof. and specialized services	272,108	207,561	200,000	181,356	200,315
1920	Special Events & Programs	3,952	9,803	10,000	14,356	15,000
2000	Publications/legal notices	334	718	1,500	345	1,000
2300	Small tools	13,608	7,277	8,000	20,234	12,000
2400	Special dept. expense	262,311	283,527	230,000	239,568	240,000
2600	Transportation - mileage reimb.	1,668	936	1,000	597	1,000
2700	Transportation - meetings/conf.	11,539	19,820	15,000	17,896	18,000
2800	Utilities	<u>190,269</u>	<u>155,159</u>	<u>215,000</u>	<u>194,346</u>	<u>210,000</u>
	Total Services and Supplies	\$1,685,372	\$1,866,123	\$1,727,500	\$1,855,873	\$1,634,315

Equipment & Economic Uncertainty

4000	Equipment	\$152,134	\$53,100	\$80,000	\$46,363	\$197,300
5200	Economic Uncertainty	<u>0</u>	<u>0</u>	<u>239,695</u>	<u>0</u>	<u>249,106</u>
	Total	\$152,134	\$53,100	\$319,695	\$46,363	\$446,406

Total Operational Expenditures

\$4,886,147	\$5,137,877	\$5,141,586	\$5,252,324	\$5,428,847
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Non-Operational Expenditures

3030	Debt Service	0	\$655,664	\$1,221,412	\$1,221,412	\$1,221,412
4200	Structures and improvements	942,518	1,099,968	800,000	1,170,000	1,200,000
	Total	\$942,518	\$1,755,632	\$2,021,412	\$2,291,412	\$2,421,412



ORANGE COUNTY CEMETERY DISTRICT

SALARY & BENEFIT SUMMARY

TITLE	SALARY	OVERTIME	LEAVE PAYOUT	OTHER COMP*	TOTAL COMP
<u>District Office</u>					
General Manager	\$195,782	\$0	\$7,530	\$5,100	\$278,164
Assistant General Manager	\$105,858	\$0	\$4,071	\$0	\$147,913
Finance & Accounting Manager	\$99,745	\$0	\$0	\$0	\$135,872
Accounting Clerk	\$41,414	\$0	\$0	\$0	\$46,897
Secretary	\$63,619	\$500	\$0	\$0	\$89,682
Equip Mechanic	\$72,771	\$2,000	\$0	\$0	\$107,442
Irrigation Specialist	\$82,402	\$2,000	\$3,169	\$0	\$136,660
<u>Anaheim Cemetery</u>					
Lead Worker	\$86,943	\$25,000	\$0	\$600	\$157,759
Groundskeeper	\$64,621	\$5,000	\$0	\$0	\$103,305
<u>El Toro Memorial Park</u>					
Cemetery Manager	\$116,940	\$0	\$4,498	\$600	\$168,320
Cemetery Assistant	\$68,468	\$7,500	\$0	\$0	\$108,491
Cemetery Assistant	\$68,468	\$6,000	\$0	\$0	\$106,110
Lead Worker	\$86,943	\$15,000	\$3,344	\$600	\$140,845
Groundskeeper	\$64,581	\$25,000	\$2,484	\$0	\$133,411
Groundskeeper	\$64,621	\$25,000	\$2,485	\$0	\$133,882
Groundskeeper	\$61,480	\$25,000	\$0	\$0	\$125,168
Groundskeeper	\$64,621	\$6,500	\$0	\$0	\$101,757
Groundskeeper	\$59,973	\$25,000	\$2,307	\$0	\$117,096
Groundskeeper	\$64,581	\$25,000	\$2,484	\$0	\$122,647
<u>Santa Ana Cemetery</u>					
Cemetery Manager	\$116,940	\$0	\$4,498	\$600	\$173,343
Cemetery Assistant	\$52,000	\$0	\$0	\$0	\$80,761
Lead Worker	\$86,943	\$20,000	\$3,344	\$600	\$156,549
Groundskeeper	\$57,018	\$3,500	\$0	\$0	\$96,570
Groundskeeper	\$66,753	\$20,000	\$0	\$0	\$121,573
Groundskeeper	\$61,480	\$18,000	\$2,365	\$0	\$113,027
Groundskeeper	\$64,621	\$18,000	\$2,485	\$0	\$126,882
SUBTOTAL	\$2,039,585	\$274,000	\$45,064	\$8,100	\$3,330,126
Trustee Meeting Compensation (\$100 per meeting with a maximum of \$800 per month)					\$18,000
TOTAL SALARIES & BENEFITS					\$3,348,126

OTHER FUNDS - ENDOWMENT

Endowment Principal Fund 755	Final FY2021-22 (Audited)	Final FY2022-23 (Audited)	Budget FY2023-24	Projected FY2023-24	Budget FY2024-25
Beginning Fund Balance	\$ 9,831,363	\$ 10,074,126	\$ 10,616,337	\$ 10,616,337	\$ 11,104,337
Revenue					
7590 Endowment Care Fees	806,300	789,350	475,000	498,000	560,150
Net increase (decrease) FMV	(563,537)	(247,139)	0	0	0
Total Revenue	242,763	542,211	475,000	498,000	560,150
Expenditures	0	0	0	0	0
Ending Fund Balance	\$ 10,074,126	\$ 10,616,337	\$ 11,041,896	\$ 11,104,337	\$ 11,664,487

Endowment Income Fund 756	Final FY2021-22 (Audited)	Final FY2022-23 (Audited)	Budget FY2023-24	Projected FY2023-24	Budget FY2024-25
Beginning Fund Balance	\$ 8,538,288	\$ 8,600,193	\$ 9,060,969	\$ 9,060,969	\$ 9,827,754
Revenue					
6610 Interest	468,704	577,961	325,000	767,000	650,000
Net increase (decrease) FMV	(406,038)	(117,053)	0	0	0
Total Revenue	62,665	460,908	325,000	767,000	650,000
Expenditures					
1912 Investment Admin Fees	760	132	215	215	215
Total Expenditures	760	132	215	215	215
Ending Fund Balance	\$ 8,600,193	\$ 9,060,969	\$ 9,385,754	\$ 9,827,754	\$ 10,477,539

GANN APPROPRIATIONS LIMIT

The Appropriations Limit, established by the State of California per Article XIII B of the California State Constitution, sets a limit for the annual appropriations of tax proceeds for all municipalities.

Article XIII B was amended by Proposition 111 to change the method of calculating the annual appropriations limit. Prior to Proposition 111, the appropriations limit was adjusted annually by the change in the cost of living or by the change in California per capita personal income, whichever was less, and by the percentage change in the population of the County.

Under the guidelines set forth by Proposition 111, the annual appropriations limit will not exceed a base year adjusted by the change in population of the City or the County combined with either the change in California per capita personal income or the change in the local assessment roll due to local non-residential construction. Starting with a base year limit of \$1,868,927 for 1987-88 and increasing it to the 2024-25 limit by using the guidelines set forth in Proposition 111, the calculation would be as follows:

Appropriations Subject to Limitation for Fiscal Year 2024-2025	
Proceeds from Taxes	\$3,714,680
Less: Current Year Limit (FY 24/25)	\$ 11,017,913
Excess of Appropriations limit over proceeds of taxes	\$ (7,303,233)
<i>* District is well below appropriations limit for FY 24/25</i>	

Section 9710 of the California Government Code, added in 1980 by the State legislature, requires the District to adopt the District’s Gann appropriations limits for the following year by resolution. Accordingly, Resolution 2024-## was adopted by the Board of Trustees on June 4, 2024. Below is information for five years on the appropriations limit:

Fiscal Year	Prior Year’s Limit	Add Change in Inflation Factor¹	Add Change in Population²	Appropriation Limit
2020-21	\$8,734,214	1.0373%	1.0004%	\$9,063,624
2021-22	\$9,063,624	1.0573%	0.9916%	\$9,502,473
2022-23	\$9,502,473	1.0755%	0.9977%	\$10,196,404
2023-24	\$10,196,404	1.0444%	0.9954%	\$10,600,138
2024-25	\$10,600,138	1.0362%	1.0031%	\$11,017,913

¹ Based on California per capital income increases as provided by the California Department of Finance, May 2024

² Based on the County of Orange population growth as provided by the California Department of Finance, May 2024

RESOLUTION NO. 2024-02

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE
ORANGE COUNTY CEMETERY DISTRICT, CALIFORNIA,
ADOPTING THE ANNUAL MAXIMUM APPROPRIATIONS
LIMITATION FOR FISCAL YEAR 2024-2025**

WHEREAS, the Orange County Cemetery District (the “District”) is a special district duly organized and existing under and by virtue of the California Public Cemetery District Law, codified in Health and Safety Code Sections 9000 *et seq.*; and

WHEREAS, on November 6, 1979, the voters of California adopted Proposition 4, which added Article XIII B to the California Constitution that places limits on the amount of proceeds of taxes that local governmental agencies such as the District can receive and spend each year (“maximum appropriation limitation”), which was modified by the passage of Proposition 111 on June 5, 1990; and

WHEREAS, each year, pursuant to Article XIII B of the California Constitution and applicable statutory law, the District must adopt, by resolution, the total annual appropriations limit which shall not exceed the appropriations limit for the prior year adjusted for the change in the cost of living and the change in population, except as otherwise provided in Article XIII B; and

WHEREAS, the District has determined the total adjustment factor by the percentage change in California per capita personal income from the preceding year. The population factor is based on the increase in population of the County of Orange. The inflation factor is based on the increase in per capita personal income for the State of California. These factors were derived from data provided by the State of California Department of Finance.

NOW, THEREFORE, be it resolved by the Board of Trustees of the Orange County Cemetery District as follows:

Section 1. Recitals.

That the Recitals set forth above are true and correct.

Section 2. Fiscal Year 2024-2025 Maximum Appropriation Limitation.

That in accordance with Article XIII B of the California Constitution and applicable statutory law, based on the cost of living data price factor of 3.62 for the State of California and the population change factor of 0.31 for the County of Orange, as provided by the State of California Department of Finance for Fiscal Year 2024-2025, the Board hereby declares the maximum appropriation limitation for the District for Fiscal Year 2024-2025 shall be \$11,017,913, which does not exceed the limitations imposed by Article XIII B.

Section 3. Financial Audit.

That the data and documentation used to calculate and determine the maximum appropriation limitation for the District for Fiscal Year 2024-2025 shall be subject to review by the District's auditor and reviewed by the District's auditor during the annual financial audit.

Section 4. Documentation.

That the data and documentation used to calculate and determine the maximum appropriation limitation for the District for Fiscal Year 2024-2025 shall be made available for public inspection to any interested member of the public.

Section 5. Severability.

That the Board of Trustees declares that, should any provision, section, paragraph, sentence or word of this policy be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this policy as hereby adopted shall remain in full force and effect.

Section 6. Repeal of Conflicting Provisions.

That all the provisions heretofore adopted by the Board of Trustees that are in conflict with the provisions of this Resolution are hereby repealed.

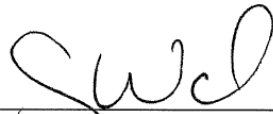
Section 7. Effective Date.

That this Resolution shall take effect immediately upon its adoption.

Section 8. Certification.

That the Secretary of the Board of Trustees shall certify to the passage and adoption of this resolution, enter the same in the book for original resolutions of the District, and make a minute of passage and adoption thereof in the records of the proceedings of the Board of Trustees, in the minutes of the meeting at which this resolution is passed and adopted.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Board of Trustees of the Orange County Cemetery District held this 4th day of June, 2024.



CYNTHIA WARD, CHAIR
BOARD OF TRUSTEES

ATTEST:



MARY FUNK,
BOARD SECRETARY

STATE OF CALIFORNIA }
COUNTY OF ORANGE } ss.

I, MARY FUNK, Secretary of the Orange County Cemetery District, do hereby certify that the foregoing is a true and correct copy of Resolution No. 2024-02 adopted by the Board of Trustees of the Orange County Cemetery District, at a regular meeting thereof, held on the 4th day of June 2024, by the following vote:

AYES: 3

NOES: 0

ABSTAIN: 0

ABSENT: 2 (Vice Chair Marroquin-Waldram and Trustee Anderson absent)



MARY FUNK
BOARD SECRETARY



Orange County Cemetery District

Capital Budget

CAPITAL EXPENDITURE PROCESS OVERVIEW

DEFINITION OF CAPITAL EXPENDITURE:

The use of funds or assumption of a liability in order to obtain or upgrade physical assets. The intent is for these assets to be used for productive purposes for at least one year.

- **District's Asset Capitalization Policy**

Capital improvement projects are defined as any major construction, acquisition or renovations which increases the useful life of the District's assets or adds to the value of physical assets; any asset costing \$5,000 or greater are considered capital expenditures.

- **Funding Methods**

Capital expenditures are funded by either current year revenues or by a transfer from the Capital Improvement Reserve Fund. Capital expenditures for FY 2023-24 are completely funded by FY 2023-24 budgeted revenues.

- Historically, transfers from the Capital Improvement Reserve Fund have not been required and the existing \$15,155,000 in the reserve fund has been committed towards the construction of the fourth District cemetery.

- **Capital Improvement Plan Cycle**

Incorporates these key phases into the annual budget development cycle and calendar.

Phase	Steps Included
Planning	<ol style="list-style-type: none"> 1. Review District long-term vision and goals 2. Review Board of Trustees' annual goals 3. Review District's prior year Capital Improvement Plan; re-appropriate monies for projects not completed in prior year 4. Meet with Cemetery management to determine urgent projects
Defining/Formulating	<ol style="list-style-type: none"> 1. Identify needs based on planning phase review 2. Identify project funding (current year resources vs. reserve transfer) 3. Identify a reasonable cost estimate based on current economic conditions
Decision-Making	<ol style="list-style-type: none"> 1. Specific project proposal released (RFP) 2. Evaluate submissions against project proposal needs/plans 3. Approval of vendor selection and funding method by Board of Trustees
Implementation	<ol style="list-style-type: none"> 1. Project started, operated and maintained 2. Notice of completion filed with the County of Orange upon completion of project

CAPITAL IMPROVEMENT PROGRAM FY 2024-25 PROJECTS



El Toro Memorial Park – Entrance Improvements

Department
Capital Projects

Funding Sources
General Fund 754

Acct No. **Project Name**
4200 *New Cemetery Development*

Budget Backup

PROJECT PURPOSE

The purpose of this project is studying the 283.3 acres of land that the District was given by the County of Orange for the purposes of the development of a new public cemetery and a future State Veterans Cemetery. This will be the third of six years with the goal of opening a new public cemetery.

- **Effects on current and future budgets:** The construction of a new cemetery will substantially increase the revenue capacity of the District. Currently, two of the three District’s cemeteries are sold out of in-ground casket interment spaces and the third is severely restricted with current inventory expected to last less than 24 months.

PROJECT DETAILED DESCRIPTION

The Board of Trustees approved consultant agreements for the assessment of the 283.3-acre parcel for the development of a public and State Veterans Cemetery. These services will be included as part of the overall project costs. There will be consulting services to address California Environmental Quality Act (CEQA) activities on the site in advance of submitting final development plans to the City of Anaheim.

PROJECT FUNDING	
General Fund	\$ 800,000
	\$ 800,000

Is this a Recurring Operating Expenditure?	No
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PROJECT FUNDING & EXPENDITURES SCHEDULE

Funding Source	Fiscal Year				
	Prior Years	24/25	25/26	26/27	27/28
General Fund	\$ 2,500,000	\$ 800,000	\$ 1,000,000	\$ 25,000,000	\$ 25,000,000
Totals	\$ 2,500,000	\$ 800,000	\$ 1,000,000	\$ 25,000,000	\$ 25,000,000

Department
Capital Projects

Funding Sources
General Fund 754

Acct No. 4200 **Project Name** Cemetery Improvements

Budget Backup

PROJECT PURPOSE

The purpose of this project is to perform minor improvements or beautification at the cemeteries.

- Effect on current and future budgets:** A portion of the project will allow for more revenue to be generated by the sale of niches.

PROJECT DETAILED DESCRIPTION

This project will focus on continuing to improve the look and experience of each cemetery. This years project will include continued beautification and improved signage to assist families in finding their loved ones interment locations through the assistance of markings on the curb and roadways. There will also be the purchase and installation of new niche walls at the El Toro Memorial Park in the Maureen Rivers Memorial Garden. At the Santa Ana Cemetery, a contractor will be hired to remove existing roads and grade for future interment spaces, pour new curbs and make asphalt repairs.

PROJECT FUNDING	
General Fund	\$ 400,000
	\$ 400,000



Is this a Recurring Operating Expenditure?	No
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PROJECT FUNDING & EXPENDITURES SCHEDULE					
Funding Source	Fiscal Year				
	Prior Years	23/24	24/25	25/26	26/27
General Fund	\$ 500,000	\$ 400,000	--	--	--
Totals	\$ 500,000	\$ 400,000	--	--	--

FIVE-YEAR CAPITAL IMPROVEMENT SCHEDULE

Project Title	2024-25	2025-26	2026-27	2027-28	2028-29
New Cemetery Development	\$800,000	\$1,000,000	\$25,000,000	\$25,000,000	\$0
Improvements at the Santa Ana Cemetery	\$150,000	\$0	\$0	\$0	\$0
Improvements at El Toro Memorial Park	\$150,000	\$0	\$0	\$0	\$0
Improvements at Anaheim Cemetery	\$0	\$100,000	\$0	\$0	\$0
Water Well Rehabilitation Project	\$0	\$0	\$0	\$0	\$400,000
Cemetery Fence Replacement Program	\$0	\$0	\$150,000	\$150,000	\$0
Niche Installation Project	\$100,000	\$300,000	\$0	\$0	\$200,000
Totals	<u>\$1,200,000</u>	<u>\$1,400,000</u>	<u>\$25,150,000</u>	<u>\$25,150,000</u>	<u>\$600,000</u>



*New Cemetery Development
2024-25*

FIVE-YEAR EQUIPMENT REPLACEMENT SCHEDULE

Fixed Assets	2024-25	2025-26	2026-27	2027-28	2028-29
Mowers	\$45,000	\$45,000 (1)	\$90,000 (3)	\$28,000 (1)	\$0
Utility Vehicles	\$92,300 (1)	\$45,000 (1)	\$150,000 (5)	\$0	\$45,000
Backhoes	\$0	\$0	\$200,000 (2)	\$0	\$0
Tractor	\$0	\$0	\$100,000 (1)	\$0	\$0
Truck	\$0	\$0	\$45,000 (1)	\$0	\$0
Trailers	\$0	\$0	\$70,000 (3)	\$0	\$0
Misc. Small Equipment	\$60,000	\$0	\$20,000	\$0	\$0
	<u>\$197,300</u>	<u>\$90,000</u>	<u>\$675,000</u>	<u>\$28,000</u>	<u>\$45,000</u>

NOTE: In 2026-27, the purchases are equipment for new cemetery.



John Deere Tractor – El Toro Memorial Park



Orange County Cemetery District

Other Information

GLOSSARY OF BUDGET TERMS

Accrual basis – Method of accounting recognizing transactions when they occur without regard to the timing of cash receipts and disbursements.

Adopted budget – Financial plan that is the basis for appropriations and is adopted by the governing body.

Appropriation – Authorization for spending a specific amount of money for a specific purpose during a fiscal year. It is based on the adopted budget, including supplemental budgets, if any. It is presented in a resolution or ordinance adopted by the governing body.

Approved budget – The final budget document that has been approved by the District Board of Trustees.

Audit – Generally used in reference to the Financial Statement Audit; an audit is the process used by an independent third party to provide reasonable assurance that the financial statements are fairly presented (in all material respects).

Balanced Budget – A balanced budget occurs when total expected revenues are equal to or greater than total planned expenses.

Basis of Budgeting – Basis of budgeting refers to the method used for recognizing revenues and expenditures in budget. The District uses the modified accrual basis of accounting for budgetary purposes, which is in compliance with Generally Accepted Accounting Principles (GAAP).

Beginning (or Available) Fund Balance – Fund balance available in a fund from the end of the prior year for use in the following year.

Budget – Written report showing the District’s comprehensive financial plan for one fiscal year. It must include a balanced statement of actual revenues and expenditures during each of the last two years, and estimated revenues and expenditures for the current and upcoming year.

Cal TRUST – Investment pool (established as a Joint Powers Authority) created by public agencies in 2005 to provide a convenient method for public agencies to pool their assets for investment purposes.

Capital Equipment (Assets) – Fixed assets such as vehicles, computers, equipment, technical instruments, etc., which have a life expectancy of more than two years and a value over \$5,000.

Capital Improvement Project – Major construction, acquisition, or renovation which increases the useful life of the District’s assets or adds to the value of physical assets.

Economic Uncertainty Fund – This is appropriated on the assumption that unforeseen spending may become necessary or a reduction in anticipated revenues may occur. A resolution by the Board of Trustees must be passed before any of the economic uncertainty funds can be transferred to an expenditure category to be spent.

Endowment Care Fee – A flat, one-time fee collected by a cemetery for perpetual care of cemetery grounds after the site is full or closed and no further interments are allowed.

Endowment Principal – Permanent fund established to hold and invest all endowment care fees collected with purchase of interment spaces. Principal funds are legally restricted and must remain whole in perpetuity; however, interest earned on the principal is transferred to Endowment Interest funds for future use.

Endowment Interest – Special revenue fund established to hold all earned interest from both the Endowment Principal fund and the existing balance of Endowment Interest fund. The Endowment Interest funds are available for future use, but are restricted for direct cemetery operations use only.

Expenditures – The outflow of cash, a promise to pay, or other financial resources in return for goods and services that have been received.

Finance and Investment Committee – Fiscal planning board of the District, consisting of two members of the Board of Trustees, as appointed by the full Board.

Fiscal Year – The typical period covered by an agency’s budget and financial statements. The District operates on the 12-month fiscal year beginning July 1st and ending June 30th of every year.

Fund – A fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances, all segregated for specific, regulated activities and objectives.

Fund Balance – The difference between fund assets plus deferred outflows of resources and fund liabilities plus deferred inflows of resources of governmental funds.

General Fund – The primary fund of the District used to account for most fiscal activities, except for those activities required or determined by the Board of Trustees to be accounted for in another fund. For the District, the General Fund accounts for administration and finance, strategic planning and design, cemetery materials and operations.

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards for guidelines for external financial accounting including the reporting of financial statements. GAAP encompasses the conventions, rules, and procedure that define accepted accounting principles.

Governmental Accounting Standards Board (GASB) – The primary authoritative body on the application of GAAP to state and local governments.

Governmental Finance Officers Association (GFOA) – Professional association with a purpose to enhance and promote the professional management of governments for the public benefit. The GFOA accomplishes this mission by identifying and developing financial policies and practices, and promoting them through education, training and leadership.

Governmental Fund – The type of fund used to account for activities primarily supported by taxes, grants, and similar revenue sources.

Interment – The disposition of human remains by burial in a cemetery.

Interment Service Fees – The fees related to the interment of remains in the Cemetery. This includes, but is not limited to, site setup, marker and vase installation, and non-resident fees

Interment Space Fees – The cost of the actual interment location for in-ground interment or above ground inurnment.

Major Fund – GASB defines major funds as those meeting both following criteria: a) Total assets, liabilities, revenues or expenditures of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds in that category (governmental funds) or of that type (enterprise funds), and b) Total assets, liabilities, revenues or expenditures of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Niche – A space for placement of cremains, housed in an urn, in a wall or columbarium.

Permanent Fund – A fund used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government’s programs (for the benefit of the government or its citizenry).

Perpetual Care – In the cemetery industry, perpetual care means the providing of funds from which the income earned is to be expended in ongoing maintenance of cemetery grounds, mausoleums, crypts and other operational aspects of a cemetery.

Pre-need services – The District offers pre-purchase of interment spaces and interment fees. These spaces and services are held as deposits by the District until the need for the service becomes immediate. At the time of use, the pre-need is eliminated and recognized as current revenue. Once purchased as a pre-need space/service, the cost is locked in regardless of what the fees are at the time of use.

Property Tax – California State Constitution Article XIII A provides that the combined maximum property tax rate on any given property equal 1% of its assessed value, unless an additional amount has been approved by voters for special taxes or general obligation bonds. The County of Orange assesses properties, bills and collects these property taxes. The County of Orange remits the District’s share, including all penalties and interest.

Resolution – A formal order of a governing body; lower legal status than an ordinance.

Special Revenue Fund – A fund used to account for the proceeds of specific revenue sources (other than special assessment, expendable trusts, or major capital projects) that are legally or Board restricted to expend for specific purposes.

Spending Limitation (Gann Limit) – Article XIII B of the California Constitution establishes a spending limitation on government agencies within California. The spending limit is a mandated calculation of how much the district is allowed to expend in one fiscal year. The amounts of appropriations subject to the limit are budgeted proceeds of taxes and cannot exceed the total appropriations limit. Annually, local governments may increase the appropriations limit by a factor comprised of the change in population combined with the California inflation rate as determined by the State Finance Department.

Taxable Sales – The District purchases interment supplies (i.e. vaults, liners) from vendors and re-sells to customers at a slight increase over cost. These types of sales incur sales tax and are therefore recorded separately. The associated sales tax is remitted to the State of California on a regular basis.

GLOSSARY OF ACRONYMS

CAPC	California Association of Public Cemeteries
CPI	Consumer Price Index
CSDA	California Special District Association
FMV	Fair Market Value
FTE	Full-Time Equivalent
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
H&S Code	Health and Safety Code
ISDOC	Independent Special Districts of Orange County
OCERS	Orange County Employee Retirement System
OCIP	Orange County Investment Pool
SDRMA	Special District Risk Management Association
UAAL	Unfunded Actuarial Accrued Liability

DISTRICT CONTACTS

The following are platforms and tools used by the District to communicate with the public. The District encourages the public to find the District on each of these platforms and engage in two-way communications.

PUBLIC MEETINGS Find the next public meeting at [Board Meetings, Agendas & Minutes](#)

EMAIL Find staff emails for the following locations at [Contact Us](#)

PHONE Find individual cemetery and District office phone numbers at [Contact Us](#)

IN PERSON Find staff at Anaheim Cemetery, Santa Ana Cemetery and El Toro Memorial Park/District Office; Addresses for each are located on our website at [Our Cemeteries](#)

WEBSITE The District's website provides all contact, event and pricing information for the public. www.occemeterydistrict.com

NEWSLETTER The District publishes a bi-monthly newsletter (both by mail and e-mail) that provides information on visiting hours, upcoming events, articles of interest related to District operations and Board of Trustees upcoming meetings schedule. Sign up [here](#).

FACEBOOK Find the District on Facebook at www.facebook.com/OrangeCountyCemeteryDistrict

BOARD RESOLUTIONS

District Board of Trustees Resolutions adopted during FY 2023-24:

- *Resolution 2023-06*, Restriction of Pre-Need Casket Sales at El Toro Memorial Park
- *Resolution 2023-07*, Supporting CAPC Nomination of Kelly Rivers
- *Resolution 2024-01*, District Overhead Rate 2024-25
- *Resolution 2024-02*, Annual Maximum Appropriations Limit for FY 2024-25 (GANN Limit)
- *Resolution 2024-03*, District Master Fee Schedule, (Effective 7-8-24)
- *Resolution 2023-04*, Approval of FY 2024-25 Budget

All Board Resolutions and meeting minutes can be viewed at www.occemeterydistrict.com

STAFF SERVICE MILESTONES

CONGRATULATIONS TO ALL OF THE DISTRICT'S STAFF WHO CELEBRATED MILESTONE SERVICE ANNIVERSARIES DURING FY 2023-24.



Brenda Manriquez – Finance & Accounting Manager



Andrew Trejo – Anaheim Cemetery Leadworker



Juan Lopez – El Toro Memorial Park Leadworker



Julio Amarillas – Santa Ana Cemetery Manager



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