

Orange County Cemetery District, California

Annual Comprehensive Financial Report

For the Year Ended June 30, 2021



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Prepared by:

Brenda Manriquez, CPA
Finance and Accounting Manager

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Board of Trustees

Noel Hatch
Maribel Marroquin
William E. Nelson
Kelly Rivers
Cynthia Ward



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Tim Deutsch
General Manager

February 24, 2022

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, 2021. 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, 2021, 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, 2021, 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 (Board) 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 30th. 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. Despite the ongoing COVID-19 restrictions that began in March 2020, the District did not experience major revenue impacts due to our status as an essential service. 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 (\$5,879,382 or 67.1% 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 \$3,703,000; interment service fees and endowment fees represent approximately \$1,151,000 and \$777,000, respectively; and other sales represent approximately \$248,000. These fees are reviewed annually by the Board 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 started again in July 2020 after being paused in March 2020 due to COVID-19 restrictions. Due to depleting interment space inventory, FY 2021-22 interment space sales are projected to decrease by 10% and interment service and other fees are projected to decrease 10%.

Property tax revenue is the District's second largest revenue source (\$2,526,198 or 28.8% 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 2020-2021 based on January 2020 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 2021-2022.

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 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.

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 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 until the Trustees and staff can meet in person, without COVID-19 restrictions, to discuss the scope of the strategic plan update.
- 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 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 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. 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 (but especially Anaheim and Santa Ana), the District is identifying options for increasing inventory. In order to maintain a viable inventory for both at-need and pre-need sales, 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.
- As indicated in the previous year's financial audit, 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 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 2020-21 to determine the approval requirements for the fourth public cemetery. Additional zoning, engineering and site development will continue through FY 2021-22, as well as inquiries into long-term borrowing options for the funding of the project.

Additionally, projects to enhance the existing cemeteries are scheduled for FY 2021-22. These improvements are meant to enhance the visitor's experience and/or staff conditions and include:

- Anaheim Cemetery Improvements – Repairs to the exterior of the cemetery office building, and upgrades to furniture, air conditioning and flooring in staff break areas.
- El Toro Memorial Park Improvements – Painting of new section break markers for easier identification of interment spaces, replacing trash receptacles throughout the grounds, installing benches for visitor use, and enhancing the front slope of the park with new irrigation and landscaping.
- Santa Ana Cemetery Improvements – Repairs to the exterior of the cemetery office building, and upgrades to furniture, paint and flooring in staff break areas.

AWARDS AND ACKNOWLEDGEMENTS

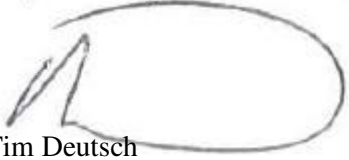
Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Orange County Cemetery District for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the third consecutive 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 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 read 'Tim Deutsch', enclosed within a hand-drawn oval shape.

Tim Deutsch
General Manager

ORANGE COUNTY CEMETERY DISTRICT ORGANIZATIONAL CHART



District Officials

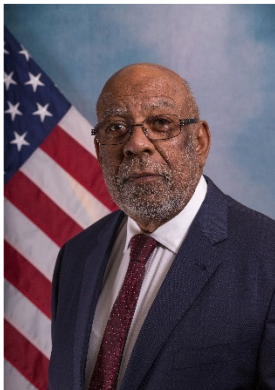
Board of Trustees



Maribel Marroquin, Chair
Trustee – District 1



Kelly Rivers
Trustee – District 2



William E. Nelson, Vice-Chair
Trustee – District 3



Cynthia Ward
Trustee – District 4



Noel Hatch
Trustee – District 5

District Management



Brenda Manriquez
Finance Manager



Tim Deutsch
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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

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 Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2021, 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.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The introductory section, schedule of general fund expenditures, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedule of general fund expenditures is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of general fund expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Laguna Hills, California
February 24, 2022

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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, 2021. 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, 2021, by \$52,765,090 (*net position*). Total net position consists of the following:
 - \$15,706,579 (*unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors
 - \$8,538,288 (*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
 - \$9,831,363 (*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, 2021, the District's governmental funds reported combined ending fund balances of \$34,582,094, an increase of \$2,593,537.

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 Basic 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 be better understanding 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 Basic 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 Basic 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 Basic Financial Statements.

The Schedule of General Fund Expenditures is provided as additional supplementary information.

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.

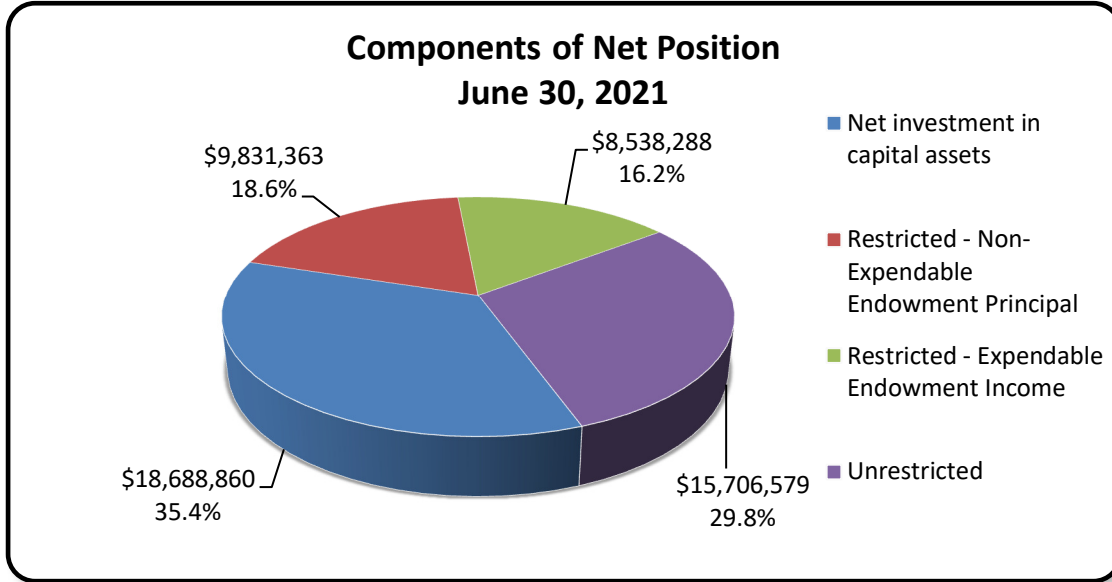
For the fiscal year ended June 30, 2021, the District reported the following summarized balances:

ORANGE COUNTY CEMETERY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Condensed Statement of Net Position
As of June 30:

	2020	2021	Increase/ (Decrease)
Assets:			
Current and other assets	\$ 36,089,034	\$ 39,245,169	\$ 3,156,135
Capital assets	17,663,485	18,688,860	1,025,375
Total Assets	<u>53,752,519</u>	<u>57,934,029</u>	<u>4,181,510</u>
Deferred Outflows of Resources	<u>374,016</u>	<u>887,878</u>	<u>513,862</u>
Liabilities:			
Current liabilities	3,783,914	4,143,956	360,042
Noncurrent liabilities	617,603	635,146	17,543
Total Liabilities	<u>4,401,517</u>	<u>4,779,102</u>	<u>377,585</u>
Deferred Inflows of Resources	<u>1,036,237</u>	<u>1,277,715</u>	<u>241,478</u>
Net Position:			
Investment in capital assets	17,663,485	18,688,860	1,025,375
Restricted for:			
Non-Expendable - Endowment Principal	9,192,693	9,831,363	638,670
Expendable - Maintenance	8,225,225	8,538,288	313,063
Unrestricted	<u>13,607,378</u>	<u>15,706,579</u>	<u>2,099,201</u>
Total Net Position	<u>\$ 48,688,781</u>	<u>\$ 52,765,090</u>	<u>\$ 4,076,309</u>

- The District reported a total net position of \$52,765,090 at June 30, 2021.
 - The District had 35.4% 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 34.8% 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* \$15,706,579 (29.8% of net position funds) was used to meet the government's ongoing obligations to citizens and creditors.



- The current and other assets increased by \$3,156,135 primarily due to recognition of FY 2020-21 interment space sales, interment services, endowment fee revenue, investment income (investments with third-party investors: OCIP, Cal Trust, UBS and Stifel) and recognition of \$145,195 in net pension asset.
- Capital assets increased by \$1,025,375 due to the completion of the Santa Ana Asphalt Road/Curb project that was placed into service in September 2020 (\$990,000), El Toro Memorial Park Asphalt Road/Curb project that was placed into service in December 2020 (\$416,000), purchase of several pieces of equipment totaling \$178,833, offset by a net decrease in construction in progress (\$117,040) and recognition of depreciation expense (\$452,952). See Note 4 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 12/31/2020. See Notes 7 and 8 of the Financial Statements for additional information on GASB 68 and 75 reporting requirements, respectively.
- Current liabilities increased by \$360,042 due to FY 2020-21 purchases of pre-need services of \$492,430 that were recorded as General Fund pre-need deposit additions; those additions were offset by \$135,565 in pre-need deposits used and recognized as General Fund revenue during FY 2020-21.
- Noncurrent liabilities increased by \$17,543 due to a net increase in compensated absences of \$10,543 and an increase in Net OPEB liability of \$7,000. See Notes 7 and 8 of the financial statements for additional information regarding the GASB 68 and 75 calculation of net OPEB liability.

ORANGE COUNTY CEMETERY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Governmental Activities

During FY 2020-21, the District's total revenues increased by \$814,650 and total expenses increased by \$177,560.

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

	2020	2021	Variance Positive (Negative)
Revenues:			
Program Revenues:			
Charges for services	\$ 3,642,224	\$ 5,102,292	\$ 1,460,068
Endowment fees	411,632	777,090	365,458
Capital Contributions	-		-
General Revenues:			
Property taxes	2,415,532	2,526,198	110,666
Investment income	1,394,897	262,148	(1,132,749)
Other revenues	86,183	97,390	11,207
Total Revenues	<u>7,950,468</u>	<u>8,765,118</u>	<u>814,650</u>
Expenses:			
Cemetery Operations:			
Salaries and employee benefits	2,636,558	2,776,336	(139,778)
Services and supplies	1,504,367	1,497,840	6,527
Depreciation expense	408,643	452,952	(44,309)
Total Expenses	<u>4,549,568</u>	<u>4,727,128</u>	<u>(177,560)</u>
Change in Net Position	3,400,900	4,037,990	<u>\$ 637,090</u>
Net Position - Beginning (as restated)	<u>45,326,200</u>	<u>48,727,100</u>	
Net Position - Ending	<u>\$ 48,727,100</u>	<u>\$ 52,765,090</u>	

- Total FY 2020-21 program revenues increased by \$1,825,526 from the prior year and consisted of increases in charges for services of \$1,460,068 and endowment fee revenue of \$365,458. These increases were due to the purchase of pre-need space sales and cremation interment services that were deferred from the prior fiscal year due to County of Orange COVID-19 pandemic operating restrictions. Anaheim and Santa Ana Cemeteries eliminated all in-ground interment space sales due to decreasing inventory but referred those customers to El Toro Memorial Park; consequently, those interment services and space sales were captured at El Toro Memorial Park (at higher price points) along with pre-need space sales for those same families.

ORANGE COUNTY CEMETERY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

- Total FY 2020-21 general revenues decreased by \$1,010,876 from the prior year and consisted of a decrease in investment income of (\$1,132,749) offset by increases in property tax revenue of \$110,666 and other revenues of \$11,207.
 - Property tax revenue increased by 4.6% due to changes 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 2.5% increase in FY 2020-21 property tax revenue.
 - Investment income decreased by 81.2% due to lower return rates and unrealized losses on investments with third party investors. Actual FY 2020-21 investment earnings were \$122,150 less than prior year, and the net decrease in fair value of investments went from an unrealized gain of \$616,788 in FY 2019-20 to an unrealized loss of \$393,811 in FY 2020-21 (net decrease of \$1,010,599) due to market conditions at June 30, 2021 for the specific investments held by the District.
 - Other revenues increased by 13.0% due to annual 3% increases in cell tower lease revenue, higher credit card rebates, and contract administration fees.
- FY 2020-21 salaries and employee benefit expenses increased by \$139,778 from the prior year due to the additions of a part-time Accounting Technician for the District and full-time Receptionist/Secretary for El Toro Memorial Park, annual salary merit increases, implementation of District deferred compensation matching program, and an increase in compensated absences expenses, offset by a favorable change in pension expense adjustment based on current year actuarial reports (approximate decrease in expense of \$158,000).
- FY 2020-21 services and supplies expenses decreased by \$6,527 from the prior year due to a change in accounting for pre-need deposits offset by increases in building maintenance services, equipment rents/leases, utilities and special department expense.
 - The change in accounting for the pre-need deposits eliminated the revenue and offsetting expense recognition in the Pre-Need Fund and consolidated all of the transactions into the General Fund as a liability until the services are used.
 - Building maintenance service expenses increased by approximately \$100,000 due to overall increases in waste disposal and security costs, as well as periodic tree trimming/removal and irrigation costs.
 - Equipment rents/leases expense increased by approximately \$11,000 due to the addition of a five-year lease for Rain Bird irrigation computers and software and the rental of a backhoe at El Toro related to increased volume of services.
 - Utilities expense increased by approximately \$18,000 due to increases in electricity costs and groundwater replenishment costs with Orange County Water District.
 - Special department expense increased by approximately \$46,000 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.

- Depreciation expense increased by \$44,309, or 10.8%, due to the acquisition of multiple pieces of equipment (total cost of \$175,833) and the addition of completed asphalt road/curb projects at Anaheim Cemetery (\$6,000), El Toro Memorial Park (\$417,000) and Santa Ana Cemetery (\$990,000) during FY 2020-21.

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. Due to changes in the accounting for pre-need deposits, the Pre-Need Special Revenue Fund was dissolved and all activity was consolidated into the General Fund beginning July 1, 2020. See Note 12 for further detail regarding restatement.

General Fund

Fund balance in the General Fund increased by \$1,645,685, as restated in FY 2020-21, as a result of current year revenues and expenditures recognition.

- FY 2020-21 property tax revenue totaled \$2,526,198 and represented an increase of \$110,666 attributable to higher assessments and property tax collections. FY 2020-21 interment space and services revenues totaled \$4,855,131 and represented an increase over the prior year of \$1,431,110. The increase was attributable to the highest total quantity of interment space sales and services over the last ten fiscal years. 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.
- FY 2020-21 operating expenditures totaled \$4,445,684 and represented an increase of \$395,536 attributable to increases of \$282,331 in salaries and benefits and \$113,205 in services and supplies.
 - Salaries and benefits increased due to the addition of a part-time Accounting Technician for the District and a full-time Receptionist/Secretary for El Toro Memorial Park; in addition, annual step increases, implementation of deferred compensation match program and an increase in worker's compensation premiums contributed to the increase.
 - Services and supplies included increases in building maintenance services, equipment rental/lease expense, utilities expense and special department expense categories. Primary drivers of the increases were increased security costs, periodic tree trimming/removal, periodic equipment rentals, higher cost and usage of utilities during peak months, and higher cost and quantity of re-sale items purchased.

ORANGE COUNTY CEMETERY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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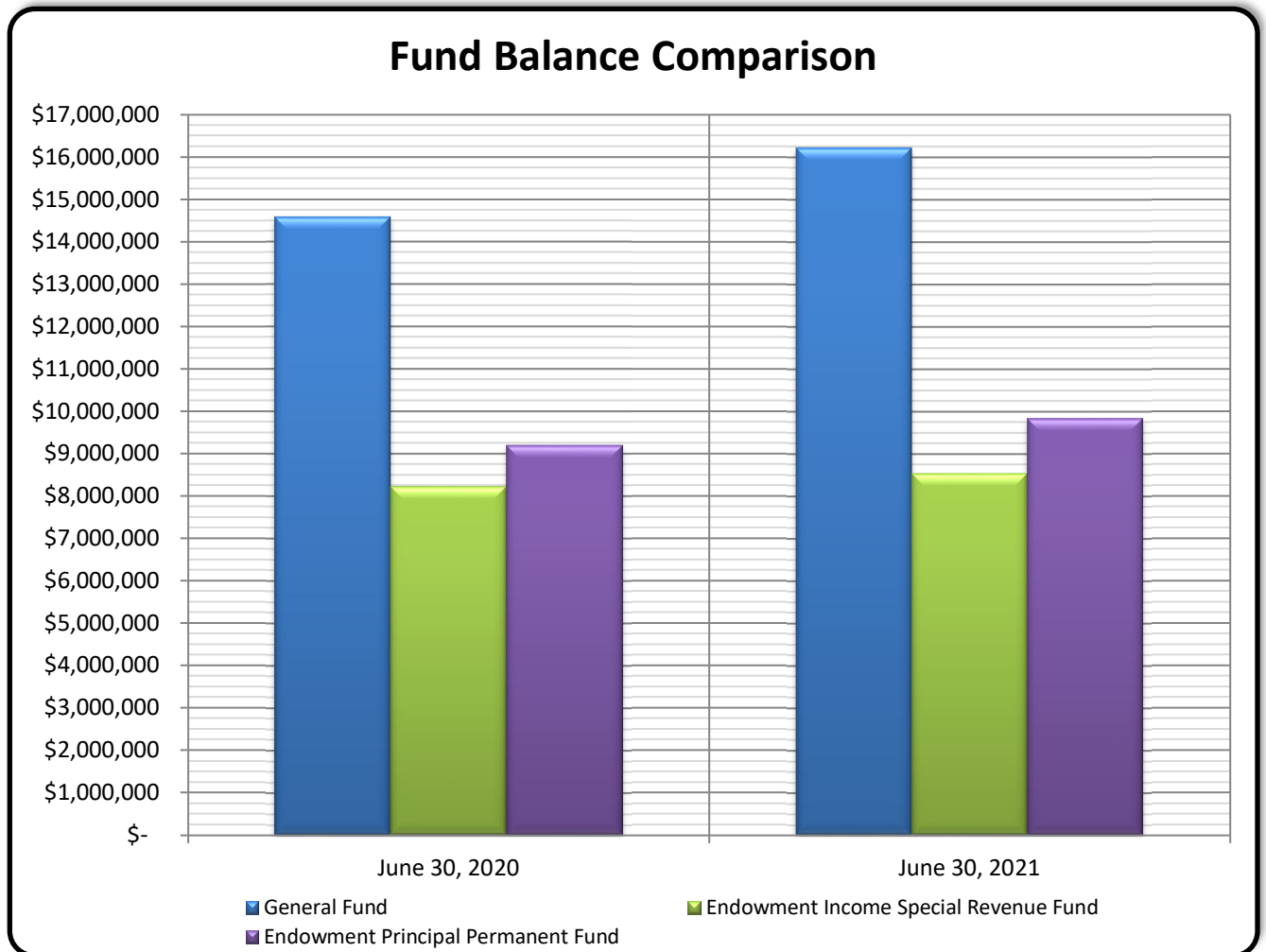
- FY 2020-21 capital outlay expenditures totaled \$1,478,327 and represented an increase of \$218,804 due to the Santa Ana Asphalt Road/Curb project carried over from FY 2019-20, new capital projects started and finished in FY 2020-21, and the continuing new cemetery project costs classified as Construction in Progress at June 30, 2021.

Endowment Care Income Fund

Fund balance in the Endowment Care Income Fund increased by \$312,895 due to recognition of FY 2020-21 investment income of \$446,577, offset by a net decrease in fair value of (\$133,273), 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 \$634,957 due to recognition of FY 2020-21 endowment fees collected from interment space sales that totaled \$777,090 and a net decrease in fair value of (\$142,133). 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

Variations between the FY 2020-21 final (and original) adopted budget and the actual amounts are summarized as follows:

- Property tax revenues were \$110,107 (4.5%) 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 \$1,499,476 (44.7%) more than estimated revenue due to the highest quantity of interment space and service purchases at El Toro Memorial Park in the past ten years; this trend did not follow the expected 10% decrease related to ceasing pre-need sales at Santa Ana Cemetery. A 1% increase in interment space fees, effective August 2020 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, 2021

- Investment income was \$118,203 (36.1%) less than estimated revenue due to investment rates of return of less than 1.0% for both Cal TRUST and Orange County Investment Pool (OCIP) investment portfolios. Pre-need deposits were combined with the General Fund in FY 2020-21, and investment of the deposits with a third-party investment manager was also impacted by lower than anticipated market rates of return. All investment values were reduced further by a net decrease in fair value at June 30, 2021 of \$118,405.
- Salary and benefits expenditures were more than budgeted expenditures by \$159,886 (5.7%) 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 less than budgeted expenditures by \$274,201 (15.5%) due to an accounting change that eliminated the expense related to pre-need deposits that was budgeted in FY 2020-21 at \$325,000. Excluding the \$325,000 savings from the pre-need expense budget, the remaining variance is an overage of \$50,799; included are cost overages for equipment maintenance, building/grounds maintenance and professional services/merchant. Increases in costs for services and supplies categories are attributed to the following:
 - Equipment maintenance – unplanned equipment repairs and higher fuel costs
 - Building/grounds maintenance – dirt hauling, waste disposal and security cost increases
 - Professional Services/Merchant Fees – change of credit card processing from Wells Fargo to GovPayNet resulted in a higher percentage fee on each transaction, but allowed for enhanced customer service with new phone and internet payment options.
- Capital Outlay expenditures were less than the adopted capital budget by \$291,673 (16.5%) due to the delay of the El Toro Frontage Beautification Project. The El Toro Frontage Beautification Project is on hold until work is completed by Southern California Edison to move existing underground lines. The capital outlay expenditures budget for FY 2020-21 included \$470,000 carryover to complete the Santa Ana Asphalt Road/Curb Project originally started in FY 2019-20. In addition, a total of \$1,100,000 was budgeted for New Cemetery Development (\$300,000) and El Toro Improvements (El Toro Asphalt Road/Curb Project \$500,000 and El Toro Frontage Beautification Project \$300,000). The Santa Ana Asphalt Road/Curb Project was completed & put into use in September 2020; the El Toro Asphalt Road/Curb Project was started and completed within the fiscal year and put into use in December 2020; \$392,000 of the New Cemetery Development budget was spent for as-needed site assessment, design and testing. Preliminary design and project scope of work were developed for the El Toro Frontage Beautification Project for \$26,000 of the \$300,000 allocated capital budget; the remainder of the contract was re-appropriated in the FY 2021-22 Budget to continue the improvements once Southern California Edison completes their relocation project.

Capital Asset and Debt Administration

Capital Assets - The District's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$18,688,860 (net of accumulated depreciation).

The Asphalt Road/Curb projects at Anaheim Cemetery (\$6,000 slurry seal), El Toro Memorial Park (\$417,000) and Santa Ana Cemetery (\$990,000) were all completed and equipment purchases totaling \$175,833 were put into service during FY 2020-21; these are all represented as additions to the capital assets, being depreciated and deletions to construction in progress. Additional expenses related to the development of the fourth public cemetery were incurred and are included as additions to construction in progress until the cemetery is complete. See Note 4 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 - At the end of FY 2020-21, the District did not have any real outstanding debt. However, the District did recognize other long-term liabilities of employee compensated absences of \$264,146 (an increase of \$10,543) and net OPEB liability of \$371,000 as of June 30, 2021. During FY 2020-21, the District maintained a net pension asset of \$145,195.

Economic Assumptions and FY 2021-22 Budget

The key General Fund assumptions considered in preparation of the District's FY 2021-22 Budget were:

- 2.2% increase in the Interment Space Fees (with the exception of infant spaces), change Eligible Non-Resident fee from a flat fee to 15% of interment space cost, and modification of specific Interment Service Fees to match cost (effective July 2021).
- 3% increase in property tax revenue based on County of Orange projections.
- 10% decrease in Interment Space Sales and 10% decrease in Interment Service & Other Fees due to diminishing inventory at Anaheim and Santa Ana locations.
- 3% increase in other revenue for Telecommunications Site Lease Agreement projected CPI adjustments.
- Retirement Employer Contribution rate of 14.63% (legacy employees) and 15.26% (new employees - PEPRAs), including a UAAL component of 3.01% on both.
- Range of increase of 2.5% to 5.0% for each employee's merit step increase.

ORANGE COUNTY CEMETERY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

- Allocation of \$35,000 for maintenance of new cemetery property
- 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 2021-22 total budget of \$259,000 with the following scheduled for purchase by the indicated location: Backhoe (\$95,000 Santa Ana), golf cart (\$14,000 El Toro), mower (\$34,000 El Toro), two utility vehicles (\$45,000 total El Toro & Santa Ana), truck (\$33,000 District) and sweeper (\$52,000 El Toro).
- Capital improvement projects scheduled: Anaheim Cemetery Improvements \$50,000; El Toro Memorial Park Improvements \$280,000; Santa Ana Cemetery Improvements \$40,000; New Cemetery Development \$400,000.

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

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

District Phone: (949) 951-9102

Website Contact: www.occemeterydistrict.com/forms.cfm?id=1

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Orange County Cemetery District
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Cash and investments	\$ 28,444,096
Cash in bank	315,045
Imprest cash	800
Accounts receivable	495,705
Taxes receivable, including interest, penalties and liens	46,394
Interest receivable	60,689
Due from other governmental agencies	10,972
Restricted assets	
Cash and investments	9,726,273
Capital assets not being depreciated	9,509,007
Capital assets being depreciated, net	9,179,853
Net pension asset	145,195
Total assets	57,934,029
Deferred Outflows of Resources	
Deferred amount related to pensions	830,878
Deferred amount related to OPEB	57,000
Total deferred outflows of resources	887,878
Liabilities	
Accounts payable	176,011
Accrued payroll	91,861
Due to other governmental agencies	61,253
Pre-need deposits	3,814,831
Compensated absences payable - due within one year	184,100
Noncurrent liabilities	
Compensated absences payable - due in more than one year	80,046
Net OPEB liability - due in more than one year	371,000
Total liabilities	4,779,102
Deferred Inflows of Resources	
Deferred amount related to pensions	1,184,715
Deferred amount related to OPEB	93,000
Total deferred inflows of resources	1,277,715
Net Position	
Investment in capital assets	18,688,860
Restricted for	
Nonexpendable - Endowment principal	9,831,363
Expendable - Maintenance	8,538,288
Unrestricted	15,706,579
	\$ 52,765,090

Orange County Cemetery District
Statement of Activities
For the Year Ended June 30, 2021

	Governmental Activities
Expenses	
Cemetery operations	
Salaries and employee benefits	\$ 2,776,336
Services and supplies	1,497,840
Depreciation expense	452,952
Total expenses	4,727,128
Program Revenues	
Charges for services	
Interment space sales, interment services and other sales	5,102,292
Endowment fees	777,090
Total program revenues	5,879,382
Net (Expenses)/ Revenues	1,152,254
General Revenues	
Property taxes	2,526,198
Investment income	262,148
Other revenues	97,390
Total general revenues	2,885,736
Change in net position	4,037,990
Net Position, Beginning	48,727,100
Net Position, Ending	\$ 52,765,090

Orange County Cemetery District

Balance Sheet – Governmental Funds

June 30, 2021

	General Fund	Special Revenue Fund Endowment Care Income	Permanent Fund Endowment Care Principal	Total Governmental Funds
Assets				
Cash and investments	\$ 19,958,582	\$ 8,485,514	\$ -	\$ 28,444,096
Cash in bank	315,045	-	-	315,045
Imprest cash	800	-	-	800
Restricted cash and investments	-	-	9,726,273	9,726,273
Accounts receivable	495,705	-	-	495,705
Taxes receivable	46,394	-	-	46,394
Interest receivable	7,906	52,783	-	60,689
Due from other funds	86,199	-	106,040	192,239
Due from other governmental agencies	10,972	-	-	10,972
Total assets	\$ 20,921,603	\$ 8,538,297	\$ 9,832,313	\$ 39,292,213
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 176,011	\$ -	\$ -	\$ 176,011
Accrued payroll	91,861	-	-	91,861
Due to other funds	191,289	-	950	192,239
Due to county	48	9	-	57
Due to other governmental agencies	61,196	-	-	61,196
Pre-need deposits	3,814,831	-	-	3,814,831
Total liabilities	4,335,236	9	950	4,336,195
Deferred inflows of resources				
Unavailable installment sale revenue	373,924	-	-	373,924
Fund Balances				
Nonspendable	-	-	9,831,363	9,831,363
Restricted	-	8,538,288	-	8,538,288
Committed	12,655,000	-	-	12,655,000
Unassigned	3,557,443	-	-	3,557,443
Total fund balances	16,212,443	8,538,288	9,831,363	34,582,094
Total Liabilities, Deferred Inflows of Resources,	\$ 20,921,603	\$ 8,538,297	\$ 9,832,313	\$ 39,292,213

Orange County Cemetery District
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
 June 30, 2021

Fund balances for governmental fund	\$ 34,582,094
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	18,688,860
Certain receivables are not available to pay for current period expenditures and therefore are reflected as deferred inflows of resources in the governmental funds	373,924
Net pension asset (liability) is not reported in the funds	145,195
Deferred outflows of resources related to pensions	830,878
Net OPEB liability is not reported in the funds	(371,000)
Deferred outflows of resources related to OPEB	57,000
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities: Compensated absences	(264,146)
Deferred inflows of resources related to pensions	(1,184,715)
Deferred inflows of resources related to OPEB	<u>(93,000)</u>
Net position of governmental activities	<u><u>\$ 52,765,090</u></u>

Orange County Cemetery District
 Statements of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
 For the Year Ended June 30, 2021

	General Fund	Special Revenue Fund Endowment Care Income	Permanent Fund Endowment Care Principal	Total Governmental Funds
Revenues				
Property taxes	\$ 2,526,198	\$ -	\$ -	\$ 2,526,198
Interment space sales, interment services and other sales	4,855,131	-	-	4,855,131
Endowment fees	-	-	777,090	777,090
Investment income	209,382	446,577	-	655,959
Net increase (decrease) in fair value of investments	(118,405)	(133,273)	(142,133)	(393,811)
Other revenues	97,390	-	-	97,390
Total revenues	7,569,696	313,304	634,957	8,517,957
Expenditures				
Current				
Salaries and employee benefits	2,948,253	-	-	2,948,253
Services and supplies	1,497,431	409	-	1,497,840
Capital outlay	1,478,327	-	-	1,478,327
Total expenditures	5,924,011	409	-	5,924,420
Net Change in Fund Balances	1,645,685	312,895	634,957	2,593,537
Fund Balances, Beginning as restated	14,566,758	8,225,393	9,196,406	31,988,557
Fund Balances, Ending	<u>\$ 16,212,443</u>	<u>\$ 8,538,288</u>	<u>\$ 9,831,363</u>	<u>\$ 34,582,094</u>

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, 2021

Net change in fund balances - total governmental funds: \$ 2,593,537

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	1,478,327
Depreciation expense	(452,952)
Change in unavailable revenue due to installment contract activity	247,161

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 compensated absences	(10,543)
Adjustment to pension expense reported on government wide statement of activities	158,460
Adjustment to OPEB expense reported on government wide statement of activities	<u>24,000</u>

Change in net position of governmental activities	<u>\$ 4,037,990</u>
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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 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 District's policy to use unrestricted resources first, and then use restricted 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 and b) endowment fees.

E. Cash and Investments

Cash and investments are reported in the accompanying state 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"> • Pooled cash with CalTRUST Medium Term fund for future capital expenditures • Wells Fargo revolving fund for operating needs • Third party investors and custodians that purchase specific investments (Stifel Investments) • Imprest cash
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.
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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

H. Deferred Outflows and Deferred Inflows of Resources

The District reports deferred outflows and inflows of resources. A deferred outflow of resources is a consumption of net position or fund balance by the government that is applicable to a future reporting period. A deferred inflow of resources represents an acquisition of net position or fund balance by the government that is applicable to a future period.

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.

I. 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.

J. 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.

K. 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, 2021, in the opinion of the District's management, the District had no material claims which would require a loss provision in the financial statements.

L. 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.

M. 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.

N. New Accounting Pronouncements**Effective in the Current Year**

GASB Statement No. 84 – In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The principal objective of GASB 84 is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. The District has implemented of this standard as of July 1, 2020.

GASB Statement No. 90 – In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The District has determined the implementation of this standard is immaterial to the District's financial statements.

GASB Statement No. 98 – In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. The statement establishes the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replaces instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The District implemented this statement effective July 1, 2020.

Effective in Future Fiscal Years

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement is effective for the reporting periods beginning after June 15, 2021, or 2021-2022 fiscal year. The District has not determined the effect of this Statement.

GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The Statement is effective for the reporting periods beginning after December 15, 2020. The District has not determined the effect of this Statement.

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 15, 2021. The District has not determined the effect of this Statement.

GASB Statement No. 92 – In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing practices issues that have been identified during implementation and application of certain GASB Statements. The Statement is effective for reporting periods beginning after June 15, 2021. The District has not determined the effect of this Statement.

GASB Statement No. 93 – In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an IBOR. The Statement is effective for reporting periods beginning after June 15, 2021. The District has not determined the effect of this Statement.

GASB Statement No. 94 – In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The Statement is effective for reporting periods beginning after June 15, 2022. The District has not determined the effect of this Statement.

GASB Statement No. 96 – In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The Statement is effective for reporting periods beginning after June 15, 2022. The District has not determined the effect of this Statement.

GASB Statement No. 97 – In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting For Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No.14 and No.84 and A Supersession of GASB Statement No.32*. The objective of this Statement is (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Statement is effective for reporting periods beginning after June 15, 2021. The District has not determined the effect of this Statement.

O. 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.

P. 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, 2021 consisted of the following:

Cash and Investments	
Investment in County Pool	\$ 6,150,473
Investment Trust of California	10,047,125
Cash in Bank	315,045
Imprest Cash	800
With Trustees	
Cash	440,395
Investments	11,806,103
Restricted Assets	
Investment in County Pool	1,125,031
With Trustees	
Cash	115,370
Investments	<u>8,485,872</u>
Total cash and investments	<u><u>\$ 38,486,214</u></u>
Cash	
Cash in Bank	\$ 315,045
Imprest Cash	800
Cash with Trustee	<u>555,765</u>
Total cash	<u><u>871,610</u></u>
Investments	
Investment in County Pool	7,275,504
Investment in Trust of California	10,047,125
Investments with Trustees	<u>20,291,975</u>
Total investments	<u><u>37,614,604</u></u>
Total cash and investments	<u><u>\$ 38,486,214</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%	None
Prime commercial paper	270 days	25%	5%	A1/P1
Negotiable certificates of deposit	10 years	30%	5%	None
Repurchase agreements	1 year	20%	20% of single issue	None
Reverse repurchase agreements	92 days	20% *	None	None
Securities lending	92 days	20% *	None	None
Medium term corporate notes	10 years**	30%	5%	A2
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	A
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

* 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.

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 Fair Value	Term to Maturity			
		12 Months or less	13 to 24 Months	25 to 60 Months	Greater than 60 Months
County Pooled Investment Funds (Orange County)	\$ 7,275,504	\$ 7,275,504	\$ -	\$ -	\$ -
Investment Trust of California	10,047,125	10,047,125	-	-	-
Medium Term Corporate Notes	6,971,634	1,915,774	3,451,775	1,603,485	600
Certificates of Deposit	4,284,226	2,073,617	1,376,431	834,178	-
Local Agency Bonds	8,914,419	1,481,971	3,153,849	4,197,848	80,751
Gov't Asset Backed/CMO Securities					
Federal National Mortgage Association	21,513	-	491	-	21,022
U.S. Agencies:					
Federal National Mortgage Association	100,183	100,183	-	-	-
	<u>\$ 37,614,604</u>	<u>\$ 22,894,174</u>	<u>\$ 7,982,546</u>	<u>\$ 6,635,511</u>	<u>\$ 102,373</u>

As of June 30, 2021, the District held \$21,513 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 Fair Value	Minimum Rating	Actual Ratings at Year-end									
			Aaa	Aa1	Aa2	Aa3	A1	A2/A3*	Baa1/Baa2*	Baa3*	Not Rated	
County Pooled Investment Funds	\$ 7,275,504	N/A	\$ 7,275,504	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Trust of California	10,047,125	N/A	-	-	-	-	-	-	-	-	-	10,047,125
Medium Term Corporate Notes	6,971,634	A2	206,271	-	339,069	753,147	1,246,734	3,957,306	314,966	153,541	-	600
Certificates of Deposit	4,284,226	N/A	-	-	-	-	-	-	-	-	-	4,284,226
Local Agency Bonds	8,914,419	N/A	172,486	766,190	2,376,516	1,290,582	1,713,430	2,445,291	149,924	-	-	-
Gov't Asset Backed/CMO Securities:												
Federal National Mortgage Association	21,513	A	-	-	-	-	-	-	-	-	-	21,513
U.S. Agencies:												
Federal National Mortgage Association	100,183	N/A	100,183	-	-	-	-	-	-	-	-	-
	<u>\$ 37,614,604</u>		<u>\$ 7,754,444</u>	<u>\$ 766,190</u>	<u>\$ 2,715,585</u>	<u>\$ 2,043,729</u>	<u>\$ 2,960,164</u>	<u>\$ 6,402,597</u>	<u>\$ 464,890</u>	<u>\$ 153,541</u>	<u>\$ -</u>	<u>\$ 14,353,464</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 \$600 as of June 30, 2021, and are not rated by any of the nationally recognized credit rating organizations. The District holds investments downgraded to Baa1/Baa2 and Baa3 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 \$7,275,504 of the District's cash and investments at June 30, 2021 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, 2021 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, 2021 cash deposited in the District's revolving fund totaled \$315,045.

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, 2021 were as follows:

Investment Type	Fair Value	Level 2	Level 3
Medium Term Corporate Notes	\$ 6,971,634	\$ 6,971,034	\$ 600
Certificates of Deposit	4,284,226	4,284,226	-
Local Agency Bonds	8,914,419	8,914,419	-
Gov't Asset Backed/CMO Securities			
Federal National Mortgage Association	21,513	-	21,513
U.S. Agencies:			
Federal National Mortgage Association	100,183	100,183	-
	\$ 20,291,975	\$ 20,269,862	\$ 22,113
Total leveled investments			
Uncategorized			
County Pooled Investment Funds (Orange County)	\$ 7,275,504		
Investment Trust of California	10,047,125		
	\$ 37,614,604		
Total investment portfolio			

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 - Capital Assets

Change in capital assets for the year ended June 30, 2021, were as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets, not being depreciated				
Land	\$ 8,748,396	\$ -	\$ -	\$ 8,748,396
Construction in progress	877,651	1,302,494	(1,419,534)	760,611
Total capital assets, not being depreciated	<u>9,626,047</u>	<u>1,302,494</u>	<u>(1,419,534)</u>	<u>9,509,007</u>
Capital assets, being depreciated				
Structures and improvements	13,029,123	1,419,534	-	14,448,657
Furniture and equipment	1,255,794	175,833	(10,402)	1,421,225
Total capital assets, being depreciated	<u>14,284,917</u>	<u>1,595,367</u>	<u>(10,402)</u>	<u>15,869,882</u>
Less accumulated depreciation for				
Structures and improvements	(5,514,271)	(369,892)	-	(5,884,163)
Furniture and equipment	(733,208)	(83,060)	10,402	(805,866)
Total accumulated depreciation	<u>(6,247,479)</u>	<u>(452,952)</u>	<u>10,402</u>	<u>(6,690,029)</u>
Total capital assets, being depreciated, net	<u>8,037,438</u>	<u>1,142,415</u>	<u>-</u>	<u>9,179,853</u>
Capital assets, net of accumulated depreciated	<u>\$ 17,663,485</u>	<u>\$ 2,444,909</u>	<u>\$ (1,419,534)</u>	<u>\$ 18,688,860</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 5 - Compensated Absences

The estimated liability for compensated employee absences relates to accumulated time allowed for vacation pay and compensatory pay. Amounts are payable upon termination of employment. Changes in compensated absences for the year ended June 30, 2021 were as follows:

	<u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2021</u>	<u>Due within one year</u>
Compensated absences	\$ 253,603	\$ 220,382	\$ (209,839)	\$ 264,146	\$ 184,100

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

Note 6 - 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 twelve 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).

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 PEPRA 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 benefit 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 2020-2021 (based on the December 31, 2020 valuation) were 12.05% of compensation for plan N members and 12.33% of compensation for plan U members. Contributions to the plan in Fiscal year 2020-2021 were \$198,000, which were paid to the Plan in November 2019, 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 2020-2021 vary by member based on age of entry. The range of contribution rates is as follows: plan N (2.0% @ 55) – 7.60% to 13.58%, and Plan U (2.5% @ 67) – 8.90% to 16.04%.

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

As of June 30, 2021, the District reported a net pension asset of \$145,195 for its proportionate share of the collective net pension liability. The collective net pension liability for the Plan was measured as of December 31, 2020. 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, 2019. 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, 2019. The General Fund, in the governmental activities, are the primary funds used to liquidate the pension liabilities. At December 31, 2019 and 2020, the District’s proportion of the collective net pension liability was as follows:

	<u>Miscellaneous</u>
Proportion - December 31, 2020	-0.003%
Proportion - December 31, 2019	<u>-0.004%</u>
Change - Increase (Decrease)	<u><u>0.001%</u></u>

At the year ended June 30, 2021, the District recognized pension expense of \$39,540. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between projected and actual earnings on plan investments	\$ -	\$ 761,554
Differences between actual and expected experience	528,105	423,161
Changes in assumptions	<u>302,773</u>	<u>-</u>
Total	<u><u>\$ 830,878</u></u>	<u><u>\$ 1,184,715</u></u>

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>	
2022	\$ (155,369)
2023	8,260
2024	(225,303)
2025	(81,645)
Thereafter	<u>-</u>
	<u>\$ (353,837)</u>

Actuarial Assumptions – The collective total pension liability as of December 31, 2020 was determined by rolling forward the total pension liability from the actuarial valuation as of December 31, 2019. 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, 2019.

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%, varying by service, including inflation
Investment Rate of Return	7.00%, net of pension plan investment 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, 2020. 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, 2020.

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)	\$ 1,621,494	\$ (145,195)	\$ (1,585,318)

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 7 - Other Postemployment Benefits

At June 30, 2021, 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	\$ 371,000
Deferred outflows related to OPEB	57,000
Deferred inflows related to OPEB	93,000
OPEB Expense	29,000

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 PEPR 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 PEPR 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, 2021, the District's contributions were \$53,000, \$25,000 of which was paid to the Plan during the fiscal year and was immediately recognized as part of fiduciary net position.

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

At June 30, 2021, the District reported a liability of \$371,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2020. 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 December 31, 2020, the District's proportion was 0.111 percent, an increase of 0.0085 percent from the prior measurement date.

Orange County Cemetery District

Notes to Financial Statements

June 30, 2021

For the year ended June 30, 2021, the District recognized OPEB expense of \$29,000. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 9,000
Changes in assumptions	-	14,000
Changes in proportion	29,000	50,000
Net difference between projected and actual earnings on plan investments	-	20,000
OPEB contributions subsequent to measurement date	28,000	-
Total	\$ 57,000	\$ 93,000

\$28,000 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, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended, June 30,	Amortization
2022	\$ (15,000)
2023	(11,000)
2024	(17,000)
2025	(12,000)
2026	(8,000)
2027+	(1,000)
Total	\$ (64,000)

Actuarial Assumptions – The total OPEB liability in the June 30, 2020 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, 2020
Discount Rate and Long-Term Expected Rate of Return on Investments	7.00% at December 31, 2020 7.00% at December 31, 2019 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 Administrative expenses equal 0.01% of assets No crossover
General Inflation	2.75% per annually
Payroll Increases ⁽¹⁾	Aggregate Increases – 3.25% annually Merit – OCERS 2014-2016 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 2014-2016 Experience Study
Mortality Improvement	Mortality projected fully generational with Society of Actuaries mortality improvement Scale MP-16
Health Care Cost Trend	Non-Medicare – 7.25% for 2021, decreasing to 4.0% for 2076 and later Medicare – 6.3% for 2021, decreasing to 4.0% for 2076 and later
Grant Participation for Future Retirees	50% to 95% Based on employee group and Grant service at retirement
Spouse Participation at Retirement	New retirees in County medical plans – 35% New retirees in AOCDS medical plans – 65%

⁽¹⁾ Merit Increases – OCERS 2014-2016 Experience Study

Mortality rates were based on the assumed future mortality improvements using Society of Actuaries (SOA) Scale MP-16.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00 percent as of December 31, 2020. 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	13.00%	9.41%
Small Cap Equity	2.00%	9.68%
International Developed	2.00%	5.08%
Emerging Markets Equity	1.00%	0.65%
Core Bonds	2.50%	3.25%
High Yield Bonds	3.01%	0.53%
TIPS	3.01%	1.44%
Emerging Market Debt	0.98%	4.42%
Corporate Equity	2.50%	10.18%
Long Duration Fixed	2.50%	5.47%
Real Estate	2.50%	6.67%
Private Equity	2.50%	8.58%
Value Added Real Estate	1.50%	1.10%
Opportunistic Real Estate	1.50%	2.91%
Energy	2.00%	7.42%
Infrastructure (Core Private)	9.00%	2.50%
Infrastructure (Non-Core)	9.00%	2.13%
CTA – Trend Following	1.50%	2.38%
Global Macro	13.00%	8.92%
Private Credit	23.10%	5.43%
Alternative Risk Premia	1.90%	6.21%
Total	100%	

-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:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net OPEB Liability	\$ 468,000	\$ 371,000	\$ 290,000

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:

	1% Decrease (6.25%/5.3% decreasing to 3.0%)	Current Healthcare Cost Trend Rate (7.25%/6.3% decreasing to 4.0%)	1% Increase (8.25%/7.3% decreasing to 5.0%)
Net OPEB Liability	\$ 358,000	\$ 371,000	\$ 384,000

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 a Comprehensive Annual Comprehensive Financial Report for each fiscal year ending on December 31, which includes the Retiree Medical Trust. The CAFR can be obtained online at 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 8 - Net Position and Fund Balance Classifications

The District's Statement of Net Position reports a total of \$52,765,090, including \$15,706,579 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 Fund Endowment Care Income	Permanent Fund Endowment Care Principal	Total Governmental Funds
Fund Balance				
Nonspendable				
Endowment principal	\$ -	\$ -	\$ 9,831,363	\$ 9,831,363
Restricted				
Maintenance	-	8,538,288	-	8,538,288
Committed				
Cemetery development	12,655,000	-	-	12,655,000
Unassigned	3,557,443	-	-	3,557,443
Total fund balance	\$ 16,212,443	\$ 8,538,288	\$ 9,831,363	\$ 34,582,094

Note 9 - 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 \$10,000,000 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 10 - 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 11 - 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 Districts deferred compensation plan contributions totaled \$23,062 for the year ended June 30, 2021.

Note 12 – Restatement

As of July 1, 2020, the District adopted GASB Statement No. 84, *Fiduciary Activities*. As a result, the District restated fund balance as of June 30, 2020 to properly reflect beginning fund balance and the change in accounting related to the implementation. The restatement is summarized as follows:

	Fund Balance, as previously stated at June 30, 2020	Restatement	Fund Balance, restated at June 30, 2020
General Fund	\$ 13,705,141	\$ 861,617	\$ 14,566,758
Pre-Need Trust Special Revenue Fund	861,617	(861,617)	-

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Required Supplementary Information
June 30, 2021

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, 2021

	2021	2020
Proportion of the net pension liability (asset)	-0.003%	-0.004%
Proportionate share of the net pension liability (asset)	\$ (145,195)	\$ (228,119)
Covered payroll	\$ (1,730,433)	\$ 1,595,506
Proportionate Share of the net pension liability (asset) as a percentage of covered payroll	8.39%	-14.30%
Plan fiduciary net position as a percentage of the total pension liability	81.69%	76.67%
Measurement Date	12/31/2020	12/31/2019

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

2019	2018	2017	2016	2015
0.016%	-0.004%	0.004%	0.009%	-0.002%
\$ 962,119	\$ (173,677)	222,409	\$ 533,906	\$ (95,350)
\$ 1,535,865	\$ 1,419,045	1,288,388	\$ 1,247,006	\$ 1,202,916
62.64%	-12.24%	17.26%	42.82%	-7.93%
70.03%	74.93%	71.16%	67.10%	69.42%
12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014

Orange County Cemetery District
 Schedule of Pension Contributions – Last Ten Years
 Year Ended June 30, 2021

	2021	2020
Actuarially determined contributions	\$ 187,000	\$ 962,119
Contributions in relation to the actuarially determined contribution	(187,000)	(962,119)
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 1,730,433	\$ 1,679,035
Contributions as a percentage of covered payroll	10.81%	57.30%

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 171,000 <u>(171,000)</u>	\$ 162,000 <u>(162,000)</u>	\$ 151,000 <u>(151,000)</u>	\$ 144,000 <u>(144,000)</u>	\$ 173,708 <u>(1,837,000)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,663,292)</u>
\$ 1,605,252	\$ 1,489,052	\$ 1,370,975	\$ 1,201,900	\$ 1,254,660
10.65%	10.88%	11.01%	11.98%	146.41%

Orange County Cemetery District
 Schedule of Proportionate Share of the Net OPEB Liability – Last Ten Years
 Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	\$ 371,000	\$ 364,000	\$ 460,000	\$ 482,000
District's proportionate share of the net OPEB liability	0.1110%	0.1025%	0.1110%	0.1203%
District's covered payroll	\$ 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	23.57%	23.93%	26.64%	28.87%
Plan fiduciary net position as a percentage of the total OPEB liability	55.38%	51.02%	42.60%	42.30%

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

Orange County Cemetery District
 Schedule of OPEB Contributions – Last Ten Years
 Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually determined contribution	\$ 53,000	\$ 56,000	\$ 60,000	\$ 59,000
Contributions in relation to the contractually determined contributions	<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>
Covered payroll	\$ 1,635,000	\$ 1,537,000	\$ 1,796,640	\$ 1,714,876
Contributions as a percentage of covered payroll	3.24%	3.64%	3.34%	3.44%

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

Orange County Cemetery District
 General Fund – Budgetary Comparison Schedule
 For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	\$ 2,416,091	\$ 2,416,091	\$ 2,526,198	\$ 110,107
Interment space sales, interment services and other sales	3,355,655	3,355,655	4,855,131	1,499,476
Investment income	327,585	327,585	209,382	(118,203)
Net increase (decrease) in fair value of investments	-	-	(118,405)	(118,405)
Other revenues	76,789	76,789	97,390	20,601
Total revenues	<u>6,176,120</u>	<u>6,176,120</u>	<u>7,569,696</u>	<u>1,393,576</u>
Expenditures				
Current				
Salaries and employee benefits	2,788,367	2,788,367	2,948,253	(159,886)
Services and supplies	1,771,632	1,771,632	1,497,431	274,201
Capital expenditures	1,770,000	1,770,000	1,478,327	291,673
Total expenditures	<u>6,329,999</u>	<u>6,329,999</u>	<u>5,924,011</u>	<u>405,988</u>
Excess of Revenues over Expenditures	<u>(153,879)</u>	<u>(153,879)</u>	<u>1,645,685</u>	<u>\$ 1,799,564</u>
Fund Balance, Beginning	<u>14,566,758</u>	<u>14,566,758</u>	<u>14,566,758</u>	
Fund Balance, Ending	<u>\$ 14,412,879</u>	<u>\$ 14,412,879</u>	<u>\$ 16,212,443</u>	

Orange County Cemetery District
 Endowment Care Income Special Revenue Fund Budgetary Comparison Schedule
 For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 388,500	\$ 388,500	\$ 446,577	\$ 58,077
Net increase (decrease) in fair value of investments	-	-	(133,273)	(133,273)
Total revenues	388,500	388,500	313,304	(75,196)
Expenditures				
Current				
Services and supplies	200	200	409	(209)
Net Change in Fund Balance	388,300	388,300	312,895	\$ (75,405)
Fund Balance, Beginning	8,225,393	8,225,393	8,225,393	
Fund Balance, Ending	\$ 8,613,693	\$ 8,613,693	\$ 8,538,288	

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 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, 2021

Orange County Cemetery District

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Orange County Cemetery District
 Schedule of General Fund Expenditures
 For the Year Ended June 30, 2021

Salaries and Employee Benefits	
Salaries and wages	\$ 2,098,716
Retirement contributions and retiree medical insurance	342,690
Medical, unemployment and compensation insurance contributions	<u>506,847</u>
Total salaries and employee benefits	<u>2,948,253</u>
Services and Supplies	
Communications	29,458
Insurance	46,452
Maintenance of equipment	127,296
Maintenance of structures, improvements and grounds	490,701
Clothing and allowance	22,273
Office	66,086
Professional and specialized services	187,592
Publications, legal notices and memberships	15,149
Equipment rental	9,498
Small tools	12,332
Transportation and travel	7,077
Utilities	169,835
Special department	<u>313,682</u>
Total services and supplies	<u>1,497,431</u>
Capital Outlay	
Equipment	175,833
Structures and improvements	<u>1,302,494</u>
Total capital outlay	<u>1,478,327</u>
Total expenditures	<u><u>\$ 5,924,011</u></u>

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Statistical Section

June 30, 2021

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 five sections pertaining to financial trends, revenue capacity, debt 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, 2021

	June 30 2012	June 30 2013	June 30 2014	June 30 2015	June 30 2016	June 30 2017
Governmental activities						
Net investment in capital assets	\$ 6,388	\$ 6,812	\$ 6,625	\$ 6,654	\$ 6,771	\$ 6,785
Restricted	11,322	11,798	12,589	13,217	14,126	14,665
Unrestricted	6,260	6,642	7,853	7,370	8,990	10,647
Total governmental activities net position	<u>\$ 23,970</u>	<u>\$ 25,252</u>	<u>\$ 27,066</u>	<u>\$ 27,241</u>	<u>\$ 29,887</u>	<u>\$ 32,098</u>

Source: OC Cemetery District Finance Department

<u>June 30</u> <u>2018</u>	<u>June 30</u> <u>2019</u>	<u>June 30</u> <u>2020</u>	<u>June 30</u> <u>2021</u>
\$ 7,361	\$ 16,812	\$ 17,663	\$ 18,689
15,133	16,245	17,418	18,370
11,158	12,269	13,607	15,707
<u>\$ 33,652</u>	<u>\$ 45,326</u>	<u>\$ 48,689</u>	<u>\$ 52,765</u>

Orange County Cemetery District
Changes in Net Position
Last Ten Fiscal Years
(Amounts in Thousands)
For the Year Ended June 30, 2021

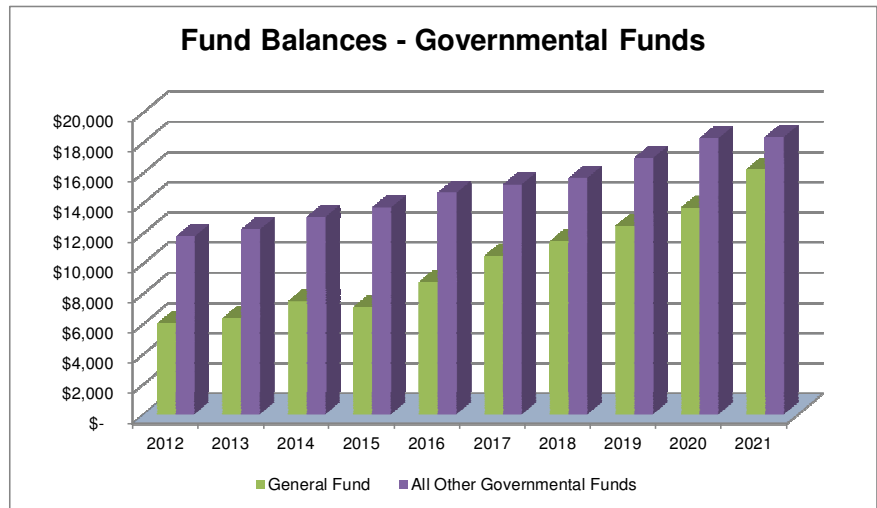
	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
Expenses						
Cemetery Operations						
Salaries and employee benefits	\$ 1,857	\$ 1,909	\$ 2,027	\$ 2,214	\$ 2,025	\$ 2,260
Services and supplies	813	983	979	940	1,039	1,159
Depreciation expense	354	329	346	326	327	341
Total expenses	<u>3,024</u>	<u>3,221</u>	<u>3,352</u>	<u>3,480</u>	<u>3,391</u>	<u>3,760</u>
Program Revenues						
Charges for services						
Interment space sales and service fees	1,860	2,147	2,591	2,942	2,958	3,279
Endowment fees	236	287	363	361	388	436
Capital contributions	-	-	-	-	-	-
Total program revenues	<u>2,097</u>	<u>2,433</u>	<u>2,954</u>	<u>3,303</u>	<u>3,346</u>	<u>3,715</u>
Net program (expenses)/revenues	<u>\$ (927)</u>	<u>\$ (788)</u>	<u>\$ (398)</u>	<u>\$ (176)</u>	<u>\$ (46)</u>	<u>\$ (45)</u>
General Revenues and Other Changes in Net Position						
Property taxes	\$ 1,513	\$ 1,673	\$ 1,678	\$ 1,800	\$ 1,904	\$ 2,017
Investment income	372	222	463	322	702	147
Other revenues	65	174	72	72	86	92
Total general revenues	<u>1,950</u>	<u>2,069</u>	<u>2,213</u>	<u>2,195</u>	<u>2,692</u>	<u>2,256</u>
Total Change in Net Position	<u>\$ 1,023</u>	<u>\$ 1,281</u>	<u>\$ 1,814</u>	<u>\$ 2,018</u>	<u>\$ 2,646</u>	<u>\$ 2,211</u>

Source: OC Cemetery District Finance Department

Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
\$ 2,417	\$ 2,664	\$ 2,637	\$ 2,776
1,201	1,689	1,504	1,498
353	381	409	453
<u>3,971</u>	<u>4,734</u>	<u>4,550</u>	<u>4,727</u>
3,259	3,770	3,642	5,102
411	448	412	777
-	8,498	-	-
<u>3,669</u>	<u>12,716</u>	<u>4,054</u>	<u>5,879</u>
<u>\$ (302)</u>	<u>\$ 7,982</u>	<u>\$ (496)</u>	<u>\$ 1,152</u>
\$ 2,170	\$ 2,301	\$ 2,416	\$ 2,526
68	1,303	1,357	262
69	89	86	97
<u>2,307</u>	<u>3,693</u>	<u>3,858</u>	<u>2,886</u>
<u>\$ 2,005</u>	<u>\$ 11,675</u>	<u>\$ 3,363</u>	<u>\$ 4,038</u>

Orange County Cemetery District
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Amounts in Thousands)
For the Year Ended June 30, 2021

	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
General Fund					
Nonspendable	\$ 187	\$ 181	\$ 199	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	2,500	2,500	4,050	6,050	7,050
Assigned	-	1,981	1,663	-	-
Unassigned	3,336	1,716	1,580	1,063	1,720
Total general fund	<u>\$ 6,023</u>	<u>\$ 6,378</u>	<u>\$ 7,492</u>	<u>\$ 7,113</u>	<u>\$ 8,770</u>
All other governmental funds					
Nonspendable	6,005	6,247	6,648	6,951	7,374
Restricted	5,317	5,550	5,941	6,265	6,752
Committed	-	-	-	-	-
Assigned	453	460	484	489	551
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 11,775</u>	<u>\$ 12,258</u>	<u>\$ 13,073</u>	<u>\$ 13,706</u>	<u>\$ 14,677</u>
Total fund balances of governmental funds	<u>\$ 17,798</u>	<u>\$ 18,636</u>	<u>\$ 20,565</u>	<u>\$ 20,818</u>	<u>\$ 23,447</u>



Source: OC Cemetery District Finance Department

Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
8,805	8,805	9,555	11,355	12,655
-	1,321	966	470	-
1,694	1,327	1,947	1,851	3,557
<u>\$ 10,499</u>	<u>\$ 11,453</u>	<u>\$ 12,468</u>	<u>\$ 13,676</u>	<u>\$ 16,212</u>
7,716	7,976	8,600	9,193	9,831
6,950	7,107	7,645	8,225	8,538
-	-	-	-	-
556	565	725	856	-
-	-	-	-	-
<u>\$ 15,222</u>	<u>\$ 15,647</u>	<u>\$ 16,970</u>	<u>\$ 18,274</u>	<u>\$ 18,370</u>
<u>\$ 25,720</u>	<u>\$ 27,100</u>	<u>\$ 29,438</u>	<u>\$ 31,950</u>	<u>\$ 34,582</u>

Orange County Cemetery District
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (Amounts in Thousands)
 For the Year Ended June 30, 2021

	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
Revenues				
Property taxes	\$ 1,513	\$ 1,673	\$ 1,678	\$ 1,800
Charges for services				
Interment space sales, service fees and other sales	1,826	2,123	2,559	2,888
Endowment fees	236	287	363	361
Investment income	419	394	393	445
Net increase/(decrease) in fair value of investments	14	(172)	70	(123)
Other revenues	65	174	72	72
Total revenues	<u>4,073</u>	<u>4,479</u>	<u>5,134</u>	<u>5,444</u>
Expenditures				
Current:				
Salaries and employee benefits	1,842	1,905	2,068	3,872
Services and supplies	806	919	971	925
Capital expenditures	331	817	166	370
Total expenditures	<u>2,979</u>	<u>3,641</u>	<u>3,205</u>	<u>5,167</u>
Excess (deficit) of revenues over expenditures	1,095	838	1,929	277
Other financing sources/(uses)				
Transfers in	-	-	281	297
Transfers out	-	-	(281)	(297)
Total other financing sources/(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 1,095</u>	<u>\$ 838</u>	<u>\$ 1,929</u>	<u>\$ 277</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%

Source: OC Cemetery District Finance Department

Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
\$ 1,904	\$ 2,017	\$ 2,170	\$ 2,301	\$ 2,416	\$ 2,526
2,964	3,308	3,198	3,749	3,673	4,855
388	436	411	448	412	777
502	488	576	749	778	656
200	(342)	(508)	553	578	(394)
86	92	69	89	86	97
<u>6,044</u>	<u>6,000</u>	<u>5,916</u>	<u>7,889</u>	<u>7,943</u>	<u>8,518</u>
1,932	2,213	2,406	2,528	2,666	2,948
1,023	1,164	1,201	1,689	1,504	1,498
460	350	930	1,334	1,260	1,478
<u>3,415</u>	<u>3,727</u>	<u>4,537</u>	<u>5,551</u>	<u>5,430</u>	<u>5,924</u>
2,629	2,273	1,380	2,338	2,513	2,594
339	369	292	93	129	-
<u>(339)</u>	<u>(369)</u>	<u>(292)</u>	<u>(93)</u>	<u>(129)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,629</u>	<u>\$ 2,273</u>	<u>\$ 1,380</u>	<u>\$ 2,338</u>	<u>\$ 2,513</u>	<u>\$ 2,594</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Orange County Cemetery District
 County of Orange Assessed Value of Taxable Property
 Last Ten Fiscal Years
 (Amounts in Thousands)
 For the Year Ended June 30, 2021

Fiscal Year	Residential Property	Industrial/ Commercial Property	Other Property ⁽²⁾	Unsecured Roll Gross Total ⁽³⁾	Total Taxable Assessed Value	Less: Exempt & Non-Reimbursed Exemptions	Net Taxable Assessed Value	Total Direct Tax Rate Percent ⁽¹⁾
2011	\$ 304,895,403	\$ 97,097,750	\$ 3,038,747	\$ 21,198,638	\$ 426,230,538	\$ (9,452,472)	\$ 416,778,066	1.00
2012	310,211,002	96,431,670	2,848,162	20,634,672	430,125,506	(9,729,486)	420,396,020	1.00
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

- 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, Comprehensive Annual Finance Report June 30, 2020 pgs 210-211 (most recent report available)

Orange County Cemetery District
County of Orange Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years ⁽⁴⁾
For the Year Ended June 30, 2021

Fiscal Year	Direct Rate ⁽¹⁾	Overlapping Rates ⁽²⁾				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	- ⁽³⁾	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

Notes:

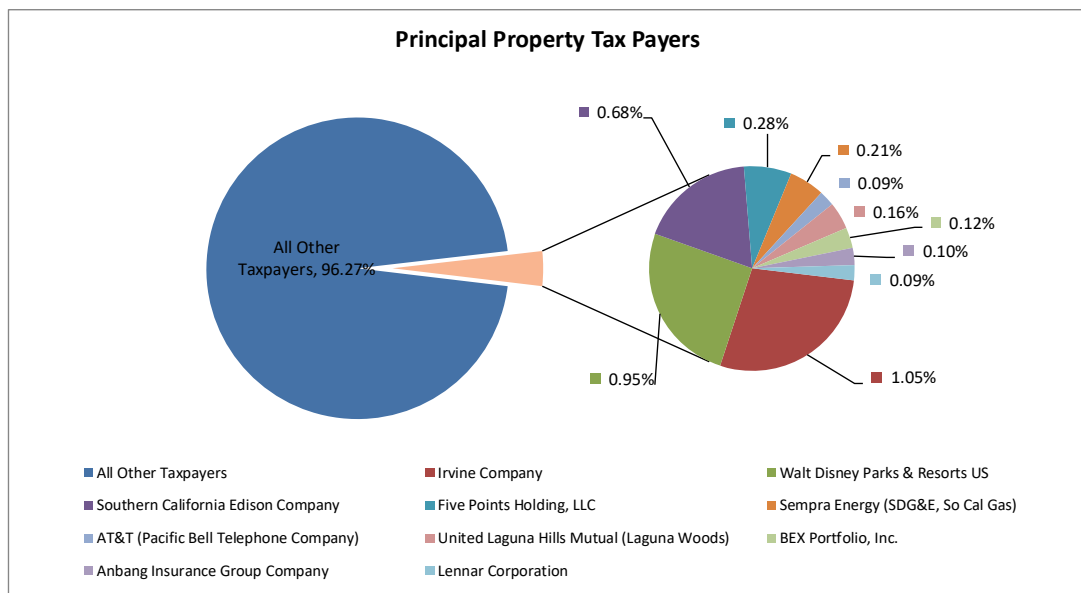
- (1) Article XIII A, added to the California Constitution by Proposition 13 in 1978, fixed the base valuation of property subject to taxes at the full cash value appeared on the Assessor's 1975-76 assessment roll. The full cash value can be increased to reflect the annual inflation up to 2 percent, 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, Comprehensive Annual Finance Report June 30, 2020 pg 212 (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, 2021

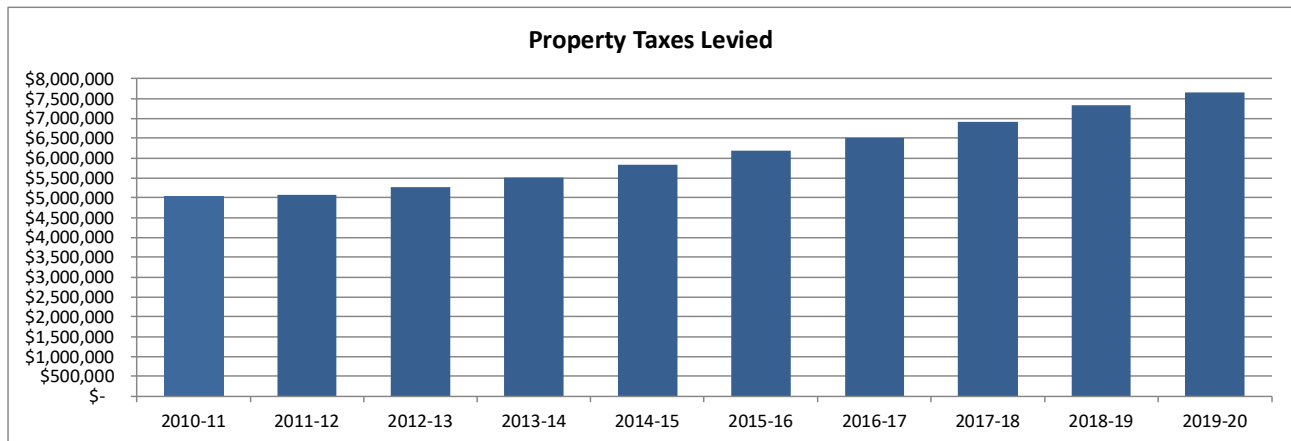
Taxpayer	2020			2011		
	Actual Taxes Levied	Rank	Percentage of Total Taxes Levied	Actual Taxes Levied	Rank	Percentage of Total Taxes Levied
Irvine Company	\$ 76,208	1	1.05%	\$ 60,286	1	1.19%
Walt Disney Parks & Resorts US	68,969	2	0.95%	45,147	2 & 8	0.90%
Southern California Edison Company	49,220	3	0.68%	28,050	3	0.56%
Five Points Holding, LLC	20,233	4	0.28%			
Sempra Energy (SDG&E, So Cal Gas)	14,883	5	0.21%			
United Laguna Hills Mutual (Laguna Woods)	11,346	6	0.16%			
BEX Portfolio, Inc.	8,680	7	0.12%			
Anbang Insurance Group Company	7,011	8	0.10%			
Lennar Corporation	6,799	9	0.09%			
AT&T (Pacific Bell Telephone Company)	6,474	10	0.09%			
Irvine Company LLC				28,605	4 & 5	0.57%
Irvine Apartment Communities				9,744	6	0.19%
Pacific Bell Telephone Company				9,001	7	0.18%
United Laguna Hills				7,283	9	0.14%
Heritage Fields El Toro LLC				7,012	10	0.14%
Total	\$ 269,823		3.73%	\$ 195,128		3.87%



Source: County of Orange, Comprehensive Annual Finance Report June 30, 2020 pg 213 (most recent report available)

Orange County Cemetery District
County of Orange Property Tax Levies and Collections
Last Ten Fiscal Years
(Amounts in Thousands)
For the Year Ended June 30, 2021

Fiscal Year	Taxes Levied For the Fiscal Year ⁽¹⁾	Collections within the Fiscal Year of the Levy ⁽²⁾		Collections of Delinquent Taxes from Prior Years	Total Collections for the Fiscal Year ⁽³⁾	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010-11	\$ 5,045,802	\$ 4,960,748	98.31%	\$ 35,665	\$ 4,996,413	99.02%
2011-12	5,079,589	5,002,490	98.48%	84,249	5,086,739	100.14%
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%	54,185	5,499,097	99.81%
2014-15	5,828,106	5,759,699	98.83%	59,019	5,818,718	99.84%
2015-16	6,183,862	6,119,771	98.96%	52,179	6,171,950	99.81%
2016-17	6,511,944	6,446,780	99.00%	48,232	6,495,012	99.74%
2017-18	6,925,546	6,855,493	98.99%	45,929	6,901,422	99.65%
2018-19	7,333,137	7,252,952	98.91%	42,520	7,295,472	99.49%
2019-20	7,664,009	7,567,252	98.74%	- ⁽⁴⁾	7,567,252	98.74%

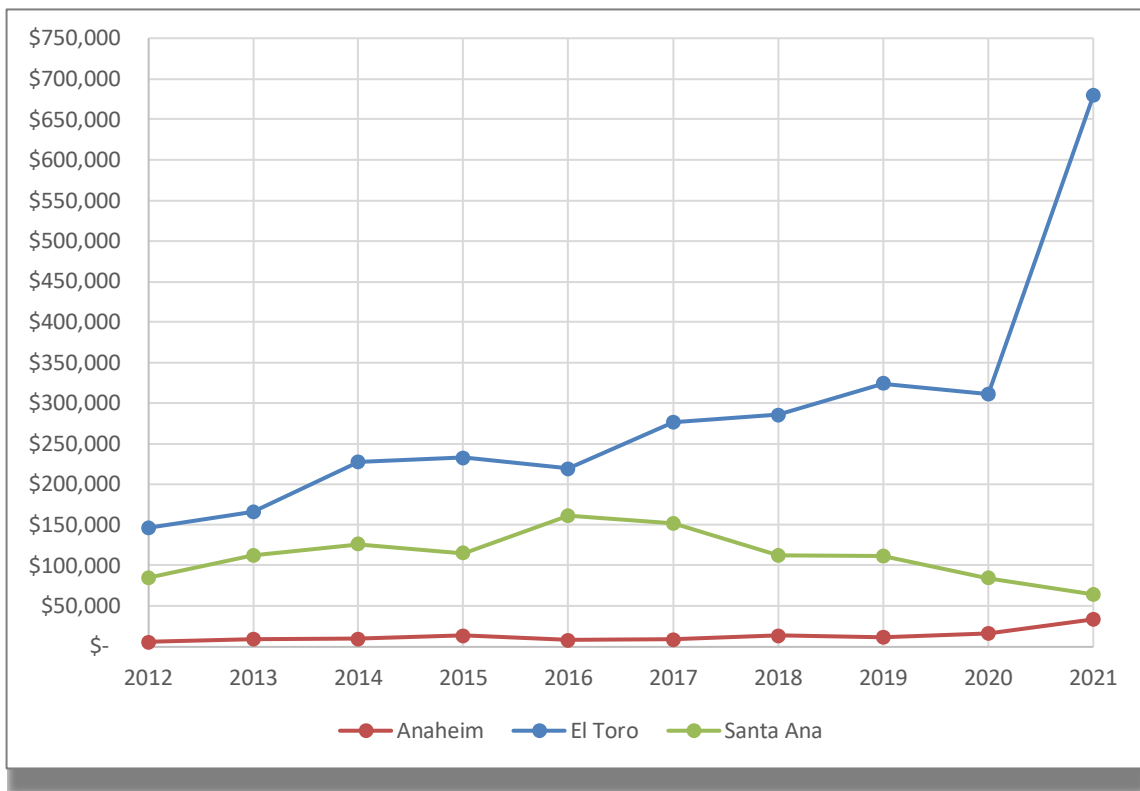


- Notes:
- (1) Total tax levy includes secured, supplemental, unsecured and former redevelopment agency increment, including penalties.
 - (2) Total tax collections include penalties.
 - (3) Total collections include collections of current year taxes and collections related to prior year levies. The 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, Comprehensive Annual Finance Report June 30, 2020 pg 214 (most recent report available)

Orange County Cemetery District
 Endowment Fees by Location
 Last Ten Fiscal Years
 For the Year Ended June 30, 2021

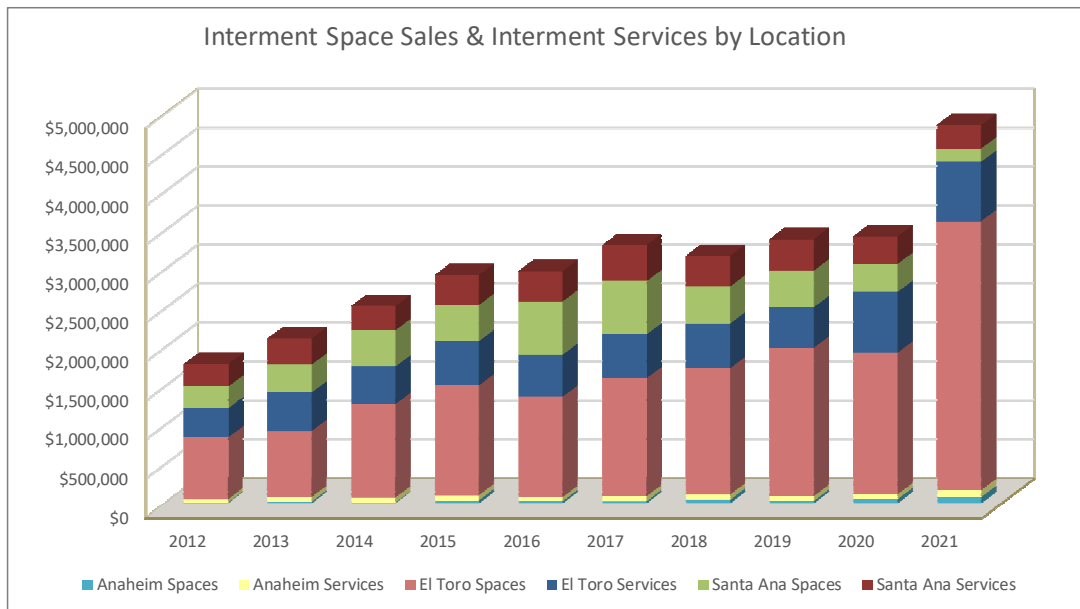
Fiscal Year	Anaheim	El Toro	Santa Ana	Total
2012	\$ 5,500	\$ 146,105	\$ 84,875	\$ 236,480
2013	8,800	165,700	112,150	286,650
2014	9,100	227,800	125,950	362,850
2015	13,300	232,850	115,000	361,150
2016	7,800	219,500	161,000	388,300
2017	8,550	276,250	151,622	436,422
2018	13,050	285,340	112,475	410,865
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



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, 2021

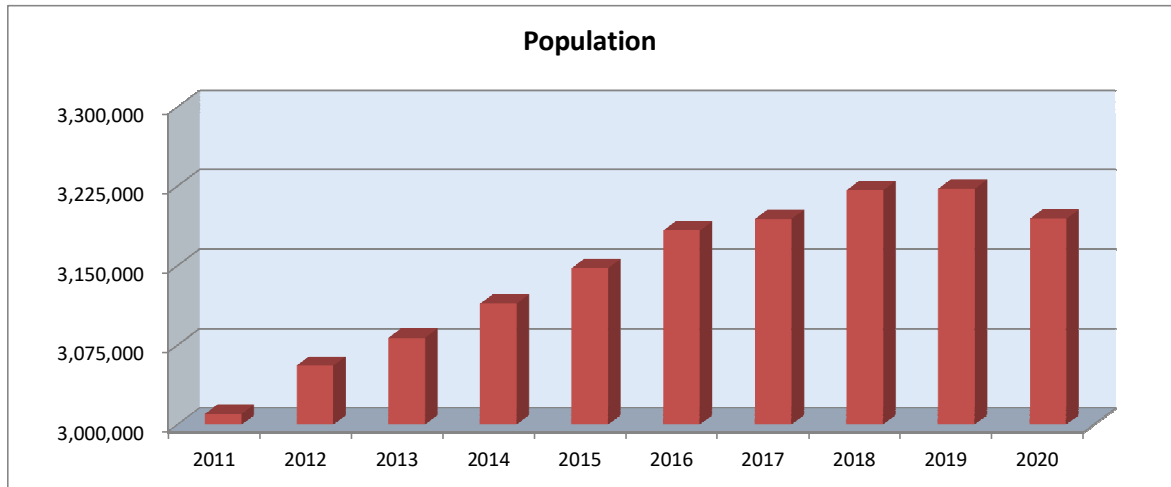
Fiscal Year	Anaheim		El Toro		Santa Ana		Total
	Interment Space Sales	Interment Services & Other Sales	Interment Space Sales	Interment Services & Other Sales	Interment Space Sales	Interment Services & Other Sales	
2012	\$ 10,439	\$ 39,940	\$ 801,904	\$ 371,811	\$ 280,852	\$ 286,457	\$ 1,791,403
2013	21,027	59,023	849,295	495,055	357,707	335,146	2,117,253
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	4,855,131



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, 2021

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (3)</u>	<u>Public School Enrollment in thousands (4)</u>	<u>Unemployment Rate (5)</u>
2011	3,010,232	\$ 159,007,100	\$ 52,822	37.3	502,895	8.6%
2012	3,055,792	166,345,500	54,436	36.7	502,195	8.1%
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%



- 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, Comprehensive Annual Finance Report June 30, 2020 pg 220 (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, 2021

2020

Employer	Number of Employees	Rank	Percent of Total County Employment
Walt Disney Co.	32,000	1	2.04%
University of California, Irvine	24,174	2	1.54%
County of Orange	18,435	3	1.17%
St. Joseph Health System	14,000	4	0.89%
Kaiser Permanente	8,200	5	0.52%
Albertsons	7,535	6	0.48%
Boeing Co.	6,500	7	0.41%
Hoag Memorial Hospital	6,500	8	0.41%
Walmart Inc.	6,200	9	0.39%
Target Corporation	6,000	10	0.38%

2011

Employer	Number of Employees	Rank	Percent of Total County Employment
Walt Disney Co.	22,000	1	1.37%
University of California, Irvine	21,291	2	1.33%
County of Orange	17,257	3	1.08%
St. Joseph Health System	12,048	4	0.75%
Boeing Co.	7,700	5	0.48%
Bank of America Corporation	6,300	6	0.39%
Yum Brands Inc.	6,300	7	0.39%
Kaiser Permanente	5,968	8	0.37%
Target Corporation	5,527	9	0.34%
Cedar Fair LP	5,200	10	0.32%

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

Source: County of Orange, Comprehensive Annual Finance Report June 30, 2020 pg 221 (most recent report available)

Orange County Cemetery District
 District Employees by Function
 Last Ten Fiscal Years
 For the Year Ended June 30, 2021

Fiscal Year	District			Cemetery		Total
	Administration	Operations	Finance/HR	Administration	Operations	
2012	2.00	1.00	1.00	3.00	14.00	21.00
2013	2.00	1.00	1.50	3.00	14.00	21.50
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

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, 2021

Fiscal Year	Interment Space Sales				Interment Services			
	Anaheim	El Toro	Santa Ana	Total	Anaheim	El Toro	Santa Ana	Total
2012	15	495	284	794	55	450	248	753
2013	27	493	335	855	81	500	318	899
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	68	1,223	135	1,426	125	934	324	1,383

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, 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Equipment ⁽¹⁾										
Grounds Maintenance:										
Anaheim	7.0	7.0	8.0	8.0	8.0	8.0	10.0	10.0	10.0	8.0
El Toro	18.0	16.0	17.0	16.0	16.0	15.0	16.0	20.0	20.0	21.0
Santa Ana	10.0	11.0	11.0	9.0	9.0	8.0	8.0	8.0	8.0	11.0
Vehicles:										
Anaheim	-	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0
El Toro	3.0	2.0	2.0	3.0	4.0	4.0	5.0	5.0	7.0	7.0
Santa Ana	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Office:										
Anaheim	-	-	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
District	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Buildings & Structures										
Buildings & Improvements										
Anaheim	5.0	5.0	5.0	5.0	5.0	5.0	5.0	7.0	7.0	7.0
El Toro	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Santa Ana	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	4.0
District	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Niche structures										
Anaheim	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
El Toro	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0
Santa Ana	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0
Infrastructure & Improvements ⁽²⁾										
Anaheim	4.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0	7.0
El Toro	9.0	10.0	11.0	11.0	12.0	12.0	12.0	12.0	12.0	13.0
Santa Ana	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	6.0	7.0

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

⁽²⁾ Infrastructure and improvements includes irrigation, fences, gates, roads, and groundwater well.

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