

not expected to recur at the same level during FY 2026-2027. The budget also continues to support employee training, professional development, information technology services, and public communications.

The District projects total operating expenses of approximately \$1.55 million, resulting in an estimated operating surplus of approximately \$636,000 before capital expenditures. This positive operating margin demonstrates the District's continued financial stability and its ability to fund future infrastructure needs while maintaining adequate reserves. Consistent with Board policy and sound fiscal management practices, surplus operating revenues are planned for transfer to reserve accounts designated for future capital improvements and potential debt service obligations.

A major focus of the FY 2026-2027 budget is preparation for significant long-term capital investments. Planned and future projects include development of Section B at the Shafter cemetery, construction of a replacement well to secure future water supplies, development of a Wasco shop and office facility, road improvements, tree management, and other infrastructure needs essential to supporting future burial capacity and operational efficiency. The budget contemplates future debt financing for certain large-scale projects, with projected annual debt service incorporated into long-range financial planning.

Overall, the FY 2026-2027 budget balances current operational needs with the District's responsibility to preserve and improve cemetery assets for future generations. Through conservative financial planning, investment in infrastructure, and careful management of reserves, the District remains well-positioned to continue providing high-quality cemetery services while addressing anticipated growth, aging infrastructure, and long-term maintenance obligations.