



**2021-2022**

**Annual Comprehensive Financial Report  
Year Ended June 30, 2022**



Mark A. Murphy  
Mayor



Kim Nichols  
Mayor pro tem



Chip Monaco  
Councilmember, At large



Arianna Barrios  
Councilmember, District 1



Jon Dumitru  
Councilmember, District 2



Kathy Tavoularis  
Councilmember, District 3



Ana Gutierrez  
Councilmember, District 5





# **City of Orange**

## **C a l i f o r n i a**

### **Annual Comprehensive Financial Report**

### **Fiscal Year Ended June 30, 2022**

**Prepared by:**  
**FINANCE DEPARTMENT**

**Susan Galvan**  
**Assistant City Manager**

# *Elected Officials*



CITY TREASURER  
RICHARD A. ROHM



CITY CLERK  
PAMELA COLEMAN



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# *Introductory Section*



**CITY OF ORANGE  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2022**

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# CITY OF ORANGE

FINANCE DEPARTMENT

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FAX: (714) 744-5147

December 16, 2022

To the Honorable Mayor, City Council and City Manager of the City of Orange, California:

The Annual Comprehensive Financial Report (ACFR) of the City of Orange (City), as prepared by the City's Finance Department, is hereby presented for your information. State law requires that every general-purpose local government issue within six months of the close of each fiscal year, a complete set of audited financial statements. This report fulfills that requirement for the fiscal year ended June 30, 2022.

Responsibility for preparation of the ACFR rests with the City's management. In addition, management assumes full responsibility for the accuracy, completeness, and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that have been established for this purpose. 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. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City of Orange. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have also been included.

The independent accounting firm of Lance Soll & Lunghard, LLP (Auditors) performed the annual financial audit, which was designed to meet the requirements of Government Auditing Standards. The Auditors have issued an unmodified opinion on the City's financial statements for the year ended June 30, 2022. The Independent Auditors' Report on the ACFR is included at the front of the financial section of this report.

The Management Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## PROFILE OF THE CITY OF ORANGE

The City of Orange, with a present population estimated at 137,676 is situated in central Orange County, approximately 32 miles southeast of Los Angeles. The City's land area is 24 square miles. Its planning area or "sphere of influence" is 62 square miles.





The City was incorporated in 1888 under the general laws of the State of California. Under a council-manager form of government, a mayor is elected every two years and, beginning with the November 2020 election, six council members are elected by district to four-year terms alternating on a two-year basis. The City Manager, who is the administrative official of the City, is appointed by the City Council.

The City provides a full range of services for its citizens. These services include police, fire, paramedic, emergency transportation, library, recreation and parks, senior services, planning and development, street improvements and lighting, and general administration. The City also operates a water utility and contracts for refuse collection services. In addition, the City provides aid to its citizens in the form of residential and commercial rehabilitation loans and economic development.

The former Orange Redevelopment Agency was a component unit of the City until the implementation of AB IX 26, which dissolved California Redevelopment Agencies effective January 31, 2012 (dissolution date). All funds remaining as of that date were transferred to the Successor Agency public trust fund. The City, per Resolution No. 10625, is the Successor Agency to the former Redevelopment Agency. The Successor Agency's (City Council) approvals are subject to review and confirmation by the Oversight Board (OB) and State Department of Finance (DOF). All transactions effective from the dissolution date and through the "wind-down" period, will be reported in the Successor Agency trust fund.

The annual budget is adopted by July 1<sup>st</sup> for all funds of the City on a basis consistent with generally accepted accounting principles. The budget is monitored to ensure compliance with legal provisions embodied in the appropriated budget as approved or amended by the City Council throughout the year. City staff is responsible for monitoring the appropriated budgets for all funds. The budget is prepared by fund, department (e.g. police), and activity (e.g. patrol). Transfers of appropriations between funds, between departments within a fund, and between capital outlay or debt service and another object group classification within a department, require City Council approval. All other transfers of appropriations can be made with City management approval.

## LOCAL ECONOMY

The local economy in the City of Orange has continued to improve since the Great Recession. Several key indicators of economic activity, including property tax, transient occupancy tax, licenses and permits, and fees for services, ended the year above budget. The City's largest revenue source, sales tax, increased by 5.1%, in the General Fund from the prior Fiscal Year (FY). County allocations for online sales trended upward as customers increased their spending on online shopping. The increase in fuel prices and a strong performance in business to business also contributed to this increase.

General Fund property tax revenue, increased \$1.3 million over the prior year. Assessed valuations continue to climb following the decreases during the Recession, and a robust real estate market has resulted in the revaluation of properties as they are transferred to new owners. In addition, the General Fund will continue to see an increase in residual revenues as a result of the dissolution of the Redevelopment Agency and as activities of the Successor Agency "wind-down". Interest rates were low through the majority of the year and only began to ramp up in late FY 22 with investments earning an average yield of .57%. Rates are expected to increase slightly in FY 23.

## RELEVANT FINANCIAL POLICIES

In FY 21, the City Council adopted Resolution No. 11304, establishing a Financial Reserve Policy and a Pension Funding Policy. These policies were adopted to establish adequate reserves to continue to meet its financial obligations in the event of economic uncertainty, catastrophes, or other unforeseen circumstances; and to establish a method to proactively manage future unfunded pension liabilities.

In the General Fund, this policy provides for a year-end “commitment” of fund balance of a minimum of 16.6% of annual General Fund expenditures. In addition, it provides for a year-end “assignment” of fund balance equal to the carryover of encumbered and unencumbered appropriations and the fund balances of certain funds within the General Fund reporting group.

## LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

Pursuant to the California Public Employees’ Pension Reform Act of 2013 (PEPRA) and related statutory changes, the City implemented a two-tiered retirement system with the California Public Employees Retirement System (CalPERS). This system provides for a second tier of reduced retirement benefits, effective for employees hired after January 1, 2013 who are also new to CalPERS. It includes a retirement benefit of 2% at 62 for miscellaneous employees and 2.7% at 57 for safety employees, and requires employee contribution rates of 6.75% and 12%, respectively. Over the long term, this reduced benefit tier is designed to decrease retirement costs for the City. As of June 30, 2022, there are 316 of the City’s 626 employees (50.5%) at this lower tier of retirement benefits.

**Sales Tax Sharing Program:** In May 2013, the City Council adopted Ordinance No. 4-13 establishing a Sales Tax Sharing Program as a new economic development incentive to promote business growth and job creation, and to enhance the economic base through increased sales tax revenue in the City of Orange. Under the Sales Tax Sharing Program, the City may enter into a Participation Agreement with the owners of existing or new local businesses that generate sales tax revenue to provide for economic development incentives. Currently, the City has Participation Agreements with one entity.

**Providing for Internal Service Funding (ISF):** The City maintains several Internal Service Funds (ISF). The City continues to reduce reserves in the Workers’ Compensation and General Liability funds as it strives to close out a number of older claims. Allocations to other ISFs, including the Employee Accrued Liability Fund (see below), Equipment Maintenance, Equipment Replacement, Information Systems, and Computer Replacement funds, ensure adequate future funding for each of those respective functions.

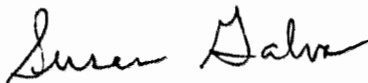
**Retirement Cost Increases and Pension Obligation Bond Issuance:** As part of their plan to fully fund all retirement plans within 30 years, CalPERS established a plan to dramatically increase contribution rates over a five-year period, beginning in FY 16. In addition, changes in actuarial assumptions based on life expectancy have increased retirement costs for all agencies. In FY 13, City Council established a contingency reserve in the Employee Accrued Liability Fund which set-aside monies to be used to offset future retirement costs. \$6.2 million has been set aside as of June 30, 2022.

On March 15, 2021, the City successfully issued 2.7% Pension Obligation Bonds (POBs), in the amount of \$286.5 million, to effectively refinance the City's Unfunded Accrued Liability (UAL) with CalPERS as of that date. The UAL represented ongoing expenditures with a 7% interest/discount rate, coupled with increasing annual contributions to reduce the overall balance. The overall projected savings in FY 23 is an estimated \$6.8 million.

## ACKNOWLEDGEMENTS

The preparation of the ACFR could not have been accomplished without the efficient and dedicated service of the Finance Department staff. We would like to express our appreciation to all members of the Department who assisted and contributed to the preparation of this report, particularly the Accounting division's financial reporting team. We also appreciate the assistance and support received from the Investment Advisory Committee and City departments in planning and conducting the financial operations of the City during this fiscal year, as well as the Mayor and Councilmembers for their steadfast support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Susan Galvan  
Assistant City Manager

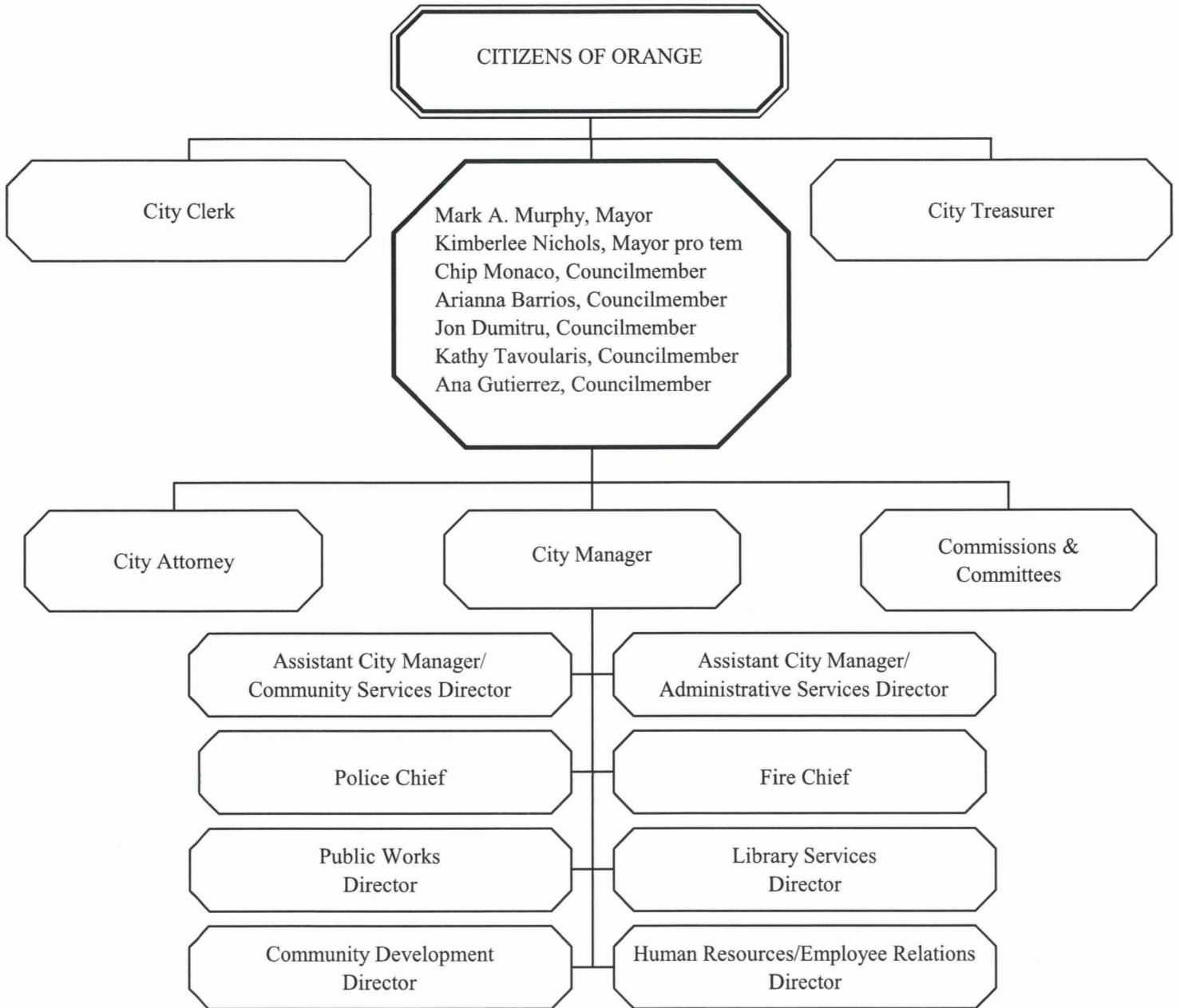


Katrin O. Bandhauer, CPA  
Assistant Finance Director



# CITY OF ORANGE

Organization Chart at June 30, 2022



**AT JUNE 30, 2022**

**ELECTED POSITIONS**

Mark A. Murphy ..... Mayor  
Kimberlee Nichols .....Mayor Pro Tem  
Chip Monaco .....Council Member at Large  
Arianna Barrios .....Council Member District 1  
Jon Dumitru .....Council Member District 2  
Kathy Tavoularis .....Council Member District 3  
Ana Gutierrez .....Council Member District 5  
Richard A. Rohm..... City Treasurer  
Pamela Coleman..... City Clerk

**ADMINISTRATIVE PERSONNEL**

Vacant..... City Manager  
Gary Sheatz..... City Attorney  
Will Kolbow.....Assistant City Manager/  
Administrative Services Director  
Leslie Hardy.....Community Services Director  
Dan Adams..... Police Chief  
Christopher Cash..... Public Works Director  
Sean Demetropolis ..... Fire Chief  
Susan Galvan.....Interim Community Development Director  
Monica Espinoza.....Human Resources Director  
Dave F. Curtis.....Library Services Director

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# *Financial Section*







## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of Orange, California

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orange, California, (the "City") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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



To the Honorable Mayor and Members of the City Council  
City of Orange, California

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

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

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

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

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

### ***Other Reporting Responsibilities***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules for the General Fund and major special revenue funds, and the required pension and other post-employment benefits schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Honorable Mayor and Members of the City Council  
City of Orange, California

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 statements 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 supplementary information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

*Other Information*

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022, 2022 on our consideration of the City'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 City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Soll &amp; Luyghard, LLP".

Brea, California  
December 16, 2022

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# *Management's Discussion and Analysis*



## MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of this Management's Discussion and Analysis is to interpret and summarize the financial changes in the City of Orange Financial Statements for Fiscal Year 2021-22. This analysis will focus on the significant changes in an effort to explain the City's overall financial condition. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our Letter of Transmittal, Notes to the Financial Statements, and the Statistical Section.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's Basic Financial Statements, which are comprised of three components: (1) Government-wide Financial Statements; (2) Fund Financial Statements; and (3) Notes to the Financial Statements. In addition to the Basic Financial Statements and required information, this report also contains other supplementary information.

**Government-wide Financial Statements.** The Government-wide Financial Statements are designed to provide readers with a broad overview of the City's financial position, in a manner similar to that of a private-sector business. These statements are reported on the full accrual basis of accounting. Thus, revenues and expenses are reported for some items that will not affect cash flows until future fiscal periods.

The Government-wide Financial Statements separate **Governmental Activities** that are principally supported by taxes and revenues from other agencies, from **Business-type Activities** that are intended to recover all, or a significant portion, of their costs through user fees and charges. The Governmental Activities of the City include General Government, Public Safety, Public Works, Community Development, Parks and Library, Economic Development, and Interest on Long-Term Debt, when applicable. The City's two Business-type Activities are Water and Sanitation.

The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources; the difference between the four is reported as net position. Total assets include all capital items including infrastructure. Evaluating increases or decreases in net position over time will serve as a useful indicator of whether the financial position of the City is improving or declining.

The Statement of Activities presents information on the net cost of each governmental function (activity) during the fiscal year. This statement also identifies the amount of general revenues needed to fully fund each governmental function.

**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 City, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. All of the funds of the

City can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

**Governmental Funds** (General Fund, Special Revenue, Debt Service and Capital Projects Funds) are used to account for the same functions reported as Governmental Activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Fund Financial Statements focus on short-term inflows and outflows of spendable resources. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. This information is useful in evaluating the City's short-term financing requirements.

The focus of the Fund Financial Statements is narrower than that of the Government-wide Financial Statements. The governmental fund Balance Sheets and the Statement of Revenues, Expenditures, and Changes in Fund Balance, require a reconciliation to facilitate the comparison between the Fund Statements and the Government-wide Statements. This reconciliation is required because the Government-wide Statements are prepared on the full accrual basis of accounting while the Fund Statements are prepared on the modified accrual basis of accounting. These reconciliations can be found in the Fund Financial Statements on pages 25 and 28.

**Proprietary Funds** are Enterprise and Internal Service Funds. The City uses Enterprise Funds to account for its Water Utility and Sanitation services. Internal Service Funds are used to accumulate and allocate costs internally to various functions. The City uses Internal Service Funds to allocate equipment expenses, equipment replacements, major building improvements, information systems, computer replacements, employee accrued liability, and workers' compensation, liability and dental self-insurance costs.

All of the Internal Service Funds are combined into a single, aggregated presentation in the Proprietary Fund Financial Statements. Individual fund data for the Internal Service Funds is provided in the form of combining statements found on pages 130-135.

**Fiduciary Funds** (Custodial and Private-Purpose Trust Funds) are used to account for resources held for the benefit of parties outside of the City such as the collection and fees for various assessment districts for which the City acts as an agent for debt service activity. The Fiduciary Fund resources are not available to support City programs. Fiduciary Funds are reported in Fiduciary Fund Statements of the basic Financial Statements section and are also reported in the Supplementary Schedules section.

**Notes to the Financial Statements.** The notes provide additional information that is essential to the reader for a full understanding of the data provided in the Government-wide and Fund Financial Statements.

**Other Information.** In addition to the Basic Financial Statements and accompanying notes, this report also presents certain Supplementary Information such as Budgetary Comparison Schedules for the General Fund and all Major Special Revenue Funds, Schedules of Changes in the Net Pension Liability and Related Ratios and Schedules of Plan Contributions (Required Supplementary Information). In addition, Budgetary Comparison Schedules for all of the Non-Major Special Revenue, Capital Projects Funds, and Combining Non-Major Statements are provided (Supplementary Schedules). The Statistical Section provides users with statistical information covering five categories, including financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information.

## GOVERNMENT-WIDE FINANCIAL HIGHLIGHTS AND ANALYSIS

### City of Orange Net Position

(expressed in thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	21-22	20-21	21-22	20-21	21-22	20-21
Current and other assets	\$ 286,561	182,245	47,537	37,257	334,098	219,772
Capital assets	707,431	685,927	131,950	131,444	839,381	817,371
Total assets	<u>993,992</u>	<u>868,172</u>	<u>179,487</u>	<u>168,971</u>	<u>1,173,479</u>	<u>1,037,143</u>
Deferred outflows of resources	<u>23,393</u>	<u>303,613</u>	<u>2,810</u>	<u>25,313</u>	<u>26,203</u>	<u>328,927</u>
Long-term liabilities outstanding	318,183	328,446	21,216	21,828	339,399	350,274
Net pension liability	-	264,782	-	21,243	-	286,025
Total OPEB liability	35,483	34,888	8,871	8,832	44,354	43,720
Other liabilities	<u>23,750</u>	<u>17,317</u>	<u>7,206</u>	<u>9,247</u>	<u>30,956</u>	<u>26,564</u>
Total liabilities	<u>377,416</u>	<u>645,433</u>	<u>37,293</u>	<u>61,150</u>	<u>414,709</u>	<u>706,583</u>
Deferred inflows of resources	<u>80,385</u>	<u>1,346</u>	<u>7,662</u>	<u>51</u>	<u>88,047</u>	<u>1,397</u>
Net Investment in capital assets	683,891	685,927	131,950	131,444	815,841	817,371
Restricted	50,066	44,321	-	-	50,066	44,322
Unrestricted	<u>(174,373)</u>	<u>(205,242)</u>	<u>5,392</u>	<u>1,639</u>	<u>(168,981)</u>	<u>(203,603)</u>
Total net position	<u>\$ 558,584</u>	<u>525,006</u>	<u>137,342</u>	<u>133,083</u>	<u>696,926</u>	<u>658,090</u>

#### Governmental Activities:

Assets and deferred outflows exceeded liabilities and deferred inflows at the close of the fiscal year by \$559 million. The majority of this excess is due to the capitalization of the City's infrastructure per GASB Statement No. 34, including streets, sidewalks, rights-of-way, street lights, traffic signals, sewer system, storm drain system, wells and bridges.

Total increase in assets from \$868 million to \$994 million, is due mainly to the payoff of the City's pension liability through the proceeds of Pension Obligation Bonds, creating a Net Pension Asset.



Total liabilities decreased \$268 million from prior year due mainly to the pay off the City's unfunded accrued pension obligation.

The restricted portion of the City's net position (\$50 million) represents resources that are subject to legal outside restrictions by law, constitution, or enabling legislation, and funds committed by City Council for specific purposes.

**Business Type Activities:**

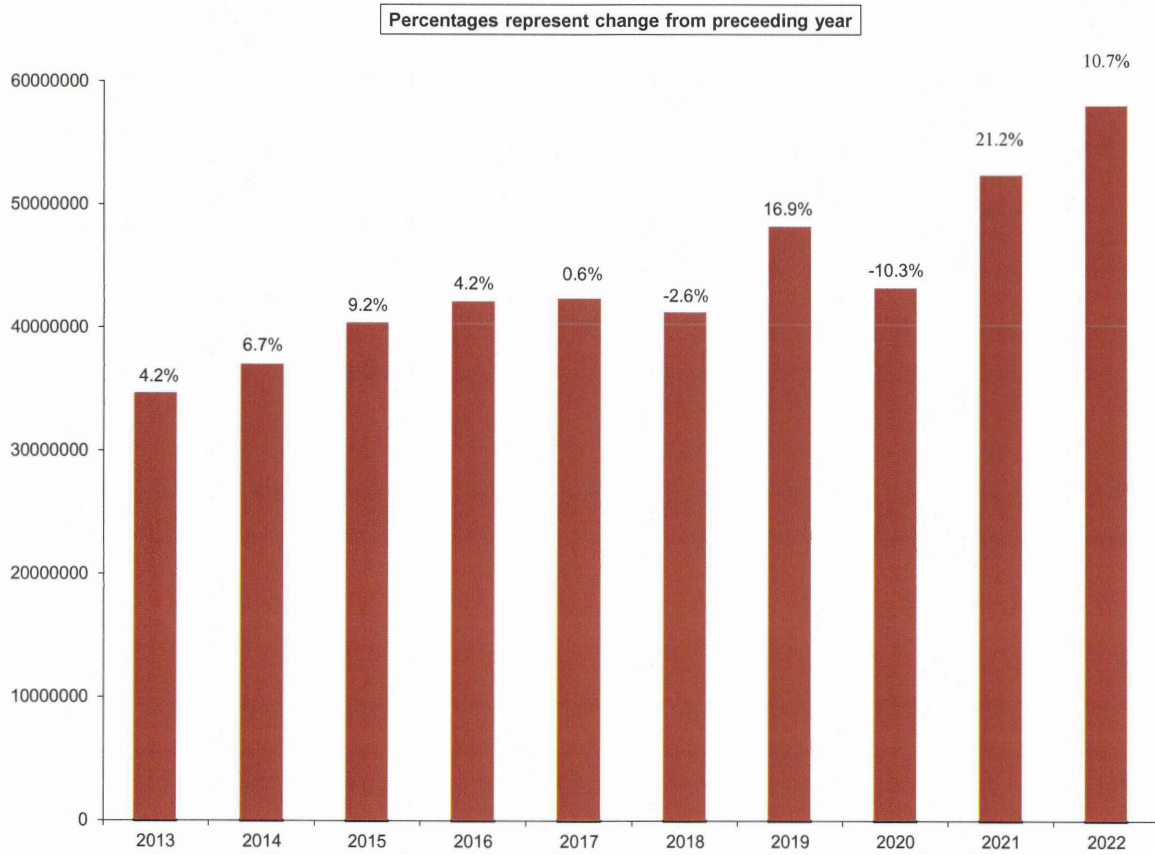
Total Assets increased \$10.5 million from last year due to is due mainly to the payoff of the City's pension liability through the proceeds of Pension Obligation Bonds, creating a Net Pension Asset.

Total liabilities decreased \$23.8 million from prior year due mainly to the pay off the City's unfunded accrued pension obligation.

**City of Orange**  
**Changes in Net Position**  
(expressed in thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	<u>21-22</u>	<u>20-21</u>	<u>21-22</u>	<u>20-21</u>	<u>21-22</u>	<u>20-21</u>
<b>Program Revenue</b>						
Charges for services	\$ 22,119	18,307	48,688	46,912	70,807	65,219
Operating grants and contributions	19,559	19,359	-	-	19,559	19,359
Capital grants and contributions	7,934	12,631	-	-	7,934	12,631
<b>General Revenues</b>						
Property Taxes	50,960	48,273	-	-	50,960	48,273
Sales Taxes	54,703	56,578	-	-	54,703	56,578
Other Taxes	5,253	1,865	-	-	5,253	1,865
Franchise Fees	2,872	2,791	-	-	2,872	2,791
Other	33,937	6,013	(940)	35	32,997	6,048
<b>Total Revenues</b>	<u>197,337</u>	<u>165,817</u>	<u>47,748</u>	<u>46,947</u>	<u>245,085</u>	<u>212,764</u>
<b>Expenses</b>						
General government	13,172	18,961	-	-	13,172	18,961
Public Safety	91,321	102,188	-	-	91,321	102,189
Public Works	22,820	25,265	-	-	22,820	25,265
Community dev.	3,304	5,281	-	-	3,304	5,281
Parks and library	17,811	17,161	-	-	17,811	17,161
Economic dev.	4,562	466	-	-	4,562	466
Interest on L/T debt	8,527	3,097	-	-	8,527	3,097
Cost of issuance	-	2,000	-	-	-	2,000
Sanitation	-	-	6,670	7,861	6,670	7,861
Water	-	-	36,819	35,983	36,819	35,983
<b>Total Expenses</b>	<u>161,517</u>	<u>174,420</u>	<u>43,489</u>	<u>43,844</u>	<u>205,006</u>	<u>218,264</u>
Change in net position	35,820	(8,603)	4,259	3,103	40,079	(5,500)
Net position, beginning of year, as restated	<u>523,764</u>	<u>533,609</u>	<u>133,083</u>	<u>129,980</u>	<u>656,847</u>	<u>663,589</u>
Net position, end of year	<u>\$559,584</u>	<u>525,006</u>	<u>137,342</u>	<u>133,083</u>	<u>696,926</u>	<u>658,089</u>

## GENERAL FUND SALES TAX REVENUE Fiscal Years 2013-2022



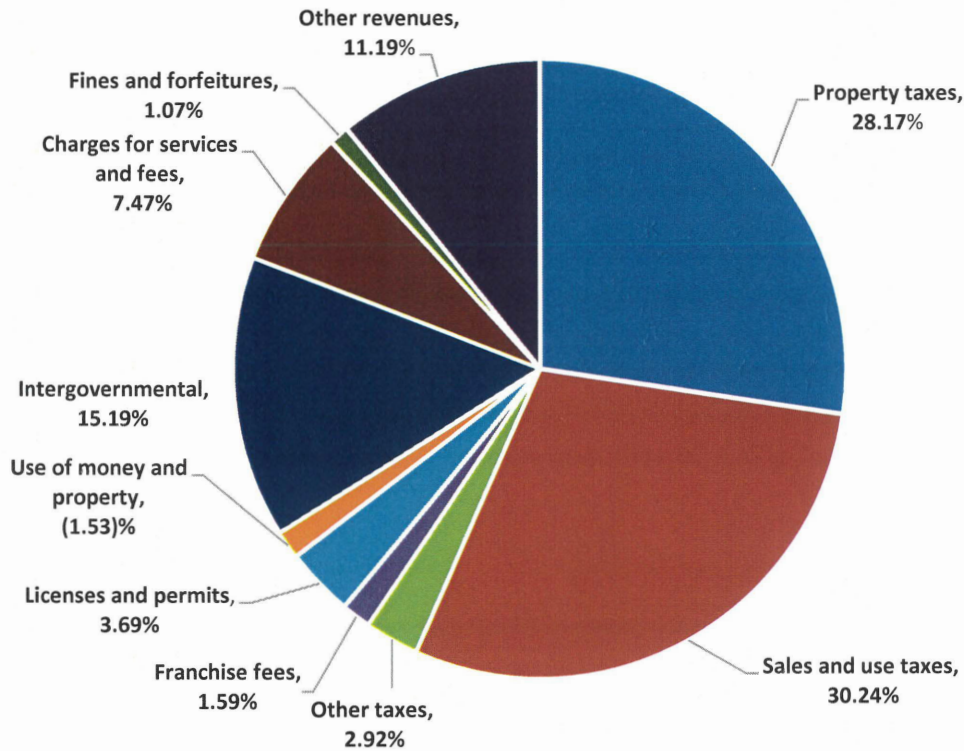
Sales tax is the City's largest revenue source and is directly related to general economic conditions within the City. The historical change in General Fund sales tax revenue, excluding Measure M and Proposition 172 sales tax revenues (which are restricted for transportation and public safety purposes), is presented in the bar graph above.

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## GOVERNMENTAL FUND HIGHLIGHTS AND ANALYSIS

### GOVERNMENTAL FUNDS REVENUES

The graph below shows a summary of Governmental Fund type revenues. This includes revenues from the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds for the Fiscal Year ended June 30, 2022.



REVENUE SOURCE	INCREASE (DECREASE) FROM 20-21			
	21-22 AMOUNT	20-21 AMOUNT	AMOUNT	%
Property taxes	\$ 50,960,121	48,272,714	2,687,407	5.6
Sales and use taxes	54,702,920	56,577,610	(1,874,690)	(3.3)
Other taxes	5,279,406	1,864,912	3,414,494	183.1
Franchise fees	2,871,611	2,791,170	80,441	2.9
Licenses and permits	6,669,254	5,550,237	1,119,017	20.2
Use of money and property	(2,775,150)	1,533,906	(4,309,056)	(280.7)
Intergovernmental	27,482,163	33,085,279	(5,603,116)	(16.9)
Charges for services and fees	13,515,236	11,243,519	2,271,717	20.2
Fines and forfeitures	1,942,715	1,485,230	457,485	30.8
Other revenues	20,252,480	4,483,183	15,769,297	351.7
<b>TOTAL</b>	<b>\$180,900,756</b>	<b>166,887,760</b>	<b>14,012,996</b>	<b>8.4</b>

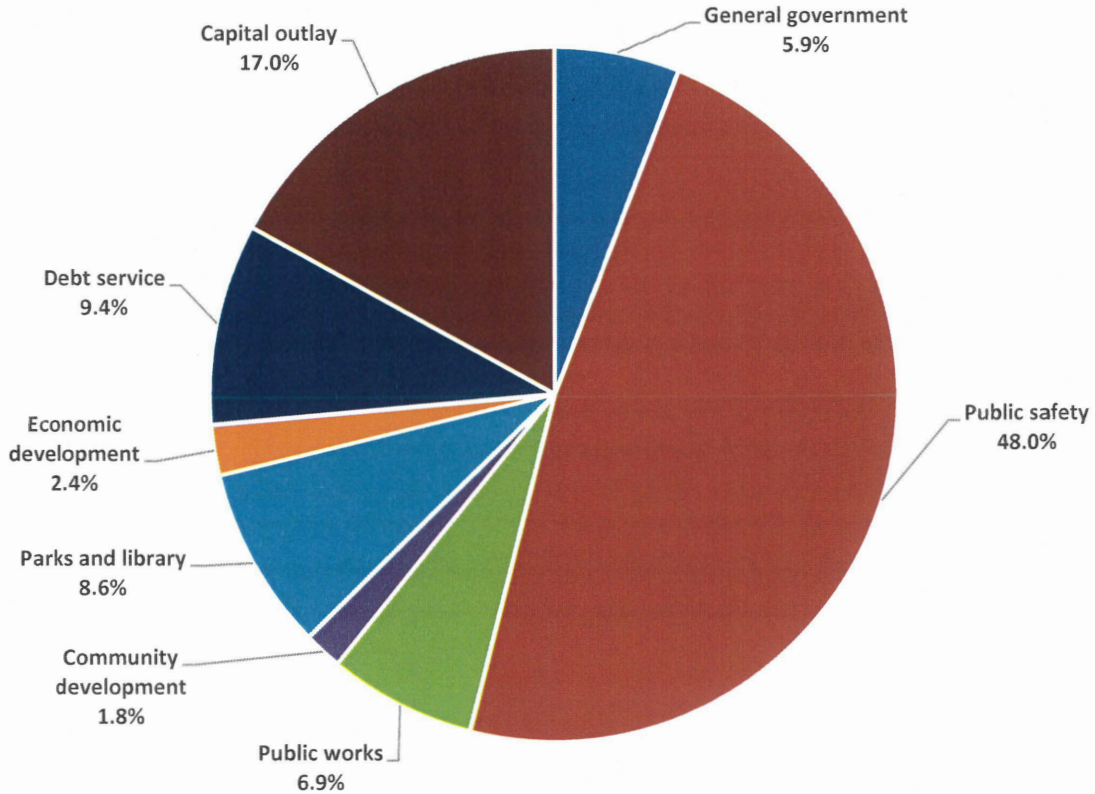
- The \$15.8 million dollar increase in Other revenue was a result of allocation from other general governmental funds to the Debt service fund to pay for principal and interest on the pension obligation bonds. This was the first year of debt service on these bonds. Other taxes increased \$3.4 million due to mainly to increase in transient occupancy tax revenue, resulting from a surge in travel after Covid 19 travel restrictions were lifted.

These increase offset decreases in sales and use tax, Use of money and property and Intergovernmental revenue. The \$4.3 million decrease in Use of money and property was a result of loss on investments.

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## GOVERNMENTAL FUNDS EXPENDITURES



FUNCTION	21-22 AMOUNT	20-21 AMOUNT	INCREASE (DECREASE) FROM 21-22	
			AMOUNT	%
General government	\$11,134,810	15,518,693	(4,383,883)	(28.2)
Public safety	90,723,202	88,567,963	2,155,239	2.4
Public works	13,033,667	10,901,569	2,132,098	19.6
Community development	3,404,436	4,844,971	(1,440,535)	(29.7)
Parks and library	16,188,815	14,581,024	1,607,791	11.0
Economic development	4,457,229	420,264	4,036,965	960.6
Debt service	17,702,873	1,185,561	16,517,312	1,393.2
Capital outlay	32,146,704	24,762,286	7,384,418	29.8
<b>TOTAL</b>	<b>\$188,791,736</b>	<b>160,782,331</b>	<b>25,009,405</b>	<b>15.5</b>

Overall expenditures increased 15.5% from the prior fiscal year. This increase is due mainly to the new debt service payments on the pension obligation bonds and to the increase in discounts on loans receivable in the Economic development department. General government expenditures decreased 28.2%. This decrease is due to the reclassification of payments related to sales tax agreements, which are now netted with sales tax revenue to show a more accurate reflection of sales tax revenue. The decrease in Community development expenditures is due mainly to the transfer of the building division operations from the Community development department to the Public works department. Debt service increased \$16.5 million due to the first year of debt service payments on the pension obligation bonds issued in March 2021.

### **FUND BALANCE ANALYSIS OF THE GOVERNMENTAL FUNDS**

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

***Governmental Funds.*** The focus of the statements presenting the City's governmental funds is to provide information on the short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's current financial requirements. In particular, unassigned fund balance may serve as a useful measurement of a government's net resources available for spending during the subsequent fiscal year.

At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$134 million, a decrease of \$13 million as compared to the prior fiscal year's fund balances. This decrease is due to debt service payments on the pension obligation bonds and to transfers out to internal service funds.

The General Fund is the major operating fund of the City. The total fund balance of the General Fund was \$45.1 million, a decrease of \$1.8 million in the 2021-22 Fiscal Year.

Other General Fund highlights include:

- Unassigned fund balance of \$21.2 million was 16.6% of total General Fund expenditures.
- Actual General Fund revenues increased \$2.1 million. This increase is due mainly to the increase in transient occupancy tax revenue, resulting from a surge in travel after Covid 19 travel restrictions were lifted.
- The General Fund's original expenditure budget was increased throughout the year by City Council actions totaling \$21.3 million or 19.7%.
- General Fund actual expenditures totaled \$128 million as compared with the ending amended budget of \$129.1 million; a savings of \$1.1 million.

Major Special Revenue Funds highlights include:

1. The Proposition 172 Fund deficit fund balance is the result of a loan from the Capital Improvement Fund in FY 2016-17 to provide cash for replacement of public safety radio equipment. The loan is to be paid back over a 5-year period with future Prop 172 sales tax revenues.

## **PROPRIETARY FUND HIGHLIGHTS AND ANALYSIS**

The Proprietary Funds of the City consist of the Enterprise Funds (Water Fund and Sanitation Fund) and the Internal Service Funds. The Enterprise Funds are reported as Business-Type Activity on the Government-wide Financial Statements. The Internal Service Funds are Governmental Activities and as such, are combined with other Governmental Activities (Governmental Funds) when presented on the Government-wide Financial Statements. The following are highlights of the Proprietary Funds:

**Enterprise Fund – Revenues and Expenses.** Operating revenues increased 3.8%, while expenditures remained level, with a minor increase of less than 1%. Operating expenses decreased \$21.8 million due to the reporting of pension expense, in accordance with GASB 68, as it relates to the payoff of the funds pension liability through the issuance of pension obligation bonds.

**Enterprise Fund - Net Position.** The increase in revenue and stability of expenses, net of expenses related to pension and pension obligation bonds expenses, resulted in an increase to Net position of \$4.3 million in Fiscal Year 2021-22.

**Internal Service Funds - Revenues.** During Fiscal Year 2021-22, the Internal Service Funds had total operating revenues of \$17.1 million. This represents an increase of \$3.9 million over the prior year, mainly due to increases in charges to user funds for equipment maintenance and liability self-insurance funding. On the expense side, the reporting of pension expense, in accordance with GASB 68, and a decrease in insurance claims, resulted in an overall decrease in expenditures of \$7.5 million,

**Internal Service Funds - Net Position.** The increase in revenue and stability of expenses, net of expenses related to pension and pension obligation bonds expenses, resulted in an income before transfers of \$.5 million. However, Net position increased by \$9.8 million due to a transfer from the General Fund of \$9.3 million to fund vehicle and computer replacements.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** The City's Five Year Capital Improvement Plan estimates spending another \$122 million in Fiscal Years 2022-23 through 2025-26. Funding will come from current fund balances, projected revenues over the next seven years, grants, and private donations. The following chart shows capital assets at June 30, 2022.

### Capital Assets (shown in thousands, net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	21-22	20-21	21-22	20-21	21-22	20-21
Land	\$ 80,318	80,404	2,647	2,647	82,965	83,051
Rights of way	347,258	347,108	-	-	347,258	347,108
Infrastructure	139,910	137,278	-	-	139,910	137,278
Structures/improvements	90,573	90,943	55,842	54,968	146,415	145,911
Furniture/fixtures/equip	16,877	17,239	8,597	9,173	25,474	26,412
Construction in Progress	32,495	12,955	3,940	2,206	36,435	15,161
Sewer	-	-	27,906	27,647	27,906	27,647
Storm drains	-	-	33,018	34,803	33,018	34,803
<b>Total</b>	<b>\$707,431</b>	<b>685,927</b>	<b>131,950</b>	<b>129,727</b>	<b>839,381</b>	<b>817,371</b>

More detailed information on the City's capital asset activity can be found in note 3 of the Notes to the Financial Statements.

### Long-Term Liabilities

The long-term liabilities of the City consist of loan agreements with Southern California Edison for LED retrofit, leases, lease revenue bonds for city infrastructure improvements, pension obligation bonds to pay off unfunded pension liabilities, and liabilities for compensated absences and insurance claims. The following is a reconciliation of these liabilities for the year ended June 30, 2022:

	Beginning Balance Restated (1)	Additions	Deletions	Ending Balance	Amounts Due Within One Year	Amounts Due Beyond One Year
<b>Governmental activities:</b>						
Direct borrowing:						
Loans payable	\$ 541,457	-	237,778	303,679	156,439	147,240
Leases payable	61,061	118,528	76,029	103,560	46,917	56,643
Lease revenue bonds	29,930,000	-	520,000	29,410,000	550,000	28,860,000
Premium on lease revenue bonds	4,229,604	-	145,849	4,083,755	145,848	3,937,907
Pension obligation bonds	265,478,776	-	7,130,772	258,348,004	9,378,204	248,969,800
Other liabilities:						
Compensated absences	9,392,466	4,534,408	4,223,289	9,703,585	4,363,183	5,340,402
Claims payable	18,874,018	5,656,238	8,299,755	16,230,501	5,268,241	10,962,260
<b>Total Govt. activities</b>	<b>328,507,382</b>	<b>10,309,174</b>	<b>20,633,472</b>	<b>318,183,084</b>	<b>19,908,832</b>	<b>298,274,752</b>
<b>Business-type activities</b>						
Compensated absences	822,204	98,588	146,307	774,485	139,139	635,346
Pension obligation bonds	21,006,224	-	564,228	20,441,996	741,796	19,700,200
<b>Total Business activities</b>	<b>21,828,428</b>	<b>98,588</b>	<b>710,535</b>	<b>21,216,481</b>	<b>880,935</b>	<b>20,335,546</b>
<b>Total</b>	<b>\$350,335,810</b>	<b>10,407,762</b>	<b>21,344,007</b>	<b>339,399,565</b>	<b>20,789,767</b>	<b>318,609,798</b>

- (1) Beginning balance for Lease payable was restated with the implementation this year of GASB 87, which requires that certain leases be capitalized.

### **REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances. This financial report can also be found on the City's website at [www.cityoforange.org](http://www.cityoforange.org). Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Finance Department, City of Orange, 300 East Chapman Avenue, Orange, California 92866.



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# *Government-wide Financial Statements*



CITY OF ORANGE  
Statement of Net Position  
June 30, 2022

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS:</b>			
Cash and investments (note 2)	\$ 116,705,769	28,998,961	145,704,730
Cash and investments with fiscal agt. (note 2)	17,494,397	834	17,495,231
Receivables (net of allowance for uncollectibles)			
Accounts	4,668,830	8,086,667	12,755,497
Taxes (note 4)	14,354,201	1,024	14,355,225
Interest	93,076	27,504	120,580
Lease (note 13)	299,865		299,865
Inventories	557,249	642,084	1,199,333
Prepaid items	41,500	-	41,500
Loans receivable (net of allowance for NPV) (note 12)	28,147,005	-	28,147,005
Lease asset	106,965	-	106,965
Net Pension Asset (note 6)	104,092,237	9,780,976	113,873,213
Capital assets, undepreciated (note 3)	460,071,057	6,587,088	466,658,145
Capital assets, net (note 3)	247,360,301	125,362,538	372,722,839
Total assets	<u>993,992,452</u>	<u>179,487,676</u>	<u>1,173,480,127</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Pension related items (note 6)	15,024,213	717,244	15,741,457
Deferred OPEB related items (note 8)	8,369,638	2,092,409	10,462,047
Total deferred outflows of resources	<u>23,393,851</u>	<u>2,809,653</u>	<u>26,203,504</u>
<b>LIABILITIES:</b>			
Accounts payable	7,710,542	6,974,495	14,685,037
Accrued items	8,772,968	-	8,772,968
Interest payable	749,015	-	749,015
Deposits payable	2,064,025	127,610	2,191,635
Contracts payable	312,815	-	312,815
Due to other agencies	3,395,737	-	3,395,737
Unearned revenue	745,184	103,753	848,937
Noncurrent liabilities (note 9):			
Long term liabilities due within one year	19,893,849	880,935	20,774,784
Long term liabilities due in more than one year	298,289,235	20,335,546	318,624,781
Total OPEB liability (note 8)	35,483,171	8,870,792	44,353,963
Total liabilities	<u>377,416,541</u>	<u>37,293,131</u>	<u>414,709,672</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred pension related items (note 6)	76,489,687	6,750,919	83,240,606
Deferred OPEB related items (note 8)	3,643,443	910,860	4,554,303
Deferred inflow - lease	252,097	-	252,097
Total deferred inflows of resources	<u>80,385,227</u>	<u>7,661,779</u>	<u>88,047,006</u>
<b>NET POSITION:</b>			
Invested in capital assets	683,891,043	131,949,626	815,840,668
Restricted for special projects and programs	50,065,919	-	50,065,919
Unrestricted	(174,372,427)	5,392,793	(168,979,634)
Total net position	<u>\$ 559,584,535</u>	<u>137,342,419</u>	<u>696,926,954</u>

See accompanying notes to the financial statements

CITY OF ORANGE  
Statement of Activities  
Year ended June 30, 2022

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 13,171,835	7,916,553	18,088,367	402,874
Public safety	91,321,077	8,229,685	993,227	127,299
Public works	22,820,124	781,680	66,708	7,317,856
Community development	3,304,024	3,655,955	118,004	86,085
Parks and library	17,810,698	1,535,204	292,783	-
Economic development	4,562,019	-	-	-
Debt Service - interest	677,074	-	-	-
Interest on long-term debt	7,850,113	-	-	-
Total governmental activities	<u>161,516,964</u>	<u>22,119,077</u>	<u>19,559,089</u>	<u>7,934,114</u>
Business-type activities:				
Water	36,818,407	40,369,251	-	-
Sanitation	6,670,133	8,318,717	-	-
Total business-type activities	<u>43,488,540</u>	<u>48,687,968</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 205,005,504</u>	<u>70,807,045</u>	<u>19,559,089</u>	<u>7,934,114</u>

General revenues:

Taxes:

  Property taxes

  Sales taxes

  Transient occupancy taxes

  Franchise taxes

  Other taxes

Use of money and property

Gain on sale of real property

Other

Total general revenues

Change in net position

Net position at beginning of year, as restated (note 18)

Net position at end of year

See accompanying notes to the financial statements

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-type Activities	Totals
13,235,959	-	13,235,959
(81,970,866)	-	(81,970,866)
(14,653,880)	-	(14,653,880)
556,020	-	556,020
(15,982,711)	-	(15,982,711)
(4,562,019)	-	(4,562,019)
(677,074)	-	(677,074)
(7,850,113)	-	(7,850,113)
(111,904,684)	-	(111,904,684)
-	3,550,844	3,550,844
-	1,648,584	1,648,584
-	5,199,428	5,199,428
(111,904,684)	5,199,428	(106,705,256)
50,960,121	-	50,960,121
54,702,920	-	54,702,920
5,253,351	-	5,253,351
2,871,612	-	2,871,612
26,039	-	26,039
(2,755,656)	(939,984)	(3,695,640)
4,030,000	-	4,030,000
32,636,552	-	32,636,552
147,724,939	(939,984)	146,784,955
35,820,255	4,259,444	40,079,699
523,764,280	133,082,975	656,847,255
\$ 559,584,535	137,342,419	696,926,954

See accompanying notes to the financial statements



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# ***Fund Financial Statements***



## Governmental Funds

### Major Governmental Funds

Individual funds whose assets, liabilities, revenues or expenditures are at least 10% of the total assets, liabilities, revenues or expenditures of the governmental funds and at least 5% of the total assets, liabilities, revenues or expenditures of the governmental and enterprise funds combined, will be classified as major funds.

**General Fund** must be classified as a major fund and is used to account for revenues and expenditures that are not required to be accounted for in another fund.

**Special Revenue Funds** are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes. The following Special Revenue Funds have been classified as major funds in the accompanying financial statements:

- Proposition 172
- Federal, State and Local Grants
- Housing Successor
- Measure M

**Capital Projects Funds** are used to account for the acquisition and construction of capital facilities. The following Capital Projects Funds have been classified as major funds in the accompanying financial statements:

- Capital Improvement
- Park Acquisition Development & Maintenance

### Non-Major Governmental Funds

Other Governmental Funds – These funds constitute all other governmental funds that do not meet the major fund test described above. These funds include Special Revenue Funds and several smaller Capital Projects Funds.

CITY OF ORANGE  
Balance Sheet  
Governmental Funds  
June 30, 2022

	General	Special Revenue Funds		
		Proposition 172	Federal, State & Local Grants	Housing Successor
<b>ASSETS:</b>				
Cash and investments (note 2)	\$ 44,205,272	90,490	1,460,668	610,238
Cash and investments with fiscal agent (note 2)	11,753	-	-	-
Receivables (net of allowance for estimated uncollectibles):				
Accounts	1,488,241		1,164,624	-
Taxes (note 4)	12,862,852	99,902		
Interest	55,150	369	2,040	984
Lease (note 13)	279,062	-	-	-
Advances to other funds (note 14)	-	-	-	-
Due from other funds (note 15)	862,681	-	-	-
Inventories	102,858	-	-	-
Loans receivable (net of allowance for net present value (note 12))	-	-	4,295,282	20,905,642
Total assets	<u>59,867,869</u>	<u>190,761</u>	<u>6,922,614</u>	<u>21,516,864</u>
<b>LIABILITIES:</b>				
Accounts payable	2,564,127	1,456	388,468	
Accrued items	8,429,453	-	-	-
Deposits payable	2,060,885	-	-	-
Contracts payable	-	-	41,528	-
Due to other agencies	372,364	-	14,774	-
Advances from other funds (note 14)	-	471,162	-	-
Unearned revenue	626,114	-	-	-
Due to other funds (note 15)	-	-	-	-
Total liabilities	<u>14,052,943</u>	<u>472,618</u>	<u>444,770</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Lease	234,315			
Unavailable revenues	459,671	-	-	-
Total deferred inflows of resources	<u>693,986</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>				
Nonspendable:				
Inventories	102,858	-	-	-
Restricted for:				
Special revenue projects (note 19)	-	-	6,477,844	21,516,864
Committed	20,667,960	-	-	-
Assigned for:				
Capital projects	-	-	-	-
Carryover appropriations	1,556,871	-	-	-
Bldg. Records Mgmt.	1,558,743	-	-	-
Unassigned:	21,234,508	(281,857)	-	-
Total fund balances	<u>45,120,940</u>	<u>(281,857)</u>	<u>6,477,844</u>	<u>21,516,864</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 59,867,869</u>	<u>190,761</u>	<u>6,922,614</u>	<u>21,516,864</u>

See accompanying notes to the financial statements



Special Revenue Funds	Capital Project Funds			Totals
	Capital Improvement	Park Acquisition Development & Maintenance	Other Governmental Funds	
Measure M				
5,044,245	15,992,854	8,837,877	16,999,884	93,241,528
-	17,482,477	-	-	17,494,230
29,481	1,739,033	28,738	114,831	4,564,948
638,374			753,073	14,354,201
4,725	6,108	7,947	15,753	93,076
-	-	-	20,803	299,865
-	471,162	-	-	471,162
-	-	-	-	862,681
-	-	-	-	102,858
-	-	-	2,946,081	28,147,005
<u>5,716,825</u>	<u>35,691,634</u>	<u>8,874,562</u>	<u>20,850,425</u>	<u>159,631,554</u>
617,700	2,124,449	1,231	1,481,333	7,178,764
-	93,848	-	245,780	8,769,081
1,450	-	-	1,690	2,064,025
48,719	126,531	-	94,643	311,421
-	3,008,599	-	-	3,395,737
-	-	-	-	471,162
-	119,070	-	-	745,184
-	-	-	779,743	779,743
<u>667,869</u>	<u>5,472,497</u>	<u>1,231</u>	<u>2,603,189</u>	<u>23,715,117</u>
-	-	-	17,782	252,097
-	1,254,748	-	-	1,714,419
-	1,254,748	-	17,782	1,966,516
-	-	-	-	102,858
5,048,956	-	-	16,766,515	49,810,179
-	-	-	255,740	20,923,700
-	28,964,389	8,873,331	2,533,724	40,371,444
-	-	-	-	1,556,871
-	-	-	-	1,558,743
-	-	-	(1,326,525)	19,626,126
<u>5,048,956</u>	<u>28,964,389</u>	<u>8,873,331</u>	<u>18,229,454</u>	<u>133,949,921</u>
<u>5,716,825</u>	<u>35,691,634</u>	<u>8,874,562</u>	<u>20,850,425</u>	<u>159,631,554</u>

See accompanying notes to the financial statements

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CITY OF ORANGE  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2021

Fund balances of governmental funds		\$ 133,949,921
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity:		
Capital assets less accumulated depreciation		707,431,358
Less capital assets (net) included in internal service funds (below)		(15,248,220)
Net pension asset (less Net pension assets of \$1,956,195 in internal service funds below)		102,136,042
Lease asset		106,965
Long-term liabilities applicable to City governmental activities are not due and payable in the current period and as such are not reported in governmental fund activities:		
Loans payable		(303,679)
Capital leases payable		(103,560)
City infrastructure lease revenue bonds:		
Bond principal	(29,410,000)	
Bond unamortized premium	(4,083,755)	(33,493,755)
Pension obligation bonds payable:		
Principal	(254,259,605)	
Interest	(749,015)	(255,008,620)
Compensated absences are not included in governmental fund activity		(9,703,585)
Items related to net pension liability and net other post employment benefits (OPEB) liability (excluding Internal Service Funds liabilities):		
Net Pension and Total OPEB related debt applicable to City governmental activities are not due and payable in the current period and accordingly are not reported as liabilities. Deferred outflows/(inflows) of resources related to pension and OPEB OPEB liabilities are only reported in the Statement of Net Position as the changes in these amounts affect only the Government-wide statements for governmental activities.		
OPEB liabilities		(33,709,013)
Pension and OPEB Deferred Outflows:		
Pension	14,880,765	
OPEB	7,951,156	22,831,921
Pension and OPEB Deferred Inflows:		
Pension	(75,139,503)	
OPEB	(3,461,270)	(78,600,773)
Certain revenues in the governmental funds are recorded as unavailable revenue using the modified accrual basis and are recognized as revenue under the full accrual basis for reporting in the Government-wide Financial Statements.		
		1,714,419
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service Funds are included in the Statement of Net Position because they are not included within the Balance Sheet of the Governmental Funds.		
		<u>17,585,114</u>
Net position of governmental activities		<u>\$ 559,584,535</u>

See accompanying notes to the financial statements

CITY OF ORANGE  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year ended June 30, 2022

	Special Revenue Funds		
	General	Proposition 172	Federal, State & Local Grants
<b>REVENUES:</b>			
Taxes (note 4)	\$ 105,026,342	1,219,611	-
Franchise fees	2,677,392	-	-
Licenses and permits	5,963,284	-	-
Use of money and property	(1,736,921)	(3,060)	(66,866)
Intergovernmental	15,780,753	-	3,251,265
Charges for services and fees	8,475,235	-	166,126
Fines and forfeitures	1,942,715	-	-
Other revenues (note 5)	4,319,381	-	24,737
Total revenues	142,448,181	1,216,551	3,375,262
<b>EXPENDITURES:</b>			
Current:			
General government	9,881,360	24,689	-
Public safety	87,494,203	496,399	126,491
Public works	9,659,210	-	-
Community development	3,189,864	-	-
Parks and library	15,238,458	-	-
Economic development	204,847	-	1,472,646
Debt service:			
Principal (note 9)	757,778	-	-
Interest	1,186,800	-	-
Capital outlay	381,862	193,727	1,301,323
Total expenditures	127,994,382	714,815	2,900,460
Excess (deficiency) of revenues over (under) expenditures	14,453,799	501,736	474,802
<b>OTHER FINANCING SOURCES (USES):</b>			
Other financing source - lease	118,528	-	-
Gain on sale of property	-	-	-
Transfers in (note 16)	-	-	-
Transfers out (note 16)	(16,350,000)	-	-
Total other financing sources (uses)	(16,231,472)	-	-
Net change in fund balances	(1,777,673)	501,736	474,802
Fund balances, beginning of year, as restated (note 18)	46,898,613	(783,593)	6,003,042
Fund balances, end of year	\$ 45,120,940	(281,857)	6,477,844

See accompanying notes to the financial statements



Special Revenue Funds		Capital Project Funds			Other Governmental Funds	Totals
Housing Successor	Measure M	Capital Improvement	Park Acquisition Development & Maintenance			
-	3,657,266	-	-	1,039,228	110,942,447	
-	-	-	-	194,219	2,871,611	
-	-	-	636,113	69,857	6,669,254	
81,742	(159,358)	(204,463)	(216,603)	(469,621)	(2,775,150)	
-	168,896	1,971,833	-	6,309,416	27,482,163	
-	38,715	31,630	776,106	4,027,424	13,515,236	
-	-	-	-	-	1,942,715	
-	-	9,228	-	15,899,134	20,252,480	
81,742	3,705,519	1,808,228	1,195,616	27,069,657	180,900,756	
26,009	-	281,154	-	921,598	11,134,810	
-	-	-	-	2,606,109	90,723,202	
-	312,623	980	-	3,060,854	13,033,667	
44,377	-	107,798	-	62,397	3,404,436	
-	175,022	5,214	-	770,121	16,188,815	
2,709,082	-	70,472	-	182	4,457,229	
-	-	-	-	7,695,000	8,452,778	
-	-	-	-	8,063,295	9,250,095	
-	2,294,215	20,533,037	1,440,107	6,002,433	32,146,704	
2,779,468	2,781,860	20,998,655	1,440,107	29,181,989	188,791,736	
(2,697,726)	923,659	(19,190,427)	(244,491)	(2,112,332)	(7,890,980)	
-	-	-	-	-	118,528	
3,000,000	-	1,030,000	-	-	4,030,000	
-	-	7,000,000	-	300,000	7,300,000	
-	-	(237,500)	-	-	(16,587,500)	
3,000,000	-	7,792,500	-	300,000	(5,138,972)	
302,274	923,659	(11,397,927)	(244,491)	(1,812,332)	(13,029,952)	
21,214,590	4,125,297	40,362,316	9,117,822	20,041,786	146,979,873	
21,516,864	5,048,956	28,964,389	8,873,331	18,229,454	133,949,921	

See accompanying notes to the financial statements

CITY OF ORANGE  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 Year ended June 30, 2021

Net change in fund balances - total governmental funds \$ (13,029,952)

Amounts reported for governmental activities in the Statement of Activities differ because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the net of capital outlays, disposals and depreciation. This number excludes Internal Service Fund capital outlays, disposals and depreciation.	19,381,796
Governmental funds report loan payments (principal and interest) as debt service expenditures. However, in the Statement of Activities, these payments reduce the liability.	
Loans payable	237,778
Lease obligation bonds payable (including accrued interest of \$3,466)	520,000
Lease obligation amortized premium	145,849
Pension obligation bonds payable (excluding \$112,846 Internal service funds)	7,017,926
Lease payable (including amortization of \$70,396)	76,029
Accrued interest on lease obligation bonds ( \$3,466) and pension obligation bonds (\$1,396,516)	1,399,982
Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the net change in the current period.	(311,119)
Certain revenues in governmental funds are unavailable using the modified accrual basis and must be recognized as revenue under full accrual basis for reporting in the Government-wide Financial Statements. This is the net change in unavailable revenue for the current period.	252,779
Other post employee benefits expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(2,025,060)
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net revenues (expenses) of the Internal Service Funds are reported with governmental activities.	9,818,180
New debt issued is recorded as revenue and repayment of debt as an expenditure in governmental funds. In the Statement of Net Assets, they are changes to long-term liabilities.	
Pension obligation other financing uses	271,973,214
Pension obligation payoff	(259,566,751)
Net change in net position of governmental activities	<u>\$ 35,890,651</u>

See accompanying notes to the financial statements

CITY OF ORANGE  
Statement of Net Position  
Proprietary Funds  
June 30, 2022

	Business Type Activities - Enterprise Fund			Governmental Activities - Internal Service Funds
	Sanitation	Water	Totals	
<b>ASSETS:</b>				
Current assets:				
Cash and investments (note 2)	\$ 11,165,360	17,833,601	28,998,961	23,464,241
Cash and investment with fiscal agent	250	584	834	167
Accounts receivable	752,905	7,333,762	8,086,667	103,882
Interest receivable	9,434	18,070	27,504	-
Taxes receivable (note 4)	1,024	-	1,024	-
Inventories	-	642,084	642,084	454,391
Prepaid items	-	-	-	41,500
Total current assets	<u>11,928,973</u>	<u>25,828,101</u>	<u>37,757,074</u>	<u>24,064,181</u>
Noncurrent assets:				
Net pension asset	2,934,292	6,846,684	9,780,976	1,956,195
Capital assets, undepreciated (note 3)	-	6,587,088	6,587,088	2,636,315
Capital assets, net (note 3)	60,923,376	64,439,162	125,362,538	12,611,905
Total noncurrent assets	<u>63,857,668</u>	<u>77,872,934</u>	<u>141,730,602</u>	<u>17,204,415</u>
Total assets	<u>75,786,641</u>	<u>103,701,035</u>	<u>179,487,676</u>	<u>41,268,596</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred OPEB (note 8)	627,723	1,464,686	2,092,409	418,482
Deferred pension related items (note 6)	215,173	502,071	717,244	143,448
Total deferred outflows of resources	<u>842,896</u>	<u>1,966,757</u>	<u>2,809,653</u>	<u>561,930</u>
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable	112,858	6,861,637	6,974,495	531,778
Accrued expenses	-	-	-	3,887
Contract payable	-	-	-	1,394
Deposits payable	-	127,610	127,610	-
Claims payable (note 7)	-	-	-	5,268,241
Unearned revenue	103,753	-	103,753	-
Penion obligation bond	222,539	519,257	741,796	148,409
Compensated absences	21,945	117,194	139,139	-
Total current liabilities	<u>461,095</u>	<u>7,625,698</u>	<u>8,086,793</u>	<u>5,953,709</u>
Long-term liabilities :				
Due to other funds (note 15)	-	-	-	82,938
Claims payable (note 7)	-	-	-	10,962,260
Compensated absences	188,979	446,367	635,346	-
Penion obligation bond	5,910,060	13,790,140	19,700,200	3,939,990
Net OPEB liability (note 8)	2,661,237	6,209,555	8,870,792	1,774,158
Total long-term liabilities	<u>8,760,276</u>	<u>20,446,062</u>	<u>29,206,338</u>	<u>16,759,346</u>
Total liabilities	<u>9,221,371</u>	<u>28,071,760</u>	<u>37,293,131</u>	<u>22,713,055</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred OPEB (note 8)	273,259	637,601	910,860	182,173
Deferred pension related items (note 6)	2,025,276	4,725,643	6,750,919	1,350,184
Total deferred inflows of resources	<u>2,298,535</u>	<u>5,363,244</u>	<u>7,661,779</u>	<u>1,532,357</u>
<b>NET POSITION:</b>				
Invested in capital assets	60,923,376	71,026,250	131,949,626	15,248,220
Unrestricted	4,186,255	1,206,538	5,392,793	2,336,894
Total net position	<u>\$ 65,109,631</u>	<u>72,232,788</u>	<u>137,342,419</u>	<u>17,585,114</u>

See accompanying notes to the financial statements

CITY OF ORANGE  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
Year ended June 30, 2022

	Business Type Activities - Enterprise Fund			Governmental Activities - Internal Service Funds
	Sanitation	Water	Totals	
<b>OPERATING REVENUES:</b>				
Water sales and services	\$ -	40,021,926	40,021,926	-
Charges for services and fees	8,226,296	161,498	8,387,794	14,974,056
Other revenues	92,421	185,827	278,248	2,172,178
Total operating revenues	<u>8,318,717</u>	<u>40,369,251</u>	<u>48,687,968</u>	<u>17,146,234</u>
<b>OPERATING EXPENSES:</b>				
Salaries and wages	2,374,774	5,544,462	7,919,236	4,377,473
Pension expense	(6,681,896)	(15,106,942)	(21,788,838)	(4,316,269)
Maintenance and operations	55,754	22,642,978	22,698,732	3,493,077
Contractual services	1,232,541	3,279,531	4,512,072	2,040,529
Depreciation	2,336,075	2,488,353	4,824,428	2,076,941
Interfund charge for administrative services	547,969	1,941,058	2,489,027	-
Insurance claims and charges	-	-	-	4,741,432
Other expenses	366,943	1,007,027	1,373,970	-
Total operating expenses	<u>232,160</u>	<u>21,796,467</u>	<u>22,028,627</u>	<u>12,413,183</u>
Operating income (loss)	<u>8,086,557</u>	<u>18,572,784</u>	<u>26,659,341</u>	<u>4,733,051</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Use of money and property	(384,808)	(555,176)	(939,984)	-
Debt service:				
Interest	(177,369)	(413,863)	(591,232)	(118,248)
Cost of issuance	(6,260,604)	(14,608,077)	(20,868,681)	(4,173,737)
Gain (loss) on retirement of assets	-	-	-	89,613
Total nonoperating revenues/(expenses)	<u>(6,822,781)</u>	<u>(15,577,116)</u>	<u>(22,399,897)</u>	<u>(4,202,372)</u>
Income (loss) before capital contributions and transfers	1,263,776	2,995,668	4,259,444	530,679
Transfers in (note 16)	-	-	-	9,287,500
Change in net position	1,263,776	2,995,668	4,259,444	9,818,179
Net position, beginning of year	63,845,855	69,237,120	133,082,975	7,766,935
Net position, end of year	<u>\$ 65,109,631</u>	<u>72,232,788</u>	<u>137,342,419</u>	<u>17,585,114</u>

See accompanying notes to the financial statements

CITY OF ORANGE  
Statement of Cash Flows  
Proprietary Funds  
Year ended June 30, 2022

	Business Type Activities - Enterprise Fund			Governmental Activities - Internal Service Funds
	Sanitation	Water	Totals	
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 8,344,229	40,539,930	48,884,159	-
Cash received from user departments	-	-	-	17,082,689
Cash payments to suppliers for goods and services	(2,211,800)	(28,410,115)	(30,621,915)	(12,117,335)
Cash payments to employees for services	(2,602,696)	(6,489,608)	(9,092,304)	(4,648,466)
Cash received (paid) for other activities	(547,969)	(1,941,058)	(2,489,027)	(674,742)
Net cash provided by (used for) operating activities	<u>2,981,764</u>	<u>3,699,149</u>	<u>6,680,913</u>	<u>(357,854)</u>
<b>Net cash flows from noncapital financing activities:</b>				
Net transfers to/from other funds	-	-	-	9,287,500
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,287,500</u>
<b>Cash flows from capital and related financing:</b>				
Acquisition and construction of capital assets	(809,677)	(4,520,759)	(5,330,436)	(4,109,844)
Net cash used for capital and related financing activities	<u>(809,677)</u>	<u>(4,520,759)</u>	<u>(5,330,436)</u>	<u>(4,109,844)</u>
<b>Cash flows from investing activities:</b>				
Interest and dividends on investments	(386,001)	(554,671)	(940,672)	-
Net cash provided by investing activities	<u>(386,001)</u>	<u>(554,671)</u>	<u>(940,672)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,786,086	(1,376,281)	409,805	4,819,802
Cash and cash equivalents at beginning of year	9,379,524	19,210,466	28,589,990	18,644,606
Cash and cash equivalents at end of year	<u>\$ 11,165,610</u>	<u>17,834,185</u>	<u>28,999,795</u>	<u>23,464,408</u>
<b>Cash flows from operating activities:</b>				
Operating income (loss)	<u>\$ 8,086,557</u>	<u>18,572,784</u>	<u>26,659,341</u>	<u>4,733,051</u>
<b>Adjustments to reconcile operating income/(loss) to net cash provided by (used for) operating activities:</b>				
Depreciation	2,336,074	2,488,354	4,824,428	2,076,941
<b>Changes in assets and liabilities:</b>				
(Increase) decrease in accounts receivable	21,091	170,679	191,770	(19,946)
(Increase) decrease in inventory	-	(10,619)	(10,619)	(43,599)
Increase (decrease) in deposits payable	-	(9,500)	(9,500)	-
Increase (decrease) in accounts payable	(571,197)	(1,464,472)	(2,035,669)	(36,717)
Increase (decrease) in compensated absences	(26,522)	(21,197)	(47,719)	-
Increase (decrease) in OPEB liability	11,521	26,882	38,403	7,680
Increase (decrease) in pension obligation bond	(6,607,241)	(15,416,900)	(22,024,141)	(4,404,831)
Increase (decrease) in deposits payable	-	-	-	82,938
Increase (decrease) in net pension liability	(9,307,177)	(21,716,748)	(31,023,925)	(6,204,785)
Increase (decrease) in deferred inflows	2,283,378	5,327,880	7,611,258	1,522,252
Increase (decrease) in deferred outflows	6,750,860	15,752,006	22,502,866	4,500,573
Increase (decrease) in unearned revenue	4,420	-	4,420	-
Increase (decrease) in claims payable	-	-	-	(2,571,411)
Total adjustments	<u>(5,104,793)</u>	<u>(14,873,635)</u>	<u>(19,978,428)</u>	<u>(5,090,905)</u>
Net cash provided by (used for) operating activities	<u>\$ 2,981,764</u>	<u>3,699,149</u>	<u>6,680,913</u>	<u>(357,854)</u>

See accompanying notes to the financial statements



CITY OF ORANGE  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2022

	Custodial Funds	Private-Purpose Trust Fund
	Community Facilities Districts	Successor Agency Trust Funds
<b>ASSETS:</b>		
Cash and investments (notes 2 and 21a)	\$ 3,976,667	5,711,375
Cash and investments with fiscal agent (note 2)	1,532,733	2,496
Accounts receivable	-	1,266
Interest receivable	3,244	3,650
Due from other agencies (note 21c)	-	3,380,963
Taxes receivable	42,796	-
Loans receivable (net of forgiveness and net present value allocation) (note 21b)	-	75,440
Total assets	5,555,440	9,175,190
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred loss on bond refunding	-	116,014
Total deferred outflows of resources	-	116,014
<b>LIABILITIES:</b>		
Interest payable	-	493,773
Non current liabilities:		
Due in one year (notes 9 and 21d)	-	4,734,387
Due in more than one year (notes 9 and 21d)	-	29,374,515
Total liabilities	-	34,602,675
<b>NET POSITION</b>		
Held in trust	\$ 5,555,440	\$ (25,311,471)

See accompanying notes to the financial statements

CITY OF ORANGE  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
June 30, 2022

	Custodial Funds	Private-Purpose Trust Fund
	Community Facilities Districts	Successor Agency Trust Funds
<b>ADDITIONS:</b>		
Property tax	\$ 3,941,396	-
Other	-	17,249
Interest	(5,903)	(180,846)
Discount on present value	-	36,941
County revenue - RPTTF	-	5,519,933
Total additions	<u>3,935,493</u>	<u>5,393,277</u>
<b>DEDUCTIONS:</b>		
Payments to external parties	5,528,662	966,029
Administrative expenses	13,732	38,850
Contractual services	9,594	6,945
Total deductions	<u>5,551,988</u>	<u>1,011,824</u>
Changes in net position	(1,616,495)	4,381,453
Net position - beginning of year, restated (note 18)	<u>7,171,935</u>	<u>(29,692,924)</u>
Net position - end of year	<u>\$ 5,555,440</u>	<u>(25,311,471)</u>

See accompanying notes to the financial statements

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# *Notes to the Financial Statements*



CITY OF ORANGE  
 In Order of Presentation  
 Year ended June 30, 2022

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## 1. Significant Accounting Policies

### Description of the Reporting Entity

The City of Orange (City) was incorporated in April 1888 under the general laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: public safety, public works, community development and redevelopment, parks and library, sanitation, and general administrative services.

### Basis of Accounting and Measurement Focus

The *basic financial statements* of the City are composed of the following:

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

### *Government-wide Financial Statements*

Government-wide Financial Statements display information about the reporting government as a whole, except for its fiduciary activities. All fiduciary activities are reported only in the fund financial statements. The Government-wide statements include separate columns for the governmental and business-type activities of the primary government. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City. Also, certain eliminations have been made in regards to interfund transfers, payables, and receivables. Internal service fund activity has been eliminated and net balances are included in the governmental activities. Interfund services provided and used, if any, are not eliminated in the consolidation process.

Government-wide Financial Statements are presented using the *economic resources measurement focus* and the *full accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the Government-wide Financial Statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

1. Significant Accounting Policies (continued)

Program revenues include charges for services, operating grants and contributions, capital grants and contributions, special assessments, and payments made by parties outside of the reporting government's citizenry, if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirement of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Amounts paid to acquire capital assets are capitalized as assets in the Government-wide Financial Statements, rather than reported as an expense. Proceeds of long-term debt are recorded as a liability in the Government-wide Financial Statements, rather than as an "other financing source". Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expense.

*Fund Financial Statements*

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund Financial Statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the Government-wide Financial Statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for fiduciary funds. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

*Governmental Funds*

In the Fund Financial Statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available*. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days for all revenues. Major revenue sources that are susceptible to accrual are sales tax, property tax, motor vehicle in-lieu fees, franchise fees, license and permit fees, charges for services and interest earnings.

1. Significant Accounting Policies (continued)

*Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed non-exchange* transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary non-exchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

*Reimbursement grants* are those grants for which the recipient government must first incur allowable costs in order to qualify for the reimbursement. For these grants, funds received in advance of incurring the allowable costs are recorded as *unearned revenue* in both the *Fund Financial Statements* and the *Government-wide Financial Statements*. A receivable (and related revenue) is recorded for costs incurred during the year for which reimbursement has not yet been received. In the Fund Financial Statements of governmental funds, however, *unavailable revenue* (rather than revenue) is recorded at the establishment of this receivable if the amount of the reimbursement is not expected to be received during the recipient's availability period.

*Allocations* are voluntary non-exchange transactions received from other governments that are not in the form of reimbursement grants. The entitlement of the recipient government for the receipt of these funds is not based upon the recipient government first incurring allowable expenditures. These amounts are recorded as revenue when the recipient government becomes entitled to the allocation. Unearned revenue is not recorded in either the Fund Financial Statements or in the Government-wide Financial Statements for receipt of allocations prior to the recording of related expenditures. In some cases the amounts not spent within a specified number of years (the *spending period*) must be returned to the providing agency. The requirement to return unspent funds within the spending period is not considered to be a requirement pertaining to the eligibility of funding and does not affect the recognition of revenue for this funding. This is because there is no requirement to spend the allocated resources in specific amounts or proportions for each of the fiscal years covered by the spending period. The entire allocation may be spent in any of the fiscal years covered by the spending period. Any amounts returned at the end of the spending period are required by generally accepted accounting principles to be recorded at that time as an *expenditure*.

In the Fund Financial Statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets, current liabilities and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be 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.



1. Significant Accounting Policies (continued)

Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus and are offset by restricted fund balance. In addition, certain loans have a forgiveness component and/or have a repayment term greater than that of conventional loans. For these loans, an allowance has been recorded to more accurately present the net present value of these receivables.

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect fund balance, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an *other financing source* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

*Proprietary and Fiduciary Funds*

The City’s Enterprise Funds (Water and Sanitation) and Internal Service Funds are proprietary funds. Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a

Statement of Cash Flows. A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-wide Financial Statements.

In the Fund Financial Statements, proprietary funds and fiduciary funds are presented using the *full accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the Fund Financial Statements, proprietary funds and fiduciary funds are presented using the *economic resources measurement focus*. This means that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or non-current) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses include the cost of sales,

1. Significant Accounting Policies (continued)

maintenance, administration and depreciation on capital assets which are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Amounts paid to acquire capital assets are capitalized as assets in both the Proprietary and Fiduciary Fund Financial Statements, rather than reported as an expense. Also in these funds, proceeds of long-term debt are recorded as a liability rather than as an “other financing source” and amounts paid to reduce long-term indebtedness are reported as a reduction of the related liability, rather than as an expenditure.

Fund Classifications

The funds designated as major funds are determined by a mathematical calculation consistent with GASB Statement No. 34. Generally, however, once a fund has met the criteria for becoming a major fund, it will continue to be reported as a major fund by management, regardless of its calculation, in order to provide consistency and comparability between the years. The City reports the following major governmental funds:

*General Fund.* This is the primary operating fund of the City. It is used to account for all revenues and expenditures that are not required to be accounted for in another fund.

Special Revenue Funds

*Proposition 172 Fund.* This fund is used to account for sales tax restricted by voter mandate for public safety service enhancements. The primary source of revenue in this fund is sales tax

*Federal, State, and Local Grants Fund.* This fund is used to account for grant programs such as Community Development Block Grant, Housing and Urban Development Grant, California Parklands Grant, Citizens Option for Public Safety (COPS) Grant, Traffic Safety Grant, Justice Assistance Grant and others. The major source of revenue for these funds is proceeds from various federal, state and local grants.

*Housing Successor Fund.* This fund is used to account for low and moderate housing activities as of February 1, 2012, when the City became the successor housing agency to the former Redevelopment Agency, upon its dissolution. Prior to that, these activities were accounted for in the Redevelopment Agency Housing Fund. The primary source of revenue for these funds is principal housing loan repayments.

*Measure M Fund.* This fund is used to account for receipts and expenditures relating to transportation improvement projects and programs, funded by local ½ cent sales tax.



1. Significant Accounting Policies (continued)

Capital Projects Funds

*Capital Improvement Fund.* This fund is used to account for general-purpose capital improvement and cooperatively funded projects.

*Park Acquisition Development & Maintenance Fund.* This fund is used to account for the acquisition, development and maintenance of parks that are financed by developer fees.

The City reports the following major enterprise funds:

*Water Fund.* This fund is used to account for the provision of water services to residential, commercial and industrial customers.

*Sanitation Fund.* This fund is used to account for the provision of sanitation and sewer services to residential, commercial and industrial customers.

The City's fund structure also includes the following fund types:

*Special Revenue Funds.* These funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action for a specified purpose. These funds include

*Debt Service Fund.* This fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs.

*Capital Project Funds.* These funds are used to account for financial resources segregated for the acquisition and construction of major capital facilities (other than those financed by the proprietary funds).

*Internal Service Funds.* These funds are used to account for the financing of special activities that provide services within the City. Such activities include: equipment maintenance, equipment replacement, major building improvements, information systems, computer replacement, employee accrued liability, and dental and workers' compensation self-insurance costs.

*Private-Purpose Trust Fund.* This fund accounts for the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the former Redevelopment Agency. Tax increment revenue, which was formerly allocated by the County to the Redevelopment Agency, is now allocated to the Successor Agency Private-Purpose Trust Fund to fund payments of enforceable obligations until obligations of the former Redevelopment Agency are paid in full and assets have been liquidated.

1. Significant Accounting Policies (continued)

*Custodial Funds.* These funds are used to account for money and property held by the City as trustee or custodian. These funds include various assessment districts for which the City acts as an agent for debt service activity.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the City considered cash and cash equivalents (investments with maturities of three months or less at the time of purchase) as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City follows the practice of pooling the cash and investments of all funds, including the City's Enterprise and Internal Service Funds and Fiduciary Funds, except for assets held by fiscal agents. As amounts are available to these funds on demand, all cash and investments are considered to be cash and cash equivalents for Statement of Cash Flows purposes.

Changes in fair value that occur during a fiscal year are recognized as revenues from use of money reported for that fiscal year. Use of money and property includes interest earnings, changes in fair value (realized/unrealized), gains or losses realized upon the liquidation, maturity, or sale of investments, and rental income.

The City pools cash and investments for all funds, except for assets held by fiscal agents. Each fund's share in the pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated monthly to the various funds based on each fund's prior month-end cash and investment balance.

Inventories and Prepaids

Inventories of office supplies, gasoline and oil are maintained by the General and Internal Service Funds. The inventory maintained by the Water Utility Enterprise Fund consists primarily of water meters, water pipe, valves and fittings. Proprietary Fund inventories are priced at the lower of cost or market, determined on a first-in, first-out basis, utilizing the consumption method of accounting for inventories. The General Fund and Internal Service Funds inventories are valued at cost, determined on a weighted average basis utilizing the consumption method of accounting for inventories.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid, utilizing the consumption method.

Loans Receivable

Non-current portions of long-term receivables due are reported on the Governmental, Government-wide and Fiduciary financial statements. For loans that have a forgiveness component and/or a repayment term greater than that of conventional loans, an allowance is

1. Significant Accounting Policies (continued)

recorded to more accurately present the net present value of these receivables. The City's June 30 effective rate of return of 1.93% on investments is used to discount these receivables to their net present value.

Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their acquisition value at the date of contribution. Generally, capital asset purchases in excess of \$10,000 are capitalized if they have an expected useful life of two years or more.

Capital assets include additions to public domain (infrastructure), certain improvements including pavement, curb and gutter, sidewalks, traffic control devices, streetlights, sewers, storm drains, bridges, right-to-use leased assets and right-of-way within the City. The City has valued and recorded all infrastructure assets, in excess of \$50,000, in their entirety as of June 30, 2022.

Capital assets used in operations are depreciated/amortized over their estimated useful lives using the straight-line method in the Government-wide Financial Statements and in the Fund Financial Statements of the Enterprise Funds. Depreciation/amortization is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheets. The lives used for depreciation/amortization purposes for each capital asset class are:

Structures and improvements	20-50 years
Infrastructure	30-65 years
Wells, reservoirs and tanks	40 years
Reservoirs and tanks	60 years
Water lines/pipelines	60 years
Pumps & booster pumps	60 years
Vehicles and other equipment	2-25 years

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. 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.

1. Significant Accounting Policies (continued)

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2020
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has four types of items in this category. All four relate to Pension and/or OPEB liabilities. 1) Deferred outflows from changes in the net pension liability/total OPEB liability are the results of contributions made after the measurement period, which are applied against the related net/total liability in the following year; 2) Changes of Assumptions is an amount that is deferred and amortized using an Expected Average Remaining Service Lifetime (EARSL); 3) Differences between expected and actual experience are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans; and 4) Net difference between expected and actual earnings on pension plan investments. Deferred outflows are reported only in the statement of net position, arising under the full accrual basis of accounting.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items that qualify for reporting in this category. The first item, unavailable revenues from various sources: taxes and grant monies, is reported only in the governmental funds balance sheet, and arises under a modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other three items relate to inflows from changes in net pension liability and total OPEB liability, and are reported only in the statement of net position, arising under the full accrual basis of accounting. These inflows related to pension and OPEB liabilities are the result of:

Differences between Expected and Actual Experiences are deferred and amortized using an EARSL.



1. Significant Accounting Policies (continued)

Changes in assumptions is an amount that is deferred and amortized using an Expected Average Remaining Service Lifetime (EARSL)  
Net difference between Projected and Actual Earnings on Pension Plan Investments is deferred and amortized on a straight-line basis over 5 years

Compensated Absences

The employee benefits payable liability is recorded for unused vacation and similar compensatory leave balances. The employees' entitlement to these balances is attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) that is outside the control of the City and the employee.

These leave balances are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Net Position

Net position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three captions. These captions apply only to net position, which is determined only at the government-wide level and in the proprietary funds and fiduciary funds. These captions are described on the following pages.

*Invested in capital assets:* the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets, net of any unspent debt proceeds.

*Restricted:* the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, funds restricted for low-and moderate housing, grant funds and legally restricted sales tax revenues.

*Unrestricted:* the portion of net position which does not meet the definition of "net investment in capital assets" or "restricted net position".



1. Significant Accounting Policies (continued)

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When a fund consists of both restricted and unrestricted resources, expenses are considered to be applied first to the restricted, then to the unrestricted.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When a fund consists of a combination of resources, expenses are considered paid first from restricted resources, then from committed resources, followed by assigned resources. Unassigned fund balance is applied last.

Fund Equity

In the fund financial statements, government funds report the following fund balance classifications:

Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is through the City's budget, which is adopted annually through a City Council Resolution.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. By reporting particular amounts that are not restricted or committed in a particular fund, the government has assigned those amounts to the purposes of the respective funds. The formal action that is required to be taken to establish, modify, or rescind a fund balance assignment is through the City's budget,

1. Significant Accounting Policies (continued)

which is adopted annually through a City Council Resolution.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes. Any negative amounts in governmental funds are reported in unassigned fund balance. Only the General Fund can have a positive unassigned fund balance.

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflow/outflows of resources at the reporting date and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Changes in Accounting Principles and New GASB Pronouncements

For 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. 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.

2. Cash and Investments

Cash and investments are presented in the accompanying statements as follows:

Statement of Net Position:	
Cash and investments	\$ 145,704,730
Cash and investments with fiscal agent	17,495,231
Statement of Fiduciary Net Position:	
Cash and investments	9,688,042
Cash and investments with fiscal agent	<u>1,535,229</u>
Total cash and investments	<u>\$ 174,423,232</u>

Cash and investments at June 30, 2022 consisted of the following:

Petty Cash	\$ 13,000
Bank balances (net of outstanding checks and timing differences)	(1,162,236)
Investments	<u>175,572,468</u>
Total	<u>\$ 174,423,232</u>

2. Cash and Investments (continued)

Investments Authorized by the California Government Code and the City's Investment Policy

Under the provisions of the City's investment policy as amended periodically by Council, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

- United States Treasury notes, bonds, bills or certificates of indebtedness, or other securities for which the full faith and credit of the United States are pledged for the payment of principal and interest (Limits: Maximum time to maturity at purchase 5 years).
- Obligations or other instruments issued by any federal agency, or United States government-sponsored enterprise. In every case, any issue purchased must be fully guaranteed as to principal and interest by the full faith and credit of the United States or the issuing federal agency (Limits: Maximum time to maturity at purchase 5 years; maximum concentration 75% of portfolio with no more than 30% of total portfolio in any single agency at time of purchase; maximum percent of agency callable securities in the portfolio will be 20%; and completely excluding Government National Mortgage Association bonds).
- Money market mutual funds that invest only in securities and obligations of the United States government (Limits: Maximum 90 days weighted average maturity; maximum \$15 million or 20% of portfolio, whichever is less).
- State of California Local Agency Investment Fund, limited to \$75 million per account.
- Certificates of Deposit approved by the California AB 2011 (Limits: maximum concentrate of 30% of total portfolio).
- Commercial Paper of prime quality having the highest ranking or the highest letter and number rating provided by a national rating agency (Limits: Maximum maturity of 270 days or less, maximum 20% of portfolio and no more than 5% of the book value of the portfolio to a single issuer at time of purchase).
- Medium-term notes issued by corporations or depository institutions organized and operating within the United States (Limits: Maximum time to maturity at purchase 5 years; maximum concentration 30% of portfolio and no more than 5% of the book value of the portfolio finds to a single issuer at time of purchase; minimum "A" credit rating).
- Municipal bonds including those issued by any State and any local agency within any State, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by a state or local agency or by a department, board, agency, or authority of a state or local agency. (Limits: Maximum maturity at purchase 5 years; minimum "A" credit rating; maximum concentration 20% of

## 2. Cash and Investments (continued)

- portfolio and no more than 5% of the book value of the portfolio funds to a single issuer at time of purchase.)
- Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations limited to mortgage-backed pass-through securities issued by a US government agency or consumer receivable pass-through certificates or bonds. (Limits: Maximum maturity at purchase of 5 years ; minimum “AA” credit rating, The aggregate investment in mortgage-backed and asset-backed securities described shall not exceed 20% of the portfolio; no more than 5% held in any one issuer that is not a US government agency.)
- Supranational securities, senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank which are eligible for purchase in the United States. (Limits: Maximum remaining maturity of five years or less; minimum “AA” credit rating; maximum concentration of 30% of the portfolio with no more than 10% invested in any one issuer.)

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City’s investment in this pool is reported in the accompanying financial statements at amounts based upon the City’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. The balance available for withdrawal is based on the accounting records maintained by LAIF. The LAIF investment portfolio consists primarily of U.S. treasuries, federal agency securities, certificates of deposit, time deposits, and commercial paper.

### Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City’s investment policy. The investments authorized by these debt agreements include Money Market Mutual Funds, Federal Agencies with maturity dates not to exceed 5 years, Treasury Bonds and Guaranteed Investment Contracts and have maturity dates of up to 30 years.

### Risk Disclosures

*Market Risk.* While the City recognizes that longer term portfolios achieve higher returns, longer term portfolios have higher volatility of total return. The City will limit market risk by limiting the concentrations, volume, and duration of its longer-term investments, as well as limiting them to funds which are not needed for current year cash flow purposes.



2. Cash and Investments (continued)

- (1) Maturities selected shall provide for stability of income and liquidity and shall not exceed 5 years from the date of purchase. Funds not required for purposes of meeting specific cash flow needs shall be invested in permitted securities so that securities will mature periodically across the maturity spectrum with a maximum of five years.
- (2) The City may, on occasion, sell a security prior to its maturity (recording a gain or loss) in order to diminish the portfolio's exposure to market risk or reinvest into a better opportunity providing more potential earning to the City's portfolio.

At June 30, 2022 the City Treasury had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (In Years)			
		<1	1 to 2	2 to 3	3 to 5
Federal Home Loan Bank	\$ 17,825,040	-	4,796,200	8,419,690	4,609,150
Federal National Mtg. Assn.	18,379,931	-	4,800,850	8,915,981	4,663,100
Federal Home Loan Mtg. Corp.	17,372,238	-	4,762,450	4,302,788	8,307,000
Medium Term Note:					
Apple	2,731,320	-	-	-	2,731,320
Bank of America	1,175,713	-	-	1,175,713	-
Bank of NY Mellon	947,312	-	-	947,312	-
Caterpillar Financial Serv.	1,211,338	-	-	1,211,338	-
HSBC USA	3,477,495	-	3,477,495	-	-
Coca-Cola	2,930,850	-	-	2,930,850	-
John Deere Capital	278,751	-	-	278,751	-
JP Morgan Chase	1,168,838	-	-	-	1,168,838
Paccar Financial	891,196	-	891,196	-	-
Toyota Motor Credit Corp,	4,547,700	-	-	-	4,547,700
Local Agency Investment Fund	73,935,693	73,935,693	-	-	-
Money Market Mutual Funds	6,928,753	6,928,753	-	-	-
Held by trustee:					
Money Market Mutual Funds	19,030,461	19,030,461	-	-	-
U.S. Treasury Bond	2,739,839	-	-	-	2,739,839
<b>Total</b>	<b>\$175,572,468</b>	<b>99,894,907</b>	<b>18,728,191</b>	<b>28,182,423</b>	<b>28,766,947</b>

*Credit Risk.* Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the City's policy to limit its investments to the investment types with ratings identified under the *Authorized Investments* sections above.



2. Cash and Investments (continued)

At June 30, 2022 the City's credit risks, expressed on a percentage basis, are as follows:

Investment Type	Minimum Rating	S&P Rating	% of Investments
Federal Home Loan Bank	Exempt	Exempt	10.2%
Federal National Mtg. Assn.	Exempt	Exempt	10.5%
Federal Home Loan Mortgage Corp.	Exempt	Exempt	9.9%
Medium Term Note:			
Apple	A	AA+	1.6%
Bank of America	A	A-	0.7%
Bank of NY Mellon	A	A-	0.5%
Caterpillar Financial Services	A	A	0.7%
Coca-Cola	A	A+	1.7%
HSBC USA	A	A-	2.0%
John Deere Capital	A	A	0.2%
JP Morgan Chase	A	A-	0.7%
Paccar Financial	A	A+	0.5%
Toyota Motor Credit Corp	A	A+	2.6%
Local Agency Investment Fund	Not rated	Not rated	42.1%
Money Market Mutual Funds	Not applicable	AAA	3.9%
Held by trustee:			
Money Market Mutual Funds	Not applicable	AAA	10.8%
U.S. Treasury Bond	Exempt	Exempt	1.6%
Total			<u>100.0%</u>

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The City's policy as to limitations on the amount that can be invested in any one issuer is identified under the *Authorized Investments* section above. Investments in any one issuer (excluding U.S. Treasury securities and external investment pools which are exempt) can be identified in the table above under *Credit Risk*.

*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 the possession of an outside party. The California Government Code requires California banks and savings and loan associations to secure a city's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of a city's deposits. California law also allows financial institutions to secure city deposits by pledging first trust deed mortgage notes having a value of 150% of a city's total deposits. Cities may waive collateral requirements for deposits that are fully insured up to \$250,000 by federal depository insurance. The City has not waived this requirement.

## 2. Cash and Investments (continued)

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 City's policy is for all securities owned by the City to be held in safekeeping by the

City's custodial bank, a third-party bank trust department, acting as agent for the City under the terms of a custody agreement.

The City follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal or other agents under provisions of the U.S. Department of Housing and Urban Development or provisions of bond indentures.

### Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2022:

Investment Type	Quoted Prices		Observable Inputs Level 2	Unobservable Inputs Level 3	Total
	Level 1	Level 1			
Federal Home Loan Bank	\$ -	-	17,825,040	-	17,825,040
Federal National Mtg. Assn.	-	-	18,379,931	-	18,379,931
Federal Home Loan Mtg. Corp.	-	-	17,372,238	-	17,372,238
Medium Term Note:	-	-	-	-	-
Apple	-	-	2,731,320	-	2,731,320
Bank of America	-	-	1,175,713	-	1,175,713
Bank of NY Mellon	-	-	947,312	-	947,312
Caterpillar Financial Services	-	-	1,211,338	-	1,211,338
Coca-Cola	-	-	2,930,850	-	2,930,850
John Deere Capital	-	-	278,751	-	278,751
Paccar Financial	-	-	891,196	-	891,196
Toyota Motor Credit Corp	-	-	4,547,700	-	4,547,700
-	-	-	-	-	-
Held by trustee:	-	-	-	-	-
Money Market Mutual Funds	-	-	95,325	-	95,325
U.S. Treasury Bond	-	-	2,739,839	-	2,739,839
Federal National Mtg. Assn.	-	-	-	-	-
Total Levelled Investments	\$ -	\$ -	\$ 75,772,886	-	\$ 75,772,886
Local Agency Investment Fund*					73,935,693
Money Market Mutual Funds*					6,833,428
Held by Trustee:					
Money Market Mutual Funds*					19,030,461
Total Investment Portfolio					<u>\$ 175,572,468</u>

### 3. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 80,404,147	-	86,147	80,318,000
Rights of way	347,108,096	150,100	100	347,258,096
Construction in progress	12,955,197	24,337,682	4,797,918	32,494,961
Total capital assets, not being depreciated	440,467,440	24,487,782	4,884,165	460,071,057
Capital assets, being depreciated:				
Infrastructure	229,265,587	6,821,195	63,208	236,023,574
Structures and improvements	133,943,546	2,785,231	-	136,728,777
Furniture, fixtures and equipment	49,120,900	3,043,571	2,341,204	49,823,267
Total capital assets, being depreciated	412,330,033	12,649,997	2,404,412	422,575,618
Less accumulated depreciation for:				
Infrastructure	91,987,485	4,180,368	54,523	96,113,330
Structures and improvements	43,000,750	3,154,666	-	46,155,416
Furniture, fixtures and equipment	31,882,193	3,323,737	2,259,359	32,946,571
Total accumulated depreciation	166,870,428	10,658,771	2,313,882	175,215,317
Total capital assets, being depreciated, net	245,459,605	1,991,226	90,530	247,360,301
Governmental activities capital assets, net	\$ 685,927,045	26,479,008	4,974,695	707,431,358

3. Capital Assets (continued)

Business-type activities:	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,646,932	-	-	2,646,932
Construction in Progress	2,206,215	4,290,624	2,556,683	3,940,156
Total capital assets, not being depreciated	4,853,147	4,290,624	2,556,683	6,587,088
Capital assets, being depreciated:				
Bldgs and structures	3,900,048	174,790	-	4,074,838
Improvements other than buildings:				
Wells	10,600,617	-	-	10,600,617
Water tanks	16,118,168	454,397	-	16,572,565
Water lines	105,003,200	2,147,846	20,296	107,130,750
Sewer	71,763,600	809,677	-	72,573,277
Storm drains	112,751,142	-	-	112,751,142
Machinery and Equipment	12,289,101	9,785	52,915	12,245,971
Total capital assets being depreciated	332,425,876	3,596,495	73,211	335,949,160
Less accumulated depreciation for:				
Bldgs and structures	2,082,190	238,473	-	2,320,663
Improvements other than buildings:				
Wells	3,522,136	254,736	-	3,776,872
Water tanks	8,353,536	250,882	-	8,604,418
Water Lines	66,696,963	1,157,721	20,296	67,834,388
Sewer	44,116,784	550,944	-	44,667,728
Storm drains	77,948,184	1,785,131	-	79,733,315
Machinery and Equipment	3,115,612	586,541	52,915	3,649,238
Total accumulated Depreciation	205,835,405	4,824,428	73,211	210,586,622
Total capital assets, being depreciated, net	126,590,471	(1,227,933)	-	125,362,538
Business-type activities capital assets, net	\$ 131,443,618	3,062,691	2,556,683	131,949,626

3. Capital Assets (continued)

As of June 30, 2022, the City had the following outstanding purchase commitments:

Major purchase order commitments:

Project:	Funding Source					Total
	Capital Projects	Special Revenue	Internal Service	Enterprise		
Fire HQ Construction	\$ 1,548,002	-	-	-	-	1,548,002
Police HQ Atrium Rehab	\$ 3,822,743	-	-	-	-	3,822,743
Santiago Bike Trail	153,565	-	-	-	-	153,565
Park Signage	380,655	-	-	-	-	380,655
North Tustin Specific Plan	136,957	-	-	-	-	136,957
Pavement Management Program	-	3,608,292	-	-	-	3,608,292
Access Control System	294,388	-	-	-	-	294,388
Tustin St. Signal Synchronization	-	1,326,416	-	-	-	1,326,416
Traffic Control Devices	125,481	-	-	-	-	125,481
Tustin St. BioClean Install	500,000	-	-	328,630	-	828,630
Facility Maintenance	-	-	544,721	-	-	544,721
Annual Sewer Line Maint. & Repl.	-	-	-	2,659,645	-	2,659,645
Annual Asphalt Replacement	-	-	-	130,610	-	130,610
Annual Pipeline Replacement	-	-	-	1,007,325	-	1,007,325
Wells	-	-	-	951,399	-	951,399
<b>Total</b>	<b>\$ 6,961,791</b>	<b>4,934,708</b>	<b>544,721</b>	<b>5,077,609</b>	<b>-</b>	<b>17,518,829</b>

Depreciation expense was charged to the following functions in the Statement of Activities:

	Governmental Activities	Business-Type Activities
General government	\$ 480,125	-
Public safety	1,435,976	-
Public works	4,853,117	-
Parks and library	1,689,862	-
Economic development	122,750	-
Internal Service Funds	2,076,941	-
Water	-	2,488,353
Sanitation	-	2,336,075
<b>Total</b>	<b>\$10,658,771</b>	<b>4,824,428</b>

4. Taxes

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10.

Any unpaid amounts at the end of the fiscal year are recorded as taxes receivable in accordance with the City's accrued revenue policy as stated in Note 1. The County of Orange bills and collects the property taxes and subsequently remits the amount due to the City of



4. Taxes (continued)

Orange in installments during the year. Historically, the City has received substantially all of the taxes levied within two years from the date they are levied.

The County is permitted by State Law (Article XIII A of the California Constitution) to levy property taxes at one percent (1%) of full market value at time of purchase and can increase the property's value no more than two percent (2%) per year. The City receives a share of this basic levy proportionate to what it received in the 1976 to 1978 period.

The City entered into a participation agreement to abate sales tax with a local business under the City of Orange Municipal Code Section 3.25 Sales Tax Sharing Program. Under the code, the City may grant sales tax abatements of the amount of sales tax a business generates within the City, for the purpose of attracting or retaining businesses within their jurisdictions. For the year ended June 30, 2022, the City abated sales taxes totaling \$8,314,149.

5. Other Revenues

Other revenues in the General Fund consist mainly of reimbursement for the Annual Street Fair and reimbursements from other agencies for emergency services provided.

6. Retirement Plan

Plan Description, Benefits Provided and Employees Covered

The City contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan (the Plan). CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and their beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and memoranda of understanding with employee bargaining units. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the CalPERS June 30, 2019 Valuation Report. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Employers.

The Plan provides benefits for two membership classifications, Miscellaneous and Safety, and those benefits are tiered based upon date of CalPERS membership. Safety membership is extended to those in active law enforcement and fire suppression, while all others are classified as Miscellaneous members. Assembly Bill (AB) 340, also known as the Public Employees' Pension Reform Act (PEPRA), created new benefit formulas and a final compensation period as well as new contribution requirements for new employees. For the purpose of PEPRA, "new employees" are those hired on or after January 1, 2013, and had never been a member of CalPERS previously. All employees hired prior to January 1, 2013,

6. Retirement Plan (continued)

or whom, regardless of their hire date had previously been a member of CalPERS, will continue to be covered under the pre-PEPRA plan. All “new employees”, per PEPRA, will not be eligible for this plan, and instead will be covered under the PEPRA tiered plan. A summary of the plan benefits in effect at June 30, 2022 is provided on the following page.

	<u>Miscellaneous</u>	
	<u>Prior to January 1, 2013</u>	<u>On or After January 1, 2013</u>
Hire Date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%	1.0% - 2.5%
Required employee contribution rates	8%	6.75%
Required employer contribution rates:		
Normal cost rate	12.410%	12.410%
Payment of unfunded liability	\$ 11,230,178	-

	<u>Safety</u>	
	<u>Prior to January 1, 2013</u>	<u>On or After January 1, 2013</u>
Hire Date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.0% - 2.7%
Required employee contribution rates	9%	11%
Required employer contribution rates:		
Normal cost rate	20.392%	20.392%
Payment of unfunded liability	\$ 18,409,102	-

At the June 30, 2021 measurement date, the following employees were covered by the benefit terms of the Plan:

	<u>Misc.</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	717	482
Inactive employees entitled to but not yet receiving benefits	522	122
Active employees	<u>358</u>	<u>266</u>
Total	<u>1,597</u>	<u>870</u>

Contribution Description

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis

6. Retirement Plan (continued)

by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Projected Salary Increases	(1)	(1)
Mortality Rate Table	(2)	(2)
Post Retirement Benefits Increase	(3)	(3)

(1) Depending on age, service and type of employment

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

(3) Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on

6. Retirement Plan (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

<b>Asset Class(1)</b>	<b>Assumed Asset Allocation (1)</b>	<b>Real Return Years 1 - 10 (2)</b>	<b>Real Return Years 11+ (3)</b>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Assets	13.00	3.75	4.93
Liquidity	1.00	-	(0.92)
<b>Total</b>	<b>100.00%</b>		

- (1) In the CalPERS ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (2) An expected inflation of 2.00% used for this period
- (3) An expected inflation of 2.92% used for this period



6. Retirement Plan (continued)

Subsequent Events

There were no subsequent events.

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves and fiduciary self-insurance included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

Changes in the Net Pension Liability-Miscellaneous Plan

The following table shows the changes in net pension liability for the Miscellaneous Plan recognized over the measurement period.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2020 (Measurement Date)	\$ 376,986,905	\$ 270,772,163	\$ 106,214,742
Changes Recognized for the Measurement Period:			
Service Cost	5,435,892	-	5,435,892
Interest on the Total Pension Liability	26,300,226	-	26,300,226
Difference between Expected and Actual Experience	(1,615,823)	-	(1,615,823)
Contribution from the Employer	-	115,571,257	(115,571,257)
Contributions from Employees	-	2,208,136	(2,208,136)
Net Investment Income	-	67,731,016	(67,731,016)
Benefit Payments including Refunds of Employee Contributions	(20,507,418)	(20,507,418)	-
Administrative Expense		(270,485)	270,485
Net Changes During 2020-21	9,612,877	164,732,506	(155,119,629)
Balance at: 6/30/2021 (Measurement Date)	\$ 386,599,782	\$ 435,504,669	\$ (48,904,887)

Sensitivity of the Miscellaneous Plan Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Miscellaneous Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:



6. Retirement Plan (continued)

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Plan's Net Pension Liability/(Assets)	\$ (170,696)	\$ (48,904,887)	\$ (89,287,445)

Changes in the Net Pension Liability/(Assets)-Safety Plan

The following table shows the changes in net pension liability for the Safety Plan recognized over the measurement period.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2020 (Measurement Date)	\$ 577,500,138	\$ 396,628,272	\$ 180,871,866
Changes Recognized for the Measurement Period:			
Service Cost	9,602,667	-	9,602,667
Interest on the Total Pension Liability	41,044,660	-	41,044,660
Difference between Expected and Actual Experience	6,910,237	-	6,910,237
Contribution from the Employer	-	198,675,791	(198,675,791)
Contributions from Employees	-	3,429,542	(3,429,542)
Net Investment Income	-	101,688,630	(101,688,630)
Benefit Payments including Refunds of Employee Contributions	(30,321,036)	(30,321,036)	-
Administrative Expense		(396,207)	396,207
Net Changes During 2020-21	27,236,528	273,076,720	(245,840,192)
Balance at: 6/30/2021 (Measurement Date)	\$ 604,736,666	\$ 669,704,992	\$ (64,968,326)

Sensitivity of the Safety Plan Net Pension Liability/(Assets) to Changes in the Discount Rate

The following presents the net pension liability of the Safety Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

6. Retirement Plan (continued)

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Plan's Net Pension Liability/(Assets)	\$ 15,829,327	\$ (64,968,326)	\$ (131,388,013)

Recognition of Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5-year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

The EARSL for the Miscellaneous Plan for the 2020-21 measurement period is 2.4 years, which was obtained by dividing the total service years of 3,825 (the sum of remaining service lifetimes of the active employees) by 1,576 (the total number of participants: active, inactive, and retired).

The EARSL for the Safety Plan for the 2020-21 measurement period is 3.8 years, which was obtained by dividing the total service years of 3,189 (the sum of remaining service lifetimes of the active employees) by 850 (the total number of participants: active, inactive, and retired).

6. Retirement Plan (continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2020), the net pension liability is \$106,214,742 for the Miscellaneous Plan and \$180,871,866 for the Safety Plan.

For the measurement period ending June 30, 2021 (the measurement date), the City of Orange incurred a pension income of \$3,563,325 for the Miscellaneous Plan and \$138,074 for the Safety Plan, allocated as follows:

	Governmental Activities	Business-type Activities	Totals
Miscellaneous Plan	\$ 2,850,659	\$ 712,666	\$ 3,563,325
Safety Plan	138,074	-	138,074
Total Pension Income	\$ 2,988,733	\$ 712,666	\$ 3,701,399

As of the end of the measurement period (June 30, 2021) and as presented in the June 30, 2022 Statement of Net Position, the net pension asset is \$48,904,887 for the Miscellaneous Plan and \$64,968,326 for the Safety Plan, allocated as follows:

	Governmental Activities	Business-type Activities	Totals
Miscellaneous Plan	\$ 39,123,911	\$ 9,780,976	\$ 48,904,887
Safety Plan	64,968,326	-	64,968,326
Total Net Pension Asset	\$ 104,092,237	\$ 9,780,976	\$ 113,873,213

As of the fiscal year ended June 30, 2022, the City of Orange has deferred outflows and deferred inflows of resources related to pensions as follows:

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6. Retirement Plan (continued)

Miscellaneous Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date:		
Current year pension contributions	\$ 3,460,554	\$ (942,563)
Differences between Expected and Actual Experiences	125,666	
Net Difference between Projected and Actual	-	
Earnings on Pension Plan Investments	-	(32,812,029)
Total	\$ 3,586,220	\$ (33,754,592)

Safety Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date:		
Current year pension contribution	\$ 6,931,080	\$ -
Differences between Expected and Actual Experiences	5,224,157	(402,731)
Net Difference between Projected and Actual		-
Earnings on Pension Plan Investments	-	(49,083,283)
	\$ 12,155,237	\$ (49,486,014)

\$10,391,634 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as shown on the following page.

6. Retirement Plan (continued)

Fiscal Year ended June 30:	Miscellaneous Plan	Safety Plan
	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
2023	\$ (8,879,838)	\$ (10,674,569)
2024	\$ (7,886,335)	\$ (9,782,402)
2025	\$ (7,876,213)	\$ (10,363,334)
2026	\$ (8,986,540)	\$ (13,441,552)
2027	-	-
Thereafter	-	-

At June 30, 2022, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

7. Insurance Programs

The City is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, road and walkway design hazards, vehicle accidents, and natural disasters for which the City maintains various insurance programs. The City has entered into contracts with outside vendors to supervise and administer these programs. In addition, the City completes an annual actuarial analysis for the Workers' Compensation and Liability Funds to determine appropriate funding levels.

General Liability

The City is self-insured for General and Auto Liability claims up to \$350,000 per occurrence. For amounts in excess of \$350,000 and up to \$3,000,000 the City participates in a public entity risk pool maintained through the California Insurance Pool Authority (CIPA). CIPA is a consortium of California cities under one joint powers authority agreement, which was established to pool resources, share risks, purchase excess insurance, and to share costs for professional risk management and claims administration. For amounts in excess of \$3,000,000, the pool purchases commercial insurance and has coverage up to \$33,000,000.

Workers' Compensation

The City has a self-insurance program for any liability to City employees arising under the Workers' Compensation laws of the State of California. The City pays up to \$500,000 per occurrence. For amounts in excess of \$500,000 and up to \$2,000,000, the City participates in CIPA. For amounts in excess of \$2,000,000, the pool purchases commercial insurance and has coverage up to \$52,000,000 per occurrence. There were no changes in insurance coverage from the prior year.



7. Insurance Programs (continued)

Liabilities are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The liability for claims and judgments is reported in the appropriate Internal Service Fund. An amount for current claims payable is calculated based on the current year expenses and the remainder is shown as noncurrent claims payable. There were no claims paid in excess of insurance coverage. Changes in claims payable for the year ended June 30, 2021 and June 30, 2022 are outlined below.

	General Liability	Workers' Compensation	Totals
Unpaid claims, July 1, 2020	\$ 2,069,182	15,731,001	17,800,183
Incurred claims	442,186	2,802,400	3,244,586
Less claim payments	(745,323)	(1,425,428)	(2,170,751)
Unpaid claims, June 30, 2021	1,766,045	17,107,973	18,874,018
Less current portion of unpaid claims	985,620	4,727,487	5,713,107
Noncurrent unpaid claims, June 30, 2021	\$ 780,425	12,380,486	13,160,911
Unpaid claims, July 1, 2021	1,766,045	17,107,973	18,874,018
Incurred claims	319,285	835,092	1,154,378
Less claims payments	(711,872)	(3,086,022)	(3,797,895)
Unpaid claims, June 30, 2022	1,373,458	14,857,043	16,230,501
Less current portion of unpaid claim	867,388	4,400,853	5,268,241
Noncurrent unpaid claims, June 30, 2022	\$ 506,070	10,456,190	10,962,260

8. Other Post Employment Benefits (OPEB)

Plan Description

The City administers a single-employer defined benefit post-employment healthcare plan for eligible City retirees and their dependents through the California Public Employees' Retirement System (CalPERS). Retirees from the City enrolled in the Public Employees Medical and Hospital Insurance Program (PEMHCA), who retire at age 50 or later and have at least 5 years of service in the CalPERS system are eligible for these benefits. These health insurance benefits are authorized through City Resolutions/Memorandas of Understanding defining health care benefits and contribution levels and through the contractual agreement between the City and CalPERS. The City currently contributes \$149 per month for each retiree and the retiree is responsible for the balance of the premium amount. There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement 75.

8. Other Post Employment Benefits (OPEB) (continued)

Employees Covered

As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees or beneficiaries currently receiving benefits	456
Active employees	<u>626</u>
Total	<u>1,082</u>

Total OPEB Liability

The City's OPEB liability of \$44,353,963 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal , Level % of Salary
Actuarial Assumptions:	
Discount Rate	1.92%
Inflation	5.50%
Projected Salary Increase	2.75%; Additional merit based increases based on CalPERS Merit Salary Increase Table
Expected Long Term Investment Rate of Return	3.50%
Health Care Cost Trend Rates	7.0% (Pre-Medicare)/6.0% (Medicare) in first year, trending down to 4.04% over 56 years
Pre-retirement Turnover	Derived from CalPERS OPEB Assumption Model, revised May 14, 2018
Mortality Rate	Derived from CalPERS OPEB Assumption Model, revised May 14,2018

The discount rate used to measure the total OPEB liability is 1.92%. The City's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax exempt, high-quality 20-year municipal bonds, as of the valuation date.

8. Other Post Employment Benefits (OPEB) (continued)

Changes in Total OPEB Liability

The changes in the OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balance as of June 30, 2020 (Measurement Date)	\$44,161,946
Changes in the Year:	
Service Cost	2,020,586
Interest on the total OPEB liability	1,112,493
Differences between expected and actual experience	(4,973,808)
Changes in assumptions	3,582,060
Contribution – employer	(503,530)
Implicit subsidy fulfilled	(1,045,784)
Net Changes	<u>192,017</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$44,353,963</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate for the Plan, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	Discount Rate – 1% (.92%)	Current Discount Rate (1.92%)	Discount Rate + 1% (2.92%)
Total OPEB Liability	<u>\$51,101,439</u>	<u>\$44,353,963</u>	<u>\$38,870,503</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease 6.00% Decreasing to 2.84%	Current Healthcare Cost Trend Rates 7.00% Decreasing to 3.84%	1% Increase 8.00% Decreasing to 4.84%
Total OPEB Liability	<u>\$37,779,579</u>	<u>\$44,353,963</u>	<u>\$52,763,008</u>

8. Other Post Employment Benefits (OPEB) (continued)

OPEB Expense and Deferred Outflows of Resources Related to OPEB

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$1,522,884
Changes in assumptions	7,515,366
Contributions subsequent to measurement date	<u>1,423,797</u>
Total Deferred Outflows	<u>\$10,462,047</u>

	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$(4,370,875)
Changes in assumptions	<u>(183,428)</u>
Total Deferred Inflows	<u>\$(4,554,303)</u>

The \$1,423,797 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending	
<u>June 30,</u>	<u>Amount</u>
2023	\$ 955,272
2024	955,272
2025	955,272
2026	959,976
2027	721,507
Thereafter	(63,352)

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## 9. Long-Term Liabilities

Following is a reconciliation of long-term liabilities for the year ended June 30, 2022:

	Beginning Balance Restated (1)	Additions	Deletions	Ending Balance	Amounts Due Within One Year	Amounts Due Beyond One Year
<b>Governmental activities:</b>						
<b>Direct borrowing:</b>						
Loans payable	\$ 541,457	-	237,778	303,679	156,439	147,240
Leases payable	61,061	118,528	76,029	103,560	46,917	56,643
Lease revenue bonds	29,930,000	-	520,000	29,410,000	550,000	28,860,000
Premium on lease revenue bonds	4,229,604	-	145,849	4,083,755	145,848	3,937,907
Pension obligation bonds	265,478,776	-	7,130,772	258,348,004	9,378,204	248,969,800
<b>Other liabilities:</b>						
Compensated absences	9,392,466	4,534,408	4,223,289	9,703,585	4,363,183	5,340,402
Claims payable	18,874,018	5,656,238	8,299,755	16,230,501	5,268,241	10,962,260
<b>Total Govt. activities</b>	<b>328,507,382</b>	<b>10,309,174</b>	<b>20,633,472</b>	<b>318,183,084</b>	<b>19,908,832</b>	<b>298,274,252</b>
<b>Business-type activities</b>						
Compensated absences	822,204	98,588	146,307	774,485	139,139	635,346
Pension obligation bonds	21,006,224	-	564,228	20,441,996	741,796	19,700,200
<b>Total Business activities</b>	<b>21,828,428</b>	<b>98,588</b>	<b>710,535</b>	<b>21,216,481</b>	<b>880,935</b>	<b>20,335,546</b>
<b>Total</b>	<b>\$350,335,810</b>	<b>10,407,762</b>	<b>21,344,007</b>	<b>339,399,565</b>	<b>20,789,767</b>	<b>318,609,798</b>

- (1) Beginning balance for Lease payable was restated with the implementation this year of GASB 87, which requires that certain leases be capitalized.

In April 2018 and May 2019, the City entered into a series of loan agreements with Southern California Edison for LED retrofit of city-owned streetlights. The loans total \$1,682,026 and carry a zero percent interest rate. The outstanding balance at June 30, 2022 is \$303,679. The annual payments are as follows:

Year Ending	Principal
June 30	
2022-23	\$ 156,439
2023-24	70,095
2024-25	49,772
2025-26	<u>27,373</u>
<b>Total</b>	<b>\$ <u>303,679</u></b>

The City leases some vehicles in its fleet. They are 3-year leases, with variable interest rates per vehicle calculated using the money factor. The City's postage meter is leased for a 3-year period. The interest on this lease is variable based on the 10-year treasury bond rate plus 2%.

Lease agreements are summarized as follows:

Describe	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance June 30, 2022
Vehicles	Varies	3 years	Varies	Varies	\$ 257,378	\$ 75,851
Mail Machine	03/15/22	3 years	10,259	3.625%	30,273	<u>27,709</u>
<b>Total Lease Agreements</b>						<b>\$ <u>103,560</u></b>



9. Long-Term Liabilities (continued)

Annual requirements to amortize long-term lease obligations and related interest are as follows:

Year Ending June 30	Principal	Interest
2023	\$ 46,917	\$ 1,518
2024	39,954	681
2025	<u>16,689</u>	<u>103</u>
	<u>\$ 103,560</u>	<u>\$ 2,302</u>

On July 16, 2020, the City of Orange Public Facilities Financing Authority issued Lease Revenue Bonds Series 2020A in the amount of \$29,930,000. Proceeds of the bonds will be used to: (i) finance the construction of a new Fire Headquarters and Station No. 1, roof replacement and other improvements to the City’s Police Headquarters and the City’s other fire stations; and installation of security improvements at various City facilities; and costs of issuance of the Bonds. Interest rate on the bonds is 4%. The bonds are payable in annual installments of \$520,000 to \$1,680,000 and are scheduled to mature in 2051.

The annual debt service payments for these bonds are made from the General Fund and are shown on the following page.

Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>
2023	\$ 550,000	1,165,400	145,848
2024	570,000	1,143,000	145,848
2025	595,000	1,119,700	145,848
2026	620,000	1,095,400	145,848
2027	645,000	1,070,100	145,848
2028-2032	3,630,000	4,934,600	729,242
2033-2037	4,435,000	4,130,500	729,242
2038-2042	5,415,000	3,148,500	729,242
2043-2047	6,615,000	1,949,500	729,242
2048-2051	<u>6,335,000</u>	<u>519,500</u>	<u>437,547</u>
Total	<u>\$ 29,410,000</u>	<u>20,276,200</u>	<u>4,083,755</u>

On March 3, 2021, the City issued 2021 Taxable Pension Obligation Bonds in the amount of \$286,485,000. Proceeds of the bonds were used to (i) pay all of the City’s currently unamortized, unfunded accrued actuarial liability to the California Public Employees Retirement System with respect to the City’s defined benefit retirement plans for City employees; (ii) to pay the premium for a municipal bond insurance policy for the Insured Bonds; and (iii) pay costs of issuance of the Bonds. Interest on the bonds ranges from .291% to 2.82%. The bonds are payable in annual installments of \$7,695,000 to \$12,455,000 and are scheduled to mature in 2044. The annual debt service payments for these bonds are paid

9. Long-Term Liabilities (continued)

through the Debt Service fund, with funds transferred in from General Government funds and Enterprise funds.

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 10,120,000	6,635,374
2024	11,155,000	6,595,804
2025	11,225,000	6,530,325
2026	11,330,000	6,420,993
2027	11,470,000	6,282,314
2028-2032	60,645,000	28,113,803
2033-2037	68,355,000	20,408,895
2038-2042	73,300,000	9,931,470
2043-2044	<u>21,190,000</u>	<u>932,163</u>
Total	<u>\$278,790,000</u>	<u>91,851,141</u>

Loans payable are paid for from the General Fund. Compensated absences are paid from the Employee Accrued Liability Fund and claims payable are paid from the Workers' Compensation Fund and the Liability Fund.

10. Community Facilities and Assessment Districts and Other Revenue Bond Issues

In February 2004, Community Facilities District No. 91-2 issued refunding bonds in the amount of \$37,530,000 to finance the acquisition and/or construction of public improvements. In April 2013, bonds in the amount of \$28,810,000 were issued to refund the 2004 bonds. In December 2021, bonds in the amount of \$18,492,000 were issued to refund the 2013 bonds. The interest rate on this debt is 1.9%. The bonds outstanding at June 30, 2022 are \$18,492,000 and are scheduled to mature in October 2030.

In March 2015, Community Facilities District 06-1 issued 2015 Special Tax Refunding Bonds in the amount of \$23,920,000. Proceeds of the bonds were used to a) refund all of the outstanding Community Facilities District No. 06-1 2010 Special Tax Bonds, which were originally issued to finance the acquisition of a park site and construction of public improvements, b) make a deposit into the Reserve Fund established under the Fiscal Agent Agreement and c) pay costs of issuance. The interest rate on the debt is variable, ranging from 2% to 5%. The bonds outstanding at June 30, 2022 are \$21,255,000 and are scheduled to mature in October 2040.

The City has no obligation or duty to pay any delinquency out of any available funds of the City. The City is only acting as an agent for the property owners in collecting the assessments and then seeing that the debt service payments are made, and neither the faith and credit, nor the taxing power of the City, is pledged to the payment of the bonds.

## 11. Joint Ventures

The City is a participant in the Anaheim-Garden Grove-Orange Fire Training Facility Authority, a joint powers authority created to finance fire training. These cities have one representative each on the Authority's three-member Board of Directors. The City's share of the Authority's costs is included in the accompanying financial statements as expenditures of the General Fund and is immaterial to the operations of the City. Separate financial statements may be obtained for the Fire Training Facility Authority from the City of Garden Grove.

In addition to the Fire Training Facility Authority, the Cities of Orange, Anaheim, Fountain Valley, Fullerton, Garden Grove, Brea, Huntington Beach and Newport Beach have formed a regional dispatch operation to provide dispatch services for those cities.

The City of Orange's share of costs for these dispatch services is immaterial to the operations of the City. The financial management and administration of this operation is the responsibility of the City of Anaheim. Separate financial statements may be obtained for the Metro Cities Fire Authority from the City of Anaheim.

## 12. Loans Receivable

With the dissolution of the Redevelopment Agency effective January 31, 2012, the City Council adopted a resolution authorizing the City to become the Successor Housing Agency and enabling the City to retain housing assets and functions of the Redevelopment Agency. The Successor Housing Agency provides housing loans for the rehabilitation and expansion of housing for low and moderate-income families in the City. Housing rehabilitation loans are for the purpose of rehabilitating and upgrading existing housing due to structural deficiencies. Housing loans also assist in the construction of new multi-family housing projects or the rehabilitation of existing multi-family units.

Additionally, the former Redevelopment Agency issued several promissory notes, pursuant to and in implementation of the "Affordable Housing Resale Restrictions Option to Designate Eligible Purchaser with Alternative Option to Purchase and Option to Purchase Upon Default". These notes do not actually represent cash paid to the borrowers, but represent the subsidy constructively received by the borrower as a result of borrowers' purchase of the property at a price below its fair market value. No repayment of these notes is due by the borrower until the Affordable Term of the loan date (45 years commencing from the loan date), or upon sale of the property or default, as described in the note. At June 30, 2022, the outstanding amount for these loans was \$465,000. Due to the length of the deferral and the uncertainty of repayment on these loans, the outstanding balance is offset by an allowance for the full amount of the note.

In May 2013, the City entered into a Refinancing Agreement that provides for the Developer of the Serrano Woods Affordable Housing Project to restructure the permanent financing for the Serrano Woods project while maintaining compliance with affordable housing requirements. This Refinancing Agreement provided for a City loan from the In-lieu Housing

12. Loans Receivable (continued)

funds in the amount of \$4,300,000. The balance of the loan at June 30, 2022, net of allowance for net present value, is \$2,946,081.

Under the HOME and CDBG programs, the City provides housing loans to eligible City of Orange residents and low income housing projects.

Outstanding loan balances, net of allowances for net present value, for these housing loans at June 30, 2022 are comprised of the following:

	Short-term	Long-term	Total
Housing successor loans	\$ 39,847	20,865,795	20,905,642
In-lieu loan	-	2,946,081	2,946,081
HOME loans	12,094	3,865,821	3,877,915
CDBG loans	-	417,367	417,367
	<hr/>	<hr/>	<hr/>
Total Loans	\$ 51,941	28,095,063	28,147,005

13. Lease receivables

The City leases property to Orange County Head Start (Head Start). The term of the lease is 5 years and expires December 2023. The lease requires the City (lessor) to establish a Capital Improvement Project fund with a varying percentage of the rent proceeds. These proceeds are to be used to fund mutually agreed upon facility improvements or enhancements to the facility. The Lease receivable is \$20,803 at June 30, 2022.

The City leases property to Selman Chevrolet. The term of the lease is congruent with the terms of the Tenant's Master Ground Lease. It is due to expire February 28, 2025 unless the option to extend is exercised by the tenant in accordance with the agreement. An additional option to extend to February 28, 2035 is also included in the agreement.

The City lease receivables are summarized as follows:

Lease	Initial Lease Receivable	Lease Receivable @ 06-30-22	Deferred Inflow @ 06-30-22	Lease Revenue recognized 2021-22
Head Start	\$ 71,128	20,803	17,782	11,854
Selman Chevrolet	<u>341,892</u>	<u>279,062</u>	<u>234,315</u>	<u>17,864</u>
Total	<u>\$ 413,020</u>	<u>\$ 299,865</u>	<u>252,097</u>	<u>29,718</u>

14. Advances to/from Other Funds

As part of the City's commitment in its participation in the Orange County 800 MHz Countywide Coordinated Communication System (CCCS), the City is required to replace a majority of its current public safety radio inventory. This inventory replacement is to be funded with Prop 172 funds. Because there were insufficient funds available in the Prop 172



14. Advances to/from Other Funds (continued)

funding FY 2016-17, an inter-fund loan was made from the Capital Improvement Fund to the Prop 172 fund in the amount of \$2,770,119. Repayment of the loan, and accrued interest at the rate of the State’s Local Agency Investment Fund yield, are being made from Prop 172 revenues over a period of 6 years, beginning in fiscal year 2017-18. The balance of this advance as of June 30, 2022, including accrued interest, is \$471,162.

15. Due to/from Other Funds

Transfers of cash were made from the General fund to the SB2 Building Home & Jobs Act fund in the amount of \$779,743 and to the Equipment Maintenance fund in the amount of \$82,938 to cover deficit cash balances as of June 30, 2022.

16. Transfers

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Internal Service</u>	
General <sup>(1)</sup>	300,000	7,000,000	9,050,000	\$16,350,000
Capital Improvement <sup>(2)</sup>			237,500	237,500
<b>Total</b>	<b>300,000</b>	<b>7,000,000</b>	<b>9,287,500</b>	<b>\$16,587,500</b>

(1) The above General fund transfers were made to the Internal Service fund, for vehicle replacement and computer replacement and to the Capital Projects fund, for investment in the City’s aging infrastructure (a portion of transfers to these two funds is a replenishment of funds transferred to the General fund in 20-21 due to Covid 19). The transfer to the Special Revenue fund was for EMT transport.

(2) The transfer from Capital Improvement fund to the Internal Service fund was for city infrastructure improvements.

17. Deficit Equity Balances

The Proposition 172 Fund ended the fiscal year in a fund balance deficit of \$281,857. This deficit is a result of a commitment to replace certain public safety radio equipment with Proposition 172 funds, which will not be available until future years. A loan from the Capital Improvement Fund was made to the Proposition 172 Fund to provide cash to pay this commitment. This deficit will be eliminated over the next couple of years, as sales tax revenues are received and are used to pay off the loan.

In the non-major Special Revenue funds, the SB2 Building Home & Jobs Act fund ended the fiscal year in a deficit fund balance of \$1,326,525. This deficit is due to the expenditure of State of California grant revenue allocated on a reimbursement basis. The reimbursement for these expenditures will be received in a future year.



17. Deficit Equity Balances (continued)

In the Internal Service funds, the Equipment Maintenance Fund had a deficit net position of \$4.5 million, due to the implementation of GASB 68, which requires the recording of the fund's unfunded net pension liability of \$4.1 million and GASB 75, which requires the recording of the fund's total Other Post-Employment Benefits liability of \$1.8 million. The Workers' Compensation Fund and the Liability Fund had deficit net positions of \$11.4 million and \$1.2 million, respectively, due the year-end recording of actuarial determined future claims payable. It is the City's policy not to fund these deficits, as these items do not represent tangible expenses.

18. Restatement of Beginning Net Position

The accompanying Fund Financial Statements and Government-Wide Financial Statements reflect restatements of Fund balances, beginning of year and Net position at beginning of year. The following summarizes the effects of these prior period adjustments:

**Fund Financial Statements**

	<u>Fiduciary Fund</u>			
	General	Other Governmental	Custodial Funds	Private Purpose Trust
Beginning Fund Balance/Net Position, previously reported	46,858,857	20,037,508	(35,973,348)	(30,977,025)
Adjustment for changes in accounting principles				
GASB 84 implementation change <sup>(1)</sup>			43,145,283	
Reclass of pension liability				926,284
Reclass of OPEB liability				357,817
GASB 87 implementation	39,756	4,278		
Beginning Fund Balance/Net Position as restated	<u>46,898,613</u>	<u>20,041,786</u>	<u>7,171,935</u>	<u>(29,692,924)</u>

**Government Wide Statements**

	<u>Governmental Activities</u>
Beginning Fund Balance/Net Position, previously reported	525,006,575
Adjustments for changes in accounting principles:	
Reclass of pension liability	(926,284)
Reclass of OPEB liability	(357,817)
GASB 87 implementation	41,806
Beginning Fund Balance/Net Position as restated	<u>523,764,280</u>

18. Restatement of Beginning Net Position (continued)

(1) This prior period adjustment was made to correct the implementation of GASB Statement No. 84, done during the prior year. Interpretation of GASB Statement No. 84, was ambiguous regarding the treatment of conduit debts for which the City operates as the custodian of the collections for and payments of those debts through the Custodial Funds. Further clarifications received from the GASB Board subsequent to the issuance of the prior year's financial statements resulted in the removal of the conduit debts from the Custodial Funds.

19. Breakdown of "Restricted" Governmental Fund Balances

	Fed., State & Local Grants	Housing Successor	Measure M	Other Governmental	Total
<b>Restricted for:</b>					
Federal & state grants	\$ 6,477,844	-	-	-	6,477,844
Housing		21,516,864	-	-	21,516,864
Streets/roads/transportation improv.	-	-	5,048,956	-	5,048,956
Development related transportation improv.				3,667,324	3,667,324
Highway construction and maint.	-	-	-	1,006,294	1,006,294
Air quality	-	-	-	214,298	214,298
Asset forfeiture operations	-	-	-	2,830,508	2,830,508
Assessment district landscape maint.	-	-	-	1,702,623	1,702,623
Govt access/local access programming	-	-	-	180,352	180,352
Affordable housing units	-	-	-	3,294,751	3,294,751
Traning/certifying building inspectors	-	-	-	283,495	283,495
Maint./construction of city streets	-	-	-	3,586,870	3,586,870
<b>Total</b>	<b>\$ 6,477,844</b>	<b>21,516,864</b>	<b>5,048,956</b>	<b>16,766,515</b>	<b>49,810,179</b>

20. Contingencies

The City is involved in pending lawsuits of a nature common to many similar jurisdictions. City Management estimates that these potential claims against the City, not covered by insurance, will not have a material adverse effect on the financial position of the City.

21. Successor Agency Trust for Assets of Former Redevelopment Agency

A. Cash and investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$ 5,711,375
Cash and investments with fiscal agent	<u>2,496</u>
Total Cash	<u>\$ 5,713,871</u>

21. Successor Agency Trust for Assets of Former Redevelopment Agency (continued)

B. Loans receivable

Commercial loans were issued to private businesses to fund development projects within the former Orange Merged and Amended Redevelopment Project Area through a variety of commercial rehabilitation loan programs. The loans bear interest rates ranging from 0% to 7.5% per annum and are to be repaid in installments over an established time period, if not fully or partially forgiven. The majority of loans are repaid in monthly or yearly installments. In addition, loans were issued under the Small Business Assistance (SBA) Programs. The programs are intended to promote and encourage property owners and tenants to rehabilitate commercial, retail and/or industrial properties located within the former Orange Merged and Amended Redevelopment Project Area. The SBA Programs are comprised of seven loan programs designed to provide incentives to property owners and tenants to upgrade signage, enhance landscaping, improve exterior facades, and other property improvements.

The seven SBA programs are as follows:

- Landscape Incentive - interest-free, 50/50 matching loan up to \$60,000, 50% of which can be forgiven upon meeting certain performance conditions.
- Signage Incentive - interest-free, 50/50 matching loan up to \$30,000, 50% of which can be forgiven upon meeting certain performance conditions.
- Restaurant Equipment Incentive - loans up to \$30,000 to install grease interceptors in restaurants, 50% of which can be forgiven upon meeting certain performance conditions.
- Property Improvement - interest-free loan up to \$250,000 to upgrade building facades, parking, lighting, and related improvements. Upon timely repayment of the first 75% of the loan balance, the remaining 25% is forgiven.
- Old Towne Retail - a 3% interest loan up to \$100,000 to bring older buildings into conformance with the current Uniform Building Code, 50% of which can be forgiven upon meeting certain performance conditions.
- Hotel Rehabilitation Loan – loan to assist in the retention, attraction and expansion of hospitality uses seeking to upgrade existing and/or construct new facilities in the Project Area.

The outstanding balance of these loans, net of allowances for forgiveness and net present value, at June 30, 22 is \$75,440.

C. Due from Other Agencies

In April 2008, the former Redevelopment Agency Board entered into a Promissory Note with the City of Orange to finance a portion of the cost of construction of the Santiago Creek Gymnasium/Sports Center in the amount of \$4,250,000. Effective January 31, 2012, with the dissolution of the Redevelopment Agency, this Promissory Note is now between the Successor Agency and the City. The balance outstanding at June 30, 2022 is \$3,008,599, plus accrued interest of \$372,364.

21. Successor Agency Trust for Assets of Former Redevelopment Agency (continued)

D. Long-Term Debt

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2022, follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Due Beyond One Year
Other debt:						
Tax allocation bonds	\$ 35,045,000	-	3,915,000	31,130,000	4,120,000	27,010,000
Unamortized Bond Premium	3,593,288	-	614,386	2,978,902	614,387	2,364,515
Total	\$ 38,638,288	-	4,529,386	34,108,902	4,734,387	29,374,515

Tax Allocation Bonds

To provide funds to refund the Tustin Street Redevelopment Project 1997 Taxable Tax Allocation Parity Bonds, Series B, the Agency sold Orange Merged and Amended Redevelopment Project Area 2008 Taxable Tax Allocation Refunding Bonds, Series B, on May 1, 2008, in the amount of \$6,180,000 maturing September 1, 2027. The initial bonds were issued for redevelopment purposes. The current issue is comprised of serial bonds and term bonds. The serial bonds are payable in annual installments of \$85,000 to \$395,000 and matured in the years prior to 2020. The term bonds are payable in annual installments of \$410,000 to \$635,000 and mature in the years 2021 to 2027. Interest rates on the refunding bonds range from 5.00% to 6.20%. In lieu of cash funding the Reserve Account, the Successor Agency purchased the Reserve Fund Insurance Policy to satisfy the “Reserve Requirement” as defined in the Indenture. The bonds outstanding at June 30, 2022 were \$3,255,000.

In December 2014, to provide funds to a) advance refund the outstanding Tustin Street Redevelopment Project 1997 Tax Allocation Parity Bonds, Series A, issued by the Former Agency in the original principal amount of \$3,280,000 and the outstanding Orange Merged and Amended Redevelopment Project Area 2003 Tax Allocation Refunding Bonds, Series A issued by the former Agency in the original principal amount of \$45,915,000, b) acquire a debt service reserve fund surety bond for the debt service reserve account under the Indenture, and c) provide for the cost of issuing the 2014 bonds, the Successor Agency issued Orange Merged and Amended Redevelopment Project Area 2014 Tax Allocation Refunding Bonds, Series A in the amount of \$28,850,000. The 2014 bonds are payable in annual installments of \$2,745,000 to \$3,845,000 and mature 2023. Interest rates on the bonds range from 3.00% to 5.0%. In lieu of cash funding the Reserve Account, the Successor Agency purchased the Reserve Fund Insurance Policy to satisfy the “Reserve Requirement” as defined in the Indenture. The bonds outstanding at June 30, 2022 were \$7,500,000.

In July 2018, to provide funds to a) advance refund the outstanding Orange Merged and Amended Redevelopment Project Area 2008 Tax Allocation Bonds, Series A, issued by the



21. Successor Agency Trust for Assets of Former Redevelopment Agency (continued)

Former Agency in the original principal amount of \$33,450,000, b) acquire a debt service reserve fund surety bond for the debt service reserve account under the Indenture, and c) provide for the cost of issuing the 2018 bonds, the Successor Agency issued Orange Merged and Amended Redevelopment Project Area 2018 Tax Allocation Refunding Bonds, Series A in the amount of \$20,375,000. The 2018 bonds are payable in annual installments of \$750,000 to \$2,265,000 and mature 2036. Interest rates on the bonds range from 4.00% to 5.00%. The Successor Agency completed the refunding to reduce its total debt service payments over the next 20 years by more than \$3.7 million, resulting in an economic gain (difference between the present value of the old and new debt service payments) of approximately \$2.6 million. The bonds outstanding at June 30, 2022 were \$20,375,000.

Annual requirements to amortize all tax allocation bonds, notes payable, leases payable, and certificates of participation outstanding as of June 30, 2022 are shown on the following page.

Year Ending June 30	Tax Allocation Bonds	
	Principal	Interest
2023	\$ 4,120,000	1,376,866
2024	4,335,000	1,162,506
2025	1,265,000	1,021,635
2026	1,330,000	958,020
2027	1,410,000	890,570
2028-2032	8,225,000	3,258,685
2033-2037	10,445,000	1,089,250
Total	<u>\$ 31,130,000</u>	<u>9,757,532</u>

E. Insurance

The Successor Agency of the former RDA is covered by insurance policies of the City of Orange as of June 30, 2022.

22. Subsequent Events

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 16, 2022, the date the financial statements were available to be issued.

No other events or transactions were identified that required recognition or disclosure.



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*Required Supplementary  
Information*



## **General Fund**

General Fund – This fund has been classified as a major fund and is used to account for revenues and expenditures that are not required to be accounted for in another fund.

## **Special Revenue Fund**

Proposition 172 – This fund is used to account for sales tax restricted by voter mandate for public safety service enhancements.

Federal, State and Local Grants – This fund is used to account for grant programs such as Community Development Block Grant, Housing and Urban Development Grant, California Parklands Grant, Citizens Option for Public Safety (COPS) Grant, Traffic Safety Grant, Justice Assistance Grant and others.

Housing Successor – This fund is used to account for low and moderate housing activities as of February 1, 2012, when the City became the successor housing agency to the former Redevelopment Agency, upon its dissolution. Prior to that, these activities were accounted for in the Redevelopment Agency Housing fund.

Measure M – This fund is used to account for receipts and expenditures relating to transportation improvement projects and programs, funded by local ½ cent sales tax.

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 General Fund  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 104,660,953	104,660,953	105,026,342	365,389
Franchise fees	2,551,668	2,551,668	2,677,392	125,724
Licenses and permits	5,599,196	5,627,712	5,963,284	335,572
Use of money and property	1,411,271	1,415,335	(1,736,921)	(3,152,256)
Intergovernmental	1,209,963	2,071,095	15,780,753	13,709,658
Charges for services and fees	7,784,532	7,787,032	8,475,235	688,203
Fines and forfeitures	1,550,055	1,550,055	1,942,715	392,660
Other revenues	654,801	3,544,788	4,319,381	774,593
Total revenues	<u>125,422,439</u>	<u>129,208,638</u>	<u>142,448,181</u>	<u>13,239,543</u>
<b>EXPENDITURES:</b>				
General government:				
City council	8,652	8,652	6,462	2,190
City manager	2,423,689	3,335,086	3,025,087	309,999
City attorney	1,124,985	1,906,860	1,280,659	626,201
City clerk	618,400	647,563	625,876	21,687
Finance	3,298,869	3,358,869	3,299,962	58,907
Human Resources	1,637,540	1,644,506	1,643,314	1,192
Public safety:				
Police	41,907,031	51,896,761	52,459,477	(562,716)
Fire	25,769,637	34,141,992	35,034,726	(892,734)
Public works	8,362,792	10,099,433	9,659,210	440,223
Community development	4,798,436	3,469,753	3,189,864	279,889
Parks and library:				
Library	5,557,549	5,610,318	5,713,527	(103,209)
Community services	9,945,405	10,220,298	9,524,931	695,367
Economic development	189,262	189,262	204,847	(15,585)
Capital outlay	540,432	913,005	381,862	531,143
Debt service:				
Principal	520,000	520,000	757,778	(237,778)
Interest	1,186,800	1,186,800	1,186,800	-
Total expenditures	<u>107,889,479</u>	<u>129,149,158</u>	<u>127,994,382</u>	<u>1,154,776</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,532,960</u>	<u>59,480</u>	<u>14,453,799</u>	<u>14,394,319</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (out)	(5,850,000)	(16,350,000)	(16,350,000)	-
Other financing source - Lease	-	-	118,528	118,528
Total other financing sources (uses)	<u>(5,850,000)</u>	<u>(16,350,000)</u>	<u>(16,231,472)</u>	<u>118,528</u>
Net change in fund balances	11,682,960	(16,290,520)	(1,777,673)	14,512,847
Fund balances, beginning of year	46,898,613	46,898,613	46,898,613	-
Fund balances, end of year	<u>\$ 58,581,573</u>	<u>30,608,093</u>	<u>45,120,940</u>	<u>14,512,847</u>

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 Proposition 172  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 988,000	988,000	1,219,611	231,611
Use of money and property	728	728	(3,060)	(3,788)
Total revenues	<u>988,728</u>	<u>988,728</u>	<u>1,216,551</u>	<u>227,823</u>
<b>EXPENDITURES:</b>				
Current:				
General government:				
City manager	18,817	18,817	24,689	(5,872)
Public safety:				
Police	451,385	451,385	419,937	31,448
Fire	181,271	181,271	76,462	104,809
Capital outlay	41,600	200,282	193,727	6,555
Total expenditures	<u>693,073</u>	<u>851,755</u>	<u>714,815</u>	<u>136,940</u>
Net change in fund balances	295,655	136,973	501,736	364,763
Fund balances (deficit), beginning of year	(783,593)	(783,593)	(783,593)	-
Fund balances (deficit), end of year	<u>\$ (487,938)</u>	<u>(646,620)</u>	<u>(281,857)</u>	<u>364,763</u>

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 Federal, State and Local Grants  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 33,083	33,083	(66,866)	(99,949)
Intergovernmental	1,956,064	1,986,489	3,251,265	1,264,776
Charges for services	74,590	74,590	166,126	91,536
Other revenues	15,412	15,412	24,737	9,325
Total revenues	<u>2,079,149</u>	<u>2,109,574</u>	<u>3,375,262</u>	<u>1,265,688</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety:				
Police	171,879	170,879	126,491	44,388
Economic development	153,554	1,074,068	1,472,646	(398,578)
Capital outlay	1,703,128	4,052,776	1,301,323	2,751,453
Total expenditures	<u>2,028,561</u>	<u>5,297,723</u>	<u>2,900,460</u>	<u>2,397,263</u>
Net change in fund balances	50,588	(3,188,149)	474,802	3,662,951
Fund balances, beginning of year	6,003,042	6,003,042	6,003,042	-
Fund balances, end of year	<u>\$ 6,053,630</u>	<u>2,814,893</u>	<u>6,477,844</u>	<u>3,662,951</u>



CITY OF ORANGE  
 Budgetary Comparison Schedule  
 Housing Successor  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 175,904	175,904	81,742	(94,162)
<b>EXPENDITURES:</b>				
Current:				
General government:				
City manager	127	127	127	-
Finance	24,578	24,578	25,882	(1,304)
Community development	52,196	52,196	44,377	7,819
Economic development	25,432	25,432	2,709,082	(2,683,650)
Capital outlay	-	1,250,000	-	1,250,000
Total expenditures	102,333	1,352,333	2,779,468	(1,427,135)
Excess (deficiency) of revenues over (under) expenditures	73,571	(1,176,429)	(2,697,726)	(1,521,297)
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds of sale of property	-	-	3,000,000	3,000,000
Net change in fund balances	73,571	(1,176,429)	302,274	1,478,703
Fund balances, beginning of year	21,214,590	21,214,590	21,214,590	-
Fund balances, end of year	\$ 21,288,161	20,038,161	21,516,864	1,478,703

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 Measure M  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 2,797,203	2,797,203	3,657,266	860,063
Use of money and property	36,499	36,499	(159,358)	(195,857)
Intergovernmental	119,320	119,320	168,896	49,576
Charges for services and fees	-	-	38,715	38,715
Total revenues	<u>2,953,022</u>	<u>2,953,022</u>	<u>3,705,519</u>	<u>752,497</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	339,350	370,944	312,623	58,321
Parks and library	220,509	497,932	175,022	322,910
Capital outlay	<u>2,535,000</u>	<u>5,992,579</u>	<u>2,294,215</u>	<u>3,698,364</u>
Total expenditures	<u>3,094,859</u>	<u>6,861,455</u>	<u>2,781,860</u>	<u>4,079,595</u>
Net change in fund balances	(141,837)	(3,908,433)	923,659	4,832,092
Fund balances, beginning of year	<u>4,125,297</u>	<u>4,125,297</u>	<u>4,125,297</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 3,983,460</u></u>	<u><u>216,864</u></u>	<u><u>5,048,956</u></u>	<u><u>4,832,092</u></u>

CITY OF ORANGE  
Schedule of Changes in the Total OPEB Liability and Related Ratios  
As of June 30, For the Last Ten Fiscal Years (\*)

Fiscal year ended	2022	2021	2020	2019	2018
Measurement period	2021	2020	2019	2018	2017
<b>TOTAL OPEB LIABILITY</b>					
Service Cost	\$ 2,020,586	1,679,816	1,358,445	1,360,032	1,322,024
Interest	1,112,493	1,252,988	1,201,679	1,119,120	1,087,864
Difference between expected/actual experience	(4,973,808)	(25,507)	2,516,073	-	-
Changes in assumptions (see below for details)	3,582,060	3,630,272	2,818,825	(371,560)	-
Benefit payments, including refunds of employee contributions	(503,530)	(486,947)	(1,305,875)	(1,207,876)	(1,148,907)
Implicit subsidy fulfilled	(1,045,784)	(967,848)			
Net Change in Total OPEB Liability	192,017	5,082,774	6,589,147	899,716	1,260,981
Total OPEB Liability - Beginning	44,161,946	39,079,172	32,490,025	31,590,309	30,329,328
Total OPEB Liability - Ending	<u>\$ 44,353,963</u>	<u>44,161,946</u>	<u>39,079,172</u>	<u>32,490,025</u>	<u>31,590,309</u>
Covered-Employee Payroll	\$ 58,599,662	52,413,430	49,778,287	59,649,993	58,053,521
Total OPEB liability as % of covered-employee payroll	75.69%	84.26%	78.51%	54.47%	54.42%
<b>Assumptions:</b>					
Discount rate	1.92%	2.45%	3.13%	3.62%	3.50%
Inflation	5.50%	2.50%	2.50%	2.50%	2.75%
Healthcare Cost Trend rates	7.00%	6.00%	6.50%	6.50%	6.50%
Salary increases	2.75%	2.75%	2.75%	2.75%	2.875%
Mortality rates				Per CalPERS tables	

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

CITY OF ORANGE  
Miscellaneous Plan  
Schedule of Changes in the Net Pension Liability and Related Ratios  
As of June 30, For the Last Ten Fiscal Years\*

Fiscal year ended	2022	2021	2020	2019
Measurement period	2021	2020	2019	2018
<b>TOTAL PENSION LIABILITY</b>				
Service Cost	\$ 5,435,892	5,189,996	5,067,666	5,267,383
Interest	26,300,226	25,659,248	24,866,459	24,067,324
Difference Between expected and Actual Experience	(1,615,823)	753,998	315,824	(1,306,394)
Changes in Assumptions	-	-	-	(1,376,690)
Benefit Payments, Including Refunds of employee Contributions	(20,507,418)	(20,275,870)	(19,046,828)	(17,701,058)
Net Change in Total Pension Liability	9,612,877	11,327,372	11,203,121	8,950,565
Total Pension Liability - Beginning	376,986,905	365,659,533	354,456,412	345,505,847
Total Pension Liability - Ending (a)	<u>\$ 386,599,782</u>	<u>376,986,905</u>	<u>365,659,533</u>	<u>354,456,412</u>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contribution - Employer	\$ 115,571,257	10,335,791	8,895,425	7,864,464
Contribution - Employee	2,208,136	2,175,496	2,344,603	2,088,111
Net Investment Income	67,731,016	13,126,364	16,762,810	20,755,507
Benefit Payments, Including Refunds of Employee Contributions	(20,507,418)	(20,275,870)	(19,046,828)	(17,701,058)
Plan to Plan Rescove Movement	-	-	-	(599)
Other Miscellaneous Income/(Expense)	-	-	599	(725,336)
Administrative Expense	(270,485)	(374,692)	(183,409)	(381,953)
Net Change in Fiduciary Net Position	164,732,506	4,987,089	8,773,200	11,899,136
Plan Fiduciary Net Position - Beginning	270,772,163	265,785,074	257,011,874	245,112,738
Plan Fiduciary Net Position - Ending (b)	<u>\$ 435,504,669</u>	<u>270,772,163</u>	<u>265,785,074</u>	<u>257,011,874</u>
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	<u>\$ (48,904,887)</u>	<u>106,214,742</u>	<u>99,874,459</u>	<u>\$ 97,444,538</u>
Plan Fiduciary Net Position as a % of the Total Pension Liability	112.65%	71.83%	72.69%	72.51%
Covered Payroll	\$ 29,598,876	26,090,476	\$26,090,476	26,362,236
Plan Net Pension Liability/(Asset) as a % of Covered Payroll	-165.23%	407.10%	382.80%	369.64%

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

Notes to Schedule:

Benefit Changes: There were no changes in benefits.

Changes of Assumptions:

From FY June 30, 2015 to June 30, 2016:

GASB 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 and June 30, 2016 measurement dates is without reduction of pension plan administrative expense.

Beginning in fiscal year June 30, 2018: the discount rate was reduced fro 7,65% to 7,15%

From fiscal years June 30, 2018 through June 30, 2022: There were no significant changes in assumptions.

2018	2017	2016	2015
2017	2016	2015	2014
5,177,802	4,672,901	4,546,279	4,911,456
23,418,521	23,117,281	22,231,986	21,813,800
(5,876,562)	(131,466)	(7,188,831)	-
18,989,623	-	(5,284,506)	-
(16,066,665)	(15,554,542)	(14,720,766)	(13,890,809)
25,642,719	12,104,174.00	(415,838)	12,834,447
319,863,128	307,758,954	308,174,791	295,340,344
345,505,847	319,863,128	307,758,953	308,174,791
7,498,423	6,420,197	5,766,795	4,836,725
2,142,096	2,036,528	2,104,640	2,042,395
25,473,940	1,162,922	4,982,663	35,349,001
(16,066,665)	(15,554,542)	(14,720,766)	(13,890,809)
32,777	-	-	-
-	-	-	-
(334,215)	(141,636)	(4,435)	-
18,746,356	(6,076,531)	(1,871,103)	28,337,312
226,366,382	232,442,913	234,314,016	205,976,704
245,112,738	226,366,382	232,442,913	234,314,016
100,393,109	93,496,746	75,316,040	73,860,775
70.94%	70.77%	75.53%	76.03%
26,740,825	25,760,260	25,364,199	26,155,370
375.43%	362.95%	296.94%	282.39%



CITY OF ORANGE  
Miscellaneous Plan  
Schedule of Plan Contributions  
As of June 30, For the Last Ten Fiscal Years \*

Fiscal year ended	2022	2021	2020	2019
Actuarially Determined Contribution	\$ 3,460,554	11,230,178	10,331,501	8,889,983
Contribution in Relation to the Actuarially Determined Contribution	(3,460,554)	(115,573,579)	(10,331,501)	(8,889,983)
Contribution Deficiency (Excess)	\$ -	(104,343,401)	-	-
Covered Payroll	\$ 29,598,876	28,690,552	28,551,051	26,090,476
Contributions as a percentage of Covered Payroll	11.692%	402.828%	36.186%	34.074%

Note to Schedule:

Valuation Date	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Methods and assumptions used to determine contribution rates:				
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)
Assets valuation method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.50%	2.50%	2.625%	2.75%
Salary Increases	2.75%	(2)	(2)	(2)
Investment rate of return	7.0% (3)	7.0% (3)	7.25% (3)	7.375% (3)
Retirement age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) Hire date prior to January 1, 2013: 50-67 ; Hire date on or after January 1, 2013: 52-67
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS

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

2018	2017	2016	2015
7,865,000	7,496,129	6,420,229	5,766,795
(7,865,000)	(7,496,129)	(6,420,229)	(5,766,795)
-	-	-	-
26,362,236	26,740,825	25,760,260	25,364,199
29.834%	28.033%	24.923%	22.736%

06/30/2015	6/30/2014	6/30/2013	6/30/2012
Entry age (1)	Entry age (1)	Entry age (1)	Entry age (1) 15 Year Smoothed
Fair Value 2.75%	Fair Value 2.75%	Fair Value 2.75%	Market Method 2.75%
(2)	(2)	(2)	(2)
7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
(4)	(4)	(4)	(4)
(5)	(5)	(5)	(5)

CITY OF ORANGE  
Safety Plan  
Schedule of Changes in the Net Pension Liability and Related Ratios  
As of June 30, For the Last Ten Fiscal Years \*

Fiscal year ended	2022	2021	2020	2019
Measurement period	2021	2020	2019	2018
<b>TOTAL PENSION LIABILITY</b>				
Service Cost	\$ 9,602,667	9,008,558	8,940,979	8,684,357
Interest	41,044,660	39,162,098	37,812,758	36,374,391
Difference Between expected and Actual Experience	6,910,237	(876,533)	628,915	2,812,674
Changes in Assumptions	-	-	-	(2,407,807)
Benefit Payments, Including Refunds of employee Contributions	(30,321,036)	(27,775,755)	(26,302,494)	(25,095,404)
Net Change in Total Pension Liability	27,236,528	19,518,368	21,080,158	20,368,211
Total Pension Liability - Beginning	577,500,138	557,981,770	536,901,612	516,533,401
Total Pension Liability - Ending (a)	<u>\$ 604,736,666</u>	<u>577,500,138</u>	<u>557,981,770</u>	<u>536,901,612</u>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contribution - Employer	\$ 198,675,791	16,809,199	14,629,767	12,902,982
Contribution - Employee	3,429,542	3,158,214	2,962,476	2,863,563
Investment Income	101,688,630	19,165,432	24,251,336	29,531,053
Plan to Plan Resource Movement	-	-	-	(864)
Benefit Payments, Including Refunds of Employee Contributions	(30,321,036)	(27,775,755)	(26,302,494)	(25,095,404)
Other Miscellaneous Income/(Expenses)	-	-	864	(1,041,417)
Administrative Expense	(396,207)	(543,905)	(264,424)	(548,398)
Net Change in Fiduciary Net Position	273,076,720	10,813,185	15,277,525	18,611,515
Plan Fiduciary Net Position - Beginning	396,628,272	385,815,087	370,537,562	351,926,047
Plan Fiduciary Net Position - Ending (b)	<u>\$ 669,704,992</u>	<u>396,628,272</u>	<u>385,815,087</u>	<u>370,537,562</u>
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	<u>(64,968,326)</u>	<u>180,871,866</u>	<u>172,166,683</u>	<u>166,364,050</u>
Plan Fiduciary Net Position as a % of the Total Pension Liability	110.74%	68.68%	69.14%	69.01%
Covered Payroll	\$ 34,864,575	33,523,404	31,190,385	30,328,006
Plan Net Pension Liability/(Asset) as a % of Covered Payroll	-186.34%	539.54%	551.99%	548.55%

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

Notes to Schedule:

Benefit Changes: There were no changes in benefits.

Changes of Assumptions:

*From FY June 30, 2015 to June 30, 2016:*

GASB 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 and June 30, 2016 measurement dates is without reduction of pension plan administrative expense.

*Beginning in fiscal year June 30, 2018:* the discount rate was reduced from 7.65% to 7.15%

*From fiscal years June 30, 2018 through June 30, 2022:* There were no significant changes in assumptions.

2018	2017	2016
2017	2016	2015

8,663,044	7,677,162	7,510,097
34,973,049	34,040,818	32,660,257
(4,567,911)	(325,378)	(6,412,547)
29,689,823	-	(8,155,227)
(23,809,456)	(22,545,119)	(21,218,801)
44,948,549	18,847,483	4,383,779.00
471,584,852	452,737,369	448,353,590
516,533,401	471,584,852	452,737,369

12,304,411	10,451,474	9,399,041
2,785,504	2,715,401	2,736,436
36,448,582	1,469,981	6,943,219
1,111	-	-
(23,809,456)	(22,545,119)	(21,218,801)
-	-	-
(479,361)	-	-
27,250,791	(7,908,263)	(2,140,105)
324,675,256	332,583,519	334,723,624
351,926,047	324,675,256	332,583,519
164,607,354	146,909,596	120,153,850

68.13%	68.85%	73.46%
29,703,783	28,780,810	28,144,568
554.16%	510.44%	426.92%

CITY OF ORANGE  
 Safety Plan  
 Schedule of Plan Contributions  
 As of June 30, For the Last Ten Fiscal Years \*

Fiscal year ended	2022	2021	2020	2019
Actuarially Determined Contribution	\$ 6,931,080	18,409,102	16,811,365	14,630,050
Contribution in Relation to the Actuarially Determined Contribution	(6,931,080)	(198,674,869)	(16,811,365)	(14,630,050)
Contribution Deficiency (Excess)	\$ -	(180,265,767)	-	-
Covered Payroll	\$ 34,864,575	33,523,404	33,076,571	31,190,385
Contributions as a Percentage of Covered Payroll	19.880%	592.645%	50.826%	46.906%

Note to Schedule:

Valuation Date	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Methods and assumptions used to determine contribution rates:				
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)
Assets valuation method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.50%	2.50%	2.625%	2.75%
Salary Increases	2.75%	(2)	(2)	(2)
Investment rate of return	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)
Retirement age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

(2) Depending on age, service and type of employment

(3) Net of pension plan investment expense, including inflation

(4) Hire date prior to January 1, 2013: 50-55 Hire date on or after January 1, 2013: 50-57

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

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



2018	2017	2016	2015
12,903,531	12,302,440	10,451,464	9,399,041
(12,903,531)	(12,302,440)	(10,451,464)	(9,399,041)
-	-	-	-
30,328,006	29,703,783	28,780,810	28,144,568
42.547%	41.417%	36.314%	33.396%

06/30/2015	6/30/2014	6/30/2013	6/30/2012
Entry age (1)	Entry age (1)	Entry age (1)	Entry age (1)
Fair Value 2.75% (2)	Fair Value 2.75% (2)	Fair Value 2.75% (2)	15 Year Smoothed Market Method 2.75% (2)
7.50% (3) (4)	7.50% (3) (4)	7.50% (3) (4)	7.50% (3) (4)
(5)	(5)	(5)	(5)

CITY OF ORANGE  
Notes to Required Supplementary Information  
Year ended June 30, 2022

1. Budgetary Accounting

Annual budgets are adopted by July 1 of each year on a basis consistent with generally accepted accounting principles for all governmental funds. The budget is monitored to ensure compliance with legal provisions embodied in the appropriated budget as approved or amended by the City Council throughout the year. Department heads are responsible for monitoring their department's appropriated budget.

Legal level of Control – The legal level of budgetary control is at the department level within each fund. Transfers of appropriations between funds, between departments within a fund, and between capital outlay or debt service and another object group classification within a department, require City Council approval. All other transfers of appropriations can be made with City management approval.

The City Council approved increases in appropriations during the year in the amount of \$21,259,679 in the General Fund, \$18,857,821 in the Special Revenue Funds, \$15,758,295 in the Debt Service Fund and \$30,322,294 in the Capital Projects Funds. Unencumbered appropriations of the governmental funds automatically lapse at the end of the fiscal year. Ongoing, unfulfilled encumbrances and their appropriations automatically carry over and will be honored during the subsequent year.

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# *Supplementary Schedules*



CITY OF ORANGE  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2022

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Totals
<b>ASSETS:</b>				
Cash and investments	\$ 14,297,879	-	2,702,005	16,999,884
Receivables (net of allowance for estimated uncollectibles):				
Accounts	114,831	-	-	114,831
Taxes	753,073	-	-	753,073
Interest	13,262	-	2,491	15,753
Lease receivable	20,803	-	-	20,803
Loans receivable (net of allowance for net present value)	2,946,081	-	-	2,946,081
Total assets	<u>18,145,929</u>	<u>-</u>	<u>2,704,496</u>	<u>20,850,425</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities:				
Accounts payable	1,400,542	-	80,791	1,481,333
Accrued items	162,125	-	83,655	245,780
Deposits payable	1,690	-	-	1,690
Contracts payable	88,317	-	6,326	94,643
Due to other funds	779,743	-	-	779,743
Total liabilities	<u>2,432,417</u>	<u>-</u>	<u>170,772</u>	<u>2,603,189</u>
Deferred inflows of resources:				
Lease	17,782	-	-	17,782
Fund balances:				
Restricted:				
Special revenue projects	16,766,515	-	-	16,766,515
Committed	255,740	-	-	255,740
Assigned:				
Capital projects	-	-	2,533,724	2,533,724
Unassigned	(1,326,525)	-	-	(1,326,525)
Total fund balances	<u>15,695,730</u>	<u>-</u>	<u>2,533,724</u>	<u>18,229,454</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,145,929</u>	<u>\$ -</u>	<u>\$ 2,704,496</u>	<u>\$ 20,850,425</u>

**CITY OF ORANGE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**Year ended June 30, 2022**

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Totals
<b>REVENUES:</b>				
Taxes	\$ 1,039,228	-	-	1,039,228
Franchise fees	194,219	-	-	194,219
License and permits	69,857	-	-	69,857
Use of money and property	(377,515)	-	(92,106)	(469,621)
Intergovernmental	6,309,416	-	-	6,309,416
Charges for services and fees	3,295,072	-	732,352	4,027,424
Other revenues	140,839	15,758,295	-	15,899,134
Total revenues	<u>10,671,116</u>	<u>15,758,295</u>	<u>640,246</u>	<u>27,069,657</u>
<b>EXPENDITURES:</b>				
Current:				
General government	921,598	-	-	921,598
Public safety	2,596,420	-	9,689	2,606,109
Public works	3,060,854	-	-	3,060,854
Community development	62,397	-	-	62,397
Parks and library	770,121	-	-	770,121
Economic development	182	-	-	182
Capital outlay	4,513,837	-	1,488,596	6,002,433
Debt service:				
Principal	-	7,695,000	-	7,695,000
Interest	-	8,063,295	-	8,063,295
Total expenditures	<u>11,925,409</u>	<u>15,758,295</u>	<u>1,498,285</u>	<u>29,181,989</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,254,293)</u>	<u>-</u>	<u>(858,039)</u>	<u>(2,112,332)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	300,000	-	-	300,000
Net change in fund balances	(954,293)	-	(858,039)	(1,812,332)
Fund balances, beginning of year	16,650,023	-	3,391,763	20,041,786
Fund balances, end of year	<u>\$ 15,695,730</u>	<u>-</u>	<u>2,533,724</u>	<u>18,229,454</u>



## **Non-Major Special Revenue Funds**

The following Special Revenue Funds have been classified as non-major funds in the accompanying financial statements and budgetary comparison schedules:

Transportation System Improvement Program (TSIP) – This fund is used to account for the collection of fees assessed to developers and expenditures made to improve the City's transportation system.

EMT Transport – This fund is used to account for the receipts and expenditures related to ambulance transportation.

Gas Tax – This fund is used to account for receipts and expenditures of money apportioned under Streets and Highway Code Sections 2105, 2106 and 2107 of the State of California.

Air Pollution Reduction – This fund is used to account for revenues and expenditures related to air pollution reduction programs pursuant to the California Clean Air Act of 1988.

Asset Seizure – This fund is used to account for assets seized as a result of drug enforcement efforts.

O.C.P.T. Building Maintenance – This fund is used to account for lease payments and maintenance on the Headstart/Preschool building.

Landscape Maintenance Assessment Districts – This fund is used to account for the collection of assessments from property owners and the associated city expenditures for the maintenance of landscaped areas within the districts.

1% PEG Program – This fund is used to account for Public Education and Government (PEG) access fees paid to the City by cable providers. These revenues are restricted by State regulations for the exclusive use of the City's Government Access and Local Access programming.

Housing in Lieu – This fund is used to account for the collection of developer affordable housing in-lieu fees and other transactions related to creation of new affordable housing units.

Certified Access Specialist Program (CASp) Certification & Training – This fund is used to account for collection and expenditures of fees restricted, by Senate Bill 262 (Chapter 872, 2003), for costs of training and certifying inspectors and educating the public pursuant to Government Code Section 4467.

Road Maintenance Rehabilitation Account (RMRA) – This fund is used to account for collection and expenditure of gas tax funds allocated and restricted under Street and Highway Code Section 2031, through the RMRA, for maintenance and construction of city streets and roads.

Building Home & Jobs Act – This fund is used to account for the collection and expenditure of state grant funds received for the purpose of preparation, adoption, or implementation of planning documents that streamline housing project approvals and accelerate housing productions.

CITY OF ORANGE  
Combining Balance Sheet  
Non-Major Special Revenue Funds  
Year ended June 30, 2022

	Transportation System Improvement Program	EMT Transport	Gas Tax	Air Pollution Reduction	Asset Seizure
<b>ASSETS:</b>					
Cash and investments	\$ 3,963,332	102,022	800,623	171,134	2,945,231
Receivables (net of allowance for estimated uncollectibles):					
Accounts	-	5,543	1,959	45,179	-
Taxes	-	-	261,056	-	-
Interest	4,294	175	885	131	2,650
Lease	-	-	-	-	-
Loans receivable (net of allowance for net present value)	-	-	-	-	-
Total assets	<u>3,967,626</u>	<u>107,740</u>	<u>1,064,523</u>	<u>216,444</u>	<u>2,947,881</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Accounts payable	236,283	13,634	53,843	2,146	14,363
Deposits payable	-	-	1,690	-	-
Accrued items	-	-	-	-	103,010
Contracts payable	64,019	-	2,696	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>300,302</u>	<u>13,634</u>	<u>58,229</u>	<u>2,146</u>	<u>117,373</u>
Deferred inflows of resources:					
Lease	-	-	-	-	-
Total Deferred inflows of resources	-	-	-	-	-
Fund balances:					
Restricted:					
Special revenue projects	3,667,324	-	1,006,294	214,298	2,830,508
Committed	-	94,106	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficits)	<u>3,667,324</u>	<u>94,106</u>	<u>1,006,294</u>	<u>214,298</u>	<u>2,830,508</u>
Total liabilities and fund balances (deficits)	<u>\$ 3,967,626</u>	<u>107,740.00</u>	<u>1,064,523</u>	<u>216,444</u>	<u>2,947,881</u>

Head Start Building Maintenance	Landscape Maintenance Assessment Districts	1% PEG Program	Housing in Lieu	CASP Certification & Training	RMRA Road Road Maintenance	SB2 Building Home & Jobs Act	Total Special Revenue Funds
158,470	1,771,174	163,030	348,352	344,099	3,530,412	-	14,297,879
-	-	62,150	-	-	-	-	114,831
-	6,224	-	-	-	485,793	-	753,073
143	1,478	172	318	302	2,714	-	13,262
20,803							20,803
-	-	-	2,946,081	-	-	-	2,946,081
<u>179,416</u>	<u>1,778,876</u>	<u>225,352</u>	<u>3,294,751</u>	<u>344,401</u>	<u>4,018,919</u>	<u>-</u>	<u>18,145,929</u>
-	76,253	45,000	-	1,791	410,447	546,782	1,400,542
-	-	-	-	-	-	-	1,690
-	-	-	-	59,115	-	-	162,125
-	-	-	-	-	21,602	-	88,317
-	-	-	-	-	-	779,743	779,743
-	<u>76,253</u>	<u>45,000</u>	<u>-</u>	<u>60,906</u>	<u>432,049</u>	<u>1,326,525</u>	<u>2,432,417</u>
<u>17,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,782</u>
17,782	-	-	-	-	-	-	17,782
-	1,702,623	180,352	3,294,751	283,495	3,586,870	-	16,766,515
161,634	-	-	-	-	-	-	255,740
-	-	-	-	-	-	(1,326,525)	(1,326,525)
<u>161,634</u>	<u>1,702,623</u>	<u>180,352</u>	<u>3,294,751</u>	<u>283,495</u>	<u>3,586,870</u>	<u>(1,326,525)</u>	<u>15,695,730</u>
<u>179,416</u>	<u>1,778,876</u>	<u>225,352</u>	<u>3,294,751</u>	<u>344,401</u>	<u>4,018,919</u>	<u>-</u>	<u>18,145,929</u>

CITY OF ORANGE  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-Major Special Revenue Funds  
Year ended June 30, 2022

	Transportation System Improvement Program	EMT Transport	Gas Tax	Air Pollution Reduction	Asset Seizure
<b>REVENUES:</b>					
Taxes	\$ -	-	-	-	-
Franchise fees	-	-	-	-	-
License and permits	-	-	-	-	-
Use of money and property	(132,761)	(3,432)	(29,320)	(5,934)	11,705
Intergovernmental	-	(14,802)	3,250,448	177,224	-
Charges for services and fees	781,578	2,507,411	6,083	-	-
Other revenues	-	445	1,100	-	39,773
Total revenues	<u>648,817</u>	<u>2,489,622</u>	<u>3,228,311</u>	<u>171,290</u>	<u>51,478</u>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	95,126	-
Public safety	-	2,456,694	-	6,631	133,095
Public works	20,736	-	2,970,833	7,702	-
Community development	-	-	-	-	-
Parks and library	-	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay	1,551,952	-	418,536	3,426	142,178
Total expenditures	<u>1,572,688</u>	<u>2,456,694</u>	<u>3,389,369</u>	<u>112,885</u>	<u>275,273</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(923,871)</u>	<u>32,928</u>	<u>(161,058)</u>	<u>58,405</u>	<u>(223,795)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	300,000	-	-	-
Net change in fund balances	<u>(923,871)</u>	<u>332,928</u>	<u>(161,058)</u>	<u>58,405</u>	<u>(223,795)</u>
Fund balances (deficits), beginning of year	4,591,195	(238,822)	1,167,352	155,893	3,054,303
Fund balances (deficits), end of year	<u>\$ 3,667,324</u>	<u>94,106</u>	<u>1,006,294</u>	<u>214,298</u>	<u>2,830,508</u>

Head Start Building Maint.	Landscape Maint. Assessment Districts	1% PEG Program	Housing in Lieu	CASP Certification & Training	RMRA Road Maintenance	SB2 Building Home & Jobs Act	Total Special Revenue Funds
-	1,039,228	-	-	-	-	-	1,039,228
-	-	194,219	-	-	-	-	194,219
-	-	-	-	69,857	-	-	69,857
(5,432)	(61,205)	(5,480)	(11,890)	(11,836)	(121,930)	-	(377,515)
-	-	-	-	-	2,778,542	118,004	6,309,416
-	-	-	-	-	-	-	3,295,072
13,744	-	-	85,777	-	-	-	140,839
<u>8,312</u>	<u>978,023</u>	<u>188,739</u>	<u>73,887</u>	<u>58,021</u>	<u>2,656,612</u>	<u>118,004</u>	<u>10,671,116</u>
-	-	277,800	-	-	-	548,672	921,598
-	-	-	-	-	-	-	2,596,420
29	-	-	-	61,554	-	-	3,060,854
-	-	-	-	758	-	61,639	62,397
-	770,121	-	-	-	-	-	770,121
-	-	-	182	-	-	-	182
-	6,919	4,276	-	-	2,386,550	-	4,513,837
<u>29</u>	<u>777,040</u>	<u>282,076</u>	<u>182</u>	<u>62,312</u>	<u>2,386,550</u>	<u>610,311</u>	<u>11,925,409</u>
<u>8,283</u>	<u>200,983</u>	<u>(93,337)</u>	<u>73,705</u>	<u>(4,291)</u>	<u>270,062</u>	<u>(492,307)</u>	<u>(1,254,293)</u>
-	-	-	-	-	-	-	300,000
8,283	200,983	(93,337)	73,705	(4,291)	270,062	(492,307)	(954,293)
153,351	1,501,640	273,689	3,221,046	287,786	3,316,808	(834,218)	16,650,023
<u>161,634</u>	<u>1,702,623</u>	<u>180,352</u>	<u>3,294,751</u>	<u>283,495</u>	<u>3,586,870</u>	<u>(1,326,525)</u>	<u>15,695,730</u>



CITY OF ORANGE  
 Budgetary Comparison Schedule  
 Transportation System Improvement Program  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 22,850	22,850	(132,761)	(155,611)
Charges for services and fees	697,977	697,977	781,578	83,601
Total revenues	<u>720,827</u>	<u>720,827</u>	<u>648,817</u>	<u>(72,010)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	20,736	29,458	20,736	8,722
Capital outlay	239,830	5,027,931	1,551,952	3,475,979
Total expenditures	<u>260,566</u>	<u>5,057,389</u>	<u>1,572,688</u>	<u>3,484,701</u>
Net change in fund balances	460,261	(4,336,562)	(923,871)	3,412,691
Fund balances, beginning of year	4,591,195	4,591,195	4,591,195	-
Fund balances, end of year	<u>\$ 5,051,456</u>	<u>254,633</u>	<u>3,667,324</u>	<u>3,412,691</u>

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 EMT Transport  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	-	(3,432)	(3,432)
Intergovernmental	115,000	115,000	(14,802)	(129,802)
Charges for services and fees	2,302,080	2,302,080	2,507,411	205,331
Other revenue	-	-	445	445
Total revenues	<u>2,417,080</u>	<u>2,417,080</u>	<u>2,489,622</u>	<u>72,542</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety:				
Fire	2,540,015	2,540,015	2,456,694	83,321
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in (note 22)	300,000	300,000	300,000	-
Net change in fund balances	177,065	177,065	332,928	155,863
Fund balances (deficit), beginning of year	(238,822)	(238,822)	(238,822)	-
Fund balances (deficit), end of year	<u>\$ (61,757)</u>	<u>(61,757)</u>	<u>94,106</u>	<u>155,863</u>

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 Gas Tax  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 6,660	6,660	(29,320)	(35,980)
Intergovernmental	3,375,365	3,375,365	3,250,448	(124,917)
Charges for services and fees	-	-	6,083	6,083
Other revenues	3,000	3,000	1,100	(1,900)
Total revenues	<u>3,385,025</u>	<u>3,385,025</u>	<u>3,228,311</u>	<u>(156,714)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	3,155,367	3,155,678	2,970,833	184,845
Capital outlay	-	1,252,321	418,536	833,785
Total expenditures	<u>3,155,367</u>	<u>4,407,999</u>	<u>3,389,369</u>	<u>1,018,630</u>
Excess (deficiency) of revenues over (under) expenditures	229,658	(1,022,974)	(161,058)	861,916
Fund balances, beginning of year	<u>1,167,352</u>	<u>1,167,352</u>	<u>1,167,352</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,397,010</u>	<u>144,378</u>	<u>1,006,294</u>	<u>861,916</u>

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 Air Pollution Reduction  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 598	598	(5,934)	(6,532)
Intergovernmental	170,700	170,700	177,224	6,524
Total revenues	<u>171,298</u>	<u>171,298</u>	<u>171,290</u>	<u>(8)</u>
<b>EXPENDITURES:</b>				
Current:				
General government:				
Human Resources	120,308	120,308	95,126	25,182
Public safety:				
Police	10,000	10,000	6,631	3,369
Public works	7,704	7,704	7,702	2
Capital outlay	85,000	91,327	3,426	87,901
Total expenditures	<u>223,012</u>	<u>229,339</u>	<u>112,885</u>	<u>116,454</u>
Net changes in fund balances	(51,714)	(58,041)	58,405	116,446
Fund balances, beginning of year	155,893	155,893	155,893	-
Fund balances, end of year	<u>\$ 104,179</u>	<u>97,852</u>	<u>214,298</u>	<u>116,446</u>

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 Asset Seizure  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 15,232	15,232	11,705	(3,527)
Other revenues	104,000	104,000	39,773	(64,227)
Total revenues	<u>119,232</u>	<u>119,232</u>	<u>51,478</u>	<u>(67,754)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety:				
Police	193,780	221,925	133,095	88,830
Capital outlay	65,800	239,991	142,178	97,813
Total expenditures	<u>259,580</u>	<u>461,916</u>	<u>275,273</u>	<u>186,643</u>
Net change in fund balances	(140,348)	(342,684)	(223,795)	118,889
Fund balances, beginning of year	<u>3,054,303</u>	<u>3,054,303</u>	<u>3,054,303</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,913,955</u>	<u>2,711,619</u>	<u>2,830,508</u>	<u>118,889</u>



CITY OF ORANGE  
 Budgetary Comparison Schedule  
 Head Start Building Maintenance  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 15,598	15,598	(5,432)	(21,030)
Other revenue	-	-	13,744	-
Total revenues	<u>15,598</u>	<u>15,598</u>	<u>8,312</u>	<u>(21,030)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	9,229	9,819	29	9,790
Capital outlay	-	43,760	-	43,760
Total expenditures	<u>9,229</u>	<u>53,579</u>	<u>29</u>	<u>53,550</u>
Net change in fund balances	6,369	(37,981)	8,283	46,264
Fund balances, beginning of year, restated	<u>153,351</u>	<u>153,351</u>	<u>153,351</u>	<u>-</u>
Fund balances, end of year	<u>\$ 159,720</u>	<u>115,370</u>	<u>161,634</u>	<u>46,264</u>

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 Landscape Maintenance Assessment Districts  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 1,037,423	1,037,423	1,039,228	1,805
Use of money and property	6,706	6,706	(61,205)	(67,911)
Total revenues	<u>1,044,129</u>	<u>1,044,129</u>	<u>978,023</u>	<u>(66,106)</u>
<b>EXPENDITURES:</b>				
Current:				
Parks and library:				
Community services	1,070,661	1,070,661	770,121	300,540
Capital outlay	100,000	566,308	6,919	559,389
Total expenditures	<u>1,170,661</u>	<u>1,636,969</u>	<u>777,040</u>	<u>859,929</u>
Net change in fund balances	(126,532)	(592,840)	200,983	793,823
Fund balances, beginning of year	1,501,640	1,501,640	1,501,640	-
Fund balances, end of year	<u>\$ 1,375,108</u>	<u>908,800</u>	<u>1,702,623</u>	<u>793,823</u>

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 1% PEG Program  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Franchise fees	\$ 244,790	244,790	194,219	(50,571)
Use of money and property	948	948	(5,480)	(6,428)
Total revenues	<u>245,738</u>	<u>245,738</u>	<u>188,739</u>	<u>(56,999)</u>
<b>EXPENDITURES:</b>				
Current:				
General government:				
City manager	413,112	313,219	277,800	35,419
Capital outlay	-	4,276	4,276	-
Total expenditures	<u>413,112</u>	<u>317,495</u>	<u>282,076</u>	<u>35,419</u>
Net change in fund balances	(167,374)	(71,757)	(93,337)	(21,580)
Fund balances, beginning of year	<u>273,689</u>	<u>273,689</u>	<u>273,689</u>	<u>-</u>
Fund balances, end of year	<u>\$ 106,315</u>	<u>201,932</u>	<u>180,352</u>	<u>(21,580)</u>

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 Housing in Lieu  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 12,202	12,202	(11,890)	(24,092)
Other revenues	-	-	85,777	85,777
Total revenues	<u>12,202</u>	<u>12,202</u>	<u>73,887</u>	<u>61,685</u>
<b>EXPENDITURES:</b>				
Current:				
Economic development	182	182	182	-
Net change in fund balances	12,020	12,020	73,705	61,685
Fund balances, beginning of year	3,221,046	3,221,046	3,221,046	-
Fund balances, end of year	<u>\$ 3,233,066</u>	<u>3,233,066</u>	<u>3,294,751</u>	<u>61,685</u>

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 CASP Certification & Training  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
License and permits	\$ 65,000	65,000	69,857	4,857
Use of money and property	1,007	1,007	(11,836)	(12,843)
Total revenues	<u>66,007</u>	<u>66,007</u>	<u>58,021</u>	<u>(7,986)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	358	358	758	(400)
Public works	-	66,442	61,554	4,888
Total expenditures	<u>358</u>	<u>66,800</u>	<u>62,312</u>	<u>4,488</u>
Excess (deficiency) of revenues over (under) expenditures	65,649	(793)	(4,291)	(3,498)
Fund balances, beginning of year	287,786	287,786	287,786	-
Fund balances, end of year	<u>\$ 353,435</u>	<u>286,993</u>	<u>283,495</u>	<u>(3,498)</u>



CITY OF ORANGE  
 Budgetary Comparison Schedule  
 RMRA Road Maintenance Rehabilitation  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 2,690,690	2,690,690	2,778,542	87,852
Use of money and property	11,524	11,524	(121,930)	(133,454)
Total revenues	<u>2,702,214</u>	<u>2,702,214</u>	<u>2,656,612</u>	<u>(45,602)</u>
<b>EXPENDITURES:</b>				
Capital outlay	2,859,921	5,814,220	2,386,550	3,427,670
Total expenditures	<u>2,859,921</u>	<u>5,814,220</u>	<u>2,386,550</u>	<u>3,427,670</u>
Net change in fund balances	(157,707)	(3,112,006)	270,062	3,382,068
Fund balances, beginning of year	3,316,808	3,316,808	3,316,808	-
Fund balances, end of year	<u>\$ 3,159,101</u>	<u>204,802</u>	<u>3,586,870</u>	<u>3,382,068</u>

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 SB2-Building Homes and Jobs Act  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 345,441	345,441	118,004	(227,437)
<b>EXPENDITURES:</b>				
Current:				
City manager	-	573,935	548,672	25,263
Community development	-	145,546	61,639	83,907
Total expenditures	-	719,481	610,311	109,170
Net change in fund balances	345,441	(374,040)	(492,307)	(118,267)
Fund balances (deficit), beginning of year	(834,218)	(834,218)	(834,218)	-
Fund balances (deficit), end of year	\$ (488,777)	(1,208,258)	(1,326,525)	(118,267)

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## **Non-Major Debt Service Fund**

The following Debt Service Fund has been classified as a non-major fund in the accompanying financial statements and Budgetary Comparison Schedules:

Debt Service – This fund is used to account for the payment of principal and interest on debt of the City.

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 Debt Service Fund  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Other revenues	\$ 15,758,295	15,758,295	15,758,295	-
Total revenues	15,758,295	15,758,295	15,758,295	-
<b>EXPENDITURES:</b>				
Debt service:				
Principal	7,695,000	7,695,000	7,695,000	-
Interest	8,063,295	8,063,295	8,063,295	-
Total expenditures	15,758,295	15,758,295	15,758,295	-
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	-	-	-



## **Major and Non-Major Capital Projects Funds**

The following Capital Projects Funds have been classified as major funds in the accompanying Budgetary Comparison Schedule:

Capital Improvement – This fund is used to account for general purpose capital improvement and cooperatively funded projects.

Park Acquisition, Development and Maintenance – This fund is used to account for the acquisition, development and maintenance of parks that are financed by developer fees.

The following Capital Projects Funds have been classified as non-major funds in the accompanying financial statements and Budgetary Comparison Schedules:

Fire Facilities Fees – This fund is used to account for fees collected from the developers to improve the fire protection within specified areas.

Police Facilities Fees – This fund is used to account for fees collected from developers to construct or improve police facilities.

Library Facilities Fees – This fund is used to account for fees collected from developers to construct or improve library facilities.

Drainage District – This fund is used to account for the construction of major storm drains identified in the master plan for storm drains.

CITY OF ORANGE  
Combining Balance Sheet  
Non-Major Capital Project Funds  
June 30, 2022

	Fire Facilities Fees	Police Facilities Fees	Library Facilities Fees	Drainage District	Total Capital Projects Funds
<b>ASSETS:</b>					
Cash and investments	\$1,096,623	678,430	922,938	4,014	2,702,005
Interest receivable	1,074	599	815	3	2,491
Total assets	<u>1,097,697</u>	<u>679,029</u>	<u>923,753</u>	<u>4,017</u>	<u>2,704,496</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Accounts payable	80,791	-	-	-	80,791
Accrued items	83,655	-	-	-	83,655
Contracts payable	6,326	-	-	-	6,326
Total liabilities	<u>170,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,772</u>
Fund balances:					
Assigned:					
Capital projects	926,925	679,029	923,753	4,017	2,533,724
Total liabilities and fund balances	<u>\$1,097,697</u>	<u>679,029</u>	<u>923,753</u>	<u>4,017</u>	<u>2,704,496</u>

CITY OF ORANGE  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-Major Capital Project Funds  
Year ended June 30, 2022

	Fire Facilities Fees	Police Facilities Fees	Library Facilities Fees	Drainage District	Total Capital Project Funds
<b>REVENUES:</b>					
Use of money and property	\$ (36,966)	(23,368)	(31,635)	(137)	(92,106)
Charges for services and fees	442,971	148,405	140,976	-	732,352
Total revenues	<u>406,005</u>	<u>125,037</u>	<u>109,341</u>	<u>(137)</u>	<u>640,246</u>
<b>EXPENDITURES:</b>					
Current:					
Public safety	-	9,689	-	-	9,689
Capital outlay	1,414,805	-	73,791	-	1,488,596
Total expenditures	<u>1,414,805</u>	<u>9,689</u>	<u>73,791</u>	<u>-</u>	<u>1,498,285</u>
Net change in fund balances	(1,008,800)	115,348	35,550	(137)	(858,039)
Fund balances, beginning of year	1,935,725	563,681	888,203	4,154	3,391,763
Fund balances, end of year	<u>\$ 926,925</u>	<u>679,029</u>	<u>923,753</u>	<u>4,017</u>	<u>2,533,724</u>

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 Capital Improvement - Major Fund  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 36,932	36,932	(204,463)	(241,395)
Intergovernmental	9,403,165	1,439,395	1,971,833	532,438
Charges for services and fees	5,000	5,000	31,630	26,630
Other revenues	-	-	9,228	9,228
Total revenues	<u>9,445,097</u>	<u>1,481,327</u>	<u>1,808,228</u>	<u>326,901</u>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
City manager	300,000	300,000	281,154	18,846
Public works	500,000	1,690	980	710
Community services	9,320	9,320	5,214	4,106
Community development	-	451,673	107,798	343,875
Economic development	-	92,840	70,472	22,368
Capital outlay	18,119,944	42,852,201	20,533,037	22,319,164
Total expenditures	<u>18,929,264</u>	<u>43,707,724</u>	<u>20,998,655</u>	<u>22,709,069</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,484,167)</u>	<u>(42,226,397)</u>	<u>(19,190,427)</u>	<u>23,035,970</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Gain on sale	-	-	1,030,000	1,030,000
Transfers in	-	7,000,000	7,000,000	-
Transfers out	(237,500)	(237,500)	(237,500)	-
Total other financing sources (uses)	<u>(237,500)</u>	<u>6,762,500</u>	<u>7,792,500</u>	<u>1,030,000</u>
Net change in fund balances	<u>(9,721,667)</u>	<u>(35,463,897)</u>	<u>(11,397,927)</u>	<u>24,065,970</u>
Fund balances, beginning of year	<u>40,362,316</u>	<u>40,362,316</u>	<u>40,362,316</u>	<u>-</u>
Fund balances, end of year	<u>\$ 30,640,649</u>	<u>4,898,419</u>	<u>28,964,389</u>	<u>24,065,970</u>

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 Park Acquisition, Development and Maintenance - Major Fund  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ -	-	636,113	636,113
Use of money and property	130,989	130,989	(216,603)	(347,592)
Charges for services and fees	2,719,699	2,719,699	776,106	(1,943,593)
Total revenues	<u>2,850,688</u>	<u>2,850,688</u>	<u>1,195,616</u>	<u>(1,655,072)</u>
<b>EXPENDITURES:</b>				
Capital outlay	3,218,290	6,304,729	1,440,107	4,864,622
Net change in fund balances	(367,602)	(3,454,041)	(244,491)	3,209,550
Fund balances, beginning of year	9,117,822	9,117,822	9,117,822	-
Fund balances, end of year	<u>\$ 8,750,220</u>	<u>5,663,781</u>	<u>8,873,331</u>	<u>3,209,550</u>



CITY OF ORANGE  
 Budgetary Comparison Schedule  
 Fire Facilities Fees  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 10,289	10,289	(36,966)	(47,255)
Charges for services and fees	377,190	377,190	442,971	65,781
Total revenues	<u>387,479</u>	<u>387,479</u>	<u>406,005</u>	<u>18,526</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>325,370</u>	<u>1,975,749</u>	<u>1,414,805</u>	<u>560,944</u>
Excess (deficiency) of revenues over (under) expenditures	<u>62,109</u>	<u>(1,588,270)</u>	<u>(1,008,800)</u>	<u>579,470</u>
Net change in fund balances	62,109	(1,588,270)	(1,008,800)	579,470
Fund balances, beginning of year	<u>1,935,725</u>	<u>1,935,725</u>	<u>1,935,725</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,997,834</u>	<u>347,455</u>	<u>926,925</u>	<u>579,470</u>

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 Police Facilities Fees  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 2,562	2,562	(23,368)	(25,930)
Charges for services and fees	167,560	167,560	148,405	(19,155)
Total revenues	<u>170,122</u>	<u>170,122</u>	<u>125,037</u>	<u>(45,085)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety:				
Police	20,000	20,000	9,689	10,311
Capital outlay	300,000	371,612	-	371,612
Total expenditures	<u>320,000</u>	<u>391,612</u>	<u>9,689</u>	<u>381,923</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(149,878)</u>	<u>(221,490)</u>	<u>115,348</u>	<u>336,838</u>
Net change in fund balances	(149,878)	(221,490)	115,348	336,838
Fund balances, beginning of year	563,681	563,681	563,681	-
Fund balances, end of year	<u><u>\$ 413,803</u></u>	<u><u>342,191</u></u>	<u><u>679,029</u></u>	<u><u>336,838</u></u>

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 Library Facilities Fees  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 3,873	3,873	(31,635)	(35,508)
Charges for services and fees	221,733	221,733	140,976	(80,757)
Total revenues	<u>225,606</u>	<u>225,606</u>	<u>109,341</u>	<u>(116,265)</u>
<b>EXPENDITURES:</b>				
Capital outlay	413,000	1,148,404	73,791	1,074,613
Total expenditures	<u>413,000</u>	<u>1,148,404</u>	<u>73,791</u>	<u>1,074,613</u>
Net change in fund balances	(187,394)	(922,798)	35,550	958,348
Fund balances, beginning of year	888,203	888,203	888,203	-
Fund balances, end of year	<u>\$ 700,809</u>	<u>(34,595)</u>	<u>923,753</u>	<u>958,348</u>

CITY OF ORANGE  
 Budgetary Comparison Schedule  
 Drainage District  
 Year ended June 30, 2022

	2022			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 18	18	(137)	(155)
Net change in fund balances	18	18	(137)	(155)
Fund balances, beginning of year	4,154	4,154	4,154	-
Fund balances, end of year	<u>\$ 4,172</u>	<u>4,172</u>	<u>4,017</u>	<u>(155)</u>

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## Internal Service Funds

Internal Service Funds are used to account for the financing of special activities and services provided by one department of a government to another. The following Internal Service Funds are included in the accompanying financial statements:

Equipment Maintenance – This fund is used to account for the operating costs of the City’s rolling stock.

Equipment Replacement – This fund is used to account for the replacement costs of the City’s rolling stock.

Major Building Improvements – This fund is used to account for replacement costs of the City’s building improvements.

Workers’ Compensation – This fund is used to account for workers’ compensation claims, premiums and administrative costs, and to maintain a sinking fund for future claims.

Liability – This fund is used to account for liability claims, premiums and administrative costs.

Dental – This fund is used to maintain a sinking fund for future claims.

Employee Accrued Liability – This fund is used to account for the City’s vacation, sick and compensation time payouts for all City departments.

Information Systems – This fund is used to account for the development, administration and maintenance of the City’s information management services.

Computer Replacement – This fund is used to account for the replacement costs of the City’s computers.



CITY OF ORANGE  
Combining Statement of Net Position  
Internal Service Funds  
June 30, 2022

	Equipment Maintenance	Equipment Replacement	Major Building Improvements	Workers' Compensation
<b>ASSETS:</b>				
Current assets:				
Cash and investments	\$ -	5,244,346	741,939	3,473,155
Cash with fiscal agent	167	-	-	-
Accounts receivable	763	34,578	-	68,541
Inventories	454,391	-	-	-
Prepaid items	-	-	-	-
Noncurrent assets:				
Net pension asset	1,956,195	-	-	-
Capital asset, not depreciated	-	2,636,315	-	-
Capital assets, net	172,016	12,439,889	-	-
Total assets	<u>2,583,532</u>	<u>20,355,128</u>	<u>741,939</u>	<u>3,541,696</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred OPEB	418,482	-	-	-
Deferred pension related items	143,448	-	-	-
Total deferred outflows of resources	<u>561,930</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable	141,382	-	7,762	121,831
Accrued expenses	-	-	-	3,887
Claims payable	-	-	-	4,400,853
Pension obligation bonds	148,409	-	-	-
Contracts payable	-	-	1,394	-
Long-term liabilities:				
Due to other funds	82,938	-	-	-
Claims payable	-	-	-	10,456,190
Pension Obligation Bond	3,939,990	-	-	-
Total OPEB liability	1,774,158	-	-	-
Total liabilities	<u>6,086,877</u>	<u>-</u>	<u>9,156</u>	<u>14,982,761</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred OPEB	182,173	-	-	-
Deferred pension related items	1,350,184	-	-	-
Total deferred inflows of resources	<u>1,532,357</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION:</b>				
Investment in capital assets	172,016	15,076,204	-	-
Unrestricted	(4,645,788)	5,278,924	732,783	(11,441,065)
Total net position	<u>\$(4,473,772)</u>	<u>20,355,128</u>	<u>732,783</u>	<u>(11,441,065)</u>

<u>Self-Insurance Funds</u>		<u>Employee Accrued Liability</u>	<u>Information Systems</u>	<u>Computer Replacement</u>	<u>Totals</u>
<u>Liability</u>	<u>Dental</u>				
231,139	465,977	8,234,865	1,229,939	3,842,881	23,464,241
-	-	-	-	-	167
-	-	-	-	-	103,882
-	-	-	-	-	454,391
-	41,500	-	-	-	41,500
-	-	-	-	-	1,956,195
-	-	-	-	-	2,636,315
-	-	-	-	-	12,611,905
<u>231,139</u>	<u>507,477</u>	<u>8,234,865</u>	<u>1,229,939</u>	<u>3,842,881</u>	<u>41,268,596</u>
-	-	-	-	-	418,482
-	-	-	-	-	143,448
-	-	-	-	-	561,930
21,607	41,850	-	175,135	22,211	531,778
-	-	-	-	-	3,887
867,388	-	-	-	-	5,268,241
-	-	-	-	-	148,409
-	-	-	-	-	1,394
-	-	-	-	-	82,938
506,070	-	-	-	-	10,962,260
-	-	-	-	-	3,939,990
-	-	-	-	-	1,774,158
<u>1,395,065</u>	<u>41,850</u>	<u>-</u>	<u>175,135</u>	<u>22,211</u>	<u>22,713,055</u>
-	-	-	-	-	182,173
-	-	-	-	-	1,350,184
-	-	-	-	-	1,532,357
-	-	-	-	-	15,248,220
<u>(1,163,926)</u>	<u>465,627</u>	<u>8,234,865</u>	<u>1,054,804</u>	<u>3,820,670</u>	<u>2,336,894</u>
<u>(1,163,926)</u>	<u>465,627</u>	<u>8,234,865</u>	<u>1,054,804</u>	<u>3,820,670</u>	<u>17,585,114</u>

CITY OF ORANGE  
Combining Statement of Revenues, Expenses and Changes in Net Position  
Internal Service Funds  
Year ended June 30, 2022

	Equipment Maintenance	Equipment Replacement	Major Building Improvements	Workers' Compensation
<b>OPERATING REVENUES:</b>				
Charges for services and fees	\$ 2,693,580	505,486	-	3,853,359
Other revenues	6,803	1,930,797	-	174,567
Total operating revenues	<u>2,700,383</u>	<u>2,436,283</u>	<u>-</u>	<u>4,027,926</u>
<b>OPERATING EXPENSES:</b>				
Salaries and wages	1,012,106	-	27	222,956
Pension expense	(4,316,269)	-	-	-
Maintenance and operations	1,936,720	93,557	83,980	215,864
Contractual services	73,218	-	-	41,938
Depreciation	28,576	2,048,365	-	-
Insurance claims and charges	-	-	-	1,883,907
Total operating expenses	<u>(1,265,649)</u>	<u>2,141,922</u>	<u>84,007</u>	<u>2,364,665</u>
Operating income (loss)	<u>3,966,032</u>	<u>294,361</u>	<u>(84,007)</u>	<u>1,663,261</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Debt service:				
Interest	(118,248)	-	-	-
Cost of issuance	(4,173,737)	-	-	-
Gain (loss) on retirement of assets	-	89,613	-	-
Total nonoperating revenues/(expenses)	<u>(4,291,985)</u>	<u>179,226</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	(325,953)	383,974	(84,007)	1,663,261
Transfers in	-	3,200,000	237,500	-
Change in net position	(325,953)	3,583,974	153,493	1,663,261
Net position (deficit), beginning of year	(4,147,819)	16,771,154	579,290	(13,104,326)
Net position (deficit), end of year	<u>\$ (4,473,772)</u>	<u>20,355,128</u>	<u>732,783</u>	<u>(11,441,065)</u>

<u>Self-Insurance Funds</u>		<u>Employee Accrued Liability</u>	<u>Information Systems</u>	<u>Computer Replacement</u>	<u>Totals</u>
<u>Liability</u>	<u>Dental</u>				
2,136,331	512,864	1,751,713	3,444,912	75,811	14,974,056
60,011	-	-	-	-	2,172,178
<u>2,196,342</u>	<u>512,864</u>	<u>1,751,713</u>	<u>3,444,912</u>	<u>75,811</u>	<u>17,146,234</u>
413,449	-	1,740,770	988,165	-	4,377,473
-	-	-	-	-	(4,316,269)
229,789	11,695	46,822	109,230	765,420	3,493,077
62,545	35,814	-	1,827,014	-	2,040,529
-	-	-	-	-	2,076,941
<u>2,429,991</u>	<u>417,967</u>	<u>9,567</u>	<u>-</u>	<u>-</u>	<u>4,741,432</u>
<u>3,135,774</u>	<u>465,476</u>	<u>1,797,159</u>	<u>2,924,409</u>	<u>765,420</u>	<u>12,413,183</u>
<u>(939,432)</u>	<u>47,388</u>	<u>(45,446)</u>	<u>520,503</u>	<u>(689,609)</u>	<u>4,733,051</u>
-	-	-	-	-	(118,248)
-	-	-	-	-	(4,173,737)
-	-	-	-	-	89,613
-	-	-	-	-	(4,202,372)
<u>(939,432)</u>	<u>47,388</u>	<u>(45,446)</u>	<u>520,503</u>	<u>(689,609)</u>	<u>530,679</u>
-	-	3,500,000	-	2,350,000	9,287,500
<u>(939,432)</u>	<u>47,388</u>	<u>3,454,554</u>	<u>520,503</u>	<u>1,660,391</u>	<u>9,818,179</u>
<u>(224,494)</u>	<u>418,239</u>	<u>4,780,311</u>	<u>534,301</u>	<u>2,160,279</u>	<u>7,766,935</u>
<u>(1,163,926)</u>	<u>465,627</u>	<u>8,234,865</u>	<u>1,054,804</u>	<u>3,820,670</u>	<u>17,585,114</u>

CITY OF ORANGE  
Combining Statement of Cash Flows  
Internal Service Funds  
Year ended June 30, 2022

	Equipment Maintenance	Equipment Replacement	Major Building Improvements
Cash flows from operating activities:			
Cash received from user departments	\$ 2,658,069	2,401,704	-
Cash payments to suppliers for goods and services	(1,877,876)	32,497	(91,780)
Cash payments to employees for services	(1,275,729)	-	(7,374)
Cash received (paid) for other activities	(44,424)	(154,078)	-
Net cash provided by (used for) operating activities	<u>(539,960)</u>	<u>2,280,123</u>	<u>(99,154)</u>
Net cash flows from noncapital financing activities:			
Transfers in (out) from other funds	-	3,200,000	237,500
Net cash provided by noncapital financing activities	<u>-</u>	<u>3,200,000</u>	<u>237,500</u>
Cash flows from capital and related financing:			
Acquisition and construction of capital assets	-	(4,109,844)	-
Net increase (decrease) in cash and cash equivalents	(539,960)	1,370,279	138,346
Cash and cash equivalents at beginning of year	540,127	3,874,067	603,593
Cash and cash equivalents at end of year	<u>\$ 167</u>	<u>5,244,346</u>	<u>741,939</u>
Cash flows from operating activities:			
Operating income (loss)	\$ 3,966,032	294,361	(84,007)
Adjustments to reconcile operating income/(loss) to net cash provided by (used for) operating activities:			
Depreciation	28,576	2,048,365	-
Changes in assets and liabilities:			
(Increase) decrease in inventory	(43,599)	-	-
(Increase) decrease in accounts receivable	1,284	(34,579)	-
Increase (decrease) in accounts payable	3,920	(28,024)	(15,147)
Increase (decrease) in Pension obligation bond	(4,404,831)	-	-
Increase (decrease) in net pension liability	(6,204,785)	-	-
Increase (decrease) in OPEB liability	7,680	-	-
Increase (decrease) in deferred inflows	1,522,252	-	-
Increase (decrease) in deferred outflows	4,500,573	-	-
Increase (decrease) in due to other funds	82,938	-	-
Increase (decrease) in claims payable	-	-	-
Total adjustments	<u>(4,505,992)</u>	<u>1,985,762</u>	<u>(15,147)</u>
Net cash provided by (used for) operating activities	<u>\$ (539,960)</u>	<u>2,280,123</u>	<u>(99,154)</u>

Workers' Compensation	Self-Insurance Funds		Employee Accrued Liability	Information Systems	Computer Replacement	Totals
	Liability	Dental				
4,039,017	2,198,599	512,864	1,751,713	3,444,912	75,811	17,082,689
(4,150,949)	(3,046,318)	(444,407)	(15,208)	(1,832,319)	(690,975)	(12,117,335)
(222,956)	(413,473)	-	(1,740,769)	(988,165)	-	(4,648,466)
(161,869)	(94,009)	(11,695)	(46,822)	(109,036)	(52,809)	(674,742)
(496,757)	(1,355,201)	56,762	(51,086)	515,392	(667,973)	(357,854)
-	-	-	3,500,000	-	2,350,000	9,287,500
-	-	-	3,500,000	-	2,350,000	9,287,500
-	-	-	-	-	-	(4,109,844)
(496,757)	(1,355,201)	56,762	3,448,914	515,392	1,682,027	4,819,802
3,969,912	1,586,340	409,215	4,785,951	714,547	2,160,854	18,644,606
3,473,155	231,139	465,977	8,234,865	1,229,939	3,842,881	23,464,408
1,663,261	(939,432)	47,388	(45,446)	520,503	(689,609)	4,733,051
-	-	-	-	-	-	2,076,941
-	-	-	-	-	-	(43,599)
11,092	2,257	-	-	-	-	(19,946)
7,714	(25,439)	9,374	(5,640)	(5,111)	21,636	(36,717)
-	-	-	-	-	-	(4,404,831)
-	-	-	-	-	-	(6,204,785)
-	-	-	-	-	-	7,680
-	-	-	-	-	-	1,522,252
-	-	-	-	-	-	4,500,573
-	-	-	-	-	-	82,938
(2,178,824)	(392,587)	-	-	-	-	(2,571,411)
(2,160,018)	(415,769)	9,374	(5,640)	(5,111)	21,636	(5,090,905)
(496,757)	(1,355,201)	56,762	(51,086)	515,392	(667,973)	(357,854)



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# *Statistical Section*



CITY OF ORANGE  
Statistical Section

This part of the City’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends <i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	136
Revenue Capacity <i>These schedules contain information to help the reader assess the City’s most significant revenue source, property tax.</i>	146
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and its ability to issue additional debt in the future.</i>	152
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i>	159
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services it provides and the activities it performs.</i>	161

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF ORANGE  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year			
	2022	2021	2020	2019
Governmental activities:				
Invested in capital assets	683,891,043	685,927,045	674,673,211	668,898,000
Restricted for:				
Specific projects and programs	50,065,919	44,321,446	42,194,380	40,509,831
Unrestricted	(174,372,427)	(186,982,262)	(183,258,010)	(160,066,933)
Total governmental act.net position	<u>559,584,535</u>	<u>543,266,229</u>	<u>533,609,581</u>	<u>549,340,898</u>
Business-type activities:				
Net investment in capital assets	131,949,626	131,443,618	129,356,837	130,464,008
Unrestricted	5,392,793	1,639,357	622,689	(833,151)
Total business-type act. net position	<u>137,342,419</u>	<u>133,082,975</u>	<u>129,979,526</u>	<u>129,630,857</u>
Primary government:				
Net investment in capital assets	815,840,668	817,370,663	804,030,048	799,362,008
Restricted for:				
Specific projects and programs	50,065,919	44,321,446	42,194,380	40,509,831
Unrestricted	(168,979,634)	(185,342,905)	(182,635,321)	(160,900,084)
Total primary gov't net position	<u>696,926,954</u>	<u>676,349,204</u>	<u>663,589,107</u>	<u>678,971,755</u>

(1) In 2016 the Sanitation Fund was reclassified from a Governmental activity to a Business-type activity

Fiscal Year					
2018	2017	2016 <sup>(1)</sup>	2015	2014	2013
658,706,056	643,259,170	632,246,033	691,177,418	690,214,241	680,071,465
40,833,934	43,175,076	50,288,584	56,695,286	58,195,215	72,390,829
(147,206,248)	(103,909,743)	(104,017,007)	(115,036,341)	69,801,995	48,255,167
<u>552,333,742</u>	<u>582,524,503</u>	<u>578,517,610</u>	<u>632,836,363</u>	<u>818,211,451</u>	<u>800,717,461</u>
132,924,641	134,136,742.0	137,600,598	66,354,962	62,656,018	60,319,081
(3,721,768)	2,174,136.0	2,606,432.0	3,876,072	18,512,931	15,701,571
<u>129,202,873</u>	<u>136,310,878</u>	<u>140,207,030</u>	<u>70,231,034</u>	<u>81,168,949</u>	<u>76,020,652</u>
791,630,697	777,395,912	769,846,631	757,532,380	752,870,259	740,390,546
40,833,934	43,175,076	50,288,584	56,695,286	58,195,215	72,390,829
(150,928,016)	(101,735,607)	(101,410,575)	(111,160,269)	88,314,926	63,956,738
<u>681,536,615</u>	<u>718,835,381</u>	<u>718,724,640</u>	<u>703,067,397</u>	<u>899,380,400</u>	<u>876,738,113</u>

CITY OF ORANGE  
Changes in Net Position - Governmental Activities  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year		
	2022	2021	2020
<b>Expenses:</b>			
General government	13,171,835	18,961,388	19,426,844
Public safety	91,321,077	102,189,315	106,839,054
Public works	22,820,124	25,264,533	14,683,383
Community development	3,304,024	5,280,546	5,174,978
Parks and library	17,810,698	17,161,257	17,048,393
Economic development	4,562,019	465,809	849,150
Health and sanitation	-	-	-
Interest on long-term debt	7,850,113	5,097,209	-
Debt Service-principal	677,074	-	-
Total governmental activities expenses	161,516,964	174,420,057	164,021,802
<b>Program revenues:</b>			
<b>Charges for services:</b>			
Public safety	8,229,685	7,233,973	8,444,493
Community development	3,655,955	2,973,252	3,105,770
Sanitation	-	-	-
Other activities	10,233,437	8,100,014	14,732,822
Operating grants and contributions	19,559,089	19,358,516	5,650,779
Capital grants and contributions	7,934,114	12,631,485	8,026,570
Total governmental activities program revenues	49,612,280	50,297,240	39,960,434
Net program revenues (expenses)	(111,904,684)	(124,122,817)	(124,061,368)
<b>General revenues and other changes in net position:</b>			
<b>Taxes:</b>			
Property taxes	50,960,121	48,272,714	46,274,506
Sales tax	54,702,920	56,577,610	47,215,228
Transient occupancy taxes	5,253,351	1,834,447	3,990,266
Franchise taxes	2,871,612	2,791,170	2,819,979
Other taxes	26,039	30,466	23,361
Use of money and property	(2,755,656)	1,534,758	4,158,758
State motor vehicle in lieu (unrestricted)	-	-	-
Other general revenues	32,636,552	4,478,646	3,847,953
Extraordinary items	4,030,000	-	-
Total general revenues and other changes in net position	147,724,939	115,519,811	108,330,051
Changes in net position - governmental activities	35,820,255	(8,603,006)	(15,731,317)

(1) In 2016 the Sanitation Fund was reclassified from a Governmental activity to a Business-type activity



Fiscal Year						
2019	2018	2017	2016 <sup>(1)</sup>	2015	2014	2013
16,046,573	12,469,911	12,901,270	11,523,233	11,043,299	8,745,250	8,650,762
91,261,509	91,221,804	74,753,184	68,091,154	68,074,704	64,237,453	66,030,873
18,465,238	18,449,207	21,174,647	15,343,879	18,432,374	19,408,557	17,469,905
5,280,071	5,419,811	4,753,861	3,651,913	3,760,037	3,487,860	3,463,631
17,791,196	18,243,140	15,632,111	12,867,558	14,226,553	12,585,457	12,618,550
1,195,781	2,667,779	2,371,172	2,615,785	2,026,364	797,263	295,633
-	-	-	-	4,677,346	4,232,920	4,517,124
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>150,040,368</u>	<u>148,471,652</u>	<u>131,586,245</u>	<u>114,093,522</u>	<u>122,240,677</u>	<u>113,494,760</u>	<u>113,046,478</u>
6,578,160	7,412,945	7,115,563	7,227,522	6,594,312	6,960,513	6,497,674
8,438,051	2,250,135	2,476,758	2,825,885	2,144,006	2,054,395	1,863,250
-	-	-	-	4,642,609	5,108,090	4,890,178
8,812,877	7,727,691	7,310,803	10,687,277	5,889,501	9,796,993	6,114,917
3,340,401	4,562,365	4,161,061	4,397,657	5,110,904	4,827,666	6,904,603
7,881,907	4,388,460	5,726,683	3,845,044	3,355,657	4,658,990	5,358,521
<u>35,051,396</u>	<u>26,341,596</u>	<u>26,790,868</u>	<u>28,983,385</u>	<u>27,736,989</u>	<u>33,406,647</u>	<u>31,629,143</u>
<u>(114,988,972)</u>	<u>(122,130,056)</u>	<u>(104,795,377)</u>	<u>(85,110,137)</u>	<u>(94,503,688)</u>	<u>(80,088,113)</u>	<u>(81,417,335)</u>
44,237,113	42,385,253	39,907,869	26,733,026	24,378,818	23,605,854	27,450,047
52,300,499	45,082,151	46,102,329	45,789,026	43,928,900	40,343,068	37,879,514
5,399,992	5,476,167	5,413,495	5,211,752	4,545,827	3,851,012	3,819,199
2,821,430	2,831,378	2,755,030	3,076,891	3,157,617	2,950,916	3,029,552
31,682	31,440	39,235	58,043	37,067	41,159	37,242
5,077,128	1,753,319	1,572,433	2,248,055	1,629,390	1,782,285	858,028
-	-	-	11,951,577	11,313,325	10,837,071	10,443,766
4,118,151	5,075,459	11,510,192	5,274,621	3,160,624	3,102,953	1,158,960
-	-	1,501,687	7,900,901	15,605,368	10,449,117	(1,497,975)
<u>113,985,995</u>	<u>102,635,167</u>	<u>108,802,270</u>	<u>108,243,892</u>	<u>107,756,936</u>	<u>96,963,435</u>	<u>83,178,333</u>
<u>(1,002,977)</u>	<u>(19,494,889)</u>	<u>4,006,893</u>	<u>23,133,755</u>	<u>13,253,248</u>	<u>16,875,322</u>	<u>1,760,998</u>

CITY OF ORANGE  
Changes in Net Position - Business-type Activities  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year			
	2022	2021	2020	2019
Expenses:				
Water	36,818,407	35,983,197	35,010,074	33,532,078
Sanitation	6,670,133	7,860,697	8,486,309	8,153,404
Total Expenses	<u>43,488,540</u>	<u>43,843,894</u>	<u>43,496,383</u>	<u>41,685,482</u>
Program revenues:				
Charges for services:				
Water	40,369,251	38,899,703	35,425,788	33,358,746
Sanitation	8,318,717	8,012,849	7,754,294	7,866,374
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	180,500
Total program revenues	<u>48,687,968</u>	<u>46,912,552</u>	<u>43,180,082</u>	<u>41,405,620</u>
Net Program revenues (expenses)	<u>5,199,428</u>	<u>3,068,658</u>	<u>(316,301)</u>	<u>(279,862)</u>
General revenues and other changes in net position:				
Use of money and property	(939,984)	34,791	664,970	707,846
Others	-	-	-	-
Total general revenues and other	<u>(939,984)</u>	<u>34,791</u>	<u>664,970</u>	<u>707,846</u>
Changes in net position - business-type activities	<u><u>4,259,444</u></u>	<u><u>3,103,449</u></u>	<u><u>348,669</u></u>	<u><u>427,984</u></u>

(1) In 2016 the Sanitation Fund was reclassified from a Governmental activity to a Business-type activity

Fiscal Year					
2018	2017	2016 <sup>(1)</sup>	2015	2014	2013
33,413,891	29,293,848	25,302,258	28,440,276	27,914,474	26,153,824
7,926,974	7,761,578	7,591,850	-	-	-
41,340,865	37,055,426	32,894,108	28,440,276	27,914,474	26,153,824
32,419,133	28,192,880	25,733,212	28,795,052	30,870,221	29,329,940
7,838,429	4,408,670	4,353,379	-	-	-
-	72,327	-	-	-	-
-	-	462,951	385,000	2,382,000	-
40,257,562	32,673,877	30,549,542	29,180,052	33,252,221	29,329,940
(1,083,303)	(4,381,549)	(2,344,566)	739,776	5,337,747	3,176,116
41,164	92,860	240,646	156,077	185,232	32,130
-	392,537	-	-	-	-
41,164	485,397	240,646	156,077	185,232	32,130
(1,042,139)	(3,896,152)	(2,103,920)	895,853	5,522,979	3,208,246

CITY OF ORANGE  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year			
	2022	2021	2020	2019
General fund:				
Nonspendable	102,858	101,737	87,818	160,760
Committed	20,667,960	18,259,654	-	-
Assigned	3,115,614	2,928,780	-	-
Unassigned	21,234,508	25,568,686	32,313,009	38,610,758
Total general fund	<u>45,120,940</u>	<u>46,858,857</u>	<u>32,400,827</u>	<u>38,771,518</u>
All other governmental funds:				
Nonspendable		-	-	-
Restricted	49,810,179	44,321,446	42,194,380	40,509,831
Committed	255,740	4,740,268	5,269,093	6,154,780
Assigned	40,371,444	52,871,901	31,184,214	29,603,940
Unassigned	(1,608,382)	(1,856,633)	(2,053,907)	(1,593,498)
Total all other governmental funds	<u>88,828,981</u>	<u>100,076,982</u>	<u>76,593,780</u>	<u>74,675,053</u>

Fiscal Year					
2018	2017	2016 <sup>(1)</sup>	2015	2014	2013
95,178	88,269	88,354	109,731	105,777	104,969
-	-	-	-	-	-
-	-	-	-	-	-
34,763,378	35,810,692	34,732,497	31,493,563	34,262,063	29,150,885
34,858,556	\$ 35,898,961	\$ 34,820,851	31,603,294	34,367,840	29,255,854
-	-	-	-	-	32,973,321
40,833,934	43,175,076	50,288,584	56,695,286	58,195,215	23,669,922
7,398,168	7,737,725	7,886,387	13,486,748	13,850,031	13,836,833
29,224,001	39,584,296	34,414,429	31,626,222	14,240,824	10,247,492
(1,989,867)	-	-	-	-	963,179
75,466,236	90,497,097	92,589,400	101,808,256	86,286,070	81,690,747

CITY OF ORANGE  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year			
	2022	2021	2020	2019
<b>Revenues:</b>				
Taxes	110,942,447	106,715,236	97,503,362	101,969,285
Franchise fees	2,871,611	2,791,170	2,819,979	2,821,431
Licenses and permits	6,669,254	5,550,237	5,780,011	5,846,046
Use of money and property	(2,775,150)	1,533,906	4,121,085	5,077,127
Intergovernmental	27,482,163	33,085,279	13,638,969	11,584,134
Charges for services and fees	13,515,236	11,243,519	18,699,180	15,924,806
Fines and forfeitures	1,942,715	1,485,230	1,772,867	2,194,948
Gas tax exchange	-	-	-	-
Other revenues	20,252,480	4,483,183	3,661,149	4,108,287
<b>Total Revenues</b>	<b>180,900,756</b>	<b>166,887,760</b>	<b>147,996,602</b>	<b>149,526,064</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	11,134,810	15,518,693	16,680,796	13,460,308
Public safety	90,723,202	88,567,963	85,168,745	80,275,211
Public works	13,033,667	10,901,569	11,062,997	11,209,853
Community development	3,404,436	4,844,971	4,842,271	4,538,371
Parks and library	16,188,815	14,581,024	14,763,471	14,840,900
Economic development	4,457,229	420,264	435,243	1,037,149
Health and sanitation	-	-	-	-
Gas tax exchange	-	-	-	-
Capital outlay	32,146,704	24,762,286	17,107,265	18,370,773
<b>Debt service:</b>				
Principal	8,452,778	237,778	237,778	92,339
Interest	9,250,095	947,783	-	-
<b>Total expenditures</b>	<b>188,791,736</b>	<b>160,782,331</b>	<b>150,298,566</b>	<b>143,824,904</b>
Excess (deficiency) of revenues over (under) expenditures	(7,890,980)	6,105,429	(2,301,964)	5,701,160
<b>Other Financing sources (uses):</b>				
Loan proceeds	-	-	-	570,619
Lease proceeds	118,528	-	-	-
Gain on sale of property	4,030,000	-	-	-
Transfers in	7,300,000	5,847,783	-	2,000,000
Transfers out	(16,587,500)	(8,027,783)	(2,150,000)	(5,150,000)
Bond proceeds	-	295,582,983	-	-
Payment to pension liability	-	(259,566,751)	-	-
Cost of issuance	-	(2,000,429)	-	-
<b>Total other financing sources (uses)</b>	<b>(5,138,972)</b>	<b>31,835,803</b>	<b>(2,150,000)</b>	<b>(2,579,381)</b>
Extraordinary gain/(loss)	-	-	-	-
<b>Net change in fund balances</b>	<b>(13,029,952)</b>	<b>37,941,232</b>	<b>(4,451,964)</b>	<b>3,121,779</b>
Debt service as a percentage of noncapital expenditures	11.30%	0.72%	0.17%	0.07%

(1) In 2016 the Sanitation Fund was reclassified from a Governmental activity to a Business-type activity



Fiscal Year					
2018	2017	2016 <sup>(1)</sup>	2015	2014	2013
\$ 92,975,011	91,462,928	77,791,847	72,890,611	67,841,093	69,186,002
2,831,378	2,755,030	3,076,891	3,157,618	2,950,916	3,029,552
4,846,681	4,966,017	5,443,388	4,080,299	4,473,533	4,009,413
1,753,319	1,572,433	2,248,055	1,629,390	1,780,461	851,805
9,016,736	9,727,861	20,125,635	20,574,583	20,703,372	19,564,084
10,703,009	10,978,973	14,311,067	13,740,393	17,774,897	13,800,248
1,852,674	1,706,291	1,725,785	2,190,664	2,341,032	2,383,191
-	-	-	-	-	1,399,992
4,783,149	11,495,612	4,732,645	2,640,918	3,022,791	3,599,606
<u>128,761,957</u>	<u>134,665,145</u>	<u>129,455,313</u>	<u>120,904,476</u>	<u>120,888,095</u>	<u>117,823,893</u>
11,488,962	11,369,206	11,059,999	9,750,112	7,137,074	6,846,453
75,704,854	72,292,753	70,304,539	65,620,597	63,914,038	64,873,258
10,351,948	10,099,229	9,732,287	9,942,108	9,593,548	8,800,587
4,545,422	4,651,614	4,086,895	3,735,548	3,536,074	3,447,753
14,575,737	13,835,002	12,464,990	12,796,867	11,272,908	11,399,670
2,354,318	2,115,151	2,519,124	557,096	711,397	404,757
-	-	-	4,595,026	4,259,091	4,443,690
-	-	-	-	-	1,399,992
23,596,982	18,601,383	12,103,521	11,654,340	11,225,325	9,538,315
-	-	-	-	-	-
-	-	-	-	-	-
<u>142,618,223</u>	<u>132,964,338</u>	<u>122,271,355</u>	<u>118,651,694</u>	<u>111,649,455</u>	<u>111,154,475</u>
<u>(13,856,266)</u>	<u>1,700,807</u>	<u>7,183,958</u>	<u>2,252,782</u>	<u>9,238,640</u>	<u>6,669,418</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,042,261	3,765,260	1,500,000	3,025,395	105,000	1,855,759
(3,257,261)	(6,480,260)	(2,952,143)	(7,069,316)	(255,000)	(2,950,759)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(2,215,000)</u>	<u>(2,715,000)</u>	<u>(1,452,143)</u>	<u>(4,043,921)</u>	<u>(150,000)</u>	<u>(1,095,000)</u>
-	-	31,406	14,548,779	-	(1,497,975)
<u>\$ (16,071,266)</u>	<u>(1,014,193)</u>	<u>5,763,221</u>	<u>12,757,640</u>	<u>9,088,640</u>	<u>4,076,443</u>
0.00%	0.00%	0.00%	0.00%	0.00%	

CITY OF ORANGE  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year Ended June 30	City			Total Direct Tax Rate
	Secured	Unsecured	Taxable Assessed Value	
2013	15,739,584,990	798,565,340	16,538,150,330	0.113%
2014	16,296,788,989	888,670,895	17,185,459,884	0.143%
2015	17,047,541,092	900,737,944	17,948,279,036	0.132%
2016	18,044,868,280	923,910,674	18,968,778,954	0.125%
2017	18,745,544,867	820,730,838	19,566,275,705	0.132%
2018	19,781,317,411	816,774,617	20,598,092,028	0.129%
2019	20,805,169,196	864,502,376	21,669,671,572	0.131%
2020	21,855,913,285	988,437,454	22,844,350,739	0.129%
2021	22,722,807,195	923,182,436	23,645,989,631	0.145%
2022	23,683,281,478	1,099,996,267	24,783,277,745	0.138%

**Notes:**

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Secured and Unsecured Assessed Value are net of exemptions. Total direct tax rate is calculated using total property tax collections within the fiscal year divided by the taxable assessed value.

Source: Orange County Auditor-Controller

[http://acweb1.ocgov.com/ac/txfdr\\_Civica/av/AssessedValuations1\\_egov.asp?title=0280](http://acweb1.ocgov.com/ac/txfdr_Civica/av/AssessedValuations1_egov.asp?title=0280)

Former Redevelopment Agency				Total for Primary Government
Secured	Unsecured	Taxable Assessed Value	Total Direct Tax Rate	Total Direct Tax Rate
-	-	-	-	0.217%
-	-	-	-	0.143%
-	-	-	-	0.132%
-	-	-	-	0.125%
-	-	-	-	0.132%
-	-	-	-	0.129%
-	-	-	-	0.131%
-	-	-	-	0.129%
				0.145%
				0.138%

CITY OF ORANGE  
 Direct and Overlapping Property Tax Rates  
 (Rate per \$100 assessed value)  
 Last Ten Fiscal Years

	Fiscal Year		
	2022	2021	2020
Basic levy	1.0000	1.0000	1.0000
Overlapping Rates:			
School Services:			
North Orange County Community College District	0.02877	0.03198	0.02409
No. OC Comm. College Dist. 2002 Bond	-	-	-
Rancho Santiago Community College District	0.02652	0.02768	0.02818
Anaheim Elementary School District	0.06321	0.06595	0.06595
Anaheim High School District	0.03804	0.03971	0.03968
Santa Ana Unified School District	-	-	-
Orange USD Series 2018 2016	0.01656	0.01664	0.02288
Placentia Yorba Linda Unified	-	-	-
Tustin Unified School District SFID No. 2002-1	0.06523	0.07102	0.06376
Garden Grove Unified 2010 Series A & B	-	-	-
Total School Services	<u>0.23833</u>	<u>0.25298</u>	<u>0.24454</u>
Metropolitan Water District	0.00350	0.0035	0.00350
Irvine Ranch Water District	<u>0.05001</u>	<u>0.05001</u>	<u>0.06901</u>
Total Direct Rate	<u><u>1.29184</u></u>	<u><u>1.30649</u></u>	<u><u>1.31705</u></u>

**Notes:**

The above information is for the entire City, which includes the former Redevelopment Agency for fiscal years through 2012

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of various bonds.

Source: HdL Coren & Cone

Fiscal Year						
2019	2018	2017	2016	2015	2014	2013
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.02828	0.02927	0.02885	0.03043	0.01704	0.01704	0.01902
0.00001	-	-	-	-	-	-
0.02875	0.03013	0.04945	0.03063	0.05078	0.03334	0.03241
0.05059	0.04502	0.04461	0.04227	0.02867	0.05848	0.05382
0.04244	0.02211	0.04259	0.04948	0.02412	0.02620	0.02858
-	-	0.06377	-	0.06869	0.07359	0.07749
0.02685	-	-	-	-	-	-
-	-	-	-	0.05822	0.06525	0.06203
0.06687	0.06873	0.07001	0.07751	0.06955	0.08912	0.06729
-	-	-	-	0.04148	0.03703	0.03135
0.24379	0.19526	0.29928	0.23032	0.35855	0.40005	0.37199
0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
0.06901	0.06901	0.02803	0.02803	0.02803	0.05581	0.05581
1.31630	1.26777	1.33081	1.26185	1.39008	1.45936	1.43130

CITY OF ORANGE  
Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	2022		2013	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	(1) Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Orange City Mills LP	\$ 326,486,993 *	1.32%	135,734,650	0.82%
Irvine Company LLC	168,623,139	0.68%	147,610,742	0.89%
St Joseph Hospital of Orange	149,679,905	0.60%	107,152,084	0.65%
Children's Hospital of Orange County	142,075,419	0.57%	-	-
Bex Portfolio Inc	139,390,660	0.56%	-	-
City Tower Properties LLC	123,296,822	0.50%	-	-
OC OET Owner LLC	122,870,442 *	0.50%	-	-
TPP-LPW Som Property LLC	117,845,838 *	0.48%	-	-
Mainstay Main Place LP	100,995,585 *	0.41%	-	-
Orange Center Tower Owner LLC	97,234,009 *	0.39%	-	-
Passco TVO-S LLC	-	0.00%	115,526,706	0.70%
Bre Properties Inc	-	0.00%	97,883,318	0.59%
Maguire Properties City Tower	-	0.00%	67,843,024	0.41%
Wilshire Tower Apartments LLC	-	0.00%	67,745,373	0.41%
3091 Chapman Ave Apts Investors	-	0.00%	66,708,000	0.40%
GPI-OCS LLC	-	0.00%	65,302,564	0.39%
Orange County Realty Investors LLC	-	0.00%	64,260,000	0.39%
	<u>\$ 1,488,498,812</u>	<u>6.01%</u>	<u>935,766,461</u>	<u>5.66%</u>

(1) Includes assessed value data for both the City and the former Redevelopment Agency

\* Pending appeals on parcels

Source: HdL Coren & Cone



CITY OF ORANGE  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within Fiscal Year of Levy		Collections for Prior Fiscal Years	Refunds of Prior Year Collections/ Appeals	Total Collections within the Fiscal Year	
		Amount	Percent of Levy			Amount	Percent of Levy
2013	43,951,814	24,316,343	55.33%	419,911	(240,221)	24,496,033	55.73%
2014	42,528,174	23,525,755	55.32%	260,303	(180,204)	23,605,854	55.51%
2015	44,363,564	23,749,253	53.53%	218,294	(232,532)	23,735,015	53.50%
2016	45,251,635	25,697,372	56.79%	204,687	(154,193)	25,747,866	56.90%
2017	38,241,617	26,551,729	69.43%	194,368	(156,033)	26,590,064	69.53%
2018	40,644,711	28,338,995	69.72%	174,216	(112,829)	28,400,382	69.87%
2019	42,770,704	29,572,421	69.14%	170,111	(166,907)	29,575,625	69.15%
2020	44,635,001	30,747,643	68.89%	180,209	(101,066)	30,826,786	69.06%
2021	41,994,760	32,699,503	77.87%	243,898	(611,668)	32,331,733	76.99%
2022	48,623,035	34,141,966	70.22%	245,581	(142,219)	34,245,328	70.43%

**Notes:**

Information not available from the County of Orange for delinquent taxes by levy year. Therefore, the City has opted to report delinquent taxes by collection year.

Source: Orange County Auditor-Controller

CITY OF ORANGE  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			MWDOC	Business-type Activities	
	Pension Obligation Bonds	Lease Revenue Bonds	Total Governmental Activities		Pension Obligation Bonds	Total Business-type Activities
2013	-	-	-	125,000	-	125,000
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	265,478,776	29,930,000	295,408,776	-	21,006,224	21,006,224
2022	258,348,004	29,410,000	287,758,004	-	20,441,996	20,441,996

**Notes:**

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See the Schedule of Demographic and Economic Statistics for personal income. These ratios are calculated using city population times county per capita personal income for two years prior (e.g., 2012 amount is calculated using 2010 data).

<sup>2</sup> Based on latest per capita income information available. See the Schedule of Demographic and Economic Statistics for population data.

<u>Total Total Primary Government</u>	<u>Percentage of Personal Income <sup>1</sup></u>	<u>Debt Per Capita <sup>2</sup></u>
125,000	0.00%	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
316,415,000	3.09%	2,303
308,200,000	2.76%	2,239

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**CITY OF ORANGE**  
**Direct and Overlapping Debt**  
**June 30, 2022**

2021-22 Assessed Valuation: \$24,783,277,745

	Total Debt		City's Share of
	<u>6/30/2022</u>	<u>% Applicable (1)</u>	<u>Debt 6/30/22</u>
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Metropolitan Water District	\$20,175,000	0.730 %	\$147,278
Irvine Ranch Water District, Improvement District No. 125	167,113,074	0.907	1,515,716
Irvine Ranch Water District, Improvement District No. 225	242,588,694	0.009	21,833
Irvine Ranch Water District, Improvement District No. 153-253	19,084,683	0.059	11,260
North Orange County Joint Community College District	209,339,039	0.133	278,421
Rancho Santiago Community College District	196,772,727	27.773	54,649,689
Anaheim Union High School District	256,268,955	0.384	984,073
Anaheim School District	253,610,063	0.655	1,661,146
Tustin Unified School District School Facilities Improvement District No. 2002-1	44,035,000	0.053	23,339
Tustin Unified School District School Facilities Improvement District No. 2008-1	79,340,000	0.053	43,637
Tustin Unified School District School Facilities Improvement District No. 2012-1	35,595,000	0.055	13,526
Orange Unified School District	277,865,000	0.038	166,316,096
Orange Unified School District Community Facilities District No. 2005-1	5,525,000	59.855	5,525,000
Orange Unified School District Community Facilities District No. 2005-2	5,095,000	100	5,095,000
City of Orange Community Facilities District No. 91-2	18,492,000	100	18,492,000
City of Orange Community Facilities District No. 06-1	21,255,000	100	21,255,000
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$276,033,014</b>
<b><u>OVERLAPPING GENERAL FUND DEBT:</u></b>			
Orange County General Fund Obligations	\$376,780,000	3.636 %	\$13,699,721
Orange County Pension Obligations Bonds	521,784,000	3.636	18,972,066
Orange County Board of Education Certificates of Participation	11,620,000	3.636	422,503
North Orange County Regional Occupation Program Certificates of Participation	8,200,000	0.137	11,234
Orange Unified School District Certificates of Participation and Benefit Obligations	30,670,000	59.855	46,705,023
Anaheim Union High School District Certificates of Participation	29,410,000	0.384	117,773
<b>City of Orange General Fund Obligations</b>	<b>29,410,000</b>	<b>100</b>	<b>29,410,000</b>
<b>City of Orange Pension Obligation Bonds</b>	<b>278,790,000</b>	<b>100</b>	<b>278,790,000</b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$388,128,320</b>
<b><u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u></b>			
City of Orange Tax Allocation Bonds	\$31,130,000	100 %	\$31,130,000
Orange County Neighborhood Redevelopment Project Area Tax Allocation Bonds	790,000	0.409	3,231
<b>TOTAL OVERLAPPING TAX INCREMENT DEBT</b>			<b>\$31,133,231</b>
<b>TOTAL DIRECT DEBT</b>			<b>\$308,200,000</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$387,094,565</b>
<b>COMBINED TOTAL DEBT (2)</b>			<b>\$695,294,565</b>

1. The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
2. Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2020-21 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	0.95%
<b>Total Direct Debt</b>	<b>1.34%</b>
Combined Total Debt	2.78%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$4,878,927,259):

Total Overlapping Tax increment Debt	0.72%
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CITY OF ORANGE  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

	Fiscal Year			
	2022	2021	2020	2019
Assessed valuation	\$ 24,783,277,745	23,645,989,631	22,844,350,739	21,669,671,572
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	6,195,819,436	5,911,497,408	5,711,087,685	5,417,417,893
Debt limit percentage	15%	15%	15%	15%
Debt limit	929,372,915	886,724,611	856,663,153	812,612,684
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>929,372,915</u>	<u>886,724,611</u>	<u>856,663,153</u>	<u>812,612,684</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%



Fiscal Year					
2018	2017	2016	2015	2014	2013
20,598,092,028	19,566,275,705	18,968,778,954	17,948,279,036	17,185,459,884	16,538,150,330
25%	25%	25%	25%	25%	25%
5,149,523,007	4,891,568,926	4,742,194,739	4,487,069,759	4,296,364,971	4,134,537,583
15%	15%	15%	15%	15%	15%
772,428,451	733,735,339	711,329,211	673,060,464	644,454,746	620,180,637
-	-	-	-	-	-
<u>772,428,451</u>	<u>733,735,339</u>	<u>711,329,211</u>	<u>673,060,464</u>	<u>644,454,746</u>	<u>620,180,637</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF ORANGE  
Demographic and Economic Statistics  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Population <sup>1,5</sup>	Personal Income (expressed in thousands) <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	Public School Enrollment <sup>3,6</sup>	Unemployment Rate <sup>4</sup>
2013	138,792	169,792,810	54,519	15,417	5.7%
2014	139,279	173,305,650	55,096	15,147	4.6%
2015	140,094	183,052,341	57,749	14,982	4.2%
2016	140,761	196,920,661	62,071	14,581	4.3%
2017	140,882	208,653,019	65,400	14,256	4.0%
2018	141,952	220,684,684	69,268	14,072	3.0%
2019	141,691	221,803,099	69,951	13,958	3.0%
2020	140,065	236,303,451	74,618	13,852	8.2%
2021	137,366	256,700,438	81,034	13,105	2.8%
2022	137,676	*	*	13,187	*

Sources:

<sup>1</sup> State of California, Department of Finance

<sup>2</sup> U.S. Department of Commerce, Bureau of Economic Analysis (data shown is for the County)

<sup>3</sup> Orange Unified School District region

<sup>4</sup> State of California, Employment Development Department

<sup>5</sup> In fiscal year 2015-16, information was revised to improve accuracy

<sup>6</sup> In fiscal year 2019-20, enrollment data is from February 2020 due to school closure from March through June 2020 due to COVID-19.

\* Not available at time of printing

CITY OF ORANGE  
Principal Employers  
Current Year and Nine Years Ago

Employer	2022		2013	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
UCI Medical Center	4,995	6.52%	4,000	5.69%
CHOC Children's Hospital	3,938	5.14%	2,400	3.41%
St. Joseph Hospital of Orange	3,500	4.57%	3,853 <sup>(1)</sup>	5.48%
Chapman University	1,300	1.70%	800	1.14%
Western Dental Services, Inc.		0.00%	-	-
Santiago Canyon College	950	1.24%	490	70.00%
CalOptima Health Plans	930	1.21%	-	0.00%
City of Orange	620	0.81%	796	1.13%
Chapman Integrated Healthcare Holdings	700	0.91%	-	-
Orange County Transportation Authority	500	0.65%	990	1.41%
AECOM Technology Corp	454	0.59%	-	-
National Oilwell Varco-Rig Solutions	-	-	800	1.14%
Sybron Dental Specialists	-	-	610	87.00%
California Choice	-	-	490	70.00%

**Notes:**

"Total Employment" as used above represents the total employment of all employers located within City limits.

<sup>1</sup> Includes Outpatient Pavilion

Source: Inside Prospects, Inc.

CITY OF ORANGE  
Full-Time Equivalents  
by Function  
Last Ten Fiscal Years

Function	Full-Time Equivalents as of June 30									
	2022	2021	2020	2019	2018*	2017*	2016*	2015*	2014*	2013*
<b>Governmental Activities:</b>										
General Government (2)	55	60	59	61	71	72	72	75	75	75
Public Safety	407	386	388	386	410	412	412	412	412	411
Public Works	87	73	71	66	68	67	67	67	74	74
Community Development	24	33	33	32	36	36	36	36	36	36
Parks and Library	113	105	105	106	109	109	111	109	107	105
Economic Development	1	1	1	3	-	-	-	-	-	-
Sanitation (1)	-	-	-	-	-	-	-	21	15	21
Subtotal governmental activities	687	658	657	654	694	696	698	720	719	722
<b>Business-Type Activities:</b>										
Water	46	51	51	53	45	45	45	45	44	46
Sanitation (1)	18	18	18	22	21	21	21			
Subtotal business-type activities	64	69	69	75	66	66	66	45	44	46
<b>Total activities</b>	<b>751</b>	<b>727</b>	<b>726</b>	<b>729</b>	<b>760</b>	<b>762</b>	<b>764</b>	<b>765</b>	<b>763</b>	<b>768</b>

\* Includes budgeted but frozen positions

(1) In fiscal year 2015-16, the Sanitation fund was reclassified as a Business-Type Activity

(2) In fiscal year 2018-19, Information Technology transferred from contract to in-house

Source: City of Orange

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**CITY OF ORANGE**  
**Operating Indicators by Department**  
**Last Ten Fiscal Years**

	Fiscal Year			
	2022	2021	2020	2019
<b>City Attorney:</b>				
Number of claims/cases handled	453	234	413	534
Number of resolutions/ordinances/agreements	342	396	312	292
<b>City Clerk:</b>				
Number of passports processed <sup>(1, 3)</sup>	1,634	1,106	1,726	2,686
Number of documents scanned <sup>(4)</sup>	-	2,423	5,890	7,168
Number of public records requested <sup>(4)</sup>	1,203	1,014	538	394
<b>Finance:</b>				
Number of business licenses issued	20,678	20,849	20,771	20,659
Number of water accounts billed	35,492	36,508	36,456	36,490
<b>Human Resources:</b>				
Number of recruitments held	123	83	68	100
Number of applications processed	7,622	7,051	5,725	10,744
<b>Library:</b>				
Number of items checked out <sup>(2)</sup>	209,915	266,537	402,449	418,033
Number of library cards issued <sup>(5)</sup>	5,173	61,107	60,209	56,992
Number of patrons/visitors	217,211	76,152	339,659	422,142
<b>Fire:</b>				
<b>Number of calls:</b>				
Medical	13,014	11,789	13,426	12,592
Fire	845	729	709	692
Other	2,496	2,291	2,348	2,218
Number of inspections performed	4,864	3,421	4,004	5,612
<b>Police:</b>				
Number of calls for service	91,179	88,853	92,730	108,371
Number of arrests	5,339	5,715	4,589	5,353
<b>Public Works:</b>				
Lane miles of streets resurfaced	27	22	22	23
Miles of streets swept	39,664	39,664	39,664	39,664
<b>Building Division:</b>				
Number of permits issued	3,676	3,576	3,406	3,396
Combined construction valuation	\$ 192,982,847	\$ 158,963,749	\$ 174,844,204	\$ 156,630,767
<b>Water Division:</b>				
Number of active water connections	36,508	36,508	36,485	36,435
Million gallons of daily average distribution	24	24	24	24
<b>Sanitation Division:</b>				
Number of active sewer connections	33,667	33,662	33,647	33,950
Number of catch basins inspected	1,985	1,985	1,985	1,985
<b>Community Services:</b>				
Number of contract classes held <sup>(3)</sup>	611	278	863	1,201
Total participants at all activities/events <sup>(3)</sup>	878,457	32,039	622,373	1,000,000

**Notes:**

<sup>1</sup> In Fiscal Year 2015-16, information was revised to improve accuracy.

<sup>2</sup> In Fiscal Year 2016-17, information was revised to improve accuracy.

<sup>3</sup> In 2019-20 and 2020-21, passports issued and classes/activities held were reduced due to COVID-19

<sup>4</sup> Effective in 2020-21 we have revised our operating indicators to include public records requested, rather than documents scanned. The public records information was not available for years prior to 2017-18.

<sup>5</sup> Effective in 21-22 we changed the reporting to the number of library cards issued, rather than the total number of library cards

Source: City of Orange



Fiscal Year					
2018	2017	2016	2015	2014	2013
414	428	441	486	790	384
288	240	288	269	367	257
2,611	3,183	2,669	1,837	1,530	1,288
4,658	2,544	2,184	2,220	2,810	3,089
230	N/A	N/A	N/A	N/A	N/A
20,659	20,487	20,721	20,190	19,991	19,699
35,216	35,388	35,380	35,174	35,166	35,153
81	87	60	60	52	47
7,193	7,590	8,968	6,717	9,881	8,189
536,202	541,270	616,388	643,791	688,716	647,818
55,644	57,078	59,162	59,316	60,063	61,282
413,582	426,861	469,700	502,276	534,686	510,864
12,463	12,048	12,327	9,416	9,051	9,938
688	664	622	355	365	538
2,457	2,336	3,022	1,843	1,813	1,904
4,999	6,868	6,866	5,970	5,518	6,959
109,192	100,876	99,728	103,793	98,148	99,967
5,667	4,568	4,771	4,683	4,558	4,424
24	37	35	28	26	34
37,617	40,766	39,850	40,180	32,219	32,219
3,552	4,229	4,153	3,803	3,497	2,733
\$ 132,814,044	\$ 114,940,690	\$ 235,315,312	\$ 106,328,212	\$ 163,884,728	\$ 74,830,424
36,431	36,391	36,372	36,347	36,332	36,324
25	23	21	26	29	28
33,956	33,951	33,950	33,943	33,513	33,511
1,910	1,983	1,983	1,952	1,970	1,959
1,188	1,044	1,148	1,212	1,864	1,858
1,060,872	1,060,893	918,805	934,188	909,192	593,693

ublic

CITY OF ORANGE  
Capital Asset Statistics by Department  
Last Ten Fiscal Years

	Fiscal Year			
	2022	2021	2020	2019
<b>Library:</b>				
Number of libraries	3	3	3	3
Number of books & other items held <sup>1</sup>	168,012	202,641	192,927	196,198
<b>Fire:</b>				
Number of fire stations	8	8	8	8
Number of vehicles in fleet	62	62	59	58
<b>Police:</b>				
Number of stations/sub-stations	2	2	2	2
Number of vehicles in fleet	133	131	132	133
<b>Public Works:</b>				
Streets (in miles)	324	324	324	324
Number of streetlights	7,842	7,842	7,836	7,836
Number of traffic signals	158	158	157	157
Number of street trees	20,000	20,000	19,716	22,000
<b>Water Division:</b>				
Number of wells	12	12	12	12
Water mains (in miles)	445	445	446	446
Number of hydrants	4,434	4,431	4,450	4,439
<b>Sanitation Division:</b>				
Miles of sewer lines/storm drains	422	422	422	436
<b>Facilities Maintenance Division:</b>				
Number of city buildings owned	82	82	82	82
Square feet of city buildings <sup>2</sup>	533,384	533,384	533,384	533,384
Number of other city vehicles	277	275	275	274
<b>Community Services:</b>				
Number of parks	22	22	22	22
Acres of parkland <sup>1</sup>	267	267	260	260
Number of community pools	2	2	2	2

**Notes:**

<sup>1</sup> In Fiscal Years 2022, 2021, 2019 and 2014, information was revised to improve accuracy.

<sup>2</sup> In Fiscal Year 2017, information was revised to improve accuracy.

Fiscal Year					
2018	2017	2016	2015	2014	2013
3	3	3	3	3	3
218,688	231,715	223,161	212,373	209,128	266,487
8	8	8	8	8	8
58	58	58	58	57	54
2	2	2	2	2	2
132	132	132	132	128	128
324	324	331	328	328	327
7,836	3,182	3,182	3,125	2,926	2,780
157	157	157	157	156	155
22,000	22,000	22,000	20,430	19,728	19,528
12	14	17	16	16	17
462	462	452	452	452	451
4,434	4,389	4,417	4,410	4,413	4,411
436	436	436	436	436	436
82	82	82	82	82	82
512,000	512,000	529,995	529,995	529,995	529,995
272	271	271	236	241	241
22	22	22	22	22	22
258	258	258	258	258	252
2	2	2	2	2	2

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